ARIZONA METALS CORP.

INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS

FOR THREE AND SIX MONTHS ENDED JUNE 30, 2021

Introduction

The following interim Management Discussion & Analysis ("MD&A") of Arizona Metals Corp. ("AMC" or the "Company") for the three and six months ended June 30, 2021 has been prepared to provide material updates to the business operations, liquidity and capital resources of the Company since its last annual management discussion & analysis, being the Management Discussion & Analysis ("Annual MD&A") for the fiscal year ended December 31, 2020. This MD&A does not provide a general update to the Annual MD&A, or reflect any non-material events since the date of the Annual MD&A.

This MD&A has been prepared in compliance with section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – *Continuous Disclosure Obligations*. This discussion should be read in conjunction with the Company's Annual MD&A, audited annual financial statements for the years ended December 31, 2020 and 2019, together with the notes thereto, and unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 2021, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's unaudited condensed interim consolidated financial statements and the financial information contained in this Interim MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee. The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting. Accordingly, information contained herein is presented as of August 30, 2021, unless otherwise indicated.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors (the "Board"), considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of AMC common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Description of Business

Prior to August 1, 2019, the Company was classified as a Capital Pool Company ("CPC") under TSX-V Policy 2.4. On August 1, 2019, the Company completed a reverse take-over transaction ("Transaction") with Croesus Gold Corp. ("Croesus") wherein the Company acquired 100% of the issued and outstanding common shares of Croesus and became a mineral exploration company based in Toronto, Ontario. The Company operates in one industry segment; its principal business activities are the exploration and development of mineral resource properties in Arizona.

AMC owns, through its wholly-owned subsidiaries, 100% of the Kay Mine Project (the "Kay Mine Project"), located in Yavapai County, Arizona, USA and 100% of the Sugarloaf Peak Gold Project (the "Sugarloaf Peak Project") located in La Paz County, Arizona, USA.

Incorporation and Corporate Profile

The Company was initially incorporated under the name "Ring The Bell Capital Corp." under the *Canada Business Corporations Act* (the "CBCA") on June 28, 2017. The Company completed an Initial Public Offering ("IPO") on the TSX Venture Exchange ("TSX-V") on March 6, 2018 for 3,200,000 common shares for gross proceeds of $800,000. The common shares were listed on the TSX-V and commenced trading on March 9, 2018 under the stock symbol RTB.P.

On August 1, 2019, the Company completed the Transaction with Croesus wherein the Company acquired 100% of the issued and outstanding common shares of Croesus by way of a three-cornered amalgamation. Pursuant to the Transaction, Croesus shareholders acquired control of the Company. While the Company was the legal acquirer of Croesus, for accounting purposes the acquirer in the Transaction was Croesus.

In connection with the Transaction, the Company filed Articles of Amendment effective July 31, 2019, consolidating the common shares of the Company on a 2.5:1 basis and changing its name to "Arizona Metals Corp." The Company currently trades on the TSX-V under the symbol "AMC".

On August 6, 2020, the Company began trading on the OTCQB under the ticker "AZMCF" and moved to the OTCQX in January 2021.

Mineral Exploration Properties

The technical information contained in this MD&A has been prepared in accordance with Canadian regulatory requirements set out in National Instrument 43-101 – *Standards for Disclosure for Mineral Projects* ("NI 43-101") and reviewed and approved by David Smith, CPG, Vice-President of Exploration of the Company and a "Qualified Person" as defined under NI 43-101.

Kay Mine

The Company, through an indirect wholly-owned subsidiary, owns 100% of approximately 1,330 acres of patented and unpatented claims covering and surrounding the past-producing Kay Mine, located in Yavapai County, Arizona, approximately 50 miles north of Phoenix. The Kay Mine Project claims are not subject to any royalties. The Kay Mine Project hosts an historic resource estimate, defined by Exxon Minerals Company (Fellows, 1982) of 6.4 million short tons at a grade of 2.2% copper, 2.8g/t gold, 3.03% zinc, and 55g/t silver. This historic estimate has not been verified as a current mineral resource. None of the key assumptions, parameters, and methods used to prepare the historic estimate were reported, and no resource categories were used. Significant data compilation, re-drilling and data verification may be required by a Qualified Person before the historic estimate can be verified and upgraded in accordance with current NI 43-101 standards. A Qualified Person has not done sufficient work to classify it as a current mineral resource, and Arizona Metals is not treating the historic estimate as a current mineral resource.

The Kay Mine Project is a steeply dipping VMS deposit that has been defined from a depth of 150m to at least 900m. It is open for expansion on strike and at depth.

The Company completed its Phase 1 drill program at the Kay Mine Project in the second quarter of 2020. The Phase 1 drill program encountered massive sulphides in 19 of 20 holes and further improved the understanding of the geological model of the Kay Mine deposit, and identified a number of new high-priority drill targets.

In January 2021, the Company entered into a purchase option and sale agreement to acquire 100% of six parcels of patented land totaling 107 acres, located 900 metres northeast of its Kay Mine Project. The total purchase price for these parcels was US$2,250,000 in cash and the acquisition was completed in May 2021.

In January 2021, the Company commenced the Phase 2 expansion drill program in the Kay Mine Project. Initially the Phase 2 drill program was intended to consist of drilling of up to 11,000m in 29 core drill holes to test for new VMS lenses in anticlinal hinge zones identified to the north and south of Phase 1 drilling, as well as the up-plunge and down-plunge extensions of known hinges. On April

5, 2021 the Company, concurrently with the announcement of its $15,000,000 bought deal private placement offering (see below under the heading "Operational Highlights"), announced the increase of the Phase 2 expansion drill program to 75,000m. The Phase 2 expansion drill program is fully-funded. In February 2021, a second drill rig was mobilized to the Kay Mine Project, and in June 2021 a third core drill rig was delivered to the project. The Phase 2 expansion drill program is expected to be completed in the second half of 2022.

In May 2021, the Company announced the discovery of a new gold-rich zone of open-ended mineralization at the Kay Mine Project, in an area previously untested by historic drilling or exploration.

On June 28, 2021 the Company filed an updated technical report on the Kay Mine Project entitled "NI 43-101 Technical Report, Kay Mine Project, Yavapai County, Arizona, USA", dated June 23, 2021 (effective date May 21, 2021) (the "Kay Mine Technical Report") prepared by Highlands Geoscience LLC and Ethos Geological LLC. The highlights of the Kay Mine Technical Report include discussion of the completed Phase 1 drill program as well as the results of the Phase 2 drill program received to the effective date of the technical report. Drilling by the Company reported to the end of June 2021 has confirmed grades and locations of historic mineralization and outlined a massive sulfide deposit approximately 350 m long and over 700 m deep. Drilled widths vary between <1 m and 90 m, with approximate true width of mineralization estimated to be 65-97% of reported core width, averaging 80%. Thinner portions are interpreted as fold limbs, and wider portions as thickened fold hinges, and the deposit is open in all directions.

Current Plans Related to the Kay Mine

The Company's current plan for the Kay Mine Project is the completion of the Phase 2 expansion drill program, which is expected to be completed during the second half of 2022. The Company has no current commitments for capital expenditures on the Kay Mine Project. The following table summarizes the expenditures by the Company on the Phase 2 expansion drill program to June 30, 2021, and the total estimated costs to completion of the drill program:

Plans for the Project	Planned Expenditures (rounded) $	Spent June 30, 2021 (rounded) $	Remaining Cost to completion (rounded) $
Phase 2 expansion drill program (HQ core drilling, all-in cost)	25,560,000	5,500,000	20,060,000
Other exploration expenditures(1)	1,750,000	491,000	1,259,000
TOTAL	**27,310,000**	**5,991,000**	**21,319,000**

Notes:
(1) Includes geological mapping, geochemical and geophysical work on additional targets, metallurgical test work, permitting, and environmental costs, but does not include general corporate and administrative expenses (including salaries, consulting fees, insurance and professional fees).

Sugarloaf Peak Project

The Company, through an indirect wholly-owned subsidiary, owns 100% of the Sugarloaf Peak Project, which is located on 4,412 acres of BLM claims in La Paz County, Arizona.

There are no current gold resource estimates on the Sugarloaf Peak Project however there are two historic conceptual resource opinions of "about 100 million tons containing 1.5 million ounces gold" (Dausinger, 1983, Westworld (as defined below)) and 60 million tons (Dausinger, 1987, Westworld) at a grade of 0.02 ounces per short tonne. The historical conceptual resource opinions at the Sugarloaf Peak Project were reported by what is now Westworld Inc. ("Westworld") in 1983 (Dausinger, N.E., 1983, Phase I Drill Program and Evaluation of Gold-Silver Potential, Sugarloaf Peak Project, Quartzsite, Arizona: Report for Westworld, Inc.) and 1987 Dausinger, N.E., 1987, Sugarloaf Peak Project, La Paz County, Arizona: Report for Westworld, Inc.), respectively. The historic conceptual resource opinions have not been verified as a current mineral resource. None of the key assumptions, parameters, and methods used to prepare the historic estimate were reported, and no resource categories were used. Significant data compilation, re-drilling and data verification may be required by a Qualified Person before the historic conceptual resource opinions can be verified and upgraded in accordance with current NI 43-101 standards. A Qualified Person has not done sufficient work to classify it as a current mineral resource, and Arizona Metals is not treating the historical conceptual resource opinions as a current mineral resource.

Additional drilling totaling 4,400m was completed by Riverside Resources Inc. ("Riverside") and Choice Gold between 2009 and 2012. A Titan-24 geophysical survey was also undertaken during this period.

In August 2020, the Company announced the start of its Phase 1 drill program at the Sugarloaf Peak Project. The Phase 1 drill program was completed in December 2020.

The advancement of exploration at the Kay Mine Project is the Company's primary focus, and the Company intends to maintain the Sugarloaf Peak Project in good standing until final results of metallurgical testing on the Phase 1 core drill program have been reviewed.

In June 2021, the Company announced that the bottle roll metallurgical testing on drill holes completed in the 2020 Phase 1 drill program at the Sugarloaf Peak Project demonstrated gold recoveries averaging 76%, from surface to 111 m. Column testing is currently underway, with results expected by the end of 2021.

On June 28, 2021 the Company filed an updated technical report in respect of the Sugarloaf Peak Project entitled "NI 43-101 Technical Report on the Sugarloaf Peak Gold Project La Paz County, Arizona", dated June 16, 2021, (the "Sugarloaf Peak Technical Report") prepared by Highlands Geoscience LLC and Ethos Geological LLC. The Qualified Persons responsible for the Sugarloaf Peak Technical Report are David S. Smith, MS, MBA, CPG, of Highlands Geoscience LLC and Vice-President, Exploration for the Company, and Scott Close, MSc, PGeo, of Ethos Geological LLC.

Current Plans Related to the Sugarloaf Peak Project

The Company's current plans for the Sugarloaf Peak Project consist of maintaining the project in good standing until the metallurgical testing on the drill results from the 2020 Phase 1 drill program is completed in order to confirm whether to proceed with a Phase 2 drill program as proposed in the Sugarloaf Peak Technical Report. The following table summarizes the Company's current plans at the Sugarloaf Peak Project and the total estimated costs. The Company expects to complete metallurgical testing on the results from its Phase I drill program at the Sugarloaf Peak Project by the end of 2021.

Plans for the Project	Planned Expenditures (rounded) $	Spent to date $	Remaining Funds to Spend or (excess) $
Care and maintenance	50,000	26,000	24,000
Metallurgical testing	100,000	50,000	50,000
TOTALS	**150,000**	**76,000**	**74,000**

Operational Highlights

On January 26, 2021, the Company closed a non-brokered private placement of 10,526,315 common shares of the Company at $0.95 per common share for gross proceeds of $10,000,000. In connection with the offering, the Company paid cash finders' fees totaling $211,787 and other share issuance cost of $59,693.

On February 8, 2021, the Company granted 200,000 stock options to directors of the Company with an exercise price of $1.00 per share, expiring five years from the date of issuance. The stock options vested immediately upon issuance.

On April 22, 2021, the Company completed a bought-deal private placement offering (the "Offering") of 10,000,000 special warrants ("Special Warrants") of the Company at a price of $2.10 per special warrant for aggregate gross proceeds of $21,000,000 which included the exercise in full of the underwriters' option. Each special warrant was deemed to be exercised, without payment of additional consideration of further action by the holders of Special Warrants, for 1 unit (a "Unit") of the Company, on June 30, 2021, the date which was two business days following the receipt by the Company of a receipt for its final short form prospectus filed on June 28, 2021 (the "Short Form Prospectus").

The Offering was conducted by a syndicate of underwriters co-led by Stifel GMP and Clarus Securities Inc., and included Cormark Securities Inc., Beacon Securities Limited and Agentis Capital Markets Canada Limited Partnership (the "Underwriters").

Each Unit consisted of 1 common share of the Company and one-half of 1 common share purchase warrant (a "Warrant"). Each whole Warrant entitles the holder to purchase one common share of the Company at $3.00 per warrant until April 22, 2022.

In connection with the Offering, the Company paid cash commissions and other issue costs totaling $1,534,360 and issued an aggregate of 525,442 broker warrants. Each broker warrant is exercisable into one (1) Unit of the Company at a price of $2.10 per unit until April 22, 2022.

Discussion of Operations

Three Months Ended June 30, 2021 Compared to Three Months Ended June 30, 2020

For the three months ended June 30, 2021, the Company's net loss was $4,850,966 compared to $2,571,576 for the three months ended June 30, 2020. The increase in net loss is a result of the following:

- Exploration and evaluation expenditures increased to $4,256,017 for the three months ended June 30, 2021 (2020 - $1,388,774) due to increased level of exploration activities at the Kay Mine Project as a result of the expanded Phase 2 expansion drill program.

- Business development increased to $126,782 for the three months ended June 30, 2021 (2020 - $nil) due to increased investor relations and marketing.

- Share-based payments decreased to $33,316 for the three months ended June 30, 2021 (2020 - $850,207). Share-based payments will vary based on the vesting of stock options.

Six Months Ended June 30, 2021 Compared to Six Months Ended June 30, 2020

For the six months ended June 30, 2021, the Company's net loss was $10,096,022 compared to $4,127,318 for the six months ended June 30, 2020. The increase in net loss is a result of the following:

- Exploration and evaluation expenditures increased to $8,919,117 for the six months ended June 30, 2021 (2020 - $2,751,455) due to increased level of exploration activities at the Kay Mine Project as a result of the expanded Phase 2 expansion drill program, in addition to the acquisition of six parcels of patented land during the period.

- Business development increased to $187,730 for the six months ended June 30, 2021 (2020 - $nil) due to increased investor relations and marketing.

- Share-based payments decreased to $269,840 for the six months ended June 30, 2021 (2020 - $850,207). Share-based payments will vary based on the vesting of stock options.

Capital Management

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including primarily the completion of its mineral exploration programs, and also funding of future growth opportunities, and the pursuit of accretive acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

The Company considers its capital to be equity, comprising share capital, reserves and deficit, which at June 30, 2021 totaled $25,902,613 (December 31, 2020 - $4,596,754).

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on activities related to its mineral properties. Selected information is provided to the Board of Directors.

As the Company does not have a credit facility, the Company is not currently subject to any capital requirements imposed by a lending institution or regulatory body. The Company expects that its capital resources will be sufficient to discharge its liabilities as of the current statement of financial position date.

There were no changes in the Company's process, policies and approach to capital management during the period ended June 30, 2021.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than TSX-V which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of six (6) months. As of June 30, 2021, the Company believes it is compliant with the policies of the TSX-V.

Off-Balance-Sheet Arrangements

As of the date of this MD&A, the Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the financial performance or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

Commitments and Contingencies

Environmental contingencies

The Company's mineral exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Management contracts

The Company is party to certain employment contracts. These contracts require that additional payments of approximately $900,000 be made upon the occurrence of a change of control or termination without cause. As a triggering event has not taken place, the contingent payments have not been reflected in these consolidated financial statements.

Liquidity and Capital Resources

At June 30, 2021, the Company had $27,139,668 in cash (December 31, 2020 - $3,885,930).

At June 30, 2021, accounts payable and accrued liabilities were $2,265,602 (December 31, 2020 - $188,449). The Company's cash balance as at June 30, 2021 is sufficient to pay these liabilities.

The Company has no operating revenues and therefore must utilize its funds from financing transactions to maintain its capacity to meet ongoing operating activities.

As of June 30, 2021 and to the date of this MD&A, the cash resources of the Company are held with one Canadian chartered bank. The Company has no variable interest rate debt and its credit and interest rate risk is minimal. Accounts payable and accrued liabilities are short-term and non-interest-bearing.

Cash used in operating activities were $7,793,608 for the six months ended June 30, 2021. Operating activities were affected by a net loss of $10,096,022 offset partially by share-based payments of $269,840 and the net change in non-cash working capital balances of $ 2,032,574 due to the changes in sales tax recoverable, prepaid expenses and accounts payable and accrued liabilities.

Cash used in investing activities were $84,695 for the six months ended June 30, 2021. Investing activities consisted of payment of reclamation bonds.

Cash provided by financing activities were $31,132,041 for the six months ended June 30, 2021, which included gross proceeds from private placements share issuance of $10,000,000, special warrants issuance of $21,000,000, exercise of warrants of $1,734,881 and exercise of stock options of $203,000, offset by cost of issue of $1,805,840.

As of June 30, 2021, based on current projections, the Company's working capital of $25,668,034 is sufficient to meet its planned business objectives. The table below outlines the Company's previously disclosed planned use of net proceeds of financing (other than working capital), the actual expenditures as at June 30, 2021 and expected remaining expenditures to the completion of the Phase 2 expansion drill program at the Kay Mine Project, expected in the second half of 2022.

Use of Capital	Estimated Expenses(1) $	Current total Estimated Expenses(2) $	Spent to date (approx.) $	Estimated Remaining Expenses (approx.) $
Exploration Expenditures at the Kay Mine Project Phase 2 expansion drilling (all-in cost)	25,560,000	25,560,000	5,500,000	20,060,000
Other Exploration Expenditures(3)	750,000	1,750,000	491,000	1,259,000
Sugarloaf Peak Project Care and maintenance	50,000	50,000	26,000	24,000
Metallurgical testing	-	100,000	50,000	50,000
General corporate expenses(4)	1,000,000	1,750,000	907,000	843,000
TOTALS	**27,360,000**	**29,110,000**	**6,974,000**	**22,236,000**

Notes:
(1) As originally estimated and disclosed in the Short Form Prospectus.
(2) Based on the best estimate of management as at the date of this MD&A.
(3) Includes geological mapping, geochemical and geophysical work on additional targets, metallurgical test work, permitting, and environmental costs, but does not include general corporate and administrative expenses (including salaries, consulting fees, insurance and professional fees).
(4) General, corporate and administrative expenses which include but are not limited to salaries and consulting fees, insurance and professional fees.

The increased estimated costs are as a result of industry-wide cost inflation and a variety of other factors, however the Company does not consider the variances to be material nor does it expect them to impact the ability of the Company to achieve its stated business objectives and milestones.

Trends and Economic Conditions

Management regularly monitors economic financial market conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longer-term strategic decisions. Unit recently, equity markets in the junior resource exploration sector have been difficult. To date, the Company has been able to raise sufficient capital to fund exploration programs on both properties. Due to the worldwide COVID-19 pandemic, material uncertainties may arise that could influence management's going concern assumption. Management cannot accurately predict the future impact COVID-19 may have on:

- Global commodity prices;
- Demand for gold and copper and the ability to explore for gold and copper
- The severity and the length of potential measures taken by governments to manage the spread of the virus, and their effect on labour availability and supply lines;
- Availability of government supplies, such as water and electricity;
- Purchasing power of the Canadian dollar; and
- Ability to obtain funding.

At the date of this Interim MD&A, neither the Canadian federal government, the United States federal government or the State of Arizona have introduced measures that have directly impeded the operational activities of the Company. Management believes the business will continue and, accordingly, the current situation has not impacted management's going concern assumption. However, it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

Although the Company believes that the pandemic will not impact the Company's ability to maintain its operations, the future impacts of the pandemic on its operations cannot be predicted as many of the factors are not within the control of the Company. The extent to which the coronavirus may impact the Company's business activities will depend on future developments, such as the geographic spread of the disease, the duration of an outbreak, travel restrictions, business disruptions, and the effectiveness of actions taken in Canada, the United States of America and other countries to contain and treat the disease. These events are highly uncertain and as such, the Company cannot determine their impact at this time.

The Company may face future disruption to operations, supply chain delays, travel and trade restrictions and impact on economic activity in affected countries or regions can be expected and can be difficult to quantify. Such pandemics or diseases represent a serious threat to maintaining a skilled workforce and could be a major health-care challenge for the Company. There can be no assurance that the Company's personnel will not be impacted by these pandemics. In addition, the COVID-19 pandemic created a slowdown in the global economy. The duration of the COVID-19 outbreak and the resultant travel restrictions, social distancing, government response actions, business closures and business disruptions, can all have an impact on the Company's operations and access to capital. There can be no assurance that the Company will not be impacted by adverse consequences that may be brought about by the COVID-19 pandemic on global financial markets that may reduce commodity prices, share prices and financial liquidity and thereby that may severely limit the financing capital available to the Company.

Apart from these factors and the risk factors noted under the heading "Risk Factors" and under "Commitments and Contingencies", management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

Transactions with Related Parties

Related parties include the Board of Directors, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions.

Remuneration of directors and key management personnel of the Company was as follows:

	Three Months Ended June 30, 2021 $	Three Months Ended June 30, 2020 $	Six Months Ended June 30, 2021 $	Six Months Ended June 30, 2020 $
Salaries and benefits	158,665	90,130	280,300	171,350
Share-based payments	Nil	708,702	196,076	708,702
Professional fees	16,161	18,171	26,995	29,103
Legal fees	208,609	143,203	260,610	197,334
	383,435	**960,206**	**736,981**	**1,106,489**

Included in professional fees is $16,161 and $26,995, respectively (three and six months ended June 30, 2020 - $18,171 and $29,103, respectively) paid to Marrelli Support Services Inc. ("MSSI") for Eric Myung, an employee of MSSI, to act as the Chief Financial Officer ("CFO") of the Company and bookkeeping services. As at June 30, 2021, $2,318 (December 31, 2020 - $2,318) was owed to MSSI and this amount was included in accounts payable and accrued liabilities. The amount owing is unsecured, non-interest bearing with no fixed terms of repayment.

A director of the Company is a partner in a law firm that provides services on a recurrent basis to the Company. During the three and six months ended June 30, 2021, the Company incurred legal fees of $53,197 and $84,551, respectively (three and six months ended June 30, 2020 - $83,203) included in professional fees and share issuance costs of $155,412 and $176,059, respectively (three and six months ended June 30, 2020 - $60,000 and $114,131, respectively) to this law firm. As of June 30, 2021, included in accounts payable and accrued liabilities is an amount of $304,663 (December 31, 2020 - $11,966) owing to this law firm. The amount owing is unsecured, non-interest bearing with no fixed terms of repayment.

During the six months ended June 30, 2020, related parties have subscribed for a total of 700,000 common shares for aggregate gross proceeds of $350,000.

Risk Factors

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. Please refer to the section entitled "Risk Factors" in the Company's Annual MD&A for the fiscal year ended December 31, 2020 available on SEDAR at www.sedar.com.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, investment fluctuations, and commodity and equity prices. The COVID-19 pandemic and its economic consequences have an extenuating impact on the current volatility of financial markets. Market conditions will cause fluctuations in the fair values of financial assets classified as held-for-trading, or available-for-sale and cause fluctuations in the fair value of future cash flows for assets or liabilities classified as held-to-maturity, loans or receivables and other financial liabilities. The

Company is not exposed to significant interest rate risk as the Company has no variable interest bearing debt. The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in gold and metal prices. Management closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Pandemic Risk

The outbreak and spread of COVID-19, declared a pandemic by the World Health Organization, has already had significant human, political, and economic consequences around the world. COVID-19 is still evolving, and its full impact remains to be determined. However, its effects include financial market volatility, interest rate cuts, disrupted movement of people and diminished consumer confidence. The effects of the coronavirus may be difficult to assess or predict with meaningful precision both generally and as an industry- or issuer-specific basis. This is an uncertain issue where actual effects will depend on many factors beyond the control of the Company.

Disclosure of Internal Controls

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence in that (i) the unaudited condensed interim financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited condensed interim financial statements, and (ii) the unaudited condensed interim financial statements fairly present in all material respects the financial condition, financial performance and cash flow of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing this certificate do not make any representations relating to the establishment and maintenance of:

(i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

(ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of unaudited condensed interim financial statements for external purposes in accordance with the issuer's generally accepted accounting principles (IFRS).

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Forward-Looking Statements

Certain information included in this discussion may constitute forward-looking statements. Readers are cautioned not to put undue reliance on forward-looking statements. These statements relate to future events or the Company's future performance, business prospects or opportunities. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These forward-looking statements include statements regarding the future price of gold, the timing and amount of estimated future production, costs of production, capital expenditures, the success of exploration activities, permitting time lines, currency fluctuations, the requirements of future capital, drill results and the estimation of mineral resources and reserves. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements contained into this report should not be unduly relied upon. These statements speak only as of the date of this report. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this report. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about:

- *general business and economic conditions;*
- *the supply and demand for, deliveries of, and the level and volatility of prices of gold, base metals, as well as petroleum products;*
- *the availability of financing for the Company's development of their projects on reasonable terms;*
- *the ability to procure equipment and operating supplies in sufficient quantities and on a timely basis;*
- *the ability to attract and retain skilled staff;*

These forward-looking statements involve risks and uncertainties relating to, among other things, changes in commodity and, particularly, gold prices, access to skilled mining development personnel, results of exploration and development activities, uninsured risks, regulatory changes, defects in title, availability of materials and equipment, timeliness of government approvals, actual performance of facilities, equipment and processes relative to specifications and expectations and unanticipated environmental impacts on operations. Actual results may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, the risk factors hereinabove. Investors should not place undue reliance on forward-looking statements as the plans, intentions or expectations upon which they are based might not occur. The Company cautions that the foregoing list of important factors is not exhaustive. Investors and others who base themselves on the Company's forward-looking statements should carefully consider the above factors as well as the uncertainties they represent and the risk they entail. The forward-looking statements contained in this report are expressly qualified by this cautionary statement.