BLUE STAR GOLD CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE NINE MONTHS ENDED AUGUST 31, 2020

As at October 21, 2020

1. INTRODUCTION

The following management's discussion and analysis ("MD&A") of Blue Star Gold Corp. (the "Company" or "BAU") has been prepared as of October 21, 2020. This MD&A should be read in conjunction with the Company's unaudited interim condensed consolidated financial statements and the companying notes for the nine months ended August 31, 2020, and the audited consolidated financial statements and the notes thereto for the year ended November 30, 2019, copies of which are filed on the SEDAR website: www.sedar.com.

The Company prepares its financial statements in accordance with International Financial Reporting Standards ("IFRS"). The financial statements have been prepared using the accrual basis of accounting except for cash flow information. All figures are expressed in Canadian dollars except where otherwise indicated.

Management is responsible for the preparation and integrity of the Financial Statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible for ensuring that information disclosed externally, including the financial statements and MD&A, is complete and reliable.

The financial information in this MD&A is derived from the Company's financial statements prepared in accordance with IFRS. Information provided in this MD&A, including financial information extracted from the financial statements, is the responsibility of management. This MD&A may contain forward looking statements based on assumptions and judgments of management regarding events or results that may prove to be inaccurate, as a result of risk factors beyond its control. Actual results may differ materially from the expected results.

Description of Business

The Company was incorporated on April 13, 2007 pursuant to the *Business Corporations Act* of British Columbia. The Company's principal business activity is the acquisition and exploration of mineral property interests. The Company is in the exploration stage and substantially all the Company's efforts are devoted to financing and developing these property interests. There has been no determination whether the Company's interests in unproven exploration and evaluation assets contain economically recoverable mineral resources. The Company is listed for trading on the TSX Venture Exchange ("TSX-V") under the symbol "BAU".

The Company's principal business activity is acquiring, exploring and evaluating mineral properties, and following evaluation, joint venturing or developing these properties further or disposing of them. At August 31, 2020, the Company was in the exploration and evaluation stage of activity on its mineral properties in Nunavut.

2. HIGHLIGHTS & SIGNIFICANT EVENTS

On August 31, 2020, the Company reported total assets of $14,495,476 (November 30, 2019 - $6,313,200), including current assets of $3,202,188 (November 30, 2019 - $445,197), and current liabilities of $3,185,333 (November 30, 2019 - $1,450,850).

Corporate Highlights for the Nine Months ended August 31, 2020

i) In June and August, 2020, the Company issued a total of 30,000,000 shares to Dr. Georg Pollert pursuant to the exercise of warrants at $0.075 per share for total proceeds of $2,250,000. Subsequent to the period ended August 31, 2020, Dr. Pollert exercised an additional 14,000,000 warrants at $0.075 for a total amount of $1,050,000 in October 2020.

ii) On July 3, 2020, the Company closed a non-brokered private placement of 4,100 units of the Company (the "Units") at a price of $1,000 per Unit for gross proceeds of up to $4,100,000. Each Unit is comprised of 20,000 unsecured convertible debentures (the "Debentures") and 20,000 non-transferable common share purchase warrants ("Warrants") of the Company.

Each Debenture has a maximum term of 3 years (the "Term") and will bear an annual simple interest rate of 7.5%. During the first year of the Term, the principal amount of each Debenture may be converted by the holder, for no additional consideration, into common shares of the Company at a conversion price of $0.05 per share and $0.10 per share during the second and third years of the Term.

Each Warrant entitles the holder to purchase one additional share at an exercise price of $0.075 per share until the expiry date of the Term.

The Company paid finder's fee of $32,500 in cash and issued 650,000 finder's shares deemed at $0.05 per share.

iii) On February 10, 2020, the Company completed the acquisition of the Ulu Gold Property (the "Ulu Property") from Mandalay Resources Corp. ("Mandalay"). Supplementing its high-grade gold resources, the Ulu Property includes a substantial inventory of capital equipment, a Weather haven camp with shop and a 1,200 metre long airstrip. The mineral rights in the form of a Crown mining lease were transferred on January 7, 2020 to the Company.

iv) The Kitikmeot Inuit Association (the "KitIA") agreed on October 1, 2019 to transfer surface access in the form of a land use licence, and on September 10, 2019 the Nunavut Water Board ("NWB") authorized the assignment of the Ulu Water Licence 2BM-ULU1520 to the Company.

On November 27, 2019, the Company incorporated a wholly-owned subsidiary, Ulu Mining Inc. The Company will start to transfer the Ulu Property and licenses into Ulu Mining Inc. for better management and administration.

3. EXPLORATION AND EVALUATION ASSETS

The Ulu Gold Property

The Ulu Property is located approximately 525 km NNE of Yellowknife, NT in the Kitikmeot region of western Nunavut. Kugluktuk is approximately 210 km to the NW. The Ulu Property consists of a renewable 21-year Mining Lease (No: 3563) with an expiry date of Nov 18, 2038 and covers an area of approximately 947 ha.

The lease hosts an advanced gold project that between 1989 and 2012 saw significant exploration and development by BHP Minerals and Echo Bay Mines, among others. The past work includes approximately 1.7 km of underground development and approximately 405 diamond drill holes that produced 97,820 m of core (Ulu and Hood River Properties).

Supplementing the high-grade gold resources, the Ulu project includes a substantial inventory of capital equipment, a Weatherhaven camp with shop and a 1,200 metre long airstrip. The site of the future deep-water port at Grays Bay is 100 km to the north of the properties, and the proposed route corridor for the all-weather Grays Bay road passes in close proximity to the Ulu Property.

The Ulu Property mineral resource, as reported on April 14, 2015, was estimated by independent consultants, and is reported in the table below. The Flood zone contains the bulk of the Ulu gold resource and is open on-strike and at depth. The deepest intersection of mineable width is 14.9 g/t Au over 7.7 m in BHP's drill hole, 90VD-75, at 610 m below surface. Metallurgical testing on the Flood zone gold mineralization has shown that gold is recoverable in amounts greater than 90% by gravity, flotation and cyanidation.

Mineral Resource Estimate*

	Classification	Gold	Tonnage	Gold Grade	Gold Contained
		Cut-off (g/t)	*Tonnes*	*g/t*	*Oz*
Flood Zone					
	Measured	> **4.0**	1,000,000	8.48	272,000
	Indicated	> **4.0**	1,500,000	6.90	333,000
	Measured & Indicated	> **4.0**	2,500,000	7.53	605,000
	Inferred	> **4.0**	891,000	5.57	160,000
Gnu Zone					
	Inferred	> **4.0**	370,000	5.57	66,000
Total - Flood and Gnu Zones					
	Measured & Indicated	> **4.0**	2,500,000	7.53	605,000
	Inferred	> **4.0**	1,261,000	5.57	226,000

*Refer to “Technical Report on the Ulu Gold Property, Nunavut, Canada” dated July 10, 2015

2020 Exploration Program Summary:

The Company completed a diamond drilling program at its Ulu and Hood River Properties in September 2020. The program entailed 7,624 metres of diamond drilling in thirty-eight diamond drill holes on the Properties. Flood zone holes (Ulu Property) were drilled to; provide additional geologic information and confirm certain aspects of the geologic model of the deposit, to improve drill hole density and allow for possible upgrading of the resource category, and to expand the resource base. Contact zone holes were drilled to test a high priority target zone where no resource estimate has been established yet. Several high priority exploration targets were tested on the north Hood River Property. No resource estimates have been completed at these zones yet, but it is anticipated that enough drill data will exist for the first resource estimate on the NFN zone following the current program.

Highlights:

- 7,624 metres drilled in thirty-eight diamond drill holes
- Ten holes were drilled at Ulu and Gnu deposits to expand known resources and confirm the geologic model
- Twenty-eight holes were drilled to test high priority exploration targets on both the Ulu and Hood River properties, including fourteen in the North Fold Nose (NFN) zone
- Assay results for 3 Flood zone and twelve NFN zone holes returned thus far
- Highlight gold assay results for the Flood zone:
    - BS2020ULU-002, (9 – 16m): 7 metres (m) of 13.42 g/t gold (Au); including (12 – 13m): 1 m @ 31.5 g/t Au; and including (13 – 14m): 1 m @ 17.95 g/t Au; and including (14 – 15m): 1 m @ 23 g/t Au; and including (15 – 16m): 1 m @ 13.65 g/t Au
    - BS2020ULU-003, (13 – 22m): 9 m of 8.67 g/t Au ; including (19 – 20m): 1 m @ 11.05 g/t Au; and including (20 – 21m): 1 m @ 18.4 g/t Au
- Highlight gold assay results for the NFN zone:
    - HR20-013, (109 – 111m): 2 metres (m) of 13.18 g/t gold (Au); including (109 – 109.5m): 0.5 m @ 50.8 g/t Au
    - HR20-014, (118 – 122m): 4 m @ 7.59 g/t Au
    - HR20-017, (164 – 167m): 3 m @ 13.87 g/t Au ; including (164 – 165m): 1 m @ 16.35 g/t Au; and including (165 – 166m): 18.3 g/t Au

Ulu Property Ownership History:

On May 30, 2014, the Company entered into an option agreement (the "Option Agreement") with Elgin Mining Inc. and Bonito Capital Corp. (collectively, "Elgin"), to acquire an 80% undivided interest in the Ulu Property. Pursuant to the Option Agreement, the Company issued 5,000,000 shares, paid $125,000, and incurred $300,000 in property expenditures before September 10, 2014 when Mandalay Resources Corporation ("Mandalay") acquired Elgin.

On January 8, 2018, the Company and Mandalay entered into the New Ulu Property Option Agreement. The New Option Agreement supersedes all prior agreements covering the Ulu Property. On July 19, 2019, the option agreement was further amended (the "Amended Option Agreement"). The TSX-V approved the Amended Option Agreement on November 26, 2019.

Pursuant to the terms of the Amended Option Agreement, the Company was required to pay the following:

- $200,000 to be paid upon the receipt of TSXV approval for the New Ulu Property Option Agreement dated January 8, 2018; (paid)
- $200,000 to be paid on or before May 31, 2018 (paid); and
- $450,000 (paid) in lieu of issuing 15,000,000 common shares, with such payment being made upon the closing of the transfer of the Ulu Property and associated permits.

Additionally, the Company was required to complete the following:

- Assume all environmental liabilities, past and present, of the Ulu Property, including all current and future obligations to any regulatory agency; and,
- Arrange for a third-party cash payment of $200,000 for 5,000,000 common shares of the Company that were held by Mandalay upon the closing of the property transfer.

Under the Amended Option Agreement, Mandalay:

- Transferred to the Company a 100% interest in the Ulu Property and associated permits upon regulatory approval of the transfers;
- Assigned all its rights to the remediation security, valued at approximately $1,680,000 ($1,685,542 received) which is held by the Nunavut Water Board; and,
- Transferred all right, title and interest in all structures, property and equipment located on the Ulu Property to the Company.

On November 27, 2019, the Company incorporated a wholly-owned subsidiary, Ulu Mining Inc., to which the Ulu Property will be transferred.

As at August 31, 2020, the Company had incurred the following expenditures on the Ulu Property:

Ulu Property (Nunavut)	***November 30, 2019***	***Additions***	***August 31, 2020***
Acquisition costs	$ 845,000	$ 450,000	$ 1,295,000
Exploration			
Assay	27,155	11,098	38,253
Camp and supplies	52,487	96,716	149,203
Claim maintenance	13,523	4,832	18,355
Community support	-	15,580	15,580
Consulting	269,561	69,298	338,859
Equipment rental	6,377	76,245	82,622
Drilling and geological	34,625	753,243	787,868
Logistics	109,306	-	109,306
Fuel	-	81,331	81,331
Helicopter	-	473,099	473,099
Permits	231,357	186,954	418,311
Remediation	-	259,211	259,211
Site personnel	72,652	168,416	241,068
Travel	26,237	22,578	48,815
Reimbursement received from Mandalay	-	(1,685,542)	(1,685,542)
Total	$ 1,688,280	$ 983,059	$ 2,671,339

Hood River Property

The Hood River property is contiguous to the Ulu Property lease to the north, east and south. The property is held through a renewable, 20-year Mineral Exploration Agreement with Nunavut Tunngavik Incorporated. The highly prospective property encompasses 8,015 ha. At least twenty-two known gold showings have been identified on the property. The exploration target for the property is shear-hosted gold mineralization similar to the Flood zone on the adjacent Ulu Property lease.

A series of gold occurrences occur on-strike and north of the Flood zone and are thought to be related to the ~5 km long Ulu regional fold that extends from the Ulu Property lease onto the north Hood River property culminating at the North Fold Nose (NFN) zone. This structure, called the Robb trend, extends from the Flood and Gnu gold zones along the Ulu fold to the north and hosts at least five gold zones in addition to the Flood and Gnu zones (NFN, INT, Bizen, Apex and Contact zones).

Several high-grade gold occurrences also occur on the east Hood River property, including the Crown and Penthouse zones, where gold trends with similarities to the Robb trend may exist. In addition, many unnamed gold occurrences exist on the two properties, where further prospecting is required to advance the showings to target zones. The large number of high-grade gold showings that occur throughout the properties provide for excellent resource expansion potential at multiple targets.

2019 Exploration Program Summary:

During 2019, the Company conducted a drilling and prospecting program on the Hood River Property. The diamond drilling focused on the NFN zone and consisted of eleven diamond drill holes for 1,540 metres. The prospecting and sampling program ran in parallel with the drilling, exploring and tracing a series of gold mineralized zones from the NFN south for 2.1 km to the claim boundary with the Ulu mining lease. This series of gold zones, the "Robb Trend", can be mapped an additional 2.9 km south within the Ulu property to the Gnu and Flood gold zones. This prospecting and sampling program produced 168 channel samples, cut with diamond saws over various lengths and sent for analyses.

Sampling of the mineralized rocks found along the Robb Trend both confirmed zones found by BHP in the 1990's and resulted in the discovery of the INT gold zone. Within the INT, channel samples returned six high-grade results that included 25.20 g/t Au over 1.0m.

Significant results were obtained from the NFN zone drilling in holes HR-19-009 and 010 with hole 009 intersecting 5.89 g/t Au over 6.0 m (includes 32.5 g/t Au over 1 m) while hole HR-19-010 intersected 2.19 g/t Au over 1 m.

Hood River Property Ownership History:

Pursuant to a letter of intent dated May 15, 2014, on February 26, 2018, the Company signed the final Transaction Agreement (the "Definitive Agreement") and NSR Royalty Agreement to acquire 100% of the outstanding shares of Inukshuk Exploration Inc. ("Inukshuk"), with an effective date as of September 18, 2014. Inukshuk owns a 100% interest in the Hood River Property in Nunavut through a 20-year renewable mineral exploration agreement ("MEA") dated June 1, 2013, issued by Nunavut Tunngavik Incorporated ("NTI").

Pursuant to the terms of the Definitive Agreement, the Company acquired 100% of the outstanding shares of Inukshuk by issuing the shareholders (the "Vendors") and their assignees 8,000,000 common shares of the Company (issued in 2014 at a fair value of $560,000) for the transaction. The TSX-V approved the transaction on September 18, 2014.

Under the terms of the Royalty Agreement in the Definitive Agreement, the Company will pay the following:

i. Pay a 3% NSR royalty on the disposition of all minerals produced from the Hood River Property;
ii. Make advance royalty payments totalling $500,000 in accordance with the following schedule:
(1) $25,000 (paid) within 25 business days of TSX-V preliminary approval;
(2) an additional $100,000 (paid) on or before February 28, 2018;
(3) an additional $125,000 (paid) on or before February 28, 2019;
(4) an additional $125,000 (paid) on or before February 28, 2020; and
(5) an additional $125,000 on or before February 28, 2021.

iii. Offer the vendor a right of conveyance if the Company abandons the Hood River Property; and
iv. Maintain the Hood River Property in good standing during the conveyance period.

Prior to the commencement of commercial production on the Hood River Property, the Company has the option to acquire up to 2% of the NSR for up to $8,000,000 under the following terms:

i. Purchase an initial 0.5% of the NSR for $1,000,000;
ii. Purchase an additional 0.5% of the NSR for an additional $1,500,000;
iii. Purchase an additional 0.5% of the NSR for an additional $2,500,000; and
iv. Purchase an additional 0.5% of the NSR for an additional $3,000,000

As at August 31, 2020, the Company had incurred the following expenditures on the Hood River Property:

Hood River Property (Nunavut)	***November 30, 2019***	***Additions***	***August 31, 2020***
Acquisition costs	$ 810,000	$ 125,000	$ 935,000
Exploration			
Assay	53,527	27,311	80,838
Camp and supplies	50,278	95,430	145,708
Claim maintenance	29,945	-	29,945
Community support	-	10,496	10,496
Consulting	113,865	49,921	163,786
Equipment rental	278,244	242,473	520,717
Fuel	-	81.331	81,331
Helicopter	696,605	330,290	1,026,895
Logistics	65,347	-	65,347
Permits	358,017	67,669	425,686
Site personnel	226,819	200,378	427,197
Drilling and geological	574,505	803,105	1,377,610
Travel	46,858	19,215	66,073
Total	$ 3,304,010	$ 2,052,619	$ 5,356,629

Warren Robb, P.Geo., has reviewed and approved the Exploration and Evaluation Assets descriptions in this Management's Discussion and Analysis.

4. SUMMARY OF QUARTERLY RESULTS

The table below present's selected financial data for the Company's eight most recently completed quarters, all information was prepared in accordance with IFRS.

	Three month period ended August 31, 2020	Three month period ended May 31, 2020	Three month period ended February 29, 2020	Three month period ended November 30, 2019
Total assets	$ 14,495,476	$ 7,698,345	$ 8,020,213	$ 6,090,820
Exploration and evaluation assets	8,027,968	4,388,907	4,102,272	4,992,290
Shareholders' equity	4,192,448	1,738,701	2,260,117	1,909,166
Net loss and comprehensive loss	(773,376)	(521,416)	(305,412)	(633,536)
Loss per share	(0.01)	(0.00)	(0.00)	(0.01)

	Three month period ended August 31, 2019	Three month period ended May 31, 2019	Three month period ended February 28, 2019	Three month period ended November 30, 2018
Total assets	$ 5,686,707	$ 2,920,708	$ 2,631,956	$ 2,594,956
Exploration and evaluation assets	3,170,104	2,722,577	2,596,247	2,546,087
Shareholders' equity	1,177,983	1,657,978	1,872,863	2,012,828
Net loss and comprehensive loss	(400,451)	(214,884)	(139,966)	(191,570)
Loss per share	(0.01)	(0.00)	(0.00)	(0.01)

6. DISCUSSION OF OPERATIONS

The following information is accounted for in accordance with IFRS, as issued by IASB. The reader is encouraged to refer to the notes of the Company's audited consolidated financial statements for the year ending November 30, 2019 for the Company's summary of significant accounting policies.

Nine Months Ended August 31, 2020

During the nine months ended August 31, 2020 and 2019, the Company had a comprehensive loss of $1,600,203, compared to a comprehensive loss of $755,299 in the same period in the prior year. Significant comparative variances for the nine months ended August 31, 2020 and 2019 were:

Accretion and interest $885,535 (2019 - $42,975);
Amortization of $1,398 (2019 - $1,281);
Directors fees $75,000 (2019 - $Nil);
Insurance of $34,026 (2019 - $24,764);
Investor and shareholder relations of $202,828 (2019 - $43,217);
Office services and miscellaneous of $31,410 (2019 - $15,671);
Professional fees of $179,277 (2019 - $152,361);
Regulatory and transfer agent fees of $23,729 (2019 - $23,704);
Rent and administrative services of $49,009 (2019 - $48,700);
Salaries of $561,974 (2019 - $398,961);
Share-based compensation of $ 82,929 (2019 - $Nil);
Travel and entertainment $ 26,537 (2019 - $3,665); and

Deferred income tax recovery of $553,449 (2019 - $Nil).

Accretion and interest $885,535 (2019 - $42,975) was related to $3,635,542 (2019 - $950,000) of loans and $7,100,000 (2019 - $Nil) of convertible debentures as at the period end. The deferred income tax recovery of $553,449 (2019 - $Nil) is to record the effect of a temporary difference between the book value of the loans and their tax value, which mainly resulted from the equity portion of the loans (bonus shares) of $2,435,542 received in December 2019 and the $4,100,000 convertible debenture issued in July 2020. Included in the interest expenses for the nine months ended August 31, 2020 is $59,678 of interest paid on debt settlement.

The Company started to pay directors' fees in December 1, 2019. During the nine months ended August 31, 2020, the Company paid or accrued $75,000 (2019 - $Nil) to five directors.

Investor and shareholder relations fees of $202,828 (2019 - $43,217) consist of expenses relating to activities promoting the Company and its activities. The Company retained consultants to assist with additional awareness campaigns during the nine months ended August 31, 2020.

Professional fees of $179,277 (2019 - $152,361) consist of expenses relating to the Company's legal and corporate secretary fees and audit fees. During the current nine months ended August 31, 2020, the professional fees also included $53,500 (2019 - $Nil) for executive search and recruitment.

Salaries of $561,974 (2019 - $398,961) relate to fees accrued to officers and employees of the Company for management of the Company's operations and projects. The increase is mainly due to an accrual of $168,000 (2019 - $Nil) to the former CEO as a severance package.

Share-based compensation of $82,929 (2019 - $Nil) is amortization of the fair value of 1,800,000 (2019 – Nil) stock options granted in August 2020.

During the nine months ended August 31, 2020, the Company used $1,629,305 (2019 - $1,201,974) in cash for operating activities and $4,918,613 (2019 - $1,449,018) in cash for exploration and evaluation investments and received $8,610,233 (2019 - $3,820,454) from financing activities. The Company had a net increase in cash of $2,062,315 (2019 –$1,169,462) during the nine months ended August 31, 2020.

7. LIQUIDITY AND CAPITAL RESOURCES

Liquidity

As at August 31, 2020, the Company had $2,157,040 (November 30, 2019 - $94,725) in cash. The Company is at the exploration stage and does not have cash flow from operations; therefore, equity or debt financings have been the sole source of funds. At August 31, 2020, the Company had working capital of $16,855 (November 30, 2019 – deficiency of $1,005,653) and an accumulated deficit of $10,734,063 (November 30, 2019 - $9,133,860).

In the opinion of management, the working capital is insufficient to support the Company’s near term general administrative and corporate operating requirements on an on-going basis. In order to complete the Ulu acquisition, fund required mineral property expenses and fund administrative costs, further funds will be required, and the Company is likely to raise such funds from the issuances of equity.

The Company completed the following debt financings during the year ended November 30, 2019 and the nine months ended August 31, 2020:

Loans

On December 19, 2018, a loan agreement was entered into with a Director of the Company for $250,000. The whole amount was received in cash on December 31, 2018. The loan pays 7.5% simple interest per annum payable on or before the date of repayment of December 31, 2020. In consideration, the Director will receive 1,000,000 Bonus Shares priced at $0.05 each.

On March 10, 2019, the Director loaned another $250,000. The loan bears 7.5% simple interest per annum payable on or before the date of repayment of March 31, 2021. In consideration, the Director will receive 1,000,000 Bonus Shares priced at $0.05 each.

On May 7, 2019, the Director loaned another $250,000. The loan bears 7.5% simple interest per annum payable on or before the date of repayment of July 30, 2021. In consideration, the Director will receive 1,000,000 Bonus Shares priced at $0.05 each.

On June 19, 2019, the Company entered into a loan agreement for $250,000, which is due on July 30, 2021 and has a simple interest rate of 7% per annum. The Company will grant Bonus Shares to the creditor of this loan where the value of the Bonus Shares will equal 20% of the loan. A total of 1,000,000 bonus shares will be issued priced at $0.05 each.

On November 21, 2019, the Company entered into a loan agreement with Dr. Georg Pollert. The Loan principal amount is up to $2,435,542 (received on December 10, 2019). The loan has a term of three years and bears interest at 3% per annum. In relation to the loan, the Company intends to issue up to 7,871,084 bonus shares to Dr. Georg Pollert which was approved by the TSX-V on November 26, 2019.

Convertible debentures – closed on November 26, 2019

On November 26, 2019, the TSX-V approved the closing of a non-brokered private placement of convertible debentures announced on July 29, 2019.

Each unit was priced at $1,000 and consisted of 20,000 non-secured Convertible Debentures (the “Debentures”) and 20,000 non-transferable Common Share purchase warrants (“Warrants”). Each Debenture bears an annual simple interest rate of 7.5% over its term of up to 3 years (the "Term") and the interest is to be calculated and paid annually. During the first year of the Term, the conversion price will be $0.05 per share. During the second and third years of the Term, the conversion price will be $0.10 per share. Each Warrant will entitle the holder to purchase one common share of the Company at an exercise price of $0.075 per share during the Term.

The Company received the proceeds of $3,000,000 in August 2019 by issuing 3,000 units of convertible debentures. In November 2019, upon the approval of the TSX-V, the Company issued 60,000,000 warrants to the debenture holders. The Company paid finders' fees of $66,635, incurred legal and filing fees of $41,257, and has an obligation to pay 560,000 finders' shares valued at $25,200 (issued in February 2020).

Convertible debentures – closed on July 3, 2020

On July 3, 2020, the Company closed a non-brokered private placement of 4,100 units of the Company (the "Units") at a price of $1,000 per Unit for gross proceeds of up to $4,100,000. Each Unit is comprised of 20,000 unsecured convertible debenture (the "Debentures") and 20,000 non-transferable common share purchase warrants ("Warrants") of the Company.

Each Debenture has a maximum term of 3 years (the "Term") and will bear an annual simple interest rate of 7.5%. During the first year of the Term, the principal amount of each Debenture may be converted by the holder, for no additional consideration, into common shares of the Company at a conversion price of $0.05 per share and $0.10 per share during the second and third years of the Term.

Each Warrant entitles the holder to purchase one additional share at an exercise price of $0.075 per share until the expiry date of the Term.

The Company paid finder's fee of $32,500 in cash and issued 650,000 finder's shares deemed at $0.05 per share.

Liquidity Outlook

At present, the Company's operations do not generate cash inflows and its cash position is highly dependent on the ability to raise cash through financings and the timing of expenditures on exploration programs. In order to finance the Company's evaluation and exploration programs and to cover administrative and other expenses, the Company raises money through equity sales, from the exercise of convertible securities and from optioning its exploration and evaluation assets. Many factors influence the Company's ability to raise funds, including the health of the resource market, the climate for mineral exploration investment, the Company's track record, and the experience and calibre of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activities.

Additional funds will be required to fulfil obligations under option agreements and cover general administrative and corporate operating requirements. Given volatility in equity markets, global uncertainty in economic conditions, cost pressures and results of exploration activities there can be no certainty equity funding will be available to the Company or if available funding will be on acceptable terms. Management believes it will be able to raise equity capital as required, but recognizes that there will be risks which may be beyond its control.

Capital Resources

The Company does not have sufficient capital at this time to fulfil its obligations under the current property agreements or to meet its administrative overhead expenses for the next twelve months and does not have any alternative funding arrangements in place. If the Company is unable to raise required capital it will not fulfil obligations under one or more of the property agreements or continue to operate at its current level of activity.

Going Concern

The Financial Statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Several material uncertainties may cast a significant doubt on the entity's ability to continue as a going concern. The Company continues to incur operating losses, has limited financial resources, no source of operating cash flow, and no assurances that sufficient funding, including adequate financing, will be available to conduct further exploration and development of its exploration and evaluation asset projects. The Company's ability to continue as a going concern is dependent upon its ability to obtain the financing necessary to continue evaluating its mineral projects by the issuance of share capital or through joint ventures, and to realize future profitable production or proceeds from the disposition of its exploration and evaluation assets. As at August 31, 2020, the Company had an accumulated deficit of $10,734,063 and had working capital of $16,855. In the opinion of management, current the working capital is insufficient to support the Company's general administrative and corporate operating requirements on an on-going basis for the next 12 months. Until additional funds are secured, the Company does not have resources to fund further exploration expenditures. Management plans to secure the necessary financing through the issuance of new equity instruments and/or entering into joint venture arrangements. However, there is no assurance that the Company will be successful in these actions.

If the going concern assumption was not appropriate for the Financial Statements, adjustments would be necessary in the carrying values of assets, liabilities, reported income and expenses and the statement of financial position classifications used. Such adjustments could be material to the Financial Statements.

8. TRANSACTIONS WITH RELATED PARTIES

The amounts due to/from related parties are amounts due to the directors and officers. The balances are unsecured, non-interest bearing and have no specific terms for repayment. These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

The Company's related parties consist of officers and directors (and their related companies) as follows:

Name of Related Party	Position	Nature of transaction
Ken Yurichuk	Director	Director
Judy Baker	Director	Director
Robert Metcalfe	Director	Director
Klaus G. Schmid	Director	Director
Dr Georg Pollert	Director	Director
Grant Ewing	CEO	Officer
Andrea Yuan	CFO	Officer

As at August 31, 2020, $234,243 (November 30, 2019 - $376,185) was due to directors and officers of the Company:

		August 31, 2020		November 30, 2019
Former CEO - Stephen Wilkinson	$	168,000		4,501
Former CFO - Zara Kanji		-		5,000
Current Directors		26,403		-
Former director - Allan J. Fabbro		-		39,840
Former CFO - Wayne Moorhouse		39,840		39,840
Bruce and Nancy Goad, Former directors of subsidiary		-		287,004
	$	234,243	$	376,185

During the nine months ended August 31, 2020 and 2019, the Company entered into the following transactions with related parties:

		Nine months ended August 31, 2020		Nine months ended August 31, 2019
Former CEO - Stephen Wilkinson	$	246,285	$	48,000
Grant Ewing		8,500		-
Former CFO - Zara Kanji		-		45,000
Andrea Yuan		69,750		-
Directors' fees		75,000		-
Professional fee				
- to a firm owned by the former CFO – Zara Kanji		-		11,318
	$	399,535	$	104,318

Loans and convertible debentures with Dr. Pollert

During the nine months ended August 31, 2020 and the year ended November 30, 2019, the Company received the following loans from Dr. Georg Pollert, a director of the Company.

		Amount
Year ended November 30, 2019:		
December 19, 2018 - loan principal of $250,000; interest at 7.5% per annum, payable at the maturity of December 31, 2020; additional 1,000,000 bonus shares issuable at the maturity.	$	250,000
March 10, 2019 - loan principal of $250,000; interest at 7.5% per annum, payable at the maturity of March 21, 2021; additional 1,000,000 bonus shares issuable at the maturity.	$	250,000
May 7, 2019 - loan principal of $250,000; interest at 7.5% per annum, payable at the maturity of June 30, 2021; additional 1,000,000 bonus shares issuable at the maturity.	$	250,000
August 16, 2019 - convertible debenture principal of $2,200,000; interest at 7.5% per annum, payable quarterly, with conversion feature and additional warrants.	$	2,200,000
Accretion and interest in the year	$	164,415
Nine months ended August 31, 2020:		
December 10, 2019 - loan principal of $2,435,542; interest at 3% per annum; additional bonus shares calculated on the base of principal. Up to 7,871,084 bonus shares was approved by TSX-V on November 26, 2019.	$	2,435,542
July 3, 2020 - convertible debenture principal of $3,175,000; interest at 7.5% per annum, payable quarterly, with conversion feature and additional warrants.	$	3,175,000
Accretion and interest in the period	$	654,008

Change of board members and officers

On August 17, 2020, Grant Ewing was appointed as CEO of the Company. Peter Kuhn resigned from the interim CEO position.

On April 27, 2020, Steve Wilkinson was terminated as CEO of the Company. Peter Kuhn was appointed as interim CEO during this transition period.

In December 2019, Zara Kanji resigned as CFO of the Company and Mike Stewart resigned as the Corporate Secretary of the Company. On January 1, 2020, Andrea Yuan was appointed as CFO and Jan Urata was appointed as Corporate Secretary of the Company.

9. FINANCIAL INSTRUMENTS AND RELATED RISKS

The Board, through the Audit Committee, is responsible for identifying the principal risks facing the Company and ensuring that appropriate risk management systems are developed and implemented. The Company manages its exposure to financial risks, including liquidity risk, foreign exchange rate risk, interest rate risk and credit risk in accordance with its risk management framework.

Financial Instruments

Please refer to Note 3(g) and 5 of the Audited Financial Statements for the year ended November 30, 2019.

Related Risks

Liquidity Risk - Liquidity risk is the risk the Company cannot meet its financial obligations. The Company attempts to manage liquidity risk by maintaining sufficient cash balances or through additional financings to ensure there is sufficient capital to meet short term obligations. As at August 31, 2020, the Company had a cash balance of $2,157,040 (November 30, 2019 – $94,725) to settle current liabilities of $3,185,333 (November 30, 2019 - $1,450,850). The Company's current working capital is insufficient to support the Company's near term general administrative and corporate operating requirements on an on-going basis.

Interest rate risk - The Company's loans and convertible debentures all have fixed interest rate at 3% - 7.5% per annum with additional consideration of bonus shares.

Currency Risk - As at August 31, 2020 and November 30, 2019, all the Company's cash was held in Canadian dollars, the Company's functional and reporting currency.

Credit risk - Concentration of credit risk exists with respect to the Company's cash, as substantially all amounts are held at major financial institutions. The credit risk associated with cash is minimized by ensuring that these financial assets are placed with financial institutions with investment-grade ratings by a primary ratings agency.

Finance Risk - The Company has no source of operating cash flow and no assurance that additional funding will be available to it for further exploration and development of its projects when required. Although the Company has been successful in the past in obtaining financing through the sale of equity and debt securities or joint ventures, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of the Company's properties.

10. RISKS AND UNCERTAINTIES

The Company's business is the exploration and development of mineral properties. As a result, the Company's operations are speculative. The Company has no history of profitable operations and its present business is at an early stage. As such, the Company is subject to many risks common to such enterprises, including under-capitalization, cash shortages and limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations.

Whether a mineral deposit will be commercially viable depends on a number of factors, which include, receipt of adequate financing; correct interpretation of geological data; feasibility and other studies; the particular nature of the mineral deposit, such as size grade, metallurgy and physical structure; expected and real metal recoveries; proximity to infrastructure and labour; the cost of water and power; climactic conditions; metal prices; fluctuations in currency exchange rates and metal prices; timely granting of necessary permits; government regulations and taxes; and environmental protection and regulations. The effect of these factors cannot accurately be predicted, but in combination these risk factors may adversely affect the Company's business.

The risks and uncertainties described in this section are not inclusive of all risks and uncertainties to which the Company may be subject. Furthermore, the Company may face additional risks and uncertainties not presently known to the Company and its management or risks currently seen as immaterial may impair the Company's business in the future.

Early Stage - Need for Additional Funds - The Company has no history of profitable operations and its present business is at an early stage. As such, the Company is subject to many risks common to such enterprises, including under-capitalization, cash shortages and limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations.

Location - The Company's property interests are located in remote, undeveloped areas and the availability of infrastructure such as surface access, skilled labour, fuel and power at an economic cost, cannot be assured. These are integral requirements for exploration, development and production facilities on exploration and evaluation assets.

Exploration and Development Risks - Resource property acquisition, exploration, development, and operation are a highly speculative business that involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of precious metals and other minerals may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish economically viable mineral deposits, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the acquisition, exploration or development programs planned by the Company will result in a profitable commercial mining operation. The potential for any project to eventually become an economically viable operation depends on numerous factors including: the quantity and quality of the minerals discovered if any, the proximity to infrastructure, metal and mineral prices (which vary considerably over time) and government regulations. The exact effect these factors can have on any given exploration property cannot accurately be predicted but the effect can be materially adverse.

Environmental Risk - Current or future environmental laws and regulations may affect the operations of the Company. These laws and regulations set various standards regulating certain aspects of health and environmental quality. They provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted. Furthermore, the permission to operate could be withdrawn temporarily where there is evidence of serious breaches of health and safety, or even permanently in the case of extreme breaches. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damages caused by previous owners of acquired properties or non-compliance with environmental laws or regulations. The Company intends to minimize these risks by taking steps to ensure compliance with environmental, health and safety laws and regulations and operating to international environmental standards.

Commodity Prices - The market price of precious metals and other minerals is volatile and cannot be controlled.

Conflicts - The Company's directors and officers serve as directors or officers, or may be associated with other reporting companies or have significant shareholdings in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding terms respecting the transaction.

Dependence on Key Personnel - The Company is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate the Company.

Competition - The mineral industry is intensely competitive in all its phases. The Company competes with many other mineral exploration companies who have greater financial resources and technical capacity.

Political Risk - The Company's operations and investments may be affected by local political and economic developments including: expropriation; nationalization; invalidation of governmental orders; permits or agreements pertaining to property rights; failure to enforce existing laws; failure to uphold property rights; political unrest; labour disputes; inability to obtain or delays in obtaining necessary mining permits; opposition to mining from local, environmental or other non-governmental organizations; government participation; royalties, duties, rates of exchange, high rates of inflation, price controls, exchange controls, currency fluctuations; taxation and changes in laws, regulations or policies; as well as by laws and policies of Canada affecting foreign trade, investment and taxation.

Impact of COVID-19 - the Company's business is focused on exploring mineral properties in Nunavut. Management doesn't believe that COVID-19 will have a strong impact on the Company's financial results. Access to the properties might be delayed because of COVID-19 in the future, and as a result, the Company may delay certain aspects of its exploration and remediation work plans accordingly.

11. OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

12. SUBSEQUENT EVENTS

Share issuance

On October 7, 2020, the Company issued 14,000,000 shares to Dr. Georg Pollert pursuant to the exercise of warrants at $0.075 per share for total proceeds of $1,050,000.

13. COMMITMENTS

On August 19, 2020, the Company entered into an office lease agreement for a 24- month lease period starting October 1, 2020. The Company will pay a lease of $7,509 per month for the first 12-month period and $8,192 per month during the remaining lease period.

14. DISCLOSURE OF OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of shares without par value. The table below presents the Company's common share data as of the date of this report:

	Number of securities
Common shares	178,788,617
Stock options	11,150,000
Warrants	98,000,000

The purchase of the Company's securities involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks. The Company's securities should not be purchased by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in the Company's securities should not constitute a major portion of an investor's portfolio.

15. CRITICAL ACCOUNTING ESTIMATES

For a detailed summary of the Company's significant accounting policies, the readers are directed to Note 2 and 3 of the Notes to the audited financial statements for the year ended November 30, 2019 that are available on SEDAR at www.sedar.com.

Adoption of new accounting policies

IFRS 16, Leases ("IFRS 16") was adopted on December 1, 2019, using the modified retrospective approach. This approach does not require restatement of prior period financial information as it applies the standard prospectively. This standard replaced IAS 17, Leases ("IAS 17"). Under IAS 17, operating lease expenditures were expensed on a straight-line basis over the lease term whereas under IFRS 16, there is an increased focus on control of the underlying asset.

Right-of-use ("ROU") asset

A lease is a contract that transfers substantially all the risks and rewards incidental to ownership of an identified asset. The Company initially recognizes a lease at its commencement date which is when an identified asset is made available for use. Right-of-use assets are measured at the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date and any initial direct or estimated restoration costs. A right-of-use asset is then depreciated on a straight-line basis over the shorter of the asset's useful life or the lease term.

Lease liabilities

Lease liabilities include the present value of future fixed payments, less any lease incentives receivable, and the exercise price of a purchase option if it is reasonably certain to be exercised. Future fixed lease payments are discounted using the Company's incremental borrowing rate if the rate implicit in the lease is not readily determinable. The term of each lease includes its non-cancellable period. The term can also include periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option. After the commencement date, the Company continually measures its lease liabilities to reflect changes in lease payments, discount rates or the leases' remaining term with an offsetting adjustment to right-of-use assets.

Each lease payment is comprised of both a financing and principal component. Financing costs are charged to the consolidated statements of operations and comprehensive loss over each lease's term. Lease payments are applied against lease liabilities using the effective interest method.

Short-term leases with an initial lease term of less than twelve months are evaluated by class of the underlying asset whereas lease payments for low-value assets are evaluated on a lease-by-lease basis. Short-term and low-value leases can be accounted for as either leases or expensed.

Adoption of IFRS 16

The Company has adopted IFRS 16 Leases from December 1, 2019 and has elected to use the modified retrospective approach. The cumulative effect of initial application is recognized in retained earnings as at December 1, 2019 and the Company will not restate comparative information for prior periods presented. The details of the changes in accounting policy are discussed below.

To determine whether a contract contains a lease, the Company applies the new definition of a lease under IFRS 16 namely if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

The Company's only lease assets are office space. Previously under IAS 17 the Company classified leases as operating or finance leases based on whether the lease transferred substantially all of the risks and rewards of ownership. The Company previously did not have any leases that were classified as finance leases. Under IFRS 16, the Company recognizes right of use assets and lease liabilities for all leases expect where the Company has elected to use the practical expedient to not recognize right-of use assets and lease liabilities for low-value assets or short-term leases under 1 year that are not expected to renew. The Company has recognized low-value assets and short-term lease payments as an expense on a straight-line basis over the lease term. The Company has also elected to apply the practical expedient to not separate non-lease components from lease components for which the Company is the lessee and has accounted for the combined amounts as a single lease component.

The Company recognizes a right of use asset as a lease liability at the lease commencement date. The right of use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability. The Company has elected to use the practical expedient of excluding initial direct costs from the measurement of the right of use asset cost at the date of initial application.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date adjusted for lease prepayments and lease incentives, discounted using the interest rate implicit in the lease, or if not readily determinable, the incremental borrowing rate. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or changes in assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not be exercised.

The Company has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options, which significantly affects the amount of lease liability and right of use assets recognized. The Company has used the practical expedient of applying hindsight in assessing certain lease extension options. The Company has also used judgement in determining the incremental borrowing rate based on the term, security, the lessee entities economic environment, credit rating, level of indebtedness and asset specific adjustments.

The adoption of IFRS 16 have no significant impact on the Company's opening financial positions.

16. DIVIDENDS

The Company has no earnings or dividend record and is unlikely to pay any dividends in the foreseeable future as it intends to employ available funds for mineral exploration and. Any future determination to pay dividends will be at the discretion of the Board of Directors of the Company, and will depend on Company's financial condition, results of operations, capital requirements and such other factors as the Board of Directors deem relevant.

17. ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS

Additional disclosure concerning the Company's general and administrative expenses and exploration and evaluation assets expenditures is provided in the Company's Financial Statements as at and for the year ended November 30, 2019. These Financial Statements are available on SEDAR at www.sedar.com.

18. APPROVAL

The Board of Directors oversees management's responsibility for financial reporting and internal control systems through an Audit Committee. This Committee meets periodically with management and annually with the independent auditors to review the scope and results of the annual audit and to review the financial statements and related financial reporting and internal control matters before the financial statements are approved by the Board of Directors and submitted to the shareholders of the Company. The Board of Directors of the Company has approved the financial statements and the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.

19. FORWARD LOOKING STATEMENTS

Forward-looking statements relate to future events or future performance and reflect management's expectations or beliefs regarding future events and include, but are not limited to, statements with respect to the estimation of mineral reserves and resources, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, success of operations, environmental risks, permitting risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology. By their very nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks related to actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of resources; possible variations in mineral resources, grade or recovery rates; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; as well as those factors detailed from time to time in the Company's interim and annual financial statements which are filed and available for review on SEDAR at www.sedar.com.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.