

AU GOLD CORP.
(formerly Schooner Capital Corporation)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2021

INTRODUCTION

This is Management's Discussion and Analysis ("MD&A") for Au Gold Corp. (formerly Schooner Capital Corporation) (the "Company") and has been prepared based on information known to management as of July 27, 2021. This MD&A is intended to help the reader understand the consolidated financial statements of Au Gold Corp.

The following information should be read in conjunction with the audited consolidated financial statements as at March 31, 2021 and 2020 and the related notes thereto, prepared in accordance with International Financial Reporting Standards ("IFRS").

Management is responsible for the preparation and integrity of the audited consolidated financial statements, including the maintenance of appropriate information systems, procedures, and internal controls. Management also ensures that information used internally or disclosed externally, including the consolidated financial statements and MD&A, is complete and reliable.

The Company's board of directors follows recommended corporate-governance guidelines for public companies to ensure transparency and accountability to shareholders. The board's audit committee meets with management regularly to review the financial statements, including the MD&A, and to discuss other financial, operating and internal-control matters.

All currency amounts are expressed in Canadian dollars unless otherwise noted.

FORWARD LOOKING STATEMENTS

Certain sections of this MD&A provide, or may appear to provide, a forward-looking orientation with respect to the Company's activities and its future financial results. Consequently, certain statements contained in this MD&A constitute express or implied forward-looking statements. Terms including, but not limited to, "anticipate", "estimate", "believe" and "expect" may identify forward-looking statements. Forward-looking statements, while they are based on the current knowledge and assumptions of the Company's management, are subject to risks and uncertainties that could cause or contribute to the actual results being materially different than those expressed or implied. Readers are cautioned not to place undue reliance on any forward-looking statement that may be in this MD&A.

The following forward-looking statements have been made in this MD&A:

- Impairment of long-lived assets;
- The progress, potential and uncertainties of the Company's mineral properties in British Columbia; and
- Expectations regarding the ability to raise capital and to continue its exploration and development plans on its properties.

ADDITIONAL INFORMATION

Financial statements, MD&A's and additional information relevant to the Company and the Company's activities can be found on SEDAR at www.sedar.com, and/or on the Company's website at www.augoldcorp.com

SUMMARY AND OUTLOOK

During the year ended March 31, 2021 the Company continued to manage its cash and corporate overhead activities carefully in order to provide capital to fund exploration in subsequent periods. Detailed Mineral Property information, including 2021 activity, can be found in Section 3.

Management's overall expectations for the Company are positive, owing in part to the following factors:

- On December 21, 2020, the Company completed a non-brokered private placement of 10,000,000 flow-through common shares (the "FT Shares") at a price of \$0.10 per FT Share (the "FT Financing") and 11,000,000 units (the "Units") at a price of \$0.10 per Unit (the "Unit Financing" and together with the FT Financing, the "Concurrent Financing") for aggregate gross proceeds of \$2,100,000.
- On December 22, 2020, the Company completed the share exchange transaction with Ponderosa Exploration Ltd. ("Ponderosa"; formerly 1201361 B.C. Ltd.) ("QT").
- Pursuant to an option agreement dated September 6, 2019 between the Company and the optionor (the "DEX Option Agreement"), 336,635 common shares of the Company were issued to the optionor immediately prior to the QT, thereby satisfying the condition per the DEX Option Agreement.
- Pursuant to an option agreement dated April 5, 2019 between the Company and the optionors (the "EAB Option Agreement"), 500,000 common shares were issued to the optionors immediately after the QT, thereby satisfying the condition per the EAB Option Agreement.

TABLE OF CONTENTS

1. BACKGROUND	4
2. OVERVIEW	4
2(a) Company Mission and Focus	4
2(b) Qualified Person	4
2(c) Description of Metal Markets	4
2(d) Use of the terms “Mineral Resources” and “Mineral Reserves”	4
3. MINERAL PROPERTIES	5
Ponderosa Property	5
4. RISKS AND UNCERTAINTIES	8
5. IMPAIRMENT OF LONG-LIVED ASSETS	10
6. MATERIAL FINANCIAL AND OPERATIONS INFORMATION	10
6(a) Selected Annual Financial Information	10
6(b) Summary of Quarterly Results	10
6(c) Review of Operations and Financial Results	11
6(d) Liquidity and Capital Resources	11
6(e) Disclosure of Outstanding Share Data	12
6(f) Commitment and Contingency	13
6(g) Off-Balance Sheet Arrangements	13
6(h) Transactions with Related Parties	14
6(i) Financial Instruments	15
6(j) Management of Capital Risk	17
7. SUBSEQUENT EVENTS	17
8. POLICIES AND CONTROLS	17
8(a) Significant Accounting Policies and Estimates	17
8(b) Future Accounting Pronouncements	18
8(c) Changes in Internal Controls over Financial Reporting (“ICFR”)	18
9. INFORMATION ON THE BOARD OF DIRECTORS AND MANAGEMENT	19

1. BACKGROUND

Au Gold Corp. (formerly Schooner Capital Corporation) (the "Company") was incorporated under the Business Corporations Act (British Columbia) on December 7, 2017 as a Capital Pool Corporation defined in the Policy 2.4 of the TSX Venture Exchange (the "Exchange"). The principal business of the Company was the identification and evaluation of assets or businesses with a view to completing a QT. The Company's registered office is 10th floor, 595 Howe Street, Vancouver, BC V6C 2T5.

On December 21, 2020, the Company completed the share exchange transaction with Ponderosa Exploration Ltd. ("Ponderosa"; formerly 1201361 B.C. Ltd.), which constituted the Company's QT. Ponderosa was incorporated under the Business Corporations Act (British Columbia) on March 15, 2019 and its principal business focus is the exploration and development of gold and mineral prospects in Canada. Upon completion of the QT, the Company began trading under its new name on the Exchange with the symbol "AUGC" on December 24, 2020.

The Company's principal and only property is the Ponderosa Project, located in the Nicola Mining Division of British Columbia. The Company has two separate option agreements covering the Ponderosa Project: (a) a 60% option on the central claim pursuant to the DEX Option Agreement and (b) a 100% option on three surrounding claims pursuant to the EAB Option Agreement.

2. OVERVIEW

2(a) Company Mission and Focus

The Company is focused on exploring and developing economic mineral projects in the province of British Columbia.

2(b) Qualified Person

Mr. Marc Blythe, MBA, P.Eng., is a Qualified Person, as defined by National Instrument 43-101. The technical content of this document was prepared under the supervision of Mr. Blythe.

2(c) Description of Metal Markets

Market interest for all metals such as gold and copper is volatile and the Company will monitor its resources relative to its opportunities during the coming fiscal year.

2(d) Use of the terms "Mineral Resources" and "Mineral Reserves"

The reader is referred to the document entitled "CIM DEFINITION STANDARDS - For Mineral Resources and Mineral Reserves", published by the Canadian Institute of Mining, Metallurgy and Petroleum at: https://mrmr.cim.org/media/1092/cim_definition_standards_20142.pdf.

Any reference in this MD&A to Mineral Resources does not mean Mineral Reserve.

A Mineral Reserve is the economically mineable part of a Measured or Indicated Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include

adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A Mineral Reserve includes diluting materials and allowances for losses that may occur when the material is mined.

Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories. An Inferred Mineral Resource has a lower level of confidence than that applied to an Indicated Mineral Resource. An Indicated Mineral Resource has a higher level of confidence than an Inferred Mineral Resource but has a lower level of confidence than a Measured Mineral Resource.

3. MINERAL PROPERTIES

Ponderosa Property

The Ponderosa property is located 16 km southwest of Merritt, BC, less than three hours drive from Vancouver, Canada. Access by road is via the sealed Coldwater Road from either Merritt or the Coquihalla Highway (Exit 256) and then 9km by way of paved and gravel roads from the Coldwater/Patchett Road junction. The property is located within the unceded traditional territory of the Nlaka'pamux People. The property consists of four contiguous mineral claims covering an area of 1.8 km by 2.3 km (420 hectares).

It lies within the Spences Bridge Gold Belt which forms a northwest trending belt roughly 180 km long and up to 24 km wide. Rocks of immediate interest in the belt and underlying much of the property comprise successions of Cretaceous subaerial and pyroclastic volcanic flows which host significant gold mineralization at Westhaven Gold Corp.'s Shovelnose project approximately 20 km southeast of Ponderosa.

Historical Exploration

Historical exploration at Ponderosa began with broadly spaced soil geochemistry and prospecting which led to the identification of a number of showings across the property. Prior operators focused almost exclusively on an in-situ occurrence referred to as "Axel Ridge", which is characterized by outcropping cryptocrystalline/saccharoidal to crustiform and colloform banded epithermal quartz. A series of trenches were excavated across these outcropping exposures with highlights including 2.22 g/t gold over 11.7 m, 1.92 g/t gold over 14.0 m (with 3.03 g/t gold over 8.0 m) and 3.6 g/t gold over 7 m. Follow-up diamond drilling of seven holes at Axel Ridge was unsuccessful in intersecting the surface mineralization at depth. A localized ground magnetic geophysical survey was also carried out by prior operators.

Work conducted on the property in 2019 and 2020 significantly upgraded three historic showings and identified an entirely new showing. These showings in order of priority are the; Tomahawk, Flat Iron, T-Bone and Rib Eye zones.

The Tomahawk Zone is the most advanced and highest priority showing on the Property. The area was identified through historical prospecting as a quartz rubble pile roughly 3 m in diameter. Six surface samples collected by a prior operator from the quartz rubble area returned grades from below detection to 0.54 g/t gold but the lack of soil geochemical response over this target and apparent lack of strike extent of the surface exposure discouraged any follow-up exploration. The site was investigated further in 2019 and additional in-situ

mineralization was located 50 m to the southwest, believed to be associated with the initial discovery. Six samples of weakly crustiform to cryptocrystalline/saccharoidal quartz returned values ranging from below detection limits to 2.96 g/t gold. Five hand trenches were located at varying intervals across the two exposures to identify the nature, width and orientations of the respective vein zones. All trenches reached bedrock, encountering significant widths of silicification, brecciation and clay altered volcanic clasts, quartz flood zones resembling sheeted veinlets and veins, and massive quartz vein material.

The Flat Iron Zone is situated approximately 100 m south of the Tomahawk Zone and is interpreted as a sinistral structural offset of the Tomahawk Zone by an easterly trending property-scale structure. The Flat Iron Zone is defined by two historical trenches comprising roughly 85 m of mechanized trenching which identified a number of significant quartz zones, zones of brecciation, silicification and pyritization. Individual samples from the longer of the two trenches (~65 m) reportedly assayed up to 7.54 g/t gold while a weighted average across 25 m yielded 0.80 g/t gold. The main zone of quartz veining observed is described as white to grey, opaque, cryptocrystalline material with <1mm black bands. This zone was mapped as being bound to the east by a steeply dipping vertical fault zone containing abundant quartz fragments within pervasively argillic and chlorite altered fault gouge with oxidized and weathered pyrite.

The T-Bone Zone is situated approximately 200 m northeast of the Tomahawk Zone and represents the strongest coincident gold-arsenic soil geochemistry on the property aside from Axel Ridge. Preliminary interpretation suggests the target area hosts multiple vein zones with similar orientations to the Tomahawk and Flat Iron zones dipping moderately to steeply west-northwest. Mechanized trenching is proposed to delineate the mineralization at T-Bone.

The Rib Eye Zone was first identified during the 2019 soil sampling program, which located a narrow excavation that exposed a zone of extremely hydrothermally altered volcanic strata completely converted to orange, white and tan clay with intermittent clear and white silica veinlets. The excavation is parallel to the alteration zone therefore only a narrow section of the silicified footwall volcanic is exposed and the clay alteration is also only partially exposed across a width of 3.70 m. Samples of the clay material collected from the trench were analyzed and identified as low temperature smectite group clays comprising montmorillonite and laumontite. The orientation of the Rib Eye alteration trends southwest toward the strongest gold-in-soil value (110 ppb) in the area and dips are steep northwest. Also of note in this area is the highest gold value obtained from prospecting samples on the property, reported to have returned 46.9 g/t gold and 110 g/t silver. Although sampling across the trench exposure returned low values for gold, the Rib Eye Zone is deemed significant as it may represent a high level telescoping portion of a fertile hydrothermal system at depth. Mechanized trenching and geophysics are proposed to better understand this target area.

Current Exploration

On January 13, 2021, the Company announced that it had submitted a series of comprehensive channel and chip samples collected from the Tomahawk zone in late October 2020, to ALS Global's geochemistry analytical lab in North Vancouver, B.C. This work formed part of the recommendations presented in the Company's recently filed October 6, 2020, National Instrument 43-101 compliant technical report on the Ponderosa property.

The Tomahawk zone is the most advanced and highest-priority showing on the property. The area was identified through historical prospecting of a quartz rubble pile roughly three metres in

diameter. Six historical grab samples reportedly returned from below detection to 0.54 gram per tonne gold but no additional follow-up work was conducted. In 2019, the Company expanded the target scope by prospecting an additional six grab samples of epithermal quartz material further afield that returned values ranging from below detection limits to 2.96 g/t gold. Subsequent hand trenching identified in situ epithermal-style mineralization and alteration along a 55 metres strike length and 15 metres across the widest continuous exposure. The vein zone remains open along strike and the footwall contact has not yet been delineated.

Mineralization and alteration assemblages are characterized by varying degrees of silicification, brecciation (silica strongly cementing clay-altered and oxidized volcanic clasts), quartz flooding (resembling sheeted veinlets and narrow veins) and massive silica exhibiting cryptocrystalline to weak crustiform banded textures.

The Company interprets these textural characteristics as high-level epithermal indicators and is encouraged by the significant widths defining the zone.

The Tomahawk vein zone strikes north-northeast and dips moderately westward between 45 and 70 degrees. Interpreted dips suggest true widths are between 70 and 90 per cent of the reported surface exposures. These orientations coincide with a number of other showings on the property that remain underexplored.

Both channel and chip sampling methods were utilized among the four trenches sampled. Channel sampling was completed using a rock saw to cut two parallel lines approximately five centimeters apart to a depth of eight to 10 centimeters along the bedrock exposure while a number of highly friable sections were chip sampled by conventional means.

One metre sample intervals were measured horizontally along the length of the exposures and stations were marked with interval and sample number on double-sided aluminum tags. Material was extracted from sawn channels with the use of a wedge and mallet. Select vein and alteration material was photographed from each sample site before being placed in double poly bags, labelled and zap strapped.

On March 31, 2021, the Company has announced assay results from a trench sampling program completed at the Ponderosa gold project in British Columbia ("Ponderosa"). The program focused on the Tomahawk Zone, the highest priority of four target areas on the property. The results support the exploration thesis that Tomahawk represents the intact upper portion of an epithermal gold system and should be prioritized for future diamond drilling.

Tomahawk Sampling Highlights:

- Trench TR-DP-04 returns 1.04 g/t gold across 5.25 m including 3.99 g/t gold and 14.9 g/t silver across 1.00 m;
- Variably altered volcanic host rocks yield up to 0.61 g/t gold across 1.25 m;
- Anomalous gold response from all trenches sampled; and
- Textures supportive of high-level position in the epithermal system

Chip and saw channel sampling yielded anomalous gold values (>50 ppb) from the four trenches sampled along the 55 m trend. Numerous intervals from three of the trenches returned >100 ppb gold with the best weighted average series of samples collected from the southernmost and lowest elevation trench, TR-DP-04, which yielded 1.04 g/t gold across 5.25 m

including 3.99 g/t gold and 14.9 g/t silver across 1.00 m. In addition, elevated gold values (up to 613 ppb) were sampled from sections of the vein zone where volcanic host-rocks are only weakly to moderately clay and silica altered. Base metal elements, which commonly occur in the deeper parts of these systems, were mostly below weakly anomalous thresholds for all samples collected. Select intervals (>200 ppb Au) are tabulated on the following table:

Trench	From (m)	To (m)	Interval (m)	Au (ppb)
TR-DP-01	2.00	3.00	1.00	245
TR-DP-01	3.00	4.00	1.00	235
TR-DP-02	14.00	15.30	1.30	592
TR-DP-03	6.00	7.00	1.00	243
TR-DP-04	0.00	1.00	1.00	241
TR-DP-04	2.00	3.00	1.00	283
TR-DP-04	3.00	4.00	1.00	3990
TR-DP-04	4.00	5.25	1.25	631

The most common textural features observed include: high level angular breccias with multiple phases of silica cement and stockwork style veining; tan to orange-brown clay altered volcanic often finely fractured with multiple generations of clear to white sheeted quartz; and crustiform banded opaque to white quartz veining.

In addition to receiving assay results for the Tomahawk Zone, the Company recently flew a high resolution helicopter-borne magnetic gradiometer survey over Ponderosa under the guidance of Precision GeoSurveys Inc. of Langley BC. The data is currently being processed and will be reviewed for further understanding of the structural architecture of the project area as well as identifying extensions of existing targets and new prospective areas where soil geochemical and/or prospecting anomalies have been previously identified.

4. RISKS AND UNCERTAINTIES

The Company is engaged in the exploration for mineral deposits. These activities involve significant risks which even with careful evaluation, experience and knowledge may not, in some cases, be eliminated. The Company's success depends on a number of factors, many of which are beyond its control. The primary risk factors affecting the Company include inherent risks in the mineral exploration and mining industries and metal price fluctuations.

General Risk Associated with the Mining Industry

Mineral exploration is an inherently risky business with no guarantees that the exploration will result in the discovery of an economically viable deposit. Among the risks faced are title risk, financing risk, permitting risk, commodity price risk and environmental regulation risk.

Mining activities involve risks which careful evaluation, experience and knowledge may not eliminate. The commercial viability of any mineral deposit depends on many factors not all of which are within the control of management. Management attempts to mitigate its exploration risk through a strategy of joint ventures with other companies which balances risk while at the same time allows properties to be advanced.

Inherent risks within the mining industry

The commercial viability of any mineral deposit depends on many factors, not all of which are within the control of management. Some of the factors that will affect the financial viability of a given mineral deposit include its size, grade and proximity to infrastructure. Government regulation, taxes, royalties, land tenure and use, environmental protection and reclamation and closure obligations could also have a profound impact on the economic viability of a mineral deposit.

Mining activities also involve risks such as unexpected or unusual geological operating conditions, floods, fires, earthquakes, other natural or environmental occurrences and political and social instability. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks as a result of high premiums or for other reasons. The Company does not currently maintain insurance against political or environmental risks. Should any uninsured liabilities arise, they could result in increased costs, reductions in profitability, and a decline in the value of the Company's securities.

There is no assurance at this time that the Company's current mineral properties will be economically viable for development and production.

Prices for metals

Metals prices are subject to volatile price fluctuations and have a direct impact on the commercial viability of the Company's exploration properties. Price volatility results from a variety of factors, including global consumption and demand for metals, international economic and political trends, fluctuations in the US dollar and other currencies, interest rates, and inflation. The Company has not hedged any of its potential future metal sales. The Company closely monitors metal prices to determine the appropriate course of action to be taken by the Company.

Dependence on Key Personnel

Loss of management personnel or key operational leaders could have a disruptive effect on the implementation of the Company's business strategy and on the running of day-to-day operations until their replacement is found. Recruiting personnel is expensive and the competition for professionals is intense. The Company may be unable to retain its key employees or attract other qualified employees which may restrict its growth potential.

Impact of COVID-19

In March 2020, the World Health Organization declared a global pandemic known as COVID-19. The impact on global commerce continues to be far reaching. Material uncertainties may come into existence that could influence management's going concern assumption. The duration and impact of the COVID-19 outbreak is unknown at this time and 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. The Company continues to closely evaluate the impact of COVID-19 on its operations.

5. IMPAIRMENT OF LONG-LIVED ASSETS

The Company completed an impairment analysis as at March 31, 2021 and concluded that no impairment charge was required because:

- there have been no significant changes in the legal factors or climate that affects the value of the property;
- the property in British Columbia remains in good standing; and
- the Company has flow-through fund to continue its exploration and development plans on the property.

6. MATERIAL FINANCIAL AND OPERATIONS INFORMATION

6(a) Selected Annual Financial Information

Selected Annual Information

Annual

	Year Ended March 31, 2021	From date of incorporation on March 15, 2019 to March 31, 2020
Total revenues	\$ -	\$ -
Expenses	\$ 643,415	\$ 22,572
Loss for the year	\$ 643,414	\$ 10,072
Basic and diluted loss per share	\$ 0.04	\$ 0.00
Total assets	\$ 2,158,309	\$ 223,834
Total long-term financial liabilities	\$ -	\$ -
Cash dividend declared - per share	N/A	N/A

6(b) Summary of Quarterly Results

The following is a summary of the Company's financial results for the last eight quarters:

	Three months ended			
	March 31, 2021	December 31, 2020	September 31, 2020	June 30, 2020
Total revenues		\$ -	\$ -	\$ -
Net loss (income) and comprehensive loss (income)	\$ 636,038	\$ (3,149)	\$ 4,107	\$ 6,418
Loss per share	\$ 0.04	\$ 0.00	\$ 0.00	\$ 0.00

	Three months ended			
	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019 ⁽¹⁾
Total revenues	\$ -	\$ -	\$ -	\$ -
Net loss and comprehensive loss	\$ 2,695	\$ 2,435	\$ 1,961	\$ 2,981
Loss per share	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

⁽¹⁾ Period from the date of incorporation on March 15, 2019 to June 30, 2019.

6(c) Review of Operations and Financial Results

For the three months ended March 31, 2021 compared with the three months ended March 31, 2020:

The Company recorded a net loss for the three months ended March 31, 2021 of \$636,037 (loss per share - \$0.02) compared to a net loss of \$2,695 (loss per share - \$0.00) for the three months ended March 31, 2020.

Excluding the non-cash share-based compensation of \$54,900 (2020 - \$Nil) and one-time listing expense of \$351,424 (2020 - \$Nil), the expenses amounted to \$229,714 (2020 - \$15,195), an increase of \$214,519. The change was primarily due to increases in: (a) accounting and audit (2021 - \$75,983; 2020 - \$5,000); (b) consulting (2021 - \$3,390; 2020 - \$Nil); (c) filing and transfer agent fees (2021 - \$39,782; 2020 - \$Nil) and (d) legal fees (2021 - \$108,732; 2020 - \$370). All such increases were due to (1) the Company was active in carrying out the exploration program at its Ponderosa property; (2) the Company completed the QT to become a publicly-listed company on the TSX Venture Exchange; and (3) the Company completed two private placements raising a total of \$2,100,000. These increases were offset by a decrease in marketing and shareholder communication expense (2021 - \$927; 2020 - \$9,788).

For the year ended March 31, 2021 compared with the period from the date of incorporation on March 15, 2019 to March 31, 2020:

The Company recorded a net loss for the year ended March 31, 2021 of \$643,414 (loss per share - \$0.04) compared to a net loss of \$10,072 (loss per share - \$0.00) for the period from the date of incorporation on March 15, 2019 to March 31, 2020.

Excluding the non-cash share-based compensation of \$54,900 (2020 - \$Nil) and one-time listing expense of \$351,424 (2020 - \$Nil), the expenses amounted to \$237,091 (2020 - \$22,572), an increase of \$214,519. The change was primarily due to increases in: (a) accounting and audit (2021 - \$75,983; 2020 - \$5,000); (b) consulting (2021 - \$3,390; 2020 - \$Nil); (c) filing and transfer agent fees (2021 - \$39,782; 2020 - \$Nil) and (d) legal fees (2021 - \$115,245; 2020 - \$6,883). All such increases were as a result of (1) the Company was active in carrying out the exploration program at its Ponderosa property; (2) the Company completed the QT to become a publicly-listed company on the TSX Venture Exchange; and (3) the Company completed two private placements raising a total of \$2,100,000. These increases were offset by a decrease in marketing and shareholder communication expense (2021 - \$1,344; 2020 - \$10,205).

6(d) Liquidity and Capital Resources

Capital Resources

During the year ended March 31, 2021, the Company settled \$9,648 shareholder's loan by issuing 385,924 common shares at \$0.025 per share prior to the QT, settled \$52,133 due to a related party by issuing 2,606,625 common shares at \$0.02 per share prior to the QT and settled another \$48,070 in trade and other payables by issuing 2,403,515 common shares at \$0.02 per share prior to the QT.

As part of the QT, on December 21, 2020, the Company completed a non-brokered private placement of 10,000,000 flow-through common shares (the "FT Shares") at a price of \$0.10 per

FT Share (the "FT Financing") and 11,000,000 units (the "Units") at a price of \$0.10 per Unit (the "Unit Financing" and together with the FT Financing, the "Concurrent Financing") for aggregate gross proceeds of \$2,100,000.

During the year ended March 31, 2021, the Company granted 2,300,000 stock options with an exercise price of \$0.10 expiring on December 21, 2025 and recognized a fair value of \$54,900 as share-based compensation. The 475,000 stock options with an exercise price of \$0.10 expiring on June 27, 2023 were granted by Schooner prior to completing the QT.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

The Company is aware of the current conditions in the financial markets and has planned accordingly. The Company's current treasury and the future cash flows from equity issuances and the potential exercise of warrants, finders' warrants and options, along with the planned developments within the Company will allow its efforts to continue throughout 2021. If the market conditions prevail or improve, the Company will make adjustment to budgets accordingly.

Liquidity

As at March 31, 2021, the Company had a working capital of \$1,724,546 (March 31 2020 – deficiency of \$109,717). As at March 31, 2021, \$1,731,878 was held in cash (March 31, 2020 - \$30,178). The total increase of \$1,701,700 was due to: (a) net proceeds from issuance of common shares of \$1,994,850 and (b) cash provided by the QT of \$174,016; while being offset by cash used in: (c) operating activities of \$276,851; (d) exploration and evaluation assets of \$131,924 and (e) a reduction of shareholder's loan of \$58,391.

6(e) Disclosure of Outstanding Share Data

The authorized share capital of the Company consists of an unlimited number of common shares without par value. As at March 31, 2021, the Company's share capital was \$2,731,406 (March 31, 2020 - \$89,079) representing 32,905,824 common shares (March 31, 2020 – 7,578,948 common shares).

Stock option transactions and the number of stock options are summarized as follows:

Expiry date	Exercise price	March 31, 2020	Granted	Exercised	Expired / Cancelled	March 31, 2021
June 27, 2023	\$ 0.10	-	475,000	-	-	475,000
December 21, 2025	\$ 0.10	-	2,300,000	-	-	2,300,000
Options outstanding		-	2,775,000	-	-	2,775,000
Options exercisable		-	2,775,000	-	-	2,775,000
Weighted average exercise price	\$	-	\$ 0.10	\$	-	\$ 0.10

The continuity of warrants for the year ended March 31, 2021 is as follows:

Expiry date	Exercise price	March 31, 2020	Issued	Exercised	Expired	March 31, 2021
December 21, 2022	\$ 0.15	-	5,500,000	-	-	5,500,000
Warrants outstanding		-	5,500,000	-	-	5,500,000
Weighted average exercise price	\$	-	\$ 0.15	\$	-	\$ 0.15

The continuity of finders' warrants for the year ended March 31, 2021 is as follows:

Expiry date	Exercise price	March 31, 2020	Issued	Exercised	Expired	March 31, 2021
December 21, 2022	\$ 0.10	-	1,051,500	-	-	1,051,500
Finders' warrants outstanding		-	1,051,500	-	-	1,051,500
Weighted average exercise price	\$	-	\$ 0.10	\$	-	\$ 0.10

If the remaining options, warrants, finder's options, including the warrants associated with the finder's options, were exercised, the Company's available cash would increase by \$1,207,650.

As of the date of this MD&A, there were 32,905,824 common shares issued and outstanding and 42,232,324 common shares outstanding on a diluted basis.

6(f) Commitment and Contingency

None.

6(g) Off-Balance Sheet Arrangements

None.

6(h) Transactions with Related Parties

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows:

Amounts in accounts payable:	Services for:	Year ended March 31, 2021	From the date of incorporation on March 15, 2019 to March 31, 2020	As at March 31, 2021	As at March 31, 2020
Private company owned by the Chief Executive Officer	Prospecting, inspection and consulting fee	\$ 10,500	\$ 49,650	\$ -	\$ 52,133
Private company owned by the Exploration Manager	Geological consulting and consulting fee	34,688	-	7,055	-
Private company controlled by a director of the Company	Accounting and management services	61,926	-	5,250	-
Total		\$ 107,114	\$ 49,650	\$ 12,305	\$ 52,133

- (a) Marc Blythe, the Chief Executive Officer, president, and director of the Company is the owner of this private company.
- (b) Bill Wengzynowski, the exploration manager, is the owner of this private company.
- (c) Mark T. Brown, a director of the Company, is the president of this private company.

Key management personnel compensation includes all compensation paid to executive management and members of the board of directors of the Company.

For the year ended March 31, 2021:

	Short-term employee benefits	Post- employment benefits	Other long- term benefits	Terminatio n benefits	Other expenses	Share-based payments ⁽¹⁾	Total
Marc Blythe Chief Executive Officer, Director	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$12,415	\$12,415
Winnie Wong Chief Financial Officer, Corporate Secretary	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$6,208	\$6,208
Mark T. Brown Director	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$6,208	\$6,208
Garrett Ainsworth Director	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$6,208	\$6,208
Neil Burns Director	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$6,208	\$6,208
Scott Trebilcock Director	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$6,208	\$6,208
Bill Wegzynowski Exploration Manager	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$6,208	\$6,208
Total:	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$49,663	\$49,663

For the year ended March 31, 2020:

	Short-term employee benefits	Post- employem ent	Other long-term benefits	Terminati on benefits	Other expenses	Share-based payments ⁽¹⁾	Total
Marc Blythe Chief Executive Officer, Director	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil
Total:	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil

(1) Share-based payments are the fair values of the stock options granted during the years ended March 31 2021 and 2020 calculated using the Black-Scholes Option Pricing Model (see Note 6(d)).

6(i) Financial Instruments

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2

valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market place.

Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

As at March 31, 2021, the Company's financial instruments are comprised of cash and cash equivalents, trade and other payables. The carrying value of cash and cash equivalents, trade and other payables approximate their fair values due to the relatively short periods to maturity of these financial instruments.

At March 31, 2021

Assets		Level 1		Level 2		Level 3		Total
Cash	\$	1,731,878	\$	-	\$	-	\$	1,731,878
Total	\$	1,731,878	\$	-	\$	-	\$	1,731,878
Liabilities		Level 1		Level 2		Level 3		Total
Trade and other payables	\$	21,283	\$	-	\$	-	\$	21,283
Shareholder's loan		-		-		-		-
Total	\$	21,283	\$	-	\$	-	\$	21,283

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash is exposed to credit risk. The Company reduces its credit risk on cash by placing these instruments with institutions of high credit worthiness.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's cash is exposed to interest rate risk.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company's trade and other payables are all current and due within 90 days of the balance sheet date. At March 31, 2021, the Company had a working capital of \$1,724,546 (March 31, 2020 – deficiency of \$109,717) which will provide sufficient capital to meet its short-term financial obligations.

Management of industry risk

The Company is engaged primarily in the mineral exploration field and manages related industry risk issues directly. The Company is potentially at risk for environmental reclamation and fluctuations in commodity-based market prices associated with resource property interests. Management is of the opinion that the Company addresses environmental risk and compliance in accordance with industry standards and specific project environmental requirements.

6(j) Management of Capital Risk

The Company manages its cash and cash equivalents, common shares, warrants and share purchase options as capital. The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, acquire or dispose of assets or adjust the amount of cash and cash equivalents held.

In order to maximize ongoing operating efforts, the Company does not pay out dividends. The Company's investment policy is to invest its short-term excess cash in highly liquid short-term interest-bearing investments with maturities of 90 days or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations.

The Company expects its current capital resources will be sufficient to carry out its exploration and operations in the near term.

7. SUBSEQUENT EVENTS

None other than disclosed already in other sections.

8. POLICIES AND CONTROLS

8(a) Significant Accounting Policies and Estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and further periods if the revision affects both current and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Critical judgments

- The assessment of indications of impairment of each mineral property and related determination of the net realized value and write-down of those properties where applicable; and
- The determination that the Company will continue as a going concern for the next year.

8(b) Future Accounting Pronouncements

None.

8(c) Changes in Internal Controls over Financial Reporting (“ICFR”)

Changes in Internal Control Over Financial Reporting (“ICFR”)

In connection with National Instrument 52-109, Certification of Disclosure in Issuer’s Annual and Interim Filings (“NI 52-109”) adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management’s Discussion and Analysis. The Venture Issue Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI52-109.

Disclosure Controls and Procedures

The Company’s CEO and CFO are responsible for establishing and maintaining the Company’s disclosure controls and procedures. Management, including the CEO and CFO, have evaluated the procedures of the Company and have concluded that they provide reasonable assurance that material information is gathered and reported to senior management in a manner appropriate to ensure that material information required to be disclosed in reports filed or submitted by the Company is recorded, processed, summarized and reported within the appropriate time periods.

While management believes that the Company’s disclosure controls and procedures provide reasonable assurance, they do not expect that the controls and procedures can prevent all errors, mistakes, or fraud. A control system, no matter how well conceived or operated, can only provide reasonable, not absolute, assurance that the objectives of the control system are met.

9. INFORMATION ON THE BOARD OF DIRECTORS AND MANAGEMENT

Directors:

Mark T. Brown
Marc Blythe
Garrett Ainsworth
Neil Burns
Scott Trebilcock

Audit Committee members:

Scott Trebilcock (Chair), Garrett Ainsworth, Neil Burns

Management:

Marc Blythe – Chief Executive Officer, President
Winnie Wong – Chief Financial Officer and Corporate Secretary
Bill Wengzynowski – Exploration manager