LUCKY MINERALS INC.

FORM 51-102F1

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED JANUARY 31, 2021

CONTENTS

GENERAL

This Management's Discussion and Analysis ("MD&A" or "Report") of the financial condition of Lucky Minerals Inc. (an exploration stage company) ("Lucky" or the "Company") and results of operations of the Company for the period ended January 31, 2021 (the "Period") has been prepared by management in accordance with the requirements under National Instrument 51-102 as at March 17, 2021 (the "Report Date"). The Report should be read in conjunction with the condensed interim consolidated financial statements including the notes thereto for the period ended January 31, 2021 and the audited consolidated financial statements including the notes thereto for the year ended October 31, 2020 (collectively, the "Financial Statements"). The Financial Statements are presented in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"), and Lucky's accounting policies are described in the notes to the Financial Statements. All dollar amounts in the Report are in Canadian dollars unless otherwise noted.

The Financial Statements, together with the MD&A, are intended to provide investors with a reasonable basis for assessing the performance and potential future performance of the Company and are not necessarily indicative of the results that may be expected in future periods. The information in the MD&A may contain forward-looking statements, and the Company cautions investors that any forward looking statements by the Company are not guarantees of future performance, as they are subject to significant risks and uncertainties that may cause projected results or events to differ materially from actual results or events. Please refer to the risks and cautionary notices of this MD&A.

FORWARD-LOOKING STATEMENTS

The Company's Financial Statements, and this accompanying MD&A, contain statements that constitute "forward-looking statements" within the meaning of National Instrument 51-102, Continuous Disclosure Obligations of the Canadian Securities Administrators. Forward-looking statements often, but not always, are identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect", "targeting" and "intend" and statements that an event or result "may", "will", "should", "could", or "might" occur or be achieved and other similar expressions. Forward-looking statements in this MD&A include statements regarding the Company's future exploration plans and expenditures, the satisfaction of rights and performance of obligations under agreements to which the Company is a part, the ability of the Company to hire and retain employees and consultants and estimated administrative assessment and other expenses. The forward-looking statements that are contained in this MD&A involve a number of risks and uncertainties. As a consequence, actual results might differ materially from results forecast or suggested in these forward-looking statements. Some of these risks and uncertainties are identified under the heading "Risks and uncertainties" in this MD&A. Additional information regarding these factors and other important factors that could cause results to differ materially may be referred to as part of particular forward-looking statements. The forward-looking statements are qualified in their entirety by reference to the important factors discussed under the heading "Risks and uncertainties" and to those that may be discussed as part of particular forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that 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. Factors that could cause the actual results to differ include market prices, exploration success, continued availability of capital and financing, inability to obtain required regulatory approvals and general market conditions. These statements are based on a number of assumptions, including assumptions regarding general market conditions, the timing and receipt of regulatory approvals, the ability of the Company and other relevant parties to satisfy regulatory requirements, the availability of financing for proposed transactions and programs on reasonable terms and the ability of third-party service providers to deliver services in a timely manner. Forward-looking statements contained herein are made as of the date of this MD&A and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. 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.

Additional information relating to the Company and its operations can be obtained from the offices of the Company, on the Company's website: www.luckyminerals.com and on SEDAR at www.sedar.com.

OVERALL PERFORMANCE

Description of Business

Lucky is a Canadian-based mineral exploration company which owns, through its subsidiary, a 100% interest in the Fortuna Project in Ecuador. The Fortuna Project is a royalty-free 550km^2 (55,000 Ha, or 136,000 Acres) exploration concession, and is located in the highly prospective gold belt of southern Ecuador. The Company also has option agreements to acquire 100% interests in the Emigrant and St. Julian projects, both located in Montana, US. Lucky may also acquire and explore additional mineral properties, as such opportunities arise.

The Company is registered in British Columbia under the Business Corporations Act and is engaged in acquiring and exploring mineral property interests. The Company's head office and principal business address is Suite 1010, 789 West Pender Street, Vancouver, British Columbia V6C 1H2. The Company's common shares are listed for trading on the TSX Venture Exchange ("TSX-V") under the symbol "LKY", and it is a reporting issuer in the provinces of British Columbia, Alberta and Manitoba. The Company also trades on the Frankfurt Stock Exchange under symbol "8LM", and in the United States on the OTCQB under the symbol "LKMNF".

Highlights During the Period

Corona Virus (COVID-19)

In March 2020, the World Health Organization declared the coronavirus (COVID-19) a global pandemic. Workforces, economies and financial markets have all been significantly affected. As at the date of this Report, it is not possible for the Company to determine the effects of the pandemic on the Company's business or operations during the period ended January 31, 2021, nor to predict the duration or magnitude of the pandemic in the ensuing periods.

The Fortuna Property

On March 2, 2020 the Company announced that it had entered into a memorandum of understanding("MOU"), which MOU was subsequently replaced by an option agreement, with First Quantum Minerals Ltd. ("First Quantum") whereby First Quantum could acquire exclusive rights to explore for copper deposits on the Fortuna concessions for a period from signing to January 23, 2021, and provide, on or before February 23, 2021, notice to the Company of its intent to continue to target test. Lucky retained the right to explore on the entirety of the concessions and focused its efforts on gold targets in 2020. Lucky retains a 100% interest in all primary-gold deposits and copper interests of less than a potential 500,000 tonnes of payable copper. This agreement is described more fully below at "First Quantum Option and Joint Venture".

On February 23, 2021, First Quantum elected to terminate the Option Agreement at the Company's Fortuna project.

Montana Properties

In November 2015, the Company and the Montana Department of Environmental Quality ("DEQ") were served with a complaint in which the plaintiff sought declaratory and injunctive relief prohibiting further exploration on the St. Julian claims, which claims are contiguous to the Emigrant claims. Management considered the complaint to be without merit and pursued its defense; however, the Montana Sixth Judicial District Court held for the plaintiff. The Company, the DEQ and the Montana Attorney General appealed (the "Appeal") to the Supreme Court of Montana. On November 29, 2020, the Appeal concluded, and judgement (the "Judgement") was rendered, whereby the exploration licence decision from the Montana Sixth Judicial District Court was upheld. As a result of the Judgement, all costs relating to the St. Julian and the Emigrant project, totalling $1,052,751, were written down to Nil as at October 31, 2020.

Securities Transactions During the Period

- The Company announced a non-brokered private placement on January 13, 2021 (the "Private Placement"). The Private Placement comprises units ("Units"), with each Unit at $0.08 per Unit consisting of one common share in the capital of the Company and one transferable share purchase warrant ("Warrant") allowing for the acquisition of one additional common share in the capital of the Company at $0.15 per share for a period of 24 months from closing. In connection with the Private Placement, the Company received funds totaling $1,129,970 prior to January 31, 2021. The Private Placement closed in 2 tranches on February 17 and February 19, 2021 (see "*Subsequent Events*" in this Report.)

- The Company issued a total of 100,363 common shares for payment of interest on the convertible debenture, which shares were valued at $82,800.

- On November 27, 2020, warrants allowing for the purchase of up to, in the aggregate, 2,340,227 common shares at $1.50 per share expired.

2021 Exploration Update

The 100% owned Fortuna Property comprises approximately 55,000 hectares in a prolific mineralized zone in southern Ecuador. The Fortuna Property is host to the El Buitre Porphyry and Breccia zone. The El Buitre porphyry target on Fortuna 3 is known to host copper-moly-gold mineralization.

El Buitre Prospect

Field work to date has identified a phyllic altered area of approximately 2 x 1.5 km, not yet constrained, which is prospective for copper, molybdenum and gold mineralization. The host rocks include a dacite quartz porphyry and a granite porphyry which is an "S" type meta-granite. Two main stockwork type veins have been observed. Quartz-molybdenite veins ("B" veins) and pyrite-sericite-silica ("D" veins). Rock chip samples within the phyllic altered host rocks have returned assays up to 1.21 g/t gold and stream sediment samples up to 10.5 g/t gold.

The El Buitre porphyry area lies within a northeast trending copper, gold and molybdenum metallogenetic belt of Miocene age. Known porphyry deposits along this belt include Chaucha (Cu-Mo porphyry), Gaby-Papa Grande (Au porphyry), and the Alpala (high-grade Cu-Au porphyry). In all cases the mineralization is of Miocene age. At Alpala, host rocks include volcanic and sedimentary Cretaceous to Tertiary rocks, whereas at El Buitre host rocks include Paleozoic to Triassic meta-sediments.

On February 23, 2021 First Quantum Minerals Ltd. ("First Quantum") indicated they will not proceed to the next phase of the exclusivity agreement entered into on March 2, 2020. As part of the initial agreement First Quantum will provide all the data they have generated while they worked on the Fortuna concessions 3,4,5 & 6.

Lucky CEO, Francois Perron, stated "The high-quality work accomplished by First Quantum offers us significant insights into the potential of the property. Their conclusion from this work is that they did not see the potential for a large-scale copper porphyry system they are interested in targeting. The surface mapping and geophysics undertaken is of great value and will be the basis of our future strategy with respect to those target areas. In particular recent review of data confirms the presence of the upper parts of a potential copper gold porphyry system at the Emma prospect."

The Emma Prospect

Field work completed last year on the northern section of the Fortuna 4 concession, outlined the Emma Prospect ("Emma"), a large alteration area measuring approximately 2.8 km by 2.0 km. Emma lies approximately 8 km south of the El Garo Prospect and approximately 2 km west of the El Buitre Porphyry. Results from rock chip samples confirm the alteration area has anomalous gold and copper.

At Emma geological outcrop mapping, Terraspec rock analyses and sampling has defined an area of phyllic alteration with stockwork type quartz veinlets, areas of strong silicification and advanced argillic alteration hosted in a meta-granite.

The discovery of this large alteration zone at Emma confirms the presence of a strong hydrothermal system that will warrant further exploration work. Emma has characteristics of a porphyry system.

At Emma, the host rock exposed on surface outcrop is predominantly an altered meta-granite that exhibits foliation. Of interest are northeast trending quartz veins with widths ranging from 1 to 3 meters. These veins are located on the SE margin of the alteration envelope and are hosted in meta-granite.

In addition to the above porphyry targets, the Fortuna Project has potential to host three significant types of gold mineralization – epithermal, orogenic, and placer gold. Historical and current gold placer mining to the south and west on the property are good indicators for locating the source of gold mineralization.

Last year's exploration program conducted from August to October focused on a northeast trending Miocene volcanic belt known as "The Shincata Gold Trend" that is host to the El Mozo epithermal gold deposit and includes several anomalous areas through the Fortuna 1, 4, 5, 8, 9 and 10 concessions. This trend extends for approximately 22 kilometres from Fortuna 10 in the SW to Fortuna 1 in the NE.

Lucky's 2020 exploration effort was focused on gold discovery and in last year's exploration program outlined the El Garo Prospect, a high sulphidation precious metal epithermal prospect in the Fortuna 1 concession, and the Sherman prospect, aquartz stockwork and orogenic vein system in the southwestern area of the Fortuna 4 concession.

El Garo Prospect

El Garo is characterized by a large advanced argillic alteration area measuring approximately 2 km x 1 km confirmed by outcrop sampling, Terraspec rock analyses and is open in all directions. The host rocks are dacite tuffs with outcrops of vuggy silica, hydrothermal breccias, alunite, and jarosite. These rock types and alteration minerals are typical of high sulphidation precious metal systems.

At El Garo two geological teams have started collecting soil samples following a grid with 200-meter line separation, and samples taken every 50 meters along lines. A total of approximately 900 soil samples over an area of about 4.4 km x 2 km will be taken.

Outcrop sampling at El Garo has been restricted by the scarcity of outcrop. It is expected that as the grid continues to the east, there will be exposed bedrock which will allow for more sampling. It is important to observe that as the grid moves to the east, different elevations in the lithology are expected to be exposed and thus sampled.

Once all soils are assayed and a geochemical compilation and interpretation of these is completed, a hand dug trench program will start. This work will be followed by ground geophysics, and subsequently a drill program is expected in July.

Sherman Prospect

Continued field work on the southwestern section of the Fortuna 4 concession, outlined the Sherman Prospect ("Sherman"), An area of significant quartz veining, measuring approximately 5.5 km by 4.5 km. Sherman lies approximately 6.6 km southwest of the Emma Prospect. Results from rock chip samples confirm the alteration area has anomalous gold with samples up to 1.6 g/t gold. The Sherman prospect was initially explored based on regional features, namely quartz veins, identified as trending northeast and northwest. The current area of interest lies at the intersection of these two regional trends. This area of Sherman lies within the intersection of quartz veins (0.20 m – 1.0 m wide) that trend northwest, and a system of quartz veins (1.0 m – 3.0 m wide) that trend northeast. It appears that within the area of vein intersections (Sherman Prospect), the meta-granites have been subjected to strong brittle fracturing, thus allowing hydrothermal fluids to migrate and deposit quartz-pyrite as narrow veins within fractures in the meta-granite.

Though still early stage, Lucky is very excited about this significant area, as it may also have potential for a large tonnage low grade type target. Of interest is that the rivers and creeks at the

Sherman Prospect flow into the Shincata River, where alluvial gold operations have occurred for over 300 years and continue to the present day.

Thus far geological field work has identified three zones with significant potential for large tonnage mineralization at Sherman. Zones 1 and 2 are characterized by stockwork quartz veins (1 mm to 3 cm wide) with disseminated pyrite and iron oxides, hosted in a meta-granite (up to 0.477 g/t gold), and zone 3 is characterized by narrow quartz veins hosted in schists.

Current compilation efforts will include completing the analysis of multi-element rock geochemistry and a more detailed review of the structural geology of the area explored. More detailed field work, such as mapping, and sampling is needed between zones 1 and 2. These two zones are separated by approximately 1.7 km. Zone 3 lies approximately 1.5 km southwest from zone 2. The next step will include detailed field reconnaissance, trenching and sampling. This work will help to understand and define the size of the area, the behaviour of the quartz vein stockwork and its gold content. Permitting for hand trenching is currently underway.

All rock samples are submitted to ALS Chemex laboratories in Quito for prep work, and the analytical work is completed at their lab facility in Lima, Peru. ALS Chemex is an ISO certified and accredited laboratory.

QA/QC protocols are in place and include the insertion of a coarse blank, a standard and duplicate sample on every batch of 25 samples.

Victor Jaramillo, M.Sc.A., P.Geo., Lucky's Exploration Manager and a qualified person in accordance with National Instrument 43-101, is responsible for supervising the exploration program at the Fortuna Project for Lucky and has reviewed and approved the technical information contained in this Management Discussion and Analysis.

EXPLORATION AND EVALUATION ASSETS

First Quantum Option and Joint Venture

The Company has entered into a memorandum of understanding (the "Agreement") with First Quantum Minerals Ltd. ("First Quantum") whereby First Quantum shall acquire exclusive rights to explore for copper deposits on the Fortuna Concessions for a period from signing to January 23, 2021 (the "exclusivity period") and provide, on or before February 23, 2021, notice to the Company of its intent to continue to target test. The optionee may, over three phases, earn up to a 70% interest in a minimum of 500,000 tonnes of payable copper to be demonstrated in a NI43-101 compliant resource report. After creation of a joint venture the parties must jointly prepare a feasibility study demonstrating the above, with Lucky's costs to be capped at US$1,500,000.

Lucky retains the right to explore on the entirety of the concessions and will focus its efforts on gold targets in 2021. Lucky retains a 100% interest in all primary-gold deposits and copper interests of less than a potential 500,000 tonnes of payable copper.

<u>Exclusivity Period</u>

The exclusivity period shall expire on January 23, 2021, after which time First Quantum has until February 23, 2021 to communicate to Lucky on continuation to the second target testing.

As part of the exclusivity agreement First Quantum will contribute towards the Fortuna Concession fees and will undertake certain minimum exploration activities to assess the claims. These activities will include - but are not restricted to - mapping, sampling, geophysics and any work needed to generate drill targets, as well as any legal due diligence.

At the conclusion of the exclusivity agreement First Quantum will have the option to continue to the second "Target Testing" Phase.

<u>Target Testing</u>
The decision to continue to Target Testing is at the sole discretion of First Quantum and shall be communicated to Lucky by February 23, 2021. In this stage First Quantum shall retain exclusive rights on specific targets, and agrees to drill, on each target, a minimum of 2,000 metres within 18 months of full drill permits being granted. First Quantum shall cover all tenement fees on the specific concessions for the duration of this period. Notice to move to the third "earn-in phase" shall also be at the sole option of First Quantum and notice will be provided to Lucky within 60 days of the end of this period.

<u>Earn-in Phase</u>
Upon entering into the earn-in phase, the parties shall enter into an Option Agreement and First Quantum shall make a one-time cash payment to Lucky of US$1,000,000. The earn-in period is for a maximum of 5 years in which First Quantum must drill a total of 5,000 metres per year on the Option Property for a total of 25,000 metres, or will be obligated to pay Lucky an annual payment of US$1,000,000 with a one-time 12 month deferral option on payment of US$500,000. If drilling has been completed before the 5-year term is up and First Quantum is moving towards the achievement of all geological, mining, metallurgical, environmental, social and economic studies necessary to make a commercial decision to mine, Lucky may waive this penalty fee. Upon completion of this work commitment and preparation of a NI43-101 compliant resource report demonstrating a minimum of 500,000 tonnes of payable copper, the parties shall enter into a Joint Venture Agreement whereby Lucky retains a 30% interest in the project by funding its share of a feasibility study, up to a maximum commitment of US$1,500,000, in excess of which all costs are First Quantum's obligation. If Lucky chooses to not fund this study, it shall retain a 15% interest in the project, at no cost, through to the completion of a feasibility study.

On February 23, 2021, First Quantum elected to terminate the Option Agreement at the Company's Fortuna project.

<u>Emigrant Project, Montana, USA</u>
The Company is party to an agreement, as amended, to acquire a 100% interest in certain claims in Montana USA, pursuant to making certain payments. The optionor retains a 2% net smelter royalty ("NSR"), of which the Company may acquire 1.8% by paying US$1,500,000 within 9 months of commercial production. In November 2015, the Company and the Montana Department of Environmental Quality ("DEQ") were served with a complaint contending that the DEQ improperly issued an exploration license to the Company in respect of the St. Julian claims. The Montana Sixth Judicial District Court held for the plaintiff. The Company, the DEQ and the Montana Attorney General all appealed (the "Appeal") to the Supreme Court of Montana. The Emigrant and St. Julian claims are contiguous, and on May 26, 2020, the Company gave notice to the optionor that it was exercising its right to seek relief under the Force Majeure clause in the Assignment Agreement, to extend the due date on the June 1, 2020 option payment until the Appeal decision from the Supreme Court of Montana is rendered. The optionor confirmed the acceptance of the Company's exercise of the Force Majeure clause. On November 29, 2020, the Appeal in Montana concluded, and judgement was rendered, whereby the exploration licence decision from the Montana Sixth Judicial

District Court was upheld, pursuant to which the Company wrote off costs of $836,150 in respect of the project.

St. Julian Project, Montana, USA

The Company is party to an option agreement to acquire a 100% interest in certain patented and unpatented mineral claims located in Montana, USA, pursuant to making certain payments. The optionor retains a 3% NSR, of which the Company may buy back 2% by paying US$5,000,000 within 12 months of commercial production, and the remaining 1% by paying US$2,500,000 within 24 months of commercial production. In November 2015, the Company and the Montana Department of Environmental Quality ("DEQ") were served with a complaint contending that the DEQ improperly issued an exploration license to the Company in respect of the St. Julian claims. The Montana Sixth Judicial District Court held for the plaintiff. The Company, the DEQ and the Montana Attorney General all appealed (the "Appeal") to the Supreme Court of Montana. On May 26, 2020, the Company gave notice to the optionor that it was exercising its right to seek relief under the Force Majeure clause in the Assignment Agreement, to extend the due date on the June 1, 2020 option payment until the Appeal decision from the Supreme Court of Montana is rendered. The optionor confirmed the acceptance of the Company's exercise of the Force Majeure clause. On November 29, 2020, the Appeal in Montana concluded, and judgement was rendered, whereby the exploration licence decision from the Montana Sixth Judicial District Court was upheld, pursuant to which the Company wrote off costs of $216,601 in respect of the project.

RESULTS OF OPERATIONS

Exploration and evaluation property expenditures

During the period ended January 31, 2021, the Company incurred the following expenditures at the Fortuna property:

	Period ended January 31, 2021
	($)
Consulting	28,861
Site travel	2,596
Assay and Analysis	4,880
Equipment rental	5,043
Camp services	23,903
	65,283

General and other expenditures

	Three months Jan 31/2021 ($)	Three months Jan 31/2020 ($)
General operating expenditures		
Salaries, consulting, management, Director' fees	263,246	319,211
Shareholder, transfer agent, regulatory	42,763	46,386
Professional - legal, accounting, other	125,909	98,641
Travel	-	11,063
General office administration, rent, insurance	57,461	143,746
	489,379	619,047
Exploration and evaluation expenditures	65,283	-
	554,662	619,047
Accretion and interest expense	113,097	85,614
Loss on lease modification	909	-
Change in fair value of special warrants	7,645	-
	121,651	85,614
Net loss	**676,313**	**704,661**

For the three months ended January 31, 2021 ("Q1") as compared with the three months ended January 31, 2020 ("2020 Q1")

During Q1, the Company incurred a net loss of $676,313 as compared with a net loss of $704,661 for the 2020 Q1, primarily from decreased general office admin expenses as a result of limited treasury. Additionally, salaries, consulting management and Directors' fees reduced attendant with a reduction in personnel and services providers. Accretion and interest expense increased in connection with the convertible debenture maturing on October 4, 2021, and the Company recognized an increase in the fair value of the special warrants of $7,645.

SUMMARY OF QUARTERLY RESULTS

The following table summarized the results of operations for the eight most recent quarters.

Summary of quarterly results

	Jan 31 2021 ($)	Oct 31 2020 ($)	Jul 31 2020 ($)	Apr 30 2020 ($)	Jan 31 2020 ($)	Oct 31 2019 ($)	Jun 30 2019 ($)	Mar 30 2019 ($)
Net income (loss)	(676,313)	(1,566,285)	(1,537,650)	783,469	(704,661)	(163,102)	(796,754)	(810,907)
Basic and diluted Income (loss) per share	(0.01)	(0.03)	(0.04)	0.03	(0.04)	(0.01)	(0.05)	(0.05)

LIQUIDITY, FINANCIAL CONDITION AND GOING CONCERN

The Company's cash and cash equivalents are comprised of bank deposits and a savings account. At January 31, 2021, the Company had cash of $1,102,513. Accounts payable and accrued liabilities of $814,791 are due in the second quarter of 2021 fiscal year, and a convertible debenture, valued at $1,147,097 on January 31, 2021, matures on October 4, 2021. At January 31, 2021, the Company had a working capital deficit of $769,534 (October 31, 2020: working capital deficit of $1,237,517). The Company's investment policy is to keep its cash on deposit in an interest-bearing Canadian chartered bank account.

The Company is not in commercial production on any of its mineral properties and continues to incur operating losses, has limited financial resources, no source of operating cash flow, and there can be no assurance that sufficient funding will be available to conduct further exploration and development of its mineral properties.

In order to finance the Company's future exploration programs and to cover administrative and overhead expenses, the Company may raise money through equity sales, through debt financing and from optioning its mineral projects to partners, or a combination of such. The Company's ability to continue as a going concern is dependent upon its ability to obtain the above financing. The Company must manage its treasury while satisfying regulatory requirements, maintaining its property agreements in good standing, and conducting exploration programs. As results of exploration programs are determined and other opportunities become available to the Company, management may seek to complete external financings as required in order to fund further exploration. Should the Company wish to continue fieldwork on its exploration projects, further financing will be required and the Company will either have to go to the market or engage a strategic partner to achieve this. Given the volatility in equity markets, unfavorable market conditions in the mining industry, uncertainties in the markets due to COVID-19, cost pressures and results of exploration activities, management regularly reviews expenditures and exploration programs and equity markets in order that the Company have sufficient liquidity to support its growth strategy.

CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its exploration and evaluation assets and to maintain a flexible capital structure for its projects for the benefit of its stakeholders. In the management of capital, the Company includes the components of shareholders' equity. 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, enter into joint venture property arrangements, acquire or dispose of assets or adjust the amount of cash and investments.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board of Directors.

There were no changes in the Company's approach to capital management during the Q1 compared with fiscal year ended October 31, 2020. The Company is not subject to externally imposed capital requirements.

OUTSTANDING SHARE CAPITAL AT THE REPORT DATE

At the Report date, the Company had the following securities outstanding:

	Expiry date	$/sh	#	(#)
Common shares				77,126,190
Warrants	June 10, 2021	0.150	744,636	
	June 26, 2021	0.150	177,870	
	February 17, 2022	0.080	926,060	
	February 19, 2022	0.080	246,050	
	February 24, 2022	0.375	4,557,493	
	June 10, 2022	0.220	14,244,733	
	June 26, 2022	0.220	5,936,603	
	February 19, 2023	0.150	30,605,600	
				57,439,045
Stock options	July 9, 2025	0.220	4,577,000	
				4,577,000
				139,142,235

Additionally, there are 626,336 special warrants (the "Special Warrants") allowing for the acquisition of up to, in the aggregate, 626,336 units at $0.15 per unit until June 10, 2021 (the "Units"); each Unit is comprised of one common share and one underlying warrant ("Underlying Warrant"), with each Underlying Warrant allowing the holder to acquire one additional common share at $0.20 per common share for 24 months after the date of exercise of the Special Warrant.

OFF BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

SUBSEQUENT EVENTS

- The Company closed the Private Placement in 2 tranches, pursuant to which it issued units "Units" comprised of common shares ("Shares"), transferable warrants ("Warrants"), and paid finders' fees in cash and non-transferable warrants ("Finders' Warrants") as follows:

Private Placement announced January 13, 2021	Tranche #1	Tranche #2	Total
Closing Date	February 17, 2021	February 19, 2021	
Gross Proceeds	$1,983,648	$464,800	**$2,448,448**
Shares Issued	24,795,600	5,810,000	**30,605,600**
Warrants Issued	24,795,600	5,810,000	**30,605,600**
Warrant Exercise Price	$0.150	$0.150	
Warrant Expiry Date	February 19, 2023	February 19, 2023	
Finders' Fees			
Cash	$74,085	$19,684	**$93,769**
Finders' Warrants	926,060	246,050	**1,172,110**
Exercise Prices	$0.080	$0.080	
Expiry Date	February 17, 2022	February 19, 2022	

- On February 12, 2021, in connection with the Goldmindex transaction, the Company issued 266,667 shares.

- On February 23, 2021, First Quantum elected to terminate the Option Agreement at the Company's Fortuna project.

COMPENSATION OF KEY MANAGEMENT PERSONNEL

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole, and includes François Perron (Chief Executive Officer, Director and President), Adrian Rothwell (Chairman), Paul Pint, Blake Highlands, Shaun Dykes and Robert Rosner (independent, non-executive Directors of the Company), Jeannine Webb (Chief Financial Officer effective July 1, 2020), Steve Cozine (Corporate Secretary until February 26, 2021) and Diane Mann (Corporate Secretary effective March 1, 2021). The Company incurred the following transactions with key management personnel during the period ended January 31, 2021 and 2020:

	January 31, 2021 ($)	**January 31, 2020 ($)**
Consulting fees	27,000	62,471
Directors' fees	45,000	-
Management fees	-	45,000
Management salaries	45,000	-
	117,000 (1)	**107,471**

(1) a total of $149,775 was owed to various parties at January 31, 2021 (October 31, 2020: $52,875)

At January 31, 2021, the Company owed $2,590 (October 31, 2020: $708) to various related parties in respect of expenses incurred on behalf of the Company.

In connection with various loans made to the Company by a current Director and a former Director, the Company owed a total of $70,669 as at January 31, 2021 (October 31, 2020: $70,669). The loans are unsecured and bear interest of 12%.

During the three months ended January 31, 2021, the Company was charged $9,000 (period ended October 31, 2020: $45,450) by a company controlled by a Director of the Company, in respect of an office lease.

PROPOSED TRANSACTIONS

There are no proposed transactions to be reported.

CHANGES IN ACCOUNTING POLICIES

The same accounting policies have been used in the preparation of the condensed interim consolidated financial statements as those used in the most recent audited annual financial statements and in the opinion of management reflect all the adjustments considered necessary for the fair presentation in accordance with IFRS of the result of the interim periods presented.

There were no changes in the Company's accounting policies during the period ended January 30, 2021.

ESTIMATES AND JUDGMENTS

The preparation of these financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period. Actual results could differ from these estimates.

The following discusses the most significant accounting judgments that the Company has made in the preparation of the financial statements:

Judgments

(i) The assessment by management of the Company's liquidity position and whether going concern disclosure is required in the financial statements.

As part of this process, management prepares cash flow budgets detailing expected expenditures for at least the next twelve months. The assessment of the Company's liquidity position takes into account the Company's working capital position, the timing of discretionary and non-discretionary expenditures and also the status of any potential equity financings.

(ii) The carrying amount of the Company's exploration and evaluation assets does not necessarily represent present or future values, and these assets have been accounted for under the assumption that the carrying value will be recoverable. Recoverability is dependent on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development and future profitable production or proceeds from the disposition of the exploration and evaluation assets themselves.

Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could impact management's assessment as to the overall viability of its properties or to the ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's exploration and evaluation assets. Management reviewed exploration and evaluation assets for the period ended January 31, 2021 and for year ended October 31, 2020 and did not identify any impairment indicators.

FINANCIAL INSTRUMENTS

As at January 31, 2021, the Company's financial instruments consist of cash, other receivables, accounts payable and accrued liabilities, due to related parties, and the convertible debenture liability. IFRS requires disclosures about the inputs to fair value measurements for financial assets and liabilities recorded at fair value, including their classification within a hierarchy that prioritizes the inputs to fair value measurement.

The three levels of hierarchy are:

- Level 1 - Quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - Inputs for the asset or liability that are not based on observable market data.

As at January 31, 2021, the Company believes that the carrying values of other receivables, accounts payable and accrued liabilities, and due to related parties approximate their fair values because of their nature and relatively short maturity dates or durations.

Liquidity risk
Liquidity risk is the risk that the Company cannot meet a demand for cash or fund its obligations as they come due. As at January 31, 2021, the Company had cash of $1,102,513 to settle current liabilities of $2,030,075. The Company intends to finance future requirements from its existing cash reserves together with share issuances, the exercise of options and/or warrants, debt or other sources. There can be no certainty of the Company's ability to raise additional financing through these means.

Credit risk
Credit risk is the risk that the counterparty to a financial instrument will fail to meet their payment obligations, thus this risk is primarily attributable to cash. The Company's cash is held at large financial institutions such that counterparty risk is considered to be very low.

Interest rate risk
Interest rate risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at January 31, 2021, this risk relates just to the Company's cash where interest rate risk is low due to the low prevailing interest rates.

RISK FACTORS AND UNCERTAINTIES

The principal business of the Company is the acquisition and exploration of mineral properties. Given the inherent risky nature of the exploration and mining business, the limited extent of the Company's assets and the present stage of development, investors should consider the following risk factors, among others:

Corona Virus (COVID-19)
Since March 2020, several governmental measures have been implemented in Canada and the rest of the world in response to the coronavirus (COVID-19) pandemic. While the impact of COVID-19 and these measures are expected to be temporary, the current circumstances are dynamic. Workforces, economies and financial markets have all been significantly affected. As at the date of this Report, it is not possible for the Company to determine the effects of the pandemic on the Company's business or operations in the ensuing year, nor to predict the duration, impact or magnitude of the pandemic in the future. The Company continues to operate its business, and adheres to Canadian Federal and Provincial, US Federal and State, and Ecuadorian Federal and State emergency measures as those are developed. These government measures, which currently include government mandated temporary closures of international borders, have resulted in travel restrictions on Company personnel and service providers, and could impact the Company's ability to conduct its exploration programs in a timely manner. The Company continues to evaluate and adjust its

operations and exploration activities accordingly.

Exploration Stage Company

The Company does not hold any known mineral reserves of any kind and does not generate any revenues from production. The Company's success will depend largely upon its ability to locate commercially viable mineral reserves. Mineral exploration is highly speculative in nature, involves many risks and frequently is non-economically viable. There is no assurance that exploration efforts will be successful. Success in establishing reserves is a result of a number of factors, including the quality and experience of management, the level of geological and technical expertise, and the quality of property available for exploration. Once mineralization is discovered, it may take several years in the initial phases of drilling until production is possible, during which time the economic feasibility of production may change. Significant financial investment is required to establish proven and probable reserves through drilling and bulk sampling, to determine the optimal metallurgical process to extract the metals from the ore and, in the case of new properties, to construct mining and processing facilities. Because of these uncertainties, no assurance can be given that exploration programs will result in the establishment or expansion of resources or reserves.

Operating History and Availability of Financial Resources

The Company does not have any history of generating operating revenue and is unlikely to generate any significant amount in the foreseeable future. Hence, it may not have sufficient financial resources to undertake by itself all of its planned mineral property acquisition and exploration activities. Operations will continue to be financed primarily through the issuance of securities. The Company will need to continue its dependence on the issuance of such securities for future financing, which may result in dilution to existing shareholders. Furthermore, the amount of additional funds required may not be available under favorable terms, if at all. Failure to obtain additional funding on a timely basis could result in delay or indefinite postponement of further exploration and development and could cause the Company to forfeit its interests in some or all of its properties or to reduce or discontinue its operations.

Inflation and Metal Price Risk

The ability of the Company to raise interim financing to advance its Emigrant Project in Montana, USA and/or its Fortuna Project in Ecuador will be significantly affected by changes in the market price of the metals for which it explores. The prices of gold are volatile, and are affected by numerous factors beyond the control of the Company. The level of interest rates, the rate of inflation, the world supplies of and demands for gold and the stability of exchange rates can all cause fluctuations in these prices. Such external economic factors are influenced by changes in international investment patterns and monetary systems and political developments. The prices of gold have fluctuated significantly in recent years. Future significant price declines could cause investors to be unprepared to finance exploration and development of gold deposits, with the result that the Company may not have sufficient financing with which to advance the Emigrant Project in Montana, USA and/or its Fortuna Project in Ecuador.

Share Price Volatility and Lack of Active Market

Worldwide Securities markets continue to experience a high level of price and volume volatility, and the market prices of securities of many public companies have experienced significant fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies.

It may be anticipated that any quoted market for the Company's securities will be subject to such market trends and that the value of such securities may be affected accordingly. If an active market does not develop, the liquidity of the investment may be limited and the market price of such securities may decline below the subscription price.

Competition

The mineral resource industry is intensively competitive in all of its phases, and the Company competes with many other companies possessing much greater financial and technical resources. Competition is particularly intense with respect to the acquisition of desirable undeveloped properties. The principal competitive factors in the acquisition of prospective properties include the staff and data necessary to identify and investigate such properties, and the financial resources necessary to acquire and develop the projects. Competition could adversely affect the Company's ability to acquire suitable prospects for exploration.

Government Regulations and Environmental Risks and Hazards

The Company's conduct is subject to various federal, provincial and state laws, and rules and regulations including environmental legislation in the countries of the Republic of Ecuador and United States of America. The Company has adopted environmental practices designed to ensure that it continues to comply with environmental regulations currently applicable to it. All of the Company's activities are in compliance in all material respects with applicable environmental legislation. Environmental hazards may exist on the Company's properties, which may have been caused by previous or existing owners or operators of the properties. The Company is not aware of any existing environmental hazards related to any of its current property interests that may result in material liability to the Company. Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the resource property interests, the potential for production on the property may be diminished or negated.

Reliance on Key Personnel

The Company relies on a relatively small number of key directors, officers and senior personnel. Loss of any one of those persons could have an adverse effect on the Company. The Company does not currently maintain "key employee" insurance in respect of any of its senior management.

Licenses and Permits

The operations of the Company require licenses and permits from various government authorities. The Company believes that it holds all necessary licenses and permits under applicable laws and regulations for work in progress and believes it is presently complying in all material respects with the terms of such licenses and permits. However, such licenses and permits are subject to change under various circumstances.

There can be no assurance that the Company will be able to obtain or maintain all necessary licenses and permits that may be required to explore and develop its properties, commence construction or operation of mining facilities or to maintain continued operations that economically justify the cost.

Title to Property

Although the Company has exercised the usual due diligence with respect to title to properties in which it has a material interest, there is no guarantee that title to the properties will not be challenged or impugned. The Company's mineral property interest may be subject to prior unregistered agreements or transfers, aboriginal land claims, government expropriation and title may be affected by undetected defects. In addition, certain mining claims in which the Company has an interest are not recorded in the name of the Company and cannot be recorded until certain steps are taken by other parties.

Risk of Legal Claims

The Company may become involved in disputes with third parties or government authorities in the future that may result in litigation. The results of these legal claims cannot be predicted with certainty and defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. If the Company is unable to resolve these disputes in the Company's favor or if the cost of the resolution is substantial, such events may have a material adverse impact on the ability of the Company to carry out its business plan.

Foreign Countries and Regulatory Requirements

Currently, the Company holds claims, has entered into an exploration and option agreements, and has entered into a right and option agreement to earn an interest in certain claims in the United States and in Ecuador. Consequently, the Company is subject to certain risks associated with foreign ownership, including currency fluctuations, inflation, and political risk. Mineral exploration and mining activities and production activities in foreign countries may be affected in varying degrees by political stability and government regulations relating to the mining industry. Any changes in regulations or shifts in political conditions are beyond the control of the Company and may adversely affect its business. Operations may be affected in varying degrees by government regulations with respect to disputes and/or conflicts between State and Federal legislations and regulations, community rights, restrictions on production, price controls, export controls, restriction of earnings, taxation laws, expropriation of property, environmental legislation, water use, labour standards and workplace safety.

Limited Financial Resources and Going Concern

The Company has no significant source of operating cash flow and no revenues from operations. The Company has limited financial resources, no operating revenues and its ability to continue operating as a going concern is dependent upon management's success in raising additional monies to sustain the Company until cash flow from operations is adequate to sustain the Company's viability. Substantial expenditures are required to be made by the Company and/or its development partners to establish ore reserves and develop a mining operation. Exploration and development of mineral deposits is an expensive process, and frequently the greater the level of interim stage success the more expensive it can become. At present, the Company has no producing properties and generates no operating revenues; therefore, for the foreseeable future, it will be dependent upon selling equity in the capital markets to provide financing for its continuing exploration budgets. Failure to obtain additional financing could result in the delay or indefinite postponement of further exploration and development of the Company's projects and the Company may become unable to carry out its business objectives. The Financial Statements contain a note that indicates the existence of material uncertainties that raise significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to obtain the financing necessary to fund its mineral properties through the issuance of capital stock or joint ventures, and to realize future profitable production or proceeds from the disposition of its mineral interests. While the Company has been successful in obtaining financing from the capital markets for its projects in recent years, there can be no assurance that the capital markets will remain favourable in the future, and/or that the Company will be able to raise the financing needed to continue its exploration programs on favourable terms, or at all. Restrictions on the Company's ability to finance could have a materially adverse outcome on the Company and its securities, and its ability to continue as a going concern.

Uninsurable

The Company and its subsidiaries may become subject to liability for pollution, fire, explosion and other risks against which it cannot insure or against which it may elect not to insure. Such events could result in substantial damage to property and personal injury. The payment of any such liabilities may have a material, adverse effect on the Company's financial position.

Critical Accounting Estimates

In the preparation of financial information, management makes judgments, estimates and assumptions that affect, amongst other things, the carrying value of its mineral property assets. All deferred mineral property expenditures are reviewed, on a property-by-property basis, to consider whether there are any conditions that may indicate impairment. When the carrying value of a property exceeds its net recoverable amount that may be estimated by quantifiable evidence of an economic geological resource or reserve, joint venture expenditure commitments or the Company's assessment of its ability to sell the property for an amount exceeding the deferred costs, a provision is made for the impairment in value. Management's estimates of exploration, operating, capital and reclamation costs, if any, are subject to certain risks and uncertainties which may affect the recoverability of mineral property costs. Although management has made its best estimate of these factors, it is possible that changes could occur in the near term that could adversely affect management's estimate of the net cash flow to be generated from its properties. The Company also uses the Black-Scholes Option Pricing Model in relation to share based payments. Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options granted/vested during the period.

LEGAL PROCEEDINGS

In November 2015, the Company and the Montana Department of Environmental Quality ("DEQ") were served with a complaint in which the plaintiff sought declaratory and injunctive relief prohibiting further exploration on the St. Julian claims, which claims are contiguous to the Emigrant claims. Management considered the complaint to be without merit and pursued its defense; however, the Montana Sixth Judicial District Court held for the plaintiff. The Company, the DEQ and the Montana Attorney General appealed (the "Appeal") to the Supreme Court of Montana. On November 29, 2020, the Appeal concluded, and judgement (the "Judgement") was rendered, whereby the exploration licence decision from the Montana Sixth Judicial District Court was upheld. As a result of the Judgement, all costs relating to the St. Julian and the Emigrant projects were written down to Nil as at October 31, 2020.