GATLING EXPLORATION

REPORT FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2020
MANAGEMENT DISCUSSION AND ANALYSIS

FORWARD-LOOKING INFORMATION AND MATERIAL ASSUMPTIONS

This report on results for the six months ended September 30, 2020 contains forward-looking information, including forward-looking information about Gatling Exploration Inc.'s (the "Company" or "Gatling") operations, estimates, and exploration and acquisition spending.

Forward-looking information is generally signified by words such as "forecast", "projected", "expect", "anticipate", "believe", "will", "should" and similar expressions. This forward-looking information is based on assumptions that the Company believes were reasonable at the time such information was prepared, but assurance cannot be given that these assumptions will prove to be correct, and the forward-looking information in this report should not be unduly relied upon. The forward-looking information and the Company's assumptions are subject to uncertainties and risks and are based on a number of assumptions made by the Company, any of which may prove to be incorrect.

GENERAL

This Management Discussion and Analysis ("MD&A") of the financial condition, results of operations and cash flows of the Company for the six months ended September 30, 2020 should be read in conjunction with the condensed interim financial statements as at September 30, 2020. This MD&A is effective November 26, 2020. Additional information relating to the Company is available on SEDAR at www.sedar.com.

The Company has prepared its condensed interim financial statements for the six months ended September 30, 2020 in Canadian dollars and in accordance with International Financial Reporting Standards ("IFRS") and International Accounting Standard 34 *Interim Financial Statements*, as issued by the International Accounting Standards Board.

DESCRIPTION OF BUSINESS

The Company was incorporated under the laws of the province of British Columbia on August 2, 2018. The Company is a junior mineral exploration company engaged in the business of acquiring, exploring and evaluating natural resource properties.

Its principal business activity is the acquisition, exploration and evaluation of mineral properties located in the province of Ontario, Canada. The Company's common shares are traded on the TSX Venture Exchange under the symbol "GTR". The Company's shares also trade on the OTC Exchange in the United States under the symbol "GATGF". The Company's head office and principal business address is 1680 – 200 Burrard Street, Vancouver, British Columbia, Canada, V6C 3L6. The Company's registered and records office is 400 – 725 Granville Street, Vancouver, British Columbia, Canada, V7Y 1G5.

BOARD OF DIRECTORS

Jason Billan (President, Chief Executive Officer & Director)

Mr. Billan is a seasoned strategy, corporate development and valuation professional with an accelerating career in the mining industry. He brings a strong network of corporate and institutional representatives in the mining industry to support Gatling's objectives. Following the completion of an MBA at the Richard Ivey School of Business at the University of Western Ontario in 2009, he spent approximately three years in equity research covering the precious metal sector, at Salman Partners Inc. and RBC Capital Markets, with a coverage universe ranging from small to large caps. In 2012, he joined Nevsun Resources Ltd. as the sole Corporate Development professional reporting into the senior executive team through its acquisition in late 2018. Mr. Billan was also Senior Financial Analyst at Wheaton Precious Metals International until late 2020.

Nav Dhaliwal (Executive Chairman)

Mr. Dhaliwal is an experienced executive, leader and team builder. He was the founder of Bonterra and has a track record of success in the mining sector. Mr. Dhaliwal is particularly adept at nurturing early stage companies through their critical phases of evolution. He also brings valuable business relationships with international analysts, brokers and investment bankers throughout Canada, the United States, Europe and Asia.

Peter Damouni

Mr. Damouni has over 17 years of experience in senior executive positions in investment banking and capital markets, with expertise in mining and oil and gas. Throughout his career, Mr. Damouni has worked on and led equity and debt financings valued at over $5 billion for companies at different stages from exploration, to development, permitting and construction, to production. He has comprehensive experience in equity financing, restructuring, and mergers and acquisitions. Mr. Damouni is a graduate of McGill University, Canada. He is a Canadian and British citizen, residing in the United Kingdom.

Richard Boulay, B.Sc.

Mr. Boulay has over 40 years of experience in the exploration and mining industries in Canada and internationally, including 15 years of mining and infrastructure financing experience gained with Bank of Montreal, Royal Bank of Canada and Bank of Tokyo. He has extensive experience in the management and financing of public companies in Canada and the United States. He is also a director of Pacton Gold Inc.

Carrie Cesarone

Ms. Cesarone has worked in the public company sector for 30 years. She worked as a paralegal for well-known Vancouver securities lawyers for 11 years and following that, has worked as an independent contractor for both public and private companies for the past 13 years. She has served as a director, Corporate Secretary and CFO for a number of listed companies and continues to serve as Corporate Secretary for Pacton Gold Inc. and Huntsman Exploration Inc. (formerly BlueBird Battery Metals Inc.). Ms. Cesarone holds a Bachelor of Arts degree from Simon Fraser University.

Peter Dickie

Mr. Dickie has over 35 years of experience in the public and private corporate environment, with over 25 years spent in management positions. He is the former President, CEO and director of NioCorp Developments Ltd., a company developing the largest super-alloy mineral deposit in North America (niobium, titanium and scandium). During his six years with NioCorp, Mr. Dickie developed key relationships with property owners and all levels of government in the project area, built a team of internationally recognized senior executives, raised tens of millions of dollars and graduated the company to the TSX. During this time, NioCorp's market capitalization grew from under $5 million to over $200 million. Mr. Dickie is currently President, CEO and Director of Huntsman Exploration Inc. (formerly BlueBird Battery Metals Inc.).

Jody Dahrouge, P.Geo.

Mr. Dahrouge is a senior geologist and President of Dahrouge Geological Consulting Ltd., a geological services company established in 1998, that provides consulting services to a broad range of exploration and mining companies worldwide. He is a professional geologist (Alberta) and holds Bachelor of Science degrees in geology and computing science, both from the University of Alberta. Mr. Dahrouge is also the President of DG Resource Management Ltd., a project generator that has identified, acquired and advanced a number of gold projects throughout North America. He has also been a director of several public companies exploring for and advancing gold projects throughout the Americas.

BUSINESS OF THE COMPANY

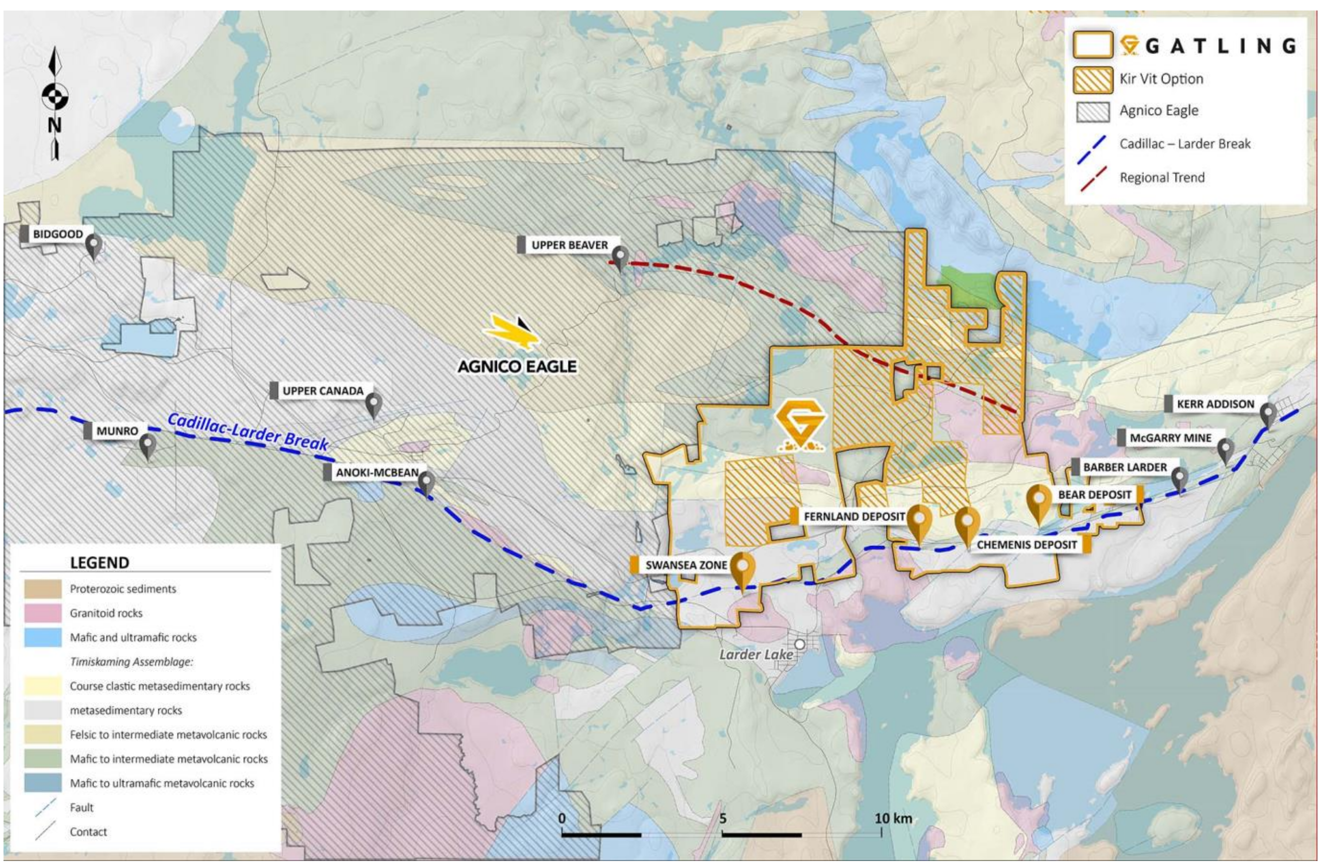
Gatling is a Canadian gold exploration company focused on resource development at the Larder Lake Project, a high-grade gold deposit located in the prolific Abitibi greenstone belt.

In early March 2020, there was a global outbreak of coronavirus (COVID-19) that has resulted in changes in global supply and demand of certain mineral and energy products. These changes, including a potential economic downturn and any potential resulting direct and indirect negative impact to the Company cannot be determined, but they could have a prospective material impact to the Company's project exploration activities, cash flows and liquidity.

The Company's corporate offices were closed in March 2020 as a precaution. Safety protocols have been implemented, and the corporate offices have only re-opened in a limited capacity as of the date of this MD&A. The Company also reduced its exploration activity from March 2020 until August 2020. The Company continues to monitor the situation and will follow any further guidance from provincial and federal governments. To date, the Company has not applied for any assistance related to COVID-19 from the provincial or federal governments.

The exploration program that resumed in August 2020 includes drilling on the Company's Larder Lake Project. The 13,000 metre ("m"), multi-phase program will target all three high-grade deposits along the 4.5-kilometre ("km") trend, as well as following up at the Kir Vit prospect, where the Company's first program hit mineralization in 13 out of 16 holes and discovered two new gold trends.

GATLING EXPLORATION PROJECT – LARDER LAKE, ONTARIO



The Larder Lake Project is located in northern Ontario, 35 km east of Kirkland Lake and 6 km west of Virginiatown. The property hosts the Bear, Cheminis and Fernland gold deposits that extend along 10 km of the Cadillac-Larder break between Kirkland Lake and Virginiatown. It is positioned 7 km west of the Kerr Addison Mine, which produced 11 million ounces of gold. All parts of the Larder Lake Property are accessible by truck or all-terrain vehicle on non-serviced roads and trails.

On September 24, 2018, as part of a plan of arrangement, the Company received a 100% interest in the Larder Lake Project. A portion of the project includes a 1.5% net smelter return royalty ("NSR"), of which 1% may be repurchased, at any time, by the Company for $750,000.

The plan of arrangement was deemed to be a purchase of an asset. As such, IFRS 2 *Share-based Payments* was used to determine fair value of the assets acquired. As the fair value of the assets given up to acquire the assets was more readily available, the Company valued the acquisition using the fair value of shares issued of $0.28 per share. On September 24, 2018, the fair value of the assets acquired and liabilities assumed were as follows:

		Amount
Consideration provided (fair value of 33,426,512 common shares at $0.28 per share)	$	9,359,423
Allocated to net assets acquired:		
Cash transferred to Company		(7,000,000)
Fair value of Larder Lake Project acquired		(2,359,423)
	$	-

Fair value of $2,359,423 was allocated to the project and expensed for the period as exploration and evaluation costs.

On April 1, 2019, the Company entered into an assignment and assumption agreement to acquire the Kir Vit claim package in Ontario. Under the terms of the agreement, the Company took assignment of a January 2017 underlying agreement between the vendor and certain parties that originally staked the claims comprising Kir Vit (the "stakers"). In consideration of the assignment, the Company issued 1,750,000 common shares to the vendor.

On July 9, 2019, the Company exercised the option in the underlying agreement and paid $250,000 to the stakers. Pursuant to the terms of the assignment and assumption agreement, the vendor was granted a 0.5% NSR. The stakers retain a 2% NSR, of which the Company may repurchase one-half (1%) for $1,000,000. If the Company announces a production decision, a $4,000,000 payment is due to the vendor and a $250,000 payment is due to the stakers.

Summaries of exploration and evaluation expenditures for the six months ended September 30, 2020 and year ended March 31, 2020 are as follows:

Six Months Ended September 30, 2020		**Larder Lake Project**
Acquisition Costs		
Claim costs	$	20,848
Total Acquisition Costs		**20,848**
Property Exploration Costs		
Assays and geochemistry		153,165
Camp and other costs		148,720
Depreciation		1,776
Drilling		590,018
Geological		292,066
Geophysics		3,394
Travel and transport		8,573
Total Exploration Costs		**1,197,712**
Total Exploration and Evaluation Expenditures	**$**	**1,218,560**

Year Ended March 31, 2020		**Larder Lake Project**
Acquisition Costs		
Fair value of Larder Lake Project acquired	$	845,000
Claim costs		101,022
Total Acquisition Costs		**946,022**
Property Exploration Costs		
Assays and geochemistry		812,462
Camp and other costs		430,497
Depreciation		6,216
Drilling		4,302,870
Geochemical		3,205
Geological		703,850
Geophysics		64,208
Travel and transport		79,754
Total Exploration Costs		**6,403,062**
Total Exploration and Evaluation Expenditures	**$**	**7,349,084**

During 2019, the Company commenced a 35,000 m diamond drill program at the Larder Lake Project. On April 25, 2019, the Company announced drill results on its first three holes as follows:

Hole ID	From (m)	To (m)	Length (m)	Au (g/t)	Zone
GTR-19-001A	815.0	820.0	5.0	**1.0**	North Carbonate Gold Zone ("NCGZ")
Including	816.0	817.0	1.0	**1.9**	NCGZ
and Including	818.0	819.0	1.0	**1.4**	NCGZ
	890.0	891.0	1.0	**3.4**	Ultramafics
	933.5	934.5	1.0	**2.3**	South Volcanics
GTR-19-002	825.0	830.0	5.0	**1.3**	NCGZ/Ultramafics
Including	826.4	827.0	0.6	**5.9**	NCGZ/Ultramafics
	846.0	847.0	1.0	**2.2**	Ultramafics
	851.0	852.0	1.0	**2.9**	Ultramafics
	925.0	927.0	2.0	**0.6**	South Volcanics
GTR-19-003	797.0	803.1	6.1	**20.7**	NCGZ/Graphitic Zone
	808.0	815.0	7.8	**6.6**	NCGZ/Graphitic Zone
	821.0	822.0	1.0	**3.2**	Ultramafics
	967.2	968.8	1.6	**1.9**	South Volcanics

On May 14, 2019, the Company announced drill results from its first wedge drill hole as follows:

Hole ID	From (m)	To (m)	Length (m)	Au (g/t)	Zone
GTR-19-004W	782.0	790.0	8.0	**10.8**	North
	919.0	920.0	1.0	**1.2**	South Flow

On July 23, 2019, the Company announced drill results on the Bear deposit as follows:

Hole ID	From (m)	To (m)	Length (m)	Au (g/t)	Zone
GTR-19-005W2	788.0	793.0	5.0	**12.7**	North
	810.1	815.0	4.9	**2.5**	Ultramafics
	917.0	918.0	1.0	**1.0**	South Flow
GTR-19-006A	750.5	753.5	3.0	**9.7**	North
	770.6	772.0	1.4	**1.3**	Ultramafics
	871.0	975.0	4.0	**8.5**	Altered South Flow
	879.0	882.0	3.0	**1.2**	South Flow

On August 21, 2019, the Company announced drill results on the Cheminis deposit as follows:

Hole ID	From (m)	To (m)	Length (m)	Au (g/t)	Zone
GTR-19-008	24.5	29.0	4.5	**1.0**	South Flow Zone C
Including	24.5	27.0	2.5	**1.5**	South Flow Zone C
and Including	26.0	27.0	1.0	**3.1**	South Flow Zone C
GTR-19-0010	43.0	48.0	5.0	**12.3**	South Flow Zone A
Including	45.0	48.0	3.0	**18.1**	South Flow Zone A
GTR-19-0011	24.0	25.0	1.0	**1.0**	South Flow Zone A
	51.0	53.0	2.0	**1.3**	South Flow Zone A
	142.0	143.0	1.0	**1.6**	South Flow Zone A

On September 6, 2019, the Company announced drill results from the Bear deposit as follows:

Hole ID	From (m)	To (m)	Length (m)	Au (g/t)	Zone
GTR-19-009	811.0	816.0	5.0	**10.6**	North
	916.0	917.0	1.0	**1.2**	South Flow

On October 15, 2019, the Company announced drill results from the Cheminis and Bear deposits as follows:

Hole ID	From (m)	To (m)	Length (m)	Au (g/t)	Zone
GTR-19-017	910.0	946.8	36.8	**1.5**	North
Including	932.0	946.8	14.8	**2.0**	North
	989.0	999.0	10.0	**1.0**	South Flow
Including	995.0	999.0	4.0	**1.8**	South Flow

On October 30, 2019, the Company announced the completion of a Lidar survey that highlighted previously unrecognized structural trends and greatly improved outcrop detection. The new Lidar data will assist with further drill targeting in priority zones.

On November 7, 2019, the Company announced drill results between the Cheminis and Bear deposits as follows:

Hole ID	From (m)	To (m)	Length (m)	Au (g/t)	Zone
GTR-19-018	954.0	955.5	1.5	**1.9**	North-Ultramafic Contact
	1192.0	1193.0	1.0	**4.0**	South Sediments
GTR-19-019	750.0	752.0	2.0	**4.6**	South Sediments
	839.2	861.0	21.8	**1.2**	South Flow

On January 16, 2020, the Company announced drill results from the Bear deposit as follows:

Hole ID	From (m)	To (m)	Length (m)	Au (g/t)	Zone
GTR-19-022	193.0	195.0	2.0	**8.3**	N/A
	327.0	330.0	3.0	**5.1**	N/A
GTR-19-023	264.0	269.0	5.0	**11.2**	N/A
GTR-19-025	177.0	178.0	1.0	**2.5**	N/A
	414.0	417.0	3.0	**1.7**	N/A
GTR-19-028	283.5	286.5	3.0	**2.1**	N/A
GTR-19-032	350.6	352.0	1.4	**1.4**	N/A
	358.0	359.0	1.0	**1.2**	N/A

On January 30, 2020, the Company announced drill results from the Fernland deposit as follows:

Hole ID	**From (m)**	**To (m)**	**Length (m)**	**Au (g/t)**	**Zone**
GTR-19-024	81.0	85.0	4.0	**11.9**	South
GTR-19-026	75.0	79.0	4.0	**1.5**	South
GTR-19-027	72.0	81.0	9.0	**3.5**	South
Including	72.0	77.0	5.0	**5.4**	South
GTR-19-031	15.0	30.0	15.0	**1.6**	South
GTR-19-033	67.0	78.0	11.0	**1.9**	South
Including	71.0	75.0	4.0	**3.1**	South
GTR-19-035	29.6	46.0	16.4	**1.1**	South
GTR-19-037	120.0	122.0	2.0	**2.5**	South

On February 12, 2020, the Company announced drill results from the Cheminis deposit as follows:

Hole ID	**From (m)**	**To (m)**	**Length (m)**	**Au (g/t)**	**Zone**
GTR-19-034	264.0	266.0	2.0	7.7	North
GTR-19-039A	97.3	137.0	39.7	2.5	South Volcanic
Including	133.0	137.0	4.0	8.2	South Volcanic
GTR-19-040	7.0	9.0	2.0	7.3	South Volcanic
	29.7	51.0	21.3	1.7	South Volcanic
	76.0	78.0	2.0	6.8	South Volcanic
	117.1	120.0	2.9	4.9	South Volcanic
	125.0	131.0	6.0	6.1	Ultramafic
Including	125.0	128.0	3.0	9.6	Ultramafic
GTR-19-041	22.0	23.0	1.0	8.1	Ultramafic
	124.0	151.0	27.0	1.4	South Volcanic
	183.0	201.0	18.0	1.6	South Volcanic
Including	197.0	201.0	4.0	3.8	South Volcanic

Hole GTR-19-034 has intersected a new area of mineralization near the existing mine infrastructure – newly named the "North Zone" – which indicates a secondary gold-bearing quartz vein system at the Cheminis zone.

On March 2, 2020, the Company announced drill results from the Kir Vit prospect as follows:

Hole ID	From (m)	To (m)	Length (m)	Au (g/t)	Lithology
KV-19-01	99.0	100.5	1.5	1.2	Altered Syenite
	141.0	144.0	3.0	5.9	Alteration Zone – Contact of Volcanics-Syenite
Including	142.5	144.0	1.5	8.8	Alteration Zone – Contact of Volcanics-Syenite
	162.0	163.5	1.5	1.8	Altered Volcanics
KV-19-02	314.0	315.0	1.0	1.2	Altered Syenite
KV-19-03	180.0	181.0	1.0	1.1	Mafic Volcanics
KV-19-04	227.0	229.0	2.0	1.2	Altered Syenite
	404.0	405.0	1.0	1.1	Mafic Volcanics
KV-19-05	242.0	245.0	3.0	1.3	Altered Volcanics
KV-19-06	91.0	92.0	1.0	1.1	Mafic Volcanics
KV-19-08	43.0	44.0	1.0	1.2	Conglomerate
	103.0	104.0	1.0	1.4	Conglomerate
KV-19-09	59.0	60.0	1.0	1.9	Conglomerate
KV-19-12	167.0	168.0	1.0	1.7	Altered Volcanics
KV-19-13	220.0	221.0	1.0	4.2	Altered Volcanics
KV-19-14	10.0	19.0	9.0	1.1	Altered Syenite
Including	26.0	29.0	3.0	1.1	Altered Volcanics
Including	32.0	34.7	2.7	1.3	Altered Syenite
	49.0	53.0	4.0	1.0	Altered Volcanics
Including	51.0	52.0	1.0	3.6	Altered Volcanics
	108.0	109.0	1.0	1.4	Mafic Volcanics
	149.0	150.0	1.0	1.0	Mafic Volcanics
	220.0	225.0	5.0	2.5	Brecciated Volcanics
Including	223.0	225.0	5.0	2.5	Brecciated Volcanics
KV-19-15	71.0	72.0	1.0	1.6	Altered Ayenite
KV-19-16	211.0	214.0	3.0	5.1	Conglomerate
Including	211.0	213.0	2.0	6.5	Conglomerate

On June 3, 2020, the Company announced drill results on the Bear deposit as follows:

Hole ID	From (m)	To (m)	Length (m)	Au (g/t)	Zone
GTR-20-049	447.0	449.8	2.8	2.0	South Volcanics
GTR-20-054	80.0	82.0	2.0	2.1	Ultramafics
GTR-20-057	193.5	195.0	1.5	8.4	Ultramafics
GTR-20-059	99.0	102.0	3.0	85.1	North Volcanics
	226.5	232.5	6.0	2.1	Ultramafics
	267.8	279.9	12.1	1.5	Quartz Flooded Zone

On September 1, 2020, the Company announced it had completed a detailed analysis of magnetic and Lidar surveys and had generated multiple new structural targets for drill testing. A total of five high-priority target areas have been identified, including potential extensions to the Cadillac-Larder Lake Break, which hosts Gatling's three existing, high-grade gold deposits, as well as areas that have not seen any prior exploration. The analysis has also provided further definition in the Kir Vit area.

On September 21, 2020, the Company announced drill results between the Fernland and Cheminis deposits as follows:

Hole ID	From (m)	To (m)	Length (m)	Au (g/t)	Zone
GTR-20-063	242.0	247.0	5.0	4.6	Ultramafics
GTR-20-066	196.0	198.0	2.0	2.5	Ultramafics
GTR-20-067	192.0	198.0	6.0	2.2	Mafic Volcanic
GTR-20-067	226.0	228.0	2.0	8.7	Argillic mudstone

On November 4, 2020, the Company announced channel sampling results at the Kir Vit prospect as follows:

Channel ID	Sample Location ID	Lithology-Zone	Au (g/t)
Channel 9	9_1	Volcanic-syenite contact	16.2
Channel 1	1_8	Shear zone	8.2
Channel 1	1_4	Mafic volcanic	4.4
Channel 1	1_18	Volcanic-syenite contact	2.8
Channel 1	1_19	Volcanic-syenite contact	2.7
Channel 1	1_3	Mafic volcanic	2.7
Channel 1	1_9	Shear zone	2.6
Channel 2	2_10	Shear zone	1.4
Channel 4	4_17	Volcanic-syenite contact	1.2
Channel 1	1_7	Shear zone	1.1
Channel 2	2_22	Volcanic-syenite contact	0.9
Channel 1	1_12	Mafic volcanic	0.9
Channel 2	2_7	Mafic volcanic	0.8
Channel 4	4_16	Mafic volcanic	0.6
Channel 3	3_5	Mafic volcanic	0.6
Channel 4	4_9	Mafic volcanic	0.6

SELECTED QUARTERLY INFORMATION

Results for the eight most recently completed quarters are summarized below.

For the Quarter Periods Ending	September 30, 2020 $	June 30, 2020 $	March 31, 2020 $	December 31, 2019 $
Total revenue	Nil	Nil	Nil	Nil
Loss for the period	(1,896,843)	(700,176)	(2,085,816)	(3,197,519)
Basic and diluted loss per share	(0.03)	(0.01)	(0.04)	(0.07)
Total assets	1,409,396	651,785	929,089	2,094,848
Total non-current liabilities	169,429	211,298	251,567	290,651
Dividends	Nil	Nil	Nil	Nil

For the Quarter Periods Ending	September 30, 2019 $	June 30, 2019 $	March 31, 2019 $	December 31, 2018 $
Total revenue	Nil	Nil	Nil	Nil
Loss for the period	(2,807,555)	(1,822,074)	(1,504,101)	(1,539,607)
Basic and diluted loss per share	(0.06)	(0.04)	(0.03)	(0.04)
Total assets	5,214,482	7,982,622	8,652,505	9,855,845
Total non-current liabilities	328,586	363,939	Nil	Nil
Dividends	Nil	Nil	Nil	Nil

OPERATIONS

During the three months ended September 30, 2020, the Company reported a net loss of $1,896,843 (2019 - $2,807,555). Expenses for the three months ended September 30, 2020 were as follows:

- Consulting fees of $276,750 (2019 - $133,398) increased due to an increase in the use of consultants in the current period;
- Depreciation of $42,735 (2019 - $45,592) related to depreciation of computer equipment, equipment and leasehold improvements, as well as the Company's right-of-use ("ROU") asset, was comparable to the comparative period;
- Exploration and evaluation expenditures decreased to $882,905 (2019 - $1,930,631) due to exploration activity being effectively shut down for part of the current period;
- General exploration of $nil (2019 - $79,110) decreased from the comparative period as a result of amortizing a deposit in the comparative period;
- Lease interest accretion decreased to $10,084 (2019 - $14,106) due to lower accretion on the lease obligation for the Company's office lease, which decreases over the period of the lease;
- Management fees of $45,000 (2019 - $45,000) were comparable to the comparative period;
- Office and general of $20,750 (2019 - $37,526) decreased due to less activity in the current period;
- Professional fees decreased to $38,248 (2019 - $62,410) due to higher legal fees in the prior period;
- Rent recovery of $17,248 (2019 - rent expense of $4,129) is as a result of an increase in rental recoveries from sharing office space and a high proportion of office rental costs being capitalized as a ROU asset;
- Share-based payments of $545,839 (2019 - $176,204) increased from the comparative period due to a higher number of stock options being granted in the current period;
- Shareholder communications and investor relations decreased to $178,148 (2019 - $473,597) due to a reduction in investor relations activity in the current period;
- Transfer agent and filing fees of $5,243 (2019 - $2,029) increased from the comparative period due to higher corporate activity during the current period;
- Travel of $2,315 (2019 - $68,891) related to conferences and to the Company's exploration sites, which decreased due to a significant reduction in travel due to COVID-19;
- Other income of $134,021 (2019 - $251,598) relates to the reduction of other liability (which reflects the premium paid by investors on the Company's flow-through shares) upon completion of qualifying exploration expenditures by the Company; and
- Interest income of $823 (2019 - $14,369) decreased due to lower interest rates and lower term deposit balances.

During the six months ended September 30, 2020, the Company reported a net loss of $2,597,019 (2019 - $4,629,629). Expenses for the six months ended September 30, 2020 were as follows:

- Consulting fees of $426,750 (2019 - $266,816) increased due to an increase in the use of consultants in the current period;
- Depreciation of $85,469 (2019 - $84,134) related to depreciation of computer equipment, equipment and leasehold improvements, as well as the Company's ROU asset, was comparable to the comparative period;
- Exploration and evaluation expenditures decreased to $1,218,560 (2019 - $3,404,739) due to exploration activity being effectively shut down for part of the current period;

- Lease interest accretion decreased to $21,222 (2019 - $29,115) due to lower accretion on the lease obligation for the Company's office lease, which decreases over the period of the lease;
- Management fees of $90,000 (2019 - $90,000) were comparable to the comparative period;
- Office and general of $45,996 (2019 - $86,435) decreased due to less activity in the current period;
- Professional fees decreased to $74,413 (2019 - $114,669) due to higher legal fees in the prior period;
- Rent recovery of $28,119 (2019 - rent expense of $8,258) is as a result of an increase in rental recoveries from sharing office space and a high proportion of office rental costs being capitalized as a ROU asset;
- Share-based payments of $545,839 (2019 - $176,204) increased from the comparative period due to a higher number of stock options being granted in the current period;
- Shareholder communications and investor relations decreased to $236,794 (2019 - $509,952) due to a reduction in investor relations activity in the current period;
- Transfer agent and filing fees of $6,796 (2019 - $9,177) decreased from the comparative period due to lower corporate activity during the current period;
- Travel of $4,630 (2019 - $181,652) related to conferences and to the Company's exploration sites, which decreased due to a significant reduction in travel due to COVID-19;
- Other income of $134,021 (2019 - $369,644) relates to the reduction of other liability (which reflects the premium paid by investors on the Company's October 2018 flow-through share grant) upon completion of qualifying exploration expenditures by the Company; and
- Interest income of $823 (2019 - $41,937) decreased, as term deposits were redeemed near the end of fiscal 2020 and term deposits were purchased in July 2020.

LIQUIDITY AND CAPITAL RESOURCES

The Company's cash and cash equivalents at September 30, 2020 was $704,169 (March 31, 2020 - $23,813). The working capital was $296,968 at September 30, 2020 (March 31, 2020 - $1,224,759 deficit).

At September 30, 2020, the Company had $410,873 (March 31, 2019 - $nil) of remaining commitment to incur exploration expenditures in relation to its July 2020 flow-through financing and did not have any remaining commitment to incur exploration expenditures in relation to its November 2018 flow-through financing (March 31, 2020 - $nil).

On July 20, 2020, the Company closed a private placement for total gross proceeds of $3,790,000. The Company issued 4,050,000 flow-through common shares of the Company at a price of $0.30 per flow-through common share for gross proceeds of $1,215,000 and 10,300,000 common shares of the Company at a price of $0.25 per common share for gross proceeds of $2,575,000.

The Company will need to obtain additional financing during the year to end March 31, 2021 in order to continue exploration activity and for general working capital purposes.

COMMITMENTS

The Company has entered into agreements with officers and directors that include termination and change of control clauses. In the case of termination without cause, the officers and directors are entitled to an amount equal to a multiple (ranging from one to two times) the annual base fee payable. In the case of a change of control, the officers and directors are entitled to an amount equal to a multiple (ranging from one to three times) the sum of the annual base fee and minimum incentive fee payable. As at September 30, 2020, the total annual base fee of the officers and directors under the agreements is $540,000 and the total annual minimum incentive fee is $60,000. See **Events Occurring After the Reporting Date**.

The Company has entered into an office sublease agreement that commenced March 1, 2019 and expires August 30, 2022 with basic rent per fiscal year approximately as follows:

Fiscal 2021	$	94,000
Fiscal 2022		190,000
Fiscal 2023		80,000
	$	364,000

TRANSACTIONS WITH RELATED PARTIES

These amounts of key management compensation are included in the amounts shown on the condensed interim statements of comprehensive loss:

		Six Months Ended September 30, 2020		Six Months Ended September 30, 2019
Short-term compensation (consulting fees, exploration and evaluation expenditures, management fees and professional fees)	$	390,000	$	330,000
Share-based compensation		316,012		66,352
	$	706,012	$	396,352

During the six months ended September 30, 2020, short-term compensation to related parties consisted of:

- $90,000 (2019 - $90,000) in management fees paid to the CEO;
- $90,000 (2019 - $90,000) in exploration and evaluation expenditures and management fees paid to the COO;
- $45,000 (2019 - $45,000) in professional fees paid to the CFO;
- $45,000 (2019 - $45,000) in consulting fees paid to a director;
- $60,000 (2019 - $60,000) in exploration and evaluation expenditures paid to the VP Exploration; and
- $60,000 (2019 - $nil) in consulting fees to a director.

Transactions with related parties are included in the amounts shown on the condensed interim statements of comprehensive loss as follows:

		Six months Ended September 30, 2020		Six Months Ended September 30, 2019
Related company controlled by officer and director (consulting fees and office and general)	$	50,000	$	60,000
Related companies with common officers and directors (rent recovery)	$	84,000	$	48,000

As at September 30, 2020, the Company had receivables of $nil (March 31, 2020 - $15,750) related to office rent recovery from companies with common officers and directors.

As at September 30, 2020, the Company had prepaid expenses of $9,317 (March 31, 2020 - $7,500) related to expenses with a company controlled by a member of key management.

As at September 30, 2020, the Company had accounts payable of $10,000 (March 31, 2020 - $62,500) with companies controlled by officers and directors, $nil (March 31, 2020 - $10,575) related to shared office and administrative expenses with a company controlled by an officer and director and $22,050 (March 31, 2020 - $nil) related to prepaid office rent recovery from companies with common officers and directors. The balances owing are unsecured, non-interest-bearing and have no specific terms of repayment.

EVENTS OCCURRING AFTER THE REPORTING DATE

On November 1, 2020, the Company entered into an agreement with an officer and director that includes termination and change of control clauses. In the case of termination without cause, the officer and director is entitled to an amount equal to two times the annual base fee payable. In the case of a change of control, the officer and director is entitled to an amount equal to three times the sum of the annual base fee and minimum incentive fee payable. The total annual base fee of the officer and director under the agreement is $240,000 and the total annual minimum incentive fee is $50,000.

On November 25, 2020, the Company announced it had entered into an agreement with a lead agent in connection with a marketed private placement to raise gross proceeds of up to $5,000,000. Prior to completion of the marketed private placement, the Company will consolidate its common shares on the basis of one new share for two old shares.

The marketed private placement will consist of 5,454,545 post-consolidated common shares on a flow-through basis at a price of $0.55 per flow-through share, and 4,000,000 units at a price of $0.50 per unit. Each unit will consist of one post-consolidated common share and one-half of one transferable share purchase warrant. Each whole warrant will be exercisable into one additional post-consolidated common share at a price of $0.70 per share for a period of two years from the date of issue. After statutory hold periods on the warrants expire, if the common shares of the Company trade on the TSX-V at a price of $1.10 or more for 10 consecutive trading days at any time, then the warrants will expire, subject to the Company’s discretion, on the earlier of the expiry date and the date which is 10 calendar days after the Company provides notice to the holders of the warrants that expiry has been accelerated.

In connection with the marketed private placement, the agents will be entitled to a cash fee of 6% of the gross proceeds of the sale of the units. Additionally, the Company will grant broker warrants equal to 6% of the aggregate number of units issued and 5% of the aggregate number of flow-through shares issued in the marketed private placement. Each broker warrant will be exercisable to acquire one common share of the Company at $0.70 for a period of two years after the closing date.

As of November 26, 2020, the consolidation has not been completed. No share and per share amounts have been revised to reflect the pending consolidation. The marketed private placement has not closed and is subject to acceptance of the TSX-V.

RISKS AND UNCERTAINTIES

The Company, and the securities of the Company, should be considered a highly speculative investment. The following risk factors should be given special consideration when evaluating an investment in any of the Company's securities.

There are a number of outstanding securities and agreements pursuant to which common shares of the Company may be issued in the future. This will result in further dilution to the Company's shareholders.

The Company has a very limited history of operations, is in the early stage of development and has received no revenues other than insignificant interest revenues following its transition to a mineral exploration and development company. As such, the Company is subject to many risks common to such enterprises. There can be no assurance that the Company will be able to obtain adequate financing in the future or, if available, that the terms of such financing will be favourable. The Company does not anticipate paying any dividends in the near future.

Although the Company has taken steps to verify the title to mineral properties in which it has acquired an interest, no assurance whatsoever can be given that the Company’s interests may not be challenged by third parties. If challenged, and if the challenge is sustained, it will have an adverse effect on the business of the Company. Title to mineral properties may be subject to unregistered prior agreements or transfers and may also be affected by undetected defects or the rights of indigenous peoples.

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 mineral properties, the potential for production on the properties may be diminished or negated.

The exploration of mineral properties involves significant risks, which even experience, knowledge and careful evaluation may not be able to avoid. The price of metals has fluctuated widely, particularly in recent years, as it is affected by numerous factors that are beyond the Company's control, including international economic and political trends, expectations of inflation or deflation, currency exchange fluctuations, interest rate fluctuations, global or regional consumptive patterns, speculative activities and increased production due to new extraction methods. The effect of these factors on the price of metals, and therefore, the economic viability of the Company's interests in the mineral properties cannot be accurately predicted. Furthermore, changing conditions in the financial markets, and Canadian income tax legislation may have a direct impact on the Company's ability to raise funds for exploration expenditures. A drop in the availability of equity financings will likely impede spending. As a result of all these significant risks, it is quite possible that the Company may lose its investments in the Company's mineral property interests.

CAPITAL DISCLOSURES

The Company's objectives when managing capital are to identify, pursue and complete the exploration and development of mineral properties, to maintain financial strength, to protect its ability to meet its ongoing liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. The Company does not have any externally imposed capital requirements to which it is subject. Capital of the Company comprises 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. The Company's investment policy is to invest its cash in financial instruments at high credit quality financial institutions with terms to maturity selected with regard to the expected timing of expenditures from continuing operations. The Company's overall strategy remains unchanged from the prior period.

FINANCIAL INSTRUMENTS AND RISKS

As at September 30, 2020, the Company's financial instruments consist of cash and cash equivalents, receivables, accounts payable and accrued liabilities, and lease obligation. The carrying values of these financial instruments approximate their fair values.

Fair value

The Company classifies its fair value measurements in accordance with an established hierarchy that prioritizes the inputs in valuation techniques used to measure fair value as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities.
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly.
Level 3 – Inputs that are not based on observable market data.

The following table sets forth the Company's financial assets measured at fair value by level within the fair value hierarchy:

September 30, 2020	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 704,169	$ -	$ -	$ 704,169

March 31, 2020	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 23,813	$ -	$ -	$ 23,813

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 manages credit risk, in respect of cash and cash equivalents, by placing at major Canadian financial institutions. The Company has minimal credit risk. The receivables balance of $118,501 is owing from the Canada Revenue Agency (March 31, 2020 - $178,964 of the balance of $194,714).

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on capital.

Currency risk – The Company has no funds held in a foreign currency and only a small amount of its accounts payable and accrued liabilities is denominated in US dollars. A fluctuation in the exchanges rates between the Canadian and US dollars of 10% would result in a nominal change to the Company's accounts payable and accrued liabilities and foreign exchange gain or loss. The Company does not use any techniques to mitigate currency risk.

Interest rate risk – Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Interest earned on cash and cash equivalents is at nominal interest rates, and therefore, the Company does not consider interest rate risk to be significant. The Company has no interest-bearing financial liabilities.

Other price risk – Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk. The Company is not exposed to significant other price risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The contractual financial liabilities of the Company as of September 30, 2020 equal $770,139 (March 31, 2020 - $1,874,931); $455,324 (March 31, 2020 - $1,623,364) of the liabilities presented as accounts payable and lease obligation – current portion are due within one month of the reporting date.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Title to mineral property interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Income taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability, including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent that it is probable that taxable profit will be available against which a deductible temporary difference can be utilized. This is deemed to be the case when there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity that are expected to reverse in the same year as the expected reversal of the deductible temporary difference, or in years into which a tax loss arising from the deferred tax asset can be carried back or forward. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

Going concern risk assessment

The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon its ability to fund its existing acquisition and exploration commitments on its exploration and evaluation assets when they come due, which would cease to exist if the Company decides to terminate its commitments, and to cover its operating costs. The Company may be able to generate working capital to fund its operations by the sale of its exploration and evaluation projects or raising additional capital through equity markets. However, there is no assurance it will be able to raise funds in the future. These condensed interim financial statements do not give effect to any adjustments required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying condensed interim financial statements.

Decommissioning liabilities

Rehabilitation provisions have been created based on the Company's internal estimates. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management. Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to provisions from year to year. Actual rehabilitation costs will ultimately depend on future market prices for the rehabilitation costs that will reflect the market condition at the time the rehabilitation costs are actually incurred.

The final cost of the currently recognized rehabilitation provisions may be higher or lower than currently provided for. As at September 30, 2020, the Company has no known rehabilitation requirements, and accordingly, no provision has been made.

Fair value of stock options granted

The Company uses the Black-Scholes option pricing model to value the stock options granted during the year. The Black-Scholes model was developed for use in estimating the fair value of traded options that have no vesting restrictions and are fully transferable. The model requires management to make estimates that are subjective and may not be representative of actual results. Changes in assumptions can materially affect estimates of fair values.

Leases

Lease obligations that are recognized at September 30, 2020 have been estimated using a 12% discount rate based on the cost of borrowing for debt instruments of comparable terms for companies with a comparable investment grade to the Company. This rate represents the rate that the Company would incur to obtain the funds necessary to purchase an asset of a similar value, with similar payment terms and security in a similar economic environment.

NEW ACCOUNTING STANDARDS ADOPTED DURING THE PERIOD

There were no new accounting standards adopted during the period.

OTHER INFORMATION

The Company had the following securities issued and outstanding:

	November 26, 2020	September 30, 2020	March 31, 2020
Common shares	62,031,340	62,031,340	47,681,340
Warrants	-	-	-
Stock options	6,114,500	6,114,500	4,214,500
Fully diluted shares	68,145,840	68,145,840	51,895,840