JAYDEN RESOURCES INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2020

The following Management's Discussion and Analysis ("MD&A") is intended to assist the reader to assess material changes in financial condition and results of operations of Jayden Resources Inc. ("Jayden" or the "Company") as at December 31, 2020 and 2019 and for the years then ended.

This MD&A should be read in conjunction with the audited financial statements for the year ended December 31, 2020 and supporting notes. These financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

All monetary amounts are in Canadian dollars unless otherwise specified. The effective date of this MD&A is April 27, 2021. Additional information relating to the Company is available on SEDAR at www.sedar.com.

Contents of the MD&A

1. Overview

Up until the fourth quarter of 2018, Jayden was in the advanced stage of exploration on its 80% owned Silver Coin Property, the Company's only asset. The Silver Coin Property is located approximately 25 kilometres by road north of Stewart, British Columbia in the Skeena Mining Division of British Columbia and consists of 44 claims totalling 1,496 net Ha. All of the Silver Coin assets were held in the Company's wholly owned British Columbia incorporated subsidiary, Jayden Resources (Canada) Inc. ("Jayden Canada").

At the Special General Meeting held on October 17, 2018, Jayden shareholders overwhelmingly voted in favor to sell the Silver Coin Property to Ascot Resources Ltd. ("Ascot"). On October 31, 2018, Jayden announced that it had closed the sale of all of the issued and outstanding shares of Jayden Canada to Ascot pursuant to the share purchase agreement between Jayden and Ascot signed on August 12, 2018. Ascot acquired all the issued and outstanding shares of Jayden Canada in exchange for 15,179,497 Ascot common shares at a deemed value of $0.94 per Ascot Share.

Jayden management had been looking for certain options for the Company during the year of 2019.

On September 4, 2020, Jayden announced that it had entered into a property option agreement with Teuton Resources Corp. (TSXV:TUO) to acquire up to a 75% interest in the Harry and Outland Silver Bar properties (the "Property") which are located in the Skeena Mining Division approximately 30km northwest of Stewart, BC.

The Property consists of 3 contiguous claims that cover a gross area of approximately 1,333 hectares. As per an April 2019 National Instrument 43-101 Technical Report on the property, the majority of the Property including the Outlander claim lies along the NW portion of a geological corridor prospective for gold-silver mineralization that is up to 3 kilometers wide. It is at least 15 kilometers long extending from south of the Premier Mine, possibly in the US, north to the Scottie Gold Mine and beyond. Within this mineralized corridor, there are a number of gold/silver deposits as well as numerous prospects. Deposits within this corridor include the Premier, Big Missouri, Silver Coin, Martha Ellen and Mt Dilworth.

On December 9, 2020, Teuton announced that it had discovered a new zone of mineralization on the Harry Property containing 7.86 ozs/ton over 2 metres

Jayden management continues to explore options for the future of the Company and will keep shareholders apprised to any developments as they progress.

2. Overall performance for the year ended December 31, 2020

The Company's performance for the year ended December 31, 2020 was a net loss of $218,964 compared to a net income of $817,605 in 2019. The change is primarily caused by the gain of $1,879,737 on disposal of the Company's marketable securities, shares of Ascot Resources Ltd, in 2019.

3. Selected annual information

For the years ended December 31, 2020, 2019, and 2018, the financial statements have been prepared in accordance with IFRS.

Statement of Operations Data	Year Ended December 31, 2020	Year Ended December 31, 2019	Year Ended December 31, 2018
Total revenue	$Nil	$Nil	$Nil
Net income (loss) from continuing operations	($218,964)	$817,605	$704,061
Net income (loss) from continuing operations per common share outstanding – basic	($0.00)	$0.01	$0.01
Net income (loss) from continuing operations per common share outstanding – diluted	($0.00)	$0.01	$0.01
Net income (loss)	($218,964)	$817,605	$13,851,476
Net income (loss) per common share outstanding - basic and diluted	($0.00)	$0.01	$0.16
Net income (loss) per common share outstanding – diluted	($0.00)	$0.01	$0.15
Dividend per common share outstanding	$Nil	$0.17	$Nil
	Year Ended December 31, 2020	**Year Ended December 31, 2019**	**Year Ended December 31, 2018**
Balance Sheet Data			
Total assets	$350,069	$57,407	$20,457,164
Non-current financial liabilities	$Nil	$Nil	$Nil
Shareholders' equity (deficit)	$272,852	$(52,384)	$20,283,971

Net Income (Loss)

The Company incurred a net loss of $218,964 in the fiscal year ended December 31, 2020, a net income of $817,605 in the fiscal year ended December 31, 2019, and $13,851,476 in the fiscal year ended December 31, 2018. The variance was mainly attributable to realized gain on disposal of marketable securities (2020 - $nil; 2019 – $1,879,737; 2018 – $nil), realized gain on disposal of discontinued operations (2020 - $nil; 2019 – $nil; 2018 – $13,348,900), and net loss from discontinued operations (2020 - $nil; 2019 – $nil; 2018 – $201,485).

Gain on disposal of marketable securities

For fiscal 2020, a realized gain of $nil was recorded compared to $1,879,737 in fiscal 2019 and $nil in fiscal 2018.

During the year ended December 31, 2020, the Company had no marketable securities activities.

During the year ended December 31, 2019, the Company distributed 14,797,234 shares of Ascot Resources Ltd. as non-cash dividend and $398,098 cash dividend to its shareholders. The fair value of the non-cash dividends was $15,241,151 at the date of distribution. A realized gain of $1,923,640 was recorded. The distribution was based on 90,995,746 issued and common shares of the Company and each shareholder is entitled to $0.17 non-cash dividend or cash dividend.

During the year ended December 31, 2019, the Company's disposal of 382,263 shares of Ascot Resources Ltd. for gross proceeds of $300,056, these shares had a carrying value of $343,959. A realized loss of $43,903 was recorded.

Gain on Disposal of Discontinued Operations

During fiscal 2020, $nil was recorded compared to $nil in fiscal 2019 and $13,348,900 in fiscal 2018. The gain in fiscal 2018 was related to the Company completing the sale of its subsidiary, Jayden Resources (Canada) Inc., to Ascot Resources Ltd., whereby the Company received 15,179,497 shares of Ascot Resources Ltd. with a carrying amount of $13,661,547 less transaction cost of $79,903 and net assets disposed of $232,744 resulted in gain on disposal of $13,348,900.

Total Assets

Total assets increased to $350,069 as at December 31, 2020 compared to $57,407 as at December 31, 2019, and $20,457,164 as at December 31, 2018. Total assets consist mainly of cash and cash equivalents in fiscal year 2020 and 2019 compared to the prior year 2018 where the majority of total assets was comprised of marketable securities of $20,036,936, which were disposed of during fiscal year 2019.

Shareholders' Equity

Total shareholder's equity increased to $272,852 compared to a deficit of $52,384 as at December 31, 2019, and an equity of $20,283,971 as at December 31, 2018. Total shareholders' equity consisted mainly of share capital and deficit. Equity increased mainly due to capital raised from private placements during the year ended December 2020 compared to equity decreased significantly mainly due to the dividend paid out during the year ended December 31, 2019.

4. Results of operations for the year ended December 31, 2020

The following table sets forth selected information for the years ended December 31, 2020, and 2019.

	Year Ended December 31,	
	2020	**2019**
		$
Other income	(13,683)	1,879,949
Administrative expenses	(205,281)	(201,666)
Net income (loss) from continuing operations	(218,964)	1,678,283
Income tax (expense) recovery	-	(860,678)
Net income (loss) for the period/year	(218,964)	817,605
Earnings (loss) per share continuing operations		
Basic and diluted	(0.00)	0.01

Because the Company is an exploration company, it has no revenue from mining operations.

During the year ended December 31, 2020, the Company incurred a net loss of $218,964 compared to a net income of $817,605 for the year ended December 31, 2019. The net income in the year ended December 31, 2019, relates primarily to a gain on disposal of marketable securities of $1,879,737. The administrative expenses for the year ended December 31, 2020 totalled $205,281 (2019: $201,666). This increase was mainly due to consulting fees of $126,000 (2019 – $73,200); corporate administration of $16,510 (2019– $53,161) related to administration, corporate communication, investor relations, computer services and office expenses of the Company; professional fees of $31,514 (2019 – $40,865) related to legal and accounting fees; and regulatory and shareholder services of $30,622 (2019 – $29,396) mainly related to the regulatory filings and shareholder services.

During the year ended December 31, 2020, the Company had no marketable securities activities. During the year ended December 31, 2019, the Company sold 382,263 shares of Ascot Resources Ltd. for gross proceeds of $300,056, these shares had a carrying value of $343,959. A realized loss of $43,903 was recorded.

During the year ended December 31, 2019, the Company distributed 14,797,234 shares of Ascot Resources Ltd. as non-cash dividend and $398,098 cash dividend to its shareholders. The fair value of the non-cash dividends was $15,241,151 at the date of distribution. A realized gain of $1,923,640 was recorded. The distribution was based on 90,995,746 issued and common shares of the Company and each shareholder is entitled to $0.17 non-cash dividend or cash dividend.

During the year ended December 31, 2020, the Company incurred administrative expense of $205,281 compared to $201,666 for the year ended December 31, 2019. The change is mainly due to increase on consulting fee expenses for the year.

5. Summary of quarterly results

The following table sets out selected unaudited quarterly financial information of the Company for the eight most recent quarters of operation. This information is derived from unaudited quarterly financial statements prepared by management. The financial data for the eight quarters ended December 31, 2020, are prepared in accordance with IFRS.

	4th Quarter 31-Dec-20	3rd Quarter 30-Sep-20	2nd Quarter 30-Jun-20	1st Quarter 30-Mar-20	4th Quarter 31-Dec-19	3rd Quarter 30-Sep-19	2nd Quarter 30-Jun-19	1st Quarter 30-Mar-19
Total revenue	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil
Net income (loss) from continuing operations	($67,311)	($50,770)	($74,892)	($25,991)	$5,424,181	($39,023)	($98,422)	($4,469,131)
Net income (loss) from continuing operations per common share outstanding - basic	($0.00)	($0.00)	($0.00)	($0.00)	$0.06	($0.00)	($0.00)	($0.05)
Net income (loss) from continuing operations per common share outstanding - diluted	($0.00)	($0.00)	($0.00)	($0.00)	$0.06	($0.00)	($0.00)	($0.05)
Net income (loss)	($67,311)	($50,770)	($74,892)	($25,991)	$5,424,181	($39,023)	($98,422)	($4,469,131)
Net income (loss) per common share outstanding - basic	($0.00)	($0.00)	($0.00)	($0.00)	$0.06	($0.00)	($0.00)	($0.05)
Net income (loss) per common share outstanding - diluted	($0.00)	($0.00)	($0.00)	($0.00)	$0.06	($0.00)	($0.00)	($0.05)

Overall, consulting fees, corporate administration, professional fees, regulatory and shareholder services and foreign exchanges gains/losses were the major components that caused variances in net income (losses) from quarter to quarter while realized gains associated with the Company's disposal of marketable securities were the major components that caused variances in the net gains from quarter to quarter.

Fourth Quarter

During the quarter ended December 31, 2020, the Company incurred a net loss of $67,311 compared to a net income of $5,424,181 for the quarter ended December 31, 2019. The change is mainly due to the Company's disposal of its shares of Ascot Resources Ltd. During the quarter ended December 31, 2020, the company incurred administrative expenses of $53,463 compared to $36,330 for the quarter ended December 31, 2019. The change is mainly due to the company incurred more expenses due to the increase in activity.

6. Exploration and evaluation assets

The Company has entered into a property option agreement (the "Agreement") with Teuton Resources Corp. ("Teuton") for the acquisition of the Harry and Outland Silver Bar properties (the "Property") on September 4, 2020. Pursuant to the terms of the Agreement, the Company may acquire an initial 55% interest in the Property by making the following:

Date	Cash	Expenditures
Upon signing (paid subsequently)	$ 25,000	$ -
First anniversary of the effective date	30,000	100,000
Second anniversary of the effective date	35,000	250,000
Third anniversary of the effective date	40,000	300,000
Fourth anniversary of the effective date	50,000	500,000
Fifth anniversary of the effective date	-	850,000
	$ 180,000	$ 2,000,000

An additional 20% interest in the Property can be acquired by Jayden taking the Property into commercial production on or before January 12, 2036. Teuton will retain a 2% net smelter royalty on the Property. Subsequent to year ended December 31, 2020, the Company has received final acceptance from the TSX Venture Exchange and the first payment of $25,000 was paid on January 15, 2021.

7. Liquidity and capital resources

The following table summarizes the Company's cash on hand, working capital and cash flow:

As at December 31,		2020	2019
Cash and cash equivalents	$	344,820	51,193
Working capital (deficit)		272,852	(52,384)
Year ended December 31,		2020	2019
Net cash used in operating activities		(171,373)	(243,323)
Net cash provided by (used in) investing activities		-	300,133
Net cash provided by (used in) financing activities		465,000	(398,098)
Net change in cash	$	293,627	(341,288)

The Company is dependent on the sale of common shares and financings through future private placements to finance its exploration activities, property acquisition payments and general and administrative costs.

The Company's 2020 working capital increased to $272,852 compared to a deficit of $52,384 in 2019. The difference is mainly due to the proceeds raised from the private placements during the year ended December 31, 2020.

Total current assets increase from $57,407 to $350,069 is mainly due to the Company's cash proceeds raised from the financing during the year 2020.

The Company's cash used in operating activities was $171,373 (2019: $243,323). The decrease in 2020 was primarily due to the Company's decrease in accounts payable resulting from the debt settlement.

The Company's cash provided in investing activities was $nil (2019: $300,133). During the year ended December 31, 2019, the Company sold 382,263 Ascot Resources Ltd. shares (2018: Nil) for gross proceeds of $300,056 (2018: Nil).

The Company's cash used in (provided from) financing activities was ($465,000) (2019: $398,098). The cash provided in 2020 financing activities was due to the proceeds from private placement. The cash used in 2019 financing activities was due to the cash dividend payment paid out to certain shareholders.

8. Disclosure of outstanding share data

(a) Share capital

Outstanding share data as at December 31, 2020:

The authorized share capital of the Company is 5,000,000,000 common shares without par value.

As at December 31, 2020, the Company has 101,615,746 issued and outstanding common shares.

During the year ended December 31, 2020, 9,300,000 common shares were issued.

During the year ended December 31, 2020, the Company also settled debt owing to its creditors in the amount of $65,352. The Company issued an aggregate of 1,320,000 common shares of the Company at a value of $0.06 per share in settlement of the debt.

During the year ended December 31, 2019, there were no share capital transactions.

Outstanding share data as at the date of this MD&A:

As at the date of this MD&A, the Company has 104,115,746 issued and outstanding common shares.

(b) Stock options

The Company has a stock option plan whereby the maximum number of shares subject to the plan, in the aggregate, shall not exceed 10% of the Company's issued and outstanding shares. The maximum term of any option will be ten years and the vesting is at the direction of the board, however, options granted to consultants performing "investor relations' activities" must at a minimum vest in stages over a period of not less than twelve months, with no more than ¼ of the options vesting in any three month period or such longer period as the board determines. The exercise price shall be no less than the discount market price as determined in accordance with TSE policies.

Stock option transactions and the number of stock options outstanding and exercisable as at December 31, 2019 are summarized as follows:

	Year ended December 31, 2019	
	Number	Weighted average exercise price
		$
Options outstanding, beginning of the year	1,425,000	0.11
Expired	(1,425,000)	0.11
Options outstanding, end of the year	-	-
Options exercisable	-	-

During the year ended December 31, 2020, there were no stock option transactions.

During the year ended December 31, 2019, 1,425,000 outstanding stock options expired unexercised.

As at the date of this MD&A, the Company has no stock options issued or outstanding.

(c) Share purchase warrants

Share purchase warrant transactions during the years ended December 31, 2020 and 2019 are summarized as follows:

	Number of Warrants	**Weighted Average Exercise Price**	**Expiry Date**	**Remaining Life**
Balance, December 31, 2018	12,897,500	$ 0.12		
Expired During the Year	(12,897,500)	0.12		
Balance, December 31, 2019	-	-		
Granted During the Year	9,300,000	0.07	November 5, 2022	1.85 years
Balance, December 31, 2020	9,300,000	$ 0.07		1.85 years

During the year ended December 31, 2020, 9,300,000 warrants were granted at an exercise price of $0.07 per warrant share until November 5, 2022.

During the year ended December 31, 2019, 12,897,500 outstanding warrants expired unexercised.

Subsequent to the year end, 2,500,000 warrants were granted upon closing of the second tranche of the private placement. Refer to Subsequent Events note.

As at the date of this MD&A, the Company has 11,800,000 issued and outstanding warrants.

9. Related party transactions

The Company entered into material related party transactions during the year ended December 31, 2020 with the CEO of the Company who provided consulting services for a total of $72,000 plus applicable taxes during the year. The Company had no related party transaction during the year ended December 31, 2019. As at December 31, 2020, the Company owed $75,600 to the CEO of the Company.

10. Commitments

Refer to Note 6.

11. Additional Disclosure for Junior Issuers

The Company has incurred the following material cost components:

	Years Ended December 31,	
	2020	2019
	$	$
Consulting fees	126,000	73,200
Corporate administration	16,510	53,161
Professional fees	31,514	40,865
Regulatory and shareholder services	30,622	29,396

During the year ended December 31, 2020, $126,000 (2019 - $73,200) in consulting fees was paid in relation to consultants providing corporate communication, administrative and corporate development services to the Company.

During the year ended December 31, 2020, $16,510 (2019 - $53,161) in corporate administration fees was paid in relation to the Company's general office expenses, meals and entertainment, insurance and travel.

During the year ended December 31, 2020, $31,514 (2019 - $40,865) in professional fees was paid in relation to the previous year's financial statement audit, tax return services, and legal services requested throughout the year.

During the year ended December 31, 2020, $30,622 (2019 - $29,396) in regulatory and shareholder services fees was paid in relation to the Company's regulatory filing fees, shareholder correspondence and investor relations services.

12. Adoption of accounting standards and pronouncements under IFRS

The following amendment was adopted by the Company for the year ended December 31, 2020:

IFRS 3 Business Combinations (Amendment)

In October 2018, the International Accounting Standards Board (IASB) issued amendments to IFRS 3, incorporated into Part I of the CPA Canada Handbook – Accounting by the Accounting Standards Board (AcSB) in December 2018. The amendments clarify the definition of a business, permitting a simplified assessment to determine whether a transaction should be accounted for as a business combination or as an asset acquisition. The amendments are effective for transactions for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020. The adoption of IFRS 3 (Amendment) does not have material impact on the Company's financial statements for the year ended December 31, 2020.

The Company has reviewed new accounting pronouncements that have been issued but are not yet effective. The Company will continue to evaluate the impact these standards will have on the financial statements when they are finalized. Currently the effect is expected to be immaterial.

13. Financial instruments

The Company is exposed to financial risks through its use of financial instruments in its ordinary course of operations. The financial risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company does not have any written risk management policies and guidelines. However, the board of directors meets regularly and co-operates closely with key management to identify and evaluate risks and to formulate strategies to manage financial risks. The Company has not used any derivatives or other instruments for hedging purposes and does not hold or issue derivative financial instruments for trading purposes. The most significant risks to which the Company is exposed to are described below.

(i) Currency risk

Some of the operating expenses and cash and cash equivalents held are denominated in foreign currencies and as such are subject to currency risk. The Company does not enter into derivative financial instruments to mitigate this risk but the Company does not believe its net exposure to foreign exchange risk is significant as most funds are held by the Company in Canadian dollars.

(ii) Credit risk

The Company's cash and cash equivalents are held in authorized Canadian financial institutions. Management believes that the credit risk concentration with respect to its financial instruments is minimal. The Company adopts conservative investment strategies. Usually investments are in liquid securities quoted on recognized stock exchanges. No margin trading is allowed. Loans and financial guarantees have to be approved by the board of directors. The board monitors the Company's overall investment position and exposure on a day to day basis. The credit and investment policies have been followed by the Company since prior years and are considered to have been effective in limiting the Company's exposure to credit risk to a desirable level.

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has interest-bearing assets in relation to cash at banks and cash equivalents carried at floating interest rates with reference to the market and non-interest bearing director's loans. The Company's operating cash flows are substantially independent of changes in market interest rates. The Company has not used any financial instrument to hedge potential fluctuations in interest rates. The exposure to interest rates for the Company is considered minimal. The Company has no interest bearing borrowings.

The policies to manage interest rate risk have been followed by the Company since prior years and are considered to be effective.

(iv) Liquidity risk

The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the board of directors are actively involved in the review, planning and approval of significant expenditures and commitments.

The liquidity policies have been followed by the Company since prior years and are considered to have been effective in managing liquidity risk.

(v) Fair value measurements

The following table presents financial assets and liabilities measured at fair value in the statement of financial position in accordance with the fair value hierarchy. The hierarchy groups financial assets into three levels based on the relative reliability of significant inputs used in measuring the fair value of these financial assets. The fair value hierarchy has the following three levels:

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

The level in the fair value hierarchy within which the financial asset is categorized in its entirety is based on the lowest level of input that is significant to the fair value measurement.

There have been no significant transfers between levels 1 and 2 in the respective reporting periods. The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting periods.

Financial instruments that are not measured at fair value on the balance sheet are represented by cash and cash equivalents and accounts payable and accrued liabilities. The fair value of these financial instruments approximates their carrying value due to their short-term nature.

14. Capital risk management

The Company's capital management objectives are to ensure the Company's ability to continue as a going concern so as to benefit from its operations to provide an adequate return for its shareholders.

The Company manages its capital structure and makes adjustments to it based on the funds available to the Company in order to support the acquisition, exploration and development of mineral properties. The Company defines capital that it manages as its shareholders' equity. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company has historically relied on the equity markets to fund the acquisition, exploration and development of mineral properties. In addition, the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company is not subject to externally imposed capital requirements.

15. Proposed transactions

The Company does not currently have any proposed transactions approved by the Board of Directors except for the transactions disclosed in Subsequent Events note.

16. Off balance sheet transactions

There are currently no off balance sheet arrangements which could have a material effect on current or future results of operations, or the financial condition of the Company.

17. Internal control over financial reporting

The Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") of the Company, together with the Company's management, are responsible for the information disclosed in this MD&A and in the Company's other external disclosure documents. For the year ended December 31, 2020, the CEO and the CFO have designed, or caused to be designed under their supervision, the Company's disclosure controls and procedures ("DCP") to provide reasonable assurance that material information relating to the Company has been disclosed in accordance with regulatory requirements and good business practices and that the Company's DCP will enable the Company to meet its ongoing disclosure requirements.

The CEO and CFO have evaluated the effectiveness of the Company's DCP and have concluded that the design and operation of the Company's DCP were effective as of December 31, 2020 and that the Company has the appropriate DCP to ensure that information used internally by management and disclosed externally is, in all material respects, complete and reliable.

The CEO and the CFO are also responsible for the design of the internal controls over financial reporting ("ICFR") within the Company in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards ("IFRS"). During the year ended December 31, 2012, the Company engaged an international business advisory firm to assess the effectiveness of the Company's ICFR.

During the design and evaluation of the Company's ICFR, management identified certain non-material deficiencies, a number of which have been addressed or are in the process of being addressed in order to enhance the Company's processes and controls. The Company employs entity level and compensating controls to mitigate any deficiencies that may exist in its process controls. Management intends to continue to further enhance the Company's ICFR. Management concluded that the Company's ICFR were effective as of December 31, 2012, 2011 and 2010.

The Company's management, including its CEO and CFO, believe that any DCP and ICFR, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override to the future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected.

There have been no changes in the Company's ICFR during the year ended December 31, 2020 that have materially affected, or are reasonably likely to materially affect, the Company's ICFR.

18. Critical accounting estimates and judgements

The following is the critical judgment, apart from those involving estimations that management have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the financial statements.

Going concern

Management has applied judgments in the assessment of the Company's ability to continue as a going concern when preparing its financial statements for the year ended December 31, 2020. Management prepares the financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative but to do so. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Management considered a wide range of factors relating to current and expected profitability, debt repayment schedules and potential sources of replacement financing. As a result of the assessment, management concluded the ultimate appropriateness of the use of accounting principles applicable to a going concern.

19. Cautionary statement on forward-looking information

This MD&A, which contains certain forward-looking statements, are intended to provide readers with a reasonable basis for assessing the financial performance of the Company. All statements, other than statements of historical fact, are forward-looking statements. The words "believe", "expect", "anticipate", "contemplate", "target", "plan", "intends", "continue", "budget", "estimate", "may", "will", "schedule" and similar expressions identify forward looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant business, economic and competitive uncertainties and contingencies.

Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to, fluctuations in the currency markets such as Canadian dollar, and U.S. dollar, fluctuations in the prices of commodities, changes in government legislation, taxation, controls, regulations and political or economic developments in Canada, the United States, or other countries in which the Company carries or may carry on business in the future, risks associated with mining or development activities, the speculative nature of exploration and development, including the risk of obtaining necessary licenses and permits, and quantities or grades of reserves. Many of these uncertainties and contingencies can affect the Company's actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Company.

Readers are cautioned that forward-looking statements are not guarantees of future performance. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those acknowledged in such statements. Specific reference is made to the Company's most recent Annual Information Form on file with Canadian provincial securities regulatory authorities for a discussion of some of the factors underlying forward-looking statements. The Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except to the extent required by applicable laws.

20. Subsequent events

Subsequent to year-end, the Company had closed the second tranche of the private placement ("Offering") representing $125,000 by issuing 2,500,000 Units of the Company at a price of $0.05 per Unit. Each Unit consisted of one common share of the Company (a "Share") and one transferable common share purchase warrant (a "Warrant"). Each Warrant entitles the holder to purchase one additional Share (a "Warrant Share") of the Company at a price of $0.07 per Warrant Share until January 12, 2023. No finder's fees or commissions were paid in relation to the Offering. The Offering's Shares and any Warrant Shares are subject to a four-month-plus-one-day hold period expiring on May 13, 2021.

Subsequent to year-end, the Company entered into a property option agreement with three arm's length vendors (the "Optionors") to acquire a 100% interest in the Storm Lake Gold Property located in the Frotet-Evans Greenstone Belt in central Quebec. Under the terms of the agreement, the Company can acquire a 100% interest in the Storm Lake Gold Property by making cash and share payments to the Optionors totaling $750,000 and 19,800,000 common shares respectively. Upon TSXV approval of the transaction (the "Effective Date"), the Company will pay $200,000 and issue 6,600,000 shares to the Optionors. On the nine (9) month anniversary of the Effective Date an additional 6,600,000 shares will be issued. On the fifteen (15) month anniversary of the Effective Date an additional $300,000 and 6,600,000 shares; and on the thirty (30) month anniversary of the Effective Date a further $250,000.