



(formerly Eurocontrol Technics Group Inc.)

Management's Discussion & Analysis

For the three month period ended March 31, 2020

Dated May 21, 2020

Management's Discussion and Analysis

For the three month period ended March 31, 2020

(in Canadian dollars unless otherwise noted)



Forward-Looking Statements

This Management's Discussion and Analysis ("MD&A") contains certain statements that may be deemed "forward-looking statements," within the meaning of certain securities laws. Forward-looking statements relate to management's expectations or beliefs about future performance, events, or circumstances that include, but are not limited to, reserve or resource potential, exploration and operational activities, and events or developments that the Company expects or targets. Forward-looking statements can usually be identified by words such as: "future", "plans", "scheduled", "expects", "intends", "estimates", "forecasts", "will", "may", "could", "would", and variations thereof. Although the Company believes that these statements are based on reasonable assumptions, all forward-looking statements involve known and unknown risks and uncertainties that may cause the actual performance, events, or circumstances of the Company to be materially different than anticipated. The forward-looking information in this MD&A describes the Company's expectations as of the date of this MD&A.

The results or events anticipated or predicted in such forward-looking information may differ materially from actual results or events. The Company and its operations are also subject to a large number of risks, including: the Company's liquidity and financing capability, fluctuations in gold prices, market conditions, results of current exploration activities, the possibility of a labour stoppage or shortage, delays in obtaining government permits and approvals and such other risks as discussed herein and in other publicly filed disclosure documents. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in such forward-looking statements, there may be other factors that cause performance, events, or circumstances to differ materially from those described in forward-looking statements. There can be no assurance that forward-looking statements will prove to be accurate. Accordingly, readers should not try to place undue reliance on forward-looking statements contained in this MD&A.

The Company cautions that the foregoing list of material factors is not exhaustive. When relying on the Company's forward-looking information to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. The Company has assumed a certain progression, which may not be realized. It has also assumed that the material factors referred to in the previous paragraph will not cause such forward-looking information to differ materially from actual results or events. However, the list of these factors is not exhaustive and is subject to change and there can be no assurance that such assumptions will reflect the actual outcome of such items or factors.

Forward-looking statements are based on management's current plans, estimates, projections, beliefs, and opinions and Talisker does not undertake any obligation to update forward-looking statements should the assumptions related to these plans, estimates, projections, beliefs and opinions change, except as required by law.

Qualified Person

The technical information contained in this MD&A has been approved by Leonardo de Souza (BSc, AusIMM (CP) Membership 224827), Talisker's Vice President, Exploration and Resource Development, who is a "qualified person" within the meaning of National Instrument 43-101, Standards of Disclosure for Mineral Projects.

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Recent Developments, Exploration Properties, Outlook and Strategy

RECENT DEVELOPMENTS

Talisker Resources Ltd. (formerly Eurocontrol Technics Group Inc.) ("Talisker" or the "Company") is a publicly listed company incorporated in British Columbia and continued in the Province of Ontario. The Company is engaged in exploration and evaluation of mineral properties in British Columbia.

On February 4, 2020, the Company closed a bought deal private placement that was announced on January 7, 2020 raising \$13,059,988 in gross proceeds with the issuance of 15,333,320 common shares at a price of \$0.33 per common share and 16,161,600 charity flow-through common shares (the "Charity FT Shares") at a price of \$0.495 per Charity FT Share. In connection with the private placement, the Company paid \$667,387 in cash commissions and issued an aggregate of 620,817 compensation warrants, with each compensation warrant entitling the holder to acquire one common share of the Company at a price of \$0.33 for a period of 24 months.

On February 12, 2020, the Company announced that it was undertaking a drill program at the Bralorne Gold Project and on April 1 and May 5, 2020, the Company announced drill results for first and second drill holes at the Bralorne Gold Project. Further details of the drill results are included under Exploration Properties.

On April 1, 2020, the Company announced that drilling operations at the Bralorne Gold Project were temporarily suspended in relation to the novel coronavirus ("COVID-19") pandemic. The outbreak of COVID-19 has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. The Company has temporarily suspended its operations in British Columbia due to COVID-19 on April 1, 2020. The duration and impact of the COVID-19 pandemic is unclear at this time and as a result it is not possible for management to estimate the severity of the impact it may have on the financial results and operations of the Company in future periods. It is management's assumption that the Company will continue to operate as a going concern. The Company is aware of lobbying to extend the period of time for flow-through spending during this crisis. Based on current legislation, as of March 31, 2020, the Company is required to spend approximately \$9,671,000 out of which \$1,671,000 to be spent by December 31, 2020 and \$8,000,000 to be spent by December 31, 2021 in connection with its flow-through offerings (December 31, 2019 - \$3,158,000). Out of \$9,671,000, \$347,000 relates to Bralorne's pre acquisition flow-through expenditure obligation. Prior to suspension of operations, the Company had completed a third of the planned drill program. Full results will be announced when available.

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EXPLORATION PROPERTIES

The exploration and evaluation expenses for the Company are summarized as follows:

Three month period ended March 31,	2020	2019
Bralorne Gold Project	\$ 1,181,912	-
Spences Bridge Gold Project	223,013	\$ -
Tulox Property	600	-
WCGG Properties	343	-
Exploration and evaluation expenditures	\$ 1,405,868	\$ -

The exploration and evaluation expenses for the Company by expenditure classification is summarized as follows:

Three month period ended March 31,	2020	2019
Consulting	\$ 335,076	\$ -
Salaries and wages	157,819	-
Drilling	490,195	-
Assays	54,579	-
Field supplies and administrative	307,482	-
Travel and other	35,980	-
Equipment repairs and maintenance	24,737	-
Exploration and evaluation expenditures	\$ 1,405,868	\$ -

The mine care and maintenance costs for the Company by expenditure classification is summarized as follows:

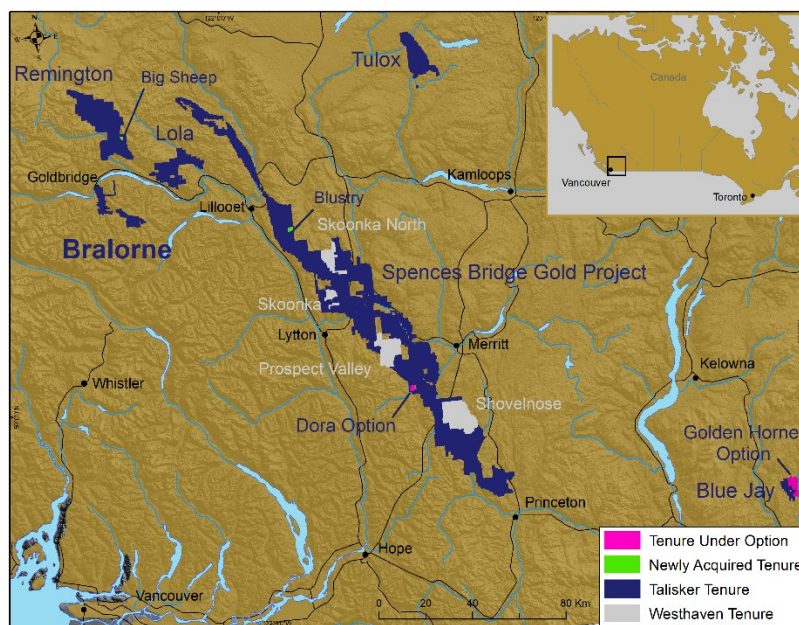
Three month period ended March 31,	2020	2019
Consulting	\$ 5,050	\$ -
Salaries and wages	164,167	-
Assays	5,301	-
Field supplies and administrative	26,387	-
Equipment repairs and maintenance	38,396	-
Mine care and maintenance costs	\$ 239,301	\$ -

Talisker's exploration projects include the Bralorne Gold Complex, an advanced stage project with significant exploration potential from a historical high-grade producing gold mine as well as its Spences Bridge Gold Project where the Company holds ~85% of the emerging Spences Bridge Gold Belt, the Baker-Shasta Project and several other early stage Greenfields projects listed below. The Company's properties comprise 290,415 hectares over 320 claims, six leases and 181 crown grant claims.

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Southern British Columbia Properties



Bralorne Gold Project

Located in southern British Columbia, the Bralorne Gold Project comprises the tenure owned by Bralorne Gold Mines Ltd., a wholly-owned subsidiary of Talisker, that comprises several historic mine workings (Pioneer, Bralorne, King and Taylor-Bridge mines) as well as additional tenure acquired by Talisker in 2020, the Royale property, the NaiKun Wind Crown Grant claims and the Congress property (further described below). With these acquisitions, the Bralorne Gold Project comprises over 11,619 ha over 55 claims, three leases and 181 Crown Grant claims. The Bralorne Gold mine complex produced approximately 4.2 million ounces of gold at a grade of 17.7 g/t Au from 30 veins in three adjacent mines; Bralorne, Pioneer and King, until eventual closure in 1971 due to depressed gold prices.

The Bralorne Gold Project tenure held by Bralorne Gold Mines has a historical mineral resource estimate of 41,660 tonnes at 12.43 g/t for 16,642 ounces in the Measured category, 206,113 tonnes at 11.30 g/t for 74,885 ounces in Indicated category, giving a total of 247,773 tonnes at 11.46 g/t for 91,527 ounces of Measured and Indicated mineral resources, and 329,786 tonnes at 7.91 g/t for 83,900 ounces in the Inferred category, as included in the October 20, 2016 technical report "Bralorne Gold Mine, British Columbia, Canada, NI 43-101 Technical Report" (the "2016 Technical Report") prepared for Avino. The effective date of the historical estimate is October 20, 2016. At the time of acquisition, no other recent estimates of the mineral resource or other data was available to Talisker and a qualified person on behalf of Talisker had not done sufficient work to classify the historical estimate as current mineral resources and Talisker is not treating the historical estimate as current mineral resources. Key assumptions, parameters, and methods used to prepare the historical estimate are disclosed in the 2016 Technical Report. Talisker intends to complete a new technical report that will reflect more recent drill results and upgrade the historical estimate as current mineral resources.

On February 12, 2020, Talisker announced the commencement of the Phase 1 drill program comprising of a planned 2,700m of diamond drilling in five holes that is part of a larger 11,200m program outlined in the table below and illustrated on the drill program map also included below. The Phase 1 drill holes are proposed to range in depth from 427m to 671m depth and will target the HW, Main, J and 77 veins.

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Bralorne Gold Project – Phases 1 and 2 Drilling				
Phase	Proposed Drill Hole	Target Depth (m)	Location	Targets
1	TSK20-042	579	Pioneer	HW; Main; J Vein
	TSK20-043	671	Pioneer	HW; Main; J Vein
	TSK20-040	427	Pioneer	Main
	TSK20-041	457	Pioneer	Main
	TSK20-044	549	Bralorne	77 Vein
2	TSK20-030	610	Bralorne	59 Vein
	TSK20-060	914	Bralorne	59 Vein; 51 Vein; 73 Vein
	TSK20-064	792	Bralorne	55 Vein; 53 Vein
	TSK20-075	610	Bralorne	55 Vein
	TSK20-026	853	Bralorne	55 Vein
	TSK20-027	945	Bralorne	55 Vein; 53 Vein
	TSK20-063	1006	Bralorne	55 Vein
	TSK20-037	1067	Bralorne	55 Vein
	TSK20-061	853	Bralorne	55 Vein
	TSK20-062	884	Bralorne	55 Vein
	15 Holes		11,217	

On March 26, 2020, Talisker announced an increase to its land position in the Bralorne Gold Camp with the acquisition of the Royale property comprising four claim blocks comprising 3,827 hectares. The claim blocks sit directly south of the historic Bralorne-Pioneer mine along strike of the Cadwaller break that host eight exploration targets including mesothermal gold and silver veins and skarn style mineralization. The main target is the Piebiter zone with historic adit sampling returning gold grades of 4.3 g/t over 21 meters and selective grab samples of up to 227 g/t Au. The Chopper silver vein has been delineated for 2,400 meters and with selective grab samples up to 1,585 g/t Ag. The Company notes that these selected samples are not necessarily representative of the mineralization hosted on the Property and limited drilling has been completed on the Property. A qualified person has not verified the data disclosed in respect of the Property, including sampling, analytical and test data underlying this information. The data comes from historic reports prepared by previous owners. In connection with the agreement, Talisker paid \$60,000 in cash and issued 600,000 common shares of Talisker. The Vendor has retained a 1% NSR that Talisker can purchase for \$1,000,000.

On March 31, 2020, Talisker announced a further expansion of its land position in the Bralorne Gold Camp with the acquisition of 19 Crown Grant mineral claims totaling 358.5 hectares. The NaiKun Crown Grant mineral claims are located five kilometers southwest of Goldbridge, British Columbia and partially underlay Talisker's current Bralorne Gold Project mineral tenure. The property sits seven kilometers directly along strike of the Bralorne-Pioneer mines. On April 15, 2020, under the terms of the purchase agreement, Talisker issued 100,000 shares to the vendor in return for 100% ownership of the Naikun Grown Grants.

On April 1, 2020, Talisker announced results from the first drill hole SB-2020-001 (corresponds to proposed drill hole TSK20-042) which targeted the PHW, P Main and P Main splay and the J Veins. Highlights include:

- 11.3 g/t Au over 0.9m from 237.50m to 238.40m intersecting the PHW Vein
- 27.3 g/t Au over 0.6m from 364m to 364.6m intersecting the P Main Vein Splay
- 3.42 g/t Au over 1.58m from 437.92m to 439.5m intersecting the J Vein
- 16.45 g/t Au over 0.5m from 447.9m to 448.4m intersecting the J Vein Splay

A void was encountered at the anticipated location of the P Main Vein.

The Company also noted that significant gold mineralization was also identified for the first time in the altered halos surrounding the veins in both footwall and hanging wall locations associated with intense

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silica-sericite alteration that the Company believes has the potential to decrease dilution during the resource modelling phase. Highlights of non-vein mineralization include:

Hanging wall to the PHW Vein

- 1.4 g/t Au over 1m from 235m to 236m
- 2.13 g/t Au over 1.50m from 236m to 237.5m

Footwall to the PHW Vein

- 1.84 g/t Au over 0.5m from 238.4m to 238.9m

Hanging wall to the P Main Vein Splay

- 1.07 g/t Au over 1m from 363m to 364m

Footwall to the P Main Vein Splay

- 0.75 g/t Au over 1.1m from 364.6m to 365.7m

Hanging wall to the J Vein

- 1.09 g/t Au over 0.92m from 437m to 437.92m

Footwall to the J Vein

- 1.11 g/t Au over 1m from 440m to 441m

Select results from the first drill hole are listed in the following table.

Bralorne Gold Project Drill Hole ID SB-2020-001						
Sample Number	From (m)	To (m)	Interval (m)	Au g/t	Interpreted Structure	Method Reported
B0215653	235.00	236.00	1.00	1.40	Vein Halo	Au-AA24
B0215654	236.00	237.50	1.50	2.13	Vein Halo	Au-AA24
B0215655	237.50	238.40	0.90	11.30	PHW Vein	Au-GRA22
B0215656	238.40	238.90	0.50	1.84	Vein Halo	Au-AA24
B0215782	363.00	364.00	1.00	1.07	Vein Halo	Au-AA24
B0215783	364.00	364.60	0.60	27.30	P Main Vein Splay	Au-GRA22
B0215784	364.60	365.70	1.10	0.75	Vein Halo	Au-AA24
B0215855	437.00	437.92	0.92	1.09	Vein Halo	Au-AA24
B0215856	437.92	439.50	1.58	3.42	J Vein	Au-SCR24
B0215857	439.50	440.00	0.50	0.17	Vein Halo	Au-AA24
B0215858	440.00	441.00	1.00	1.11	Vein Halo	Au-AA24
B0215859	441.00	442.50	1.50	0.90	Vein Halo	Au-AA24
B0215865	446.80	447.90	1.10	0.57	Vein Halo	Au-AA24
B0215866	447.90	448.40	0.50	16.45	J Vein Splay	Au-GRA22
B0215867	448.40	449.50	1.10	0.70	Vein Halo	Au-AA24

Notes: Diamond drill hole SB-2020-001 was collared at an azimuth of 203 degrees, and a downward dip of 60 degrees. True widths are estimated at 70 - 90% of intercept lengths and are based on oriented core measurements. Method Reported includes the most up to date information as of the date of this MD&A. Additional re-run and over-limit results have not yet been received.

On April 1, 2020, the Company announced that drilling operations at the Bralorne Gold Project were temporarily suspended in relation to the novel coronavirus ("COVID-19") pandemic. Prior to suspension of operations, the Company had completed a third of the drill program.

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On April 9, 2020, the Company announced the acquisition of the Congress property located directly north of the historic Bralorne-Pioneer mine comprising 20 mineral claims, three mining leases and eight crown grants totaling 2,675.50 hectares. The Congress property contains a historic indicated and inferred resource of 192,638 tonnes grading at 9.24 g/t for 57,234 oz (Mine Development Assessment Process – Congress Project Stage 1 Report, September 1988) defined by underground sampling and surface and underground drilling. As the report was prepared prior to NI 43-101 standards for disclosure, the Company does not know the relationship of the historic resource categories and Talisker has no knowledge of the reliability of the historic resource. Additional drilling and sampling and quality control will be required to verify and upgrade the historical estimate. Talisker's qualified person has not done sufficient work to classify the historical estimate as a current mineral resource and the Company is not treating the historical estimate as a current mineral resource. Under the terms of the purchase agreement, Talisker issued 1,000,000 common shares in return for 100% ownership of the Congress property. In addition to the statutory four month hold period, the shares issued are subject to certain resale restrictions for up to one year.

Post the acquisition on the Congress property, the Company's Bralorne Gold Project comprises 11,619 hectares over 79 mineral claims, three mining leases and 181 Crown grants along a 33 kilometre trend.

On May 5, 2020, the Company announced the results for the second hole, SB-2020-002, that targeted the down dip continuity of the same structures intersected in hole SB-2020-001 - the PHW, P Main, and the J Veins. Highlights include:

- 17.35 g/t Au over 0.80m from 247.40m to 248.20m intersecting the PHW Vein
- 32.20 g/t Au over 0.97m from 414.40m to 415.37m intersecting the P Main Vein

Similar to hole one, significant gold mineralization was also identified in the altered halos surrounding the veins in both footwall and hanging wall locations associated with intense silica-sericite alteration. Highlights of non-vein mineralization include:

Hanging wall to the PHW Vein

- 2.31 g/t Au over 1m from 245.4m to 246.4m
- 0.54 g/t Au over 1m from 246.4m to 247.4m

Footwall to the PHW Vein

- 0.67 g/t Au over 1m from 248.2m to 249.2m
- 0.44 g/t Au over 1m from 249.2m to 250.2m

Hanging wall to the P Main Vein

- 2.19 g/t Au over 1.4m from 413.0m to 414.4m

Select results from the second drill hole are listed in the following table.

Bralorne Gold Project Drill Hole ID SB-2020-002						
Sample Number	From (m)	To (m)	Interval (m)	Au g/t	Interpreted Structure	Method Reported
B0215948	223.20	224.20	1.00	3.82	PHW Vein Splay	Au-SCR24
B0215949	224.20	224.80	0.60	1.25	PHW Vein Splay	Au-SCR24
B0215950	224.80	225.30	0.50	2.66	PHW Vein Splay	Au-AA24
B0215972	245.40	246.40	1.00	2.31	Vein Halo	Au-AA24
B0215973	246.40	247.40	1.00	0.54	Vein Halo	Au-AA24
B0215974	247.40	248.20	0.80	17.35	PHW Vein	Au-SCR24
B0215975	248.20	249.20	1.00	0.67	Vein Halo	Au-AA24

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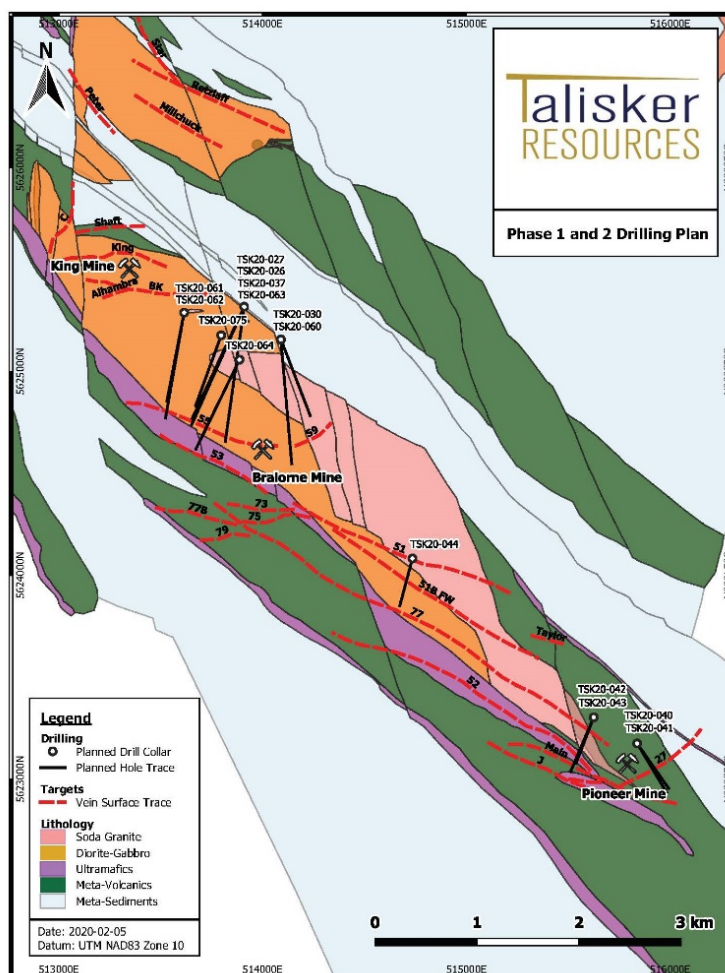
(in Canadian dollars unless otherwise noted)

Bralorne Gold Project Drill Hole ID SB-2020-002						
Sample Number	From (m)	To (m)	Interval (m)	Au g/t	Interpreted Structure	Method Reported
B0215976	249.20	250.20	1.00	0.44	Vein Halo	Au-AA24
B0216078	413.00	414.40	1.40	2.19	Vein Halo	Au-AA24
B0216079	414.40	415.37	0.97	32.2	P Main Vein	Au-SCR24
B0216121	472.05	472.60	0.55	1.15	J Vein	Au-AA24

Notes: Diamond drill hole SB-2020-002 was collared at an azimuth of 203 degrees, and a downward dip of 67 degrees. True widths are estimated at 70 - 90% of intercept lengths and are based on oriented core measurements. Method Reported includes the most up to date information as of the date of this MD&A.

Additional results from the remaining three drilled in the first quarter will be released when received.

In 2020, the Company has budgeted approximately \$3.5 million to undertake the two phase drilling program as outlined in the above table and the adjacent map that shows the planned drilling locations.



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Spences Bridge Gold Project

The Spences Bridge Gold Project consists of a 194,038 hectare (129 claims) land package covering ~85% of the Spences Bridge Gold Belt in southern British Columbia and comprises the Company's Spences Bridge and Blustry Mountain claims. The Spences Bridge Gold Project was acquired as part of the Acquired Properties from Sable and since acquisition in April 2019, the Company has been actively involved in negotiations with small third party claim holders with a view to fully consolidate the belt. In connection with the acquisition of the Acquired Properties, the Company assumed a strategic alliance that Sable had entered into with Westhaven Ventures Inc. ("Westhaven") which owns the Shovelnose Project, Prospect Valley, Skoonka and Skoonka North properties that are contiguous to the Company's claims. The strategic alliance provides for an agreement whereby any ground staked within 5 km of Westhaven's existing projects will be subject to a 2.5% net smelter royalty. Additionally, Westhaven has a 30 day right of first refusal for any properties within the same 5 km radius.

On May 10, 2019, Talisker commenced a regional stream sediment and geological reconnaissance program for the Spences Bridge Gold Project. The phase 1 program consists of a planned collection of 4,500 stream samples to be executed over two field seasons. Sediment samples taken from the 80 mesh silt fraction (177µm) from first and select second order drainages will be analyzed for gold, multi-element and vapor phase elements known as pathfinders for upper level epithermal systems. A team of 22 geologists executed the 2019 phase 1 program. In parallel to the regional geochemistry program, a detailed phase 2 program consisting of alteration and geological mapping, soil and rock chip sampling and in some cases geophysics to identify resistors was conducted over selected anomalies identified in the phase 1 program, as well as from previously identified government mineral file occurrences and historic anomalies identified in assessment reporting.

On June 18, 2019, the Company entered into purchase agreements for the Blustry Mountain project which comprises four mineral claims, totaling 471.5 hectares, in exchange for cash payments of \$30,000 (paid), the issuance of 220,000 common shares of Talisker (issued) and, in the case of three of the minerals claims, a 1% net smelter royalty ("NSR"). Talisker has the right to purchase 50% of the NSR for \$500,000.

On August 17, 2019, the Company staked a small claim comprising 226 hectares on the western margin of the Spences Bridge Gold Project where multiple anomalous basins along the edge of the block were identified.

The Company provided updates on the regional stream sediment program on August 22 and October 24, 2019. Results from the 2019 phase 1 regional stream sediment program included the review of 2,186 planned sample sites with 1,358 stream sediment samples collected and 828 planned sample sites being discarded due to either insufficient drainage incision, poor stream channel development, insufficient sediment material or overwhelming input from colluvial media. A total of 1,358 assays from ultra-trace ICP-MS analysis have been received with zero outstanding samples remaining at the lab. Geostatistical analysis of assay results has identified 23 anomalous basins within the 98th percentile defined by values above 37.5ppb Au and a total of 10 basins have been identified as highly anomalous with values above 100ppb Au (0.1g/t) to a maximum returned value of 315ppb Au (0.315 g/t). Mean sediment background value (50th percentile) has been identified as 1ppb Au. Further, the Company has defined eight multi-basin areas anomalous in gold and epithermal pathfinder elements and that Phase 2 soil sampling, detailed mapping and geophysics have been initiated on these areas.

Significant Stream Sediment Results					
Sample ID	Au (ppb)	Sample ID	Au (ppb)	Sample ID	Au (ppb)
A0672501	315	A0673187	52.9	A0673452	150
A0672573	212	A0673226	260	A0673546	75.5
A0672599	71.5	A0673275	32.1	A0673628	239
A0673134	233	A0673283	84.4	A0673971	41.1
A0673155	46.3	A0673323	49.5	A0673982	149
A0673167	59.3	A0673434	37.5		

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Blustry Mountain Property

The Blustry Mountain property is located in southern British Columbia near Lytton and consists of four mineral claims comprising 471.5 hectares. The Blustry Mountain claims were acquired as part of Talisker's Spences Bridge Gold Project consolidation plan. Exploration in 2020 will consist of mapping and sampling via helicopter access, with the goal of defining the footprint of alteration and mineralization within the Blustry Mountain main zone.

Dora-Merritt Property Option

On May 31, 2019, Talisker entered into a purchase agreement for the Dora-Merritt property which encompasses six mineral claims, totaling 374.05 Ha, and provides the Company with an option to acquire 100% of the Dora-Merritt property mineral claims which are contiguous to the Company's Spences Bridge Gold Project. Under the term of the option agreement, Talisker paid \$10,000 in cash and has agreed to pay \$10,000 and 50,000 common shares of Talisker on May 31, 2020, and May 31, 2021; \$20,000 and 50,000 common shares of Talisker on May 31, 2022; \$50,000 and 150,000 common shares of Talisker on May 31, 2023; and to spend a minimum of \$50,000 per year over five years. The option agreement is also subject to a share bonus of one common share per ounce of gold equivalent in the inferred or greater category to a maximum of 250,000 common shares and a 2% NSR. Talisker has the right to purchase 50 per cent of the NSR for \$1 million.

The Dora-Merritt property is located 23 km southwest of Merritt. Historical soil samples identified a N-S trending strongly silicified rhyolite dome with stockwork of chalcedonic silica veins. Historical trench samples over the rhyolite identified multiple zones of mineralization with local gold values up to 7.8 g/t associated with silica veining. Talisker has initiated a soil sampling program on E-W trending lines, which includes 747 samples. Sample spacing is 50 meters on the E-W line, 100 meters on the N-S line covering the entirety of the claim group. Detailed mapping of the Dora-Merritt property was completed in early August 2019 and outlined two more prospective rhyolite units. On August 28, 2019, Talisker announced the initiation of Phase 2 exploration on the Dora-Merritt property and plans to initiate the drill permitting process in 2020 in anticipation of a successful Phase 2 exploration program.

Lola Property

The Lola property is centered on a major crustal suture zone, 20 kilometers south of the Elizabeth gold mine and is prospective for low-intermediate sulphidation gold systems. Initially staked as part of the Spences Bridge Gold Project consolidation plan, the Lola property is located in south central British Columbia 35 kilometers from Lillooet. The property is comprised of four mineral claims that encompass an area of 4,949 hectares. The first mineral claim comprising 1,670 hectares was staked in April 2019 and the final three claims comprising 3,279 hectares were staked by the Company in August 2019.

Initial mapping and prospecting was completed in July 2019 with the main Lola structure identified and mapped. The Lola structure is a 20 to 40 meter wide NNW trending vein zone consisting of banded chalcedonic and opaline silica. The veins host visible cinnabar, stibnite and chalcocite mineralization in fine linear sulphide bands.

On August 28, 2019, Talisker announced the initiation of Phase 2 exploration on the Lola property. Preliminary mapping and rock sampling were undertaken in 2019 and identified multiple northwest trending structures with low to intermediate sulphidation characteristics. Historical data shows a strong geochemical signature of epithermal pathfinders Hg, Sb and Ag, typical of high level (above potential "bonanza" zone) epithermal systems. During reconnaissance multiple historic mercury mines were identified with elevated copper and silver. Talisker plans to undertake a soil sampling program consisting of approximately 1,400 samples on NE-SW trending lines at 50 meters sample spacing and 200 meters line spacing to evaluate the full extent of the Lola structures and to aid in drill targeting. A soil program began in early October with 316 samples collected out of a proposed 1,387. Weakly anomalous gold was detected, however the

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structure was mainly highlighted by elevated pathfinder elements Ag, Ba, Cu, Hg and Sb. A total of \$56,924 was spent on the Lola Project in 2019. With the geology differing from that of the Spences Bridge Gold Project, the Company is exploring the Lola property as a separate project.

Remington Property

The Remington property is in an emerging gold belt prospective for low-intermediate sulphidation systems and mesothermal gold systems located north of the historic Bralorne Gold Camp. Staked as part of the Spences Bridge Gold Project consolidation in advance of the Bralorne acquisition, the Remington Property is located in central British Columbia near the town of Goldbridge. The property has not been systematically mapped and has been never drilled. With the geology differing from that of the Spences Bridge Gold Project, the Company is exploring the Remington property as a separate project. The project consists of 22 mineral titles totalling 33,839.1 hectares. In the fall of 2019, 220 stream sediment samples and 71 rock samples were collected using a team of 16 field geologists based out of Goldbridge, BC. The results of the sampling returned eight highly anomalous gold samples (>14.9ppb Au, 96.3 percentile or greater) and a total of 34 samples of highly anomalous pathfinder elements (Au, Hg, As, Sb, Ag, Mo, Pb, Zn). A total of \$163,018 was spent over the course of the 21-day field program.

Big Sheep Property

The Big Sheep property comprises 162.6 hectares over two mineral claims and was acquired in January 2020 with the payment of \$40,000 in cash and the issuance of 250,000 common shares. The Big Sheep property is located at the northwest extreme of the Remington property where a large alteration zone is easily identifiable in the field and also on satellite images where soil and talus anomalies reach up to 1.7 ppm Au with high values of Ag, As, Te.

Blue Jay Property

The Blue Jay property consists of five claim blocks totaling 2,753 hectares located 30 minutes north of Rock Creek, British Columbia. In 2019, the Company did not undertake any exploration work on the Blue Jay property and no exploration work is planned for 2020.

Golden Hornet Property Option

On January 28, 2020, the Company entered into an option agreement for the Golden Hornet property. The Golden Hornet property comprises 13 mineral claims encompassing 2,206.03 hectares that are contiguous to the Company's existing Blue Jay property.

Under the term of the option agreement, Talisker can acquire 100% of the Golden Hornet property in exchange for payments totaling \$145,000 in cash and 575,000 common shares, payable as to \$10,000 cash on signing and 50,000 common shares, \$10,000 in cash and 50,000 common shares on the first anniversary, \$25,000 cash and 75,000 common shares on the second anniversary, \$50,000 cash and 150,000 common shares on the third anniversary, and \$50,000 cash and 250,000 common shares on the fourth anniversary and to expend \$60,000 per year over four years. The option agreement is also subject to a share bonus of one common share per ounce of gold equivalent in the inferred or greater category to a maximum of 200,000 common shares and a 2% NSR. Talisker has the right to purchase 100% of the NSR for \$1 million.

Previous work on the Golden Hornet property consists of a NW trending sheet vein system with trench sample intercepts of 21.1g/t gold over 5.1 meters and 4.17 g/t gold over 14 meters. Confirmation grab sampling of the veins returned values of 26.1g/t and 12g/t gold. Talisker notes that these selected samples are not necessarily representative of the mineralization hosted on the Golden Hornet property. Limited drilling has been completed on the Golden Hornet property. In 2020, Talisker exploration plans include a drill test of the main zone and to test geochemical anomalies along strike.

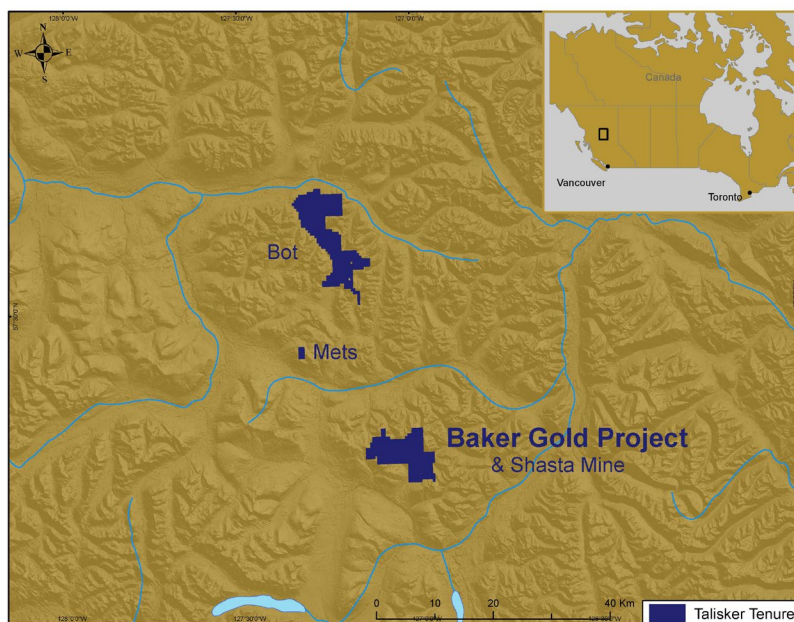
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Tulox Property

The Tulox property is located 55 kilometers north of Kamloops within the Bonaparte Plateau region. The property consists of 22 mineral claims totaling 13,720.9 hectares. Drilling undertaken by Sable in 2018 identified a low-grade gold system hosted within a series of mafic dykes located along a northwest trending contact between two polyphase early Jurassic intrusives. No exploration was completed on the Tulox property. Re-sampling of historic drill core and an update to the current 43-101 are underway with a total of \$9,950 budgeted to complete the 43-101 technical report and sampling. No work is planned at Tulox for 2020.

Northern British Columbia Properties



Baker Gold Project

The Baker Gold Project is located in the Toadoggone region of the Omineca Mining Division, 430 km northwest of Prince George, British Columbia. The Baker Gold Project is situated 35 km northwest of the former Kemess South open pit gold-copper mine and consists of 53 mineral claims, and two mining leases covering 6,569 hectares of land that encompass the past-producing Dupont-Baker 'A' and Multinational 'B' underground gold-silver mines and the past-producing Shasta open pit/underground gold-silver mine, and the Baker mill and tailings storage facility.

Shasta Mine & Baker Infrastructure and Equipment

The Shasta Mine is located nine km east from the processing and camp facilities. Production commenced in 1989 and was operated by Sable intermittently until 2012 when the mine was put on care-and-maintenance. Historical production from the Shasta mine primarily occurred during the periods 1989-1991 (JM and D zones) and 2008-2012 (Creek zone). The mine production was processed at Sable's Baker mill, commonly at rates of 200-250 ton/day, where gold and silver dore was produced for sale. There are two Production Leases, one at the Chappelle property (P.L. No. 13, Lot 1048) and one at Shasta Mine (P.L. No. 48) and permitted tailings and waste facilities.

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Chappelle (Baker and Multinational Mines) Property

The Chappelle ground covers the historically mined Dupont/Baker 'A' vein mine, and the Multinational 'B' vein mines. The Baker Mine (referred to as the Dupont/Baker 'A' deposit) was operated by Dupont Canada during the period 1981–1983 as an underground and open pit gold - silver mine. The Dupont operation included a 90 tons per day whole ore cyanidation plant using the Merrill-Crowe process. Historical production from the Dupont/Baker miner totaled 81,878 tonnes producing 1,283,973 grams (41,285 ounces) gold, 23,812,572 grams (765,677 ounces) silver and 13,076 kilograms copper. Sable acquired the Baker site including the processing facility in 1989 and subsequently modified it to a flotation circuit with optional concentrate cyanidation.

On August 26, 2019, the Company filed the Baker Gold Technical Report pursuant to NI 43-101. The 2018 Annual Reclamation Report is currently being prepared by JDS Energy & Mining Inc. on behalf of Sable. The Company and Sable have entered into an agreement that provides for Sable to cover costs related to: (i) the 2018 Annual Reclamation Report; (ii) the transfer of the Shasta-Baker mining permits; and (iii) any reclamation expenses beyond \$311,266.

There is no current exploration budget for the Baker Gold Project.

Bot Property

The Bot property consists of 18 claim blocks comprising 8,685 hectares in the Toodoggone district and is located approximately 35 km north of the Baker milling facilities in northern British Columbia. Previous work completed in 2004 and 2006 by Sable outlined significant mineralization on the property. In 2019, the Company did not undertake any exploration work on the Bot property and no exploration work is planned for 2020.

Mets Lease

The Mets Lease is located approximately 20 km north of the Baker and Multinational Mines. The mining lease covers two km² and is subject to a 1% NSR which can be purchased at any time for \$500,000. Historical work performed on the property dating back to the discovery of mineralization in the mid 1980's consisted of 8,784m of diamond drilling, geological and geochemical surveys. In 2019, the Company did not undertake any exploration work on the Mets Lease and no exploration work is planned for 2020.

Claim

On June 21, 2018, Yellow Brick Capital Advisers (UK) Limited filed a claim against the Company, its subsidiary, Cromptal Ltd., and one of its officers in the Magistrates Court, in Tel Aviv, Israel. The lawsuit alleged that the Company and one of its officers lacked good faith in carrying out and terminating negotiations for a possible sale of the shares of Cromptal Ltd. In its claim, the plaintiff sought monetary damages of 518,459 New Israeli Shekels (approximately, \$185,245). In 2019, the Company defended the claim and filed a Statement of Defence and a Counter-Claim in the Magistrates Court, in Tel Aviv, Israel. On February 19, 2020, the Magistrates Court dismissed the claim and counter-claim.

OUTLOOK AND STRATEGY

Talisker plans to continue to develop and strengthen its land position to remain a dominant gold explorer in southern British Columbia capitalizing on its strong cash position and technical knowledge to acquire undervalued and underexplored historic camps and through the staking of internally generated grassroots target areas.

In 2020, the Company plans to finalize its 11,200m drill program targeting high grade veins at the Bralorne Gold Project and to systematically explore its existing greenfields tenure aiming to complete Phase 1

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(regional geochemistry and reconnaissance) and Phase 2 exploration (detailed geochemistry and mapping) at the Spences Bridge Gold Project and Remington properties. A team of 22 geologists will be employed to execute the exploration greenfields program during the 2020 field season with a current plan to commence the phase 1 2020 field season June 15th.

Leadership Team

Terence Harbort – Director, President and Chief Executive Officer
Andres Tinajero – Director, Chief Financial Officer
Michael McPhie – Vice President, Sustainability and External Affairs
Leonardo Souza – Vice President, Exploration and Resource Development
Charlotte May – Corporate Secretary
Thomas Obradovich – Executive Chairman ^(2*)
Brent Gilchrist – Director ⁽¹⁾
Morris Prychidny – Director ⁽¹⁾
Blair Zaritsky – Director ^{(1*) (2)}

Notes:

(1) Member of the Audit Committee

(2) Member of the Compensation Committee

* Denotes Committee Chair

Additional information on Talisker's leadership team is available at www.taliskerresources.com.

Summarized Financial Results

RESULTS OF OPERATIONS

For the three month period ended March 31, 2020, net loss amounted to \$3,257,565, compared to a net loss of \$198,239 in 2019. The increased net loss is primarily due to the Company's change of business into a mining exploration company and activity related to the new operations. During the comparative period, the Company was in transition having just sold its discontinued operations and in search of a new business.

Expenses

For the three month periods ended March 31, 2020 and 2019:

Expenses of \$3,567,189 for the three month period ended March 31, 2020, increased in comparison with the expenses of \$204,474 for the three month period ended March 31, 2019. The increase for the period is primarily due to the following variances with remaining expenditures remaining consistent between the two periods:

- Exploration and evaluation expenses increased to \$1,405,868 for the three month period ended March 31, 2020 from \$nil for the same period in 2019. The increase is due to the change in business during the prior year to a mining exploration company and the acquisition of the Sable Acquired Properties and the Bralorne Gold Project.
- Mine care and maintenance costs increased to \$239,301 for the three month period ended March 31, 2020 from \$nil for the same period in 2019. The increase is due to the acquisition of the Bralorne Gold Project which resulted in water treatment cost of \$187,587 (2019 - \$nil) and environmental costs of \$51,714 (2019 - \$nil).

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- Consulting and management expenses increased from \$120,000 for the three month period ended March 31, 2019 to \$740,805 for the three month period ended March 31, 2020. The increase is due to the change in business during the prior year to a mining exploration company and the acquisition of the Sable Acquired Properties and the Bralorne Gold Project. During the comparative period, the Company was in transition having just sold its discontinued operations and in search of a new business.
- Administration costs increased from \$65,811 for the three month period ended March 31, 2019 to \$357,137 for the three month period ended March 31, 2020. The increase is in relation to the change of business and increased support and administrative costs related to the new business activities.
- Share based payments increased to \$367,000 for the three month period ended March 31, 2020 from \$nil for the same period in 2019. Share based payments vary based on the number of options and RSU's issued in the period and their related valuation. See note 14 of the unaudited condensed interim consolidated financial statements for the three month period ended March 31, 2020 and 2019 for details on options and RSU's issued.
- Public company costs increased from \$18,544 for the three month period ended March 31, 2019 to \$232,988 for the three month period ended March 31, 2020. The increase is due to the increase in corporate developments and acquisitions during the year which resulted in increased disclosure costs and investor relation costs, as well as ongoing marketing and investor relations activities.
- Travel and other costs increased from \$119 for the three month period ended March 31, 2019 to \$140,479 for the three month period ended March 31, 2020. The increase is due to the increase in travel associated with marketing campaigns and corporate developments during the year.
- Depreciation of property, plant and equipment increased from \$nil for the three month period ended March 31, 2019 to \$83,611 for the three month period ended March 31, 2020. The increase is due to the acquisition of property, plant and equipment in connection with the acquisition of the Bralorne project.

Other Income/Expenses

The Company recorded interest accretion expense of \$90,418 (2019 - \$nil) during the three month period ended March 31, 2020, representing interest accretion on the asset retirement obligations in connection with the acquisition of the Bralorne project.

The Company also recorded an income tax recovery of \$494,000 (2019 - \$nil) during the three month period ended March 31, 2020, upon filing of renunciation documents with the Canada Revenue Agency which occurred during the three month period ended March 31, 2020.

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SELECTED FINANCIAL INFORMATION

The information below should be read in conjunction with the condensed interim financial statements and related notes and other financial information. The following is for the periods ended:

	Three Month Period Ended March 31, 2020	Year Ended December 31, 2019	Year Ended December 31, 2018
	\$	\$	\$
Revenue – discontinued operations	-	-	1,168,726
Income (Loss)			
- from continuing operations	(3,257,565)	(5,015,024)	(2,959,533)
- from discontinued operations	-	-	(5,912,546)
- net income (loss)	(3,257,565)	(5,015,024)	(8,872,079)
Income (Loss) per share			
- from continuing operations	(0.02)	(0.08)	(0.13)
- from discontinued operations	-	-	(0.26)
- net income (loss)	(0.02)	(0.08)	(0.39)
Total assets at end of period/year	48,561,106	37,821,067	4,797,461

SUMMARY OF QUARTERLY RESULTS

The following tables set forth selected financial information for each of the Company's eight most recently completed quarters:

	Q1 2020 \$	Q4 2019 \$	Q3 2019 \$	Q2 2019 \$
Revenue – discontinued operations	-	-	-	-
Cost of sales – discontinued operations	-	-	-	-
Gross profit – discontinued operations	-	-	-	-
Expenses	(3,567,189)	(2,420,528)	(1,060,314)	(1,323,857)
Expenses – discontinued operations	-	-	-	-
Other income (expense)	(184,706)	(8,534)	2,875	1,737
Foreign exchange gain (loss)	330	(3,101)	(7,267)	2,204
Income tax recovery	494,000	-	-	-
Net loss	(3,257,565)	(2,432,163)	(1,064,706)	(1,319,916)
Basic income (loss) per share				
- from continuing operations	(0.02)	(0.04)	(0.02)	(0.02)
- from discontinued operations	-	-	-	-
- net income (loss)	(0.02)	(0.04)	(0.02)	(0.02)
Total assets at end of period	48,561,106	37,821,067	7,831,775	5,213,455

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	Q1 2019	Q4 2018	Q3 2018	Q2 2018
	\$	\$	\$	\$
Revenue – discontinued operations	-	349,329	143,111	327,969
Cost of sales – discontinued operations	-	(118,795)	(138,324)	(292,544)
Gross profit – discontinued operations	-	230,534	4,787	35,425
Expenses	((204,474)	(329,998)	(906,132)	(227,203)
Expenses – discontinued operations	-	(278,336)	(2,421,604)	(1,605,985)
Other expense (income)	14,783	(435,582)	(1,685,572)	127,263
Foreign exchange loss (gain)	(8,548)	358,256	5,425	7,988
Income tax recovery	-	-	-	-
	(198,239)	(685,660)	(5,007,883)	(1,697,937)
Net income (loss)	(198,239)	(455,126)	(5,003,096)	(1,662,512)
Basic and fully diluted income (loss) per share				
- from continuing operations	(0.00)	(0.00)	(0.00)	(0.01)
- from discontinued operations	-	(0.03)	(0.03)	0.00
- net income (loss)	(0.00)	(0.01)	(0.05)	(0.02)
Total assets at end of period	4,170,382	4,797,461	6,145,572	10,919,534

Over the past eight quarters, revenues from discontinued operations ranged from a low of \$nil in 2019 and 2020 to a high of \$349,329 in the fourth quarter of 2018 with cost of sales ranging from a low of \$nil in 2019 and 2020 to a high of \$292,544 during the second quarter of 2018 with the variance attributed to fluctuations based on the degree of customization on detector and ancillary equipment sales with gross profit varying in correlation as well as the effect of foreign exchange rates. Despite sales increasing for a period in 2017, the former operations in Israel continued to operate at a loss. With continued losses anticipated, in March 2018, the Company's board of directors instituted a strategic review. The steady decline in sales in 2018 led to the Company's decision to discontinue the operations in Israel.

Expenses from continuing operations have fluctuated somewhat quarter over quarter ranging from a low of \$204,474 in the first quarter of 2019 to a high of \$3,567,189 in the first quarter of 2020. Expenses increased starting from the second quarter of 2019 when the Company changed its business to a mineral resource exploration company and raised significant funds which were used for exploration activities.

Expenses from discontinued operations also fluctuated quarter over quarter ranging from a low of \$278,336 in the fourth quarter of 2018 to a high of \$2,421,604 in the third quarter of 2018. The lower expenditures during the last quarter in 2018 was attributable to only one month of operations being included in the results prior to the sale of the Discontinued Subsidiaries in Israel which was effective October 31, 2018.

Disclosure of Outstanding Share Data as of May 21, 2020

	Authorized	Outstanding
Voting or equity securities issued and outstanding	Unlimited	168,207,219 common shares
Securities convertible or exercisable into voting or equity shares		a) Options to acquire up to 10,043,750 common shares b) 100,000 RSU's to acquire up to nil common shares c) 11,564,380 Warrants exercisable to acquire common shares of the Company

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Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Financial Instruments and Other Instruments

The Company's financial instruments consist of cash and cash equivalents, marketable securities, reclamation deposits, accounts payable and accrued liabilities and equipment loan and leases payable. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments and that the fair values of these financial instruments approximate their carrying values.

Dividends

The Company has neither declared nor paid any dividends on its common shares. The Company intends to retain its earnings, if any, to finance growth and expand its operation and does not anticipate paying any dividends on its common shares in the foreseeable future.

LIQUIDITY AND CASH FLOWS

The Company ended the first quarter of fiscal 2020 with cash of \$18,654,588, compared to \$9,702,490 as at December 31, 2019. The Company had working capital (current assets – current liabilities) of \$18,500,912 as at March 31, 2020 compared to working capital of \$8,603,385 as at December 31, 2019.

Cash used by operating activities was \$3,740,983 for the three month period ended March 31, 2020 compared to cash from operating activities of \$627,105 for the three month period ended March 31, 2019. Cash flows used by operating activities was positive in the comparable period due to the receipt of the final instalment of \$1,300,000 under the SICPA long term receivable and a decrease in expenditures due to the elimination of the discontinued operations in Israel.

Cash flows used in investing activities was \$1,497,747 for the three month period ended March 31, 2020, compared to cash from investing activities of \$1,254,217 for the three month period ended March 31, 2019. Investing activities mainly related to investments in marketable securities and restricted cash requirements. The amount of cash from investing activities was higher in the comparable period primarily due to the net purchases of marketable securities of \$377,692 (2019 - \$1,254,217 net sales). In addition, the Company deposited \$950,000 related to reclamation bonding requirements in connection with site reclamation obligations.

Cash flows provided by financing activities was \$14,190,828 for the three month period ended March 31, 2020, compared to \$nil for the three month period ended March 31, 2019. The amount of cash provided by financing activities was higher in the current period primarily due to private placements completed during the three month period ended March 31, 2020 of 31,494,920 shares for net proceeds of \$14,190,828 (2019 - \$nil).

It is not possible to predict if or when the Company will achieve profitable levels of operations as the Company has sold its former operations and has changed its business focus to mineral exploration. As at March 31, 2020, the Company had working capital of \$18,500,912 (December 31, 2019 - \$8,603,385).

The unaudited condensed interim consolidated financial statements have been prepared on a going concern basis. The going concern basis assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Company had a net loss during the three month period ended March 31, 2020 of \$3,257,565 and an accumulated deficit of \$19,322,389.

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The Company's ability to continue as a going concern is dependent upon attaining profitable operations, and, if required, the ability to raise public equity financing to meet expenditure commitments. There is no assurance that these activities will be successful. The combination of these circumstances set out above represents a material uncertainty which may cast significant doubt upon the Company's ability to continue as a going concern. However, the Company is confident that it will have adequate resources to continue in operational existence for the foreseeable future. For this reason, the Company continues to adopt the going concern basis in preparing its financial statements. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported revenues and expenses, and the balance sheet classifications used that would be necessary if the going concern assumptions were not appropriate. These adjustments would be material to the financial statements.

TRANSACTIONS WITH RELATED PARTIES

The following is a summary of the Company's related party transactions during the three month periods ended March 31, 2020 and 2019:

The Company incurred administrative and operations costs in the amount of \$28,957 (2019 - \$nil) paid to Sable Resources Ltd., a company with certain common directors and officers.

Compensation of Key Management Personnel of the Company

In accordance with IAS 24, key management personnel, including companies controlled by them, are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

The remuneration of directors and key executives is determined by the compensation committee.

The remuneration of directors and other members of key management personnel during the three month periods ended March 31, 2020 and 2019 were as follows:

	March 31, 2020	March 31, 2019
Short term employee benefits, director fees	\$ 195,636	\$ 108,000
Share based payments	169,000	-
Total	\$ 364,636	\$ 108,000

As at March 31, 2020, an amount of \$100,293 (December 31, 2019 - \$91,852) due to key management personnel, was included in accounts payable and accrued liabilities.

The Company's Board of Directors has overall responsibility for the oversight of the Company's risk management policies. In carrying on its business, the Company is exposed to a variety of risks, including the risks described elsewhere in this MD&A. The Company can neither predict nor identify all such risks nor can it accurately predict the impact, if any, of such risks on its business, operations or the extent to which one or more risks or events may materially change future results of financial position from those reported or projected in any forward looking statements. Accordingly, the Company cautions the reader not to rely on reported financial information and forward-looking statements to predict actual future results. This MD&A and the accompanying financial information should be read in conjunction with this statement concerning risks and uncertainties. Some of the risks, uncertainties and events that may affect the Company, its business, operations, and results, are given in this section. However, the factors and uncertainties are not limited to those stated. The Company has policies and practices mandated by the Board of Directors to manage the Company's risks which include the risks described elsewhere in this MD&A and below.

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RISK FACTORS

The Company's business, being the acquisition, exploration, and development of mineral properties in Canada, is speculative and involves a high degree of risk. The risk factors described in management's discussion and analysis dated April 1, 2020 for the year ended December 31, 2019, as well as those listed below could materially affect the Company's financial condition and/or future operating results, and could cause actual events to differ materially from those described in forward-looking statements made by or relating to the Company.

Pandemic Diseases

The Company's operations are subject to the risk of emerging infectious diseases or the threat of outbreaks of viruses or other contagions or epidemic diseases. These infectious disease risks may not be adequately responded to locally, nationally or internationally due to lack of preparedness to detect and respond to outbreaks or respond to significant pandemic threats. As such, there are potentially significant economic and social impacts of infectious disease risks, including the inability of the Company's exploration operations to operate as intended due to shortage of skilled employees, shortages in supply chains, inability of employees to access sufficient healthcare, significant social upheavals, government or regulatory actions or inactions, the declines in the price of precious metals, capital market volatility, or other unknown but potentially significant impacts. Given the fact that the Company's properties are located in British Columbia, there are potentially significant economic losses from infectious disease outbreaks that can extend far beyond the initial location of an infection disease outbreak. As such, both catastrophic outbreaks as well as regional and local outbreaks can have a significant impact on the Company's operations. The Company may not be able to accurately predict the quantum of such risks. In addition, the Company's own operations are exposed to infection disease risks noted above and as such the Company's operations may be adversely affected by such infection disease risks. Accordingly, any outbreak or threat of an outbreak of a virus or other contagions or epidemic disease could have a material adverse effect on the Company, its business, results from operations and financial condition.

COVID-19

In particular, the Company wishes to highlight that it continues to face risks related to COVID-19, which could continue to significantly disrupt its operations and may materially and adversely affect its business and financial conditions.

In December 2019, a novel strain of the coronavirus emerged in China and the virus has now spread to several other countries, including Canada and the U.S., and infections have been reported globally resulting in a global pandemic with over 286,000 confirmed deaths and more than 4 million confirmed cases of COVID-19 to date. The extent to which COVID-19 will continue to impact the Company's business, including its operations and the market for its securities, will depend on future developments, which are highly uncertain and cannot be predicted at this time, and include the duration, severity and scope of the outbreak and the actions taken to contain or treat the coronavirus outbreak. In particular, the continued spread of COVID-19 globally could materially and adversely impact the Company's business including without limitation, employee health, workforce productivity, obligations regarding flow-through shares, increased insurance premiums, limitations on travel, the availability of industry experts and personnel, restrictions to its drill program and/or the timing to process drill and other metallurgical testing, and other factors that will depend on future developments beyond the Company's control, which may have a material and adverse effect on the its business, financial condition and results of operations.

There can be no assurance that the Company's personnel will not be impacted by these pandemic diseases and ultimately see its workforce productivity reduced or incur increased medical costs / insurance premiums as a result of these health risks. Further, there can be no assurances that the remaining balance of the gross proceeds from the sale by the Company of flow-through shares in 2019 will be used by the Company to incur "Canadian exploration expenses" that qualify as "flow-through mining expenditures" (as both terms

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are defined in the *Income Tax Act* (Canada)), and such other applicable British Columbia provincial obligations will be satisfied, by December 31, 2020 if the COVID-19 pandemic continues and/or the Government of BC mandates that the Company's business continue to be suspended.

In addition, a significant outbreak of COVID-19 could result in a widespread global health crisis that could adversely affect global economies and financial markets resulting in an economic downturn that could have an adverse effect on the demand for precious metals and the Company's future prospects.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company classifies its financial instruments carried at fair value according to a three level hierarchy that reflects the significance of the inputs used in making the fair value measurements. The three levels of fair value hierarchy are 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 assets and liabilities, either directly or indirectly;
- Level 3 – Inputs for assets or liabilities that are not based on observable market data

As at March 31, 2020 and December 31, 2019, cash and cash equivalents were recorded at fair value under level 1 within the fair value hierarchy.

As at March 31, 2020 and December 31, 2019, there were no significant concentrations of credit risk for cash and cash equivalents and marketable securities. The carrying amount reflected above represents the Company's maximum exposure to credit risk for such cash and cash equivalents and marketable securities.

The carrying value of cash and cash equivalents, marketable securities, reclamation deposits, accounts payable and accrued liabilities and leases payable approximate fair value because of the limited terms of these instruments.

The Company's risk exposure and the impact on the Company's financial instruments are summarized below. There have been no changes in the risks, objectives, policies and procedures from the previous reporting period.

Credit Risk

The Company's credit risk is primarily attributable to cash and cash equivalents, marketable securities and receivables. Management believes that the credit risk concentration with respect to these financial instruments is minimal.

Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to capital markets is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. As at March 31, 2020, the Company had a cash and cash equivalents balance of \$18,654,588 (December 31, 2019 - \$9,702,490) as well as marketable securities of \$277,555 (December 31, 2019 - \$nil) to settle current liabilities of \$1,133,094 (December 31, 2019 - \$1,545,971). Working capital for the Company as at March 31, 2020 was \$18,500,912 (December 31, 2019 - \$8,603,385).

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The maturity profiles of the Company's contractual obligations and commitments as at March 31, 2020, are summarized as follows:

	Total	Less than 1 Year	1 to 5 Years	More than 5 Years
Accounts payable and accrued liabilities	\$ 947,812	\$ 947,812	\$ -	\$ -
Leases obligations	205,465	100,675	104,790	-
Equipment loans	97,723	97,723	-	-
Provision for site reclamation and closure	15,442,374	-	-	15,442,374
Total	\$ 16,693,374	\$ 1,146,210	\$ 104,790	\$ 15,442,374

MANAGEMENT'S RESPONSIBILITY

Management is responsible for all information contained in this report. The unaudited interim condensed consolidated financial statements have been prepared in accordance with IFRS and include amounts based on management's informed judgments and estimates. The financial and operating information included in this report is consistent with that contained in the unaudited interim condensed financial statements in all material aspects.

Management maintains internal controls to provide reasonable assurance that financial information is reliable and accurate and assets are safeguarded.

The Audit Committee has reviewed the unaudited interim condensed consolidated financial statements with management. The Board of Directors has approved the unaudited interim condensed consolidated financial statements on the recommendation of the Audit Committee.

May 21, 2020
 Terence Harbort
 President and CEO, Director