Colorado Resources Ltd.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED

MARCH 31, 2020

The following Management's Discussion & Analysis ("**MD&A**") of Colorado Resources Ltd. ("**Colorado**" or the "**Company**") is for the year ended March 31, 2020 and covers information up to the date of this MD&A. It has been prepared by management and reviewed and approved by the Board of Directors (the "**Board**") on July 16, 2020.

This MD&A is dated **July 16, 2020**.

This MD&A should be read in conjunction with the Company's consolidated financial statements and the related notes thereto for the year ended March 31, 2020, which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards ("**IAS**") Board.

All financial results presented in this MD&A are expressed in Canadian dollars unless otherwise indicated.

Throughout the report we refer to "Colorado", the "Company", "we", "us", "our" or "its". All these terms are used in respect of Colorado Resources Ltd. **Additional information regarding the Company, including copies of the Company's continuous disclosure materials is available through the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com and the Company's website at www.coloradoresources.com.**

CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION

This report contains "forward-looking statements", including the Company's expectations as to but not limited to, comments regarding the timing and content of upcoming work programs and exploration budgets, geological interpretations, receipt of property titles, and potential mineral recovery processes. Forward-looking statements express, as at the date of this report, the Company's plans, estimates, forecasts, projections, expectations, or beliefs as to future events or results. The material factors and assumptions used to develop the forward-looking statements and forward looking information contained in this MD&A include the following: our approved budgets including that certain expected exploration expenditures qualify as "flow through" expenditures, exploration and assay results, results of the Company's planned exploration expenditure programs, estimated drilling success rates and other prospects. Due to the nature of the mineral resource industry, budgets are regularly reviewed in light of the success of the expenditures and other opportunities that may become available to the Company, however, there may be circumstances where a reallocation of funds may be necessary.

Forward-looking statements involve a number of risks and uncertainties, and there can be no assurance that such statements will prove to be accurate. Therefore, actual results and future events could differ materially from those anticipated in such statements and Colorado assumes no obligation to update forward-looking information in light of actual events or results.

Factors that could cause results or events to differ materially from current expectations expressed or implied by the forward-looking statements include, but are not limited to, factors associated with fluctuations in the market price of minerals, mining industry risks and hazards, environmental risks and hazards, economic and political events affecting metal supply and demand, uncertainty as to calculation of mineral reserves and resources, requirement of additional financing, and other risks. Actual results may differ materially from those currently anticipated in such statements.

CAUTIONARY STATEMENT ON FORWARD LOOKING INFORMATION (continued)

Readers are cautioned that the foregoing list of important factors and assumptions is not exhaustive. Forward-looking statements are not guarantees of future performance. Events or circumstances could cause the Company's actual results to differ materially from those estimated or projected and expressed in, or implied by, these forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of factors, whether as a result of new information or future events or otherwise, except as may be required under applicable laws.

NATURE OF BUSINESS

Colorado was incorporated on October 9, 2009 under the *Business Corporations Act* (British Columbia).

The Company is a "reporting" company in the provinces of British Columbia ("**BC**"), Alberta and Ontario and is listed on the TSX Venture Exchange (the "**TSX-V**"), having the symbol CXO.V as a Tier 1 issuer and its corporate office and principal place of business are located at 2300 – 1066 West Hastings Street, Vancouver BC, V6E 3X2.

The Company is in the exploration stage and its principal business activities include the acquisition, exploration and development of mineral properties. As a result, the Company has no current sources of revenue, other than interest earned on cash and short-term investments.

The Company's principal assets include a 100% interest, subject to certain underlying net smelter return ("**NSR**") royalties, in the North ROK, KSP, Kinaskan-Castle, KingPin, and Sofia properties, all of which are located in BC.

CAUTIONARY NOTES

**Readers are cautioned that the exploration targets at the Company's BC properties are early-stage exploration prospects and conceptual in nature. With the exception of the North ROK Property, there has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in any target being delineated as a mineral resource. (See Company website for further details on North ROK).*

***Readers are cautioned this report contains information about adjacent properties on which Colorado has no right to explore or mine. Readers are cautioned that mineral deposits on adjacent properties are not indicative of mineral deposits on the Company's properties.*

****Readers are cautioned that mineral resources are not mineral reserves and do not have demonstrated economic viability. Mineral resource estimates do not account for mineability, selectivity, mining loss and dilution. These mineral resource estimates include inferred mineral resources that are normally considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves. There is also no certainty that these inferred mineral resources will be converted to measured and indicated categories through further drilling, or into mineral reserves, once economic considerations are applied.*

*****Readers are cautioned that historical information contained in this report, regarding the Company's projects or adjacent properties are reported for historical reference only and cannot be relied upon as the Company's QP, as defined under NI-43-101 has not prepared nor verified the historical information.*

HIGHLIGHTS AND KEY DEVELOPMENTS

- On August 20, 2019, the Company acquired Buckingham Copper Corp. ("**Buckingham**"), with Buckingham shareholders receiving one half of one common share of the Company for each Buckingham common share held, resulting in the Company issuing 12, 490,052 common shares;

- In connection with the Buckingham acquisition, on August 20, 2019, the Company completed a private placement of 15,267,855 flow-through ("**FT**") units at a price of $0.12 per unit, and 22,069,928 non flow-through ("**NFT**") units at a price of $0.085, for aggregate gross proceeds of $3,708,086;

- Upon completion of the private placement, the Board was reconstituted by the addition of Michael Cathro and Dr. Fletcher Morgan to the remaining Colorado Board, comprised of Cecil Bond, Alastair Still and Bryan Wilson;

- On September 6, 2019, the Company granted 7,650,000 incentive stock options to directors, officers and consultants of the Company at an exercise price of $0.12, with an expiry of September 6, 2024;

- In September and October 2019, the Company conducted field programs on its Castle and Sofia properties in northwestern BC including 1,555 metres ("**m**") of drilling in four holes on its Castle East target, the collection of 211 rock samples, 913 soil samples, a 23 kilometre ("**km**") Induced Polarization ("**IP**") survey and a 1,125km high-resolution airborne magnetic survey on the Castle property, and a 530km high-resolution airborne magnetic survey was completed on the Sofia property;

- In December 2019, the Company announced assay results from the first four holes ever drilled at the Castle East porphyry copper-gold-molybednum ("**Cu-Au-Mo**") target where three of the four holes intersected broad Cu-Au-Mo values in what is thought to be the pyritic outer shell of a porphyry system;

- On December 11, 2019, the Company issued 6,896,552 common shares, valued at $344,828 pursuant to the Moat option agreement;

- On December 17, 2019, Joseph Mullin, the Company's Chief Executive Officer, was appointed to the Board at the Company's Annual General Meeting of Shareholders, replacing Mr. Still who did not stand for re-election;

- On January 20, 2020, the Company announced assay results on seven drill-holes from its 2018 drill program at the Tami zone on its KSP property, including three holes that returned considerable anomalous gold and copper mineralization;

- On March 6, 2020, Mr. Cathro resigned from the Board;

- On March 31, 2020, the Company completed a non-brokered private placement of 15,793,000 FT common shares at a price of $0.075 per FT share and 6,929,667 units at a price of $0.06 per unit, for aggregate gross proceeds of $1,600,255;

- On April 1, 2020, the Company appointed Tim Thiessen as Chief Financial Officer;

- On June 9, 2020, the Company appointed Dave Fleming as Vice President Exploration;

HIGHLIGHTS AND KEY DEVELOPMENTS (continued)

- On June 9, 2020, the Company announced the calling of a Special General Meeting which is scheduled for July 21, 2020 in order to seek shareholder approval to consolidate its existing shares on the basis of 10 (old) for 1 (new) and to adopt a new set of Company Articles;
- On June 9, 2020, the Company provided an update with respect to its upcoming 2020 field season whereby the Company stated that it was expanding its programs, which will be focused on the Company's Kinaskan-Castle and Sofia properties;
- On June 30, 2020, the Company granted 1,050,000 incentive stock options to an officer, employees and a technical consultant of the Company at an exercise price of $0.09, with an expiry of June 29, 2025;
- On July 6, 2020, the Company announced the appointment of Tony Barresi, Ph.D., P.Geo., as President and Director of the Company, effective August 1, 2020. Dr. Barresi is a geologist with over 15 years of precious and base metals exploration experience and was most recently President and Director of Triumph Gold Corp., where he was part of a team that built a 50 person team of explorers and support personnel who are credited with discoveries of the high-grade Blue Sky and WAu Breccias; and
- On July 14, 2020, the Company announced commencement of an exploration program consisting of surface sampling, mapping and an IP survey at its Castle Project, with the program designed to minimize physical contact with local communities and strictly adhere to COVID-19 guidelines established by the BC Government, local First Nations and the Company.

ACQUISITION OF BUCKINGHAM

On August 20, 2019, the Company completed a plan of arrangement with Buckingham which resulted in the acquisition of Buckingham (the "**Buckingham Acquisition**"), with Buckingham shareholders receiving one half of a common share of the Company for each Buckingham common share held, resulting in 12,409,052 Colorado common shares issued. The acquisition also resulted in the 4,200,000 outstanding Buckingham warrants being converted to Colorado warrants at the same terms as the common shares (the "**Replacement Warrants**"), resulting in an additional 2,100,000 Colorado warrants outstanding and exercisable at $0.12 until August 20, 2022.

Concurrently, the Company completed a private placement of 15,267,855 FT units at a price of $0.12 per unit for gross proceeds of $1,832,142, and 22,069,928 NFT units at a price of $0.085 for gross proceeds of $1,875,944. Each FT unit consisted of one FT common share and one half of one common share purchase warrant, with each whole warrant exercisable at $0.15 for three years. Each NFT unit consisted of one common share and one half of one common share purchase warrant, with each whole warrant exercisable at $0.12 for three years.

Colorado paid finder's fees in the amount of $82,140 and issued an aggregate of 688,885 warrants to certain arms-length finders. Each finder's warrant is exercisable into one common share at a price of either $0.12 or $0.15 per share for a period of three years.

Upon completion of the private placement, the five-member board of directors of Colorado was reconstituted by the addition of Michael Cathro and Dr. Fletcher Morgan to the remaining Colorado Board, comprised of Cecil Bond, Alastair Still and Bryan Wilson. In addition, Colorado's management team changed to Joseph Mullin, Chief Executive Officer, and Chief Financial Officer, Eric Casey. Subsequent to the transaction, at the Company's AGM on December 17, 2019, the shareholders approved the election of Joseph Mullin to the Board in place of Alastair Still, who did not stand for re-election.

NEWMONT LOAN

On September 13, 2018, the Company obtained a secured loan of $500,000 (the "**Loan**") from Goldcorp Inc. ("**Goldcorp**"). Terms of the Loan included interest at a rate of 8% per annum compounded monthly, a maximum term of twelve months, maturing on September 13, 2019 (the "**Maturity Date**") with early repayment provisions, and security against the Company's KSP, Kinaskan-Castle and North ROK properties.

Additional terms included the Company's option to pay interest in cash or, subject to the approval of the TSX-V, in shares (the "**Interest Shares**"). The issue price of any Interest Shares was set at the lower of the 10-day volume weighted average price and the closing price of Colorado's common shares on the last trading day prior to payment.

On April 18, 2019, Goldcorp was acquired by Newmont Mining Corporation ("**Newmont**").

In connection with the Loan, the Company issued the following common shares (the "**Bonus Shares**"), pursuant to the terms of the Loan:

- 250,000 Bonus Shares to Goldcorp on September 18, 2018, valued at $21,250 being the market price of the shares of $0.085 on the date of issuance; and

- 250,000 Bonus Shares to Newmont on August 20, 2019, valued at $21,250 as a result of the Loan being repaid after the six-month anniversary.

On August 20, 2019, Newmont Goldcorp Corporation exercised its pre-emptive right and subscribed for 6,336,717 units of Colorado at a price of $0.085 per unit for aggregate proceeds of $538,621, with each unit consisting of one common share and one half of one common share purchase warrant exercisable at $0.12 for three years, thereby extinguishing the Company's loan amount of $500,000, the related interest of $38,621 and releasing the security against the properties.

MINERAL PROPERTIES (British Columbia)

KSP PROPERTY

Colorado holds a 100% interest, subject to certain NSR royalties, in the KSP property located southeast of the past-producing Snip Mine, BC.

As previously reported in the Company's news release of January 20, 2020, Colorado retrieved and assayed drill core from seven holes completed during the 2018 program at the Tami Zone. *See Colorado's website www.coloradoresources.com for a complete list of drill-hole assays, figures and maps as well as the Company's Quality Assurance/Quality Control procedures.*

As at March 31, 2020, the Company had incurred $14,930,382 in acquisition and exploration costs (March 31, 2019: $14,789,853), net of BCMET recoveries.

The Company's technical team will continue to review the collective data from its exploration work completed to date. Exploration plans for 2020 include an airborne Lidar survey over the entire property in advance of future work programs as funds become available.

MINERAL PROPERTIES (British Columbia) (continued)

NORTH ROK/ROK-COYOTE PROPERTY

The North ROK-Coyote property is 100% owned subject to certain NSR royalties and is located approximately 70 km south of Dease Lake and straddles Highway 37 approximately 15 km northwest of Imperial Metals' Red Chris mine in northern BC.

As at March 31, 2020, the Company had incurred $6,696,201 in acquisition and exploration costs (March 31, 2019: $6,651,414), net of BCMET recoveries.

Colorado will continue its technical review of North ROK data. A communication agreement was signed with Tahltan Nation and management has engaged in continued discussions to unlock the value at North ROK.

KINASKAN-CASTLE PROPERTY

Colorado holds a 100% interest (subject to a 2% NSR royalty) in the Kinaskan-Castle property located in the Liard Mining District of BC. The Company has the option to purchase the 2% NSR for $4,000,000.

As at March 31, 2020, the Company had incurred $3,352,924 (March 31, 2019: $937,069) in acquisition and explorations costs, net of BCMET recoveries, including the Moat property acquisition costs and Moat option payments.

As previously noted, the Company acquired Buckingham which holds an option to earn a 100% interest in the Moat property. The Moat property adjoins the Kinaskan-Castle property to the east and southeast and became part of Kinaskan-Castle for exploration work and reporting purposes. Moat fills in Colorado's land position between GT Gold's Tatogga property and its prospective Kinaskan-Castle property. GT Gold recently reported significant mineral discoveries on the Tatogga property. In connection with the Buckingham Acquisition, the Company has allocated $851,740 in acquisition costs for the Moat property.

On December 18, 2018, Buckingham entered into a property option agreement (the "**Moat Option Agreement**"), whereby it acquired the option to purchase a 100% interest in a group of mining claims (the "**Moat Property**"), subject to a 2.5% NSR.

On December 11, 2019, the Company issued 6,896,552 common shares to the optionor of the Moat Property valued at $344,828 which was capitalized to exploration and evaluation assets.

In order to earn a 100% interest in the Moat Property, the Company has the following commitments:

- issue $500,000 in common shares by December 27, 2020; and
- issue $700,000 in common shares by December 27, 2021.

During August and September 2019, the Company conducted and completed a work program on the combined Kinaskan-Castle-Moat property (now known as Castle for simplicity). The work included 1,555 m of drilling in four holes on the Castle East porphyry Cu-Au-Mo target, 23.5 km of IP surveying, a 1,125 km high resolution airborne magnetic survey, prospecting, soil sampling and geological mapping (see news releases of September 3, September 18, October 10 and December 9, 2019).

MINERAL PROPERTIES (British Columbia) (continued)

KINASKAN-CASTLE PROPERTY (continued)

In June 2020, the technical team extracted hyperspectral data from 2019 drill core and surface sample rejects. Sample results are pending as of the date of this report. The Company will be undertaking a summer field program at Castle which will include geological mapping, soil sampling and IP geophysical surveying.

KINGPIN PROPERTY

The KingPin Property covers more than 328 square km of prospective ground located in the Golden Triangle area north of Stewart in northwest BC. During the 2019 field season no exploration work was completed.

As at March 31, 2020 the Company had incurred $298,913 (March 31, 2019: $298,546) in acquisition and explorations costs, net of BCMET recoveries.

Colorado will continue its technical review of the KingPin results, in order to prepare a future work program.

SOFIA PROPERTY

The Sofia property was acquired as part of the Buckingham Acquisition. Buckingham owns 100% of the Sofia property subject to a 2% NSR of which 1% of the NSR may be purchased for $2,000,000 within one year following the commencement of commercial production. Sofia is located in the Toodoggone mining district of northwestern BC. In connection with the Buckingham Acquisition, the Company allocated $1,129,660 in acquisition costs.

As at March 31, 2020, the Company had incurred $1,201,852 (March 31, 2019: $Nil) in acquisition and explorations costs.

During the year ended March 31, 2020, the Company completed a compilation of historic exploration information and conducted a 510 km airborne magnetic survey (see news releases dated October 10, 2019 and February 19, 2020). An August 2020 field program is planned involving geological mapping, soil sampling and IP geophysical surveying.

OTHER PROPERTIES

"Other" properties held include the GJ Key property, GS property, Stu property, and Iskut claims, all located near Stewart, BC.

During the year ended March 31, 2019 the Company wrote-off the Other properties in the aggregate amount of $16,068 as the Company no longer intends to pursue these properties. The impairment was determined in accordance with level 3 of the fair value hierarchy.

QUALIFIED PERSON

Mr. David Fleming, P.Geo., Vice President Exploration for the Company and a Qualified Person as defined by National Instrument 43-101, has reviewed and approved the technical information discussed in this MD&A.

The following table outlines the details of capitalized exploration expenditures for the year ended March 31, 2020:

	KSP	North ROK/ROK-Coyote	Kinaskan-Castle	KingPin	Sofia	Total
	$	$	$	$	$	$
Balance, March 31, 2019	**14,789,853**	**6,651,414**	**937,069**	**298,546**	**-**	**22,676,882**
Acqusition Costs						
Acquisition of Buckingham	-	-	851,740	-	1,129,660	1,981,400
Licensing costs	1,318	500	1,059	63	1,566	4,506
Shares issued	-	-	344,828	-	-	344,828
Total Acquisition Costs	**1,318**	**500**	**1,197,627**	**63**	**1,131,226**	**2,330,734**
Exploration Costs						
Analysis	35,602	-	77,559	-	-	113,161
Community engagement	44,000	24,050	2,025	-	-	70,075
Consulting	18,319	13,216	399,167	95	37,179	467,976
Drilling	-	-	303,319	-	-	303,319
Field equipment	380	-	53,547	-	-	53,927
Helicopter	3,724	-	307,179	-	29,890	340,793
Labour	-	504	44,700	-	2,931	48,135
Overhead	34,471	4,117	19,515	209	626	58,938
Travel and transportation	2,717	2,400	11,215	-	-	16,332
Total Exploration Costs	**139,213**	**44,287**	**1,218,226**	**304**	**70,626**	**1,472,656**
Total Costs Fiscal 2020	**140,531**	**44,787**	**2,415,853**	**367**	**1,201,852**	**3,803,390**
Balance, March 31, 2020	**14,930,384**	**6,696,201**	**3,352,922**	**298,913**	**1,201,852**	**26,480,272**

OVERALL PERFORMANCE

FINANCIAL CONDITION

The net assets of the Company increased from $22,304,509 at March 31, 2019 to $27,997,283 at March 31, 2020, an increase of $5,692,774. The most significant assets at March 31, 2020 were exploration and evaluation assets of $26,480,272 (2019: $22,676,882), restricted cash of $1,622,314 (2019: $Nil) and cash and cash equivalents of $573,200 (2019: $134,598). The most significant liabilities were a FT share premium liability of $631,720 (2019: $Nil) and accounts payable and accrued liabilities of $369,233 (2019: $Nil).

The $3,803,390 increase in exploration and evaluation assets was a result of the Company capitalizing $2,330,734 of acquisition costs and $1,472,656 of exploration costs on its mineral properties. The Company capitalized acquisition costs of $1,197,627 and $1,131,226 on its Kinaskan-Castle and Sofia properties, respectively. The majority of these capitalized acquisition costs related to the Buckingham Acquisition whereby the Company attributed $851,740 to Buckingham's Moat property, which is now part of the Company's Kinaskin-Castle property, and $1,129,660 to Buckingham's Sofia property. In December 2019, the Company also issued 6,896,552 common shares, valued at $344,828 pursuant to the Moat Option Agreement. The majority of capitalized exploration costs consisted of $1,218,226 spent on a field program on the Kinaskin-Castle property, including a four-hole drill program. Of the $1,218,226, $399,167 was for consulting fees, $307,179 was for helicopter charges and $303,319 was for drilling costs.

The restricted cash relates to the Company's FT commitments. The Company raised gross proceeds of $1,832,143 on August 20, 2019 and another $1,184,475 on March 31, 2020. The Company is required to spend these FT funds on qualifying exploration expenditures. As at March 31, 2020, an amount of $1,622,314 was remaining to be spent on qualifying exploration expenditures.

The Company's current liabilities at March 31, 2020 consisted of accounts payable and accrued liabilities of $369,233 (2019: $278,243), a lease liability of $44,324 (2019: $Nil) and a loan payable of $Nil (2019: $500,000). The Company's non-current liabilities at March 31, 2020 consisted of a FT share premium liability of $631,720 (2019: $Nil) and a lease liability of $59,204 (2019: $Nil).

The current and non-current lease liabilities totaling $103,528 are a result of the Company adopting IFRS 16 – *Leases* effective April 1, 2019. Under IFRS 16, the Company is required to recognize a right-of-use asset, representing its right to use the underlying asset, and a lease liability, representing its obligation to make lease payments. The Company has office leases in Kelowna and Vancouver, BC. Upon adopting IFRS 16, these leases were measured at the present value of the remaining lease payments and discounted using an incremental borrowing rate of 12%. The lease liability of $103,528 is the remaining liability for the Kelowna and Vancouver office leases.

With respect to the FT share premium liability, under IFRS, when a Company issues FT shares, the Company allocates the FT Share proceeds into i) share capital, and ii) a FT share premium, equal to the estimated premium if any, investors pay for the FT feature, which is recognized as a liability called FT share premium liability. Upon incurring qualifying expenditures, the Company reduces the liability and recognizes a deferred income tax recovery in income for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision. At the end of a period, the FT share premium liability consists of the portion of the premium on FT shares that corresponds to the portion of qualifying exploration expenditures that have not yet been incurred.

OVERALL PERFORMANCE (continued)

FINANCIAL CONDITION (continued)

The FT share premium liability at March 31, 2020 of $631,720 is a result of the private placement of FT shares that was completed on March 31, 2020. The 15,793,000 FT shares were issued at $0.075 per FT share for gross proceeds of $1,184,475. The Company's share price on March 31, 2020 was $0.035 and as a result, the Company allocated $552,755 of the gross proceeds to share capital and the remaining $631,720 to FT share premium liability. As at March 31, 2020, the Company had not spent any of the gross proceeds.

RESULTS OF OPERATIONS

Year ended March 31, 2020

For the year ended March 31, 2020, the Company recorded a net loss of $1,341,202 (2019: $2,344,482). Expenses before Other Items were $1,424,448 (2019: $2,541,264) with the most significant being share-based payments expense of $360,028 (2019: $Nil), consulting fees of $278,332 (2019: $204,613), office and administration costs of $137,547 (2019: $183,365) and professional fees of $133,346 (2019: $630,566). The majority of Other Items for the year ended March 31, 2020 consisted of a gain on settlement of accounts payable and accrued liabilities of $96,135 (2019: $142,606), an unrealized loss on marketable securities of $31,780 (2019: $6,140) and interest and miscellaneous income of $26,362 (2019: $73,384). Explanations for these expenses and Other Items are as follows:

- The Company applies the fair value method of accounting for all awards of stock options by using the Black-Scholes Option Pricing Model. Variations in share-based payments expense is based on a number of factors including, but not limited to, the size and occurrence of grants during a particular period, the Company's share price at the time of an option grant and the timing of recording share-based payments expense based on vesting schedules. The Company did not grant any stock options during the year ended March 31, 2019. During the year ended March 31, 2020, the Company granted 7,650,000 stock options with a weighted average exercise price of $0.12. The fair value per option was $0.07. Based on vesting schedules, the Company recorded an amount of $360,028 during the year ended March 31, 2020;

- The majority of consulting fees of $278,332 for the year ended March 31, 2020 consisted of CEO fees of $135,733, office and administration fees of $82,535 and Manager of Corporate Development fees of $33,125;

- The professional fees of $133,346 for the year ended March 31, 2020 consisted of audit and other accounting fees of $73,552 and legal fees of $59,794;

- In March 2020, the Company agreed to settle $214,500 in former CEO and directors' fees for an amount of $127,000, resulting in the Company recording a gain on settlement of $87,500; and

- The Company owns 1,264,000 common shares of Damara Gold Corp. The unrealized loss on marketable securities of $31,780 was a result of the decrease in value of the shares during the year ended March 31, 2020.

CASH FLOWS

Year ended March 31, 2020

Cash and cash equivalents increased by $2,060,916 during the year ended March 31, 2020, from $134,598 at March 31, 2019 to $2,195,514 at March 31, 2020. The increase was a result of cash of $5,188,631 provided by financing activities, partially offset by cash of $1,668,553 used in operating activities and $1,459,162 used in investing activities.

The cash of $5,188,631 provided by financing activities consisted of the Company receiving net proceeds of $5,027,261 pursuant to various FT and NFT private placements that were completed during the year ended March 31, 2020, as well as the receipt of loan proceeds of $200,000 from Buckingham. These were partially offset by net lease liability payments of $38,630 relating to the Company's office leases.

The cash of $1,668,553 used in operating activities consisted of the net loss of $1,341,202, a net change in non-cash working capital of $714,369, partially offset by items not involving cash of $387,018.

The cash of $1,459,162 used in investing activities consisted of exploration and evaluation assets expenditures of $1,477,162, a purchase of a reclamation bond of $5,000, the purchase of equipment for $3,199 partially offset by cash of $20,241 received on the Buckingham Acquisition.

SELECTED ANNUAL INFORMATION

	2020	2019	2018
	$	$	$
Interest and miscellaneous income	26,362	73,384	94,081
Gain on settlement of accounts payable and accrued liabilities	96,135	142,606	-
Other income	-	-	540,077
Other items	(39,251)	(19,208)	(105,000)
Expenses	(1,424,448)	(2,541,264)	(2,429,287)
Write-off of exploration and evaluation assets	-	-	(2,605,780)
Net loss for the year	(1,341,202)	(2,344,482)	(4,505,909)
Basic and diluted loss per share	(0.01)	(0.02)	(0.04)
Total assets	29,101,764	23,082,752	25,066,603
Total current financial liabilities	413,557	778,243	596,073
Total non-current financial liabilities	690,924	-	-
Cash dividends declared	-	-	-

SUMMARY OF QUARTERLY RESULTS

	Q4, 2020	Q3, 2020	Q2, 2020	Q1, 2020
	$	$	$	$
Net loss for the period	(347,732)	(323,190)	(393,780)	(276,500)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.00)

	Q4, 2019	Q3, 2019	Q2, 2019	Q1, 2019
	$	$	$	$
Net loss for the period	(94,816)	(294,596)	(208,727)	(1,746,343)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.01)

The Company earned no revenue during the periods presented other than interest income from bank balances.

With the exception of Q1 and Q4, 2019, the Company's operating results were relatively consistent over the last eight quarters, ranging from a net loss of $208,727 in Q2, 2019 to a net loss of $393,780 in Q2, 2020.

The majority of expenses contributing to the net loss of $347,732 in Q4, 2020 were share-based payments expense of $197,484, consulting fees of $148,418, investor relations costs of $47,305 and travel and accommodation costs of $22,744. These expenses were partially offset by other items totaling $76,573 with the most significant being a gain on the settlement of former CEO and directors' fees of $87,500.

COMMITMENTS AND CONTRACTUAL OBLIGATIONS

The Company entered into a five year lease with Vintage Commercial Ltd. effective July 1, 2017 at an annual rent of $58,168 until June 30, 2022. Effective January 1, 2020, the Company entered into a sublease agreement, whereby the Company has subleased the entire office, and is recovering approximately 90% of its monthly lease commitment. Effective March 12, 2020, the Company entered into a two year lease at an annual rent of $16,617 until March 31, 2022.

OFF-BALANCE SHEET ARRANGEMENTS

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

RELATED PARTY TRANSACTIONS

A related party transaction is a transaction between the issuer and a related party of the issuer at the time the transaction is agreed to as a consequence of which the issuer directly or indirectly enters into specified transactions, including a purchase or sale of assets, issuing securities, borrowing or lending money, and forgiving debts or liabilities.

Key management compensation

Key management personnel at the Company are the Directors and Officers of the Company. Transactions with key management personnel and their related parties are in the normal course of operations and are measured at their exchange amount, which is the amount agreed upon by the transacting parties.

a) Related Party Transactions

The Company's related party transactions for the years ended March 31 were as follows:

		2020	2019
		$	$
Administration and labour	1	135,206	35,313
Consulting fees	2	146,214	204,613
Directors' fees		25,000	118,040
Salaries	3	98,620	160,500
Share-based payments	4	234,136	-
Total		639,176	518,466

[1] Administration and labour for the year ended March 31, 2020 consisted of fees earned by Anacott Resources Ltd., a company related by a common director and Minco Corporate Management Inc., a company controlled by the former CFO Terese Gieselman. Administration and labour for the year ended March 31, 2019 consisted exclusively of fees earned by Minco.

[2] Consulting fees for the year ended March 31, 2020 consisted of fees earned by Joseph E. Mullin LLC, a company controlled by the current CEO Joseph Mullin, the former CFO Ms. Gieselman and Elemental Capital Partners LLP, a company controlled by the Company's Chair of the Board. Consulting fees for the year ended March 31, 2019 consisted of fees earned by Minco which included $137,926 pursuant to the Minco Settlement Agreement as described below.

[3] Salaries for the year ended March 31, 2020 consisted of fees earned by the former CEO Robert Shaw and the former CFO, Eric Casey. Salaries for the year ended March 31, 2019 consisted of fees earned by Mr. Shaw.

[4] Share-based payments were non-cash items that consisted of the fair value of stock options that had been granted to key management personnel.

RELATED PARTY TRANSACTIONS (continued)

a) Related Party Transactions (continued)

Minco Contract

On April 19, 2018, Terese Gieselman resigned effective June 19, 2018 and gave notice of termination of the consulting agreement dated October 31, 2014 between the Company and Minco (the "**Minco Contract**"). Pursuant to the terms of the Minco Contract an amount of $137,926 (the "**Settlement Amount**") was due and payable on June 19, 2018. The Company entered into an agreement with Minco (the "**Minco Settlement Agreement**") effective June 19, 2018 wherein the Company agreed to pay Minco the Settlement Amount (paid on July 20, 2018) and Minco agreed to release the Company from any and all future claims. Additionally, the Company and Minco entered into a consulting agreement (the "**New Minco Contract**") for a period of 12 months to provide services as required by the Company. The New Minco Contract could be terminated with 10 days written notice. Effective June 19, 2019, the New Minco Contract expired.

Travis Settlement

On April 10, 2018 the Company and Adam Travis entered into a settlement agreement (the "**Travis Settlement Agreement**"). The Travis Settlement Agreement included provisions with respect to the composition of the Company's board of directors and nominees ("**Dissident Proxy**") that were to be elected at Colorado's annual meeting of shareholders held on April 17, 2018. Pursuant to the terms of the Travis Settlement Agreement the Company agreed to reimburse Mr. Travis and Cazador certain expenditures to a maximum of $650,000 for costs incurred in relation to the Dissident Proxy and other expenditures associated with Travis Settlement Agreement.

On November 28, 2018 the Company and Mr. Travis resolved all matters that were in dispute and paid all outstanding expenses in the amount of $688,421, and severance fees in the amount of $225,000 pursuant to the Travis Settlement Agreement.

Consulting Fees Non-Executive Directors

- Consulting fees of $Nil (2019: $650) were paid or accrued to 43983 Yukon Inc., a company controlled by Larry Nagy, a former director of the Company. Mr. Nagy resigned as director effective April 17, 2018; and

- Consulting fees of $Nil (2019: $8,000) were paid or accrued to William Lindqvist, a former director of the Company. Mr. Lindqvist resigned as a director effective April 17, 2018.

RELATED PARTY TRANSACTIONS (continued)

b) Related Party Balances

The following related party balances were included in accounts payable and accrued liabilities:

		March 31, 2020	March 31, 2019
Amounts due to:	**Service for:**	$	$
Minco	Consulting fees	-	6,904
Anacott Resources	Administration	37,005	-
Elemental	Executive Chairman	6,300	-
Joseph Mullin	CEO	30,400	-
Patrick Soares	Director fees	-	26,000
Cecil Bond	Director fees	-	26,000
Bryan Wilson	Director fees	-	26,500
Alastair Still	Director fees	-	26,500
Robert Shaw	Salaries	-	50,500
		73,705	162,404

As a result of Mr. Soares and Mr. Shaw both resigning prior to March 31, 2020, the amounts owed to them at March 31, 2020 were not considered related party balances.

FOURTH QUARTER

The Company recorded a net loss of $347,732 for the quarter ended March 31, 2020 (2019: $94,816). The net loss for the quarter ended March 31, 2020 consisted of expenses before other items of $424,305, with the most significant being share-based payments expense of $197,484, consulting fees of $148,418, investor relations costs of $47,305 and travel and accommodation costs of $22,744. These expenses were partially offset by other items totaling $76,573 with the most significant being a gain on the settlement of CEO and directors' fees of $87,500.

PROPOSED TRANSACTIONS

As noted in "*Highlights and Key Developments*" on Page 4, on June 9, 2020, the Company announced the calling of a Special General Meeting which is scheduled for July 21, 2020 in order to seek shareholder approval to consolidate its existing shares on the basis of 10 (old) for 1 (new) and to adopt a new set of Company Articles.

As of the date of this report, there were no proposed transactions other than the Special General Meeting.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

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

i) Critical accounting estimates

Critical accounting estimates are estimates and assumptions made by Management that may result in a material adjustment to the carrying amounts of assets and liabilities within the next financial year and include, but are not limited to, the following:

Share-based payments

The fair value of share-based payments is subject to the limitations of the Black-Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by Management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

Flow-through share private placements

As an incentive to complete private placements, the Company may issue common shares, which by agreement are designated as flow-through shares. The shares are usually issued at a premium to the trading price of the Company's shares because the Company renounces the resulting expenditures and income tax benefits to the FT shareholders. On issue, share capital is increased only by the non-FT share equivalent value and share-based payments reserve is increased by the fair value of warrants, if any, as determined by the Black-Scholes option pricing model. Any premium is recorded as a FT share premium liability. The estimate is subject to the limitations of the highly subjective assumptions in the Black-Scholes option pricing model.

Discount rate

The Company uses estimation in determining the incremental borrowing rate used to measure the lease liability, right-of-use asset and investment in sublease, specific to the asset, underlying currency and geographic location. Where the rate implicit in the lease is not readily determinable, the discount rate of the lease obligations are estimated using a discount rate similar to the Company's specific borrowing rate. This rate represents the rate that the Company would incur to obtain the funds necessary to purchase the asset of a similar value, with similar payment terms and security in a similar environment.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES (continued)

ii) Critical accounting judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements include, but are not limited to, the following:

Recovery of deferred tax assets

The Company estimates the expected manner and timing of the realization or settlement of the carrying value of its assets and liabilities and applies the tax rates that are enacted or substantively enacted on the estimated dates of realization or settlement.

Going concern assumption

The assessment of whether the going concern assumption is appropriate requires Management to take into account all available information about the future, which is at least, but is not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

Right-of-use asset

The Company applies judgement in determining whether the contract contains an identified asset, whether they have the right to control the asset, and the lease term. The lease term is based on considering facts and circumstances, both qualitative and quantitative that can create an economic incentive to exercise renewal options. Management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option.

Impairment

The assessment of any impairment or recovery of right-of-use assets, plant and equipment and exploration and evaluation assets is dependent upon estimates of recoverable amounts that take into account factors such as reserves, economic and market conditions and the useful lives of assets. Judgment is required in assessing the appropriate level of cash generating units ("CGU") to be tested for such impairment, if facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company. If, after exploration and evaluation expenditures are capitalized, indicators of impairment are identified suggesting that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount the Company carries out an impairment test at the CGU or group of CGUs level in the year the new information becomes available. Such impairment tests and recoverable value models have a degree of estimation and judgment which may differ in the future.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES (continued)

ii) Critical accounting judgments (continued)

Decommissioning liabilities

In the event that decommissioning liabilities are required to be recognized, such liabilities would be stated at the fair value of estimated future costs. Such estimates require extensive judgment about the nature, cost and timing of the work to be completed, and may change with future changes to costs, environmental laws and regulations and remediation practices.

Asset acquisition versus business combination

Management had to apply judgment with respect to whether the acquisition of Buckingham was an asset acquisition or business combination. The assessments required management to assess the inputs, processes and outputs of the companies acquired at the time of acquisition. Pursuant to the assessment, Buckingham was considered to be an asset acquisition.

A detailed summary of all of the Company's significant accounting policies is included in Note 3 to the consolidated financial statements for the year ended March 31, 2020.

IFRS 16 - LEASES

The Company adopted IFRS 16 *Leases* ("**IFRS 16**") effective April 1, 2019. The following is the new accounting policy for leases under IFRS 16.

At inception, the Company assesses whether a contract contains an embedded lease. A contract contains a lease when the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

The Company, as lessee, is required to recognize a right-of-use asset ("**ROU asset**"), representing its right to use the underlying asset, and a lease liability, representing its obligation to make lease payments. The Company may elect to not apply IFRS 16 to leases with a term of less than 12 months or to low value assets, which is made on an asset by asset basis.

The Company recognizes a ROU asset and a lease liability at the commencement of the lease. The ROU asset is initially measured based on the present value of lease payments, plus initial direct cost, less any incentives received. It is subsequently measured at cost less accumulated depreciation, impairment losses and adjusted for certain remeasurements of the lease liability. The ROU asset is depreciated from the commencement date over the shorter of the lease term or the useful life of the underlying asset. The ROU asset is subject to testing for impairment if there is an indicator of impairment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease, or if that rate cannot be readily determined, the incremental borrowing rate. The incremental borrowing rate is the rate which the operation would have to pay to borrow over a similar term and with similar security, the funds necessary to obtain an asset of similar value to the ROU asset in a similar economic environment.

IFRS - LEASES (continued)

Lease payments included in the measurement of the lease liability are comprised of:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Company is reasonably certain to exercise;
- lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or a rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

Variable lease payments that do not depend on an index or a rate not included in the initial measurement of the ROU asset and lease liability are recognized as an expense in the consolidated statement of comprehensive loss in the period in which they are incurred.

The ROU assets are presented within "Right-of-use assets" and the lease liabilities are presented in "Lease liability" on the consolidated statements of financial position.

Adoption of IFRS 16 Leases

Effective April 1, 2019, the Company adopted IFRS 16 using the modified retrospective approach. The comparative figures for the 2018 reporting period have not been restated and are accounted for under IAS 17 *Leases*, and IFRIC 4 *Determining Whether an Arrangement Contains a Lease*, as permitted under the specific transitional provisions in the standard.

The Company applied the exemption not to recognize ROU asset and lease liabilities for leases with less than 12 months of lease term and leases for low-value assets when applying IFRS 16 to leases previously classified as operating leases under IAS 17.

The Company has office leases in Kelowna and Vancouver, British Columbia which are classified as operating leases under IAS 17. Upon transition to IFRS 16, these lease liabilities were measured at the present value of the remaining lease payments and discounted using an incremental borrowing rate of 12% as of April 1, 2019. As a result, the Company, as a lessee, recognized $101,187 as a lease liability for the Kelowna office and $30,093 as a lease liability for the Vancouver office, representing its obligation to make lease payments. A ROU asset of the same amount was recognized, representing its right to use the underlying asset.

FINANCIAL INSTRUMENTS

The Company's financial instruments are exposed to certain financial risks which are discussed in detail in Note 17 of the Company's consolidated financial statements for the year ended March 31, 2020.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's policy is to endeavour that it will have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. However, circumstances may arise where the Company is unable to meet those goals. The key to managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases.

Typically, the Company tries to ensure that it has sufficient cash on demand to meet expected operational expenses for a period of 90 days. To achieve this objective, the Company prepares annual capital expenditure budgets, which are regularly monitored and updated as considered necessary. Further, when required, the Company utilizes authorizations for expenditures on exploration projects to further manage expenditures.

The Company does not currently own or have an interest in any producing mineral properties and does not derive any revenues from operations. Operational activities have been funded through private placements and stock option exercises. At March 31, 2020, the Company had working capital of $1,969,149 (2019: working capital deficiency of $546,430). While the Company has been successful in securing financing to date, there can be no assurances that it will be able to do so in the future. A material uncertainty exists that may cast significant doubt about the Company's ability to continue as a going concern. The Company has no bank debt or banking credit facilities in place.

CAPITAL MANAGEMENT

The Company monitors its cash and cash equivalents, common shares, warrants and stock options as capital. The Company manages the capital structure and makes adjustments accordingly in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares. Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will continue this method of financing due to the current difficult market conditions.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. Management reviews the capital structure on a regular basis to ensure that the above objectives are met. The Company's capital is not subject to any externally imposed capital requirements. There have been no changes to the Company's approach to capital management during the year ended March 31, 2020.

OUTSTANDING SHARE DATA

Colorado is authorized to issue an unlimited number of common shares without par value.

As at the date of this report there were 211,170,915 common shares issued and outstanding, 28,090,898 warrants outstanding and 10,285,000 stock options outstanding.

OTHER MD&A REQUIREMENTS

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

General and administrative expenses for the year ended March 31 were as follows:

	2020	2019
	$	$
Consulting	278,332	204,613
Depreciation	33,646	12,780
Directors' fees	25,000	118,040
Finance charge	21,250	21,250
Interest on lease liability	10,877	-
Interest on loan payable	16,109	22,512
Investor relations	125,552	962,241
Office and administration	137,547	183,365
Part XII Tax	-	35,477
Pre-exploration expenditures	-	40,161
Professional fees	133,346	630,566
Salaries and benefits	131,935	266,342
Share-based payments expense	360,028	-
Transfer agent, regulatory and filing fees	52,674	28,258
Travel and accomodation	98,152	15,659
	1,424,448	2,541,264

RISKS AND UNCERTAINTIES

Going Concern

The principal risk faced in the exploration stage is the ability to raise the funds required to explore for minerals. The Company does not operate any producing properties and as such, is dependent on the ability to raise funds. Although the Company believes it has sufficient access to financial markets to support its intended work plan, failure to do so would result in future work being suspended. While the Company has been successful in securing financing to date, there can be no assurances that it will be able to do so in the future. These uncertainties raise significant doubt about the Company's ability to continue as a going concern.

RISKS AND UNCERTAINTIES (continued)

Political Policy Risk

Despite the recent moderation in the gold price, the previously record-high gold prices encouraged numerous governments around the world to look at ways to secure additional benefits from the mining industry across all commodity types, an approach recognized as "Resource Nationalism." Mechanisms used or proposed by governments have included increases to royalty rates, corporate tax rates, implementation of "windfall" or "super taxes," and carried or free-carried interests to the benefit of the state. Extreme cases in Venezuela and Argentina have resulted in the nationalization of active mining interests. Such changes are viewed negatively in the investment community and can lead to share price erosion, and difficulty in accessing capital to advance projects.

Exploration Risk

All of the properties in which the Company has an interest are in the exploration stage and are currently without reserves. Development of these mineral properties will only follow upon obtaining satisfactory exploration results, receipt of positive engineering studies, access to adequate funding, community support and all necessary permits, licenses and approvals. Mineral exploration and development involves a high degree of risk and few properties which are explored are ultimately developed into producing mines. Substantial expenditures are required to establish reserves through drilling and to develop the mining and processing facilities and the infrastructure at any site chosen for mining. The Company has not completed a feasibility study on any of its properties and there is no assurance that these mineral exploration and development activities will result in any discoveries of commercial mineral deposits. The long-term profitability of the Company's operations will be in part directly related to the cost and success of its exploration programs, which may be affected by a number of factors beyond the Company's control.

Financial Capability and Additional Financing

The Company has limited financial resources, has no source of operating income and has no assurance that additional funding will be available to it. It is anticipated that further exploration and development of the projects will be financed in whole or in part by the issuance of additional securities by the Company. Although the Company has been successful in the recent past in financing its initial activities through the issuance of equity securities, there can be no assurance that it will be able to obtain sufficient financing in the future to execute its business plan, particularly with ongoing uncertainty in the global financial markets, and the prevailing investment climate of risk aversion particularly in the resource sector. A discussion of risk factors particular to financial instruments is presented in the audited financial statements for the year ended March 31, 2020.

The Company has no history of regular earnings and is not expected to generate earnings or pay dividends until the Company's exploration projects are sold or taken into production.

RISKS AND UNCERTAINTIES (continued)

Commodity Prices

The mineral industry varies with the price of metals. The prices of gold and other commodities have fluctuated widely in recent years and are affected by factors beyond the control of the Company including, but not limited to, international economic and political trends, currency exchange fluctuations, economic inflation and expectations for the level of economic inflation in the consuming economies, interest rates, global and local economic health and trends, speculative activities and changes in the supply of commodities due to significant (often sovereign or national) purchases and divestitures, new mine developments, mine closures as well as advances in various production and use technologies of commodities. All of these factors will impact the viability of the Company's exploration projects in ways that are impossible to predict with certainty.

Environment and Permitting

The Company's activities involve the application for licenses and permits from government authorities and such activities are governed by various laws and regulations that cover the protection of the environment, land use, exploration, development, co-ordination of operations and infrastructure with third parties engaged in other activities on the lands, taxes, labour standards, occupational health, waste disposal, safety and other matters. Environmental legislation in Canada provides restrictions and prohibitions on spills and various substances produced in association with certain exploration activities which would result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of activities require the submission and approval of environmental impact statements. Environmental legislation is evolving in a direction of higher standards and enforcement, and higher fines and penalties for non-compliance. Environmental assessments of proposed projects carry a heightened degree of responsibility and liability exposure for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of future operations. There is no assurance that future environmental regulations will not adversely affect the Company or its future operations.

The Company believes that it is in compliance with all material laws and regulations which currently apply to its activities. There can be no absolute assurance, however, that all permits which the Company may require for exploration activities and land use will be obtainable on reasonable terms or on a timely basis, or that such laws and regulations will not have an adverse effect on any exploration projects that the Company may undertake.

Human Health

The Company seeks to provide its employees with a safe and healthy workplace. The impact of highly contagious diseases, including the impact of a real or threatened pandemic, can be substantial both to individuals, and organizations. In the event of a disease outbreak, the Company may have to curtail or suspend operations for a period of time. Reduced operations could have varying impact on the Company, depending on the timing and duration of the incident and on other ancillary factors.

RISKS AND UNCERTAINTIES (continued)

Liquidity of Common Shares

There can be no assurance that an active and liquid market for the Company's common shares will develop or continue to exist, and an investor may find it difficult to resell its common shares. In addition, trading in the common shares of the Company may be halted at other times for other reasons, including for failure by the Company to submit documents to the TSX-V in the time periods required.

Global Pandemic (COVID-19)

COVID-19 (the coronavirus) has threatened a slowdown in the global economy as well as caused volatility in the global financial markets. While the full impact of COVID-19 on the global economy is uncertain, rapid spread of COVID-19 may have an adverse effect on the Company's financing capabilities. The extent to which COVID-19 may impact the Company's business will depend on future developments such as the geographic spread of the disease, the duration of the outbreak, travel restrictions and social distancing, business closures or business disruptions, and the effectiveness of actions taken in Canada, the United States and other countries to contain and treat the disease. It is not possible to reliably estimate the length or severity of these developments and their financial impact to the date of approval of the accompanying consolidated financial statements. Should the Company's stock price remain at or below currently prevailing levels for an extended period, this could have a further significant adverse impact on the Company's financial position and results of operations for future periods.

DIRECTORS AND OFFICERS

As of the date of this MD&A, the Company's Directors and Officers were as follows:

Cecil R. Bond – Director, Chair of the Audit Committee
Fletcher Morgan – Chairman of the Board
Joseph Mullin – CEO and Director
Bryan Wilson – Director
Tim Thiessen – CFO and Corporate Secretary
Dave Fleming – VP Exploration