



QUESTEX GOLD & COPPER LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE NINE MONTHS ENDED

DECEMBER 31, 2020

**QUESTEX GOLD & COPPER LTD. (FORMERLY COLORADO RESOURCES LTD.)
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2020**

The following Management’s Discussion & Analysis (“**MD&A**”) of QuestEx Gold & Copper Ltd., formerly Colorado Resources Ltd. (“**QuestEx**” or the “**Company**”) is for the nine months ended December 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 February 25, 2021.

This MD&A is dated **February 25, 2021**.

This MD&A should be read in conjunction with the Company’s condensed consolidated interim financial statements and the related notes thereto for the nine months ended December 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.

Effective August 21, 2020, the Company consolidated its common shares on the basis of one post-consolidated common share for every ten pre-consolidated common shares held. The 211,170,915 pre-consolidated common shares issued and outstanding were adjusted to 21,117,091 post-consolidated common shares. As required by International Accounting Standards (“IAS”) 33 *Earnings per Share*, all references to share capital, common shares outstanding, warrants outstanding, options outstanding and per share amounts in this MD&A for time periods prior to the share consolidation have been restated to reflect the one-for-ten share consolidation.

Throughout the report we refer to “QuestEx”, the “Company”, “we”, “us”, “our” or “its”. All these terms are used in respect of QuestEx Gold & Copper 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.questex.ca.**

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 QuestEx assumes no obligation to update publicly or otherwise revise forward-looking information, whether as a result of new information or future events or otherwise, except as may be required under applicable laws.

**QUESTEX GOLD & COPPER LTD. (FORMERLY COLORADO RESOURCES LTD.)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2020**

CAUTIONARY STATEMENT ON FORWARD LOOKING INFORMATION (continued)

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.

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.

NATURE OF BUSINESS

The Company was incorporated on October 9, 2009 under the *Business Corporations Act* (British Columbia). On September 28, 2020, the Company changed its name from Colorado Resources Ltd. to QuestEx Gold & Copper Ltd.

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 QEX.V as a Tier 1 issuer and its corporate office and principal place of business are located at Suite 500 – 666 Burrard Street, Vancouver BC, V6C 3P6.

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 Castle, KSP, KingPin, Sofia, North ROK and Coyote 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 the Company's website for further details on North ROK).*

***Readers are cautioned this report contains information about adjacent properties on which QuestEx 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.*

**QUESTEX GOLD & COPPER LTD. (FORMERLY COLORADO RESOURCES LTD.)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2020**

CAUTIONARY NOTES (continued)

****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 Qualified Person, as defined under National Instrument 43-101 has not prepared nor verified the historical information.*

HIGHLIGHTS AND KEY DEVELOPMENTS

- Between April 2020 and September 2020, the Company recapitalized by completing a share consolidation of ten (10) pre-consolidation common shares for one (1) post-consolidation common share, changed its name from Colorado Resources Ltd. to QuestEx Gold & Copper Ltd., completed a non-brokered private placement for gross proceeds of \$1,773,475 and appointed a new management team led by President Tony Barresi;
- On July 14, 2020, the Company announced commencement of an exploration program consisting of surface sampling, mapping and an Induced Polarization (“**IP**”) survey at its Castle Project. The program was modified 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;
- In September 2020, the Company completed an exploration program on its Sofia property in the Toodoggone Mining District of northern BC, consisting of IP geophysical surveying, soil sampling and geological and alteration mapping. The program operated under COVID-19 guidelines established by the BC Government, local First Nations and the Company;
- On September 16, 2020, the Company announced that it had commenced a Light Detection and Ranging (“**LIDAR**”) survey on its 100% owned KSP property located in the heart of BC's Golden Triangle;
- In December 2020, the Company completed the sale of its portfolio of properties in Yukon's Macmillan Pass district to Fireweed Zinc Ltd. (“**Fireweed**”), which consisted of a 100% interest in four properties totalling approximately 72 square kilometres (“**km²**”). In consideration, QuestEx received a cash payment of \$100,000 and 350,000 common shares of Fireweed. QuestEx will retain a 0.5% NSR royalty for base metals and silver, and a 2% NSR royalty for gold on each of the properties;
- On January 6, 2021, the Company engaged Independent Trading Group Inc. (“**ITG**”) to provide market-making services in accordance with TSX-V policies. ITG will trade shares of the Company on the TSX-V and all other trading platforms with the objective of maintaining a reasonable market and improving the liquidity of the Company's common shares. ITG will earn a monthly fee of \$6,500 and the initial term is for three months;

**QUESTEX GOLD & COPPER LTD. (FORMERLY COLORADO RESOURCES LTD.)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2020**

HIGHLIGHTS AND KEY DEVELOPMENTS (continued)

- On January 6, 2021, the Company announced partial results from its 2020 exploration program that was conducted on its Castle property including 22 grab samples indicating widespread gold-silver-copper mineralization on the eastern portion of the property and a new 4.8 line-km IP survey and a 3D-IP-Inversion that incorporates the new, and all historical IP surveys;
- On January 19, 2021, the Company announced its intention to publish a National Instrument (“NI”) 43-101 compliant mineral resource estimate for its Inel prospect prior to the end of 2021. Inel, which forms part of the Company’s KSP Property, is one of the most advanced exploration targets in British Columbia’s Golden Triangle that does not already have a NI 43-101 compliant mineral resource estimate. It is primarily a gold target with both high-grade and medium-grade, high tonnage gold mineralization; and
- On February 9, 2021, the Company announced results from its 2020 exploration program on its Sofia property including an 11.7 line-km IP survey, collection of 549 infill soil samples and alteration mapping from hyperspectral analysis of 816 samples. QuestEx has identified three high-priority, drill-ready targets that will be a focus of its 2021 exploration program.

MANAGEMENT APPOINTMENTS

Between April and August 2020, the Company appointed a new management team as follows:

- **Tony Barresi as President and a Director on the Board** – Dr. Barresi, Ph.D., B.Sc, is a geologist with over 15 years of precious and base metal exploration experience. He has conducted successful exploration programs on grassroots and brownfield projects, and specializes in exploring for porphyry, epithermal gold and volcanogenic massive sulphide (VMS) style deposits. Dr. Barresi’s Ph.D. thesis focused on the interplay between island-arc evolution and mineral deposit formation in northwestern BC, including within the prolific Golden Triangle where many of QuestEx’s key properties are situated. Dr. Barresi was previously President and a Director of Triumph Gold Corp. (“**Triumph**”). During his tenure at Triumph, he built a fifty person team of explorers and support personnel who are credited with discoveries of the high-grade Blue Sky and WAu Breccias, which yielded some of the best greenfield drill intersections globally in 2018 and 2019. Dr. Barresi continues to act as a Technical Advisor for Triumph, and is an independent Director of ArcWest Exploration Inc.
- **Dave Fleming as Vice President Exploration** – Mr. Fleming, P.Geo, has over 35 years’ experience in the generation, management and implementation of successful mineral exploration throughout North America. He began his career with Amax Minerals/Canamax Resources Inc., an exploration group responsible for Yukon exploration and development at the Ketz River Gold Mine and Sa Dena Hes zinc-lead-silver mine. Mr. Fleming has worked with several major mining companies, including Cyprus Canada and Kennecott Canada. More recently, he was part of exploration and development at the Meadowbank Gold Deposit with Cumberland Resources Ltd. (acquired by Agnico-Eagle Mines Ltd. in 2007) as well as Vice President Exploration for Foran Mining Corporation from 2011 to 2018.

**QUESTEX GOLD & COPPER LTD. (FORMERLY COLORADO RESOURCES LTD.)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2020**

MANAGEMENT APPOINTMENTS (continued)

- **Tim Thiessen as CFO & Corporate Secretary** – Mr. Thiessen, BComm., CPA, has over 23 years of international accounting and finance experience, with the last 16 years in the mining industry. His experience has included holding the position of CFO for a number of publicly-listed mineral companies including Aurcana Corporation, SnipGold Corp. (acquired by Seabridge Gold in 2016), Metallic Minerals Corp., Group Ten Metals Inc., Granite Creek Copper Ltd., Foran Mining Corporation and Roughrider Exploration Limited. Prior to this, Mr. Thiessen spent 7 years as VP of Finance for Endeavour Financial Ltd., an advisory firm in the mining industry that specialized in mergers and acquisitions, debt and equity financings, and company generation, being part of a team that spawned industry-leading companies such as Wheaton Precious Metals Corp., UrAsia Energy Ltd., Peak Gold Ltd., and Coastal Energy Corp.

CHANGE IN ACCOUNTING POLICY

Exploration and evaluation expenditures

During the nine months ended December 31, 2020, the Company changed its accounting policy with respect to exploration and evaluation expenditures. Previously, the Company capitalized exploration and evaluation expenditures directly related to specific mineral properties, net of any impairment.

Under the new policy, exploration and evaluation expenditures are recognized in profit or loss as incurred, up to the time a decision is made to proceed with the development of the related exploration property due to the existence of recoverable reserves. A mineral resource is considered to have economic potential when it is expected that a documented resource can be legally and economically developed considering forecast metal prices. Management believes that this treatment provides a more accurate depiction of the Company's activities.

As provided by IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, the Company has accounted for this change on a retrospective basis. The impact of this change is as follows:

Consolidated Statements of Financial Position

As at	March 31, 2020	April 1, 2019
	\$	\$
Total exploration and evaluation assets, as previously reported	26,480,272	22,676,881
Effect of change in accounting policy	(20,532,326)	(19,059,670)
Total exploration and evaluation assets, restated	<u>5,947,946</u>	<u>3,617,211</u>
Deficit, as previously reported	(20,293,877)	(19,839,177)
Effect of change in accounting policy	(20,532,326)	(19,059,670)
Total deficit, restated	<u>(40,826,203)</u>	<u>(38,898,847)</u>

**QUESTEX GOLD & COPPER LTD. (FORMERLY COLORADO RESOURCES LTD.)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2020**

CHANGE IN ACCOUNTING POLICY (continued)

Exploration and evaluation expenditures (continued)

**Condensed Consolidated Interim Statement of Loss and Comprehensive Loss
Nine months ended December 31, 2019**

	As Previously Reported	Effect of Change in Accounting Policy	Restated
	\$	\$	\$
Exploration expenditures	-	1,323,647	1,323,647
Net loss and comprehensive loss for the period	(993,470)	(1,323,647)	(2,317,117)
Loss per share, basic and diluted	(0.06)	(0.09)	(0.15)

**Condensed Consolidated Interim Statement of Cash Flows
Nine months ended December 31, 2019**

	As Previously Reported	Effect of Change in Accounting Policy	Restated
	\$	\$	\$
Cash Used in Operating Activities	(1,237,545)	(1,323,647)	(2,561,192)
Cash Provided by (Used in) Investing Activities	(1,483,502)	1,323,647	(159,855)

ACQUISITION OF BUCKINGHAM

On August 20, 2019, the Company completed a plan of arrangement with Buckingham Copper Corp. (“**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 1,240,905 QuestEx common shares issued. The acquisition also resulted in all of the outstanding Buckingham warrants being converted to QuestEx warrants at the same terms as the common shares (the “**Replacement Warrants**”), resulting in an additional 210,000 QuestEx warrants outstanding and exercisable at \$1.20 until August 20, 2022.

Concurrently, the Company completed a private placement of 1,526,785 flow-through (“**FT**”) units at a price of \$1.20 per unit for gross proceeds of \$1,832,142, and 2,206,993 non-flow-through (“**NFT**”) units at a price of \$0.85 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 \$1.50 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 \$1.20 for three years.

**QUESTEX GOLD & COPPER LTD. (FORMERLY COLORADO RESOURCES LTD.)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2020**

ACQUISITION OF BUCKINGHAM (continued)

QuestEx paid finder's fees in the amount of \$82,140 and issued an aggregate of 68,888 warrants to certain arms-length finders. Each finder's warrant is exercisable into one common share at a price of either \$1.20 or \$1.50 per share for a period of three years.

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, Castle, North ROK and Coyote 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 QuestEx'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:

- 25,000 Bonus Shares to Goldcorp on September 18, 2018, valued at \$21,250 being the market price of the shares of \$0.85 on the date of issuance; and
- 25,000 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 633,672 units of QuestEx at a price of \$0.85 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 \$1.20 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

QuestEx 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, QuestEx retrieved and assayed drill core from seven holes completed during the 2018 program at the Tami Zone. *See QuestEx's website www.questex.ca for a complete list of drill-hole assays, figures and maps as well as the Company's Quality Assurance/Quality Control procedures.*

**QUESTEX GOLD & COPPER LTD. (FORMERLY COLORADO RESOURCES LTD.)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2020**

MINERAL PROPERTIES (British Columbia) (continued)

KSP PROPERTY (continued)

The Company's technical team will continue to review the collective data from its exploration work completed to date. Exploration work for 2020 included an airborne LiDAR survey over approximately 60% of the property in advance of future work programs as funds become available.

On January 19, 2021, the Company announced its intention to publish a NI 43-101 compliant mineral resource estimate for its Inel prospect prior to the end of 2021. Inel is one of the most advanced exploration targets in British Columbia's Golden Triangle that does not already have a NI 43-101 compliant mineral resource estimate. It is primarily a gold target with both high-grade and medium-grade, high tonnage gold mineralization. Inel has been tested with more than 38,000 m of drilling in 305 drill holes and 1,240 m of underground development. Despite the significant amount of work completed at Inel, past attempts at estimating mineral resources were challenged by poor quality topographic data, limited understanding of complex deposit-scale geology and a focus on higher grades.

In the last five months, the Company has taken significant strides in overcoming these challenges. For detailed information, refer to the Company's news release dated January 19, 2021 on its website www.questex.ca.

NORTH ROK PROPERTY

The North ROK property is 100% owned, subject to certain NSR royalties, and is located approximately 65 km south of Dease Lake and straddles Highway 37 approximately 15 km northwest of Imperial Metals' Red Chris mine in northern BC.

QuestEx will continue its technical review of the 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.

COYOTE PROPERTY

The Coyote property is 100% owned, subject to certain NSR royalties, and located south of the North ROK property approximately 75 km south of Dease Lake on the east side of Highway 37 and 10 km northwest of Imperial Metals' Red Chris mine in northern BC. Questex is continuing its technical review of the Coyote data.

CASTLE PROPERTY

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

The Company has an option agreement to purchase a 100% interest in the Moat property, a group of mining claims that adjoin the Castle property to the east and southeast and became part of Castle for exploration work and reporting purposes. The Moat property fills in QuestEx's land position between GT Gold Corp.'s Tatogga property and its prospective Castle property. GT Gold Corp. recently reported significant mineral discoveries on the Tatogga property, including a maiden resource for the Saddle North deposit.

**QUESTEX GOLD & COPPER LTD. (FORMERLY COLORADO RESOURCES LTD.)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2020**

MINERAL PROPERTIES (British Columbia) (continued)

CASTLE PROPERTY (continued)

As part of the option agreement, on December 11, 2019, the Company issued 689,655 common shares to the optionor of the Moat property valued at \$344,828.

On December 14, 2020, the Company issued 900,397 common shares to the optionor of the Moat property valued at \$499,720.

In order to earn a 100% interest in the Moat property, the Company's remaining commitment is to 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 Moat property (now known as Castle for simplicity). The work included 1,555 metres ("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).

In June 2020, the technical team collected hyperspectral data from 2019 drill core and surface sample rejects. Between July and September 2020, the Company completed a work program on the Castle property. This work included five km of IP geophysical surveying, soil geochemical sampling (211 samples), rock geochemical sampling (22 samples) and hyperspec alteration chip sampling (524 samples).

In January 2021, the Company announced partial results from its 2020 exploration program including 22 grab samples indicating widespread gold-silver-copper mineralization on the eastern portion of the property and a new 4.8 line-km IP survey and a 3D-IP-Inversion that incorporates the new, and all historical IP surveys. For more detailed information, refer to the Company's news release dated January 6, 2021 on its website www.questex.ca.

KINGPIN PROPERTY

The KingPin Property covers more than 328 km² 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.

QuestEx 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. The Company 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.

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).

**QUESTEX GOLD & COPPER LTD. (FORMERLY COLORADO RESOURCES LTD.)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2020**

MINERAL PROPERTIES (British Columbia) (continued)

SOFIA PROPERTY (continued)

In August and September 2020, the technical team conducted a field program at Sofia comprised of an 11.6 km IP geophysical survey, infill soil sampling (554 samples) and hyperspec alteration chip sampling (816 samples).

In February 2021, the Company announced results from its 2020 exploration program on its Sofia property including an 11.7 line-km IP survey, collection of 549 infill soil samples and alteration mapping from hyperspectral analysis of 816 samples. QuestEx has identified three high-priority, drill-ready targets that will be a focus of its 2021 exploration program. For detailed information, refer to the Company's news release dated February 9, 2021 on its website www.questex.ca.

OTHER PROPERTIES

Other properties in which the Company owns a 100% interest include the GJ Key property, GS property, Stu property, and Iskut claims, all located near Stewart, BC, Heart Peaks northwest of Dease Lake and the Hit property in the Aspen Grove district of southern BC. Certain additional early stage and grassroots exploration properties located in the Macmillan Pass area of northern Yukon Territory were sold to Fireweed (see below).

During the year ended March 31, 2019 the Company wrote-off these other properties in the aggregate amount of \$16,068 and consequently have a carrying value of \$Nil at December 31, 2020.

As noted under '*Highlights and Key Developments*' on Page 4, in December 2020, the Company completed the sale of its portfolio of properties in Yukon's Macmillan Pass district to Fireweed. QuestEx received a cash payment of \$100,000 and 350,000 common shares of Fireweed in exchange for a 100% interest in four properties totalling approximately 72 km². QuestEx will retain a 0.5% NSR royalty for base metals and silver, and a 2% NSR royalty for gold on each of the properties.

A summary of the changes in capitalized exploration and evaluation assets is presented below:

	North ROK	Coyote	KSP	KingPin	Castle	Sofia	Total
	\$		\$	\$	\$	\$	\$
Balance, March 31, 2020	590,966	58,447	2,389,056	137,013	1,641,238	1,131,226	5,947,946
Issuance of shares	-	-	-	-	499,720	-	499,720
Balance, December 31, 2020	<u>590,966</u>	<u>58,447</u>	<u>2,389,056</u>	<u>137,013</u>	<u>2,140,958</u>	<u>1,131,226</u>	<u>6,447,666</u>

QUALIFIED PERSON

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

**QUESTEX GOLD & COPPER LTD. (FORMERLY COLORADO RESOURCES LTD.)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2020**

OVERALL PERFORMANCE

FINANCIAL CONDITION

The net assets of the Company increased from \$7,464,957 at March 31, 2020 to \$8,953,391 at December 31, 2020, an increase of \$1,488,434. The most significant assets at December 31, 2020 were exploration and evaluation assets of \$6,447,666 (March 31, 2020: \$5,947,946), cash and cash equivalents of \$1,424,796 (March 31, 2020: \$573,200) and restricted cash of \$796,249 (March 31, 2020: \$1,622,314). The most significant liabilities were a FT share premium liability of \$424,666 (March 31, 2020: \$631,720) and accounts payable and accrued liabilities of \$136,502 (March 31, 2019: \$369,233).

The increase in exploration and evaluation assets of \$499,720 consisted exclusively of the Company issuing 900,397 common shares to the optionor of the Moat property in December 2020.

The change in cash and cash equivalents is explained below under the section 'Cash Flows'.

The restricted cash relates to the Company's FT commitments. The Company raised gross proceeds of \$1,184,475 on March 31, 2020. The Company is required to spend these FT funds on qualifying exploration expenditures by December 31, 2021. As at December 31, 2020, an amount of \$796,249 was remaining to be spent on qualifying exploration expenditures.

The Company's current liabilities at December 31, 2020 consisted of a FT share premium liability of \$424,666, accounts payable and accrued liabilities of \$136,502 (March 31, 2020: \$369,233) and a lease liability of \$61,215 (2020: \$44,324). The Company's non-current liabilities at December 31, 2020 consisted of a FT share premium liability of \$Nil (March 31, 2020: \$631,720) and a lease liability of \$22,306 (March 31, 2020: \$59,204).

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 corresponding amount in operations under Other Items.

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. The Company's FT share premium liability is considered a current liability at December 31, 2020 because it is required to spend the remaining FT funds by December 31, 2021.

The FT share premium liability of \$424,666 at December 31, 2020 is a result of the private placement of FT shares that was completed on March 31, 2020. The 1,579,300 FT shares were issued at \$0.75 per FT share for gross proceeds of \$1,184,475. The Company's share price on March 31, 2020 was \$0.35 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 December 31, 2020, the Company had incurred \$388,226 of the gross proceeds.

**QUESTEX GOLD & COPPER LTD. (FORMERLY COLORADO RESOURCES LTD.)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2020**

OVERALL PERFORMANCE (continued)

FINANCIAL CONDITION (continued)

The current and non-current lease liabilities totaling \$83,521 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, Vancouver and Richmond, BC. These leases have been measured at the present value of the remaining lease payments and discounted using an incremental borrowing rate of 12%. The lease liability of \$83,521 is the remaining liability for the Kelowna, Vancouver and Richmond office leases.

RESULTS OF OPERATIONS

Quarter ended December 31, 2020

For the three months ended December 31, 2020, the Company recorded net income of \$118,650 (2019: net loss of \$567,139). Expenses before Other Items were \$560,599 (2019: \$572,662) with the most significant being share-based payments expense of \$139,331 (2019: \$Nil), exploration expenditures of \$131,116 (2019: \$243,949), salaries and benefits of \$80,420 (2019: \$50,121) and consulting fees of \$79,081 (2019: \$84,358).

The majority of Other Items for the three months ended December 31, 2020 consisted of a gain of \$453,500 on the disposal of exploration and evaluation assets (2019: \$Nil), an unrealized gain of \$144,580 on the appreciation of marketable securities (2019: \$Nil) and the settlement of FT share premium liability of \$68,663 on incurring eligible expenditures (2019: \$Nil).

Explanations for these expenses and Other Items are as follows:

- **Share-based payments expense** - 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. \$101,202 of the share-based payments expense for the three months ended December 31, 2020 related to the 935,130 stock options granted in September 2020.

Quarter ended December 31, 2020

- **Exploration expenditures** - As noted under '*Change in Accounting Policy*' on Pages 6 - 7, the Company changed its accounting policy with respect to exploration and evaluation expenditures. Previously, the Company capitalized exploration and evaluation expenditures directly related to specific mineral properties, net of any impairment. Under the new policy, exploration and evaluation expenditures are recognized in profit or loss as incurred. The majority of the \$131,116 of exploration expenditures for the three months ended December 31, 2020 was incurred on the Company's KSP (\$60,133) and Sofia (\$40,503) properties. The majority of expenditures were salaries and overhead of \$79,482 and consulting fees of \$21,018.

**QUESTEX GOLD & COPPER LTD. (FORMERLY COLORADO RESOURCES LTD.)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2020**

OVERALL PERFORMANCE (continued)

RESULTS OF OPERATIONS (continued)

Quarter ended December 31, 2020 (continued)

- **Salaries and benefits** – Salaries and benefits of \$80,420 for the three months ended December 31, 2020 included \$49,500 earned by the President of the Company.
- **Consulting fees** - The majority of consulting fees of \$79,081 for the three months ended December 31, 2020 consisted of fees of \$45,000 earned by the CEO and \$21,000 earned by the CFO.
- **Gain on sale of exploration and evaluation assets** – As noted in '*Highlights and Key Developments*' on Page 4, in December 2020, the Company completed the sale of its portfolio of properties in Yukon's Macmillan Pass district to Fireweed, which consisted of a 100% interest in four properties totalling approximately 72 km². In consideration, QuestEx received 350,000 common shares of Fireweed, valued at \$1.01 per share for a total of \$353,500, plus a cash payment of \$100,000. The entire amount of \$453,500 was recorded as a gain on disposal of exploration and evaluation assets.
- **Unrealized gain on marketable securities** – At December 31, 2020, the Company owned 1,264,000 common shares of Damara Gold Corp. and 350,000 common shares of Fireweed. The unrealized gain on marketable securities of \$144,580 was a result of the increase in value of the shares during the three months ended December 31, 2020.
- **Settlement of FT Share Premium Liability** - During the three months ended December 31, 2020, the Company incurred \$128,743 of the gross proceeds raised pursuant to the March 31, 2020 FT private placement, thereby reducing the FT share premium liability by \$68,663.

Nine months ended December 31, 2020

For the nine months ended December 31, 2020, the Company recorded a net loss of \$1,107,627 (2019: \$2,317,117). Expenses before Other Items were \$1,966,283 (2019: \$2,319,484) with the most significant being exploration expenditures of \$842,366 (2019: \$1,323,647), share-based payments expense of \$374,059 (2019: \$162,544), consulting fees of \$251,718 (2019: \$129,914) and salaries and benefits of \$132,002 (2019: \$140,985).

The majority of Other Items for the nine months ended December 31, 2020 consisted of a gain of \$453,500 (2019: \$Nil) on the disposal of exploration and evaluation assets, the settlement of FT share liability of \$207,054 (2019: \$Nil) on incurring eligible expenditures and an unrealized gain of \$188,820 on the appreciation of marketable securities (2019: unrealized loss of \$19,140).

Explanations for these expenses and Other Items are as follows:

- **Exploration expenditures** - As noted under '*Quarter ended December 31, 2020*' on Page 13, the Company changed its accounting policy with respect to exploration and evaluation expenditures. The majority of the \$842,366 of exploration expenditures for the nine months ended December 31, 2020 was incurred on the Company's Sofia (\$410,410), Castle (\$247,116) and KSP (\$159,320) properties. The majority of expenditures were salaries and overhead of \$307,131, consulting fees of \$213,020, helicopter charges of \$138,772 and camp costs of \$100,344.

**QUESTEX GOLD & COPPER LTD. (FORMERLY COLORADO RESOURCES LTD.)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2020**

OVERALL PERFORMANCE (continued)

RESULTS OF OPERATIONS (continued)

Nine months ended December 31, 2020 (continued)

- **Share-based payments expense** - During the nine months ended December 31, 2020, the Company granted a total of 1,071,130 stock options with a weighted average exercise price of \$0.99. The weighted average fair value per option was \$0.47. Based on vesting schedules, the Company recorded an amount of \$374,059 during the nine months ended December 31, 2020. \$212,357 of the share-based payments expense for the nine months ended December 31, 2020 related to the 935,130 stock options that were granted in September 2020.
- **Consulting fees** - The majority of the \$251,718 in consulting fees for the nine months ended December 31, 2020 consisted of fees of \$105,000 earned by the CEO, \$60,000 earned by the CFO and \$30,000 earned by the Executive Chair.
- **Salaries and benefits** – Salaries and benefits of \$132,002 for the nine months ended December 31, 2020 included \$82,500 earned by the President of the Company.
- **Gain on sale of exploration and evaluation assets** – As noted on Page 13, the gain on sale of exploration and evaluation assets was a result of the Company selling its Yukon Macmillan Pass district properties to Fireweed.
- **Settlement of FT Share Premium Liability** - During the nine months ended December 31, 2020, the Company incurred \$388,226 of the gross proceeds raised pursuant to the March 31, 2020 FT private placement, thereby reducing the FT share premium liability by \$207,054.
- **Unrealized gain on marketable securities** - The Company owns 1,264,000 common shares of Damara Gold Corp. and 350,000 common shares of Fireweed. The unrealized gain on marketable securities of \$188,820 was a result of the increase in value of the shares during the nine months ended December 31, 2020.

CASH FLOWS

Quarter ended December 31, 2020

Cash and cash equivalents and restricted cash decreased by \$612,869 during the three months ended December 31, 2020, from \$2,833,914 at September 30, 2020 to \$2,221,045 at December 31, 2020. The decrease was a result of cash of \$640,721 used in operating activities and cash of \$72,148 used in financing activities, partially offset by cash of \$100,000 provided by investing activities.

The cash of \$640,721 used in operating activities consisted of a net change in non-cash working capital of \$255,478 and by items not involving cash of \$503,893, partially offset by net income of \$118,650.

The cash of \$72,148 used in financing activities consisted of share issue costs of \$48,519 and lease liability payments of \$23,629.

**QUESTEX GOLD & COPPER LTD. (FORMERLY COLORADO RESOURCES LTD.)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2020**

OVERALL PERFORMANCE (continued)

CASH FLOWS (continued)

Quarter ended December 31, 2020 (continued)

The cash of \$100,000 provided by investing activities consisted of cash received on the disposition of exploration and evaluation assets.

Nine months ended December 31, 2020

Cash and cash equivalents and restricted cash increased by \$25,531 during the nine months ended December 31, 2020, from \$2,195,514 at March 31, 2020 to \$2,221,045 at December 31, 2020. The increase was a result of cash of \$1,658,232 provided by financing activities and cash of \$91,665 provided by investing activities, partially offset by cash of \$1,724,366 used in operating activities.

The majority of the cash of \$1,658,232 provided by financing activities consisted of net proceeds of \$1,713,531 pursuant to a non-brokered private placement completed on September 28, 2020. The Company issued 2,533,535 units at an issue price of \$0.70 for gross proceeds of \$1,773,475. Each unit consisted of one common share of the Company and one-half of one share purchase warrant with each whole warrant entitling the holder to acquire an additional common share of the Company at an exercise price of \$1.00 per share, with an expiry of September 28, 2022. The net proceeds from the private placement were partially offset by lease liability payments of \$55,299.

The cash of \$91,665 provided by investing activities consisted of cash of \$100,000 received on the disposition of exploration and evaluation assets, partially offset by the purchase of equipment of \$8,335.

The cash of \$1,724,366 used in operating activities consisted of the net loss of \$1,107,627, items not involving cash of \$417,998 and a net change in non-cash working capital of \$198,741.

SUMMARY OF QUARTERLY RESULTS

	Q3, 2021	Q2, 2021	Q1, 2021	Q4, 2020
	\$	\$	\$	\$
Net income (loss) for the period	118,650	(858,579)	(367,698)	(347,732)
Basic and diluted income (loss) per share	0.01	(0.04)	(0.02)	(0.02)
	Q3, 2020	Q2, 2020	Q1, 2020	Q4, 2019
	\$	\$	\$	\$
Net loss for the period	(323,190)	(1,473,478)	(276,500)	(94,816)
Basic and diluted loss per share	(0.02)	(0.11)	(0.02)	(0.01)

**QUESTEX GOLD & COPPER LTD. (FORMERLY COLORADO RESOURCES LTD.)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2020**

SUMMARY OF QUARTERLY RESULTS

* Note that as a result of the Company changing its accounting policy with respect to exploration expenditures (see 'Change in Accounting Policy' on Pages 6 - 7), the losses in Q2, 2020 and Q1, 2021 above do not match the losses that were reported for those quarters when initially published.

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

The Company's net income or loss over the last eight quarters ranged from net income of \$118,650 in Q3, 2021 to a net loss of \$1,473,478 in Q2, 2020. The reason for the increased net losses in Q2, 2020 and Q2, 2021 was a result of the Company undertaking exploration programs during those quarters.

In Q3, 2021 the Company recorded net income of \$118,650 as a result of a gain of \$453,500 on the disposal of exploration and evaluation assets, an unrealized gain of \$144,580 on the appreciation of marketable securities and the settlement of FT share premium liability of \$68,663 on incurring eligible expenditures. Expenses totaling \$560,599 partially offset these gains and income, with the most significant being share-based payments expense of \$139,331, exploration expenditures of \$131,116, salaries and benefits of \$80,420 and consulting fees of \$79,081. See "Results of Operations" on Pages 13 – 14 for more details.

COMMITMENTS AND CONTRACTUAL OBLIGATIONS

The Company has the following commitments with respect to office leases:

- Effective July 1, 2017, the Company entered into a five year office lease in Kelowna, BC, at an annual rent of \$58,168 until June 30, 2022. Effective January 1, 2020, the Company entered into a sublease agreement for the Kelowna office, 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 office lease in Vancouver, BC at an annual rent of \$16,617 until March 31, 2022.
- effective June 12, 2020, the Company entered into an office lease in Richmond, BC at an annual rate of \$26,400 until June 30, 2021.

In connection with a private placement of FT common shares that was completed on March 31, 2020, as at December 31, 2020, an amount of \$796,249 in qualifying Canadian exploration expenditures remained to be spent. The amount must be spent by December 31, 2021.

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, borrowing or lending money, and forgiving debts or liabilities.

**QUESTEX GOLD & COPPER LTD. (FORMERLY COLORADO RESOURCES LTD.)
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2020**

RELATED PARTY TRANSACTIONS (continued)

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.

In addition to key management personnel, the Company transacted with the following related parties during the nine months ended December 31, 2020 and 2019:

- Joseph E. Mullin LLC (“**Mullin LLC**”) is a private company controlled by the Company’s CEO, Mr. Joseph Mullin;
- Mount Arvon Partners LLC (“Mount Arvon”), a private company controlled by the Company’s CEO,
- TSquared Accounting Inc. (“**TSquared**”) is a private company controlled by the Company’s CFO, Mr. Tim Thiessen;
- Elemental Capital Partners LLP (“**Elemental**”) is a private company controlled by the Company’s Chair of the Board, Mr. Fletcher Morgan;
- Barresi Geological Services Ltd. (“**Barresi Geo**”) is a private company controlled by the Company’s President, Mr. Tony Barresi;
- Minco Corporate Management Inc. (“**Minco**”), a private company controlled by the Company’s former CFO, Terese Gieselman; and
- Anacott Resources Corp. (“**Anacott**”), a private company in which Mr. Morgan is the CEO and a director.

a) Related Party Transactions

The Company’s related party transactions for the nine months ended December 31 were as follows:

		2020	2019
		\$	\$
Administration and labour	1	1,700	46,018
Bonuses	2	13,710	-
Consulting fees	3	195,000	139,913
Directors' fees		-	25,000
Equipment rental	4	2,000	-
Salaries	5	162,435	80,383
Share-based payments expense	6	158,417	105,707
Total		533,262	397,021

**QUESTEX GOLD & COPPER LTD. (FORMERLY COLORADO RESOURCES LTD.)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2020**

RELATED PARTY TRANSACTIONS (continued)

a) Related Party Transactions (continued)

- 1 Administration for the nine months ended December 31, 2020 consisted of fees earned by Anacott. Administration and labour for the nine months ended December 31, 2019 consisted of fees of \$6,513 earned by Minco and \$39,505 earned by Anacott.
- 2 Bonuses for the nine months ended December 31, 2020 consisted of \$6,855 earned by each of Mr. Barresi and Mount Arvon in connection with the mineral property sale to Fireweed.
- 3 Consulting fees for the nine months ended December 31, 2020 consisted of \$105,000 of fees earned by Mullin LLC and Mount Arvon for CEO services, \$60,000 of fees earned by TSquared for CFO services and \$30,000 of fees earned by Elemental for Executive Chair services. Consulting fees for the nine months ended December 31, 2019 consisted of fees of \$6,431 earned by Minco, \$84,933 earned by Mullin LLC for CEO services and \$48,549 earned by former director Michael Cathro, which were recorded as exploration expenses.
- 4 Equipment rental consisted of exploration equipment rented to the Company by Barresi Geo.
- 5 Salaries for the nine months ended December 31, 2020 consisted of \$79,935 earned by the Company's Vice President of Exploration, Dave Fleming and \$82,500 earned by the Company's President, Tony Barresi. Salaries for the nine months ended December 31, 2019 consisted of \$34,000 earned by the former CEO, Robert Shaw and \$46,383 earned by the former CFO, Eric Casey.
- 6 Share-based payments expense is the fair value of stock options that have been granted to key management personnel.

b) Related Party Balances

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

		December 31, 2020	March 31, 2020
Amounts due to	Service for:	\$	\$
Anacott	Administration	-	37,005
Elemental	Executive Chairman	-	6,300
Mullin LLC	CEO	-	30,400
Mount Arvon	Bonus	6,855	-
Tony Barresi	Bonus	6,855	-
TSquared	CFO	15,750	-
		<u>29,460</u>	<u>73,705</u>

PROPOSED TRANSACTIONS

As of the date of this report, there were no proposed transactions.

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:

**QUESTEX GOLD & COPPER LTD. (FORMERLY COLORADO RESOURCES LTD.)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2020**

CRITICAL ACCOUNTING POLICIES AND ESTIMATES (continued)

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.

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.

**QUESTEX GOLD & COPPER LTD. (FORMERLY COLORADO RESOURCES LTD.)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2020**

CRITICAL ACCOUNTING POLICIES AND ESTIMATES (continued)

ii) Critical accounting judgments (continued)

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 assets requires judgment in determining whether it is likely that future economic benefits will flow to the Company. If, after exploration and evaluation assets 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.

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.

**QUESTEX GOLD & COPPER LTD. (FORMERLY COLORADO RESOURCES LTD.)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2020**

CRITICAL ACCOUNTING POLICIES AND ESTIMATES (continued)

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.

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 condensed consolidated interim financial statements for the six months ended December 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 predominantly through private placement financings and stock option exercises. At December 31, 2020, the Company had working capital of \$2,305,342 (March 31, 2020: \$1,969,149). 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 nine months ended December 31, 2020.

**QUESTEX GOLD & COPPER LTD. (FORMERLY COLORADO RESOURCES LTD.)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2020**

OTHER MD&A REQUIREMENTS

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Exploration, general and administrative expenses for the nine months ended December 31 were as follows:

	2020	2019
	\$	\$
Consulting	251,718	129,914
Depreciation	28,961	34,387
Directors' fees	-	25,000
Exploration expenditures	842,366	1,323,647
Finance charge	-	21,250
Interest on lease liability	9,384	12,390
Interest on loan payable	-	16,109
Investor relations	98,595	78,247
Office and administration	106,623	137,789
Professional fees	65,372	117,233
Salaries and benefits	132,002	140,985
Share-based payments expense	374,059	162,544
Transfer agent, regulatory and filing fees	18,833	44,581
Travel and accommodation	38,370	75,408
	<u>1,966,283</u>	<u>2,319,484</u>

OUTSTANDING SHARE DATA

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

As at the date of this report there were 24,551,026 common shares issued and outstanding, 4,107,057 warrants outstanding and 1,906,130 stock options outstanding.

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.

**QUESTEX GOLD & COPPER LTD. (FORMERLY COLORADO RESOURCES LTD.)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2020**

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 certain countries have resulted in the nationalization of active mining interests. Such changes are generally 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.

**QUESTEX GOLD & COPPER LTD. (FORMERLY COLORADO RESOURCES LTD.)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2020**

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.

**QUESTEX GOLD & COPPER LTD. (FORMERLY COLORADO RESOURCES LTD.)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2020**

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)

The COVID-19 (the coronavirus) pandemic 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 COVID-19 pandemic persist for a significant length of time, it 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:

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