MANAGEMENT'S DISCUSSION AND ANALYSIS OF
MAPLE GOLD MINES LTD.
(An Exploration Stage Company)

FOR THE YEAR ENDED
DECEMBER 31, 2020

Dated: March 25, 2021

HIGHLIGHTS FOR THE YEAR ENDED DECEMBER 31, 2020 AND THE PERIOD UP TO MARCH 25, 2021

Joint Venture Partnership and Strategic Investment with Agnico Eagle Mines Limited ("Agnico")

On October 7, 2020 the Company and Agnico entered into the Agnico JV Term Sheet pursuant to which the parties proposed to form a 50/50 joint-venture, which will combine Maple Gold's Douay Gold Project and Agnico's Joutel Project into a consolidated joint property package. The Douay Gold Project and Joutel Project (the latter hosting Agnico's past-producing Telbel mine) are contiguous properties located in the James Bay subregion of Northern Quebec. The Company and Agnico signed a Joint Venture Agreement on the 50/50 joint venture on February 2, 2021, and references in this MD&A to the "Douay Gold Project" for matters occurring on or after February 2, 2021 relate to the combined project held under the joint venture.

The terms and conditions of the JV Agreement, provide (i) Agnico will fund the joint operation $16,000,000 in exploration expenses, and fund $2,000,000 directly to the Company over a four-year period; (ii) the Company will fund $2,000,000 in exploration expenses over the same four-year period and contribute Property and Equipment with an approximate value of $40,000 located at the Douay Gold Project (iii) Agnico and the Company in year 1 will jointly fund an additional $500,000 in exploration of VMS targets on the western portion of the Douay Gold Project; and (iv) Agnico and the Company will each be granted a 2% Net Smelter Royalty on the property that they contribute to the joint operation, each with aggregate buyback provisions of $40 million.

On October 13, 2020, the Company issued 25,838,821 units of the Company (collectively, the "Units") to Agnico in a non-brokered private placement at a price of $0.239 per Unit for total consideration of approximately $6,175,478 (the "Agnico Strategic Investment"). Each Unit is comprised of one Common Share and one Warrant (a "Unit Warrant"). Each Unit Warrant entitles the holder to acquire one Common Share at a price of $0.34 for a period of three years from issuance, subject to acceleration of the expiry date, at the option of Maple Gold, in the event the Common Shares trade on the Exchange above $0.60 for a period of twenty consecutive trading days at any time following two years from the closing date of the Agnico Strategic Investment.

On October 13, 2020, in connection with the Agnico Strategic Investment, the Company and Agnico entered into the Agnico Investor Rights Agreement pursuant to which Agnico was granted certain rights, provided Agnico maintains certain ownership thresholds in Maple Gold, including: (i) the right to participate in equity financings in order to maintain its *pro rata* ownership in the Company at the time of such financing or acquire up to a 19.90% ownership interest in the Company; and (ii) the right (which Agnico has no present intention of exercising) to nominate one person (and in the case of an increase in the size of the Board to eight or more directors, two persons) to the Board of Directors.

COVID-19

The outbreak of the novel coronavirus COVID-19, which was declared a pandemic by the World Health Organization on March 11, 2020, has led to adverse impacts on the Canadian and global economies, disruptions of financial markets, and created uncertainty regarding potential impacts to the Company's supply chain and operations. The COVID-19 pandemic has impacted and could further impact the Company's operations and the operations of the Company's suppliers and vendors resulting from quarantines, facility closures, and travel and logistics restrictions. The extent to which the COVID-19 pandemic impacts the Company's business, results of operations and financial condition will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to the duration, spread, severity, and impact of the COVID-19 pandemic, the effects of the COVID-19 pandemic on the Company's suppliers and vendors and the remedial actions and stimulus measures adopted by local and federal governments, and to what extent normal economic and operating conditions can resume. The management team is closely following the progression of COVID-19 and its potential impact on the Company. Even after the COVID-19 pandemic has subsided, the Company may experience adverse impacts to its business related to economic recession or depression that has occurred or may occur in the future. Exploration activities ceased on March 24, 2020 in accordance with Provincial Legislation. The Company was able to resume exploration activities later in 2020 and commenced a Fall 2020 drill program in October 2020 and a Winter 2021 drill program commenced in February 2021.

Exploration highlights

- On February 10, 2021, the Company announced that the Agnico Maple Gold Joint Venture had commenced its winter 2021 drill program at the Douay Gold Project.

- On February 10, 2021, January 5, 2021 and November 30, 2020, the Company provided updates with respect to its Fall 2020 drill campaign.

- On November 12, 2020, the Company announced that results from recently completed geophysical surveys have allowed definition of a new and highly prospective target area south of the known mineral resource at the Company's Douay Gold Project. The Company now plans to incorporate drilling at this target as part of its Fall 2020 drill program which is currently underway.

- On October 22, 2020, the Company announced the initiation of the Fall Exploration program, with drilling scheduled to begin; the merged (winter 2019, winter 2020 and fall 2020) IP results were also provided for the NE IP Target where initial drilling has now begun.

- On September 9, 2020, the Company reported final results and recapped its 4,370-metre drill campaign where 11 of the 14 holes drilled intersected higher-than-deposit-average-grade gold mineralization.

- On July 7, 2020, the Company announced that it had engaged Computational Geosciences Inc. to complete a new and expanded Artificial Intelligence study for targeting high-grade gold at Douay Gold Project in order to generate gold prospectivity maps and provide additional target areas to validate and rank in advance of the Company's next phase of drilling later this year. This work is now nearing completion.

- On June 30, 2020, the Company announced that it had initiated line cutting at site with new Induced Polarization surveys set to commence in Q3 2020. This work is now complete.

- The Company commenced the 2020 winter drilling program on January 20, 2020 and ceased this 2020 winter drilling program on March 24, 2020 in accordance with Provincial legislation in response to COVID-19, having drilled 4,370 metres in 13 new holes and 1 extension. See section 1.2.2 for details of results and press releases dated May 6, 2020, May 27, 2020, June 5, 2020, June 10, 2020 and September 9, 2020.

- During Q1 2020, the Company completed an Induced Polarization ("IP") survey over two areas for approximately 18 line-km, including infill 2D IP lines at the NE IP target (exploration area) and test 3D IP lines over the 531 Zone. See section 1.2.2 for details of results and press releases dated March 16, 2020 and April 8, 2020.

Corporate highlights

- On March 4, 2021, the Company announced the appointment of Kiran Patankar as Senior Vice President, Growth Strategy. In addition the Company announced the grant of 400,000 stock options at an exercise price of $0.325 and a 5-year term, 550,000 deferred share units ("DSU's") and 3,175,000 restricted share units ("RSU's") pursuant to the Company's Equity Incentive Plan.

- On January 5, 2021, the Company announced the grant of 600,000 stock options at an exercise price of $0.385 and a 5-year term to a director and officer.

- On December 30, 2020, the Company announced that it had closed a bought deal offering of common shares of the Company with BMO Capital Markets for aggregate proceeds of approximately $10 million through the issuance of 27,800,000 common shares at a price of $0.36 per share.

- On November 5, 2020, the Company appointed Michelle Roth to the board of directors.

- On September 14, 2020 and October 2, 2020, the Company announced the appointments of Timo Jauristo, Matthew Lechtzier and Egizio Bianchini as strategic advisors to provide guidance and insight on strategic corporate matters.

- On July 31, 2020 and August 10, 2020, the Company completed a non-brokered private placement for aggregate proceeds of approximately $4.75 million through the issuance of 27,941,173 common shares at a price of $0.17 per share.
- On June 1, 2020, the Company appointed Dr. Gérald Riverin to the board of directors and technical advisory committee. The Company granted Dr. Riverin 300,000 incentive stock options at an exercise price of $0.10 and a 5-year term upon his appointment.

- On April 28, 2020, the Company granted 9,975,000 incentive stock options to certain directors, employees and consultants at an exercise price of $0.10 and a 5-year term.

- On March 24, 2020, the Company announced that it had stopped drilling and taken other measures to protect the health and safety of its employees and conserve capital in response to the COVID-19 pandemic and related guidelines from local government and health authorities.

- On March 2, 2020, the Company announced that it had received the first instalment of $325,644 from Revenu Quebec with respect to the Company's 2018 tax credit refund of $399,966.

Readers are cautioned that this Management Discussion and Analysis ("MD&A") contains "forward-looking statements" and that actual events may vary from management's expectations. Readers are encouraged to read the cautionary note below regarding such forward-looking statements.

1.1.1 Date

This MD&A of Maple Gold Mines Ltd. (the "Company" or "Maple Gold") has been prepared by management to assist the reader to assess material changes in the financial condition and results of operations of the Company as at December 31, 2020 and for the three and twelve months then ended. This MD&A should be read in conjunction with the financial statements of the Company and related notes thereto as at and for the year ended December 31, 2020 and 2019. All financial information has been prepared in accordance with International Financial Reporting Standards ("IFRS") and all dollar amounts presented are Canadian dollars unless otherwise stated.

1.1.2 Forward-looking statements

This MD&A contains "forward-looking information" or "forward-looking statements" (collectively, "forward-looking statements") which reflect the Company's current expectations regarding the future results of operations, performance and achievements of the Company. Forward-looking statements in this MD&A include, but are not limited to, results of future exploration work on the Douay Gold Project; the prospect of expanding and upgrading the confidence level of mineral resource estimates on the Douay Gold Project; the prospects for identification of mineralization and resources on the Joutel Property of the JV; as well as statements with respect to the Company's opinions and beliefs, financial position, business strategy, budgets, Mineral Resource estimates, ongoing or future development and exploration opportunities and projects, drilling, re-logging, geochemical and geological modeling plans, data from sampling programs, references to potential higher grades, references to additional potential discoveries, targeting efforts in greenfield areas, assay results, expanded mineralized zones, ground surveys, publication of updated mineral resource estimates, classification of mineral resources, and plans and objectives of management for properties and operations.

The Company has tried, wherever possible, to identify these forward-looking statements by, among other things, using words such as "plan", "anticipate", "believe", "estimate", "expect", "is expected to", "budget", "schedule", "forecast", "intend" or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative connotation thereof.

The forward-looking statements reflect the current beliefs of the management of the Company, and are based on currently available information and upon a number of factors and assumptions that, if untrue, could cause the actual results, performances or achievements of the Company to be materially different from future results, performances or achievements expressed or implied by such statements. Such statements and information are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future, including the price of gold, anticipated costs and ability to achieve goals. Certain important factors that could cause actual results, performances or achievements to differ materially from those in the forward-looking statements include, among others, the Company's ability to receive mining, exploration and other permits; the impact of increasing competition in the gold business; exploration and development costs for the Douay Gold Project; anticipated results of drilling campaigns; exploration and development activities; mineral resource estimates and metallurgical recoveries; availability of additional financing; and the Company's ability to obtain additional financing on satisfactory terms. Although the Company believes its expectations are based upon reasonable assumptions and has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended.

Forward-looking statements are subject to known and unknown risks, uncertainties and other factors which could cause the actual results, performance, or achievements of the Company to differ materially from those expressed in, or implied by, these statements. These uncertainties are factors that include, but are not limited to, risks related to general economic conditions; actual results of current exploration activities and unanticipated reclamation expenses; fluctuations in prices of gold and other commodities; fluctuations in foreign currency exchange rates; increases in market prices of mining consumables; possible variations in mineral resources, grade or recovery rates; accidents, labour disputes, title disputes, claims and limitations on insurance coverage and other risks of the mining industry; delays in obtaining governmental approvals or financing; changes in national and local government regulation of mining operations, tax rules and regulations, and political and economic developments in Canada; unknown impact related to potential business disruptions stemming from the COVID-19 outbreak, or another infectious illness; as well as other factors discussed in the section entitled "General Development of Business - Risk Factors" in the Company's most recent annual information form available on SEDAR at www.sedar.com. Additional information relating to the Company and its operations is also available on SEDAR at www.sedar.com and on the Company's web site at www.maplegoldmines.com.

The Company's management reviews periodically information reflected in forward-looking statements. The Company has and continues to disclose in its MD&A and other publicly filed documents, changes to material factors or assumptions underlying the forward-looking statements and to the validity of the statements themselves, in the period the changes occur. Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations.

The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement. Maple Gold does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

1.2.1 Description of business

Maple Gold is an exploration company focused on the exploration of its sole mineral property, the Douay Gold Project located in Quebec.

The Company was incorporated under the Ontario Business Corporations Act on June 3, 2010 and was continued under the Canada Business Corporations Act by articles of continuance dated June 22, 2011 and subsequently was continued under the British Columbia Business Corporations Act on January 7, 2021. The Company is listed on the TSX Venture Exchange under the symbol MGM, on the OTCQB in the US under the symbol MGMLF and on the Frankfurt Stock Exchange, Germany under the symbol M3G. The registered office of the Company is 2200-885 West Georgia Street, Vancouver, BC V6C 3E8.

1.2.2 Douay Gold Project ("Douay")

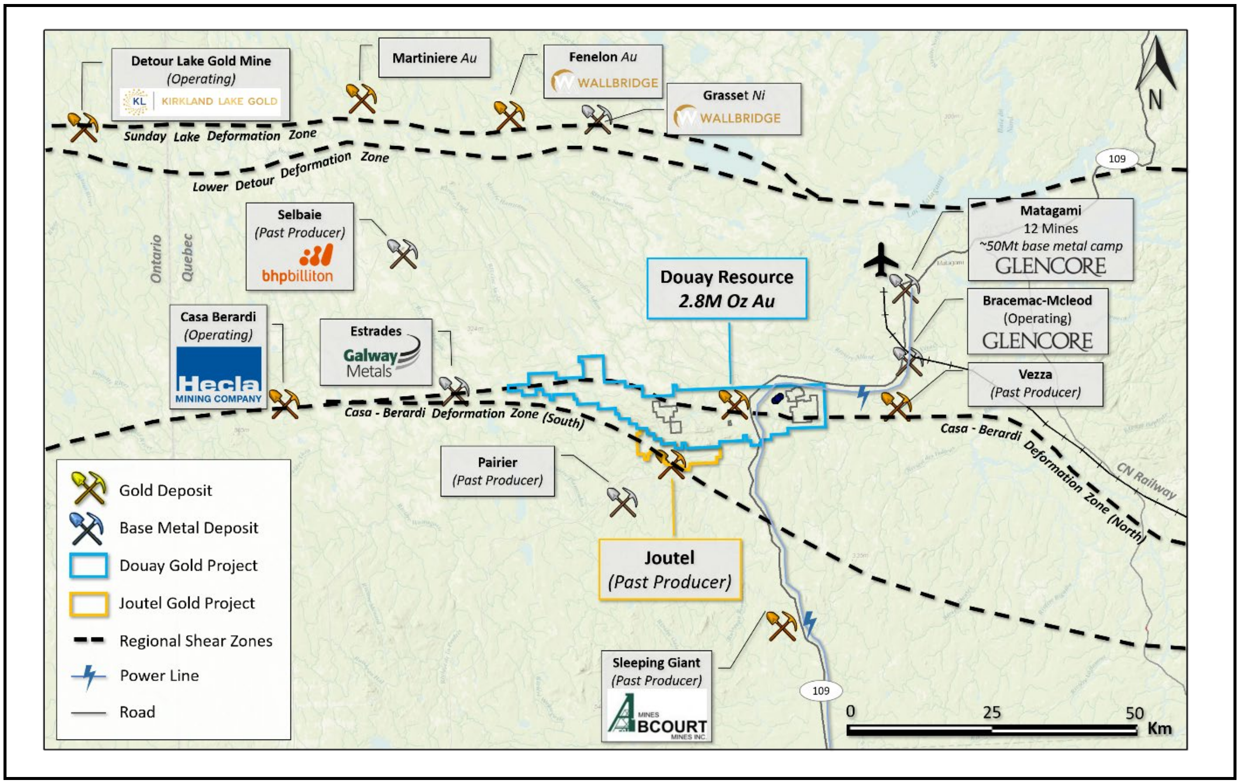

Figure 1: Regional map showing the location of the Douay Project along with past and current mineral operations.

Douay is located approximately 55 km southwest of Matagami and 130 km north of Amos, Quebec, by road. It is accessible by an all-season paved Provincial Highway (#109), which is the major north-south regional highway linking the towns of Amos (Abitibi-Témiscamingue region) and Matagami (Northern Quebec region), and which cuts across the property. Utilities are available on site including hydro-electricity provided directly from Hydro-Quebec's power grid to the Company's on-site substation. Currently, there is a 46-person exploration camp on the property with drill core logging, sawing, sampling, storage and office facilities.

Douay consists of 669 claims covering approximately 357 km^2 along a 55 km segment of the Casa Berardi Deformation Zone ("CBDZ"), one of several metalliferous "breaks" in the Abitibi Belt of northern Quebec.

Ownership

The Douay Project is held by a 50/50 Joint Venture ("JV") between Maple Gold and Agnico as per a JV Agreement (see press release on February 3, 2021). As stipulated in the JV agreement, Agnico will provide a total of $18 million of funding over four years for exploration expenditures at the Douay and Joutel properties, which will be allocated based on management committee budgets. Agnico and Maple Gold will contribute proportionately for expenditures thereafter.

Other terms of the joint venture include:

- Maple Gold's exploration team will be supported by Agnico's top-tier technical team which has vast experience and knowledge of the Abitibi as well as access to best-in-class software and tools.
- Agnico and Maple Gold will jointly fund an additional $500,000 in exploration of VMS targets located on the western portion of the Douay Project.
- Agnico to support Maple Gold in its pursuit of third-party project financing for the development phase; and
- Maple Gold retains a 2% NSR on the Douay property with aggregate buyback provisions of $40 million.

The JV holds a 100% interest in 637 mostly contiguous claims totalling approximately 345 km^2 and a 75% interest (the remaining 25% interest is held by SOQUEM) in 32 contiguous claims totalling approximately 12 km^2. SOQUEM participated pro-rata in the 2019 drill program for the JV area.

There is a 1% NSR owned by Cambior Inc. (now controlled by IAMGOLD) which covers the Northwest and West Zone claims (not to be confused with the separate Douay West Zone), with 37 claims in total subject to the NSR. A small portion of the resources identified in the most recent resource estimate (RPA 2019) are subject to the 1% NSR.

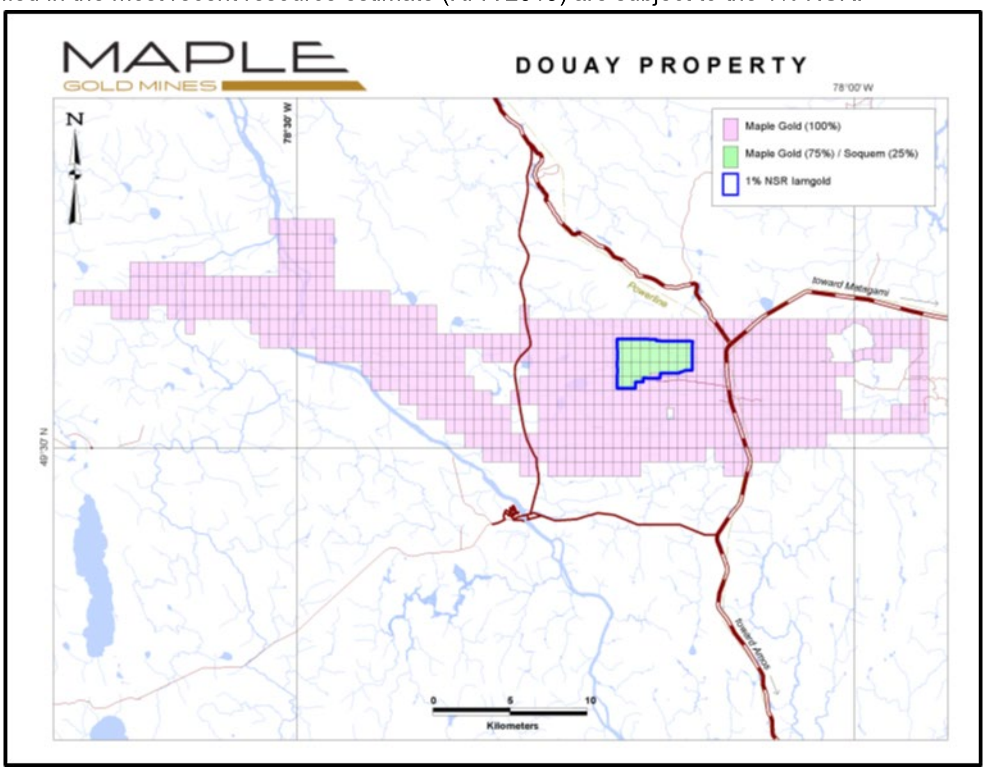

Figure 2: Douay Project ownership map

Mineral Resources

Mineral Resources at Douay currently extend along a 6.1 km corridor characterized by the presence of a large, alkalic intrusive-hydrothermal system emplaced into a sequence consisting predominantly of basalts, with lesser gabbroic and thin sedimentary and/or volcaniclastic and pyroclastic intervals (Cartwright Hills Group) on the south side, with sedimentary and lesser pyroclastic rocks (Taïbi Group) predominating on the north side with a major fault zone developed at the contact between the two Groups. While the entire current resource averages just over 1 g/t Au, there are multiple areas of significantly higher grade gold mineralization, both near surface and at moderate depths, typically hosted in pyritic mafic volcanic wallrocks and associated syenitic injections or dykes, but also within the intrusive complex itself as well as in the sedimentary rocks to the north. There is potential to discover additional higher-grade gold mineralization within and beyond this corridor, both along strike and down-plunge of known intercepts, as well as in new areas, as has been demonstrated at NW, Nika and 531 Zones with the results of the 2018, 2019 and 2020 winter drilling programs.

On October 24, 2019, the Company reported its most recent resource estimate (see press release dated October 24, 2019). As per the Roscoe Postle Associates Inc. ("RPA") 2019 estimate, Indicated Mineral Resources totalled 0.422 million ounces of gold (8.6 Mt @ 1.52 g/t Au) in addition to Inferred Mineral Resources totalling 2.352 million ounces of gold (71.2Mt @1.03 g/t Au), both using a 0.45 g/t Au cut-off grade for open pit Mineral Resources and a 1.0 g/t Au cut-off grade for underground Mineral Resources.

Further information about key assumptions, parameters, and methods used to estimate the Mineral Resources, as well as legal, political, environmental or other risks that may affect the Mineral Resource estimate are included in a NI 43-101 Technical Report of the Company filed on SEDAR.

The 2019 Mineral Resource estimate is listed in the table below:

Category	Tonnage (Mt)	Grade (Au g/t)	Contained Metal ('000 oz Au)
Pit Constrained Mineral Resources			
Indicated	8.6	1.52	422
Inferred	65.8	0.97	2,045
Underground Mineral Resources			
Inferred	5.4	1.75	307
Total Mineral Resources			
Indicated	8.6	1.52	422
Inferred	71.2	1.03	2,352

Notes:
1. CIM (2014) definitions were followed for Mineral Resources.
2. Mineral Resources are reported at an elevated cut-off grade of 0.45 g/t Au for open-pit Mineral Resources and a cut-off grade of 1.0 g/t Au for underground Mineral Resources.
3. The Whittle pit shell used to estimate Mineral Resources used a long-term gold price of US$1,500 per ounce, however the implied gold price for the Mineral Resources reported at the elevated cut-off grade would be significantly lower.
4. A US$/C$ exchange rate of 0.7, and a gold recovery of 90% were used.
5. A minimum mining width of 3 m was used.
6. Open pit resources are reported within a preliminary pit shell.
7. Bulk density is 2.71 t/m^3 or 2.82 t/m^3 depending on the zone.
8. Numbers may not add due to rounding.
9. Mineral Resources for Douay have been updated using data available to October 23, 2019.

Table 1 - Pit Constrained and Underground Mineral Resource Estimate for the Douay project as of October 23, 2019 as prepared by RPA.

The 2019 Mineral Resource estimate focus was not only on updating the resource estimate with new data from the 2018 and 2019 drill campaigns, but also on optimizing the open-pit scenario, while at the same time providing an initial assessment of resources at lower depths that may be amenable to underground mining methods. The latter has, in Management's opinion, excellent potential for expansion given the relative scarcity of drilling below approximately 300 m vertical depth.

The majority of gold resources defined to-date at Douay are hosted near or within often porphyritic syenitic intrusions that have been emplaced within the broad CBDZ. This style of gold mineralization belongs to a relatively recently defined class of intrusive-related gold ("IRGS") deposits in the Abitibi, which includes Canadian Malartic, Young-Davidson, Beattie and others. In some of these cases, the association with intrusions may be largely spatial, in other cases, as at Douay, it appears to be genetic. The largest mineralized zone within the Douay intrusive-hydrothermal system is the Porphyry Zone, which represents a large prospective bulk mining target. Additional gold mineralization at Douay, generally of higher grade and typically structurally controlled, is also hosted by altered mafic volcanics with lesser syenitic injections, occurring in zones such as Douay West and 531 Zone (Figure 4). Sedimentary and/or pyroclastic host rocks, as well as a different style of mineralization, predominate at Main, Central and the northern margin of the NW Zone, i.e. along the northern margin of the current resource area. In addition, unrelated base metal (Cu, Zn) mineralization possibly of volcanogenic massive sulphide ("VMS") type also occurs on the property, particularly to the south and to the west of the resource area.

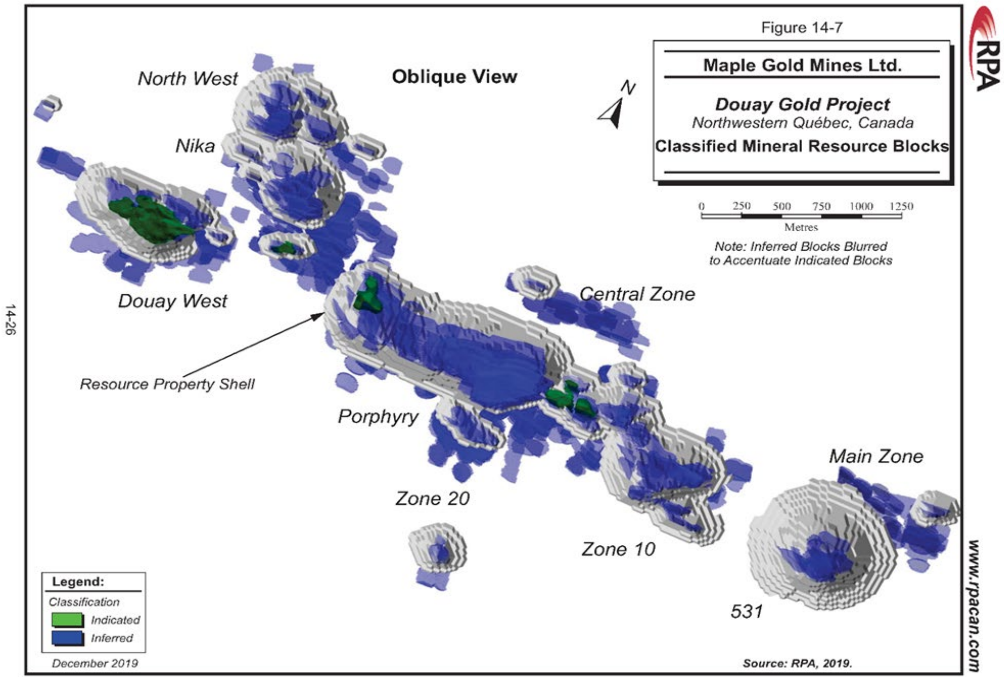

Figure 3: Indicated and inferred blocks within the limits of the optimized pit shells at the Douay Project as of October 23, 2019 as prepared by RPA. (Note that the blocks classified as Inferred are more transparent to enhance Indicated blocks).

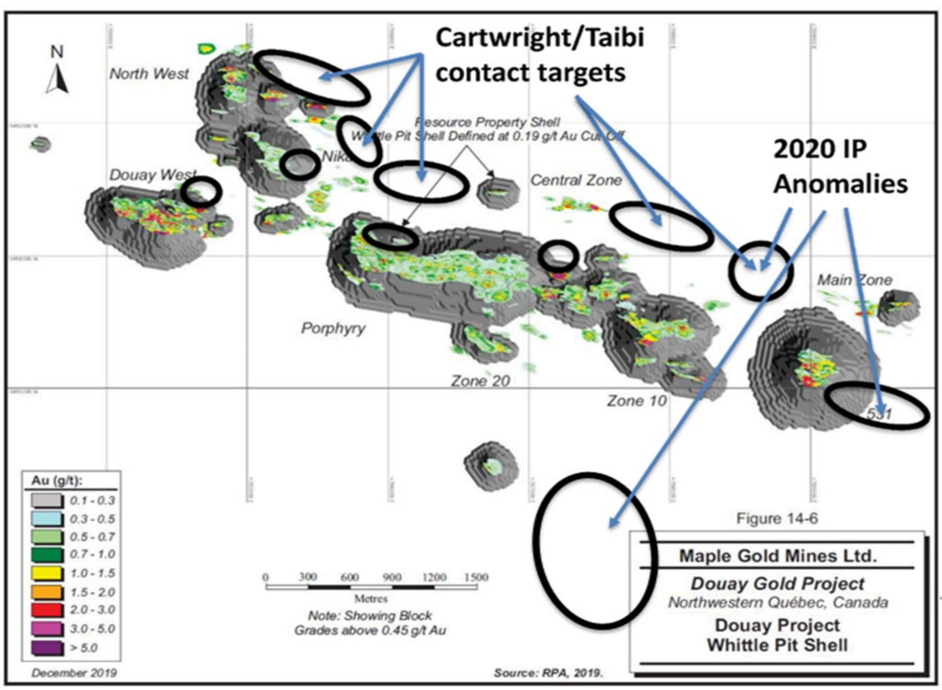

Figure 4: Base case for pit-constrained resources at 0.45 g/t Au cut-off grade. Note several higher-grade areas with insufficient drilling outlined in smaller black ellipses, and multiple drilling gaps between Zones (larger ellipses).Southernmost target, newly defined in Fall 2020, added to original figure.

Inferred underground Resources (Figure 5) are constrained to reporting shapes shown in green shading; a large volume of resource blocks were not included as there is insufficient drilling in many areas. RPA stated that exploration potential within the vertical interval that is currently partly drilled could range between 0.5-1.0 Moz Au. Gold arrows in Figure 5 show further depth extension potential. The relatively low cut-off grade used for the underground resource is consistent with its inferred category; an eventual mining cut-off grade would be expected to be higher.

Potential tonnage and grade of additional underground mineralization referred to above is conceptual in nature, as there has been insufficient drilling to define additional inferred mineralization at depth below the current resource.

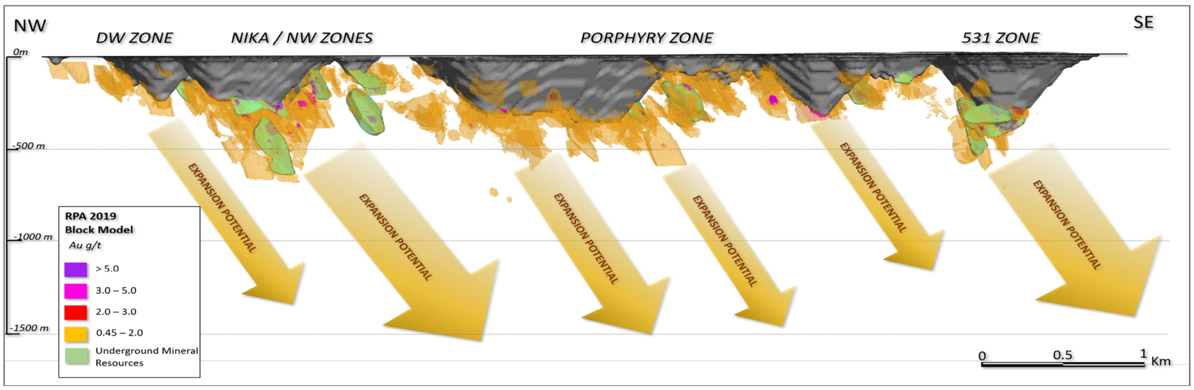

Figure 5: NW-SE longitudinal vertical section view (all zones) showing distribution of below-pit shell underground blocks above 1 g/t Au cut-off grade and resource expansion potential at depth.

The Company continues to leverage both the brownfields and greenfield potential at Douay in all of its exploration programs, with the current integrated approach focusing on: i) property-wide exploration targets with potential for higher-grade mineralization (including Vezza and Telbel models); and ii) near-surface higher-grade mineralization within the known resource area. Thorough review and analysis of all existing geological, geochemical and geophysical data is continuing, which combined with generation of new data from re-logging, as well as from the 2020 drilling and geophysical programs to date, are being used to update a comprehensive exploration strategy and diamond drilling plan through to mid-2021.

2020 Programs

Exploration program at the Douay Gold Project

Following completion of the RPA Mineral Resource update (see October 24, 2019 press release), as well as the detailed re-logging and re-interpretation of 531 Zone structural trends, the latter emphasizing the significance of sedimentary interflow and ultramafic units that serve as local marker horizons, additional drill targets were defined and permitted for the 531, NW, Nika and Porphyry Zones. In addition, areas with near-surface higher-than-deposit-average grades, and initial property-scale conceptual drill targets were also defined. Permits were received for a total of three sites at the NE IP Discovery Target (Vezza model), with additional sites permitted subsequently.

Winter 2020 Drill program

The winter 2020 drill program commenced in mid-January and was halted in late March 2020 because of government-mandated work stoppages related to the COVID-19 pandemic. At that time, a total of 4,370 metres in 13 new holes and one extension had been completed (Figure 6).

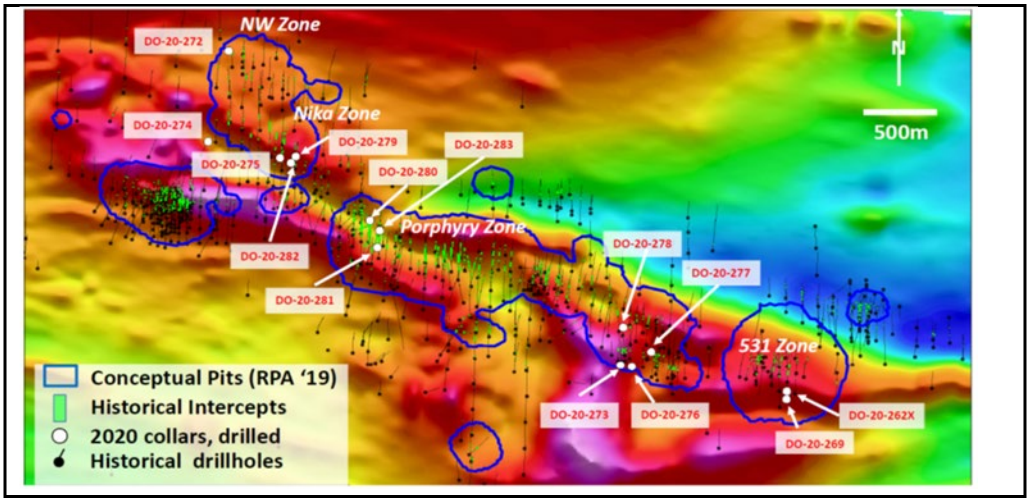

Figure 6: Historical drill intercepts and RPA 2019 Whittle pits. Drilled Winter 2020 sites are also shown.

All drill results from the winter 2020 program were released by way of press releases on March 16, May 6, May 27, June 5, June 10 and September 9, 2020. At the 531 Zone, deepening of a 2019 drill hole (DO-19-262) that had intercepted very significant high-grade gold mineralization cut an additional intercept of 5.96 g/t Au over 3.5 metres, including 11.35 g/t Au over 1.7 m from approximately 460 m vertical depth. A new drill hole (DO-20-269) did not flatten as anticipated and therefore ended up approximately 150 metres away from the known zone once target depth was reached. This hole still cut gold mineralization near end of hole (1.50 g/t Au over 5.2 m including 2.41 g/t Au over 2 m).

A single drill hole (DO-20-272) was drilled near the limit of the NW Zone, in a sparsely drilled area; it cut 4.16 g/t Au over 3.4 m (un-cut) starting from 39.6 m downhole (including 7.68 g/t Au over 1.7 m), and a further 1.15 g/t Au over 20 m starting from 50 m downhole, including 8 m of 1.34 g/t Au. This near-surface zone remains open for about 200 m to the west and the eastern extension of the adjacent historical intercept also remains open to the east for about 150 m (see Figure 7). Mineralization is hosted in strongly deformed, distinctive pyritic sericite-Fe carbonate rocks that are believed to occur all along the northern flank of the resource area, a significant observation given the numerous drilling gaps there (Figure 6).

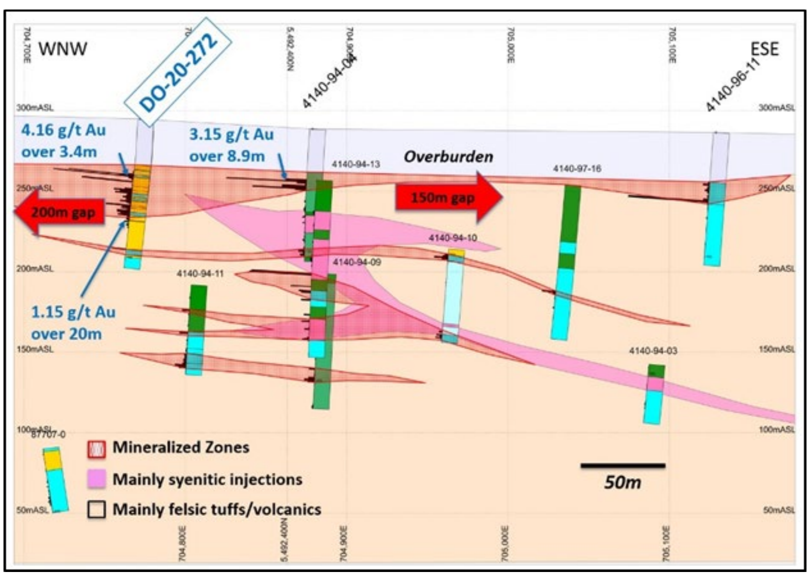

Figure 7: Interpreted E-S-E long section showing near-surface mineralization in DO-12-272; note sparse drilling in this area.

Three drill holes were completed in the northwestern portion of the Porphyry Zone, in an area with higher-than-deposit-average grades and relatively sparse drilling (Figures 8 and 9). DO-20-283 cut 1.91 g/t Au over 17 m, the hole ending in mineralization, with 1.06 g/t Au over the last 7.0 m, including 1.6 g/t Au over the last 2.0 m. This hole was ended prematurely because of the COVID-19 shutdown and needs to be deepened. Hole DO-20-280, collared about 110 m to the northwest, cut multiple zones within the top 90 m (vertical depth) from surface, with 4 m of 0.85 g/t Au, 4 m of 1.14 g/t Au and 1.5 m of 1.61 g/t Au. Assays for the entire hole DO-20-281, collared about 140 m to the south of DO-20-283, gave 1.23 g/t Au over 75 m from 108 m downhole, including 1.61 g/t Au over 31 m, followed by a broad slightly lower grade halo, i.e. 50 m of 0.30 g/t Au from 183 m downhole and 38 m of 0.85 g/t Au from 233 m downhole, the latter including several narrow higher-grade intercepts such as 5.0m of 1.71 g/t Au.

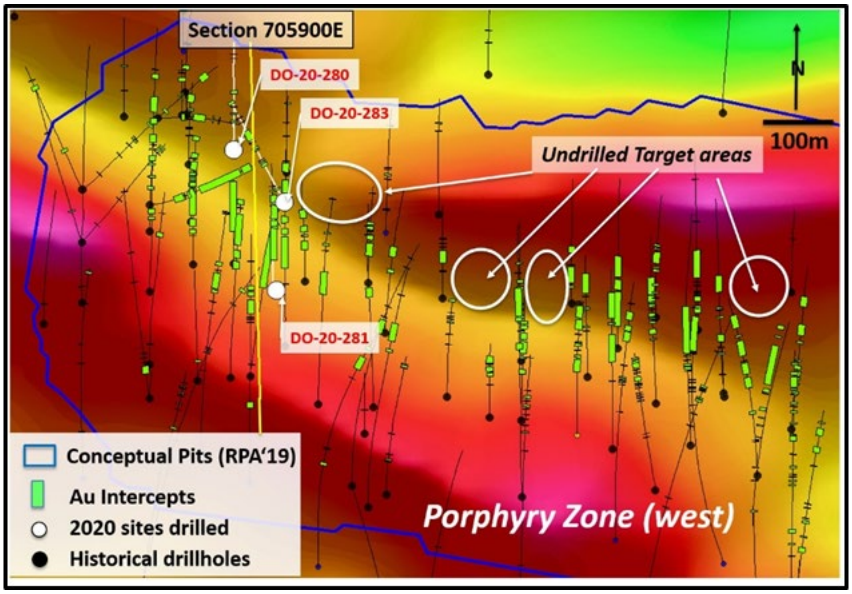

Figure 8: Drill plan showing distribution of winter 2020 holes in the western part of the Porphyry Zone. Note relatively sparse drilling along the north side of the deposit, with additional drilling gaps further east outlined by white ellipses.

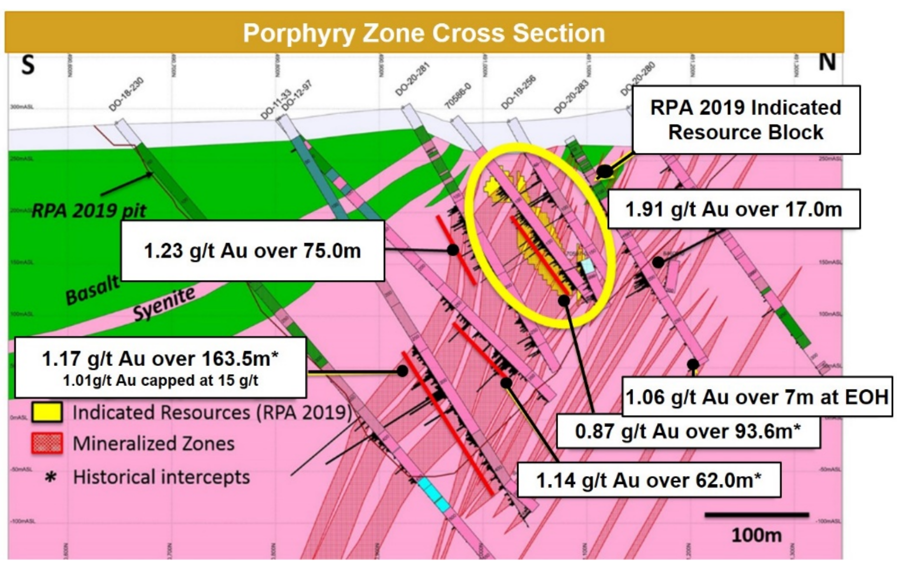

Figure 9: N-S section 705900E, looking west, showing distribution of winter 2020 holes relative to nearby historical holes. Note excellent continuity of mineralization from surface to base of pit, and open mineralization on the north side of the current conceptual pit. Also of note is the limited extent of indicated resources due to sparse drilling in this area at the time of the resource estimation update (late 2019), prior to 2020 drilling.

Geological Modelling and Artificial Intelligence Study

Historical and more recent (2018 to 2020) drill data were used to create and update a 3D geological model as well as updated cross and long sections and level plans. These products combined allow for more precise targeting for future drilling. This modelling work includes not only updated 0.1 g/t Au wireframes, but also a higher-grade 2 g/t Au wireframe within, as well as structural and geological wireframes to allow consideration of variables that appear to be controlling the distribution of gold. The model continues to be updated, with additional lithological and structural information, as well as definition of near-surface higher-grade material that the Company views as starter pit search spaces. Results show a number of new high-priority drill targets within and on the edge of the current resource zones, including gaps in drilling in high-priority areas, extensions of known zones as well as peripheral mineralized zones that have not received much attention to date.

An initial Artificial Intelligence Study had been done in 2008 over part of the resource area, generating gold prospectivity maps. An updated study, with significantly greater data density available as well as newer and more powerful algorithms, was completed in November 2020 and generated over 10 new target areas for further work and future drilling (see press release dated November 30, 2020).

Geophysical Programs

The Douay project area is partly covered by airborne magnetic and EM, as well as ground IP surveys, that provide a solid basis for interpretation of stratigraphic and structural trends, as well as the potential for detection of gold and base metal mineralization associated with conductive, chargeablity and magnetic features. In order to complete magnetic coverage in the eastern part of the property which includes the NE IP target, an 841 line-km high-resolution helicopter-borne magnetic survey was completed.

IP technology has progressed significantly since the 1990s when most of the previous IP surveys were completed on the Douay property. Modern IP technologies allow for much greater depth penetration (400-500m) than historical surveys were capable of (typically less than 250 m). The recently closed Vezza gold mine is located approximately 12 km to the east of the Douay property limits and the Company believes that the results from the winter 2019 IP survey approximately 4 km east of the resource area, as well as the winter and fall 2020 infill and extension IP work in the same area, which include an essentially undrilled 2-km-long chargeability anomaly, are permissive of Vezza-type gold targets in this area. The area, known as the Northeast IP Target ("NE IP Target"), was subsequently drilled with four holes in the Company's Fall 2020 drill campaign which ended on December 22, 2020.

In December 2020, the Company commenced one of the largest Induced Polarization ("IP") surveys to be carried out on the project totalling approximately 117 line-km over three grids, including over a 15 km² area along the northern flank of the Douay resource area (see Figure 10). With the Company's considerable land package, management is dedicated to employing a discovery model on multiple fronts to build value for shareholders on a cost-effective basis and its geophysical programs are part of this plan.

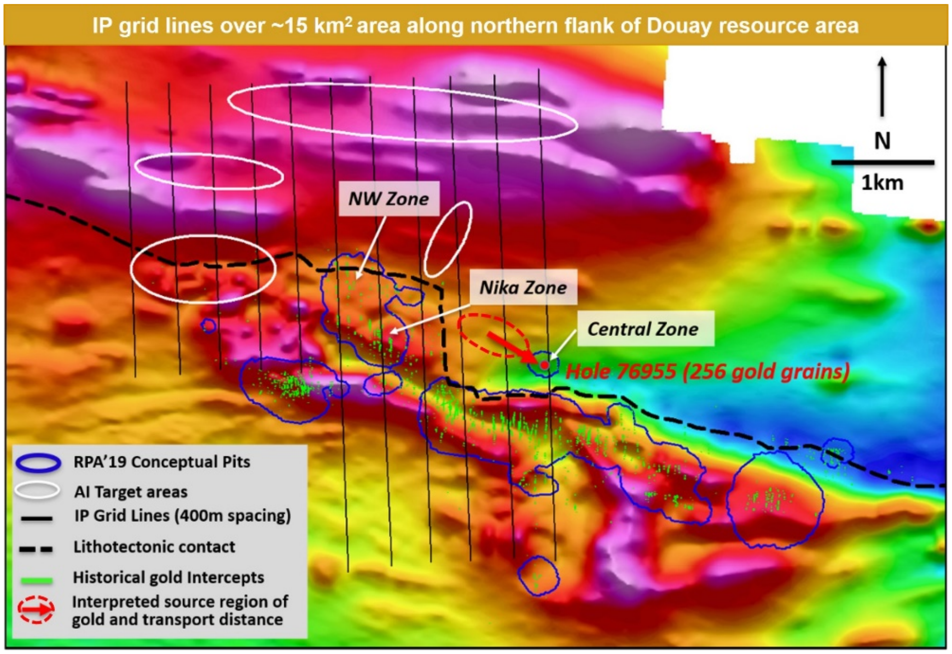

Figure 10: NW IP grid on total magnetic intensity background, testing lithotectonic boundary/shear zone between Central and NW Zones, as well as several Artificial Intelligence targets (white ellipses) further to the north and west of the NW zone. Note position of basal till anomaly (red dot represents hole 76955 = 256 gold grains); dash red ellipse and red arrow shows interpreted source region and transport distance of gold grains.

Fall 2020 Drill program

The Company initiated a planned 3,000-metre fall exploration program in October 2020. The fall drill program was primarily aimed at testing exploration targets that were detailed through the Company's 2019-20 Induced Polarization ("IP") work programs. Initial drilling (two holes) was focused on the Northeast IP Target ("NE IP Target"). Due to encouraging indications of a significant sulfide system at the target, the program was expanded to over 4,200 metres with the addition of a second drill rig to drill two additional holes at the NE IP chargeability anomaly (see Figure 11).

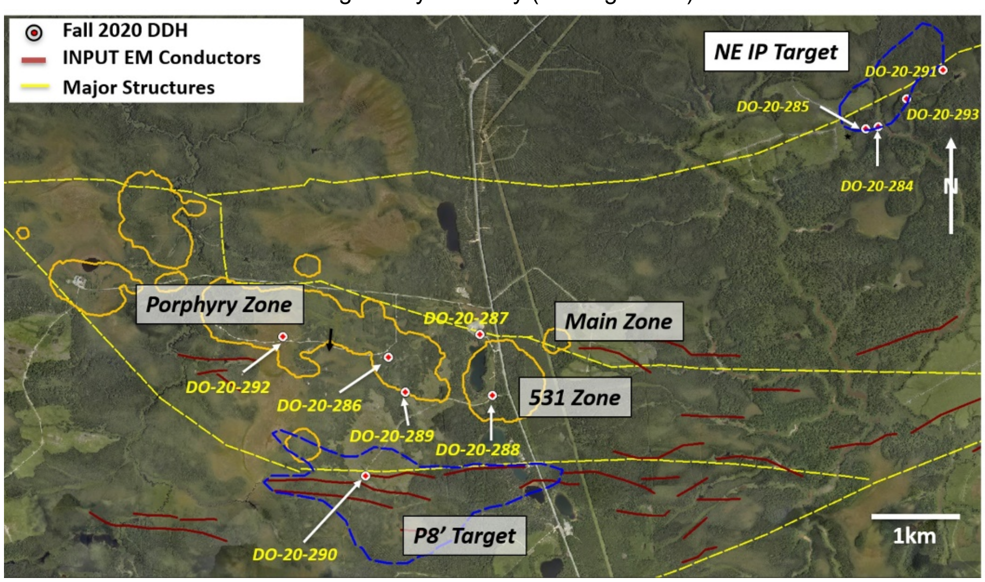

Figure 11: Fall 2020 Drill Hole Locations

Subsequent to year-end (see press release February 3, 2021), the Company announced the signing of its Joint-Venture Agreement with Agnico, which formally marked the combination of the Company's Douay Gold Project and Agnico's past-producing Joutel Project into a consolidated ~400km² property package. The Company also announced initial assay results from the first two holes drilled into the NE IP target, which returned several anomalous gold and silver intercepts indicating the presence of a new sulfide-rich hydrothermal system (see Figure 10 and press release dated February 10, 2021). Results from the remaining two holes will be reported as results as received and additional holes are planned at the target for the 2021 Winter drill campaign.

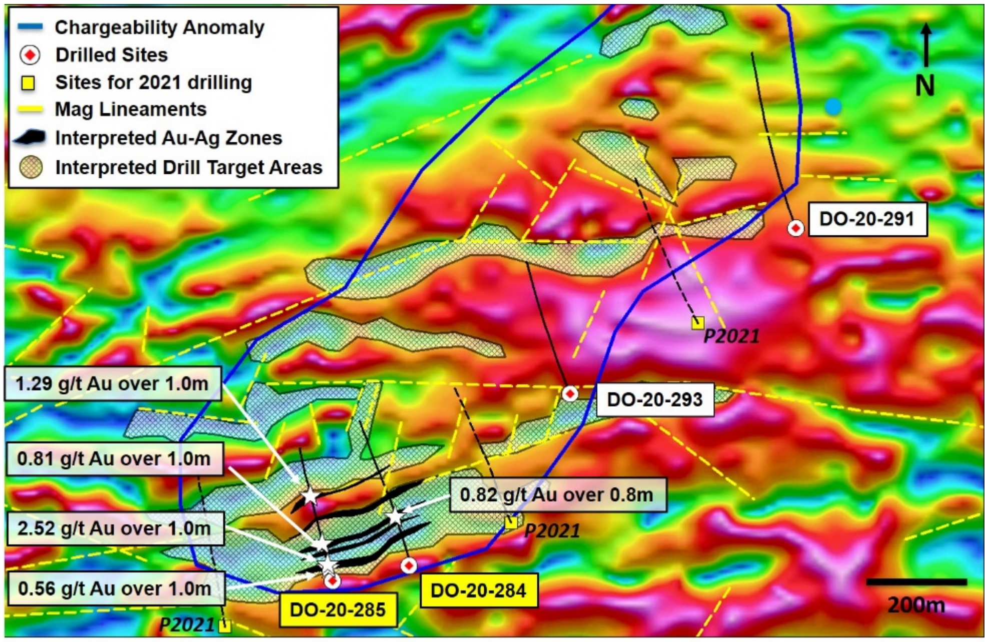

Figure 12: NE IP chargeability target on tilt magnetic base from late 2020 airborne magnetic survey. Au-Ag zones tend to be associated with magnetic lows. Highlighted drill hole labels represent the two holes for which results have been reported; only assays over 0.5 g/t Au are shown. Interpreted drill target areas (in checkered areas) are open to W and E.

Winter 2021 Drill program

The JV launched a Winter 2021 drill program to consist of approximately 10,000 metres and is aimed at expanding mineral resources at Douay through step-out and select infill drilling at existing mineral resource zones as well as targeting new discoveries at regional exploration targets (as announced on February 10, 2021). The program will include approximately 20-30 holes broadly distributed across regional targets and various zones at the established mineral resource at the Douay project.

1.2.3 Joutel Gold Project ("Joutel")

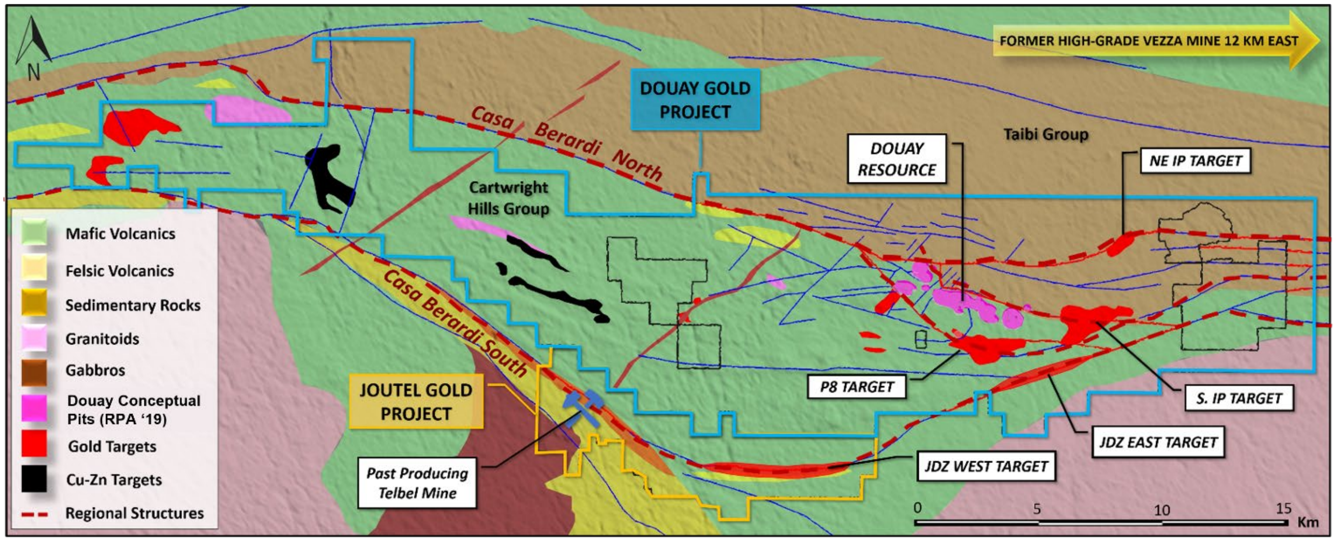

Figure 13: General Geology of the Douay and contiguous Joutel claims; note abundance of targets.

Joutel is located approximately 70 km southwest of Matagami and 125 km north of Amos, Quebec, by road. The property is contiguous to the southern boundary of the Douay property and is accessible by an all-season paved Provincial Highway (#109), which is the major north-south regional highway linking the towns of Amos (Abitibi-Témiscamingue region) and Matagami (Northern Quebec region), and which cuts across the property. Joutel straddles the Harricana Break and its eastern continuation, the Joutel Deformation Zone, over a distance of 15.7km.

Ownership

The Joutel Project is 100%-owned by the 50/50 JV between Maple Gold and Agnico as per a JV Agreement announced on February 3, 2021. The Joutel Project covers 39 km^2 of land located directly south of, and adjacent to, Maple Gold's Douay Project.

Teck Resources Limited ("Teck") holds a 1.5% NSR on certain mineral claims. Teck has a right to receive a payment of $1,250,000 within 60 days of commercial production on these mineral claims.

History

Exploration began in 1962 in the area and the first gold intercepts were obtained between 1962 and 1964 as a result of testing coincident magnetic and electromagnetic anomalies. The current project hosts the past-producing Telbel mining camp with total historical gold production of 1.15 Moz averaging 6.5 g/t Au, between 1974 and 1993. Significant available historical data indicates the potential for near-surface mineralization around the old Telbel Mine shaft in addition to higher-grade mineralization open to depth down-plunge.

2020 Exploration programs

Digitization of historical data at the Joutel Project for approximately 500 surface and 6,500 underground holes has been underway since the fall of 2020 to build a 3D model for additional exploration targeting. Geophysical surveys are also currently ongoing at the JDZ West target area (see Figure 13) as the Company works toward defining new drill targets in this area for future campaigns.

1.2.3 Overall program analysis

During the year ended December 31, 2020 and 2019, the Company incurred $2,460,519 and $2,155,378, respectively, in exploration and evaluation expenses as detailed in the table below:

	2020 $	2019 $
Artificial intelligence study	50,000	—
Camp set up, camp costs and field supplies	451,826	266,805
Depreciation	256,753	256,488
Drilling and core assaying	1,187,705	787,510
Equipment rental and fuel	6,165	53,488
Environmental	2,379	3,762
Geology and technical reports	13,125	238,578
Geophysics	297,580	129,428
Licenses and permits	55,298	34,682
Other exploration support costs	54,037	69,937
Salaries and benefits	748,637	691,082
Share-based payments	112,528	58,271
	3,236,033	2,590,031
Mineral exploration tax credits	(727,386)	(399,966)
Recoveries from JV partners	(48,128)	(34,687)
	2,460,519	2,155,378
Opening accumulated expenses	45,639,991	43,484,613
Closing accumulated expenses	48,100,510	45,639,991

1.2.4 Qualified persons and technical disclosures

The scientific and technical data contained in this MD&A was reviewed and prepared under the supervision of Fred Speidel, M.Sc., P. Geo., Vice-President Exploration, of Maple Gold. Mr. Speidel is a Qualified Person under National Instrument 43-101 Standards of Disclosure for Mineral Projects. Mr. Speidel has verified the data related to the exploration information disclosed in this MD&A through his direct participation in the work.

The Mineral Resources disclosed in this MD&A have been estimated by Ms. Dorota El Rassi, P.Eng., an employee of RPA who is independent from Maple Gold. By virtue of her education and relevant experience, Ms. El Rassi is a "Qualified Person" for the purpose of National Instrument 43-101. The Mineral Resources have been classified in accordance with CIM Definition Standards for Mineral Resources and Mineral Reserves (May, 2014). Ms. El Rassi, P.Eng. has read and approved the contents of this MD&A as it pertains to the disclosed Mineral Resource estimates. Further information about key assumptions, parameters, and methods used to estimate the Mineral Resources, as well as legal, political, environmental or other risks that may affect the Mineral Resource estimate please refer to the Company's NI 43-101 Technical Report filed on SEDAR.

Cautionary Note to United States Investors concerning Resource Estimates

This disclosure has been prepared in accordance with the requirements of Canadian provincial securities laws which differ from the requirements of U.S. securities laws. Unless otherwise indicated, all mineral resource estimates included in this disclosure have been prepared in accordance with Canadian National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101") and the Canadian Institute of Mining, Metallurgy and Petroleum classification systems. NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. These standards differ significantly from the requirements of the United States Securities and Exchange Commission, and accordingly resource estimates disclosed herein may not be comparable to similar information disclosed by U.S. companies.

1.3 Selected annual information

	Year ended December 31, 2020	Year ended December 31, 2019	Year ended December 31, 2018
Loss for the year	$4,468,892	$3,668,622	$5,681,912
Total comprehensive loss for the year	$4,468,892	$3,668,622	$5,681,912
Basic and diluted loss per share	$0.02	$0.02	$0.03
Total assets	$21,547,466	$5,835,845	$5,367,688
Total long-term liabilities	$285,369	$229,986	$177,898

The Company generated no revenues from operations during the above periods.

1.4 Results of operations

Three months ended December 31, 2020 and 2019
During the three months ended December 31, 2020, the Company reported a loss for the period of $1,542,474 and loss per share of $0.01 compared to loss for the period of $287,898 and loss per share of $Nil, respectively, for the three months ended December 31, 2019.

Exploration and evaluation expenses before METC and recoveries from JV partner increased by $802,272 during the three months ended December 31, 2020 compared to the same period in the previous year. This increase was primarily attributed to the increases in drilling and core assaying by $517,288, salaries and benefits by $137,577, and camp costs and field supplies by $134,341 as a result of the Fall 2020 drill campaign with no drill campaign in the same period in the previous year.

Exploration and evaluation expenses during the three months ended December 31, 2020 were offset by mineral exploration tax credits ("METC") of $727,386 (2019 - $399,966). The amounts received during the three months ended December 31, 2020 relate to the 2019 METC claim and an adjustment received with respect to the 2011 METC claim.

General and administrative expenditures increased by $1,250,788 during the three months ended December 31, 2020 compared to the same period in the previous year. The Company recorded increases in professional fees of $601,453, travel, marketing and investor relations of $295,145, salaries and benefits of $187,004, and business development of $104,926. These increases were driven by increased corporate activities related to the Agnico JV.

During the three months ended December 31, 2020, the Company granted 250,000 stock options to directors, officers, employees and others (2019 – nil). Share-based compensation expense increased by $27,181 during the three months ended December 31, 2020 compared to the prior year period.

During the three months ended December 31, 2020, the Company recorded other income of $364,443 related to the amortization of the flow-through share premium liability of $478,500 recognized in connection with the Company's December 2019 private placement (see section 1.6/1.7). During the three months ended December 31, 2019, the Company recorded other income of $47,459 related to the amortization of the flow-through share premium liability of $460,000 recognized in connection with the Company's March 2019 private placement (see section 1.6/1.7).

Year ended December 31, 2020 and 2019
During the year ended December 31, 2020, the Company reported a loss for the year of $4,468,892 and loss per share of $0.02 compared to a loss for the year of $3,668,622 and loss per share of $0.02, respectively, for the year ended December 31, 2019. The $800,270 increase in loss for the period is driven by $305,141 increase in exploration and evaluation expenses (see section 1.2.3), $1,184,191 increase in general and administrative expenses which were partially offset by an increase in income of $407,605 from the amortization of the flow through liability premium and a decrease in finance expense of $239,070 related to the Company's leases.

Exploration and evaluation expenses before METC and recoveries from JV partner increased by $646,002 during the year ended December 31, 2020 compared to the previous year. The Company completed a 4,447 metre winter 2020 drill program (2019 – 6,045 metres) and as at December 31, 2020 had drilled 4,050 metres as part of the Fall 2020 drill program (2019 – Nil metres). As a result of the increased level of exploration activities in the current year exploration expenses are higher across almost every category of exploration and evaluation expenses except for geology and technical reports which was higher in the year ended December 31, 2019 as a result of the Company releasing an updated Technical Report on the Douay Gold Project in the fourth quarter of 2019.

Exploration and evaluation expenses during the year ended December 31, 2020 were offset by METC of $727,386 and recoveries from JV partner of $48,128. The METC amounts received during the three months ended December 31, 2020 relate to the 2019 METC claim and an adjustment received with respect to the 2011 METC claim.

General and administrative expenditures increased by $1,184,191 during the year ended December 31, 2020 compared to the previous year. The Company recorded increases in professional fees of $540,821, travel, marketing and investor relations of $392,070, share-based payments of $125,201, salaries and benefits of $79,648, and business development of $68,718. These increases were driven by increased corporate activities related to the Agnico JV.

During the year ended December 31, 2020, the Company granted 12,050,000 stock options to directors, officers, employees and others versus 7,330,000 in the previous year. Share-based compensation expense increased by $179,457 during the year ended December 31, 2020 compared to the prior year. During the current year 700,000 stock options were cancelled and a stock based compensation expense reversal of $126,000 related to the cancellation of unvested stock options was recorded. The weighted average grant date fair value of options granted in the year ended December 31, 2020 was $0.06 (2019 - $0.06).

During the year ended December 31, 2020, the Company recorded other income of $800,428 related to the amortization of flow-through premium, of which:

- $321,928 related to the amortization of the flow-through share premium liability of $460,000 recognized in connection with the Company's March 2019 private placement (see section 1.6/1.7).
- $478,500 related to the amortization of the flow-through share premium liability of $478,500 recognized in connection with the Company's December 2019 private placement (see section 1.6/1.7).

1.5 Summary of quarterly results

	December 31 2020	September 30 2020	June 30 2020	March 31 2020	December 31 2019	September 30 2019	June 30 2019	March 31 2019
Exploration and evaluation	$ 474,420	$ 542,581	$ 526,383	$ 917,135	-$ 429	$ 447,522	$ 1,045,989	$ 662,299
General and administrative	1,542,923	544,017	543,596	383,359	292,135	315,540	511,491	710,535
Finance income	(123,183)	(85,555)	(56,131)	(21,833)	(25,993)	(88,335)	(60,984)	(74,272)
Finance expense	12,757	18,232	20,926	29,693	64,375	54,682	92,627	108,994
Amortization of flow-through share premium	(364,443)	(162,923)	(87,484)	(185,578)	(47,459)	(52,661)	(191,723)	(100,980)
Loss on disposition of property and equipment	-	-	-	-	5,269	-	-	-
Total comprehensive (income) loss	$ 1,542,474	$ 856,352	$ 947,290	$ 1,122,776	$ 287,898	$ 676,748	$ 1,397,400	$ 1,306,576
Basic and diluted (income) loss per common share	$ 0.01	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.01	$ 0.01
Weighted average number of common shares	289,790,362	257,431,942	239,186,954	239,186,154	228,455,976	227,436,954	227,406,075	210,837,610

The changes in the Company's financial results on a quarter-by-quarter basis are due primarily to fluctuations in the level of activity of Company's exploration programs and administration. The Company is a mineral exploration company and does not earn any revenue. The Company's current mineral property portfolio consists of the Douay exploration-stage project in Quebec, Canada.

1.6 and 1.7 Financial position, liquidity and capital resources

	December 31, 2020	December 31, 2019
	$	$
Cash and cash equivalents	**20,014,801**	4,102,551
Current assets	**20,983,787**	5,280,753
Total assets	**21,547,466**	5,835,845
Current liabilities	**2,166,900**	2,286,076
Non-current liabilities	**285,369**	229,986

As at December 31, 2020, the Company had cash and cash equivalents of $20,014,801 (December 31, 2019 - $4,102,551) and working capital of $18,816,887 (December 31, 2019 - $2,994,677). Current liabilities that are to be settled in cash as at December 31, 2020 include accounts payable and accrued liabilities of $1,410,300, which were primarily incurred in connection with the work program at Douay and general and administrative costs related to increased corporate activities, specifically the bought deal financing that closed on December 30, 2020.

During the year ended December 31, 2020, Revenu Quebec completed its audit of the Company's 2019 METC filing and re-assessed the Company's 2011 METC filing. The Company received $727,386 during the three months ended December 31, 2020 related to these specific METC filings.

The Company has received METC payments from Revenu Quebec with respect to the 2011 to 2014 tax years and these tax years are currently under audit by Revenu Quebec. Revenu Quebec has disallowed certain amounts that the Company believes are claimable qualifying expenditures. The Company intends to defend its filing positions and the Company has filed notice of objections with Revenu Quebec's Appeals Division for each of the years 2011 to 2014.

During the year ended December 31, 2020, the Company used net cash of $3,515,479 in operating activities compared to $1,911,525 during the prior year.

The Company used net cash of $14,084 in investing activities during the year ended December 31, 2020 for acquisition of office equipment compared to $14,700 in 2019 of which $31,246 was spent on property and equipment additions offset by proceeds of $16,546 on the sale of property and equipment.

During the year ended December 31, 2020, the Company generated net proceeds of $19,441,813 (2019 - $3,242,436) from financing activities through the issuance of shares issued pursuant to private placements in July 2020 and October 2020, a bought deal prospectus offering in December 2020, the exercise of stock options and warrants and proceeds received on the Company's subleases, offset by the repayment of lease liabilities.

On July 31, 2020 and August 10, 2020, the Company closed the first and second tranches, respectively, of a non-brokered private placement of 27,941,173 common shares at a price of $0.17 per share for gross proceeds of $4,750,000. The Company will use the gross proceeds to continue advancing the Douay Gold Project and for general corporate purposes.

On October 13, 2020, the Company issued 25,838,821 units of the Company to Agnico in a non-brokered private placement at a price of $0.239 per Unit for total consideration of approximately $6,175,478. The Company will use the gross proceeds to continue advancing the Douay Gold Project, new corporate growth opportunities and for general corporate purposes.

On December 30, 2020, the Company closed a bought deal offering of 27,800,000 common shares at a price of $0.36 per common share for gross proceeds of $10,008,000. The Company will use the gross proceeds to continue advancing the Douay Gold Project, new corporate growth opportunities and for general corporate purposes.

The Company applied for the Canada Emergency Business Account, which is a $40,000 interest free loan that is offered through financial institutions. If the loan is repaid by December 31, 2022, $10,000 will be forgiven. The Company continues to monitor other programs that have been announced to determine whether the Company will qualify for additional relief.

The Company currently has sufficient working capital and is able to meet its ongoing current obligations as they become due. However, the Company will likely require additional capital in the future to meet its project related expenditures. Future liquidity will depend upon the Company's ability to arrange additional debt or equity financing, as the Company relies on equity financings to fund its exploration and corporate activities.

Common shares issued

December 2020 financing

As noted previously on December 30, 2020 the Company closed a bought deal prospectus offering of 27,800,000 common shares at a price of $0.36 per common share for gross proceeds of $10,008,000. In connection with the prospectus offering, the Company incurred a total of $1,149,666 in cash share issuance costs, including $565,134 as a commission to the underwriter. The intended use of gross proceeds of $10,008,000 is to continue advancing the Douay Gold Project, new corporate growth opportunities and for general corporate purposes. As of December 31, 2020 the Company had not expended any of the net proceeds of the offering.

Agnico Strategic Investment

As noted previously on October 13, 2020 the Company issued 25,838,821 units of the Company (collectively, the "Units") to Agnico in a non-brokered private placement at a price of $0.239 per Unit for total consideration of approximately $6,175,478. In connection with the placement, the Company incurred a total of $36,376 in cash share issuance costs. The intended use of gross proceeds of $6,175,478 is to continue advancing the Douay Gold Project, new corporate growth opportunities and for general corporate purposes. As of December 31, 2020 the Company had not expended any of the net proceeds of the offering.

July and August 2020 Private Placement

As noted previously the Company closed a private placement in two tranches in July and August 2020 and issued 27,941,173 common shares for gross proceeds of approximately $4.75 million. The intended use of gross proceeds is to continue advancing the Douay Gold Project and for general corporate purposes. As of December 31, 2020 the Company had incurred $39,616 of eligible exploration expenditures and spent $649,335 on new corporate growth opportunities and general corporate purposes.

2019 Private Placements

The Company closed a private placement in March 2019 and in December 2019.

December 2019 Private Placement

	Number of common shares	$
Private placement – flow through shares	8,700,000	1,218,000
Private placement – common shares	3,050,000	244,000
Share issuance costs	-	(10,838)
Subtotal	11,750,000	1,451,162
Flow-through share premium liability	-	(478,500)
	11,750,000	972,662

The intended use of the gross proceeds of $1,462,000 is $244,000 towards general working capital and $1,218,000 towards eligible exploration expenditures at the Douay Gold Project. As at December 31, 2020 the Company had incurred approximately $244,000 of general working capital and $1,218,000 of eligible exploration expenditures.

March 2019 Private Placement

	Number of common shares	$
Private placement – flow through shares	18,400,000	2,300,000
Share issuance costs	-	(23,464)
Subtotal	18,400,000	2,276,536
Flow-through share premium liability	-	(460,000)
	18,400,000	1,816,536

The intended use of the gross proceeds of $2,300,000 is towards eligible exploration expenditures at the Douay Gold Project. As at December 31, 2020 the Company had incurred approximately $2,300,000 of eligible exploration expenditures.

1.8 Off-balance sheet arrangements

As at December 31, 2020, the Company had no off-balance sheet arrangements.

1.9 Transactions with related parties

During the period, compensation to key management personnel was as follows:

	2020 **$**	2019 $
Salaries and benefits	**527,000**	477,000
Share-based payments	**268,314**	263,306
	795,314	740,306

1.10 Fourth Quarter

Refer to section 1.4.

1.11 Subsequent events

Refer to sections Highlights, 1.6 and 1.7.

1.12 Proposed transactions

None

1.13 Critical accounting estimates

The required disclosure is provided in Note 2 in the notes to the financial statements which accompany this MD&A and which are available under the Company's profile at www.sedar.com.

1.14 Changes in accounting policies including initial adoption

The required disclosure is provided in Note 2 and 3 in the notes to the financial statements which accompany this MD&A and which are available under the Company's profile at www.sedar.com.

1.15 Financial instruments and other instruments

The Company's financial instruments consist of cash and cash equivalents, deposits, and accounts payable and accrued liabilities and loan payable. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following summarizes fair value hierarchy under which the Company's financial instruments are valued:

- Level 1 – fair values based on unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – fair values based on inputs that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – fair values based on inputs for the asset or liability that are not based on observable market data.

As at December 31, 2020 and 2019 no financial instruments were measured at fair value.

No transfer occurred between the levels during the year.

The Company's financial instruments are exposed to credit risk, liquidity risk, and market risks, which include currency risk and interest rate risk.

(a) Credit risk

Credit risk is the risk that a third party fails to discharge its obligations under the terms of the financial contract and causes a financial loss for the Company. The Company's credit risk is attributable to its cash and cash equivalents and deposits. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash and cash equivalent balances in highly rated Canadian financial institutions. The Company considers the risk of loss associated with cash and cash equivalents to be low.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure.

Accounts payable and accrued liabilities are due within twelve months of the statement of financial position date.

(c) Market risk

This is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Significant market risks to which the Company is exposed are as follows:

(i) Foreign currency risk

The Company is exposed to currency risk by having balances and transactions in currencies that are different from its functional currency (the Canadian dollar). As at December 31, 2020 and 2019 and throughout 2020 and 2019, the Company held immaterial balances in foreign currencies. Foreign currency risk is considered to be minimal.

(ii) Interest rate risk

Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company's financial instruments. The Company's exposure to interest rate risks is limited to potential increases or decreases on the interest rate offered on cash and cash equivalents held at chartered Canadian financial institutions, which would result in higher or lower relative interest income. This risk is considered to be minimal.

1.16 Other requirements

Additional information relating to the Company may be found on SEDAR at www.sedar.com.

1.16.1 Capital structure

As at the date of this report, the Company had 321,067,848 common shares issued and outstanding, 23,730,100 common shares issuable under stock options, 550,000 DSU's, 3,175,000 RSU's and 56,871,971 common shares issuable under share purchase warrants. The fully diluted outstanding share count is 401,269,919.

1.16.2 Internal controls over financial reporting and disclosure controls and procedures

The Company has disclosure controls and procedures in place to provide reasonable assurance that any information required to be disclosed by the Company under securities legislation is recorded, processed, summarized and reported within the applicable time periods and that required information is gathered and communicated to the Company's management so that decisions can be made about the timely disclosure of that information.

The Company's management is responsible for establishing and maintaining adequate internal controls over financial reporting. Any system of internal controls over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

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

1.16.3 Risk Factors

The securities of the Company are highly speculative and subject to a number of risks. A prospective investor or other person reviewing the Company for a prospective investor should not consider an investment in the Company unless the investor is capable of sustaining an economic loss of their entire investment. The risks associated with the Company's business include:

COVID-19

The Company's business, operations, and financial condition, and the market price of the Common Shares, could be materially and adversely affected by the outbreak of epidemics or pandemics or other health crises, including the 2020 outbreak of COVID-19. To date, there have been a large number of temporary business closures, quarantines, and a general reduction in consumer activity in a number of countries. The outbreak has caused companies and various international jurisdictions to impose travel, gathering and other public health restrictions. While these effects are expected to be temporary, the duration of the various disruptions to businesses locally and internationally and the related financial impact cannot be reasonably estimated at this time. Similarly, the Company cannot estimate whether or to what extent this outbreak and the potential financial impact may extend to countries outside of those currently impacted. Such public health crises can result in volatility and disruptions in the supply and demand for gold, silver and other minerals, global supply chains and financial markets, as well as declining trade and market sentiment and reduced mobility of people, all of which could affect commodity prices, interest rates, credit ratings, credit risk, share prices and inflation. The risks to the Company of such public health crises also include risks to employee health and safety, a slowdown or temporary suspension of operations in geographic locations impacted by an outbreak, increased labor and fuel costs, regulatory changes, political or economic instabilities or civil unrest. In addition, parties with whom the Company does business or on whom the Company is reliant may also be adversely impacted by the COVID-19 crisis which may in turn cause further disruption to the Company's business. Any long-term closures or suspensions may also result in the loss of personnel or the workforce in general as employees seek employment elsewhere. The impact of COVID-19 and government responses thereto may also continue to have a material impact and cause volatility in financial markets and could constrain the Company's ability to obtain equity or debt financing in the future, which may have a material and adverse effect on its business, financial condition and results of operations.

COVID-19 represents a significant and unprecedented challenge for many businesses. The Company will continue with the proposed drilling program and take steps to minimize risks to the health and safety of employees and contractors. Energy and focus is being put into maintaining government regulations, including the Company's own mandates for a safe and healthy workplace, while maintaining as strong an employment framework as possible. The Company will monitor and assess developments, including recommendations from governmental authorities, and adjust its activities accordingly. The Company's operations have remained relatively stable under the COVID-19 pandemic but there can be no assurance that the ability to continue to operate the Company's business will not be adversely impacted, in particular to the extent that aspects of operations which rely on services provided by third parties fail to operate as expected. The successful execution of business continuity strategies by third parties is outside the control of the Company. If one or more of the third parties to whom the Company outsources critical business activities fails to perform as a result of the impacts from the spread of COVID-19, it could have a material adverse effect on the Company's business and operations.

At this point, the extent to which COVID-19 will or may impact the Company is uncertain and these factors are beyond the Company's control; however, it is possible that COVID-19 may have a material adverse effect on the Company's business, results of operations, and financial condition and the market price of the Common Shares.

Mineral Exploration and Development

The exploration and development of minerals is highly speculative in nature and involves a high degree of financial and other risks over a significant period of time, which even a combination of careful evaluation, experience and knowledge may not eliminate. The Douay Gold Project is currently in the exploration stage. While discovery of a mineral deposit may result in significant rewards, few properties which are explored are ultimately developed into producing mines. Whether a mineral deposit will be commercially viable depends on a number of factors, including the particular attributes of the deposit, financing costs, the cyclical nature of commodity prices, and government regulations (including those related to prices, taxes, currency controls, royalties, land tenure, land use, importing and exporting of mineral products, and environmental protection). The effect of these factors or a combination thereof, cannot be accurately predicted but could have an adverse impact on the Company.

The Company's operations are also subject to all of the hazards and risks normally encountered in mineral exploration and development. These risks include unusual and unexpected geological formations, seismic activity, rock bursts, cave-ins, water inflows and other conditions involved in the drilling and removal of material, environmental hazards, industrial accidents, periodic interruptions due to adverse weather conditions, labour disputes, political unrest and theft. The occurrence of any of the foregoing could result in damage to, or destruction of, mineral properties or interests, production facilities, personal injury, damage to life or property, environmental damage, delays or interruption of operations, increases in costs, monetary losses, legal liability and adverse government action.

Financing Risks

The Company has limited financial resources and there is no assurance that sufficient additional funding will be available to enable it to fulfill the Company's existing obligations or for further exploration and development on acceptable terms or at all. The Company does not generate revenue or cash flow and there can be no assurance that the Company will be able to obtain sufficient financing in the future on terms acceptable to it. The ability of the Company to arrange additional financing in the future will depend, in part, on prevailing capital market conditions as well as the business performance of the Company. The most likely source of future financing presently available to the Company is through the sale of additional Common Shares, which would mean that each existing shareholder would own a smaller percentage of the Common Shares then outstanding. Also, the Company may issue or grant warrants or options in the future pursuant to which additional Common Shares may be issued. Exercise of such warrants or options will result in dilution of equity ownership to the Company's existing shareholders.

Failure to obtain additional funding on a timely basis could result in delay or indefinite postponement of further exploration and development and could cause the Company to forfeit its interests in the Douay Gold Project or to reduce or terminate its operations.

Joint Venture Risk

There is the possibility that the joint venture partners may without limitation: (a) have economic or business interests or targets that are inconsistent with those of the Company; (b) take action contrary to the Company's policies or objectives with respect to their investments, for instance by veto of proposals in respect of joint venture operations; (c) be unable or unwilling to fulfill their obligations under the joint venture or other agreements; or (d) experience financial or other difficulties.

Any of the foregoing may have a material adverse effect on the results of operations or financial condition of the Company. In addition, the termination of certain of these joint venture agreements, if not replaced on similar terms, could have a material adverse effect on the results of operations or financial condition of the Company.

Uncertainty in the Estimation of Mineral Resources

The Company has delineated mineral resources at the Douay Gold Project and has included mineral resource estimates in this AIF in accordance with NI 43-101. Mineral resources are estimates only and no assurance can be given that the anticipated tonnages and grades will be achieved or that assumptions on recovery will be realized. Investors are cautioned not to assume that any part or all of those mineral deposits classified as a mineral resource will ever be converted into mineral reserves or that that the anticipated tonnages and grades will be achieved. Estimation is a subjective process, and the accuracy of any mineral resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. Further, the bulk of these resource estimates are currently classified as "inferred mineral resources." Inferred mineral resources have a great amount of uncertainty as to their existence, and economic and legal feasibility. There can be no assurance that the Company will be able to increase the confidence level of all or any of the inferred resources. If the Company's actual mineral resources are less than current estimates or if the Company fails to develop its resource base through the realization of identified mineralized potential, its results of operations or financial condition may be materially and adversely affected.

Price of Gold

The ability of the Company to develop the Douay Gold Project will be significantly affected by changes in the market price of gold. The price of gold is affected by numerous factors beyond the Company's control. The level of interest rates, the rate of inflation, the world supply of and demand for gold, as well as the stability of currency exchange rates can all cause fluctuations in price. Such external economic factors are influenced by changes in international investment patterns and monetary systems as well as various political developments.

A drop in the price of gold would adversely impact the Company's future prospects. The price of gold has historically fluctuated widely and future price declines could cause the development of (and any future commercial production from) the Company's properties to be impracticable. In addition, sustained low gold prices could result in a halt or delay the exploration and development of the Company's properties; and reduce the potential for financings required for further exploration and development activities. These developments could have a material adverse impact on the Company's financial performance and results of operations.

Potential Profitability and Factors Beyond the Control of the Company
The potential profitability of mineral properties is dependent upon many factors beyond the Company's control. For instance, world prices of and markets for gold are unpredictable, highly volatile, potentially subject to governmental fixing, pegging and/or controls and respond to changes in domestic, international, political, social and economic environments. Profitability also depends on the costs of operations, including costs of labour, equipment, electricity, environmental compliance or other production inputs. Such costs may fluctuate in ways the Company cannot predict and are beyond the Company's control, and such fluctuations will impact profitability and may eliminate profitability altogether. Additionally, due to worldwide economic uncertainty, the availability and cost of funds for development have become increasingly difficult, if not impossible, to project. These changes and events may materially affect the financial performance of the Company.

Environmental Risks and Hazards
All phases of the Company's operations are subject to extensive environmental regulations. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation, provide for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry activities and operations. They also set forth limitations on the generation, transportation, storage and disposal of hazardous waste. A breach of these regulations may result in the imposition of fines and penalties. In addition, certain types of mining operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the viability or profitability of operations. Environmental hazards may exist on the properties in which the Company holds its interests or on properties that will be acquired which are unknown to the Company at present and which have been caused by previous or existing owners or operators of those properties.

Title Risks
While the Company has investigated title to the Douay Gold Project, there is a risk that title to the property will be challenged or impugned. The property may be subject to prior unregistered agreements or transfers or aboriginal land claims and title may be affected by undetected defects. If title defects do exist, it is possible that the Company may lose all or a portion of its rights, title, estate and interest in and to the properties, when and if earned, to which the title defects relate.

First Nations
The legal nature of first nation land claims is a matter of considerable complexity. The impact of any such claim on the Company's ownership interest in the Douay Gold Project cannot be predicted with any degree of certainty and no assurance can be given that a broad recognition of first nation rights in the area in which the Douay Gold Project is located, by way of a negotiated settlement or judicial pronouncement, would not have an adverse effect on the Company's activities. Pursuant to section 35 of The Constitution Act of 1982, the Federal and Provincial Crowns have a duty to consult Aboriginal peoples and, in some circumstances, a duty to accommodate them. When development is proposed in an area to which a first nation asserts Aboriginal rights and titles, and a credible claim to such rights and titles has been made, a developer may be required by the Crown to conduct consultations with Aboriginal groups which may be affected by the project and, in some circumstances, accommodate them. In October 2014, the Company signed a letter of collaboration with the Abitibiwinni First Nation, whose traditional territory encompasses the Douay Gold Project. This document is in the process of being replaced by an updated agreement. The Company's relations with the nation are positive, and it is the Company's belief that there is broad support for future mineral development and production operations that would support the local economy. Nevertheless, the Company has not yet concluded with them any definitive agreement in respect of exploration, future development or production.

Competition

The mineral exploration business is competitive in all of its phases. The Company competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources, in the search for and the acquisition of attractive mineral properties. The Company's ability to acquire properties in the future will depend not only on the Company's ability to develop of the properties, but also on the Company's ability to select and acquire suitable prospects for mineral exploration or development. In addition, the mining industry periodically faces a shortage of equipment and skilled personnel and there can be intense competition for experienced geologists, engineers, field personnel and other contractors. There is no assurance that the Company will be able to compete successfully with others in acquiring prospective properties, equipment or personnel.

Dependence on a Single Project

The only project of the Company is the Douay Gold Project. In the absence of additional mineral projects, the Company is solely dependent on the success of the Douay Gold Project for its business success. Should the Company suffer adverse consequences in the progression of the Douay Gold Project the Company's business and financial position will be significantly adversely affected.

Infrastructure

Development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources, and water supply are important determinants for capital and operating costs. The lack of availability on acceptable terms or the delay in the availability of any one or more of these items could prevent or delay exploration or development of the Douay Gold Project. If adequate infrastructure is not available in a timely manner, there can be no assurance that the exploration or development of the Douay Gold Project will be commenced or completed on a timely basis, if at all. In addition, unusual weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect our exploration and development activities.

Government Regulations

The Company's current or future operations, including exploration and development activities and the commencement of commercial production, require licenses, permits or other approvals from various federal, provincial and/or local governmental authorities and such operations are or will be governed by laws and regulations relating to prospecting, development, mining, production, exports, taxes, labour standards, occupational health and safety, waste disposal, toxic substances, land use including forestry intervention activities, water use, environmental protection, aboriginal land claims and other matters. The Company believes that it is in substantial compliance with all material laws and regulations which currently apply to the Company's activities. There can be no assurance, however, that the Company will obtain on reasonable terms or at all the permits and approvals, and the renewals thereof, which the Company may require for the conduct of the Company's current or future operations or that compliance with applicable laws, regulations, permits and approvals will not have an adverse effect on the Douay Gold Project. Possible changes to mineral tax legislation and, regulations could cause additional expenses, capital expenditures, restrictions and delay on the Company's planned exploration and operations, the extent of which cannot be predicted. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Price Volatility and Lack of Active Market

The market price of a publicly traded stock, especially a junior resource issuer such as the Company, is affected by many variables in addition to those directly related to exploration successes or failures. Such factors include the general condition of markets for resource stocks, the strength of the economy generally, the availability and attractiveness of alternative investments, and the breadth of the public markets for the stock. As a result, the market price of the Common Shares is highly volatile and there can be limited liquidity in the market. Therefore, holding Common Shares involves a high degree of risk and investors could suffer significant losses if the Company's Common Shares are depressed or illiquid when an investor seeks liquidity.

Key Executives

The Company is dependent on the services and technical expertise of several key executives, including the directors of the Company and a small number of highly skilled and experienced executives and personnel. Due to the relatively small size of the Company, the loss of any of these individuals may adversely affect the Company's ability to attract and retain additional highly skilled employees and may impact its business and future operations.

Internal Controls

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, and not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation. The Company is undertaking to put into place a system of internal controls appropriate for its size, and reflective of its level of operations, however, given the size of the Company and its limited resources, these controls may be inadequate to identify all errors.

Conflicts of Interest

Certain of the Company's directors, officers and other members of management do, and may in the future, serve as directors, officers, promoters and members of management of other mineral exploration and development companies and, therefore, it is possible that a conflict may arise between their duties as a director, officer, promoter or member of the Company's management team and their duties as a director, officer, promoter or member of management of such other companies. The Company's directors and officers are aware of the laws establishing the fiduciary duties of directors and officers including the requirement that directors disclose conflicts of interest and abstain from voting on any matter where there is a conflict of interest. The Company will rely upon these laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors or officers.

Surface Rights

The Company does not own all of the surface rights at its properties and there is no assurance that surface rights owned by the government will be granted, nor that they will be on reasonable terms if granted. Failure to acquire surface rights may impact the Company's ability to access its properties, as well as its ability to commence and/or complete construction or production, any of which would have a material adverse effect on the profitability of the Company's future operations.

Uninsured Risks

The Company's business is subject to a number of risks and hazards including adverse environmental effects and technical difficulties due to unusual or unexpected geologic formations. Such risks could result in personal injury, environmental damage, damage to and destruction of the facilities, delays in exploration and development and liability. For some of these risks, the Company maintains insurance to protect against these losses at levels consistent with industry practice. However, the Company may not be able to maintain current levels of insurance, particularly if there is a significant increase in the cost of premiums. Insurance against environmental risks is generally expensive and may not continue to be available for the Company and other companies in the industry. The Company's current policies may not cover all losses. The Company's existing policies may not be sufficient to cover all liabilities arising under environmental law or relating to hazardous substances. Moreover, in the event that the Company is unable to fully pay for the cost of remedying an environmental problem, the Company might be required to suspend or significantly curtail its activities or enter into other interim compliance measures.