ZincX Resources Corp.

MANAGEMENT DISCUSSION AND ANALYSIS

For the years ended June 30, 2020 and 2019

1.1 Date

This Management Discussion and Analysis ("MD&A") of ZincX Resources Corp. (the "Company" or "ZincX") has been prepared by management as of October 26, 2020 and should be read in conjunction with the consolidated audited financial statements and related notes thereto of the Company for the years ended June 30, 2020 and 2019, which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and International Financial Reporting Interpretations Committee ("IFRIC").

The Company is presently a Tier 1 venture issuer on the TSX Venture Exchange ("TSX-V"). Effective May 7, 2018, the Company changed its name from Canada Zinc Metals Corp. to ZincX Resources Corp. and commenced trading its shares on the TSX Venture Exchange ("TSX-V") under the new name and symbol ZNX.

This MD&A may contain "forward-looking statements" which reflect the Company's current expectations regarding the future results of operations, performance and achievements of the issuer, including potential business or mineral property acquisitions and negotiation and closing of future financings. The issuer has tried, wherever possible, to identify these forward-looking statements by, among other things, using words such as "anticipate," "believe," "estimate," "expect" and similar expressions.

These forward-looking statements include statements regarding the success of exploration activities, permitting timelines, the requirements of future capital, drill results and the estimation of mineral resources and reserves. These statements involve known and unknown risks, uncertainties and other factors including but not limited to changes in commodity prices and, particularly, zinc prices, access to skilled personnel, results of exploration and development activities, uninsured risks, regulatory changes, defects in title, availability of materials and equipment, timeliness of government approvals, actual performance of facilities, equipment and processes relative to specifications and expectations and unanticipated environmental impacts on operations that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements contained into this report should not be unduly relied upon. The statements reflect the current beliefs of the management of the Company and are based on currently available information. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this report. Readers should not place undue reliance on forward-looking statements as the plans, intentions or expectations upon which they are based might not occur.

1.2 Overall Performance

The Company was incorporated under the laws of the Province of British Columbia on February 10, 1988. The Company operates in one business segment, that being the exploration and development of mineral properties in Canada. As at the date hereof, the Company has mining interests in properties located in British Columbia.

Significant events and operating highlights for the year ended June 30, 2020 and up to the date of these MD&A:

Exploration Programs

The Company operates in one business segment, that being the exploration and development of mineral properties in British Columbia, Canada.

The Company's flagship Akie Project is host to the Cardiac Creek deposit. The Company holds a 100% interest in the Akie Property, which is located approximately 260 kilometers north-northwest of the town of Mackenzie in northeastern

British Columbia.

The Akie zinc-lead-silver property is situated within the Kechika Trough, the southernmost extension of the regionally extensive Paleozoic Selwyn Basin, one of the most prolific sedimentary basins in the world for the occurrence of sedimentary exhalative (SEDEX) zinc-lead-silver deposits and stratiform barite deposits. Drilling on the Akie property by the Company since 2005 has identified a significant body of barite rich zinc-lead-silver SEDEX mineralization known as the Cardiac Creek deposit. The deposit is hosted by siliceous, carbonaceous, fine-grained clastic rocks of the Middle to Late Devonian Gunsteel Formation.

The Company updated the estimate of mineral resources at Cardiac Creek in early 2018, which is presented below:

ESTIMATE OF MINERAL RESOURCES – CARDIAC CREEK DEPOSIT

5% zinc cut-off grade					Contained metal		
Category	**Tonnes (million)**	**Zn (%)**	**Pb (%)**	**Ag (g/t)**	**Zn (B lbs)**	**Pb (B lbs)**	**Ag (M oz)**
Indicated	22.7	8.32	1.61	14.1	4.162	0.804	10.3
Inferred	7.5	7.04	1.24	12.0	1.169	0.205	2.9

Note: Mineral resources are not mineral reserves because the economic viability has not been demonstrated.

The updated mineral resource estimate was prepared by Robert Sim, P.Geo with the assistance of Bruce Davis, FAusIMM. Mr. Sim is an independent Qualified Person within the meaning of NI 43-101 for the purposes of mineral resource estimates and was responsible for the 2008 maiden resource and the 2012 and the 2016 updated mineral resource estimates.

The updated mineral resource estimate and the results of a Preliminary Economic Assessment (“PEA”) for the Cardiac Creek deposit were filed in a report entitled "*NI 43-101 Technical Report Akie Project British Columbia, Canada*" with an effective date of June 20, 2018 and report date of August 1, 2018. The report can be found under the Company’s profile at www.sedar.com and on the Company’s website, www.zincxresources.com.

The Kechika Regional Project consists of 11 properties including the Mt. Alcock, Bear & Spa, Pie, Yuen, and Cirque East properties that extend northwest from the Akie property for approximately 140 kilometres along the strike of the highly prospective Gunsteel Formation shale. The Gunsteel Formation shale is the main host rock for known SEDEX zinc-lead-silver deposits in the Kechika Trough of northeastern British Columbia.

The Pie, Yuen, Cirque East properties (known as the “Pie Properties”) are the subject of a joint venture arrangement with Teck Resources Limited (“Teck”) and its JV partner, Korea Zinc Co., Ltd. ("Korea Zinc") to jointly explore the Pie Properties on a 49%-51% joint venture basis, with Teck acting as the operator. Teck and Korea Zinc acquired 51% interest in the Pie Properties by incurring cumulative aggregate exploration expenditures of $3,500,000 to December 31, 2017.

Overall performance

2020 Exploration Program

2020 Akie Drilling Program

On the 25th of June 2020 the Company announced that it had revised the 2020 plan for exploration on the Akie Property. Because of the risk of potential COVID impact on the exploration program, the Company and strategic partner Tongling Non-Ferrous Metals of China (Tongling) have agreed to defer the planned, 3-hole, drill and metallurgical testing program until the 2021 exploration season.

The planned 2021 drill program would have consisted of three holes totalling approximately 2,000 metres of drilling with a primary objective of acquiring mineralised drill core sample material for advanced metallurgical testing. The holes will target specific areas of the deposit to provide sample material representative of the deposit across its strike and width. This material will be used to further investigate the metallurgical response of the mineralisation with a focus on enhancing the recoveries for both zinc and lead into high-grade concentrates, using state-of-the-art metallurgical testing facility at Tongling's laboratories in China. Representative intervals from the 2020 drill program will be selected from the 3 drill holes. Individual drill hole composites will be generated using half of the diamond drill core. Hanging wall and footwall dilution will be included in each composite in order to simulate mined material. From these individual composites a global composite will be constructed. The other half of the drill core will be submitted for conventional assay as per standard procedure for Akie drilling.

As plans develop for the 2021 exploration season, the Company will continue its ongoing geological interpretation of the Akie Property and continue to develop and enhance the Cardiac Creek deposit model. This work will generate additional expansion targets both along strike and at depth of the deposit as well as evaluate other new and key target areas across the Akie property; including the NW Extension, North Lead Zone, the recently discovered extensive Ag-rich Sitka Zone and the historical South Zinc Anomaly.

2020 Field Exploration Program

On July 30, 2020, the Company announced that due to concerns regarding access constraints and logistical limitations imposed on contractors and the local communities as a result of the Covid-19 pandemic it decided to defer the 2020 field exploration program at the Akie property. The Company's will focus on preparation for the Akie drill program in 2021. The Company continues to be in regular dialogue with strategic partner, Tongling, about the successful execution of next years' drilling program.

The planned field exploration program would have involved the continued evaluation of the Sitka Zone located along the eastern edges of the Akie property. Infill soil sampling was planned in order to fully define the extensive open-ended 1,400 metre long Sitka Ag soil anomaly and continued resampling of the 2018 Sitka drill core would have expanded upon the known extent of this anomaly at depth. The soil sampling program was to be conducted in conjunction with detailed structural mapping on important structural targets identified during the geo-structural interpretation using satellite imagery by Murphy Geological Sciences in 2017. A focus was placed on the highly prospective area from the Cardiac Creek deposit extending 4 kilometres to the northwest to the North Lead Anomaly where drilling has encountered extensive mineralisation at depth. Other areas of interest on key regional properties such as Mt. Alcock and Yuen North were also considered.

Kechika Trough Target Generation

Another core objective of the Company has been to unlock and maximise the value of its extensive Kechika Trough tenure holdings which stretch 140 strike-kilometres north of the Akie property.

The Company previously completed a massive digital compilation program incorporating data from 35 years of mineral exploration conducted in the Kechika Trough. The digital information was captured at property to regional scales; and includes drilling, geological, geochemical and geophysical data. The historical data has been merged with the Company's recent exploration data to form a comprehensive digital record. The ability to access, display, layer, and analyze multiple datasets at both the property and regional scales, using modern GIS software such as ArcMap and QGIS, is a tremendous tool to increase the chances of exploration success that was unavailable to historical workers. Currently, the database exceeds 155 GB in size and includes over 1,250 rock samples,1,775 silt samples, 24,000 soil samples, and 13,875 meters of drilling. Collectively this work represents in excess of $7.3 million dollars in historical exploration expenditures.

The Company has focused primarily on its flagship Akie property but has completed targeted exploration on several of the Kechika Regional properties, including geological mapping, geochemical sampling, and a detailed, high-resolution airborne Versatile Time Domain Electromagnetic (VTEM) geophysical survey. In 2015 airborne gravity gradiometry (AGG) was completed on the Yuen North and Mt. Alcock properties. A complete high-resolution satellite geo-structural analysis of the Kechika Trough across all the Company's mineral tenure was completed in 2017 and 2018. This analysis has greatly aided the knowledge and understanding of the architectural framework of the Kechika Trough; and the structural repetition of the key Gunsteel Formation.

Recently the Company completed a district wide reinterpretation of the geology incorporating both historical and recent geological mapping efforts combined with the high-resolution satellite imagery. This dataset coupled with the geophysical and imagery datasets will form the basis of the ongoing geological modelling and detailed analysis that has now commenced using the integrated database to interpret, model and ultimately prioritize areas of interest for further exploration. Work will continue to synthesize and evaluate the historical data in the context of modern geological, geo-structural and airborne surveys to aid in the definition of new exploration targets. Exploration planning is underway for targeted follow-up mapping, sampling and drill testing of targets.

Permitting

The Company has been advised by the Ministry of Energy, Mines and Petroleum Resources that the four Kechika regional drill permits on the Pie, Yuen, Mt. Alcock, and Kechika North properties have been renewed for an additional 5-year period, until November 28, 2025. Drilling on these properties had previously been permitted with a renewal occurring in December 2015, extending the expiry date until December 31st 2019.

These drill permits cover high-priority drill-ready targets on the largest tenure holdings within the Kechika Trough and will allow additional drill testing to take place at a measured pace as new anomalies are identified and confirmed as drill targets.

2019 Exploration Program

2019 Akie drilling program

The 2019 exploration program was designed to achieve several key objectives including: additional close spaced drill intersections within the current resource model, extend the high-grade core of the Cardiac Creek deposit, and collect geotechnical and structural data. To achieve these objectives, the Company completed 4 HQ diameter diamond drill holes totaling 2,347 metres. A brief summary of the 2019 drill program is provided below.

All four drill holes targeted the high-grade core of the Cardiac Creek deposit with the intent of expanding the known boundaries. Drill holes **A-19-150** and **A-19-151** both targeted the southeast boundary of the core, drill hole **A-19-153** targeted the central area of the core, and **A-191-54** targeted the up-dip boundary of the core. All four targets successfully achieved pierce points in their respective areas, intersecting mineralisation characteristic of the high-grade core. Mineralisation consisted of extensive thickly bedded, planar laminated sulphide beds with an increasing proportion of sphalerite and galena mineralisation present towards the base of the zone. The presence of “mottled” textured sulphide beds within the mineralisation is indicative of higher-grade Zn and Pb mineralisation. Drill holes A-19-151 and A-19-153 intersected the Footwall Zone and thin lenses of massive sulphide. All four holes were terminated within the debris flows of the Paul River formation or the calcareous siltstones of the Road River Group.

The 2019 drill program returned some impressive results characteristic of the high-grade core. Hole **A-19-153** returned an excellent intercept of 30.14 metres (true width) grading 13.78% Zn+Pb, and 19.7g/t Ag that includes a high-grade core interval of 22.99% Zn+Pb, and 30.1g/ Ag over a true width of 9.44 metres. Hole **A-19-154** returned 8.30% Zn+Pb and 13.3 g/t Ag over a true width of 19.50 metres including 10.25% Zn+Pb and 15.4 g/t Ag over a true width of 11.97 metres. Along the southeast edge of the high-grade core **A-19-151** returned 16.37 metres (true width) grading 9.77% Zn+Pb and 15.5 g/t Ag. Higher-grade intervals are present including 10.74% Zn+Pb and 16.74 g/t Ag over a true width of 14.24 metres. Significant results from the 2019 drill holes are tabulated below.

Geotechnical and structural data was collected from all the 2019 drill holes above, throughout and below the Cardiac Creek Zone. Importantly drill hole A-19-154 was collared from the footwall side of the deposit which allowed for the collection of key geotechnical and structural data within a large section of the calcareous siltstones of the Road River Group. The data collected would be directly applicable to any future engineering studies or design as related to the proposed underground program.

Drill Hole	From (m)	To (m)	True Width (m)*	Zn (%)	Pb (%)	Ag (g/t)[ł]	Zn+Pb (%)
A-19-150	480.75	537.14	38.18	6.14	1.15	10.8	7.29
CCZ	490.89	537.14	31.38	7.20	1.38	12.4	8.58
including	**502.31**	**537.14**	**23.68**	**8.40**	**1.64**	**14.0**	**10.04**
including	**502.31**	**518.45**	**10.94**	**10.85**	**2.23**	**16.9**	**13.08**
A-19-151	560.00	608.80	30.85	4.91	0.98	9.7	5.89
CCZ	568.42	594.40	16.37	8.10	1.67	15.5	9.77
including	**571.15**	**593.75**	**14.24**	**8.88**	**1.86**	**16.7**	**10.74**
including	**575.75**	**591.50**	**9.91**	**9.09**	**1.98**	**17.9**	**11.07**
FW	603.30	608.80	3.51	2.70	0.45	5.0	3.15
A-19-153	443.00	532.50	50.71	7.93	1.44	14.2	9.37
CCZ	**454.00**	**507.25**	**30.14**	**11.47**	**2.32**	**19.7**	**13.78**
including	**466.78**	**507.25**	**22.93**	**14.29**	**2.95**	**24.1**	**17.24**
including	**480.75**	**506.59**	**14.65**	**16.20**	**3.39**	**27.0**	**19.59**
including	**490.00**	**506.59**	**9.41**	**19.22**	**3.77**	**30.1**	**22.99**
FW	518.82	532.50	7.81	6.56	0.25	11.8	6.81
A-19-154	349.03	425.67	24.32	5.78	1.10	11.3	6.88
CCZ	349.03	410.50	19.50	6.96	1.34	13.3	8.30
including	**353.19**	**390.91**	**11.97**	**8.56**	**1.69**	**15.4**	**10.25**
including	**353.19**	**377.71**	**7.78**	**10.55**	**2.06**	**18.5**	**12.61**

(*) The true width in metres is calculated utilising the Geovia GEMS software package. The orientation of the mineralised horizon is estimated to have an azimuth of 130 degrees and a dip of -70 degrees. (CCZ) = Cardiac Creek Zone; (HW) = Hangingwall Zone; (FW) = Footwall Zone; (MS) = Massive Sulphide. (ǂ) Ag values below detection were given a value half of the detection limit for the purposes of weighted averaging. Hole A-19-152 was abandoned due to excessive deviation and restarted as hole A-19-153.

On November 14, 2019, the Company received a new permit approving a geotechnical drill program on the Akie Project designed to provide critical site-specific engineering data to confirm site selection for mine infrastructure including the mill, powerplant/maintenance, camp, and tailings sites identified in the Company's 2018 independent Preliminary Economic Assessment ("PEA") report on the Cardiac Creek deposit. The drilling will collect lithological and soil data, hydraulic and conductivity data and provide samples for laboratory testing of material and strength characteristics and water quality samples to support ongoing baseline environmental programs. This program could be completed over a 6 to 8 week period at the start of an exploration season and would run parallel with the Company's ongoing exploration drilling programs on the Cardiac Creek deposit. The new permit is valid until November of 2022.

Exploration Objectives

Akie Project:

- Continue definition drilling to expand the known extent of the Cardiac Creek deposit; update the current geological and resource models to NI 43-101 standards with all new drill results. Continue to examine trade-off studies to enhance the PEA including additional metallurgical lab testing and targeted geotechnical data acquisition to improve understanding of mine design parameters used in the PEA.
- Continue to evaluate outlying coincident geological/geophysical/geochemical targets for drill target definition.
- Continue to refine the design and costs of the planned underground exploration program. The underground exploration permit remains in good standing until December 2020. The underground exploration program was conceived in order to allow tightly spaced infill drilling from an underground decline in order to upgrade the current mineral resource to the Indicated and Measured levels of confidence. This would provide sufficient data for a pre-feasibility level of economic assessment of the ore body to be completed and investigate future viability of bulk sampling and mining. The Company is currently working on a new and updated underground permit application to extend the duration date of the existing permit to 2025.
- Continue environmental baseline sampling as required to maintain all related exploration permits in good standing.

Kechika Regional Project:

- Continue regional synthesis of all historical and modern exploration data to assist with gap analysis and drill target definition.
- Continue to evaluate high priority greenfield targets.
- Continue to refine target selection to identify drill targets.

Kechika Regional Project (Pie Option Properties):

- Continue to work closely with Teck to review and advise on plans for ongoing exploration on the properties.
- The next planned phase of exploration on the optioned properties is expected to include continued drill testing of the highest priority targets.

Summary of exploration expenditures incurred on various properties:

		Akie Property		Kechika Regional		Total
Acquisition Costs:						
Balance, June 30, 2019 and 2020	$	24,165,241	$	192,768	**$**	**24,358,009**
Deferred exploration costs:						
Balance, June 30, 2018	$	44,355,601	$	4,354,446	**$**	**48,710,047**
Camp equipment, depreciation		68,032		–		68,032
Drilling		1,362,020		–		1,362,020
Geology		112,836		–		112,836
Geophysics		–		13,579		13,579
Preliminary Economic Assessment		29,524		–		29,524
Community consultations		151,562		–		151,562
Environmental studies and permit compliance		42,939		–		42,939
Balance, June 30, 2019		46,122,514		4,368,025		**50,490,539**
Camp equipment, depreciation		59,868		–		59,868
Drilling		761,950		–		761,950
Geology		108,948		–		108,948
Community consultations		151,848		–		151,848
Environmental studies and permit compliance		43,723		–		43,723
METC recoverable		(197,861)		–		(197,861)
Balance, June 30, 2020	$	47,050,990	$	4,368,025	**$**	**51,419,015**
Total, June 30, 2019	**$**	**70,287,755**	**$**	**4,560,793**	**$**	**74,848,548**
Total, June 30, 2020	**$**	**71,216,231**	**$**	**4,560,793**	**$**	**75,777,024**

1.3 Selected Annual Information

The following is a summary of certain financial information concerning the Company for each of the last three most recently completed financial years.

	Years ended June 30,					
		2020		2019		2018
Interest and other income	$	68,444	$	96,282	$	124,177
Net Loss	$	(1,200,542)	$	(1,655,602)	$	(1,818,983)
Loss per share	$	(0.01)	$	(0.01)	$	(0.01)
Total assets	$	79,027,238	$	78,840,827	$	79,105,414
Total long-term liabilities	$	1,834,184	$	1,608,000	$	1,613,000
Cash dividends declared per share for each class of share	$	Nil	$	Nil	$	Nil

1.4 Results of Operations

Years ended June 30, 2020 and 2019

During the year ended June 30, 2020, the Company reported a net loss of $1,200,542 or $0.01 per share compared to a loss before a comprehensive loss of $1,655,602 or $0.01 per share in fiscal 2019, a decrease in net loss of $455,060. The decrease in net loss was primarily a result of decreases in general and administrative expenses by $657,136 and in impairment allowance of $128,466 on the loan receivable, offset by a decrease in interest income by $42,619, and a decrease in a deferred income tax recovery of $309,729.

The Company's consolidated net loss for the year ended June 30, 2020 not factoring in non-cash transactions of share-based compensation expense, depreciation of office equipment, accrued flow-through taxes, impairment allowance on the loan, gain on sale of marketable securities, adjustment for change in fair value of marketable securities and deferred income tax recovery of flow-through liabilities, was $914,115 (2019 - $1,644,099), representing a decrease of $729,984.

<u>Interest income and other items</u>

Income reported for the year ended June 30, 2020 included interest income earned on the Company's cash deposits and short-term GIC investments of $50,771 (2019 - $93,390), interest free benefit on the Company's CEBA loan of $9,329 (2019 - $Nil), and administration fees of $8,344 (2019 - $2,892) earned for the use of the Company's Akie camp facilities and helicopter services by another exploration company during the 2019 summer drilling program. The Company also recognized an accounting loss on adjustment for change in fair value of marketable securities of $8,250 (2019 - $15,275). There were no sales of marketable securities in fiscal 2020.

The impairment allowance of $Nil (2019 - $128,466) was recognized against the amount of the loan receivable outstanding from August 2017 including the principal amount of $Nil (2019 - $100,000) and accrued interest of $Nil (2019 - $28,466), based on management's assessment of the credit risk on the loan. There were no additional interest accrued on the loan during the year ended June 30, 2020 due to high probability of the debtor's default.

The deferred tax recovery of $46,445 (2019 - $356,174) recognized during the year primarily resulted from amortization of the flow-through premium liabilities of $241,445 (2019 - $351,174) recorded in connection with the flow-through private placements.

<u>General and administration expenses</u>

The following expense categories contributed to the decrease in operating expenses by $657,137 in fiscal 2020:

- Payment of bonuses in the amount $Nil (2019 - $30,256) to a company with common directors and officers (please see section Transactions with Related Parties below);
- Consulting fees decreased by $135,480 as a result of reduced financial advisory services retained during the year;
- Director's fees decreased by $20,000 as there were no fees paid to the directors of the Company during the fiscal year 2020;
- Management fees decreased by $58,000 due to a reduction in management fees starting March 2020 (*see 1.9 Transactions with Related Parties*);
- Marketing and public relations fees decreased by $246,872 as there were no marketing campaigns or roadshows conducted during the current fiscal year;
- Office and miscellaneous expenses decreased by $9,934 due the Company's cost savings initiative;
- Professional fees decreased by $7,485 due to less corporate legal services retained during the year, and a

decrease in audit fees;

- Regulatory and transfer agent fees decreased by $20,554 as the Company did not renew its NCIB application or apply to change its stock option plan;
- Travel and promotion decreased by $88,289 primarily due to a decrease in travel expenses by $73,615. The Company incurred higher travel expenses in the summer of 2018 in connection to management's and investors' site visits to the Company's Akie camp during the exploration season. There were no similar expenses during the 2019/2020 exploration season; and
- Wages and benefits decreased by $60,847 as a result of reduced salaries of its staff.

There were no changes in administrative fees during the comparative years.

Rent expense reported for the year ended June 30, 2020 decreased by $88,815 as a result of adoption of IFRS 16 "Leases" policies effective July 1, 2019. The Company has a corporate office sublease arrangement, which was previously reported as an operating lease. As a result of the adoption of IFRS 16, rent expenses of $90,000 related to the office sublease were replaced by the depreciation of the right-of-use asset ("ROU") of $83,592 and interest expense on lease liability of $8,159 (2019 - $Nil). Actual lease payments remained the same as last year. Please also see section New Accounting Policy below and Notes 2 and 9 of the June 30, 2020 consolidated financial statements on the adoption of IFRS 16.

The Company has elected not to recognize right-of-use assets and lease liabilities for its short-term leases that have a lease term of 12 months or less and leases of low-value assets. Consequently, the rent payments of $7,717 (2019 - $6,532) associated with the lease of the external storage facility were classified as operating rent expenses and charged directly to the statement of loss and comprehensive loss.

Three months ended June 30, 2020 and 2019

During the three months ended June 30, 2020, the Company reported a net loss of $448,775 or $0.00 per share compared to a loss of $198,073 or $0.00 per share during the same quarter in fiscal 2019, an increase in net loss of $250,702. The increase in net loss was primarily a result of the deferred tax expense of $195,000.

During the three months ended June 30, 2020, total general and administration expenses were $281,987 compared to $342,787 during the same quarter in fiscal 2019, representing a decrease of $60,800.

The decrease in total general and administration expenses in the comparative quarters was primarily due to decreases in consulting fee of $2,926, flow-through taxes of $ 9,689, management fees of $43,500, professional fees of $1,248, regulatory and transfer agent fees of $16,485, travel and promotion of $16,447, and wages and benefits of $11,987. The rent expense of $22,500 was replaced by depreciation of the right-of-use asset of $20,898 due to adoption of IFRS 16.

There were no significant variations in other operating expenses over the comparative quarters.

1.5 Summary of Quarterly Results

The following is a summary of certain consolidated financial information concerning the Company for each of the last eight reported quarters:

Quarter ended	Interest and other income	Net and comprehensive loss	Loss per share
June 30, 2020	$ 21,513	$ (448,775)	$ (0.00)
March 31, 2020	8,922	(456,716)	(0.00)
December 31, 2019	11,249	(298,717)	(0.00)
September 30, 2019	26,760	3,666	(0.00)
June 30, 2019	21,411	(198,073)	(0.00)
March 31, 2019	24,158	(303,841)	(0.00)
December 31, 2018	24,219	(436,736)	(0.00)
September 30, 2018	26,494	(716,952)	(0.01)

The increase in loss for the quarter ended March 31, 2020 was due to share-based compensation expense of $193,343 recorded for 2,585,000 shares options granted to directors, officers, and consultants of the Company during the period.

The income reported for the quarter ended September 30, 2019 was a result of a deferred income tax recovery of $240,359 as a result of amortization of the flow through premium liabilities recorded in connection with the 2018 flow through private placements, and $8,344 of other income earned for the use of the Company's Akie camp facilities and helicopter services by another exploration company during the 2019 summer drilling program, as well as reduction in corporate advisory consulting fees, marketing, travelling, and promotional expenses.

The lower loss reported for the quarter ended June 30, 2019 was a result of a deferred income tax recovery of $123,721 as a result of amortization of the flow-through premium liabilities recorded in connection with the 2018 flow-through private placements, as well as reduction in corporate advisory consulting fees, marketing expenses and travel and promotional expenses.

The increase in loss for the quarter ended December 31, 2018 was due to a marketing event that occurred in October 2018 which resulted in $112,877 of marketing expenses.

The increase in loss for the quarter ended September 30, 2018 was due to share-based compensation of $210,598 recorded for the 1,100,000 share options granted during the period, higher marketing expenses of $134,360, corporate advisory consulting of $130,643, travel and promotion expenses of $65,771 and impairment loss allowance of $120,986 recognized on the outstanding loan receivable based on the assessment of credit loss.

1.6/1.7 Liquidity and Capital Resources

The Company's working capital position remains strong with its cash of $208,938 (2019 – 802,671) and GIC investments of $2,428,043 (2019 - 2,524,460) as at June 30, 2020. Management believes that the Company has sufficient funds to meet its current obligations as they become due and to fund its exploration projects and administrative overhead for the next twelve months.

At June 30, 2020, the Company reported working capital of $1,180,382 compared to $2,737,151 at June 30, 2019, representing a decrease in working capital of $1,556,769. The decrease in working capital was a result of general operating activities and exploration expenditures incurred during the year.

Net cash decreased by $593,733 from $802,671 at June 30, 2019 to $208,938 at June 30, 2020.

During the year ended June 30, 2020, the Company utilized its cash and cash equivalents as follows:

(a) the Company received $458,940 of its cash in operating activities compared to using $1,722,457 in fiscal 2019;
(b) exploration expenditures during the year were $1,248,100 compared to $1,633,645 in fiscal 2019;
(c) the Company received a METC refund of $197,861 (2019 - $Nil) with accumulated interest of $3,569 during the year for exploration expenditures incurred above the expenditures renounced to flow-through subscribers;
(d) $33,091 (2019 - $2,375) was used for the purchase of camp fixtures and office furniture;
(e) the Company redeemed $91,767 (2019 - $1,496,233) of its GIC investments and received an aggregate interest of $41,876 (2019 - $41,329) on the redemption or maturity of its GICs;
(f) $152,500 (2019 - $1,391,790) in gross proceeds was raised through a private placement, all of which committed to flow-through agreements with investors. $7,625 (2019 - $74,109) in share issuance costs was paid in connection with the private placement;
(g) there were no stock options exercised during the current fiscal year as compared to 142,500 stock options exercised by employees and consultants of the Company in fiscal 2019 for total gross proceeds of $36,025;
(h) there were no share purchase warrants exercised during the current fiscal year as compared to 220,000 share purchase warrants exercised in fiscal 2019 for total gross proceeds of $121,000; and
(i) the Company received $1,398,686 advance from a related party for the Akie Property's 2020 drill program

The Company's current assets excluding cash consisted of the following:

	June 30, 2020	June 30, 2019
Government Sales Tax credits	$ 8,348	$ 32,155
Interest accrued on reclamation deposits	315	634
Prepaid expenses	35,670	60,641
Marketable securities at fair value	33,625	41,875
GIC investments	2,428,043	2,524,460

As at June 30, 2020, the Company held a few GIC investments with the principal amounts of $2,412,000 (2019 - $2,500,000) and accrued interest of $16,043 (2019 - $24,460). The GIC investments yield fixed interest rates of 1.7% – 2.38% (2019 - 2%-2.4%) and are fully redeemable.

Current liabilities as at June 30, 2020 consisted of the following:

- trade payables and accrued liabilities of $67,299 (2019 - $483,840), which mainly consisted of trade payables and accrued liabilities and were paid subsequent to June 30, 2020;
- current portion of lease liability of $36,580 (2019 - $Nil) recognized on the adoption of IFRS 16;
- due to related parties of $1,400,686 consisting of an advance of $1,398,686 received from Tongling, a significant shareholder of the Company, for the Akie Property's drill program and $2,000 in consulting fees owed to a company owned by a director of the Company; and
- flow-through premium liability of $29,992 (2019 - $241,445) recorded in connection with the December 2019 flow-through private placements. The flow-through premium liability does not represent cash liability to the Company and will be fully amortized by December 2020 after the Company incurs qualifying flow-through exploration expenditures of $152,500 (2019 - $1,391,790).

In early June 2020 and October 2019, the Company received a BC METC refund of $21,450 and $176,411 for exploration expenditures incurred in fiscal 2019 and 2018 above the expenditures renounced to flow-through subscribers. The amount of the 2019 and 2018 BC METC claim was not included in the statements of the financial position of the Company as at June 30, 2019 pending a review and approval by the tax authorities.

The other sources of funds potentially available to the Company are through the exercise of outstanding stock options. See Item 1.15 – Other Requirements – Summary of Outstanding Share Data. There can be no assurance, whatsoever, that any or all these outstanding exercisable securities will be exercised.

The Company has and may continue to have capital requirements in excess of its currently available resources. In the event the Company's plans change, its assumptions change or prove inaccurate, or its capital resources in addition to projected cash flow, if any, prove to be insufficient to fund its future operations, the Company may be required to seek additional financing. Although the Company has been successful in raising the above funds, there can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future.

The Company's overall success will be affected by its current or future business activities. The Company is currently in the process of acquiring and exploring its interests in resource properties and has not yet determined whether these properties contain mineral deposits that are economically recoverable. The continued operations of the Company and the recoverability of expenditures incurred in these resource properties are dependent upon the existence of economically recoverable reserves, securing and maintaining title and beneficial interest in the properties, obtaining necessary financing to explore and develop the properties, and upon future profitable production or proceeds from disposition of the resource properties.

The Company is exposed in varying degrees to a variety of financial instrument related risks.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its bank deposits of $208,938 (2019 - $802,671) and short-term investments in GICs of $2,428,043 (2019 - $2,524,460). This risk is managed by using major Canadian banks that are high credit quality financial institutions as determined by rating agencies.

The Company's secondary exposure to credit risk is on its receivables. This risk is minimal as receivables consist primarily of refundable government sales taxes and interest accrued on GIC investments. Recoverable explorations costs recorded as other receivables were collected to the period ended June 30, 2020.

The Company is exposed to higher credit risk on its loan receivable with the amortized balance of $Nil (2019 - $128,466) as at June 30, 2020. The loan is issued under an unsecured promissory note and has been outstanding for more than 40 months since its original maturity date on February 25, 2017. Based on the assessment of the credit risk on the loan, the Company recognized an impairment loss allowance on this amount in fiscal 2019.

Liquidity Risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash and cash equivalents. As at June 30, 2020, the Company was holding combined cash and GIC deposits of $2,636,981 (2019 – $3,327,131 to settle its current liabilities of $1,534,557 (2019 - $725,285). Management believes it has sufficient funds to meet its current obligations as they become due and to fund its exploration projects and administrative costs.

Market risk
Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant and the Company, has exposure to these risks.

Interest Rate Risk
The Company is exposed to interest rate risk as its bank treasury account and other assets earn interest income at variable rates. The Company is not exposed to significant interest rate risk.

Currency Risk
The Company operates in Canada and is therefore not exposed to significant foreign exchange risk arising from transactions denominated in a foreign currency.

Price risk
The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors certain commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

The Company also maintains investments in certain marketable securities. There can be no assurance that the Company can exit these positions if required, resulting in proceeds approximating the carrying value of these securities.

1.8 Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet arrangements.

1.9 Transactions with Related Parties

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. Key management personnel comprise of the directors of the Company, executive and non-executive, and Vice President of Exploration.

The remuneration of the key management personnel during the years ended June 30, 2020 and 2019 were as follows:

		2020		2019
Bonuses (iii)	$	–	$	30,256
Consulting fees (iv)		11,500		15,000
Directors fees (ii)		–		20,000
Exploration and evaluation expenditures (geological consulting) (v)		151,200		153,760
Management fees (i)		296,000		354,000
Share-based compensation		150,711		–
Other employment benefits (vi)		26,314		30,625
Total	$	635,725	$	603,641

Transactions with key management and other related party transactions:

(i) Pursuant to a management and administrative services agreement amended effective July 1, 2011 and May 1, 2014 with Varshney Capital Corp. ("VCC"), a company with two common directors, the Company agreed to pay monthly management and administrative fees of $29,500 and $5,000, respectively. Effective March 1, 2020, the management fees were reduced to $15,000 per month.
During the year ended June 30, 2019, the Company paid $296,000 (2019 – $354,000) for management fees and $60,000 (2019 – $60,000) for administrative fees to VCC;

(ii) the Company paid $Nil (2019 - $20,000) in directors' fees to four directors of the Company;

(iii) the Company paid bonuses of $Nil (2019 - $30,256) to VCC;

(iv) the Company paid $11,500 (2019 - $15,000) for consulting fees to a company controlled by a director;

(v) the Company paid or accrued exploration and evaluation costs of $151,200 (2019 - $153,760) for geological consulting fees to a company owned by the VP of Exploration of the Company, of which $137,256 (2019 - $137,860) was capitalized as exploration and evaluation costs and $13,944 (2019 - $15,900) was expensed as consulting fees;

(vi) other employment benefits included life insurance and health benefits for the CEO and health benefits for the CFO of the Company;

(vii) the Company owed $2,000 (2019 - $Nil) in consulting fees to Sircon AG, a company controlled by a director of the Company; and

(viii) the Company received an advance of $1,399,686 from a significant shareholder, Tongling Non-Ferrous Metals ("Tongling"), to fund a drill program on the Akie Property. The advance will be repaid in common shares of the Company to Tongling valued at a minimum of $0.30 per share, subject to TSX-V approval.

1.10 Fourth Quarter

During the fourth quarter ended June 30, 2020, the Company accrued $40,000 for the fiscal 2020 year-end audit.

1.11 Proposed Transactions

The Company does not have any proposed transactions as at June 30, 2020 other than as disclosed elsewhere in this document.

1.12 Critical Accounting Estimates

Not applicable to venture issuers.

1.13 Changes in Accounting Policies including Initial Adoption

The financial information presented in this MD&A has been prepared in accordance with International Financial Reporting Standards. Our significant accounting policies are set out in Note 2 of the audited consolidated financial statements of the Company for the year ended June 30, 2020.

New standards and interpretations

Certain accounting standards or amendments to existing IFRS standards were effective as of June 1, 2019 and have been adopted by the Company. There was no impact on the financial statements as a result of the adoption of these standards, amendments and interpretations.

New accounting policy: IFRS 16 – Leases ("IFRS 16")

On July 1, 2019, the Company adopted IFRS 16 using the modified retrospective approach. The modified retrospective approach does not require restatement of prior period financial information, which continues to be reported under IAS 17, Leases.

Under IFRS 16, the Company is required to assess whether a contract is, or contains, a lease at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company evaluates whether the contract involves the use of an identified asset, whether the Company has the right to obtain substantially all of the economic benefits from use of the asset during the term of the arrangement, and if the Company has the right to direct the use of the asset.

As a lessee, the Company recognizes a right-of-use asset, and a lease liability at the commencement date of a lease. The right-of-use asset is initially measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, less any lease incentives received. The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. In addition, the right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

A lease liability is initially measured at the present value of the lease payments that are unpaid at the commencement date, discounted by the interest rate implicit in the lease, or if that rate cannot be readily determined, the incremental borrowing rate of the Company. Lease payments included in the measurement of the lease liability include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be payable under a residual value guarantee, and the exercise price of purchase options if the Company is reasonably certain to exercise that option.

The lease liability is subsequently measured at amortized cost using the effective interest method. It is re-measured when there is a modification, change in the lease term, change in the fixed lease payments or a change in the assessment to purchase the underlying asset.

Effect of Adopting IFRS 16

On July 1, 2019, the Company adopted IFRS 16 and recognized a lease liability of $118,422 in relation to its office sublease, which had previously been classified as an operating lease under the principles of IAS 17.

The associated right-of-use asset has been measured at the amount equal to the lease liability on July 1, 2019. The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term on a straight line basis.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are charged directly to profit or loss over the lease term and classified as rent expenses.

1.14 Financial Instruments and Other Instruments

The Company's financial instruments as at June 30, 2020 were as follows:

	Fair Value through Profit or Loss	Amortized Cost
Financial assets		
Cash	$ 208,938	$ –
Receivables	–	315
Marketable securities	33,625	–
Investment	2,428,043	–
Financial liabilities		
Trade payables	–	67,299
Due to related parties	–	1,400,686
Government loan	–	31,184
	$ 2,670,606	$ 1,499,484

Unless otherwise disclosed their carrying values approximate their fair values due to the short term nature of these instruments.

Please also see section 1.13 Changes in Accounting Policies including Initial Adoption of the MD&A and Note 2 of the audited consolidated financial statements of the Company for the year ended June 30, 2020.

1.15 Other Requirements

Summary of outstanding share data as at October 26, 2020:

(1) Authorized: Unlimited common shares without par value

(2) Issued and outstanding 170,336,041

(3) Stock options 9,610,000

Additional disclosures pertaining to the Company's technical report, management information circulars, material change reports, press releases and other information are available on the SEDAR website at www.sedar.com.

On behalf of the Board of Directors, thank you for your continued support.

"Peeyush Varshney"

Peeyush Varshney
Director