PACTON GOLD INC.
Management Discussion and Analysis
For the Three Months Ended February 28, 2021

FORWARD-LOOKING INFORMATION AND MATERIAL ASSUMPTIONS

This report on results for the three months ended February 28, 2021 contains forward-looking information, including forward-looking information about Pacton Gold Inc.'s (the "Company" or "Pacton") operations, estimates, and exploration and acquisition spending.

Forward-looking information is generally signified by words such as “forecast”, “projected”, “expect”, “anticipate”, “believe”, “will”, “should” and similar expressions. This forward-looking information is based on assumptions that the Company believes were reasonable at the time such information was prepared, but assurance cannot be given that these assumptions will prove to be correct, and the forward-looking information in this report should not be unduly relied upon. The forward-looking information and the Company's assumptions are subject to uncertainties and risks and are based on a number of assumptions made by the Company, any of which may prove to be incorrect.

GENERAL

This Management Discussion and Analysis (“MD&A”) of the financial condition, results of operations and cash flows of the Company for the three months ended February 28, 2021 and 2020 should be read in conjunction with the audited consolidated financial statements for the years ended November 30, 2020 and 2019, which are presented in Canadian dollars and prepared in accordance with International Financial Reporting Standards (“IFRS”) International Accounting Standard 34 *Interim Financial Reporting*, as issued by the International Accounting Standards Board. The following information is prepared as at April 28, 2021. The Board of Directors of the Company has approved the disclosure contained in this MD&A.

Additional information related to the Company is available on SEDAR at www.sedar.com and on the Company's website at www.pactongold.com.

DESCRIPTION OF BUSINESS

The Company was incorporated pursuant to the British Columbia *Business Corporations Act* on December 15, 2010. On July 17, 2012, the Company's stock was listed on the TSX Venture Exchange ("TSX-V") trading under the symbol "NX". On April 27, 2017, the Company changed its name to Pacton Gold Inc. and began trading under the symbol “PAC”. The Company's shares also trade on the OTC Exchange in the United States under the symbol “PACXF” and on the Frankfurt Stock Exchange under the symbol “2NKN”.

The address of the Company's corporate office and its principal place of business is 1680 – 200 Burrard Street, Vancouver, British Columbia, Canada, V6C 3L6. The Company's registered and records office is 400 – 725 Granville Street, Vancouver, British Columbia, Canada, V7Y 1G5.

The Company is a junior mineral exploration company engaged in the business of acquiring, exploring and evaluating natural resource properties, with a focus on gold.

In early March 2020, there was a global outbreak of coronavirus (COVID-19) that has resulted in changes in global supply and demand of certain mineral and energy products. These changes, including a potential economic downturn and any potential resulting direct and indirect negative impact to the Company cannot be determined, but they could have a prospective material impact to the Company's project exploration activities, cash flows and liquidity.

The Company's corporate offices were closed in March 2020 as a precaution. Safety protocols have been implemented, and the corporate offices have only re-opened in a limited capacity as of the date of this MD&A. The Company continued exploration work at a reduced level beginning in March 2020 and later in 2020 resumed its planned exploration program. The Company is following guidance from Canadian provincial and federal governments and Australian state and federal governments. The Company continues to monitor the situation. To date, the Company has not applied for any assistance related to COVID-19 from the Canadian provincial or federal governments or the Australian state or federal governments.

On June 9, 2020, the Company consolidated it common shares on the basis of one new share for ten old shares. All share and per share amounts have been revised to reflect the consolidation.

EXPLORATION PROJECTS – AUSTRALIA

Pilbara Project

Arrow (Pilbara) Pty. Ltd. ("Arrow Pilbara")

On May 11, 2018, the Company entered into a share purchase and option agreement whereby the Company could earn up to an 80% interest in Arrow Pilbara, an Australian proprietary limited exploration company. Arrow Pilbara holds two granted tenement licenses and two applications for licenses in the Pilbara Region of Western Australia.

Under the terms of the agreement, the Company was required to make cash payments and issue common shares and common share purchase warrants of the Company to acquire a 51% interest in Arrow Pilbara as follows:

- Issue 108,695 common shares (issued and valued at $695,652) and 108,695 common share purchase warrants (issued and valued at $583,761) exercisable into one share at $3.50 for three years and pay $445,995 (paid).

To acquire a further 29% interest in Arrow Pilbara, the Company was required to:

- Pay $250,000 or an equivalent number of common shares based on the five-day trailing volume-weighted average price at the time of issue, subject to a floor price of no lower than $1.90 per common share; and
- Fund exploration expenditures up to a maximum of $500,000.

The vendor retains a right to explore for, mine and extract lithium, caesium and tantalum from the property.

A discovery bonus of $500,000 cash is payable if the Company reports a National Instrument ("NI") 43-101-defined "measured mineral resource" or "inferred mineral resource" of at least 100,000 ounces of gold on the property.

The Company also issued 22,794 common shares valued at $58,125 as a finder's fee on the transaction.

The acquisition of 51% of Arrow Pilbara has been accounted for as an acquisition of assets and liabilities, as Arrow Pilbara does not meet the definition of a business under IFRS 3 *Business Combinations*. The acquisition of the net assets of Arrow Pilbara was recorded at the fair value of the consideration transferred of $1,637,538, as detailed above. The net assets acquired were as follows:

Net Assets Acquired		
Exploration and evaluation assets	$	3,210,860
Non-controlling interest		(1,573,322)
	$	1,637,538

On August 20, 2018, the Company entered into a share purchase agreement to acquire the remaining ownership interest in Arrow Pilbara. Under the terms of the agreement, the Company will acquire the remaining 49% ownership interest in Arrow Pilbara by paying $1,000,000 (paid) and issuing 200,000 common shares (issued and valued at $820,000).

The purchase of the remaining 49% interest was accounted for as follows:

Acquisition of 49% Interest		
Additional consideration paid	$	1,820,000
Elimination of non-controlling interest		(1,573,322)
Loss on acquisition	$	246,678

On January 6, 2020, the Company surrendered two tenement licenses, which resulted in an impairment charge of $636,906 for the year ended November 30, 2019.

On February 16, 2021, the Company sold a 75% interest in the Arrow Pilbara property and the Yandicoogina and Boodalyerrie property. The Company received $500,000 and 129,721,250 common shares of Raiden Resources Limited, a company listed on the Australian Securities Exchange (valued at $2,327,503 based on the trading price on February 19, 2021 and net of their put option value for a six-month hold period). The Company will receive a further $500,000 by February 16, 2022.

The Company retains a 25% carried interest in the Arrow Pilbara property and the Yandicoogina and Boodalyerrie property until the delineation of a mineral resource in accordance with the Joint Ore Reserves Committee 2012 guidelines (or other globally recognized code) of at least 250,000 ounces gold at a minimum grade of one gram per tonne gold across any of the properties. Following that, the parties will be required to enter into a joint venture (or "JV"), under which the Company can contribute proportional to its respective equity interest or dilute.

See "**Events Subsequent to February 28, 2021**".

Drummond East Pty. Ltd. ("Drummond East" or "Impact 5")

On August 15, 2018, the Company entered into a share purchase agreement to acquire a 100% interest in Drummond East, an arm's length Australian exploration company wholly owned by Impact Minerals Ltd. ("Impact"). Drummond East holds seven granted tenement licenses in the Pilbara Region of Western Australia.

Under the terms of the agreement, the Company paid Impact a total of $350,000 and issued 212,500 common shares of the Company to Impact valued at $860,625.

In addition, the Company will pay a bonus to Impact of $500,000 if the Company publishes measured, indicated or inferred gold resources of more than 250,000 ounces on the property. The Company granted Impact a 2% net smelter return royalty ("NSR") in respect of the property. The Company retains an exclusive and unlimited right to purchase back 50% of the NSR from Impact for $500,000.

The Company paid a finder's fee of 29,187 common shares (issued and valued at $145,938).

The acquisition of Drummond East has been accounted for as an acquisition of assets and liabilities, as Drummond East does not meet the definition of a business under IFRS 3. The acquisition of the net assets of Drummond East was recorded at the fair value of the consideration transferred of $1,356,563, as detailed above. The net assets acquired consisted entirely of exploration and evaluation assets.

On January 6, 2020, the Company surrendered three tenement licenses, which resulted in an impairment charge of $629,073 for the year ended November 30, 2019.

At November 30, 2020, the Company decided not to complete expenditure on three additional tenement licenses. An impairment charge of $644,600 has been recorded effective November 30, 2020.

Friendly Creek

On August 11, 2018, the Company entered into a tenement sale agreement to acquire 100% of the Friendly Creek exploration license and mining leases in the Pilbara Region of Western Australia.

Under the terms of the agreement, the Company purchased a 100% interest in Friendly Creek by paying the vendors a total of $25,000 (paid) and issuing to the vendors 250,000 common shares of the Company (issued on March 15, 2019 and valued at $562,500).

Yandicoogina and Boodalyerrie

On September 25, 2018, the Company entered into a tenement sale agreement to acquire 100% of both the Yandicoogina and Boodalyerrie exploration licenses and mining leases from Gardner Mining Pty. Ltd. ("Gardner Mining"), an Australian proprietary limited exploration company.

Under the terms of the agreement, the Company purchased a 100% ownership interest in projects by paying Gardner Mining $25,000 (paid) and issuing to Gardner Mining 300,000 common shares of the Company (issued on March 8, 2019 and valued at $720,000).

On February 16, 2021, the Company sold a 75% interest in Yandicoogina and Boodalyerrie. See **Arrow (Pilbara) Pty. Ltd.** above and "**Events Subsequent to February 28, 2021**".

Golden Palms Project

On November 5, 2018, the Company entered into a tenement sale agreement to acquire the Golden Palms tenement license in Western Australia.

Under the terms of the agreement, Pacton can purchase 100% of the property by paying a total of $100,000 (paid) and issuing 40,000 common shares on completion of the transaction (issued and valued at $40,000).

Hong Kong Project

On November 23, 2018, the Company entered into a tenement sale agreement to acquire a 70% interest in the Hong Kong project from Clancy Exploration Ltd. ("Clancy"), an Australian Securities Exchange-listed exploration company.

Under the terms of the agreement, the Company purchased a 70% interest in the Hong Kong project by paying Clancy $200,000 (paid) and issuing to Clancy 378,061 common shares of the Company (issued and valued at $1,323,215). In addition, the Company issued 30,000 common shares valued at $82,500 as a finder's fee on the project.

Upon completion of the acquisition, the Company and Clancy will enter into a joint venture, with Pacton acting as operator of the Hong Kong project. A minimum of Australian ("AUD") $520,000 must be spent by the Company within two years of completion of the transaction. Clancy will be free carried with respect to expenditures until a decision to mine is made unanimously by both parties.

At November 30, 2020, the Company decided not to complete expenditure on the tenement license. An impairment charge of $1,624,322 has been recorded effective November 30, 2020.

Keras Project

On October 18, 2018, the Company entered into a grant of gold rights agreement to acquire the conglomerate gold rights of Calidus Resources Ltd. ("Calidus") in both the Marble Bar sub basin and the northeast Pilbara sub basin of Western Australia's Pilbara craton.

Under the terms of the agreement, the Company will acquire the gold rights by paying $10,000 (paid) and issuing Calidus or its nominees 700,000 common shares of the Company (issued and valued at $1,925,000) and deferred compensation of 300,000 additional common shares of the Company (issued and valued at $330,000). A minimum of AUD $55,000 must be spent by the Company on each anniversary of the completion of the transaction.

On January 6, 2020, the Company decided not to pursue further exploration on the project. An impairment charge of $2,221,479 has been recorded effective November 30, 2019.

Tardarinna Project

On March 22, 2019, the Company entered into a tenement sale agreement to acquire the Tardarinna tenement license in Western Australia.

Under the terms of the agreement, the Company acquired a 100% interest in the property by issuing 125,000 common shares on completion of the transaction (issued and valued at $281,250).

Sandstorm Royalties

On May 25, 2020, the Company entered into an agreement with Sandstorm Gold Ltd. ("Sandstorm"), whereby the Company granted Sandstorm a 1% NSR on all the tenements owned by Pacton in Australia for $81,819. The tenements covered are part of Arrow Pilbara, Friendly Creek, Yandicoogina and Boodalyerrie, Golden Palms Project, Hong Kong Project and Tardarinna Project above. The Company also assigned its royalty buyback on Drummond East to Sandstorm.

Exploration on the Pilbara Project

In October 2019, geological prospecting and sampling programs were conducted on Pacton's Impact 5 and Boodalyerrie projects, and the southwest (Arrow South) and southeast (Friendly Creek, Hong Kong and Golden Palms) portions of the large Egina area project. Geological mapping and sampling were carried out to establish a geochemical reference dataset on the Impact 5 tenement, located 17 kilometres (or "km") northwest of Novo Resources Corp.'s Beaton's Creek project. The October 2019 exploration at the Egina projects consisted of geological sampling of gravel deposits on the southern Egina tenements and leases, and also on the large Arrow South tenement to establish geochemical datasets for more advanced exploration. At Boodalyerrie, located 120 km southeast of Marble Bar, mapping and vein sampling was undertaken in areas of complex vein stockworking, preliminary to a planned 2020 detailed mapping and sampling program.

An early 2020 exploration program was cancelled due to Western Australian COVID-19 travel and activity restrictions.

In October 2020, a two-team mapping and 500-sample gravel and regolith program was completed. The program objective was to conduct reconnaissance surveys on the northern part of the North Arrow project to identify structural and geochemical extensions of layered orogenic gold deposits that occur along the southwestern terminus of the Wohler Shear Zone. Several deposits of this type are now recognized, including the De Grey's recently discovered HEMI deposit.

EXPLORATION PROJECTS – CANADA

<u>Red Lake Project</u>

On May 23, 2017, the Company entered into an option agreement to earn a 100% interest in 14 mineral claims in the Red Lake Mining District, located in Ontario. Under the terms of the agreement, the Company was required to make cash payments and issue common shares of the Company as follows:

- Issue 30,000 common shares of the Company (issued and valued at $42,000) and pay $16,000 (paid) within five days of approval by the TSX-V, which was received on May 26, 2017;
- Pay $12,000 on or before May 26, 2018 (paid);
- Pay $16,000 on or before May 26, 2019 (paid); and
- Pay $26,000 on or before May 26, 2020 (paid).

The claims are subject to an underlying 2% NSR.

On May 23, 2017, and as amended November 23, 2017, June 14, 2018 and May 22, 2019, the Company entered into an additional option agreement to earn a 100% interest in 30 additional mineral claims in the Red Lake Mining District, located in Ontario. Under the terms of the agreement, the Company was required to make cash payments and issue common shares of the Company as follows:

- Issue 250,000 common shares of the Company (issued and valued at $350,000) within five days of approval by the TSX-V, which was received on May 26, 2017;
- Pay $20,000 on or before June 30, 2018 (paid);
- Pay $80,000 on or before January 31, 2019 (paid); and
- Pay $150,000 on or before June 30, 2019 (paid).

The vendors retain a 2.5% NSR, of which two-fifths (1%) can be repurchased by the Company for $1,500,000. On October 25, 2018, one of the vendors became a director of the Company.

On November 1, 2018, the Company entered into an option agreement to earn a 100% interest in 12 mineral claims in the Red Lake Mining District, located in Ontario. Under the terms of the agreement, the Company was required to make cash payments and issue common shares of the Company as follows:

- Pay $15,000 on or before November 6, 2018 (paid);
- Pay $15,000 (paid) and issue 10,000 common shares of the Company (issued and valued at $25,500) within five days of approval by the TSX-V, which was received November 19, 2018;
- Pay $40,000 (paid) and issue 7,500 common shares of the Company on or before November 19, 2019 (issued and valued at $7,875); and
- Pay $40,000 (paid) and issue 7,500 common shares of the Company on or before November 19, 2020 (issued and valued at $7,425).

The vendors retain a NSR that ranges from 0.25% to 2.25%, of which one-half can be repurchased by the Company for $250,000.

On January 29, 2019, the Company entered into an agreement to acquire a 100% interest in additional mineral claims in the Red Lake Mining District, located in Ontario. The Company issued 19,231 common shares on February 6, 2019 valued at $48,077. The claims are subject to a NSR ranging from 0.25% to 2.25%, of which a portion can be repurchased by the Company for $250,000.

On February 12, 2019, the Company entered into an agreement to acquire a 100% interest in additional mineral claims in the Red Lake Mining District, located in Ontario. The Company paid $15,000 and on February 28, 2019 issued 7,500 common shares valued at $19,125. The claims are subject to a 2% NSR, of which one-half can be repurchased by the Company for $200,000.

On February 20, 2019, the Company entered into an option agreement to acquire a 100% interest in additional mineral claims in the Red Lake Mining District, located in Ontario. Under the terms of the agreement, the Company must make cash payments and issue common shares of the Company as follows:

- Pay up to $30,000 on behalf of the vendor for exploration expenditures (paid);
- Issue 12,500 common shares of the Company within five days of approval by the TSX-V, which was received March 5, 2019 (issued and valued at $31,250);
- Pay $50,000 (paid) and issue 10,000 common shares of the Company on or before March 5, 2020 (issued and valued at $8,500); and
- Pay $50,000 (paid) and issue 12,500 common shares of the Company on or before March 5, 2021 (issued subsequent to February 28, 2021 and valued at $9,750).

The claims are subject to a 0.25% to 1.75% NSR, of which a portion can be repurchased by the Company at a rate of $250,000 for each 0.25% portion that is repurchased.

On March 13, 2019, the Company entered into an option agreement to acquire a 100% interest in additional mineral claims in the Red Lake Mining District, located in Ontario. Under the terms of the agreement, the Company must make cash payments and issue common shares of the Company as follows:

- Pay up to $40,000 on behalf of the vendor for exploration expenditures (paid);
- Issue 10,000 common shares of the Company within five days of approval by the TSX-V, which was received March 21, 2019 (issued and valued at $23,000);
- Pay $50,000 (paid) and issue 10,000 common shares of the Company on or before March 21, 2020 (issued and valued at $6,000); and
- Pay $50,000 (paid subsequent to February 28, 2021) and issue 12,500 common shares of the Company on or before March 21, 2021 (issued subsequent to February 28, 2021 and valued at $10,875).

The claims are subject to a 2.5% NSR, of which one-half can be repurchased by the Company for $2,000,000.

On April 23, 2019, the Company entered into an option agreement to acquire a 100% interest in additional mineral claims in the Red Lake Mining District, located in Ontario. Under the terms of the agreement, the Company was required to make cash payments and issue common shares of the Company as follows:

- Pay $30,000 (paid) and issue 10,000 common shares of the Company (issued and valued at $16,500) within five days of approval by the TSX-V, which was received on May 6, 2019;

- Pay $30,000 (paid) and issue 15,000 common shares of the Company on or before May 6, 2020 (issued and valued at $11,250); and
- Pay $30,000 (paid) on or before May 6, 2021.

On July 23, 2019, the Company entered into two agreements to acquire 100% interests in additional mineral claims in the Red Lake Mining District, located in Ontario. Under the terms of each agreement, the Company must make a cash payment of $100,000 and issue 40,000 common shares of the Company upon approval by the TSX-V. A total of $200,000 was paid and 80,000 common shares were issued and valued at $140,000.

On October 22, 2019, the Company entered into an option agreement to acquire a 100% interest in additional mineral claims in the Red Lake Mining District, located in Ontario. Under the terms of the agreement, the Company must make cash payments and issue common shares of the Company as follows:

- Pay $35,000 (paid) and issue 15,000 common shares of the Company within five days of approval by the TSX-V, which was received November 6, 2019 (issued and valued at $16,500);
- Pay $22,500 (paid) and issue 15,000 common shares of the Company on or before November 6, 2020 (issued and valued at $14,850);
- Pay $22,500 and issue 15,000 common shares of the Company on or before November 6, 2021;
- Pay $22,500 and issue 15,000 common shares of the Company on or before November 6, 2022; and
- Pay $22,500 and issue 15,000 common shares of the Company on or before November 6, 2023.

The claims are subject to a 0.25% to 2.25% NSR, of which one-half may be repurchased by the Company for $1,000,000.

On April 1, 2020, the Company accepted a purchase agreement with TomaGold Corporation ("TomaGold"), whereby the Company will acquire all of TomaGold's interest, being 39.5%, in a joint venture it currently holds with Evolution Mining and Newmont Corporation (formerly GoldCorp Inc. when TomaGold entered into the joint venture) on the Sidace Property, located in the Red Lake Mining District in Ontario.

Under the terms of the agreement, the Company must pay and issue the following to TomaGold:

- Upon final acceptance of the transaction by the TSX-V, pay $250,000 (paid) and issue 1,000,000 common shares (issued and valued at $750,000);
- Within six months of TSX-V acceptance, pay $250,000 (paid) and issue $800,000 worth of common shares at a price per share equal to the greater of $1.60 and the five-day volume weighted average price of the Company's shares immediately preceding the date of issuance (issued 500,000 shares); and
- Upon the Company filing a NI 43-101 technical report on the property showing a gold resource estimate of 750,000 ounces or greater of gold, issue 416,666 common shares or pay $500,000.

On April 23, 2020, the Company entered into an option agreement to acquire a 100% interest in additional mineral claims in the Red Lake Mining District, located in Ontario. Under the terms of the agreement, the Company must make cash payments and issue common shares of the Company as follows:

- Pay $15,000 (paid) and issue 25,000 common shares of the Company on or before April 30, 2020 (issued and valued at $20,000);
- Pay $15,000 (paid) and issue 15,000 common shares (issued and valued at $13,950) of the Company on or before April 30, 2021; and
- Pay $25,000 (paid) and issue 15,000 common shares (issued and valued at $13,950) of the Company on or before April 30, 2022.

The claims are subject to a 1.5% NSR, of which one-half may be repurchased by the Company for $500,000.

On April 24, 2020, the Company entered into an option agreement to acquire a 100% interest in additional mineral claims in the Red Lake Mining District, located in Ontario. Under the terms of the agreement, the Company must make cash payments and issue common shares of the Company as follows:

- Pay $6,000 (paid) and issue 10,000 common shares of the Company on or before April 30, 2020 (issued and valued at $8,000);

- Pay $10,000 and issue 10,000 common shares of the Company on or before April 30, 2021 (issued subsequent to February 28, 2021 and valued at $7,900); and
- Pay $20,000 and issue 10,000 common shares of the Company on or before April 30, 2022.

The claims are subject to a 1.5% NSR, of which one-half may be repurchased by the Company for $400,000.

On May 25, 2020, the Company entered into an agreement with Sandstorm, whereby the Company granted Sandstorm a 0.5% to 1% NSR on certain mineral claims owned by the Company in Red Lake, and certain mineral claims in which the Company was currently earning an interest in Red Lake. As of February 28, 2021, the Company has received $136,365 for the mineral claims it owns. Sandstorm has agreed to pay an additional $81,819 once the Company has earned a 100% interest in the remaining Red Lake mineral claims. The Company also assigned its royalty buybacks on all Red Lake agreements to Sandstorm.

On June 24, 2020, the Company announced the commencement of fieldwork for the 2020 exploration program at its Red Lake project in Ontario. Working with AI specialists, Windfall Geotek, Pacton has identified five priority target areas, including the Carricona East target, where recent reconnaissance drilling hit mineralization, including 17.2 g/t Au over 0.5 metres (or "m") at shallow depth (see below). The program will include drilling, as well as regional soil sampling and geophysics.

The first phase of drilling on the Red Lake project was completed, with highlights including a near surface interval of 17.2 g/t Au over 0.5 m at Carricona and the successful delineation of interpreted structure through the MD Corridor South Fault. The first phase of drilling began at Carricona due to the surface showing present and ease of access while the LP extension fault locations required access trails to be established. The interpreted LP extension has been consistently identified in drilling along a 5-kilometre length, marked by intense silicification and quartz vein stockworks with variable amounts of sulphide mineralization. A series of 10 stratigraphic holes were drilled across the interpreted location of the southern LP fault extension. All of the holes encountered a well-developed fault and variable widths of associated alteration, quartz veining and sulphide mineralization with no significant elevated Au values. A further three holes were completed along the northern parallel fault and are awaiting final ICP analysis due to the presence of sphalerite and broad alteration, as pictured below. Phase 2 drilling continues to vector in on potential Au targets within the Madsen-Dixie Fault corridor, building on Phase 1 drilling in combination with further geophysical, ground programs and AI targets, as described above.

On July 23, 2020, the Company announced a new expansion drill program at the Sidace JV project in Red Lake. Pacton (39.5% interest) and JV partner, Evolution Mining (60.5% interest), have approved a $2.44 million exploration program that includes 11,500 m of drilling, together with re-logging and re-sampling historic drill core and geophysics. Both Pacton and Evolution Mining will be contributing to the program budget, and Pacton will run the program as operator.

On September 15, 2020, the Company announced completion of high-resolution airborne magnetic surveys on certain properties within the Company's Red Lake project. Initial survey results have defined multiple prospective areas of folding and faulting, most notably at the Gullrock property (a part of the Red Lake project).

On April 14, 2021, the Company announced completion of its winter drill programs at its Sidace and Red Lake gold projects:

- On the Sidace Property, all three winter drill program phases were completed for a total of 11,575 m in 18 holes. There were strong results from Phase 1. Assays included high-grade and widespread mineralization with significant results. Phases 2 and 3 drilling targeted the extension of Upper Duck and Anderson zones and encountered geology indicative of known mineralized zones for which assays are pending. Following receipt of assays, Pacton will prioritize the next round of drill targets to be tested during the next phase of exploration.
- On the Red Lake Project, the winter drill campaign has been completed for a total of 8,919 m drilled in 24 holes for which assays are pending. Pacton will begin an extensive summer surface exploration campaign, including approximately 8,000 soil samples, prospecting, till sampling, mapping and outcrop stripping. These initiatives will advance the project by enhancing targeting for existing prospects and generating additional drill targets for the next winter drill campaign. Surface crews will mobilize to the project in May 2021. Following receipt of assays, Pacton will complete the evaluation of drill hole geology, together with results from the upcoming summer surface program to refine drill targets for follow up drilling campaign anticipated to begin in fall 2021.

RESULTS OF OPERATIONS

Three Months Ended February 28, 2021

During the three months ended February 28, 2021, the Company reported a net loss of $462,276 (2020 - $679,316). The Company's loss included expenditures as follows:

- Consulting fees of $311,474 (2020 - $348,961) were lower due to a decrease in the use of consultants;
- Management fees of $22,500 (2020 - $22,500) were comparable to the prior period;
- Office and miscellaneous of $55,875 (2020 - $170,522) decreased due to a decrease in travel expenses compared to the prior year quarter;
- Professional fees of $67,405 (2020 - $83,922) were lower due to a decrease in legal fees;
- Rent of $30,000 (2020 - $21,333) increased from the prior period due to an increase in shared office rental rates;
- Shareholder communications and investor relations of $102,203 (2020 - $197,615) were lower in the current period due to a decrease in services being used and a decrease in promotional activities;
- Transfer agent and filing fees of $20,203 (2020 - $29,706) decreased due to less filing fees compared to the prior period;
- Part XII.6 tax of $35,858 (2020 - $16,614) was a result of incurring eligible expenditures later in calendar 2020 for flow-through proceeds renounced under the Look-back Rule in relation to the Company's December 2019 flow-through financing; and
- Other income of $178,764 (2020 - $205,928) decreased compared to the prior period, as a result of a higher flow-through premium on the prior year flow-through expenditures.

SELECTED ANNUAL INFORMATION
($000s, except loss per share)

	November 30, 2020 $	November 30, 2019 $	November 30, 2018 $
Revenue	-	-	-
Net loss	(6,533)	(10,674)	(7,065)
Basic and diluted loss per common share	(0.23)	(0.72)	(0.96)
Total assets	21,788	12,500	9,408
Long-term debt	-	-	-
Dividends	-	-	-

SUMMARY OF QUARTERLY RESULTS
($000s, except earnings per share)

Results for the eight most recently completed quarters are summarized as follows:

For the periods ending	February 28, 2021 $	November 30, 2020 $	August 31, 2020 $	May 31, 2020 $
Revenue	-	-	-	-
Net loss	(462)	(2,886)	(2,448)	(520)
Basic and diluted loss per common share	(0.01)	(0.09)	(0.09)	(0.02)
Total assets	24,509	21,788	24,088	19,173
Non-current financial liabilities	-	-	-	-

For the periods ending	February 29, 2020 $	November 30, 2019 $	August 31, 2019 $	May 31, 2019 $
Revenue	-	-	-	-
Net loss	(679)	(7,379)	(2,054)	(644)
Basic and diluted loss per common share	(0.03)	(0.41)	(0.16)	(0.05)
Total assets	16,998	12,500	19,770	15,040
Non-current financial liabilities	-	-	-	-

LIQUIDITY AND CAPITAL RESOURCES

The Company had cash of $3,760,248 and working capital of $5,918,600 at February 28, 2021, compared to $2,721,339 of cash and $1,908,492 of working capital at November 30, 2020.

The Company's accounts payable and accrued liabilities at February 28, 2021 were $617,016 (November 30, 2020 - $1,029,424).

The Company has taken the following measures to address working capital concerns during the 2020 and 2021 fiscal periods, and as of the date of this MD&A:

- On December 23, 2019 and January 17, 2020, the Company closed a private placement in two tranches. The Company issued 1,322,732 units at a price of $1.20 per unit for gross proceeds of $1,587,280. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to acquire one common share at a price of $1.80 for a period of two years from the date of issuance. The Company also issued 3,173,758 flow-through common shares at a price of $1.30 per share for gross proceeds of $4,125,886.
- On June 24, 2020 and July 9, 2020, the Company closed a private placement in two tranches. The Company issued 2,773,000 common shares at a price of $0.70 per share and 2,856,226 common shares at a price of $0.70 per share for gross proceeds of $3,940,458. The Company also issued 1,300,000 flow-through common shares at a price of $0.77 per share and 2,122,000 flow-through common shares at a price of $0.79 for gross proceeds of $2,677,380.
- On December 16, 2020, the Company completed a private placement for gross proceeds of $3,637,000. The Company issued 1,807,778 units at a price of $0.90 per unit for gross proceeds of $1,627,000. Each unit consisted of one common share of the Company and one share purchase warrant. Each warrant entitles the holder to acquire one common share of the Company at an exercise price of $1.25 for a period of two years. The Company also issued 2,010,000 flow-through common shares at a price of $1 per share for gross proceeds of $2,010,000.
- On February 16, 2021, the Company sold a 75% interest in the Arrow Pilbara property and the Yandicoogina and Boodalyerrie property. The Company received $500,000 and 129,721,250 common shares of Raiden Resources Limited, a company listed on the Australian Securities Exchange (valued at $2,327,503 based on the trading price on February 19, 2021 and net of their put option value for a six-month hold period). The Company will receive a further $500,000 by February 16, 2022.

The Company will need to obtain additional financing for working capital purposes and to continue exploration on its exploration and evaluation assets for the 2021 fiscal year.

At February 28, 2021, the Company had a remaining commitment to incur exploration expenditures of $nil (November 30, 2020 - $297,143), $344,347 (November 30, 2020 - $1,676,380) and $2,010,000 (November 30, 2020 - $nil) in relation to its June 2020, July 2020 and December 2020 flow-through share financings, respectively.

EVENTS SUBSEQUENT TO FEBRUARY 28, 2021

On March 1, 2021, the Company issued 50,000 common shares valued at $9,750 for the Red Lake Project.

On March 3, 2021, the Company entered into amendment agreement to acquire one additional mineral claim for the Red Lake Project through its April 24, 2020 option agreement. As consideration, the Company paid $500 and issued 30,000 common shares valued at $22,500.

On March 19, 2021, the Company paid $50,000 and issued 50,000 common shares valued at $10,875 for the Red Lake Project.

On March 29, 2021, the Company issued 100,000 common shares valued at $79,000 as a finder's fee for the sale of a 75% interest in the Arrow Pilbara property and the Yandicoogina and Boodalyerrie property.

On April 27, 2021, the Company issued 10,000 common shares valued at $7,900 for the Red Lake Project.

Subsequent to February 28, 2021, the Company entered into an agreement to sell its remaining 25% interest in the Arrow Pilbara property and the Yandicoogina and Boodalyerrie property. The Company will receive AUD $200,000 and common shares of Raiden valued at AUD $1,000,000 based on the volume weighted average price of Raiden's common shares over 20 consecutive trading days from execution of the agreement. Raiden may elect for the common shares issued to be subject to a six-month hold period. Also included in the sale is certain equipment owned by the Company. As of April 28, 2021, the agreement had not been completed.

TRANSACTIONS WITH RELATED PARTIES

These amounts of key management compensation are included in the amounts shown on the condensed consolidated interim statements of comprehensive loss and were incurred in the normal course of operations:

	Three Months Ended February 28, 2021	Three Months Ended February 29, 2020
Short-term compensation	$ 244,500	$ 148,500

Short-term compensation was paid or accrued as follows:
- $60,000 (2020 - $nil) in consulting fees to a private company controlled by the interim CEO;
- $22,500 (2020 - $22,500) in management fees to a private company controlled by the previous interim CEO;
- $27,000 (2020 - $26,000) in professional fees to a private company in which the CFO is a director;
- $45,000 (2020 - $45,000) in exploration and evaluation assets to a director;
- $60,000 (2020 - $55,000) in exploration and evaluation assets to a director; and
- $30,000 (2020 - $nil) in exploration and evaluation assets to a director;

Transactions with related parties are included in the amounts shown on the condensed consolidated interim statements of comprehensive loss:

	Three Months Ended February 28, 2021	Three Months Ended February 29, 2020
Related company with a common officer (rent)	$ 24,000	$ 15,000
Related company controlled by officer and director (consulting fees and office and miscellaneous)	$ 34,500	$ -

As at February 28, 2021, the Company has outstanding amounts payable to officers and directors of the Company of $12,950 (November 30, 2020 - $75,382) for outstanding fees and expenses and $1,135 (November 30, 2020 - $1,102) receivable from a company with a common officer for shared expenses. The amounts payable are non-interest-bearing, uncollateralized and repayable on demand.

COMMITMENTS

See **Liquidity and Capital Resources** for the Company's flow-through share expenditure commitments.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

FINANCIAL INSTRUMENTS

Financial instruments are agreements between two parties that result in promises to pay or receive cash or equity instruments. The Company classifies its financial instruments as follows: cash and cash equivalents and marketable securities, as fair value through profit or loss; receivables, as amortized cost; and accounts payable and accrued liabilities, as amortized cost. The carrying values of these instruments approximate their fair values due to their short term to maturity.

The following table sets forth the Company's financial assets measured at fair value by level within the fair value hierarchy:

February 28, 2021	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 3,760,248	$ -	$ -	$ 3,760,248
Marketable securities	2,303,100	-	-	2,303,100
	$ 6,063,348	$ -	$ -	$ 6,063,348

November 30, 2020	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 2,721,339	$ -	$ -	$ 2,721,339

The Company has exposure to the following risks from its use of financial instruments:
- Credit risk;
- Liquidity risk; and
- Market risk.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company manages credit risk, in respect of cash, by placing it at major Canadian financial institutions. Included in receivables is $507,156 (November 30, 2020 - $271,753) owing from the Canada Revenue Agency and the Australian Taxation Office. The Company has minimal credit risk.

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's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The contractual financial liabilities of the Company as of February 28, 2021 equal $617,016 (November 30, 2020 - $1,029,424). All of the liabilities presented as accounts payable and accrued liabilities are due within 30 days of February 28, 2021.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimizing the return on capital.

i) *Currency risk* – Currency risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company has operations in Canada and Australia and incurs operating and exploration expenditures in both currencies. The fluctuation of the Canadian dollar in relation to the AUD will have an impact upon the results of the Company. The Company does not hold substantial funds in a foreign currency, and only a small amount of its accounts payable and accrued liabilities is denominated in AUD. A fluctuation in the exchanges rates between the Canadian and Australian dollars of 10% would result in a $5,200 change in the Company's cash, $1,000 change in accounts payable and accrued liabilities and $569,500 change in other comprehensive income (loss). The Company does not use any techniques to mitigate currency risk.

ii) Interest rate risk – Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Interest earned on cash is at nominal interest rates, and therefore, the Company does not consider interest rate risk to be significant. The Company has no interest-bearing financial liabilities.

iii) Other price risk – Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk. The Company is exposed price risk on its marketable securities.

Capital management

The Company considers its capital to be comprised of shareholders' equity.

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

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

Management reviews the capital structure on a regular basis to ensure that the above objectives are met. There have been no changes to the Company's approach to capital management during the three months ended February 28, 2021. The Company is not subject to externally imposed capital requirements.

RISKS AND UNCERTAINTIES

The Company, and the securities of the Company, should be considered a highly speculative investment. The following risk factors should be given special consideration when evaluating an investment in any of the Company's securities.

There are a number of outstanding securities and agreements pursuant to which common shares of the Company may be issued in the future. This will result in further dilution to the Company's shareholders.

The Company has a very limited history of operations, is in the early stage of development, and has received no revenues other than insignificant interest revenues following its transition to a mineral exploration and development company. As such, the Company is subject to many risks common to such enterprises. There can be no assurance that the Company will be able to obtain adequate financing in the future or, if available, that the terms of such financing will be favourable. The Company does not anticipate paying any dividends in the near future.

Although the Company has taken steps to verify the title to mineral properties in which it has acquired an interest, no assurance whatsoever can be given that the Company's interests may not be challenged by third parties. If challenged, and if the challenge is sustained, it will have an adverse effect on the business of the Company. Title to mineral properties may be subject to unregistered prior agreements or transfers and may also be affected by undetected defects or the rights of indigenous peoples.

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the mineral properties, the potential for production on the properties may be diminished or negated.

The exploration of mineral properties involves significant risks, which even experience, knowledge and careful evaluation may not be able to avoid. The price of metals has fluctuated widely, particularly in recent years, as it is affected by numerous factors that are beyond the Company's control, including international economic and political trends, expectations of inflation or deflation, currency exchange fluctuations, interest rate fluctuations, global or regional consumptive patterns, speculative activities and increased production due to new extraction methods. The effect of these factors on the price of metals, and therefore, the economic viability of the Company's interests in the mineral properties cannot be accurately predicted. Furthermore, changing conditions in the financial markets, and Canadian income tax legislation may have a direct impact on the Company's ability to raise funds for exploration expenditures. A drop in the availability of equity financings will likely impede spending. As a result of all these significant risks, it is quite possible that the Company may lose its investments in the Company's mineral property interests.

CRITICAL ACCOUNTING ESTIMATES

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income (loss) in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the consolidated financial statements within the next fiscal year are included in note 5 of the condensed consolidated interim financial statements.

FUTURE ACCOUNTING STANDARDS

For details of the Company's future accounting standards, including accounting standards not yet adopted and accounting standards amended but not yet effective, please refer to note 4 of the Company's consolidated financial statements.

DISCLOSURE OVER INTERNAL CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

There have been no significant changes to the Company's internal control environment during the three months ended February 28, 2021 that would have materially affected the Company's internal controls over financial reporting.

OUTSTANDING SHARE INFORMATION

	April 28, 2021	February 28, 2021	November 30, 2020
Common shares	37,585,797	37,420,797	33,573,019
Warrants	5,624,265	5,624,265	3,816,487
Agent warrants	321,526	321,526	279,526
Stock options	3,259,500	3,259,500	3,259,500
Fully diluted shares	46,791,088	46,626,088	40,928,532