

FORM 5

QUARTERLY LISTING STATEMENT

Name of Listed Issuer: VALOREM RESOURCES INC. (the “Issuer”).

Trading Symbol: VALU

This Quarterly Listing Statement must be posted on or before the day on which the Issuer’s unaudited interim financial statements are to be filed under the *Securities Act*, or, if no interim statements are required to be filed for the quarter, within 60 days of the end of the Issuer’s first, second and third fiscal quarters. This statement is not intended to replace the Issuer’s obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the Exchange Policies. If material information became known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the Exchange website.

General Instructions

- (a) Prepare this Quarterly Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.
- (b) The term “Issuer” includes the Listed Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

There are three schedules which must be attached to this report as follows:

SCHEDULE A: FINANCIAL STATEMENTS

Financial statements are required as follows:

For the first, second and third financial quarters interim financial statements prepared in accordance with the requirements under Ontario securities law must be attached.

If the Issuer is exempt from filing certain interim financial statements, give the date of the exempting order.

Third Quarter (nine-month period) ended January 31, 2021

Unaudited condensed interim financial statements of the Issuer for the nine-month period ended January 31, 2021, as filed with securities regulatory authorities, are attached to this Form 5 - Quarterly Listing Statement as Appendix A.

SCHEDULE B: SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in Schedule A.

1. Related party transactions

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

- (a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.
- (b) A description of the transaction(s), including those for which no amount has been recorded.
- (c) The recorded amount of the transactions classified by financial statement category.
- (d) The amounts due to or from Related Persons and the terms and conditions relating thereto.
- (e) Contractual obligations with Related Persons, separate from other contractual obligations.
- (f) Contingencies involving Related Persons, separate from other contingencies.

With respect to related party transactions for information supplementary to that contained in the notes to the unaudited condensed consolidated interim financial statements, which are attached hereto, please refer to Management's Discussion & Analysis for the nine-month period ended January 31, 2021, as filed with securities regulatory authorities and attached to this Form 5 - Quarterly Listing Statement as Appendix B.

2. Summary of securities issued and options granted during the period.

Provide the following information for the period beginning on the date of the last Listing Statement (Form 2A):

As of April 30, 2020, the Issuer had 45,614,715 shares issued and outstanding.

(a) summary of securities issued during the period,

The following securities were issued during the period of November 1, 2020 to January 31, 2021:

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid
November 9, 2020	Common shares	Issued pursuant to November 4, 2020 Debt Settlement Agreement	300,000	\$0.13	N/A	Shares for Debt Settlement	Arm's length to the Issuer	None
January 5, 2021	Common shares	Issued pursuant to the option agreement to acquire the Wings Shear Property	937,500	\$0.17	N/A	1 st Payment due on Wings Shear Property	Arm's length to the Issuer	\$4,500 cash
January 5, 2021	Common shares	Finder's shares issued for Wing Shear Property	450,000	\$0.165	N/A	Finder's shares issued for Wing Shear Property	Arm's length to the Issuer	None
January 28, 2021	Units	Private Placement of Units – each unit was comprised of one Common share and one common share purchase warrant	8,889,998	\$0.10	\$888,999.80	Cash	Arm's length to the Issuer	None

- (b) summary of options granted during the period,

Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant
There were no options granted during the period of November 1, 2020 to January 31, 2021.						

3. Summary of securities as at the end of the reporting period.

Provide the following information in tabular format as at the end of the reporting period:

- (a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,

As at January 31, 2021, the authorized capital of the Issuer consisted of an unlimited number of voting common shares without par value, and without any special rights or restrictions, of which 59,842,213 common shares were issued and outstanding.

The holders of common shares are entitled to receive notice of and to attend all meetings of the shareholders of the Issuer and are entitled to one vote in respect of each common share held at such meetings. Subject to the rights, if any at the time, of shareholders holding shares with special rights as to dividends (none of which are authorized or outstanding at the date of this Quarterly Listing Statement), holders of common shares of the Issuer are entitled to dividends as and when declared by the directors. Subject to the rights of holders of any shares ranking in priority to or on a parity with the common shares, the holders of common shares are entitled to participate ratably in any distribution of property or assets upon the liquidation, winding-up or other dissolution of the Issuer.

- (b) number and recorded value for shares issued and outstanding,

Date	Share Class	Number of Shares	Recorded value of shares
As at January 31, 2021	Common	59,842,213	\$2,377,831

- (c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and

Options: As at January 31, 2021, the Issuer had no options outstanding.

Warrants: As at January 31, 2021, the following warrants were outstanding entitling holders to purchase common shares in the capital of the Issuer as summarized below:

Date of Issue	Number of Warrants	Exercise Price	Expiry Date	Recorded Value
September 4, 2020	1,650,000	\$0.15	September 4, 2021	\$Nil
September 4, 2020	101,500	\$0.15	September 4, 2021	\$6,816
September 4, 2020	52,500	\$0.15	September 4, 2022	\$3,526
January 28, 2021	8,889,998	\$0.13	January 28, 2022	\$Nil
October 25, 2019	835,000	\$0.40	October 25, 2024	\$Nil
TOTAL	11,528,998			

Convertible Securities: As at January 31, 2021, the Issuer had no convertible securities outstanding.

- (d) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

As at January 31, 2021, the Issuer did not have not have any shares subject to an escrow or pooling agreement.

4. **List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.**

Name of Director/Officer	Position with Issuer
Tony Louie	Director and interim Chief Executive Officer
Derick Sinclair	Director and Chief Financial Officer

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

Provide Interim MD&A if required by applicable securities legislation.

Management's Discussion & Analysis for the nine-month period ended January 31, 2021, as filed with securities regulatory authorities, is attached to this Form 5 - Quarterly Listing Statement as Appendix B.

Certificate of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated: April 1, 2021.

Derick Sinclair

Name of Director or Senior Officer

"Derick Sinclair"

Signature

Chief Financial Officer

Official Capacity

Issuer Details Name of Issuer	For Quarter Ended	Date of Report YY/MM/D
Valorem Resources Inc.	January 31, 2021	2021/04/01
Issuer Address 789 West Pender Street, Suite 810		
City/Province/Postal Code	Issuer Fax No.	Issuer Telephone No.
Vancouver, BC V6C 1H2	(604) 687-3141	(604) 687-2038
Contact Name	Contact Position	Contact Telephone No.
Tony Louie	Director	(604) 608-5442
Contact Email Address tlouie@valoremresources.com	Web Site Address www.valoremresources.com	

APPENDIX A

VALOREM RESOURCES INC.

Unaudited condensed interim financial statements
for the nine-month period ended January 31, 2021

VALOREM RESOURCES INC.
(formerly JDF Explorations Inc.)
CONDENSED INTERIM FINANCIAL STATEMENTS
For the Nine Months ended January 31, 2021 and 2020
(Expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection, 4.3 (3)(a), if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of Valorem Resources Inc. (“the Company”) have been prepared by and are the responsibility of the Company’s management. The unaudited condensed interim financial statements are prepared in accordance with International Financial Reporting Standards and reflect management’s best estimate and judgements based on information currently available.

The Company’s independent auditor has not performed a review of these condensed interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review on interim financial statements by an entity’s auditor.

VALOREM RESOURCES INC.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)

	Notes	January 31, 2021	April 30, 2020 (Audited)
ASSETS			
CURRENT ASSETS			
Cash		\$ 87,380	\$ 4,712
Share subscriptions receivable	5	21,688	21,688
Other receivables		51,473	18,961
Prepaid expenses	3	648,500	4,877
		809,041	50,238
LONG TERM ASSETS			
Exploration and evaluation assets	4,5,7,11	450,818	-
TOTAL ASSETS		\$ 1,259,859	\$ 50,238
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	6,7	\$ 170,431	\$ 26,823
Related party liabilities	6	330,423	150,073
TOTAL LIABILITIES		500,854	176,896
SHAREHOLDERS' EQUITY			
Share capital	5	2,377,831	792,736
Contributed surplus	5	274,656	264,314
Accumulated deficit		(1,893,482)	(1,183,708)
		759,005	126,658
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 1,259,859	\$ 50,238

Subsequent events – Note 11

Approved on behalf of the Board of Directors on March 31, 2021:

"Tony Louie"

Director

"Derick Sinclair"

Director

VALOREM RESOURCES INC.
CONDENSED INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)

	Note	For the three month period ended January 31, 2021	For the three month period ended January 31, 2020	For the nine month period ended January 31, 2021	For the nine month period ended January 31, 2020
Expenses					
Consulting fees		\$ 150,009	\$ 127,163	\$ 258,001	\$ 165,908
Insurance		4,179	2,149	7,655	5,948
Office and miscellaneous (recovery)		192	335	(222)	941
Professional fees		34,500	20,760	81,500	76,446
Promotion		162,864	54,289	333,981	54,289
Property expenses	4	14,350	1,605	15,679	2,936
Transfer agent fees		2,432	3,348	14,801	12,548
Travel and promotion		-	(90)	-	2,561
Website		-	1,350	4,379	7,567
Loss before other item		\$ (368,526)	\$ (210,909)	\$ (715,774)	\$ (329,144)
Gain on settlement of debt		6,000	-	6,000	-
Net loss and comprehensive loss for the period		\$ (362,526)	\$ (210,909)	\$ (709,774)	\$ (329,144)
Basic and diluted loss per share for the period		(0.01)	(0.00)	(0.01)	(0.01)
Weighted average number of common shares outstanding		50,217,378	45,337,541	47,923,934	44,057,246

The accompanying notes are an integral part of these condensed interim financial statements.

VALOREM RESOURCES INC.
CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
NINE MONTH PERIOD ENDED JANUARY 31, 2021
(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)

	Share Capital		Contributed surplus	Accumulated deficit	Total
	Number of shares	Amount			
Balance at April 30, 2019	42,813,049	\$ 421,736	\$ 264,314	\$ (656,151)	\$ 29,899
Share issued for cash	2,501,666	300,500	-	-	300,500
Share issue costs	-	(15,000)	-	-	(15,000)
Shares issued for exploration and evaluation assets	300,000	85,500	-	-	85,500
Net loss for the period	-	-	-	(329,144)	(329,144)
Balance at January 31, 2020	45,614,715	\$ 792,736	\$ 264,314	\$ (985,295)	\$ 71,755
Balance at April 30, 2020	45,614,715	\$ 792,736	\$ 264,314	\$ (1,183,708)	\$ (126,658)
Share issued for cash	12,189,998	1,219,000	-	-	1,219,000
Share issue costs	-	(26,093)	10,342	-	(15,751)
Shares returned to treasury	(150,000)	-	-	-	-
Shares issued for exploration and evaluation assets	1,437,500	278,938	-	-	278,938
Shares issued for finder's fee on exploration and evaluation asset	450,000	74,250	-	-	74,250
Shares issued for debt	300,000	39,000	-	-	39,000
Net loss for the period	-	-	-	(709,774)	(709,774)
Balance at January 31, 2021	59,842,213	\$ 2,377,831	\$ 274,656	\$ (1,893,482)	\$ 759,005

The accompanying notes are an integral part of these condensed interim financial statements.

VALOREM RESOURCES INC.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
NINE MONTH PERIOD ENDED JANUARY 31, 2021
(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)

	Nine month period ended January 31, 2020	Nine month period ended January 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	\$ (709,774)	\$ (329,144)
Item not affecting cash:		
Gain on settlement of debt	(6,000)	-
Net changes in non-cash working capital accounts		
Increase in other receivables	(32,512)	(41,746)
Increase in prepaid expenses	(643,623)	(39,079)
Increase in accounts payable and accrued liabilities	125,977	30,425
Increase in related party liabilities	180,350	-
Net cash used in operating activities	(1,085,582)	(379,544)
CASH FLOWS FROM FINANCING ACTIVITIES		
Shares issued for cash	1,219,000	371,000
Share issue costs	(15,750)	-
Proceeds from loan payable	-	83,573
Net cash provided by financing activities	1,203,250	454,573
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation costs	(35,000)	(110,500)
Net cash used in investment activities	(35,000)	(110,500)
Increase in cash during the period	82,668	(35,471)
Cash, beginning of the period	4,712	38,809
Cash, end of the period	\$ 87,380	\$ 3,338

Note 7 – Supplemental disclosures with respect to cash flows.

Valorem Resources Inc.

Notes to the Condensed Interim Financial Statements

For the Nine months ended January 31, 2021 and 2020

(Expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Valorem Resources Inc (formerly JDF Explorations Inc.) (“VALU” or the “Company”) is an exploration stage junior mining company engaged in the identification, acquisition, evaluation and exploration of gold, precious metals, and base metal properties. VALU was incorporated on May 9, 2014. On September 14, 2020, the Company changed its name from JDF Explorations Inc. to Valorem Resources Inc. Trading of the Company’s shares under the new name and symbol commenced on September 15, 2020.

The head office, principal address and registered and records office of the Company is located at 810 – 789 West Pender Street, Vancouver, British Columbia, V6C 1H2.

The Company is currently evaluating its exploration and evaluation assets and has not determined whether its projects contain reserves that are economically recoverable. The recoverability of amounts recorded for the exploration and evaluation assets are dependent upon the discovery of economically recoverable reserves. The Company's future capital requirements depend on many factors, including costs of exploration and development of the exploration and evaluation assets, cash flow from operations, costs to complete additional exploration, competition and global market conditions.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. The impact on the Company is not currently determinable but management continues to monitor the situation.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION

Statement of compliance to International Financial Reporting Standards

These condensed interim financial statements have been prepared in accordance with International Accounting Standards (“IAS”) 34 – Interim Financial Reporting. These condensed interim financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the Company’s audited financial statements for the year ended April 30, 2020, which were prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). These condensed interim financial statements have been prepared following the same accounting policies applied to the Company’s audited financial statements.

Basis of measurement

These condensed interim financial statements have been prepared using the accrual basis of accounting except for cash flow information. In addition, these condensed interim financial statements have been prepared on the historical-cost basis, except for certain financial assets and financial liabilities.

Foreign currency translation

The Company’s reporting and functional currency of all its operations is the Canadian dollar as this is the principal currency of the economic environment in which the Company operates. The functional currency determination was conducted through an analysis of consideration factors identified in IAS 21, The Effect of Changes in Foreign Exchange Rates.

Valorem Resources Inc.

Notes to the Condensed Interim Financial Statements

For the Nine months ended January 31, 2021 and 2020

(Expressed in Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (CONTINUED)

Going concern assumption

These condensed interim financial statements have been prepared by management on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

The Company is in the process of exploring the Black Dog Lake Project, Blue Hawk Property, and Wing Shear Property and it has not yet determined whether the properties contain reserves that are economically recoverable. As at January 31, 2021 the Company had not advanced any properties to commercial production and is now able to finance day to day activities through operations as a result of completing its recent private placement. During the nine month period ended January 31, 2021, the Company incurred a net loss and comprehensive loss of \$709,774 (January 31, 2020 - \$329,144) and, as of that date, had an accumulated deficit of \$1,893,482 (April 30, 2020 - \$1,183,708) and working capital (deficiency) of \$308,187 (April 30, 2020 - (\$126,658)). The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs. These factors form a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. The Company has been successful in the past in raising funds for exploration, but there is no assurance that it will be able to continue to do so.

These condensed interim financial statements do not give effect to the adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material.

Significant accounting judgments, estimates and assumptions

The preparation of the Company's condensed interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the condensed interim financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances; however, actual outcomes can differ from these estimates.

Information about critical judgments and estimates in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities included in the preparation of these financial statements are discussed below:

Impairment of Exploration and Evaluation assets - Assets or cash-generating units ("CGUs") are evaluated at each reporting date to determine whether there are any indications of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's mineral properties.

Valorem Resources Inc.

Notes to the Condensed Interim Financial Statements

For the Nine months ended January 31, 2021 and 2020

(Expressed in Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (CONTINUED)

Significant accounting judgments, estimates and assumptions (continued)

Impairment of Exploration and Evaluation assets (continued)

In respect of costs incurred for its exploration and evaluation assets, management has determined that the property acquisition costs be capitalized on the statements of financial position and, the evaluation, development and related costs incurred be expensed on the statements of operations and comprehensive loss. Management has determined there are no indicators of impairment for its exploration and evaluation assets as at January 31, 2021.

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

3. PREPAID EXPENSES

	January 31, 2021	April 30, 2020
Marketing, media, and analytics agreements	\$ 648,500	\$ -
Director and officer liability insurance	-	4,877
	\$ 648,500	\$ 4,877

The Company entered into agreements with three arm's length companies during the nine month period ended January 31, 2021.

An arm's length firm was paid \$270,000 to provide marketing services one year. The Company expensed \$39,919 to promotion expenses resulting in \$230,081 of prepaid expenses at January 31, 2021.

An arm's length firm was engaged to provide digital media services, vendor management, marketing, and data analytics services to the Company. In exchange for these services, the Company paid \$424,245, of which \$64,823 has been expensed to promotion expenses. As at January 31, 2021, \$359,422 remains as a prepaid expense.

The Company paid an arm's length marketing firm \$88,496 (net of GST) to provide marketing awareness services to the Company for a six month period commencing December 1, 2020. As at January 31, 2021 \$58,997 of the payment remains in prepaid expenses.

Valorem Resources Inc.

Notes to the Condensed Interim Financial Statements

For the Nine months ended January 31, 2021 and 2020

(Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION EXPENDITURES

The following table is a reconciliation of property acquisition costs which are capitalized as exploration and evaluation assets as at January 31, 2021:

	Black Dog Project	Wing Shear Property	Total expenditures
Acquisition costs, April 30, 2020	\$ -	\$ -	\$ -
Additions	85,000	365,818	450,818
Acquisition costs, January 31, 2021	\$ 85,000	\$ 365,818	\$ 450,818

The following table is a reconciliation of exploration costs which are reported as property expenses during the nine month period ended January 31, 2021:

	Black Dog Project	Blue Hawk Property	Total expenditures
Property expenses, May 1, 2020	\$ -	\$ -	\$ -
Additions:			
Claim staking and renewals	-	829	829
Geological consulting	14,850	-	14,850
Property expenses, January 31, 2021	\$ 14,850	\$ 829	\$ 15,679

Blue Hawk Property, British Columbia

The Company earned a 100% interest in the Blue Hawk property, which consists of the Blue Hawk claims located near Kelowna, British Columbia in 2015. While evaluating the future economic benefits on its Blue Hawk property, the Company chose to make a payment to the Minister of Finance, in lieu of completing exploration and development work on the property. The Company entered into an agreement to sell the Blue Hawk Property.

East Cortez Gold Project, Nevada

On January 14, 2020 ("the Closing Date"), the Company signed an asset purchase agreement (the "APA") with an arm's length party (the "Vendor") to acquire 32 lode mining claims comprising the East Cortez Gold project, in Eureka County, Nevada. The APA required total cash payment of \$435,000 and total issuance of 500,000 common shares.

On May 1, 2020, due to limitations caused by the COVID-19 pandemic, the Company was unable to send personnel to the property to conduct the work program, and as a result on April 30, 2020, the Company and the Vendor decided to terminate the APA agreement. Pursuant to the termination agreement, the Vendor agreed to forgive the payment of the \$25,000 cash and to return 150,000 common shares to the Company. The Company has received and cancelled the 150,000 common shares.

Valorem Resources Inc.

Notes to the Condensed Interim Financial Statements

For the Nine months ended January 31, 2021 and 2020

(Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION EXPENDITURES (CONTINUED)

Black Dog Lake Gold Project, Quebec

On August 4, 2020, the Company signed a property option agreement (the “Black Dog Agreement”) to purchase the Black Dog Lake Gold property, which comprises 16 contiguous mineral claims covering 1,002.31 hectares, located in the James Bay region of Quebec.

Pursuant to the terms of the Black Dog Agreement, the Company can earn a 100% interest in the Black Dog Gold Project by making the following payments to the Optionors:

Cash Payment Amount to Optionor	Shares to be issued to Optionor	Minimum exploration requirements
\$35,000 (paid) due within 5 business days of the effective date	500,000 shares (issued at a value of \$50,000) and due upon execution of the Black Dog Agreement	\$-
\$45,000 due on 1 st anniversary date of the effective date	500,000 shares to be issued on or before one year from signing the Black Dog Agreement	\$50,000 to be spent on or before the 1 st anniversary date of the effective date
\$55,000 due on 2 nd anniversary of the effective date	750,000 shares to be issued on or before two years from signing the Black Dog Agreement	\$200,000 to be spent on or before the 2 nd anniversary of the effective date
\$60,000 due on the 3 rd anniversary date of the effective date	1,000,000 shares to be issued on or before three years from signing the Black Dog Agreement	\$500,000 to be spent on or before the 3 rd anniversary date of the effective date
\$195,000	2,750,000 shares	\$750,000

The Optionors retain a 2% Net Smelter Return Royalty (“NSR”) on all metals recovered from the Black Dog Lake Gold Project. The Company has the right at any time to acquire 50% of the NSR for \$1,000,000.

In the event that the Company declares a proven reserve supported by a 43-101 Technical Report, an additional 1,000,000 common shares are to be issued to the Optionors.

Wing Shear Property, Newfoundland and Labrador

On January 4, 2021, the Company entered into a mineral property option agreement (the “Wing Shear Agreement”), to acquire a 100% interest in the Wing Shear Property. The property is comprised of 280 claim units covering 7,000 hectares located 32 kilometers northeast of Gander, Newfoundland and Labrador.

Valorem Resources Inc.

Notes to the Condensed Interim Financial Statements

For the Nine months ended January 31, 2021 and 2020

(Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION EXPENDITURES (CONTINUED)

Wing Shear Property, Newfoundland and Labrador (continued)

Pursuant to the terms of the Wing Shear Agreement, the Company can earn a 100% interest in the Wing Shear Property by making the following payments to the Optionor:

Cash Payment Amount to Optionor	Shares to be issued to Optionor	Minimum work commitment
\$45,000 (paid) within 5 business days from the effective date	750,000 shares (issued) to be issued on same day of 1 st cash payment (payment date)	\$250,000 prior to the 1 st year anniversary of the effective date
Reimburse \$13,130 (paid) of staking fees on the effective date	750,000 (37,500 issued) shares to be issued 4 months from the payment date	An additional \$500,000 prior to the 2 nd year anniversary of the effective date
	1,500,000 (75,000 issued) shares to be issued 8 months from payment date	A final \$2,250,000 prior to the 3 rd year anniversary of the effective date
	1,500,000 (75,000 issued) shares to be issued 12 months from payment date	
\$58,130	4,500,000 shares	\$3,000,000

The Optionors retain a 2% Net Smelter Return Royalty (“NSR”) on any commercial production from the Wing Shear Property. The Company has the right at any time to acquire 1.5% of the NSR for \$1,000,000.

The Company also paid \$4,500 cash, and issued 450,000 common shares valued at \$74,250 as finder’s fees for the Wing Shear Property.

5. SHARE CAPITAL

Authorized share capital

Unlimited number of voting common shares without par value.

Issued and outstanding

On January 31, 2021, the Company had 59,842,213 (April 30, 2020 – 45,614,715) common shares outstanding.

Share issuances

Share issuances during the nine month period ended January 31, 2021

On August 20, 2020, the Company issued 500,000 common shares with a fair value of \$50,000 pursuant to the Black Dog Agreement (Note 4).

Valorem Resources Inc.

Notes to the Condensed Interim Financial Statements

For the Nine months ended January 31, 2021 and 2020

(Expressed in Canadian dollars)

5. SHARE CAPITAL (CONTINUED)

Share issuances (continued)

Share issuances during the nine month period ended January 31, 2021 (continued)

On August 24, 2020, the Company received and returned 150,000 common shares to treasury when the APA on the East Cortez Gold project was cancelled (Note 4).

On September 4, 2020, the Company closed a non-brokered private placement and issued 3,300,000 units of the Company at a price of \$0.10 per Unit for gross proceeds of \$330,000. Each Unit consists of one common share of the Company and one-half of one transferrable share purchase warrant. Each whole warrant is exercisable at \$0.15 until September 4, 2021. The share purchase warrants are subject to acceleration if the Company's common shares trade at \$0.30 per share for a period of 20 consecutive trading days.

The Company paid \$15,750 cash, and issued a total of 154,000 warrants with a fair value of \$10,342 as finder's fees for the September 4, 2020 private placement. The warrants are exercisable at \$0.15 per share, of which 101,500 of the warrants are exercisable until September 4, 2021, and the remaining 52,500 warrants are exercisable until September 4, 2022.

On November 9, 2020, the Company issued 300,000 shares with a fair value of \$39,000 to settle \$45,000 of consulting fees debt. As a result of the shares for debt settlement, the Company recognized a \$6,000 gain on settlement of debt.

On January 5, 2021, the Company issued 937,500 common shares with a fair value of \$228,938 pursuant to the Wing Shear Agreement. An additional 450,000 common shares with a fair value of \$74,250 were issued as finder's fees for the Wing Shear Property (Note 4).

On January 28, 2021, the Company completed the 1st tranche of a non-brokered private placement. The Company issued 8,889,998 units at \$0.10 per unit for gross proceeds of \$889,000. Each unit is comprised of one common share and one full transferable share purchase warrant. Each warrant is exercisable at \$0.13 per share until January 28, 2022.

Share subscription receivable

As at January 31, 2021, a \$21,688 share subscription was outstanding from the prior fiscal year (Note 11).

Share issuances during the year ended April 30, 2020

On August 28, 2019, the Company issued 1,666,666 common shares through a non-brokered private placement at \$0.03 per share for proceeds of \$50,000.

Valorem Resources Inc.

Notes to the Condensed Interim Financial Statements

For the Nine months ended January 31, 2021 and 2020

(Expressed in Canadian dollars)

5. SHARE CAPITAL (CONTINUED)

Share issuances (continued)

Share issuances during the year ended April 30, 2020 (continued)

On October 25, 2019, the Company closed a non-brokered private placement of 835,000 units at \$0.30 per unit for total cash proceeds of \$250,500. One unit consists of one common share and one share purchase warrant. One warrant entitles the holder to acquire one common share at a price of \$0.40 for a period of five years from the date of issuance. The Company paid \$15,000 in finder's fees in regards to this private placement.

On January 24, 2020, the Company issued 300,000 common shares (fair valued at \$85,000) pursuant to the asset purchase agreement for the East Cortez Gold project (Note 4).

Share purchase warrants

The following is a summary of the Company's warrant activity:

	Number of warrants #	Weighted average exercise price \$
Balance, April 30, 2020	835,000	0.40
Issued	10,693,998	0.13
Balance, January 31, 2021	11,528,998	0.15

As of January 31, 2021, the Company had warrants outstanding and exercisable to acquire common shares of the Company as follows:

	Exercise Price \$	Number of warrants
Expiry date		
September 4, 2021**	0.15	1,751,500
September 4, 2022	0.15	52,500
January 28, 2022	0.13	8,889,998
October 25, 2024	0.40	835,000
		11,528,998

**1,650,000 of the September 4, 2021 warrants are subject to acceleration if the Company's common shares trade at \$0.30 per share for a period of 20 consecutive trading days.

Stock options

In December 2019, the Company approved a stock option plan which authorizes the Directors to grant options to directors, officers, key employees and others who are in a position to contribute to the future success and growth of the Company. Stock options granted under the Plan may have a maximum term of ten years and may be subject to vesting terms at the discretion of the directors.

No stock options have been issued under the plan as of January 31, 2021.

Valorem Resources Inc.

Notes to the Condensed Interim Financial Statements

For the Nine months ended January 31, 2021 and 2020

(Expressed in Canadian dollars)

6. RELATED PARTY TRANSACTIONS

Key management personnel are the Directors and Officers of the Company. A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. These transactions are in the normal course of operations and are measured at their exchange amount, which is the amount agreed upon by the transacting parties.

The following amounts are reported in accounts payable and accrued liabilities, and related party liabilities:

	January 31, 2021	April 30, 2020
Due to Director, and CEO	\$ 114,498	\$ 51,898
A company controlled by the CFO of the Company	101,415	33,975
Due to former Director, and CEO*	114,510	64,200
	\$ 330,423	\$ 150,073

*see subsequent event Note 11

The following are the transactions with related parties during the nine month periods ended January 31, 2021, and 2020, respectively:

	Nine month period ended January 31, 2021	Nine month period ended January 31, 2020
Consulting fees to Director, and CEO	\$ 72,000	\$ 26,500
Loan from Director, and CEO	-	3,148
Accounting and CFO fees to a company jointly controlled by Director, and CFO of the Company	70,000	14,925
Consulting fees to former Director, and CEO	66,000	39,000
	\$ 208,000	\$ 83,573

7. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

The Company's significant non-cash transactions during the nine month period ended January 31, 2021 were as follows:

On August 20, 2020, the Company issued 500,000 common shares with a fair value of \$50,000 pursuant to the Black Dog Agreement (Note 4).

On October 31, 2020, a total of 154,000 warrants with a fair value of \$10,342 were issued as finder's fees for the September 4, 2020 private placement.

Valorem Resources Inc.

Notes to the Condensed Interim Financial Statements

For the Nine months ended January 31, 2021 and 2020

(Expressed in Canadian dollars)

7. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS (CONTINUED)

On November 9, 2020, the Company issued 300,000 shares with a fair value of \$39,000 to settle \$45,000 of consulting fees debt. As a result of the shares for debt settlement, the Company recognized a \$6,000 gain on settlement of debt.

On January 5, 2021, the Company issued 937,500 common shares with a fair value of \$228,938 pursuant to the Wing Shear Agreement. An additional 450,000 common shares with a fair value of \$74,250 were issued as finder's fees for the Wing Shear Property (Note 4).

During the comparative period ended January 31, 2020 the Company's significant non-cash transaction was as follows:

On January 24, 2020 the company issued 300,000 common shares pursuant to the asset purchase agreement for the East Cortez Gold project with a fair value of \$85,000 (Note 4).

8. SEGMENTED INFORMATION

The Company conducts its business as a single operating segment, being the acquisition and exploration of mineral properties. As at January 31, 2021, all the Company's assets are located in Canada.

9. CAPITAL MANAGEMENT

The Company manages its capital structure and adjusts it, based on the funds available to the Company, in order to support the acquisition, exploration, and development of resource properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company manages its share capital as capital, which as at January 31, 2021 was \$2,377,831 (April 30, 2020 – \$792,736). Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the nine months ended January 31, 2021.

10. FINANCIAL RISK MANAGEMENT

The fair value of the Company's accounts payable and accrued liabilities and amounts due to related parties approximate their carrying value, which is the amount recorded on the statements of financial position. The Company's cash under the fair value hierarchy is recorded at fair value based on level one quoted prices in active markets for identical assets or liabilities. The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Valorem Resources Inc.

Notes to the Condensed Interim Financial Statements

For the Nine months ended January 31, 2021 and 2020

(Expressed in Canadian dollars)

10. FINANCIAL RISK MANAGEMENT (CONTINUED)

i. Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash. Management believes that its credit risk is not significant.

ii. Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. On January 31, 2021, the Company had a cash balance of \$87,380 (April 30, 2020 - \$4,712) to settle current liabilities of \$500,854 (April 30, 2020 - \$176,896). All the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. Management expects to fund those liabilities through equity financing and loans from related parties over the coming year.

iii. Commodity Price Risk

The Company is subject to price risk from fluctuations in the market prices of commodities as it relates to the possible underlying values of its commodity based mineral properties and the corresponding ability to raise funds for future operations. Management closely monitors commodity prices to determine the appropriate course of actions to be taken in its investing and financing activities. As the Company has not yet developed commercial mineral interests, it is not exposed to significant commodity price risk.

11. SUBSEQUENT EVENTS

Acquisition of BC Property

On February 12, 2021, the Company announced that it acquired the BC Property located in the Cariboo District of British Columbia. The BC Property is comprised of multiple tenure blocks totaling more than 4,000 hectares.

The Acquisition was effected by way of a three-cornered amalgamation involving a wholly-owned subsidiary of the Company and 1267818 B.C. Ltd. ("1267818"). Pursuant to the terms of the Acquisition, the Company issued an aggregate of 30,000,000 common shares of the Company to the shareholders of 1267818 at a deemed price of \$0.155 per share.

Write-Off of Account Payable

On February 25, 2021, the Company's former Director and CEO agreed to writing-off \$114,510 of outstanding consulting fees.

Valorem Resources Inc.

Notes to the Condensed Interim Financial Statements

For the Nine months ended January 31, 2021 and 2020

(Expressed in Canadian dollars)

12. SUBSEQUENT EVENTS (CONTINUED)

Share Subscription Payment Received

On March 26, 2021, the Company received \$21,688 for an outstanding share subscription receivable.

Completed Private Placement

On March 26, 2021, the Company announced that it completed the second and final tranche of a non-brokered private placement. The Company issued 1,100,000 units of the Company at a price of \$0.115 per unit for gross proceeds of \$126,500. Each unit consists of one common share of the Company and one transferable share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share for a period of one year from closing at a price of \$0.15 per common share.

APPENDIX B

VALOREM RESOURCES INC.

Management's Discussion & Analysis
for the nine-month period ended January 31, 2021

VALOREM RESOURCES INC.
(formerly JDF Explorations Inc.)

MANAGEMENT DISCUSSION AND ANALYSIS

Nine Month Period Ended January 31, 2021

OVERVIEW

The following management discussion and analysis (“MD&A”), prepared on March 31, 2021, should be read in conjunction with the condensed interim financial statements for the nine month period ended January 31, 2021. All amounts are stated in Canadian dollars unless otherwise indicated. These financial statements together with this MD&A are intended to provide investors with a reasonable basis for assessing the financial performance of Valorem Resources Inc. (“the Company”).

FORWARD LOOKING STATEMENTS

Certain statements in this report may be forward-looking statements, which reflect our management’s expectations regarding our future growth, results of operations, performance and business prospects and opportunities including statements related to the development of existing and future property interests, availability of financing and projected costs and expenses. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits we will obtain from them. These forward-looking statements reflect management’s current views and are based on certain assumptions and speak only as of the date of this report. These assumptions, which include management’s current expectations, estimates and assumptions about our current mineral property interests, the global economic environment, the market price and demand for commodities and our ability to manage our property interests and operating costs, may prove to be incorrect. A number of risks and uncertainties could cause our actual results to differ materially from those expressed or implied by the forward-looking statements, including: (1) a downturn in general economic conditions, (2) a decreased demand or price of minerals, (3) delays in the start of projects with respect to our property interests, (4) inability to locate and acquire additional property interests, (5) the uncertainty of government regulation and politics in North America regarding mining and mineral exploration, (6) potential negative financial impact from regulatory investigations, claims, lawsuits and other legal proceedings and challenges, and (7) other factors beyond our control.

There is a significant risk that such forward-looking statements will not prove to be accurate. Investors are cautioned not to place undue reliance on these forward-looking statements. No forward-looking statement is a guarantee of future results. Except as required by law, we disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Additional information about these and other assumptions, risks and uncertainties are set out in the section entitled “Risk Factors” below.

Except as may be required by applicable law or stock exchange regulation, Valorem undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events. Accordingly, readers should not place undue reliance on forward-looking statements. If Valorem updates one or more forward-looking statements, no inference should be drawn that additional updates will be made with respect to those or other forward-looking statements.

Additional information relating to Valorem is available by accessing the SEDAR website at www.sedar.com.

DESCRIPTION OF BUSINESS

Valorem Resources Inc (formerly JDF Explorations Inc.) (“VALU” or the “Company”) is an exploration stage junior mining company engaged in the identification, acquisition, evaluation and exploration of gold, precious metals, and base metal properties. VALU was incorporated on May 9, 2014. On September 14, 2020, the Company changed its name from JDF Explorations Inc. to Valorem Resources Inc. Trading of the Company’s shares under the new name and symbol commenced on September 15, 2020.

The head office, principal address and registered and records office of the Company is located at 810 – 789 West Pender Street, Vancouver, British Columbia, V6C 1H2.

The Company is currently evaluating its exploration and evaluation assets and has not determined whether its projects contain reserves that are economically recoverable. The recoverability of amounts recorded for the exploration and evaluation assets are dependent upon the discovery of economically recoverable reserves. The Company's future capital requirements depend on many factors, including costs of exploration and development of the exploration and evaluation assets, cash flow from operations, costs to complete additional exploration, competition and global market conditions.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. The impact on the Company is not currently determinable but management continues to monitor the situation.

SUMMARY OF BUSINESS ACTIVITIES

The following financial and operational highlights occurred during the nine-month period ended January 31, 2021, and to the date of this report of March 31, 2021:

- On January 14, 2020 (“the Closing Date”), the Company signed an asset purchase agreement (the "APA") with an arm’s length party to acquire 32 lode mining claims comprising the East Cortez Gold project, in Eureka County, Nevada. The APA required total cash payment of \$435,000 and total issuance of 500,000 common shares.
- On May 1, 2020, due to limitations caused by the COVID-19 pandemic, the Company was unable to send personnel to the property to conduct the work program, and as a result on April 30, 2020, the Company and the Vendor decided to terminate the APA agreement. Pursuant to the termination agreement, the Vendor agreed to forgive the payment of the \$25,000 cash and to return 150,000 common shares to the Company.
- On August 4, 2020, the Company signed a property option agreement (the “Black Dog Agreement”) to purchase the Black Dog Lake Gold property, which comprises 16 contiguous mineral claims covering 1,002.31 hectares, located in the James Bay region of Quebec.
- On August 20, 2020, the Company issued 500,000 common shares with a fair value of \$50,000 pursuant to the Black Dog Agreement.
- On August 24, 2020, the Company received and returned 150,000 common shares to treasury when the APA on the East Cortez Gold project was cancelled.

SUMMARY OF BUSINESS ACTIVITIES (CONTINUED)

- On September 4, 2020, the Company closed a non-brokered private placement and issued 3,300,000 units of the Company at a price of \$0.10 per Unit for gross proceeds of \$330,000. Each Unit consists of one common share of the Company and one-half of one transferrable share purchase warrant. Each whole warrant is exercisable at \$0.15 until September 4, 2021. The share purchase warrants are subject to acceleration if the Company's common shares trade at \$0.30 per share for a period of 20 consecutive trading days.

The Company paid \$15,750 cash, and issued a total of 154,000 warrants with a fair value of \$10,342 as finder's fees for the September 4, 2020 private placement. The warrants are exercisable at \$0.15 per share, of which 101,500 of the warrants are exercisable until September 4, 2021, and the remaining 52,500 warrants are exercisable until September 4, 2022.

- On September 14, 2020, the Company changed its name from JDF Explorations Inc. to Valorem Resources Inc. Trading of the Company's shares under the new name and symbol commenced on September 15, 2020.
- On November 9, 2020, the Company issued 300,000 shares with a fair value of \$39,000 to settle \$45,000 of consulting fees debt. As a result of the shares for debt settlement, the Company recognized a \$6,000 gain on settlement of debt.
- On November 30, 2020, the Company entered into a one year marketing services agreement with an arm's length firm. The Company paid \$270,000 in advance for the services, of which \$39,919 was expensed to promotion expenses during the current fiscal year.
- On December 1, 2020, the Company paid \$88,496 to an arm's length marketing firm to provide marketing awareness services for a six month period commencing December 1, 2020. The Company expensed \$29,499 to promotion expenses during the current fiscal year.
- On December 4, 2020, the Company engaged arm's length firm to provide digital media services, vendor management, marketing, and data analytics services to the Company. In exchange for these services, the Company paid \$424,245, of which \$64,823 has been expensed to promotion expenses during the current fiscal year.
- On January 4, 2021, the Company entered into a mineral property option agreement (the "Wing Shear Agreement"), to acquire a 100% interest in the Wing Shear Property. The property is comprised of 280 claim units covering 7,000 hectares located 32 kilometers northeast of Gander, Newfoundland and Labrador.
- On January 5, 2021, the Company issued 937,500 common shares with a fair value of \$228,938 pursuant to the Wing Shear Agreement. An additional 450,000 common shares with a fair value of \$74,250 were issued as finder's fees for the Wing Shear Property.
- On January 28, 2021, the Company completed the 1st tranche of a non-brokered private placement. The Company issued 8,889,998 units at \$0.10 per unit for gross proceeds of \$889,000. Each unit is comprised of one common share and one full transferable share purchase warrant. Each warrant is exercisable at \$0.13 per share until January 28, 2022.

SUMMARY OF BUSINESS ACTIVITIES (CONTINUED)

Appointment and resignation

On January 8, 2021, the Company announced that Mr. Gregory Thomas resigned as Director and Chief Executive Officer. The Company wishes to thank Mr. Thomas for his contributions to the Company and wishes him well in his future endeavours.

On January 8, 2021, the Company appointed Mr. Tony Louie as the Company's Interim Chief Executive Officer.

SUBSEQUENT EVENTS

Acquisition of BC Property

On February 12, 2021, the Company announced that it acquired the BC Property located in the Cariboo District of British Columbia. The BC Property is comprised of multiple tenure blocks totaling more than 4,000 hectares.

The Acquisition was effected by way of a three-cornered amalgamation involving a wholly-owned subsidiary of the Company and 1267818 B.C. Ltd. ("1267818"). Pursuant to the terms of the Acquisition, the Company issued an aggregate of 30,000,000 common shares of the Company to the shareholders of 1267818.

Write-Off of Account Payable

On February 25, 2021, the Company's former Director and CEO agreed to writing-off \$114,510 of outstanding consulting fees.

Share Subscription Payment Received

On March 26, 2021, the Company received \$21,688 for an outstanding share subscription receivable.

Completed Private Placement

On March 26, 2021, the Company announced that it completed the second and final tranche of a non-brokered private placement. The Company issued 1,100,000 units of the Company at a price of \$0.115 per unit for gross proceeds of \$126,500. Each unit consists of one common share of the Company and one transferable share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share for a period of one year from closing at a price of \$0.15 per common share.

EXPLORATION AND EVALUATION EXPENDITURES

The following table is a reconciliation of property acquisition costs which are capitalized as exploration and evaluation assets as at January 31, 2021:

	Black Dog Project	Wing Shear Property	Total expenditures
Acquisition costs, April 30, 2020	\$ -	\$ -	\$ -
Additions	85,000	365,818	450,818
Acquisition costs, January 31, 2021	<u>\$ 85,000</u>	<u>\$ 365,818</u>	<u>\$ 450,818</u>

EXPLORATION AND EVALUATION EXPENDITURES (CONTINUED)

The following table is a reconciliation of exploration costs which are reported as property expenses during the nine month period ended January 31, 2021:

	Black Dog Project	Blue Hawk Property	Total expenditures
Property expenses, May 1, 2020	\$ -	\$ -	\$ -
Additions:			
Claim staking and renewals	-	829	829
Geological consulting	14,850	-	14,850
Property expenses, January 31, 2021	<u>\$ 14,850</u>	<u>\$ 829</u>	<u>\$ 15,679</u>

Blue Hawk Property, British Columbia

The Company earned a 100% interest in the Blue Hawk property, which consists of the Blue Hawk claims located near Kelowna, British Columbia in 2015. While evaluating the future economic benefits on its Blue Hawk property, the Company chose to make a payment to the Minister of Finance, in lieu of completing exploration and development work on the property. The Company entered into an agreement to sell the Blue Hawk Property.

East Cortez Gold Project, Nevada

On January 14, 2020 ("the Closing Date"), the Company signed an asset purchase agreement (the "APA") with an arm's length party (the "Vendor") to acquire 32 lode mining claims comprising the East Cortez Gold project, in Eureka County, Nevada. The APA required total cash payment of \$435,000 and total issuance of 500,000 common shares.

On May 1, 2020, due to limitations caused by the COVID-19 pandemic, the Company was unable to send personnel to the property to conduct the work program, and as a result on April 30, 2020, the Company and the Vendor decided to terminate the APA agreement. Pursuant to the termination agreement, the Vendor agreed to forgive the payment of the \$25,000 cash and to return 150,000 common shares to the Company. The Company has received and cancelled the 150,000 common shares.

Black Dog Lake Gold Project, Quebec

On August 4, 2020, the Company signed a property option agreement (the "Black Dog Agreement") to purchase the Black Dog Lake Gold property, which comprises 16 contiguous mineral claims covering 1,002.31 hectares, located in the James Bay region of Quebec.

Pursuant to the terms of the Black Dog Agreement, the Company can earn a 100% interest in the Black Dog Gold Project by making the following payments to the Optionors:

EXPLORATION AND EVALUATION EXPENDITURES (CONTINUED)

Black Dog Lake Gold Project, Quebec (continued)

Cash Payment Amount to Optionor	Shares to be issued to Optionor	Minimum exploration requirements
\$35,000 (paid) due within 5 business days of the effective date	500,000 shares (issued at a value of \$50,000) and due upon execution of the Black Dog Agreement	\$-
\$45,000 due on 1 st anniversary date of the effective date	500,000 shares to be issued on or before one year from signing the Black Dog Agreement	\$50,000 to be spent on or before the 1 st anniversary date of the effective date
\$55,000 due on 2 nd anniversary of the effective date	750,000 shares to be issued on or before two years from signing the Black Dog Agreement	\$200,000 to be spent on or before the 2 nd anniversary of the effective date
\$60,000 due on the 3 rd anniversary date of the effective date	1,000,000 shares to be issued on or before three years from signing the Black Dog Agreement	\$500,000 to be spent on or before the 3 rd anniversary date of the effective date
\$195,000	2,750,000 shares	\$750,000

The Optionors retain a 2% Net Smelter Return Royalty (“NSR”) on all metals recovered from the Black Dog Lake Gold Project. The Company has the right at any time to acquire 50% of the NSR for \$1,000,000.

In the event that the Company declares a proven reserve supported by a 43-101 Technical Report, an additional 1,000,000 common shares are to be issued to the Optionors.

Black Dog Lake property expenses

During the nine month period ended January 31, 2021, the Company paid \$14,850 to a consulting geologist to compile a report about the Black Dog Lake property. This expense represented the most significant property expense during the current fiscal year.

Black Dog Lake Gold Project exploration update

On December 15, 2020, the Company announced that it completed a Technical Report, in accordance with National Instrument 43-101, for the Black Dog Lake Property and has filed on it on SEDAR (System for Electronic Document Analysis and Retrieval). The Technical Report was prepared by Darren L. Smith, M.Sc., P.Geo., of Dahrouge Geological Consulting Ltd., and titled “Technical Report on the Black Dog Lake Property, Quebec, Canada”, effective date December 8, 2020.

The Black Dog Lake Property is an early stage exploration project, which has been the subject of several exploration campaigns by multiple companies since the 1970s. Appreciable gold mineralization has been confirmed to be present on the Property within a sulphide-facies banded iron formation (the “Black Dog Zone”) and represents the primary exploration target on the Property. In addition, a series of east-west trending conductors, IP anomalies, and magnetic trends are prevalent across the southern half of the property and parallel the northern contact of the Mistumish Batholith. Collectively, these features demonstrate additional exploration potential on the property. A total of five (5) target areas have been identified on the property, highlighted by the Black Dog Zone.

EXPLORATION AND EVALUATION EXPENDITURES (CONTINUED)

Black Dog Lake Gold Project, Quebec (continued)

Black Dog Lake Gold Project exploration update (continued)

The mineralization at the Black Dog Zone has a current interpreted extent of least 600 m in length and extends at least 100 m down dip, is steeply dipping, and has an apparent thickness of 0.6 to 3.6 m. The zone remains open along strike and at depth and has been tested at wide drill spacings. The grades of drill core intercepts include; 15.2 g/t Au over 0.6 m (in LH-88-01); 5.6 g/t Au over 1.1 m (in LH-88-02); and 4.3 g/t Au over 0.88 m (in LH-88-03), and indicate a fertile environment for mineralization, and therefore, potential to extend to other areas of the property. The zone is coincident with local EM conductors, magnetic trends, and anomalous gold in surface samples, which collectively indicate additional strike potential is present.

The Company intends to carry-out the recommended exploration work on the property, which includes a Phase I program of prospecting, trenching, mapping, and potentially ground geophysics, followed by a Phase II program focused on diamond drilling.

Darren L. Smith, M.Sc., P.Geo., Dahrouge Geological Consulting Ltd., a Permit holder with the Ordre des Géologues du Québec and Qualified Person as defined by National Instrument 43-101, has approved the December 15, 2020 update.

On January 18, 2021, the Company announced that a geophysics program is planned for its Black Dog Lake banded iron formation gold exploration property.

A high-definition ground Magnetometer and Induced Polarization (IP) survey will cover the previously drilled Black Dog target which has returned gold geochemical anomalies, and multiple gold intercepts in diamond drilling in previous campaigns.

The Black Dog east extension had a 14 hole diamond drill program which produced these interesting returns, 1.13g/t gold over 1.24 m. and 1.19g/t gold over 0.75 m.

The previous intersections reflect gold in sulphide rich portions of bedded banded iron formation, a style of mineralization that is manifested in many prominent gold deposits such as Musselwhite, Lupin, Cullaton Lake and Meliadine in Canada and the Homestake deposit of South Dakota, USA.

The exploration potential in such Archean iron formations can reach several tens of millions of ounces of gold. The reader is cautioned that the exploration target is conceptual in nature and that there are no known reserves or resources on the subject property, and if discovered there can be no assurance that any such discoveries may be economically produced.

The iron formations are extensive on the Black Dog Lake property, returning widespread gold geochemical anomalies, gold in outcrops at the initial prospect, and multiple drill hole gold intersections. The renewed geophysical exploration will assess the potential for and design of additional testing of the prospective banded iron formation underlying much of the 1,003 hectare claim block.

EXPLORATION AND EVALUATION EXPENDITURES (CONTINUED)

Black Dog Lake Gold Project, Quebec (continued)

Black Dog Lake Gold Project exploration update (continued)

The property is accessed from the Quebec highway and all- season road system. Potential power sources are close, and terrain is quite flat and low elevation allowing for efficient exploration and if warranted development.

The January 18, 2021 update was prepared by Dr. Stewart A Jackson, a Qualified Person under National Instrument 43-101, and independent of the Company.

Wing Shear Property, Newfoundland and Labrador

On January 4, 2021, the Company entered into a mineral property option agreement (the “Wing Shear Agreement”), to acquire a 100% interest in the Wing Shear Property. The property is comprised of 280 claim units covering 7,000 hectares located 32 kilometers northeast of Gander, Newfoundland and Labrador.

Pursuant to the terms of the Wing Shear Agreement, the Company can earn a 100% interest in the Wing Shear Property by making the following payments to the Optionor:

Cash Payment Amount to Optionor	Shares to be issued to Optionor	Minimum work commitment
\$45,000 (paid) within 5 business days from the effective date	750,000 shares (issued) to be issued on same day of 1 st cash payment (payment date)	\$250,000 prior to the 1 st year anniversary of the effective date
Reimburse \$13,130 (paid) of staking fees on the effective date	750,000 (37,500 issued) shares to be issued 4 months from the payment date	An additional \$500,000 prior to the 2 nd year anniversary of the effective date
	1,500,000 (75,000 issued) shares to be issued 8 months from payment date	A final \$2,250,000 prior to the 3 rd year anniversary of the effective date
	1,500,000 (75,000 issued) shares to be issued 12 months from payment date	
\$58,130	4,500,000 shares	\$3,000,000

The Optionors retain a 2% Net Smelter Return Royalty (“NSR”) on any commercial production from the Wing Shear Property. The Company has the right at any time to acquire 1.5% of the NSR for \$1,000,000.

The Company also paid \$4,500 cash, and issued 450,000 common shares valued at \$74,250 as finder’s fees for the Wing Shear Property.

EXPLORATION AND EVALUATION EXPENDITURES (CONTINUED)

Wing Shear Property, Newfoundland and Labrador (continued)

Wing Shear Property exploration update

Highlights of the Wing Shear Property include:

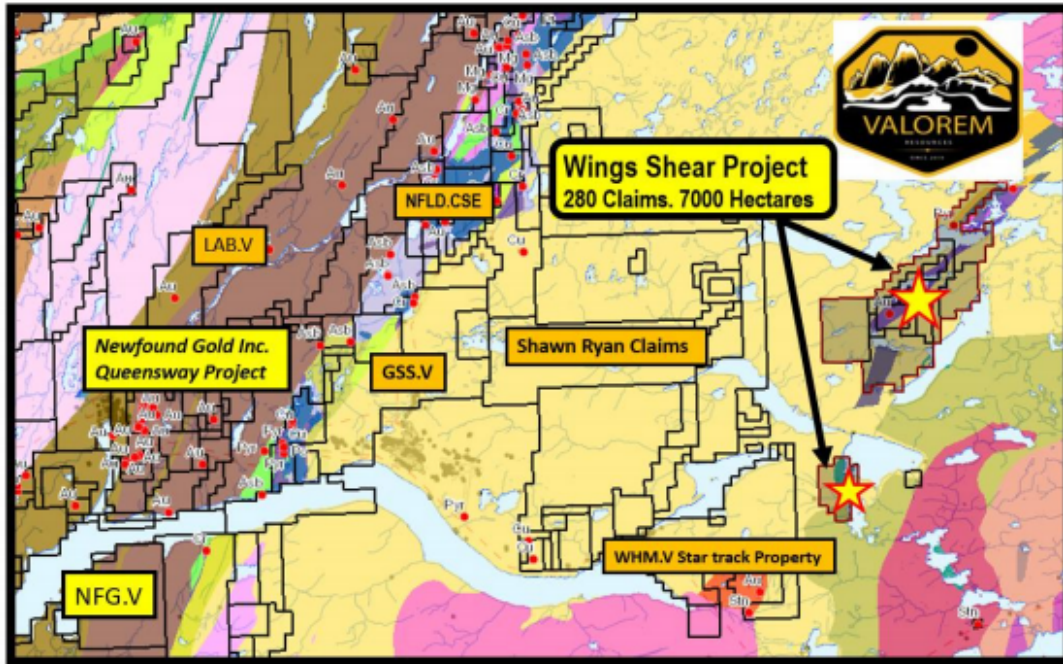
- Regional scale land package covering deep seated structural zone parallel to the structural trend underlying Newfoundland Gold's Queensway Project.
- Greenfield project with drill targets identified
- No prior drilling completed on the showing
- The Wing Shear Property has values from grab samples of up to 12.2 g/t Au.
- The Wing's Pond mineralized trend has been traced for a strike length of 1.0 km and channel sampling returned values of up to 9.8 g/t Au over 1.0 metres from the main Wing's Pd showing.
- Additional gold mineralization was found associated with brecciated quartz veins within the Indian Bay-Big Pond Formation. This formation is 14 km long and 1.2 km wide.
- Channel sample from this area assayed up to 1.49 g/t Au, and 0.92 g/t Au over 1.0 m.



Figure 1: Map showing property geology and mineral occurrences/showing

Wing Shear Property exploration update (continued)

Note: The data reported here is historic in nature and has not yet been verified by a Qualified Person. Valorem has relied on the information supplied in the NL govt filed assessment reports and from information found in MODS (Mineral Occurrence Data System) published by the Newfoundland Department of Natural Resources. The surface grab samples described in this news release are selective by nature and are unlikely to represent average grades of the property.



Geology

Situated in the Gander Tectono-Stratigraphic Geological Zone, the Property is underlain by the Indian Bay Big Pond and the Johnathan's Pond formations. It hosts the regionally significant Wing's Pond shear zone which extends for 40-km in a north northeast direction and is associated with a number of historic gold showings. The gold is generally associated with arsenopyrite, stibnite, and base metal sulphides hosted in quartz/breccia veins.

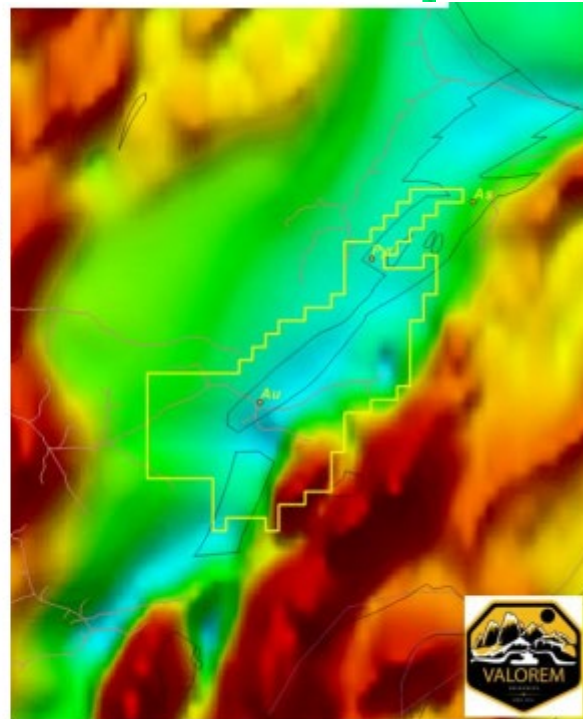


Figure 2: Residual Mag of Prospect area, the eastern mag high boundary is on the property

EXPLORATION AND EVALUATION EXPENDITURES (CONTINUED)

Wing Shear Property, Newfoundland and Labrador (continued)

Wing Shear Property exploration update (continued)

Local exploration service company Planet X Exploration Services Ltd. was retained through a local group of prospectors as the project operator. The Company looks forward to advancing the property in the near future with the local Newfoundland partnership.

Wayne Reid, P. Geo., a qualified person as defined in National Instrument 43-101, is responsible for aforementioned information.

RESULTS OF OPERATIONS

Nine month period ended January 31, 2021

During the nine month period ended January 31, 2021 ("2021"), and the nine month period ended January 31, 2020 ("2020"), the Company recorded a net loss and comprehensive loss of \$709,774 (2020 - \$329,144) which is mainly attributed to:

- i) Promotion expenses increased \$279,692, from \$54,289 in 2020 to \$333,981 in 2021. In September 2020, the Company embarked on a marketing campaign to raise investor awareness about the Company. To date, the Company has received strategic planning, financial consulting, media and market development, market awareness, digital media services, vendor management marketing, web development, and data analytics services from various marketing and consulting firms in an effort to inform investors about the Company's plans to explore and develop its exploration and evaluation assets.
- ii) Consulting fees in 2021 of \$258,001 (2020 - \$165,908) are comprised of \$138,000 (2020 - \$65,500) for the current and former CEO's management fees, and \$120,001 (2020 - \$100,408) for business development, management consulting, sourcing projects, and other consulting fees. The CEO fees in 2020 were lower as a result of the CEO being appointed in September 2019.
- iii) Professional fees increased \$5,054, from \$76,446 in 2020 to \$81,500 in 2021. The professional fees consist of \$52,000 (2020 - \$14,925) for CFO fees, \$23,250 (2020 - \$13,500) for accounting services, \$5,250 (2020 - \$Nil) for corporate services, \$Nil (2020 - \$48,021) for legal services, and \$1,000 (2020 - \$Nil) for other professional fees.
- iv) Property expenses increased \$12,743, from \$2,936 in 2020 to \$15,679 in 2021. During 2021, the Company paid \$14,850 to a consulting geologist to compile a report about the Black Dog Lake property, and \$829 for claim staking and renewals for the Blue Hawk property. The 2020 property expenses were comprised of \$1,605 in travel expenses for management to assess the Gold Hills property in Brazil, \$831 in lieu of work to be performed on the Blue Hawk property, and \$500 to renew a miners certificate.

As at January 31, 2021, the Company had no continuing source of operating revenues. The Company has not paid any dividends on its common shares and has no present intention of paying dividends, as it anticipates that all available funds for the foreseeable future will be used to finance its business and exploration activities.

RESULTS OF OPERATIONS (CONTINUED)

Three month period ended January 31, 2021

During the three month period ended January 31, 2021 (“Q3-2021”), and the three month period ended January 31, 2020 (“Q3-2020”), the Company recorded a net loss and comprehensive loss of \$362,526 (Q3-2020 - \$210,909) which is primarily attributed to:

- i) Promotion expenses increased \$108,575, from \$54,289 in Q3-2020 to \$162,864 in Q3-2021. In September 2020, the Company embarked on a marketing campaign to raise investor awareness about the Company. The Company entered into some additional agreements and continued to receive strategic planning, financial consulting, media, web development, market development, market awareness, digital media services, vendor management marketing, and data analytics services from various marketing and consulting firms in an effort to inform investors about the Company’s plans to explore and develop its exploration and evaluation assets.
- ii) Consulting fees in Q3-2021 of \$150,009 (Q3-2020 - \$127,163) are comprised of \$48,000 (Q3-2020 - \$65,500) for the current and former CEO’s management fees, and \$102,009 (Q3-2020 - \$61,663) for business development, management consulting, sourcing projects, and other consulting fees.
- iii) Professional fees increased \$13,740, from \$20,760 in Q3-2020 to \$34,500 in Q3-2021. The professional fees consist of \$18,000 (Q3-2020 - \$3,900) for CFO fees, \$11,250 (Q3-2020 - \$4,500) for accounting services, \$5,250 (Q3-2020 - \$Nil) for corporate services, \$Nil (Q3-2020 - \$1,335) for legal services, and \$Nil (2020 - \$11,025) for other professional fees.

SUMMARY OF QUARTERLY FINANCIAL RESULTS

The following is a summary of selected financial information compiled from the condensed interim and audited financial statements:

	Three month period ended January 31, 2021 -\$-	Three month period ended October 31, 2020 -\$-	Three month period ended July 31, 2020 -\$-	Three month period ended April 30, 2020 -\$-
Total assets	1,259,859	166,043	40,707	50,238
Total liabilities	500,854	275,699	243,552	176,896
Working capital (deficiency)	308,187	(194,646)	(202,845)	(126,658)
Shareholders’ equity (deficiency)	759,005	(109,656)	(202,845)	(126,658)
Net loss and comprehensive loss	(362,526)	(271,061)	(76,187)	(198,503)
Loss per share	(0.01)	(0.00)	(0.00)	(0.00)

	Three month period ended January 31, 2020 -\$-	Three month period ended October 31, 2019 -\$-	Three month period ended July 31, 2019 -\$-	Three month period ended April 30, 2019 -\$-
Total assets	198,873	10,130	27,353	43,019
Total liabilities	127,118	48,376	13,333	13,120
Working capital (deficiency)	(38,745)	(38,246)	14,020	29,899
Shareholders’ equity (deficiency)	71,755	(38,246)	14,020	29,899
Net loss and comprehensive loss	(210,909)	(102,266)	(15,879)	(10,785)
Loss per share	(0.01)	(0.00)	(0.00)	(0.00)

SUMMARY OF QUARTERLY FINANCIAL RESULTS (CONTINUED)

Total assets during the past eight quarters reach a high of \$1,259,859 during Q3 ended January 31, 2021. The receipt of gross proceeds of \$1,219,000 from the issuance of common shares was the primary contributor to strengthening the Company's financial position. In Q2 ended October 31, 2020, the Company completed a private placement of 3,300,000 Units at \$0.10 per Unit for gross proceeds of \$330,000. A second 1st tranche private placement of 8,889,998 Units at \$0.10 per Unit for gross proceeds of \$889,000 was completed in Q3 ended January 31, 2021.

Working capital peaked at \$308,187 during Q3 ended January 31, 2021 over the past eight quarters as a result of the aforementioned completed private placements.

Total liabilities throughout the past eight quarters reached their highest level of \$500,854 during the most recent quarter ended January 31, 2021. Amounts due to related parties of \$330,423 make up the majority of the January 31, 2021 total liabilities. The Company's CFO, CEO and former CEO provided consulting and professional fees and postponed payment for their services to help the Company preserve its cash. Subsequent to the January 31, 2021 quarter, the Company's former CEO agreed to permit the Company to write-off \$114,510 of outstanding consulting fees which will improve the Company's financial position.

The most significant net loss and comprehensive loss during the past eight quarters was \$362,526 which occurred in Q3 ended January 31, 2021. Promotion expenses of \$162,864 were primarily attributed to the increase net loss as the Company continues to embark on a marketing campaign to raise investor awareness about the Company. Consulting fees of \$150,009 were also a major expenditure for the quarter ended January 31, 2021.

Shareholder's equity achieved its highest level of \$759,005 in Q3 ended January 31, 2021 as a result of completing the 8,889,998 Unit private placement for gross proceeds of \$889,000.

LIQUIDITY AND CAPITAL RESOURCES

The Company has financed its operations to date through the issuance of common shares. The Company may continue to seek capital through various means including the issuance of equity and/or debt.

Net cash used in operating activities was \$1,085,582 during the nine month period ended January 31, 2021, compared to \$379,544 in the comparative nine month period ended January 31, 2020. Cash flows for operating activities were mainly attributed to \$333,981 (2019 - \$54,289) for promotion fees, \$258,001 (2019 - \$165,908) for consulting fees, and \$81,500 (2019 - \$76,446) for professional fees.

Investing activities during the nine month period ended January 31, 2021 used \$35,000 (2019 - \$110,500). The Company paid \$35,000 cash and issued 500,000 common shares with a fair value of \$50,000 pursuant to the Black Dog Agreement in August 2020. During the comparative period the Company made payments pursuant to the East Cortez Gold Project which was terminated due to the COVID-19 pandemic.

Net cash provided by financing activities during the nine month period ended January 31, 2021, was \$1,203,250 (2019 - \$454,573). On September 4, 2020, the Company completed a private placement of 3,300,000 Units at \$0.10 per Unit for gross proceeds of \$330,000. The Company paid \$15,750 cash, and issued a total of 154,000 warrants with a fair value of \$10,342 as finder's fees for the September 4, 2020 private placement. On January 28, 2021, the Company completed the 1st tranche of an 8,889,998 Unit private placement for gross proceeds of \$889,000. During the comparative period the Company received \$371,000 from the issuance of shares, and \$83,573 from loans payable.

RELATED PARTY TRANSACTIONS

Key management personnel are the Directors and Officers of the Company. A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. These transactions are in the normal course of operations and are measured at their exchange amount, which is the amount agreed upon by the transacting parties.

The following amounts are reported as related party liabilities:

	January 31, 2021	April 30, 2020
Due to Director, and CEO	\$ 114,498	\$ 51,898
A company controlled by the CFO of the Company	101,415	33,975
Due to former Director, and CEO*	114,510	64,200
	\$ 330,423	\$ 150,073

*see subsequent events

The following are the transactions with related parties during the nine month periods ended January 31, 2021, and 2020, respectively:

	Nine month period ended January 31, 2021	Nine month period ended January 31, 2020
Consulting fees to Director, and CEO	\$ 72,000	\$ 26,500
Loan from Director, and CEO	-	3,148
Accounting and CFO fees to a company jointly controlled by Director, and CFO of the Company	70,000	14,925
Consulting fees to former Director, and CEO	66,000	39,000
	\$ 208,000	\$ 83,573

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's condensed interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances; however, actual outcomes can differ from these estimates.

Information about critical judgments and estimates in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities included in the preparation of these financial statements are discussed below:

CRITICAL ACCOUNTING ESTIMATES (CONTINUED)

Impairment of Exploration and Evaluation assets - Assets or cash-generating units (“CGUs”) are evaluated at each reporting date to determine whether there are any indications of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company’s mineral properties.

In respect of costs incurred for its exploration and evaluation assets (capitalized), management has determined that the evaluation, development and related costs incurred (expensed), continue to be appropriately recorded on the statements of financial position at its carrying value, and on the statements of operations and comprehensive loss, as management has determined there are no indicators of impairment for its exploration and evaluation assets as at January 31, 2021.

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

FINANCIAL RISK MANAGEMENT

The Company is exposed to minimal financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Global pandemic

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. The impact on the Company is not currently determinable but management continues to monitor the situation.

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 cash held in bank accounts. The Company’s cash is deposited in bank account held with major banks in Canada. As most of the Company’s cash is held by a bank there is a concentration of credit risk. This risk is managed by using major banks that are high-quality financial institution as determined by rating agencies.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

As at January 31, 2021, the Company has \$170,431 (April 30, 2020 - \$26,823) in accounts payable and accrued liabilities that are due within 90 days of period-end.

FINANCIAL RISK MANAGEMENT (CONTINUED)

Currency risk

The Company currently has minimal foreign exchange risk as it conducts the majority of its business within Canada and in Canadian dollars.

Interest rate risk

The Company is not currently exposed to significant interest rate risk.

Capital Management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can provide returns for shareholders and benefits for other stakeholders. The Company considers the items included in shareholders' equity as capital. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares, sell assets to settle liabilities or return capital to its shareholders. The Company is not exposed to externally imposed capital requirements.

ADDITIONAL INFORMATION

Off-Balance Sheet Arrangements

As at the current date, the Company had no off-balance sheet arrangements.

Legal proceedings

As at the current date, management was not aware of any legal proceedings involving the Company.

Outstanding Share Data

As at the date of this report, the Company has 89,842,213 common shares and no preferred shares outstanding.

There are 11,528,998 warrants outstanding as of the date of this report.

Contingent liabilities

As at the current date, management was not aware of any outstanding contingent liabilities relating to the Company's activities.

Any forward-looking information in this MD&A is based on the conclusions of management. The Company cautions that due to risks and uncertainties, actual events may differ materially from current expectations. With respect to the company's operations, actual events may differ from current expectations due to economic conditions, new opportunities, changing budget priorities of the company, and other factors.

CAPITAL DISCLOSURE

The Company manages its capital structure and makes adjustments to it based on the funds available to the Company, in order to support the acquisition of a new business. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to acquire and sustain future development of a business. The Company intends to carry-out exploration work on the Black Dog Lake Gold Project, which includes a Phase I program of prospecting, trenching, mapping, and potentially ground geophysics, followed by a Phase II program focused on diamond drilling. The aforementioned exploration work will require additional financial resources. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the current period. The Company is not subject to externally imposed capital requirements.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The Company's condensed interim financial statements and the other financial information included in this management report are the responsibility of the Company's management and have been examined and approved by the Board of Directors. The condensed interim financial statements were prepared by management in accordance with IFRS and include certain amounts based on management's best estimates using careful judgment. The selection of accounting principles and methods is management's responsibility.

Management recognizes its responsibility for conducting the Company's affairs in a manner to comply with the requirements of applicable laws and established financial standards and principles, and for maintaining proper standards of conduct in its activities. The Board of Directors supervises the financial statements and other financial information through its audit committee.

This committee's role is to examine the financial statements and recommend that the Board of Directors approve them, to examine the internal control and information protection systems and all other matters relating to the Company's accounting and finances. In order to do so, the audit committee meets annually with the external auditors, with or without the Company's management, to review their respective audit plans and discuss the results of their examination. This committee is responsible for recommending the appointment of the external auditors or the renewal of their engagement.

DIRECTORS

Certain directors of the Company are also directors, officers and/or shareholders of other companies. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required to act in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any directors in a conflict will disclose their interests and abstain from voting in such matters. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at the time.