SIXTY NORTH GOLD MINING LTD.

MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED OCTOBER 31, 2019

The following is a discussion and analysis of the financial condition and operating results of Sixty North Gold Mining Ltd. (“Sixty North” or “the Company”) and factors that are reasonably expected to impact future operations and results. This discussion and analysis should be read in conjunction with the Company's audited financial statements for the year ended October 31, 2019, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar amounts are expressed in Canadian dollars unless otherwise indicated. Additional information relating to the Company can be found on SEDAR at www.sedar.com. This management’s discussion and analysis is dated February 06, 2020.

Some of the statements set forth are forward-looking statements relating to the Company’s expected future operating results. The forward-looking information reflects the Company's current expectations and assumptions and are subject to a variety of risks and uncertainties. Although the Company believes that the assumptions on which the forward-looking information is based are reasonable, no assurance can be given that these assumptions will prove correct. Investors are advised to consider the risk factors identified under the heading “Risks and Uncertainties” in this report for a discussion of the factors that could cause the Company’s actual results, performance and achievements to be materially different from any anticipated future results, performance or achievements expressed or implied by the forward-looking information.

Description of Business and Overview

The Company was incorporated on July 7, 2016, pursuant to the *Business Corporations Act* (British Columbia). On November 9, 2017, the Company also became registered as an extra-territorial corporation under Part XXI of the Business Corporations Act of the Northwest Territories.

The Company's head office is located at Suite 2300 - 1177 West Hastings Street, Vancouver, British Columbia, V6E 2K3, and its registered and records offices are located at Suite 3200 - 650 West Georgia Street, Vancouver, British Columbia, V6B 4P7.

The principal business carried on and intended to be carried on by the Company is the acquisition, exploration and development of natural resource properties. Its principal exploration target is the exploration of gold in the Northwest Territories, where the Company holds an option to purchase an 80% interest, with the condition that the balance of 20% will be purchased for a 100% interest in the Mon Gold Property (the “Mon Gold Property” or “Property”), upon reaching funding obligations (see “Mon Gold Property” section below) .

The Company's shares are listed on the Canadian Securities Exchange under the symbol "SXTY". The Company also trades on the Frankfurt Stock Exchange under the symbol "2F4" and, on the OTC Pink Market in the United States under the symbol "SXNTF".

Changes in Management

On May 15, 2019, the Company announced that Gavin Kirk had been appointed as President, Chief Executive Officer ("CEO") and Director of the Company, effective immediately. As part of the management changes, former and founding CEO Ronald Handford agreed to step down as CEO and Director and take on the roles of Vice-President, Corporate Development and Corporate Secretary. Chairman and Chief Financial Officer ("CFO"), John Campbell stepped down from the roles of President and Corporate Secretary.

On September 4, 2019, Ian Klassen resigned as a member of the Board of Directors.

On October 7, 2019, the Company announced that it would appoint Dr. David Webb, Ph.D, P.Geol., P. Eng. (the principal of New Discovery Mines Ltd.) as the President and CEO of the Company. Gavin Kirk remains a director of the Company and is also an investor relations consultant with the Company.

The Mon Gold Property

The Mon Gold Property is located 45 kilometres north of Yellowknife, Northwest Territories, Canada, and consists of 11 contiguous mining leases and 3 mineral claims comprising an aggregate of 1,536.92 acres.

By a restated mineral property earn-in agreement dated for reference June 14, 2017 (the "Agreement") among Sixty North and New Discovery Mines Ltd. ("NDM"), the Company acquired the exclusive right to earn ("earn-in") an 80% undivided interest in the Mon Gold property, subject to a prior restated royalty agreement between NDM and Giauque Holdings Ltd. (the "Royalty Holder"), which provides for a 2.0% net smelter royalty ("NSR") reserved in favour of the Royalty Holder.

On October 21, 2019, the Company announced that it had entered into an amended earn-in property agreement with NDM to revise the Company's right to earn an 80% interest in the Property, by incurring Expenditures of at least $6,000,000 on the Property (of which over $2,000,000 has already been incurred) by December 31, 2020, which right has been revised to the following:

i) The Company will invest a further $1,500,000 for exploration work on the Property by November 30, 2019 (beyond the Initial Expenditures of $2,000,000, for a total of at least $3,500,000);
ii) The Company will invest another $1,500,000 for exploration work on the Property by May 30, 2020 (for a total of at least $5,000,000); and
iii) The Company will invest the balance of the required $6,000,000 in total expenditures on the Property (or at least another $1,000,000) on or before December 31, 2020.

On November 30, 2019, the Company entered into a second amended earn-in property agreement ("Second Amendment") with NDM to extend the deadline to invest a further $1,500,000 for exploration work on the Property from November 30, 2019 to December 16, 2019. At February 6, 2020, the Company is in negotiations with NDM to further extend the deadline.

In the event that the Company earns its 80% interest in the Property, then it will purchase the remaining 20% carried interest held by NDM by the issuance to NDM of the number of common shares of the Company equal

The Mon Gold Property *(continued)*

to twenty-five percent of the total issued and outstanding shares of the Company at that time. NDM will also receive additional common shares of the Company to maintain its twenty-five percent interest of the total issued and outstanding shares of the Company, until the total expenditures specifically for the exploration and development of the A-Zone on the Property reaches a total of $6,000,000. NDM is a private company that is 50% owned and controlled by the President and CEO of the Company.

In addition, the Royalty Agreement provides for a minimum annual advanced royalty payment to the Royalty Holder of US$20,000, which commenced in January 2017, and is payable each year within 30 days of each calendar year end. Twenty percent of all advanced royalty payments may be deducted from the first year's NSR payments, and thereafter the balance of the advanced royalty payments may be deducted from future NSR payments.

As at October 31, 2019, the Company had incurred $2,350,875 in exploration expenditures towards the earn-in on the Mon Gold Property. The Company has an outstanding amount due to NDM for exploration expenditures incurred on the Mon Property in the amount of $10,741 at October 31, 2019. This amount is recorded as a current liability on the statement of financial position at October 31, 2019.

The Company authorized NDM to contract out the ice road construction for the winter road to the Mon Property and advanced $34,000 which was paid by NDM to the contractor and represents 10% of the contract. This amount has been offset by equipment storage fees charged by the contractor, leaving a balance of $5,860 at October 31, 2019 and is recorded in prepaid expenses. The Company intends to continue its exploration programs in the current year and postponed the construction of the winter road for the 2018-2019 season.

On October 3, 2018, the Company received $50,551 of a $59,471 Mining Incentive Program grant from the Government of the Northwest Territories for exploration activities on the Mon Property. The balance of $8,920 was received on May 9, 2019, following receipt and acceptance of the final report. The purpose of the grant is to provide funding to stimulate and sustain mineral exploration activities throughout the Northwest Territories. The Company used the funds to support its prospecting, biogeochemistry and trenching activities. The grant has been applied as a credit towards the carrying value of the Mon Gold Property.

The Mon Gold Property is an exploration stage property with no mineral reserves or resources as of this report date.

A Technical Report dated December 11, 2017, on the Property was prepared by David DuPre, P. Geo., and Kevin Fitzpatrick, P.Eng., the "qualified persons", as defined under National Instrument 43-101 ("NI 43-101") and can be viewed on www.sedar.com.

Overall Performance and Results of Operations

The year ended October 31, 2019 compared to the year ended October 31, 2018

The Company incurred a net loss of $523,875 during the year ended October 31, 2019 compared to a net loss of $899,637 in the year ended October 31, 2018. Other revenue in the amount of $40,536 was recorded in the year ended October 31, 2019 as a pro-rata reduction of eligible flow-through expenditures incurred to October 31, 2019 on the tax liability relating to the flow-through funds raised in the year ended October 31, 2019. Stock-based compensation of $69,505 was recorded in the year ended October 31, 2019 compared to $277,495 for the year ended October 31, 2018.

Net loss before other revenue and stock-based compensation was $494,906 for the year ended October 31, 2019 compared to $622,142 for the year ended October 31, 2018, a reduction of $127,236. The main differences attributing to this reduction are:

- Corporate development costs were $24,000 in the year ended October 31, 2019 compared to $74,205 for the year ended October 31, 2018. A reduction of $50,205 is due to an agreement entered into by the Company in 2018 with a consultant to provide business development and shareholder and investor communication services which was terminated in the second quarter of the current fiscal year.

- Investor relation costs were $128,238 for the year ended October 31, 2019 compared to $263,391 for the year ended October 31, 2018. A reduction of $135,153 is due to the termination of a consulting agreement in the first quarter of 2019 and one-time payments that were made in 2018 to provide market awareness and shareholder and investor communication services.

Offsetting these reductions was an increase to management fees.

- Management fees were $185,000 for the year ended October 31, 2019 compared to $124,000 for the year ended October 31, 2018. The fees were higher in the year ended October 31, 2019 as the board of directors approved a change in compensation for the CEO from $5,000 to $10,000 per month effective from the date of the IPO, April 19, 2018 to June 14, 2019 and established compensation for the CFO in the amount of $5,000 per month, effective from the date of the IPO, April 19, 2018.

During the year ended October 31, 2019, $868,000 was raised through private placements of units compared to $1,275,000 raised through the IPO during the year ended October 31, 2018.

The Company does not have any long-term debt; current liabilities at October 31, 2019 were $96,477 compared to $39,388 at October 31, 2018.

Overall Performance and Results of Operations *(continued)*

The following is a summary of financial information from the Company's audited financial statements:

	October 31, 2019	October 31, 2018	October 31, 2017
Total Revenues	$ 40,536	$ Nil	$ Nil
Total Expenses	564,411	899,637	620,384
Net Loss	(523,875)	(899,637)	(620,384)
(Loss) per shares, basic and diluted	(0.01)	(0.02)	(0.02)
Total Assets	2,764,433	2,360,837	1,957,131
Total Long-term Liabilities	Nil	Nil	Nil
Working Capital (deficiency)	142,516	188,322	461,610

The Company does not produce any revenues. Net loss was higher in 2018 due to costs associated with the Company becoming publicly listed, and its focus on expansion and market awareness.

Total assets have increased and working capital has decreased in 2018 and 2019 as a result of the increase in administrative costs and the Company's continued efforts to expend funds on exploration towards the earn-in.

<u>The three month period ended October 31, 2019 compared to the three month period ended October 31, 2018</u>

The Company incurred a net loss of $133,396 during the three months ended October 31, 2019 compared to a net loss of $324,284 in the three months ended October 31, 2018. Other revenue in the amount of $15,012 was recorded in the three months ended October 31, 2019 as a pro-rata reduction of eligible flow-through expenditures incurred in the quarter ended October 31, 2019 on the tax liability relating to the flow-through funds raised in the current year.

Stock-based compensation of $11,945 was recorded for the three months ended October 31, 2019 compared to $100,455 for the three months ended October 31, 2018. In the three months ended October 31, 2018, the fair value relating to 825,000 options granted to consultants for investor relations and business development services was expensed.

Net loss before other revenue and expenses, and stock-based compensation was $136,462 for the three months ended October 31, 2019 compared to $223,829 for the three months ended October 31, 2018. The lower net loss of $87,367 is mainly due to:

- Corporate development costs were lower by $74,205 and Investor relations costs were lower by $71,925 for the three months ended October 31, 2019 for the same reasons provided above for the year ended October 31, 2019.

Offsetting these reductions was an increase to legal and professional fees of $35,246. This increase was due to approximately $40,000 in legal fees relating to the IPO being reclassified as share issue costs at October 31, 2018.

Overall Performance and Results of Operations *(continued)*

Summary of Quarterly Results:

Period Ended	2019 Oct 31	2019 Jul 31	2019 Apr 30	2019 Jan 31	2018 Oct 31	2018 Jul 31	2018 Apr 30	2018 Jan 31
Revenue	15,012	4,299	12,925	8,300	Nil	Nil	Nil	Nil
Expenses	(148,408)	(129,203)	(160,151)	(126,649)	(324,284)	(376,267)	(105,060)	(94,026)
Net earnings (loss)	(133,396)	(124,904)	(147,226)	(118,349)	(324,284)	(376,267)	(105,060)	(94,026)
(Loss) earnings per share, basic and diluted	(0.00)	(0.00)	(0.00)	(0.00)	(0.01)	(0.01)	(0.00)	(0.00)

Liquidity and Solvency

As at October 31, 2019, the Company had cash of $147,981 and working capital of $142,516. The Company does not expect to generate revenues in the near future and will require additional funds to meet its commitments under the earn-in agreement with NDM and to continue operations. If the Company does not raise the required funds, it may not be able to meet its ongoing obligations. These circumstances may cast significant doubt as to the Company’s ability to continue as a going concern and the appropriateness of the use of accounting principles applicable to a going concern.

On December 28, 2018, the Company closed both a Unit and a Flow-Through Unit financing consisting of 2,220,000 flow-through units at $0.10 per unit and 4,100,000 units at $0.08 per unit to raise gross proceeds of $550,000. The agent was paid a 7% commission and was issued compensation options to purchase 222,000 units at an exercise price of $0.10 per unit and another 410,000 units at an exercise price of $0.08 per unit until December 28, 2020. The Company issued 3,160,000 share purchase warrants comprising a part of the flow-through Units and Units, exercisable at $0.15 per share until December 28, 2020, subject to acceleration provisions.

The gross proceeds from the flow-through financing will be used to incur qualifying Canadian exploration expenditures on the Mon Property; the balance of the funds raised will be used for general and administrative costs and for advancing exploration and development on the Mon Property.

On August 30, 2019, the Company closed a non-brokered private placement of 6,360,000 units at $0.05 per unit for gross proceeds of $318,000. Each unit consists of one common share and one non-transferable share purchase warrant exercisable at $0.10 per common share until August 31, 2021, subject to accelerated exercise provisions if the closing price of the shares is greater than $0.30 per share for a period of at least ten consecutive trading days. The finder was paid a cash commission of $20,000 and issued compensation warrants to purchase up to 500,000 common shares. The securities have a hold period, restricting resale until December 31, 2019.

The net proceeds will be used to finance further exploration expenditures on the Mon Property and for general and administrative expenses.

Liquidity and Solvency *(continued)*

During the year ended October 31, 2019, funds were mainly used for expenses relating to exploration expenditures, investor relations, and administrative expenses. As at October 31, 2019, a total of $2,409,227 had been spent on exploration and acquisition, net of the MIP grant, on the Mon Property ($117,823 of this relates to acquisition costs).

The Company has completed the Initial Expenditures requirement of the earn-in agreement which specified that $2,000,000 be spent on the Property by December 31, 2018, and must spend an additional $4,000,000 by December 31, 2020.

There is no guarantee that the Company will obtain further future funding, and the amount, timing and nature of financing may be materially impacted by the economic climate in capital markets.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements other than those described elsewhere in this report.

Critical Accounting Polices and Estimates

Certain carrying amounts of assets and liabilities require judgements, assumption and estimates as the basis for determining the stated amounts. Examples of significant estimates made by management include the determination of mineralized reserves, estimating the fair values of financial instruments, impairment of long-lived assets, reclamation and rehabilitation provisions, valuation allowances for future income tax assets and assumptions used for valuation of warrants and share-based compensation. Actual results may differ from those estimates.

A detailed summary of all of the Company's significant accounting policies is included in Note 3 to the annual audited financial statements for the year ended October 31, 2019.

Changes in Accounting Policies

<u>New Standards and Amendments Effective for the First Time</u>

IFRS 9, Financial Instruments: Classification and Measurement – The Company adopted all of the requirements of IFRS 9 for the annual period beginning on November 1, 2018. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 utilizes a revised model for recognition and measurement of financial instruments and a single, forward-looking "expected loss" impairment model. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9, so the Company's accounting policy with respect to financial liabilities is unchanged. As a result of the adoption of IFRS 9, management has changed its accounting policy for financial assets retrospectively, for assets that continued to be recognized at the date of initial application. The change did not impact the carrying value of any financial assets or financial liabilities on the transition date.

Changes in Accounting Policies *(continued)*

The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

Financial assets/liabilities	Original classification IAS 39	New classification IFRS 9
Financial assets:		
Cash	FVTPL	FVTPL
Financial liabilities:		
Accounts payable	Other financial liabilities	Amortized cost

New Accounting Standards Issued but not yet Effective

Standards issued, but not yet effective, up to the date of issuance of the Company's financial statements are listed below. This listing of standards and interpretations issued are those that the Company reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The Company intends to adopt these standards when they become effective.

New Accounting Standards Effective for Annual Periods Beginning on or After January 1, 2019

IFRS 16 - Leases

In January 2016, the IASB issued this standard which establishes principles for recognition, measurement, presentation and disclosure of leases. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a services contract based on whether the customer controls the assets being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting remains similar to current accounting practice. The standard is effective for annual periods beginning on or after January 1, 2019, with early application permitted for entities that have also adopted IFRS 15.

The Company has not early adopted IFRS 16 and does not expect the adoption to have a material effect on the Company’s future results and financial position.

Risks and Uncertainties

The Company does not own the Mon Gold Property, and only has a right to earn an interest therein pursuant to an option agreement. The Company must expend a total of $6.0 million on the Mon Gold Property in order to acquire an 80% in the project, subject to a 20% carried interest and a 2.0% net smelter returns royalty. There is no assurance that the Company's mineral exploration and development activities will result in any discoveries of commercial bodies of ore.

There is no assurance that additional funding will be available for further operations or to fulfill its obligations under the applicable agreements. If the Company is unsuccessful in raising further funds, it may not earn any interest in the Mon Gold Property.

Companies in the mineral and exploration and development industry are subject to many risks including, but not limited to, infrastructure, government regulations, environmental issues, metal prices and currency fluctuations and uninsured and litigation risks. There is no assurance that the Company will be able to establish a practical working relationship with any First Nations in the area which would allow it to ultimately develop the Property.

Furthermore, the availability of services such as drilling contractors and geological service companies, and/or the terms on which these services are provided, may be adversely affected by global economic impacts on such service providers. Adverse effects on the capital markets generally may make the raising of capital by equity or debt financing much more difficult, and the Company is dependent upon the capital markets to raise further financing.

Related Party Transactions

The Company defines key management personnel as officers and directors of the Company and/or entities controlled by them. During the year ended October 31, 2019 and 2018, the Company incurred following key management compensation charges:

	2019	2018
	($)	($)
Management fees (a)	**185,000**	124,000
Investor relations (b)	**5,000**	-
Share-based payments (c)	**40,434**	191,087
Total	**230,434**	315,087

(a) During the year ended October 31, 2019, a total of $185,000 (2018: $124,000) in management fees were paid as follows:

An amount of $97,500 (2018: $92,000) to a company controlled by the Vice-President, Corporate Development (former President & CEO) of which $40,000 was settled by the issuance of 800,000

Related Party Transactions *(continued)*

common shares at $0.06 per share and $22,500 was settled by the issuance of 300,000 common shares at $0.05 per share. As the transaction involves a creditor that is also a shareholder of the Company acting in the capacity thereof, the resulting difference of $500 is recognized in the statements of changes in equity.

An amount of $60,000 (2018: $32,000) to the Chief Financial Officer, of which $15,000 was settled by the issuance of 300,000 common shares at $0.06 per share and $22,500 was settled by the issuance of 300,000 common shares at $0.05 per share. As the transaction involves a creditor that is also a shareholder of the Company acting in the capacity thereof, the resulting difference of $4,500 is recognized in the statements of changes in equity.

An amount of $22,500 (2018: $Nil) to a director and former President & CEO (May 15 to September 30, 2019). This amount was settled by issuance of 300,000 common shares at $0.04 per share. As the transaction involves a creditor that is also a shareholder of the Company acting in the capacity thereof, the resulting difference of $10,500 is recognized in the statements of changes in equity.

An amount of $5,000 (2018: $Nil) to a company controlled by the President & CEO.

(b) During the year ended October 31, 2019, a total of $5,000 (2018: $Nil) in investor relations consulting fees were paid to a director and former President & CEO of the Company.

(c) On June 20, 2019, the Company granted 500,000 options with a fair value of $28,489 to a director and former President & CEO of the Company (cancelled on October 18, 2019).

On October 18, 2019, the Company granted 250,000 options with a fair value of $7,466 to the President & CEO of the Company, and 150,000 options with a fair value of $4,479 to the director and former President & CEO of the Company.

On June 20, 2018, the Company granted 1,025,000 options with fair values of $175,329 to the directors and officers of the Company.

On August 31, 2018, the Company granted 125,000 options with a fair value of $15,758 to a director of the Company.

On December 28, 2018, of the 4,100,000 units issued in the private placement, 625,000 units at $0.08 were purchased by the Chief Financial Officer of the Company.

On December 28, 2018, of the 2,200,000 flow-through units issued in the private placement, 260,000 units at $0.10 were purchased by the President & CEO of the Company of the Company.

Related Party Transactions *(continued)*

During the year ended October 31, 2019, the Company paid $26,598 (US $20,000) in annual advance royalty payments to Giauque Holdings Ltd ("Giauque"), a company controlled by the current President & CEO.

During the year ended October 31, 2018, Giauque was not a related party.

During the year ended October 31, 2019, the Company paid $38,309 in Mon Property exploration expenditures to DRW Geological Consultants Ltd. ("DRW"), a company controlled by the current President & CEO. During the year ended October 31, 2018, DRW was not a related party.

Related Party Balance

As at October 31, 2019, the Company has included in accounts payable and accrued liabilities a total of $37,103 (2018 - $2,875), which are payable to directors, officers, and companies controlled by directors and officers.

During the year ended October 31, 2019, the Company advanced $316,543 to NDM (which is 50% owned by the current President & CEO) for Mon Property exploration expenditures (see Note 6 - Exploration and Evaluation Assets). This amount has been fully offset by exploration expenditures incurred on the Mon Property, which included $23,035 charged by NDM. As at October 31, 2019, the Company has an outstanding amount due to NDM in the amount of $11,741. This amount is recorded as accounts payable and accrued liabilities on the statement of financial position at October 31, 2019.

As at October 31, 2019, the Company has included in prepaid expenses a total of $5,860 to NDM for prepayments to a contractor for the ice road construction of the winter road, partially offset by equipment storage fees charged by the contractor.

During the year ended October 31, 2018, NDM was not a related party.

Unless otherwise noted, amounts due to related parties are non-interest bearing, unsecured and have no fixed terms of repayment. The above related party transactions were in the normal course of operations and measured at the exchange amount, which is the amount established and agreed to by the related parties.

Guarantees and Commitments

Any contractual commitments and guarantees provided to third parties are discussed in the Mon Property and Related Party sections.

In addition, on September 1, 2019, the Company entered into an agreement to rent office space for $805 per month and pay-per-use services for any office equipment, communications facilities, receptionist or other administrative services required. The Company will pay a one-month security deposit of $805 and a one-time setup fee of $150 for office supplies and equipment, if required. The agreement is in effect until March 31, 2020

Guarantees and Commitments *(continued)*

and renewed automatically for additional successive terms of six months unless a 60-day written notice is provided by either party.

Investor Relations

During the year ended October 31, 2019, the Company spent $128,238 on Investor Relations (October 31, 2018: $263,391).

On October 7, 2019, the Company entered into an investor relations consulting agreement with Mr. Kirk, a director of the Company for a consulting fee of $5,000 per month for a period of twelve months, and will renew automatically on an annual basis for further terms of one year unless terminated earlier by the Company upon notice in writing to the consultant at least 30 days prior to the initial term or any renewal thereof.

On August 23, 2019, the Company signed an agreement with Investing News Network to provide advertising and marketing services for $58,000 for a period of twelve months, effective September 1, 2019.

On August 13, 2018, the Company entered into an agreement under which Financial Buzz Media Networks would provide financial news media PR services, editorial placements, a corporate landing page and social media services. A one-time payment of US$50,000 was made for these services.

On July 17, 2018, the Company entered into an agreement with MarketSmart Communications (the "Consultant") for a period of six months, with an option for renewal, to provide shareholder and investor communication services. The Consultant was paid $6,000 per month and was granted 100,000 stock options at a price of $0.25 per common share, which shall vest and be exercisable as to 25% on each of October 17, 2018, January 17, 2019, April 17, 2019 and July 17, 2019. The options expire on July 17, 2021 and will be exercisable in accordance with the Company's Stock Option Plan. Either party may terminate the agreement without cause on one months' written notice. During the latter part of 2018, the Company and the Consultant agreed to revise the terms of the agreement whereby the monthly fee was adjusted from $6,000 to $3,000 per month for the balance of the remaining three months under the agreement and to extend a further three months. The Company paid $18,000 in advance to the Consultant for this contract extension following their purchase of 225,000 units at $0.08 in the December 28, 2018 unit private placement. The agreement with Consultant was terminated on April 17, 2019. Due to the termination of the agreement, 100,000 unexercised options granted to the Consultant at a price of $0.25 expired on May 17, 2019.

The Company also made one-time payments to bring market awareness through various market and news media coverage agencies in Europe.

Corporate Development

On June 1, 2019, the Company engaged a consultant to provide advisory services. The consultant was granted 500,000 options at an exercise price of $0.05 and an expiry date of June 20, 2024.

On August 28, 2018, the Company entered into an agreement with 558396 BC Ltd. (the "Consultant") whereby the Consultant will provide independent consulting services relating to business development matters. The agreement will terminate six months from the date of the agreement but may be extended or amended by mutual written consent. In consideration, the Company paid the Consultant cash compensation of a one-time upfront payment of $65,000 inclusive of GST. The two principals of the Consultant also received 300,000 options each at a price of $0.21 per share, expiring on August 28, 2020. Effective February 28, 2019, the Company terminated its contract with 558396 BC Ltd. An aggregate of 600,000 options granted at a price of $0.21 per share expired, unexercised on March 30, 2019.

Financial Instruments and Risks

Fair Values and Classifications

The Company's financial instruments consist of cash and accounts payable. Financial instruments are classified into one of the following categories: FVTPL, FVTOCI, or amortized cost. The carrying values of the Company's financial instruments are classified into the following categories:

Financial Instrument	**Category**	**October 31, 2019**	October 31, 2018
Cash	FVTPL	$ 147,981	$ 127,021
Accounts payable	Amortized cost	51,488	7,514

The Company measures certain financial instruments and other items at fair value. To determine the fair value, the Company uses the fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs market participants would use to value an asset or liability and are developed based on market data obtained from independent sources. Unobservable inputs are inputs based on assumptions about the factors market participants would use to value an asset or liability. The three levels of inputs that may be used to measure fair value are as follows:

Level 1 – Observable inputs such as quoted prices in active markets;

Level 2 – Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and

Level 3 – Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

Financial Instruments and Risks *(continued)*

Assets and liabilities are classified based on the lowest level of input that is significant to the fair value measurements. Changes in the observability of valuation inputs may result in a reclassification of levels for certain securities within the fair value hierarchy.

The fair value of cash is measured on the statement of financial position using level 1 of the fair value hierarchy. The fair values of accounts payable and due to contractor approximate their respective carrying values because of their immediate or short-term nature.

Financial Instrument Risk Exposure

The Company's financial instruments are exposed to certain financial risks, including credit risk, currency risk and liquidity risk.

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's cash and accounts receivable. The carrying amount of the financial assets represents the maximum credit exposure. The Company limits its exposure to credit risk on cash by placing these financial instruments with reputable and major financial institutions.

(b) Currency risk

The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to rate fluctuations is minimal. The Company does not have significant foreign currency denominated monetary liabilities.

(c) Liquidity risk

Liquidity risk is associated with the inability to meet obligations as they become due and is minimized by maintaining sufficient cash and deposit balances to cover operating and exploration costs over a reasonable future period.

Outstanding Share Data

The Company has authorized an unlimited number of common shares without par value. At February 06, 2020, 60,533,333 common shares were issued and outstanding. 3,735,000 of these shares are held in escrow. There are 4,080,000 options outstanding with exercise prices ranging from of $0.05 to $0.20 per share and 14,950,000 warrants and 632,000 broker options outstanding with exercise prices ranging from $0.08 to $0.25 per share. On a fully diluted basis there would be 80,195,333 common shares outstanding.