

**Lahontan Gold Corp.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Three and Six Month Periods Ended June 30, 2022**  
**(Information as at August 29, 2022 unless otherwise noted)**

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**INTRODUCTION**

The following provides management's discussion and analysis of results of operations and financial condition for the three and six month interim periods ended June 30, 2022 and 2021. Management's Discussion and Analysis ("MD&A") was prepared by Lahontan Gold Corp. management and approved by the Board of Directors on August 29, 2022.

On April 5, 2022, Lahontan Gold Corp. ("Original Lahontan") completed a three-cornered amalgamation transaction with 1246765 B.C. Ltd. ("765 BC") to become a wholly-owned subsidiary of 765 BC (the "Resulting Issuer"). The amalgamation transaction constitutes a reverse takeover of 765 BC by Original Lahontan. In connection with the amalgamation transaction 765 BC changed its name to Lahontan Gold Corp. and Original Lahontan was renamed 1000166543 Ontario Inc. Lahontan Gold Corp. (formerly 765 BC) is referred to herein with all of its subsidiaries as "Lahontan" or the "Company". See further information regarding the amalgamation and public listing on page 4 of this MD&A.

On September 25, 2020, Lahontan completed a reverse takeover transaction with Gateway. Gateway was considered the accounting acquirer, and accordingly, the Company is considered a continuation of Gateway.

The following discussion and analysis should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements for the three and six month periods ended June 30, 2022 and 2021 which have been prepared in accordance with International Financial Reporting Standards ("IFRS") for interim financial statements. The following discussion and analysis should also be read in conjunction with the Company's consolidated financial statements for the periods ended December 31, 2021 and 2020 which have been prepared in accordance with IFRS for annual financial statements. All figures are presented in United States dollars (unless otherwise indicated). The consolidated financial statements include all of the assets, liabilities and expenses of the Company and its wholly-owned subsidiaries, 1000166543 Ontario Inc., domiciled in Ontario, Canada; Lahontan Gold (US) Corp., domiciled in Nevada, USA; Gateway Gold Corp. ("Gateway"), incorporated in British Columbia, Canada; and, Gateway Gold (USA) Corp., domiciled in Nevada, USA. All intercompany balances and transactions have been eliminated upon consolidation.

**SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS**

*This document may contain or refer to certain forward-looking statements relating but not limited to Lahontan's expectations, intentions, plans and beliefs. Forward-looking information can often be identified by forward-looking words such as "anticipate", "believe", "expect", "goal", "plan", "intend", "estimate", "may" and "will" or similar words suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. Forward-looking information may include reserve and resource estimates, estimates of future production, unit costs, costs of capital projects and timing of commencement of operations, and is based on current expectations that involve a number of business risks and uncertainties. Factors that could cause actual results to differ materially from any forward-looking statement include, but are not limited to, failure to establish estimated resources and reserves, the grade and recovery of ore which is mined varying from estimates, capital and operating costs varying significantly from estimates, delays in obtaining or failures to obtain required governmental, environmental or other project approvals, inflation, changes in exchange rates, fluctuations in commodity prices, delays in the development of projects, the failure to obtain sufficient funding for operating, capital and exploration requirements and other factors. Forward-looking statements are subject to risks, uncertainties*

*and other factors that could cause actual results to differ materially from expected results. Potential shareholders and prospective investors should be aware that these statements are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. Shareholders are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and various future events will not occur. Lahontan Gold Corp. undertakes no obligation to update publicly or otherwise revise any forward-looking information whether as a result of new information, future events or other such factors which affect this information, except as required by law.*

## **NATURE OF OPERATIONS AND DESCRIPTION OF BUSINESS**

The Company is an exploration stage junior mining company engaged in the identification, acquisition, evaluation and exploration of mineral properties in Nevada, USA. The Company has not determined whether its properties contain mineral resources that are economically recoverable. The recoverability of amounts recorded for mineral exploration properties and deferred exploration expenditures is dependent upon the discovery of economically recoverable resources, the ability of the Company to obtain the necessary financing to complete the development of these resources and upon attaining future profitable production from the properties or sufficient proceeds from disposition of the properties.

The Company's current mineral exploration property interests include: the Santa Fe, Moho, and Redlich projects each located in Nevada, USA. Details regarding each mineral property interest is contained in the section entitled *Overall Performance and Results of Operations* in this MD&A.

## **ACTIVITY HIGHLIGHTS**

### ***Drill results from the Santa Fe pit area***

On August 2, 2022, the Company announced the final results from Phase One drilling completed during 2021. Drill results were from ten reverse-circulation rotary ("RC") drill holes exploring the Santa Fe pit area of the Company's 19 km<sup>2</sup> Santa Fe Project in Nevada's Walker Lane. Eight drill holes, totaling 2,614 metres, are the final RC holes from the 2021 drilling campaign. These drill holes targeted down-dip plus northwest and southeast step outs from known gold and silver mineralization along the Santa Fe fault.

Highlights include holes SF21-015R and -016R where these two RC drill holes targeted expansion of known mineralization in the high-wall of the Santa Fe Pit between the Bonanza and Big Horn zones and were collared approximately 120 metres northwest of SF21-007R. SF21-015R cut 138.6m grading 1.01 grams per tonne ("gpt") Au and 3.4 gpt Ag (1.06 gpt Au Eq) while SF21-016R intercepted 102.1m grading 0.69 gpt Au and 1.7 gpt Ag (0.71 gpt Au Eq). These drill holes expand potential resources in this portion of the Santa Fe pit and define the extent of transitional mineralized rock.

### ***Listing on the OTCQB Venture Market***

On July 25, 2022, the Company announced that the Company's shares commenced trading on the OTCQB Venture Market in the United States operated by OTC Markets Group Inc. The Company's trading symbol on the OTCQB is LGCXF. Company shares continue to trade on the TSX Venture Exchange in Canada.

### ***Drill results from Slab-Calvada pit area of the Santa Fe project***

On July 12, 2022, the Company announced drill results from the final three core drill holes from the 2021 program exploring the Slab-Calvada pit area of the Santa Fe project. The three drill holes, totaling 552 metres, were completed in late 2021 and targeted down-dip extensions of oxidized gold and silver mineralization along the Calvada fault. Historical drilling in this area outlined significant potential oxide resources.

Highlights included: 21.0 metres grading 0.89 gpt Au and 2.7 gpt Ag (0.93 gpt Au Eq) of oxidized mineralization in drill hole CAL21-007C confirming oxidized precious metal mineralization over a vertical range of over 150 metres; and, 32.1 metres grading 0.54 gpt Au and 3.7 gpt Ag (0.58 gpt Au Eq) starting at a vertical depth of only 60 metres in drill hole CAL21-006C.

These three drill holes intercepted shallow, oxidized gold and silver mineralization along the Calvada fault zone, an east-west trending structure that links the previously mined Slab and Calvada pits. Gold and silver mineralization crops out on the surface and now has been traced down-dip over a vertical range of almost 200 metres with mineralization remaining open at depth.

### ***Lahontan drills new “Bonanza” high-grade zone at Santa Fe***

On June 28, 2022, the Company announced drill results from two RC drill holes exploring the Santa Fe pit area. The two drill holes, totaling 518.2 metres, were completed in late 2021. These drill holes targeted northwest and down-dip step outs from known gold and silver mineralization along the Santa Fe fault.

Highlights included hole SF21-014R was located approximately 350 metres northwest of the newly discovered Big Horn high-grade zone and intercepted yet another area of high-grade gold mineralization including a 25.9 metre interval grading 20.36 gpt Au. This newly discovered high-grade zone, called “Bonanza”, has set a new standard with the highest-grade Au assays in the Santa Fe project’s history of 4.6m grading 112.3 gpt Au. The Company has now identified three distinct high-grade gold zones along nearly 800 metres of strike length on the Santa Fe fault that remain open at depth and to the northwest.

Additionally, hole SF21-009R was drilled from the same site as SF21-014R and intercepted shallow transition and oxide gold mineralization including 35.1m grading 1.07 gpt Au, expanding the envelope of oxide and transition mineralization in this corner of the Santa Fe pit and producing new targets for further step-out drilling.

### ***Lahontan drills thick continuous gold at Santa Fe project***

On June 6, 2022, the Company announced drill results from four additional core drill holes exploring the Santa Fe pit area. The four drill holes, totaling 1,549 metres, were completed in late 2021. These drill holes targeted down-dip step outs from known gold and silver mineralization along the Santa Fe fault, extensions of oxide and transition mineralization southeast of the Santa Fe pit, and an easterly trending structure that may tie Slab pit mineralization to the Santa Fe pit area.

Highlights included core hole SF21-006c that intercepted continuous gold and silver mineralization over 226 metres (1.22 gpt Au) with this drill hole bottoming in mineralized rock. Within this intercept, the Company has discovered a new high-grade zone (the “Bighorn Zone”) with up to 26.2 gpt Au and 61.0 gpt Ag (27.01 gpt Au Eq, 245.5 – 246.6m). This high-grade zone is separate from the BH Zone and suggests that multiple high-grade feeder zones are present at the Santa Fe Project.

Core hole SF21-008c was a step-out drill hole southeast of the Santa Fe pit that successfully intercepted shallow oxidized gold and silver mineralization (75 metres south of previously reported drill hole SF21-004c). This drill hole demonstrates that additional oxide and transition mineralization is extensive south and southeast of the Santa Fe pit, and underscores the resource potential of this area.

Core holes SF21-007c and -009c targeted the projected extension of the Calvada fault, an east-west trending structure that may tie together mineralization seen at the Slab-Calvada area with the intensely gold and silver mineralized Santa Fe pit area. SF21-007c intercepted 64 metres grading 0.74 gpt Au Eq including up to 2.24 gpt Au Eq in transitional rocks (360.6 – 362.1m, 1.97 gpt Au and 19.7 gpt Ag). Although -009c appears to have drilled over the main structure, the two holes confirm the potential of the Calvada fault zone between the Santa Fe and Slab pits opening up over 1,000 metres of potentially mineralized structure.

### ***Lahontan drills shallow oxide gold at the Slab open pit area***

On May 24, 2022, the Company announced drill results from the first four core drill holes exploring the Slab pit area at the Santa Fe project. The four drill holes, totaling 891 metres, were completed in late 2021 and targeted down-dip extensions of oxidized gold and silver mineralization below the Slab open pit in an area where historical drilling outlined significant potential oxide resources.

Highlights included 41.1 metres grading 0.54 gpt Au and 1.8 gpt Ag (0.56 gpt Au Eq) starting at only 52.4 metres down-hole, and a second vertically stacked zone of 19.5 metres grading 0.26 gpt Au and 5.6 gpt Ag (0.33 gpt Au Eq), all oxidized, in drill hole CAL21-002C. Additionally, 26.7 metres grading 0.44 gpt Au and 3.1 gpt Ag (0.48 gpt Au Eq) starting at only 29.4 metres down-hole, and a second, deeper zone, grading 0.21 gpt Au and 1.5 gpt Ag (0.23 gpt Au Eq), all oxidized, in drill hole CAL21-005C.

These four drill holes intercepted oxidized gold and silver mineralization throughout their entire lengths to a maximum down-hole depth of 246 metres (CAL21-002C), confirming the presence of widespread oxide mineralization in the Slab pit area with only very minor amounts of transitional mineralization. Of critical importance, the drilling identified at least two vertically stacked zones of gold and silver mineralization; the deeper zone can help drive a deeper pit shell during resource estimation and optimization, which increases the volume of potential resources in the Slab pit area.

### ***Drill results return thick intervals of high-grade gold at Santa Fe project***

On May 2, 2022, the Company released the results from five core holes, totalling 1,368 metres, completed in 2021 at the Santa Fe project. These core drill holes explored down-rake and on-strike extensions to the high-grade BH zone and shallow, potentially open-pit minable, gold and silver mineralization southeast of the past-producing Santa Fe open pit.

High-grade intercepts from the BH zone included 100.3 metres grading 2.96 gpt Au and 62.2 gpt Ag (3.79 gpt gold equivalent), including 37.3 metres grading 3.78 gpt Au and 96.1 gpt Ag (5.06 gpt AuEq), also including 4.9 metres grading 10.76 gpt Au and 126.7 gpt Ag (12.45 gpt AuEq) in drill hole SF21-001C.

Highlights from shallow oxide drilling included 23.9 m grading 0.84 gpt Au and 4.6 gpt Ag (0.90 AuEq), and 20.7 m grading 0.45 gpt Au and 3.4 gpt Ag (0.50 gpt AuEq) in drill hole SF21-004C.

### ***Expansion of land position at Santa Fe project***

On April 19, 2022, the Company announced that it had expanded its land holdings at its flagship Santa Fe project by staking 22 unpatented lode mining claims. The new claims cover potential southern extensions to the high-grade BH zone as well as surface geochemical and hydrothermal alteration anomalies. The claims also cover small gaps between existing land holdings and adjacent claimants. With the new unpatented lode mining claims, the Santa Fe project now encompasses over 19 square kilometres.

### ***Amalgamation with 1246765 B.C. Ltd / Public listing application***

On February 1, 2021, 765 BC announced that it had agreed to complete a transaction with the Company that would result in 765 BC indirectly acquiring interests in the Santa Fe, Moho and Redlich projects located in Nevada (the "Transaction"). The Transaction was concluded on April 5, 2022 and was effected through an amalgamation agreement (the "Amalgamation Agreement"). The Transaction was conditional on the Company completing a private placement of subscription receipts (as described below) and the TSX Venture Exchange ("TSXV") approving the listing of the post-consolidation common shares of 765 BC and other customary conditions.

The Amalgamation Agreement, dated January 29, 2021, as amended, provided for, among other things, a three-cornered amalgamation (the "Amalgamation") pursuant to which: (i) Original Lahontan amalgamated with a newly formed wholly-owned subsidiary of 765 BC incorporated pursuant to the provisions of the *Business Corporations Act* (Ontario); (ii) all of the outstanding common shares, warrants and stock options

of Original Lahontan were cancelled and, in consideration therefor, the holders were provided resulting issuer shares, warrants and stock options of 765 BC at an exchange ratio of one-for-one; and, (iii) the amalgamated company became a wholly-owned subsidiary of 765 BC. After giving effect to the Amalgamation, the shareholders of the Company collectively exercise control over 765 BC. The combination arising from the Amalgamation has been accounted for as a reverse takeover transaction.

Pursuant to the terms of the Amalgamation Agreement, 765 BC effected a consolidation (the "Consolidation") of its outstanding 3,000,000 common shares on the basis of one post-consolidation share for every 2.7 pre-consolidation shares and changed its name to "Lahontan Gold Corp." (the "Name Change"). Shareholders of 765 BC therefore received 1,111,111 resulting issuer shares.

All conditions of the Amalgamation Agreement were satisfied, including among others: (i) the requirement for the Company to obtain approval of at least 66⅔ percent of the votes cast by shareholders of the Company at a special meeting of shareholders held on March 29, 2022; (ii) the requirement for 765 BC to obtain applicable approvals for the Consolidation and the Name Change; (iii) completion of the private placement of subscription receipts; and, (iv) obtaining conditional approval of the TSXV for the listing of 765 BC's common shares.

Pursuant to the Amalgamation, the Company's shares and other securities (including the common shares and warrants issued upon conversion of the Subscription Receipts) were exchanged for common shares ("Resulting Issuer Shares") and other securities of 765 BC.

#### ***Private placement of subscription receipts***

On March 24, 2022 in connection with its public listing application and the Amalgamation, the Company entered into an agreement (the "Agency Agreement") with Beacon Securities Inc. as lead agent, on behalf of a syndicate of agents, (the "Agents") in connection with a best-efforts private placement of 8,888,889 subscription receipts (the "Subscription Receipts") at a price of CDN\$0.45 per Subscription Receipt for gross proceeds of CDN\$4,000,000 (the "Offering"). The Offering was closed on March 24, 2022 with the gross proceeds less certain commissions and expenses of the Agents placed in escrow.

On April 5, 2022, all applicable escrow release conditions were satisfied and the Subscription Receipts were converted into 8,888,889 common shares and 4,444,444 common share purchase warrants of the Company. Each warrant entitles the holder to acquire one common share at an exercise price of CDN\$0.65 per common share until April 5, 2024.

In connection with the Offering, the Agents and certain eligible finders received cash fees of CDN\$193,181 and were issued a total of 429,291 compensation options. Each compensation option is exercisable for one unit having the same features as the Subscription Receipts until April 5, 2024.

#### ***Stock option grant***

On April 8, 2022, the board of directors of the Resulting Issuer approved the grant of 3,950,000 stock options to directors, officers and consultants. These stock options are exercisable at CDN\$0.45 per common share and expire April 8, 2027.

#### ***Public listing on the TSX Venture Exchange***

On April 11, 2022, the TSXV issued its final acceptance of the listing statement dated March 28, 2022. Trading of the Resulting Issuer Shares commenced on April 13, 2022 under the trading symbol "LG".

### ***Private placement of units***

During July 2021, the Company closed a private placement offering in two tranches issuing a total of 14,623,469 units at CDN\$0.35 per unit for gross proceeds of \$4,079,156 (CDN\$5,118,214). Each unit was comprised of one common share and one-half common share purchase warrant with a total of 7,311,734 warrants issued. Each whole warrant entitles the holder to acquire one common share at an exercise price of CDN\$0.40 per common share for a period of twenty-four months after the closing dates. In connection with the private placement, the Company engaged certain arm's length finders to assist with the private placement. Those finders were entitled to a cash commission equal to seven percent of the gross proceeds raised as a result of the finders' efforts; and (ii) finders' warrants equal in number to seven percent of the units issued to those purchasers that were introduced to the Company by the finder. Each finder warrant entitles the finder to acquire one common share at a price of CDN\$0.35 per common share for a period of twenty-four months from the closing dates of the private placement. In total, cash commissions of \$162,710 (CDN\$201,156) were paid and 575,304 finders' warrants were issued.

### ***Phase One drilling at Santa Fe project***

During March 2021, the Company received approval from the United States Department of the Interior's Bureau of Land Management for its 2021 drill program at the Santa Fe project. Six reverse-circulation drill holes totalling 1,218 metres were completed in this initial portion of Phase One drilling. Highlights of this drilling were announced in June 2021 and included: 188.9 metres grading 1.75 gpt Au and 9.9 gpt Ag in drill hole SF21-001R including 56.4 metres grading 2.78 gpt Au and 17.6 gpt Ag and also including 6.1 metres grading 4.29 gpt Au and 31 gpt Ag. Gold and silver mineralization starts at the surface and the hole bottomed in mineralized rock; and, 86.9 metres grading 1.08 gpt Au and 3.7 gpt Ag in drill hole SF21-002R.

### ***Drone magnetic survey at Santa Fe project***

During June 2021, the Company announced the results of a detailed drone magnetic survey at the Santa Fe project. Key findings of the survey include:

- The new magnetic data, when combined with a historical electromagnetic ("EM") survey and geologic mapping, outline the southeast extension of the BH zone from the Santa Fe open pit a distance of over 1,000 metres and corresponds to areas where historical reverse-circulation drilling intercepted 16.8 metres grading 6.10 gpt Au including 3.3 metres grading 11.65 gpt Au (CSF-89-19). This area shows the exact same geophysical signature as the Santa Fe, Slab, Calvada and York open pit mines that yielded 345,000 ounces of gold and 710,000 ounces of silver production between 1988 and 1992 (Nevada Bureau of Mines and Geology, 1996).
- In the area of the Slab open pit, the magnetic anomaly associated with previously mined gold mineralization extends north of the pit into virgin ground and also to the west, opening up large areas for resource expansion drilling.
- Along the prominent east-west structure that connects the Slab pit to the Calvada pit, strong magnetic contrast and historical EM anomalies confirm the interpreted structural orientation and highlight the importance of this drill target.
- In the northwest portion of the Santa Fe project, in the Pinnacles target area, the magnetic data outline in detail the classic Walker Lane orientation of key structures as well as north-south oriented conjugate shears, generating high quality drill targets in this untested portion of the property.

## OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

### Exploration and Evaluation Expenditures

During the six month period ended June 30, 2022, the Company capitalized a total of \$761,294 to exploration and evaluation assets for its projects. Of this total \$759,740 related to the Santa Fe project and \$1,554 related to the Moho project. No costs were incurred for the Redlich project during this period.

### Santa Fe Project – Nevada, USA

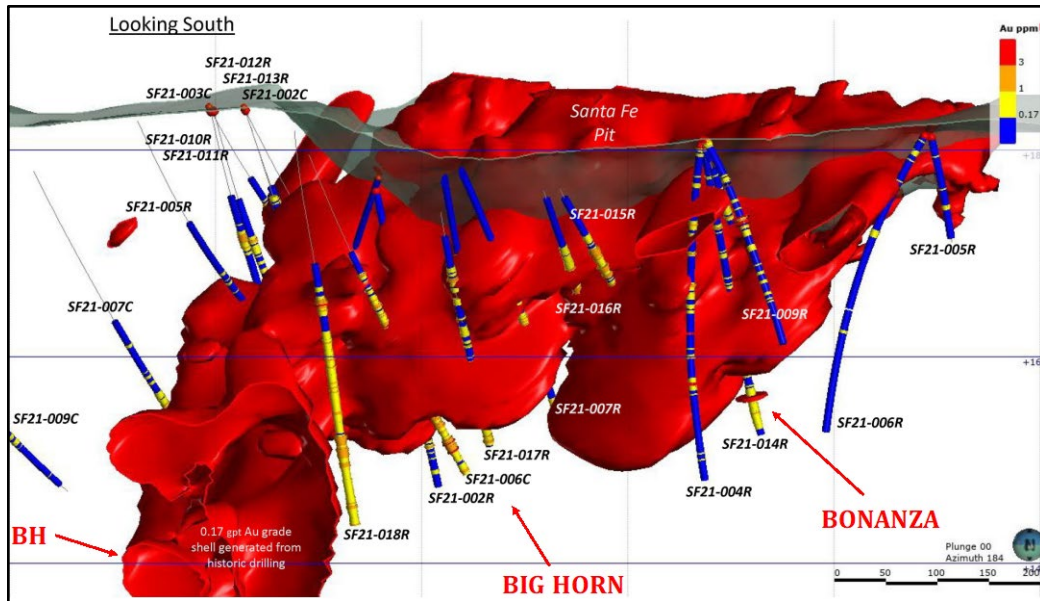
On September 25, 2020, the Company completed a reverse takeover transaction with Gateway a private Canadian company incorporated in British Columbia, Canada that was a wholly-owned subsidiary of Victoria. Gateway's wholly-owned Nevada subsidiary Gateway Gold (USA) Corp. holds a 100% beneficial interest in the Santa Fe project located 12 kilometres east of the town of Luning, in Mineral County, Nevada. As at June 30, 2022, the Santa Fe project was comprised of 291 unpatented mining claims, 67 unpatented millsite claims and 24 patented mining claims. A total of 46 of the Santa Fe project claims, including all patented claims, are subject to a 1.25% net smelter return ("NSR") royalty interest. The NSR royalty applies to all ore mineral, metals and materials produced from the claims after the first 67,886 ounces of gold and 147,157 ounces of silver.

During April 2022, the Company staked 22 additional claims contiguous to the southern border of the Santa Fe project. The Santa Fe project encompasses over 19 square kilometres in area.

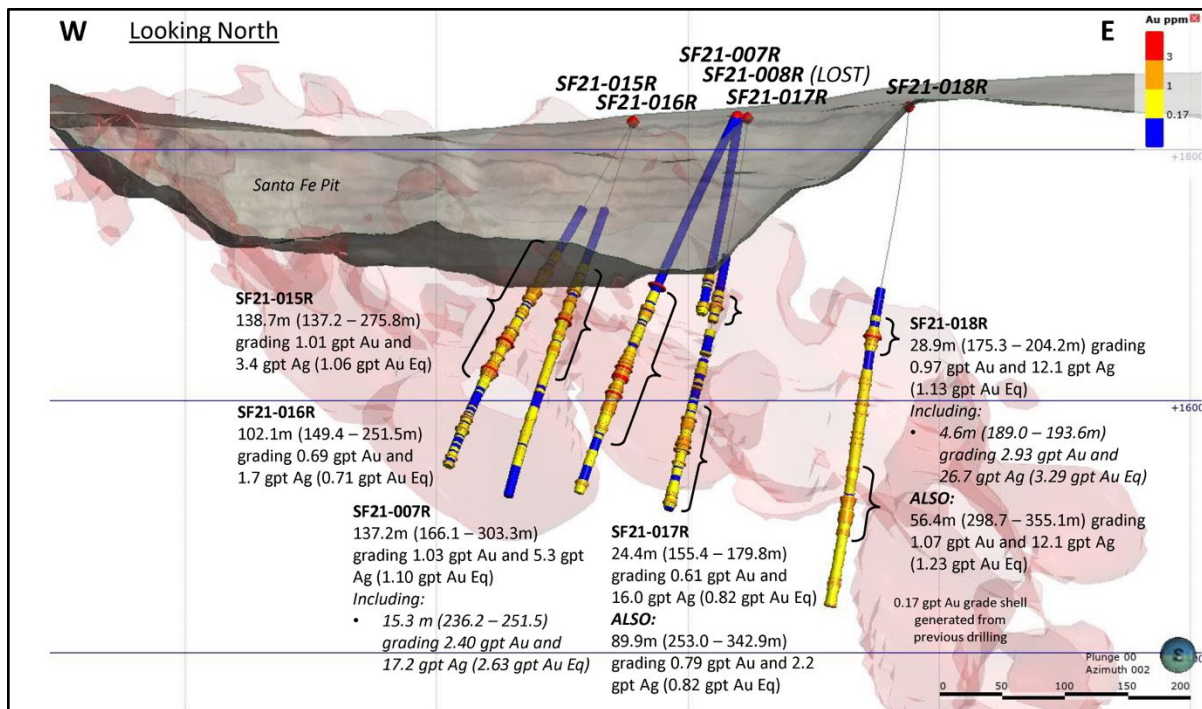
The Santa Fe project has an extensive geologic and geochemical database from both recent field work and from data generated during five years of gold and silver production (345,000 ounces of gold and 710,000 ounces of silver, Nevada Bureau of Mines and Geology, 1996) between 1988 and 1992 plus subsequent exploration programs. The project has a historical drill hole database of nearly 1,200 drill holes totaling over 110,000 metres.

During the six month period ended June 30, 2022, a total of \$759,740 was capitalized to the Santa Fe project related to exploration and evaluation costs. Significant expenditures included personnel and consultant costs of \$288,284; exploration management and support costs of \$63,077; field office rent, storage and telecommunication costs of \$40,686; travel and accommodation costs of \$40,987; geochemical analysis costs for drill core and RC samples of \$195,710; vehicle and fuel costs of \$70,370; environmental monitoring and reporting costs of \$18,203; and, field equipment costs of \$19,531.

On August 2, 2022, the Company announced the final drill results from the Phase One drilling program. In total, Lahontan drilled 9,410 metres in its 2021 Phase One drilling campaign resulting in the discovery of two new high grade "feeder" zones, Bonanza and Big Horn, the expansion of the BH high-grade zone, and impressive volumes of good grade shallow oxide and transition gold and silver mineralization at both the main Santa Fe pit target area and at the Slab target area (see cross sections of the Santa Fe Pit below).



Cross section looking south through all 2021 Lahontan drill holes in the Santa Fe pit area. The 2021 drilling campaign was successful in expanding the volume of gold and silver mineralization in areas adjacent to the 0.17 gpt grade shell defined by previous drilling (shown in red above). Note how Lahontan drilling has opened-up potential new gold and silver resources, especially in the newly discovered high-grade zones and deeper portions of the BH zone.



Cross section looking north through RC drill holes SF21-007R, SF21-008R, and SF21-015R through -018R, Santa Fe pit area, Santa Fe Project, Mineral County, Nevada. These drill holes greatly expand the volume of gold and silver mineralized rock adjacent to the 0.17 gpt Au grade shell defined by historical drilling (pink outline).

Central Santa Fe Pit Drill Holes: RC drill holes, SF21-007R, -008R, -015R through -18R targeted expanding potential resources in the central portion of the Santa Fe pit by stepping out into the pit high-wall. While SF21-008R was lost above the intended target, drill hole -007R intercepted what may be the edge of more high-grade mineralization including 1.5m grading 3.50 gpt Au and 61.9 gpt Ag (4.33 gpt Au



Eq, 240.8 – 242.3m). Drill holes SF21-015R and -016R successfully expanded the volume of transition mineralization between the Big Horn and Bonanza high-grade zone. Based on the silver grades, it appears that drill holes SF21-015R and -016R drilled the margins of the Big Horn high-grade zone, confirming tonnage potential of this important high-grade target. Of note, SF21-007R, -015R and -018R all bottomed in mineralized rock, emphasizing that the Santa Fe deposit remains open at depth.

*South-Southeast Extension of the Santa Fe Pit:* RC drill holes SF21-010R through -013R were drilled to further define the boundaries between transition mineralization and fresh rock south-southeast of the Santa Fe pit. All four drill holes intercepted significant widths of mineralized material and confirmed suspected boundaries of the metallurgical domains in this area.

RC drilling resumed at Slab in late July 2022, targeting more shallow oxide gold and silver mineralization. The Company plans to deliver a maiden resource estimate in 2022 and take the next steps to advance the Santa Fe Project back into production.

## **Moho Project – Nevada, USA**

### ***Property Background***

The Moho project is comprised of a total of 119 unpatented mining claims located in Mineral County, Nevada. Of this total, 9 claims are subject to the Moho Option Agreement dated May 26, 2017 with Nevada Select Royalty, Inc. (“Nevada Select”, a wholly-owned subsidiary of Ely Gold Royalties Inc. (“Ely Gold”), since acquired by Gold Royalty Corp.; 50 claims are subject to the Mining Lease and Option to Purchase Agreement dated August 30, 2017 with Minquest Ltd. (“Minquest”); and, 60 claims are held directly, with 25 of these claims staked during 2021.

### ***Moho Option Agreement, Ely Gold***

The Moho Option Agreement provides an exclusive option to purchase a 100% interest in 9 claims forming part of the Moho project. On October 26, 2020, the Company issued common shares valued at \$35,899 to Ely Gold in satisfaction of the third anniversary option payment of \$25,000 (which had been extended until December 15, 2020) and for reimbursement of \$10,899 of annual claim renewal fees for the Moho project. A final option payment of \$150,000 was paid during August 2021. The Company is responsible for annual claim maintenance costs.

Following the final option payment and exercise of the option, Gold Royalty Corp. retains a 2.5% NSR royalty on the 9 claims. On the first three anniversaries of the option exercise, the Company would pay advance minimum royalty (“AMR”) payments of \$15,000 per year. On the fourth anniversary and each year thereafter, the Company would pay AMR payments of \$25,000 annually. A total of \$60,000 related to payments under the option agreement and 80% of all AMR payments made are creditable toward future production royalty amounts payable.

Additionally, the Moho Option Agreement defines an area-of-interest (“AOI”) being a one-mile distance from the outermost perimeter of the 9 property claims. Any additional property claims added in the AOI are subject to a 2% NSR royalty (the “AOI Royalty”). Both the 50 claims subject to the Minquest option agreement and the 35 claims held directly by the Company fall within the AOI and are subject to the AOI Royalty. If a third party royalty exists on any of the AOI claims, the AOI Royalty would be reduced such that the total royalty burden does not exceed 3%. The Company will have a right to buy-down 1% of the NSR royalty on the 9 claims along with 1% of the AOI Royalty for a total amount of \$1,000,000.

### ***Mining Lease and Option to Purchase Agreement, Minquest***

The Mining Lease and Option to Purchase Agreement provides an exclusive option to purchase a 100% interest, in 50 claims forming part of the Moho project, over a five-year term to August 30, 2022. A total

of \$112,250 in minimum option payments from execution of the agreement to the present time have been paid (including the final \$35,000 payment during September 2021). In order to exercise the option a payment of \$500,000, less any minimum option payments made, is due within 30 days following August 30, 2022. Annual exploration work commitments of \$50,000 per annum during the five-year term of the agreement are required and have been met based on expenditures completed to date. The Company is responsible for annual claim maintenance costs. Following exercise of the option, Minquest would retain a 1.5% NSR royalty.

During the six month period ended June 30, 2022, a total of \$1,554 in exploration and evaluation costs were incurred for the Moho project. During the year ended December 31, 2021, the Company incurred \$503,455 of exploration and evaluation expenditures for the Moho project. Expenditures included claim renewal fees of \$17,527; cash option payments of \$185,000; personnel and consulting costs of \$43,301; field office and related costs of \$7,888; drilling and related costs of \$216,998; geological costs of \$10,130; vehicle and fuel costs of \$11,320; and, environmental costs of \$7,143.

### **Redlich Project – Nevada, USA**

The Redlich project is comprised of 76 unpatented mining claims located in Esmeralda County, Nevada that are subject to the Redlich Option Agreement dated May 26, 2017 with Nevada Select and Ely Gold. On October 26, 2020, the Company issued common shares valued at \$38,464 to Ely Gold in satisfaction of the third anniversary option payment of \$25,000 (which had been extended until December 15, 2020) and for reimbursement of \$13,464 of annual claim renewal fees for the Redlich project. A final option payment of \$150,000 was paid during August 2021. The Company is responsible for annual claim renewal costs.

Following the final option payment and exercise of the option, Gold Royalty Corp. retains a 2.5% NSR royalty. On the first three anniversaries of the option exercise, the Company would pay advance minimum royalty (“AMR”) payments of \$15,000 per year. On the fourth anniversary and each year thereafter, the Company would pay AMR payments of \$25,000 annually. A total of \$60,000 related to payments under the option agreement and 80% of all AMR payments made are creditable toward future production royalty amounts payable. The Company will have a right to buy-down 1% of the NSR royalty for \$1,000,000.

No exploration and evaluation costs were incurred for the Redlich project during the six month period ended June 30, 2022. During the year ended December 31, 2021, the Company incurred exploration and evaluation costs of \$172,432 with respect to the Redlich project relating primarily to claim renewal fees of \$13,464; the final cash option payment of \$150,000; and, to personnel and consulting costs of \$7,459.

Mr. Quentin J. Browne, P.Geo., Consulting Geologist, is the Company’s qualified person (as defined by National Instrument 43-101) for the Santa Fe, Moho and Redlich projects and has reviewed and approved the scientific and technical information contained in this MD&A.

## SELECTED INTERIM INFORMATION

The following table contains selected consolidated interim financial information for the three and six month periods ended June 30, 2022 and 2021.

	<b>Three month period ended June 30, 2022</b> (US\$) (unaudited)	<b>Three month period ended June 30, 2021</b> (US\$) (unaudited)	<b>Six month period ended June 30, 2022</b> (US\$) (unaudited)	<b>Six month period ended June 30, 2021</b> (US\$) (unaudited)
<b>Statements of Operations</b>				
Revenue	-	-	-	-
Expenses				
Promotion and website	127,041	1,344	210,135	1,344
Regulatory and transfer agent	61,182	-	73,009	4
Legal, accounting and audit	59,238	44,043	126,972	111,805
Office, general and administrative	103,217	40,539	201,667	106,793
Share based compensation	881,100	-	881,100	-
Total expenses	(1,231,778)	(85,926)	(1,492,883)	(219,946)
Interest income	2,171	489	2,599	1,093
Listing expense	(345,125)	-	(345,125)	-
Other income	-	250,000	250,000	250,000
Deferred income tax expense	(29,980)	-	(59,960)	-
Net income (loss)	(1,604,712)	164,563	(1,895,369)	31,147
Currency translation differences	(95,899)	16,015	(74,888)	30,432
Total comprehensive income (loss) for the period	(1,700,611)	180,578	(1,970,257)	61,579
Income (loss) per common share - Basic and diluted	(0.02)	0.00	(0.02)	0.00

	<b>June 30, 2022</b> (US\$) (unaudited)	<b>December 31, 2021</b> (US\$)
<b>Statements of Financial Position</b>		
Total assets	16,253,891	14,152,600
Non-current liabilities	1,226,223	1,163,263
Total shareholders' equity	14,968,881	12,851,842

For the three month period ended June 30, 2022, total expenses before other income and expense and deferred income tax expense were \$1,231,778 (Q1 2021 - \$85,926). Expenses included promotion costs of \$127,041 relating to advertising and marketing costs, attendance at industry trade conferences, travel and accommodation and to press release dissemination costs. Regulatory and transfer agent fees were \$61,182 and related to costs for the Company's new OTCQB listing in the United States, to shareholder meeting costs to approve the amalgamation transaction and to transfer agent fees. Legal, accounting and audit expense was \$59,238 and related to annual audit fees and to legal fees associated with the amalgamation and going public transaction and other corporate matters. Office, general and administrative costs were \$103,217 and relate primarily to management compensation for the Company's Chief Executive Officer and Chief Financial Officer and to accounting and bookkeeping, general office and insurance costs. Share based compensation expense was \$881,100 and related to stock options granted on April 8, 2022.

For the six month period ended June 30, 2022, total expenses before other income and expense and deferred income tax expense were \$1,492,883 (six months ended June 30, 2021 - \$219,946).

Interest income earned on cash balances during the six month period ended June 30, 2022 was \$2,599 (six months ended June 30, 2021 - \$1,093). Listing expense of \$345,125 relates to the amalgamation transaction and is comprised of a \$320,000 value for the 1,111,111 common shares provided to 765 BC shareholders and an amount of \$25,125 in liabilities of 765 BC assumed. For the six month period ended June 30, 2022, a deferred income tax expense of \$59,960 related to changes in asset basis differences with respect to US property assets during the quarter.

#### **Net Loss and Net Loss per Common Share**

Net loss for the three month period ended June 30, 2022 was \$1,604,712 (Q2 2021 – net income of \$164,563) and basic and diluted loss per common share was \$0.02 (Q2 2021 – income of \$0.00). Net loss for the six month period ended June 30, 2022 was \$1,895,369 (six month period ended June 30, 2021 – net income of \$32,147) and basic and diluted loss per common share was \$0.02 (six months period ended June 30, 2021 – income of \$0.00).

#### **Other comprehensive income (loss)**

For the three month period ended June 30, 2022 other comprehensive loss was \$95,899 (Q2 2021 – income of \$16,015) relating to foreign currency translation gains arising primarily from translation of Canadian dollar cash balances into the US dollar presentation currency. Total comprehensive loss for the three month period ended June 30, 2022 was \$1,700,611 (Q1 2021 – income of \$180,578). For the six month period ended June 30, 2022 other comprehensive loss was \$74,888 (six months ended June 30, 2021 – income of \$74,888) resulting in total comprehensive loss of \$1,970,257 (six months ended June 30, 2021 – income of \$61,579).

#### **LIQUIDITY AND CAPITAL RESOURCES**

As at June 30, 2022, the Company held cash of \$2,588,604 (December 31, 2020 – \$1,044,831) and had working capital of \$2,771,610. Given the Company's plans for significant exploration expenditures focused on the Santa Fe, Nevada project during the coming year, existing funds on hand are not sufficient to support planned exploration costs and ongoing corporate costs over the coming year. These conditions raise material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern, and accordingly, the appropriateness of the use of the accounting principles applicable to a going concern. On March 24, 2022 the Company closed a private placement financing of subscription receipts raising gross proceeds of \$3,201,050 (CDN\$4,000,000) in connection with the amalgamation and public listing transaction (see below).

### Private placement financings

On March 24, 2022 in connection with its public listing application and the Amalgamation, the Company entered into an Agency Agreement with Beacon Securities Inc. as lead agent, on behalf of a syndicate of Agents, in connection with a best-efforts private placement of 8,888,889 Subscription Receipts at a price of CDN\$0.45 per Subscription Receipt for gross proceeds of \$3,201,050 (CDN\$4,000,000). The Offering was closed on March 24, 2022 with the gross proceeds less certain commissions and expenses of the Agents placed in escrow.

On April 5, 2022, all applicable escrow release conditions were satisfied and the Subscription Receipts were converted into 8,888,889 common shares and 4,444,444 common share purchase warrants of the Company. Each warrant entitles the holder to acquire one common share at an exercise price of CDN\$0.65 per common share until April 5, 2024.

In connection with the Offering, the Agents and certain eligible finders received cash fees of CDN\$193,181 and were issued a total of 429,291 compensation options. Each compensation option is exercisable for one unit having the same features as the Subscription Receipts until April 5, 2024.

During July 2021, the Company closed a private placement offering in two tranches issuing a total of 14,623,469 units at CDN\$0.35 per unit for gross proceeds of \$4,079,156 (CDN\$5,118,214). Each unit was comprised of one common share and one-half common share purchase warrant with a total of 7,311,734 warrants issued. Each whole warrant entitles the holder to acquire one common share at an exercise price of CDN\$0.40 per common share for a period of twenty-four months after the closing dates. In connection with the private placement, the Company paid cash commissions of \$162,710 and issued 575,304 finders' warrants exercisable at CDN\$0.35 for a period of two years from the closing dates.

The Company is dependent on raising additional funds in order to finance future exploration programs and to meet requirements for administrative and other operating costs. The Company's operations do not generate cash flows. The Company's financial success is dependent on its ability to discover economically viable mineral deposits on its properties. The mineral exploration process can take many years and is subject to a number of factors many of which are beyond the Company's control (see *Risks and Uncertainties*).

### Contractual Obligations

The Company does not currently have any fixed contractual obligations or commitments for capital or operating leases, purchase obligations or other long-term commitments. Any commitments under option earn-in agreements for exploration property interests are cancellable at the Company's discretion but would result in forfeiture of rights under such agreements.

### OUTSTANDING SHARE DATA

Information with respect to outstanding common shares, warrants and stock options as at August 29, 2022, June 30, 2022 and December 31, 2021 is as follows:

	August 29, 2022	June 30, 2022	December 31, 2021
Common shares	92,660,501	92,660,501	82,660,501
Warrants	13,289,098	13,289,098	8,415,363
Stock options	9,250,000	9,250,000	5,950,000
Fully diluted shares outstanding	115,199,599	115,199,599	97,025,864

## **OFF-BALANCE SHEET ARRANGEMENTS**

The Company has not entered into any material off-balance sheet arrangements such as guarantee contracts, contingent interests in assets transferred to unconsolidated entities, derivative instrument obligations, or with respect to any obligations under a variable interest entity arrangement.

## **FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

The Company's financial instruments consist of cash and cash equivalents, reclamation deposits and accounts payable and accrued liabilities. Details relating to financial instruments and risk management associated with credit risk, liquidity risk, currency risk and interest rate risk are disclosed in note 11 to the Company's condensed consolidated interim financial statements for the periods ended June 30, 2022 and 2021.

## **PROPOSED TRANSACTIONS**

As is typical of the mineral exploration and development industry, the Company periodically reviews potential merger, acquisition, investment and joint venture transactions and opportunities that could enhance shareholder value. Timely disclosure of such transactions is made as soon as reportable events arise.

## **RELATED PARTY TRANSACTIONS AND COMPENSATION OF KEY MANAGEMENT**

The Company has contracts for management and geological services with its officers, directors and companies controlled by its officers and directors. Key management includes all persons named or performing the duties of Chief Executive Officer and President, Director of Exploration, Chief Financial Officer, Corporate Secretary and Directors. Compensation awarded to key management has been recorded at the exchange amount, being the amount agreed to by the respective parties, and is with respect to short-term compensation and was conducted in the normal course of business. Compensation awarded to key management and other related party disclosures for the three and six month periods ended June 30, 2022 and 2021 is set out in note 10 to the condensed consolidated interim financial statements.

The Company has management service agreements with each of its President and Chief Executive Officer and Chief Financial Officer which provide for payments upon termination in certain circumstances. With respect to termination without cause, the President and Chief Executive Officer would be entitled to a payment equal to one year's compensation and the Chief Financial Officer would be entitled to a payment equal to three month's compensation. The service agreements also provide that under certain conditions, including a change in control of the Company, that the President and Chief Executive Officer would be entitled to a payment equivalent to two year's compensation and the Chief Financial Officer would be entitled to a payment equal to one year's compensation.

## **CRITICAL ACCOUNTING ESTIMATES**

The preparation of financial statements in accordance with International Financial Reporting Standards ("IFRS") requires management to make estimates and assumptions that affect the amounts reported in the financial statements and disclosures in the notes thereto. These estimates and assumptions are based on management's best knowledge of current events and actions that the Company may undertake in the future. Actual results may differ from those estimates. The most significant items requiring the use of management estimates and valuation assumptions are related to the recoverable value of mineral exploration properties and deferred exploration expenditures; the determination of provisions for environmental rehabilitation and reclamation obligations arising from exploration and evaluation activities; the valuation of all equity

instruments including warrants and stock options; and, the ability of the Company to continue as a going concern.

Details with respect to critical accounting estimates, judgments and estimation uncertainties are disclosed in note 3 to the consolidated annual financial statements for the years ended December 31, 2021 and 2020.

## **NEW ACCOUNTING STANDARDS**

Certain pronouncements were issued by the International Accounting Standards Board (IASB) or the International Financial Reporting Interpretations Committee (IFRIC) that are mandatory for accounting years ended after December 31, 2021. Many are not applicable or do not have a significant impact to the Company and have been excluded from the summary below.

### **Presentation of Financial Statements (Amendment to IAS 1)**

The amendments to IAS 1, clarify the presentation of liabilities. The classification of liabilities as current or non-current is based on contractual rights that are in existence at the end of the reporting period and is affected by expectations about whether an entity will exercise its right to defer settlement. A liability not due over the next twelve months is classified as non-current even if management intends or expects to settle the liability within twelve months. The amendment also introduces a definition of ‘settlement’ to make clear that settlement refers to the transfer of cash, equity instruments, other assets, or services to the counterparty. The amendments are effective for annual reporting periods beginning on or after January 1, 2023. The implementation of this amendment is not expected to have a material impact on the Company.

## **RISKS AND UNCERTAINTIES**

The Company is subject to a number of risks and uncertainties due to the nature of its business and the present stage of development of its business. Readers of this MD&A are referred to the section entitled *Risk Factors* in the Company’s Listing Application filed on SEDAR on March 29, 2022.

## **OTHER INFORMATION**

Other information relating to the Company may be found on the SEDAR website at [www.SEDAR.com](http://www.SEDAR.com).

## **CORPORATE INFORMATION**

### **Directors and Officers**

John McConnell – Chairman and Director  
Kimberly Ann Arntson – President, Chief Executive Officer and Director  
Chris Donaldson – Director  
Bob McKnight – Director  
Josh Serfass – Director  
Brian Maher – Director of Exploration  
John McNeice – Chief Financial Officer  
Chris Irwin – Corporate Secretary

### **Corporate Offices**

#### ***Corporate Address***

217 Queen Street West, Suite 401  
Toronto, ON M5V 0R2

#### ***Corporate Administrative Office***

PO Box 279  
Manotick (Ottawa), ON K4M 1A3

**Web Site:** [www.lahontangoldcorp.com](http://www.lahontangoldcorp.com)

**Independent Auditor**

PricewaterhouseCoopers LLP, Ottawa, Canada

**Corporate Legal Counsel**

Irwin Lowy LLP, Toronto, Canada

**Corporate Banker**

Royal Bank of Canada, Ottawa, Canada

**Transfer Agent**

TSX Trust Company, Toronto, Canada