



## **INTERIM MANAGEMENT DISCUSSION AND ANALYSIS**

**FIRST QUARTER  
OF 2021  
(March 31, 2021)**

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## ***MANAGEMENT'S DISCUSSION AND ANALYSIS***

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This Management's discussion and analysis (MD&A), prepared in compliance with the provisions of Form 51-102F1, approved by the Board of Directors and dated May 20, 2021, should be read in conjunction with the interim condensed financial statements as at March 31, 2021.

The interim condensed financial statements for the three months ended March 31, 2021 were prepared in accordance with International Financial Reporting Standards ("IFRS").

The reporting currency is the Canadian dollar (CAD) and all amounts presented in the MD&A are in Canadian dollars.

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## ***FORWARD-LOOKING INFORMATION***

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The MD&A contains forward-looking statements that reflect, at the date of the MD&A, the Corporation's expectations, estimates and projections with regard to its operations, the mining industry in general, and the economic environment in which it operates. Although reasonable, the statements entail a certain amount of risk and uncertainty and there is no guarantee that they will prove to be accurate. Consequently, actual results could be materially different from those implied or expressed by these forward-looking statements.

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## ***GLOBAL COVID-19 PANDEMIC***

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The global COVID-19 pandemic continues to evolve including the continuing imposition of restrictions on the movement of people and goods, social distancing measures, restrictions on group gatherings, quarantine requirements and contact tracing. The Corporation has been able to continue exploration and other activities thus far this year without any major COVID-19 related disruptions. The Corporation has been closely monitoring and taking necessary measures to manage the impact of the COVID-19 pandemic on its exploration activities. The Corporation is managing the financial and operational challenges of COVID-19 while rapidly addressing the needs of its employees. The Corporation continues to work closely with local, provincial, national governments and communities on limiting the impact of the COVID-19 pandemic on its people and business. The Corporation is continuously monitoring and working on the implementation of sanitary measures recommended by Health Authorities and maintains rigorous COVID-19 prevention protocols.

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## ***PROPERTY PORTFOLIO***

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Radisson has a portfolio of two properties, covering a total area of 7,361.42 hectares in the Abitibi-Témiscamingue and Nord-du-Québec regions of Quebec, Canada. Canada's political system is stable, and

Quebec has a great deal to offer in terms of tax benefits, access to a qualified workforce and suppliers recognized for their expertise in the mining sector. In February 2021, the Fraser Institute ranked Quebec 6th in the world for its attractiveness investment for mining development. Radisson’s primary project, the O’Brien gold project, is located along the world-renowned Larder-Lake-Cadillac Break, which has hosted the majority of gold deposits in the Abitibi Greenstone Belt.

**Properties in Quebec**  
(as at March 31, 2021)

Property	Number of Claims	Area (hectare)	Mineralization	Interest
Douay	30	1,522.48	Gold	100%
O’Brien	120	5,839.27	Gold	100%
Total	150	7,361.75		

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**O’BIEN PROJECT**

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Radisson’s main asset, the 100% owned O’Brien Gold Project (including the O’Brien, Kewagama and New Alger properties), is located halfway between the towns of Rouyn-Noranda and Val d’Or in the Abitibi-Témiscamingue region of Quebec. The O’Brien Project comprises 120 claims covering a total area of 5,838.94 ha to the south-east of the LaRonde Mine (owned by Agnico-Eagle) and approximately 8 km west of the Lapa property (also owned by Agnico-Eagle; historical production of 872,000 ounces). The O’Brien project lies within the Abitibi gold belt, in the Malartic-Cadillac sector, and along the prolific Larder-Lake-Cadillac Break. In August 2020, the Corporation completed the acquisition of the New Alger property, contiguous to the west and to the south of the O’Brien property. This acquisition increased the company’s prospective land holdings by 5,201.84 hectares and now covers over 5.2 km of strike along the prolific Larder-Lake-Cadillac Break.

**Updated mineral resource estimate on O’Brien Project, July 2019**

On March 26, 2019, Radisson contracted 3DGeo-Solution to complete an NI 43-101 resource estimate for the O’Brien gold project (“O’Brien”). The resource estimate (“MRE”) was prepared in accordance with the National Instrument 43-101 (“NI 43-101”) by the independent firm 3DGeo-Solution, dated July 15, 2019. The MRE was based on a litho-structural reinterpretation completed in March 2019. The technical report for the MRE was filed on SEDAR on August 29, 2019.

**O’Brien Gold Project : NI-43-101 Mineral Resource Estimate<sup>1</sup>**

July 2019

	Indicated resources			Inferred resources		
	Tonnes	Grade (g/t Au)	Ounces (Au)	Tonnes	Grade (g/t Au)	Ounces (Au)
5.0 g/t cut off	949,700	9.48	289,400	617,400	7,31	145,000

<sup>(1)</sup> These Mineral Resources are not Mineral Reserves, as they do not have demonstrated economic viability.

**The 2019 Mineral Resource Estimate was based on:**

- A new litho-structural interpretation released in March 2019.
- 16,302 m of additional and historical drilling from F, 36E and Vintage Zones.

### **Large increases in contained gold ounces and average gold grades.**

The new mineral resource estimate resulted in a large increase of contained gold oz per vertical meter as grade and contained ounces increased across all categories at all cut-offs.

### **New litho-structural model unlocked the “jewellery” box mystery of the high-grade O’Brien mine.**

The new structural model has resulted in a much better comprehension of the O’Brien gold project, highlighting a strong compatibility with the historic data and geometry of the Old O’Brien mine, where only 3 veins accounted for 90% of the historic production at an average grade of 15.25 g/t Au.

### **New litho-structural model helps unlock significant property wide exploration potential along strike and at depth.**

Current resources are mostly limited to a vertical depth of approximately 500 m, while drilling has traced mineralization down to vertical depths of more than 1,000 m. Other mines in the area have exceeded depths well below 1,000 m. Currently defined resources are adjacent to the old O’Brien mine where historic production reached a vertical depth of 1,100 metres and that remains untested below.

### **High-priority resource expansion and exploration drill targets have been defined:**

The litho-structural model suggests a repetitive pattern with multiple high-grade trends (similar to structures mined historically at O’Brien) occurring along strike to the east and west of the old O’Brien Mine. The Corporation intends to systematically step out along strike to the east and west of the old O’Brien Mine to confirm and define additional high-grade trends and to expand resources along strike and at depth

### **O’Brien Gold Project: MRE 2019 (Comparison with Previous Resources Estimate (5.00 g/t Au cut-off))**

	Indicated resources			Inferred resources		
	Tonnes	Grade (g/t Au)	Ounces (Au)	Tonnes	Grade (g/t Au)	Ounces (Au)
July 2019	949,700	9.48	289,400	617,400	7.31	145,000
March 2018	624,734	8.30	166,671	416,123	7.21	95,508

- 1) The independent qualified person for the current 2019 MRE, as defined by NI 43-101, is Kenneth Williamson, M.Sc., P.Geo, of Kenneth Williamson 3DGeo-Solution. The effective date of the estimate is July 15th, 2019.
- 2) The Mineral Resources are classified as Indicated and Inferred Mineral Resources and are based on the 2014 CIM Definition Standards.
- 3) These Mineral Resources are not Mineral Reserves as they do not have demonstrated economic viability.
- 4) Results are presented undiluted
- 5) Sensitivity was assessed using cut-off grades from 3.00 g/t Au to 7.00 g/t Au. Cut-off grade is function of prevailing market condition (gold price, exchange rates, mining costs, etc) and must therefore be re-evaluated accordingly.
- 6) Base case cut-off grade of 5.00 g/t Au was established considering the narrow nature of the mineralized zones, a gold price of 1,350.00 US\$/oz or 1,755.00 C\$/oz using a 1.30 exchange rate, a recovery of 87.4%, a gold selling cost of 5.00 C\$/oz, an overall mining cost of 67.50 C\$/t, a processing cost of 65.00 C\$/t and a G&A / Environmental cost of 32.50 C\$/t.
- 7) High grade capping of 60.00 g/t Au was applied to raw assay grades prior to compositing. Compositing length was established at 1.50 m. Interpolation was realized using an inverse distance cubed (ID<sup>3</sup>) methodology within a 3m x 3m x 3m cell-size block model.
- 8) Density data (g/cm<sup>3</sup>) was set to 2.82 g/cm<sup>3</sup> based on available density measurements.
- 9) A minimum true thickness of 1.5 m was applied for the construction of the mineralized zones model, which consist of 63 different mineralized zones.

- 10) Following recommendation of Form 43-101F1, the number of metric tons and ounces was rounded to the nearest hundredth. Any discrepancies in the totals are due to rounding effects.
- 11) Kenneth Williamson 3DGeo-Solution is not aware of any known environmental, permitting, legal, title-related, taxation, socio-political, marketing or other relevant issues that could materially impact the current Mineral Resource Estimate.

*\*All technical data in relation to the updated resources estimate for its project O'Brien were extracted from Radisson's press release dated July 15, 2019.*

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### **OTHER PROPERTIES IN QUEBEC**

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Although Radisson intends to concentrate its efforts on the O'Brien project, the Corporation previously completed an historical data compilation of the Douay property located in the James Bay territory and conducted an IP geophysical survey in order to define additional exploration targets on the area of the Vezza mine trend located in the northern portion of the property.

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### **EQUITY FINANCING**

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#### Warrants

- During the first quarter, 350,000 warrants were exercised for a total amount of \$73,500. An amount of \$13,650 was recorded as an increase in the share capital relative to the carrying value for the warrants on the statement of financial position.

#### Options

- During the first quarter, 670,000 options were exercised for a total amount of \$90,425. An amount of \$ 44,609 was recorded as an increase in the share capital relative to the carrying value for the warrants on the Reserves – Settlement under Equity.

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### **EXPLORATION PROGRAM**

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In August 2019, the Corporation launched a 20,000 m drill program, primarily aimed at validating the new litho-structural model published in March 2019. In October 2019, the Corporation announced first results from the program, including 66.71 g/ Au over 4.70 metres, 250 metres below current resources on an enrichment vector located 300 m east of the main mined out infrastructures in the Old O'Brien mine. As of December 31, 2019, 14,210 m of drilling were completed at O'Brien. The drill program was subsequently expanded to 60,000 m. During 2020, the Corporation published multiple high-grade intercepts which not only continued to validate the lithostructural model but also demonstrated the potential for resource growth along strike and at depth below currently defined resources at the O'Brien gold project. Drilling has continued to confirm and expand mineralization along three steeply dipping high-grade mineralized trends, located 300 m, 600 m and 900 m to the east of the O'Brien Mine. In 2020, the Corporation completed 41,831 m of drilling for a total of 57,449 m. Separately, the Corporation has completed environmental studies required and continued to advance the permitting process for an underground exploration program. Following the acquisition of the adjacent New Alger property in August 2020, the Corporation believes there

is an opportunity to apply its lithostructural model and to unlock the resource potential along the 2.5 km prospective strike to the west of the old O'Brien Mine, in an area that remains largely untested. The Corporation has expanded the ongoing program by approximately 70,000 m, for a total of 130,000 m targeted for completion through 2021.

Exploration efforts to the end of 2020 were largely limited to a strike length of approximately 1 km strike to the east of the old O'Brien Mine, representing a small portion of the 5.2 km strike of current property. In 2021, the Corporation started allocating a portion of the program to step out further along strike with the objective of testing high potential targets further to the east and west of the O'Brien. With \$13,526,068 in cash and cash equivalents, as of March 31, 2021, the Corporation believes it is fully financed for the work program announced thus far.

#### Significant drill results published in 2021

Drill hole	Area	From (m)	To (m)	Length (m)	Grade g/t Au
<b>OB-20-164</b>	<b>Trend #1</b>				
		196.25	198.55	2.30	41.04
	Including	198.00	198.55	0.55	170.50
	And	493.85	495.90	2.05	10.46
	Including	493.85	494.35	0.50	36.40
	And	503.25	505.00	1.75	5.84
	Including	503.25	503.75	0.50	19.65
<b>OB-20-168</b>	<b>Trend #1</b>				
		591.00	599.00	8.00	14.90
	Including	591.00	593.30	2.30	22.24
	Which includes	591.00	592.30	1.30	39.00
	And	597.00	599.00	2.00	33.94
	Which includes	598.00	599.00	1.00	67.50
<b>OB-20-170</b>	<b>Trend #1</b>				
		213.50	215.50	2.00	8.43
	Including	214.50	215.50	1.00	16.80
	And	562.60	570.00	7.40	5.27
	Including	562.60	567.40	4.80	6.82
	Which Includes	565.40	567.40	2.00	9.83
	And	576.00	578.00	2.00	4.02
	Including	577.00	578.00	1.00	6.15
	And	593.10	602.30	9.20	5.73
	Including	593.10	595.00	1.90	13.45
	Which Includes	594.00	595.00	1.00	25.30
	Including	600.30	602.30	2.00	12.15
	Which Includes	601.30	602.30	1.00	23.20
<b>OB-20-174W1B</b>	<b>Trend #1</b>				
		1,017.00	1,020.00	3.00	24.22
	Including	1,017.00	1,018.00	1.00	34.10
	And	1,018.00	1,019.00	1.00	26.20
	And	1,019.00	1,020.00	1.00	12.35

<b>Drill hole</b>	<b>Area</b>	<b>From (m)</b>	<b>To (m)</b>	<b>Length (m)</b>	<b>Grade g/t Au</b>
<b>OB-20-181</b>	<b>Trend #1</b>				
		<b>850.50</b>	<b>852.20</b>	<b>1.70</b>	<b>13.74</b>
	<b>Including</b>	<b>851.40</b>	<b>852.20</b>	<b>0.80</b>	<b>28.70</b>
	<b>AND</b>	<b>893.60</b>	<b>897.00</b>	<b>3.40</b>	<b>19.63</b>
	<b>Including</b>	<b>893.60</b>	<b>894.70</b>	<b>1.10</b>	<b>22.40</b>
	<b>And</b>	<b>894.70</b>	<b>895.90</b>	<b>1.20</b>	<b>18.25</b>
	<b>And</b>	<b>895.90</b>	<b>897.00</b>	<b>1.10</b>	<b>18.35</b>
<b>OB-20-156W1</b>	<b>Trend #2</b>				
		762.90	765.70	2.80	7.69
	<b>Including</b>	<b>762.90</b>	<b>763.90</b>	<b>1.00</b>	<b>13.50</b>
	<b>And</b>	764.90	765.70	0.80	9.88
	<b>And</b>	<b>848.80</b>	<b>851.60</b>	<b>2.80</b>	<b>57.48</b>
	<b>Including</b>	<b>850.80</b>	<b>851.60</b>	<b>0.80</b>	<b>196.00</b>
<b>OB-20-156W2</b>	<b>Trend #2</b>				
		<b>749.50</b>	<b>760.20</b>	<b>10.70</b>	<b>4.79</b>
	<b>Including</b>	749.50	756.60	7.10	5.77
	<b>Which Includes</b>	<b>755.50</b>	<b>756.60</b>	<b>1.10</b>	<b>11.30</b>
<b>OB-20-169</b>	<b>Trend #2</b>				
		598.60	600.50	1.90	6.61
	<b>Including</b>	<b>599.60</b>	<b>600.50</b>	<b>0.90</b>	<b>13.00</b>
	<b>AND</b>	<b>619.00</b>	<b>621.00</b>	<b>2.00</b>	<b>14.51</b>
	<b>Including</b>	<b>620.00</b>	<b>621.00</b>	<b>1.00</b>	<b>27.70</b>
<b>OB-20-180</b>	<b>Trend #2</b>				
		<b>731.40</b>	<b>736.40</b>	<b>5.00</b>	<b>18.42</b>
	<b>Including</b>	<b>731.40</b>	<b>733.40</b>	<b>2.00</b>	<b>42.45</b>
	<b>Which Includes</b>	<b>732.40</b>	<b>733.40</b>	<b>1.00</b>	<b>62.80</b>

*\*All drill results showcased in the above table were extracted from Radisson's press release dated January 20, 2021, February 4, 2021 and March 18, 2021.*

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### **STOCK MARKET**

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The Corporation's shares have been listed on the stock market under the symbol RDS since 1986. Radisson is a "Venture Issuer" on the TSX Venture Exchange (TSX-V).

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**SELECTED ANNUAL INFORMATION (IFRS)**

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The following table summarizes selected key financial data from the Corporation's balance sheet of the last three fiscal years :

	Fiscal year ended December 31		
	2020 \$	2019 \$	2018 \$
Total assets	43,021,612	25,444,335	15,577,613
Revenues	53,314	44,209	18,103
Net income (loss)	(2,383,734)	(497,125)	(650,302)
Net income (loss) per share	(0.012)	(0.0003)	(0.0051)

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**SELECTED QUATERLY INFORMATION (Unaudited)**

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Operating results for each quarter for the two last years are presented in the table below. The Corporation's management is of the opinion that the data related to these quarters was prepared in the same manner as those that of the audited financial statements for the fiscal year ended December 31, 2020.

QUARTER	2021 March	2020 December	2020 September	2020 June	2020 March	2019 December	2019 September	2019 June
<b>Statements of comprehensive loss (\$)</b>								
Revenues	28,317	5,838	353,417	15,154	30,200	27,990	10,145	1,636
Comprehensive income (loss)	1,040,432	(2,739,772)	415,354	(2,991)	(56,324)	(203,806)	(102,039)	(267,538)
Basic and diluted income (loss) per share	0.00	(0.010)	(0.002)	(0.00)	(0.00)	(0.00)	(0.00)	(0.002)
<b>Statement of financial position (\$)</b>								
Cash and cash equivalents	13,526,068	14,925,581	6,933,108	1,550,549	1,961,806	2,273,512	3,195,642	264,912
Total liabilities and equity	44,520,377	43,021,612	28,373,997	25,200,079	25,196,795	25,444,335	20,915,510	14,987,270
<b>Mining Exploration (\$)</b>								
Exploration and evaluation expenses	2,234,877	1,542,615	2,009,228	1,001,235	1,248,188	1,148,658	779,924	336,231

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**SUMMARY OF FINANCIAL ACTIVITIES FOR THE THREE-MONTH PERIOD ENDED  
MARCH 31, 2021**

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Because of its area of activities, the Corporation does not generate regular revenue and must depend on issuing shares and on the interest income generated by its investments to cover its operating expenses.



For the three-month period ended March 31, 2021, the Corporation incurred a net gain of \$1,040,432 or \$0.00 per share compared to a net loss of (\$56,324) or (\$0.030) per share for the same period ended in 2019.

The following table provides details on the operating expenses for the three-month periods ended March 31, 2021 and March 31, 2020.

(unaudited)	For the three month periods ending March 31		
	2021	2020	Variance
	\$	\$	
<b>Revenues :</b>			
Interest	<b>28,317</b>	30,200	(1,883)
	<b>28,317</b>	30,200	(1,883)
<b>Administration costs :</b>			
Salaries and employee benefits	<b>73,686</b>	59,662	14,024
Stock-based compensation and payments	<b>126,000</b>	6,660	119,340
Experts and subcontractors	<b>120,622</b>	107,468	13,154
Professional fees	<b>43,100</b>	18,438	24,662
Travelling and promotion	<b>42,529</b>	37,035	5,494
Information to shareholders	<b>15,319</b>	11,505	3,814
Listing and registration fees	<b>46,157</b>	22,336	23,821
Office supplies	<b>18,065</b>	15,816	2,249
Insurance, taxes and licenses	<b>7,463</b>	5,136	2,327
Interest and bank charges	<b>326</b>	215	111
Income Tax Part XII.6	-	681	(681)
Telecommunications	-	10,000	(10,000)
Depreciation of property, and equipment	<b>15,530</b>	2,144	13,386
Maintenance of a mining site	<b>7,665</b>	600	7,065
Unrealized loss (gain) on investments	<b>(480,000)</b>	57,600	(537,600)
	<b>36,462</b>	355,294	(318,834)
Gain (Loss) before income and deferred taxes	<b>(8,145)</b>	(325,094)	316,951
Income and deferred taxes	<b>1,048,577</b>	268,770	779,807
Net Gain (Loss)	<b>1,040,432</b>	(56,324)	1,096,758

For the three-month period ended March 31, 2021, there was \$28,317 in revenue from interest earned compared to \$30,200 for the same period in 2020.

For the three-month period ended March 31, 2021, the Corporation incurred a loss before taxes of \$8,145 compared to a loss of \$325,094 for the same period in 2020.

For the three-month period ended March 31, 2021, the Corporation incurred salaries and employee benefits expenses of \$73,686 compared to expenses of \$59,662 for the same period in 2020. The increase is explained by an increase in the number of employees.

For the three-month period ended March 31, 2021, the Corporation incurred experts and subcontractors expenses of \$120,622 compared to expenses of \$107,468 for the same period in 2020. The increase is explained by additions to the team as well as bonus payments related to the prior year.

For the three-month period ended March 31, 2021, the Corporation incurred professional fees of \$43,100 compared to expenses of \$18,438 for the same period in 2020. The increase is mostly related to fees associated with the process of completing a listing on the OTCQB market in United States.

For the three-month period ended March 31, 2021, the Corporation incurred listing and registration fees of \$46,157 compared with expenses of \$22,336 for the same period in 2020. This increase is explained by an increase in listing and registration fees related to the OTCQB market listing, and also to an increase in the company's market capitalization, number of registered shareholders and financings completed in 2020.

For the three-month period ended March 31, 2021, the Corporation incurred telecommunication expenses of \$0 compared with expenses of \$10,000 for the same period in 2020. In 2020, the Corporation added a web-based platform to its website in order to highlight the O'Brien deposit 3D model.

For the three-month period ended March 31, 2021, the Corporation reported a (\$480,000) unrealized gain on investments compared to unrealized loss \$57,600 for the same period in 2020. This gain is unrealized and has no effect on the treasury.

The Corporation is continuing to carefully control its expenditures to extend its liquid assets while avoiding unnecessary dilution of its outstanding shares. The Corporation's management continues to prudently manage the funds available for its operating expenses and is maintaining the objective of increasing its cash balance to be able to meet its commitments and maintain the Corporation's sustainability in the longer term.

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

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For the three-month period ended March 31, 2021, the Corporation incurred exploration and evaluation expenses of \$2,234,877 compared with expenses of \$1,248,188 for the same period in 2020. This increase is explained by an increase in exploration activities at O'Brien in the first quarter, including drilling activities and historical drilling relog.

Administration expenses incurred by the Corporation during the three-month period ended March 31, 2021 were of \$36,462 compared with expenses of \$355,294 for the same period in 2020. Principal differences impacting treasury have been explained above.

As at March 31, 2021, the Corporation had cash, cash equivalents and guaranteed investment certificates and funds reserved for evaluation and exploration in the amount of \$13,526,068 compared with \$8,511,616 on March 31, 2020. As at March 31, 2021, \$6,973,280 of these funds were reserved for evaluation and exploration expenses (2020, \$4,989,917).

The Corporation holds 24,000,000 shares of Renforth Resources Inc. as a long-term investment. On March 31, 2021, these shares represented a value of \$1,800,000.

On March 31, 2021, the warrants outstanding if exercised could represent additional funding in the amount of \$10,153,106.

The Corporation's principal source of financing is equity financing, the success of which depends on venture capital markets, the attractiveness of exploration companies for investors, and metal prices. To continue its exploration activities and be able to support its ongoing operations, the Corporation expects that it will have

to continue to maintain and enhance relations with investors and other capital market participants, with the aim of raising additional equity financing going forward.

### **INFORMATION ON OUTSTANDING SECURITIES**

#### *Capital-Stock*

As at March 31, 2021 and as the date of this report Corporation's share capital consisted of 245,450,890 (2020, 190,045,570) common shares issued and outstanding.

March 31, 2021	Class A shares	Amount
		\$
Issued and paid:		
Balance as at December 31, 2020	244,430,890	61,800,999
Options exercised <sup>(1)</sup>	670,000	90,425
Warrants exercised <sup>(1)</sup>	350,000	73,485
Financing costs <sup>(2)</sup>	-	(851)
<b>Balance as at March 31, 2021</b>	<b>245,450,890</b>	<b>61,964,909</b>

<sup>(1)</sup> Options and warrants exercised are presented, net of their fair value.

<sup>(2)</sup> Financing fees are related to a private placement that closed on December 31<sup>st</sup>, 2020.

March 31, 2020	Class A shares	Amount
		\$
Issued and paid:		
Balance as at December 31, 2019	189,645,570	46,950,694
Warrants exercised <sup>(1)</sup>	400,000	68,000
Financing fees <sup>(2)</sup>	-	(5,600)
<b>Balance as at March 31, 2020</b>	<b>190,045,570</b>	<b>47,013,094</b>

<sup>(1)</sup> Warrants exercised are presented, net of warrants fair value.

<sup>(2)</sup> Financing fees are related to a private placement that closed on December 31<sup>st</sup>, 2019.

#### *Stock Purchase Options*

The Corporation has a stock option plan for its directors, officers, employees and consultants. As at March 31, 2021, a maximum of 18,000,000 (2020, 12,000,000) common shares of the Corporation may be issued pursuant to that stock option plan. As at March 31, 2021, options to purchase 12,395,926 (2020, 11,825,000) common shares were issued and outstanding.

	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price	
		\$		\$	
<b>Balance at December 31, 2020</b>	<b>10,940,926</b>	<b>0.173</b>	8,900,000	0.139	<b>Balance at December 31, 2019</b>
Exercised	(670,000)	0.140			
Expired	(225,000)	0.255			
Granted	2,350,000	0.301			

<b>Balance at March 31, 2021</b>	<b>12,395,926</b>	<b>0.200</b>	8,900,000	0.139	<b>Balance at March 31, 2020</b>
<b>Exercisable options</b>	<b>10,845,926</b>	<b>0.183</b>	8,550,000	0.136	<b>Exercisable options</b>

The number of options outstanding is as follows:

Number of options outstanding	Exercise price	Weighted average remaining life	Number of options exercisable
	\$	(years)	
300,000	0.10	2.57	300,000
250,000	0.11	2.94	250,000
840,000	0.11	1.28	840,000
770,000	0.17	1.17	770,000
200,000	0.12	2.36	200,000
1,150,000	0.13	2.19	1,150,000
2,000,000	0.14	3.21	2,000,000
310,000	0.14	0.37	310,000
500,000	0.15	1.40	500,000
50,000	0.17	4.08	50,000
700,000	0.20	3.59	700,000
2,450,000	0.26	4.20	2,450,000
525,926	0.27	4.42	525,926
1,850,000	0.30	4.88	550,000
500,000	0.31	4.94	250,000
<b>12,395,926</b>	<b>0.20</b>	<b>3.27</b>	<b>10,845,926</b>

During the three-month period ended March 31, 2021, 670,000 common shares were issued following the exercise of stock options (2020, 0).

#### Warrants

Each warrant entitles the holder to acquire one common share of the Corporation.

The exercise prices and the maturing dates of the warrants are variable, depending of the date of their issuance.

During the three-month period ended March 31, 2021, the Corporation did not issue any warrants (2020, 0). At the end of the quarter 25,871,295 share purchase warrants were outstanding on March 31, 2021 (2020, 12,012,903).

	Number of warrants	Exercise price	Number of warrants	Exercise price	
<b>Balance at December 31, 2020</b>	<b>26,221,295</b>	<b>\$0.39</b>	15,075,998	\$0.20	<b>Balance at December 31, 2019</b>
Exercised	<b>(350,000)</b>	<b>\$0.21</b>	(400,000)	\$0.17	Exercised – January 24, 2020
			(163,095)	\$0.17	Expired – February 24, 2020
			(2,500,000)	\$0.17	Expired – February 28, 2020
<b>Balance at March 31, 2021</b>	<b>25,871,295</b>	<b>\$0.39</b>	12,012,903	\$0.213	<b>Balance at March 31, 2020</b>

The following table summarizes the information relating to the warrants as at March 31, 2021:

Outstanding	Exercise price	Expiration date
\$		
9,755,945	0.210	August 2021
154,558	0.255	June 2021
352,384	0.297	June 2021
15,608,408	0.510	May 2022
25,871,295		

### **CONTRACTUAL OBLIGATIONS AND COMMITMENTS**

Following are the details of royalties on the mineral properties:

- O'Brien: 1 million dollars cash payment in the event of commercial production
- Kewagama: 2% net smelter return (NSR) royalty
- Massicotte: In favour of Radisson, a 2% NSR royalty on the claims that make up the property. Balmoral can purchase the first half of the NSR royalty for a cash payment of \$1,000,000 and the second half for an additional cash payment of \$2,000,000.
- Exclusive right of first offer for a gold linked financing to the O'Brien project. Next to a subscription of 5,000,000 units, the Corporation granted to a European entity (the "Subscriber") an exclusive right of first refusal over any gold linked financing which could be put in place by the Corporation for underground exploration, bulk sampling or a production start of the Corporation's 100% owned O'Brien project. There is no obligation for the Corporation to finance its project by gold linked financing.
- A 1.5 million dollars cash contingent payment related to the New Alger property shall become payable on the earliest of: (i) a Change of Control of the Corporation, (ii) the declaration by the Corporation of Commercial Production of the Project, and (iii) a sale of the Project for proceeds of more than \$40,000,000. Upon any of the foregoing events, the Corporation shall pay the Contingent Payment to the Renforth Resources Inc. by wire transfer of immediately available funds within five Business Days.

### **RELATED PARTY TRANSACTIONS AND COMMERCIAL OBJECTIVES**

Related party transactions

During the three-month period ended March 31, 2021, the Corporation incurred the following transactions with key management and officers of the Corporation and companies owned by directors.

	Three-month periods ended	
	March 31, 2021	March 31, 2020
	\$	\$
Office rental	8,010	8,010
Office expenses	2,935	-
Exploration and evaluation assets	4,023	2,002
	14,968	10,012

The remuneration paid or payable to key management and directors was as follows:

	Three-month periods ended	
	March 31, 2021	March 31, 2020
	\$	\$
Salaries and employee benefits charges	73,686	-
Experts and subcontractors included in exploration and evaluation expenses	-	2,394
Experts and subcontractors	111,074	103,214
Meeting attendance fee	10,000	-
Stock-based compensation	126,000	-
	320,760	105,608

The above transactions are measured at the consideration established and agreed by the related parties.

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### ***DISCLOSURE CONTROLS AND PROCEDURES***

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The President and Interim Chief Executive Officer and the Chief Financial Officer are responsible for establishing and maintaining the Corporation's disclosure controls and procedures as defined in Multilateral Instrument 52-109. These controls and procedures were evaluated as at March 31, 2021, and it was concluded that they were adequate and effective.

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### ***INTERNAL CONTROLS OVER FINANCIAL REPORTING***

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The President and Chief Executive Officer and the Chief Financial Officer are responsible for establishing and maintaining internal controls over the Corporation's financial reporting as defined in Multilateral Instrument 52-109. For the three-month period ended March 31, 2021, no changes were made to internal controls over financial reporting that would have materially affected, or would be reasonably considered to materially affect, the Corporation's controls.

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### ***ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUES***

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The Corporation provides information on evaluation and exploration assets in Note 5 to the financial statements for the period ended March 31, 2021. The Corporation has no research and development expenditures.

The Corporation has no deferred expenses other than evaluation and exploration assets.

Regarding information in this MD&A on evaluation and exploration assets, Management has concluded that the absence of depreciation during the three-month period ended March 31, 2021, is adequate.

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### ***BASIS OF PRESENTATION AND ADOPTION OF IFRS***

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These financial statements have been prepared by the Corporation's management in accordance with International Financial Reporting Standards ("IFRS").

These financial statements were prepared on a going concern basis, under the historical cost basis, except for the financial assets and financial liabilities revaluated at fair value through net profit or loss. The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires Management to exercise judgment when applying the Corporation's accounting policies. The significant accounting policies applied in the preparation of these financial statements are summarized further in this MD&A.

The financial statements do not include draft standards that are still at the exposure draft stage with the International Accounting Standards Board (IASB) and standards published and approved by the IASB, but with an application date beyond March 31, 2021.

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### ***SIGNIFICANT ACCOUNTING POLICIES***

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In accordance with International Financial Reporting Standards ("IFRS"), the Corporation's management must make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes.

Significant accounting policies and those that require the most judgment and estimates are:

#### Evaluation and prospecting expenditures

The application of the Corporation's accounting policy for evaluation and prospecting expenditures requires judgment in determining the degree to which the expenditure can be associated with finding specific mineral resources. The estimation process requires varying degrees of uncertainty and these estimates directly impact the deferral of evaluation and exploration expenditures. The deferral policy requires Management to make certain estimates and assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditures have been capitalized, information becomes available suggesting that the recovery of expenditures is unlikely, the amount capitalized is written-off in the year when the new information becomes available.

#### Provisions and contingent liabilities

Judgments are made as to whether a past event has led to a liability that should be recognized in the financial statements or disclosed as a contingent liability. Quantifying these liabilities involves judgments and estimates. These judgments are based on a number of factors including the nature of the claims or dispute,

the legal procedures and potential amount payable, legal advice received past experience and the probability of a loss being realized. Several of these factors are sources of uncertainty in estimates.

#### Impairment of evaluation and prospecting assets

The Corporation assesses each cash generating unit annually to determine whether any indication of impairment exists. Management has established its cash generating units as each individual mine site, which is the smallest identifiable group of assets that generate cash flows that are largely independent of cash inflows from other assets or group of assets. When an indicator of impairment exists, since the Corporation does not have sufficient information about its properties to estimate future cash flows, it test its exploration properties for impairment by comparing the fair value to the carrying amount, without first performing a test of recoverability. Techniques to estimate fair value require the use of estimates and assumptions such as forecasted long-term prices of mineral resources, the ability to obtain the necessary financing to complete exploration and exploration potential. Fair value is the amount obtainable from the sale of an asset or cash-generating unit in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

#### Impairment of assets

The Corporation assesses each asset group unit periodically to determine whether any indication of impairment exists. When an indicator of impairment exists, an estimate of the recoverable amount is made. These assessments require the use of estimates and assumptions such as long-term commodity prices, future capital requirements, exploration potential and exploration performance. Fair value is determined as the amount that would be obtained from the sale of the asset in transaction between knowledgeable and willing parties in complete freedom. Fair value for mineral assets (mining properties and deferred evaluation and exploration expenses) is generally determined as the undiscounted future cash flows from continuing use of the asset which includes estimates of costs of future expansion and eventual disposal, using assumptions that an independent market participant may take into account. The fair value corresponds to the market price when it is expected that the asset will be sold.

For mineral assets subject to a test of recoverability, management has assessed its cash generating units as being an individual mine site, which is the lowest level for which cash inflows are largely independent of those of other assets and liabilities. An impairment loss is recognized when the carrying amount of non-financial asset is not recoverable and exceeds its fair value.

#### Critical accounting estimates and judgments.

The preparation of financial statements requires Management to make estimates, assumptions and judgments with respect to future events. These estimates and judgments are constantly challenged. They are based on past experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual results are likely to differ from the estimates, assumptions and judgments made by Management, and will rarely be identical to the estimated results. The following paragraphs describe Management's most critical estimates and assumptions in the recognition and measurement of assets, liabilities and expenses and Management's most critical judgments in applying accounting policies.

#### Share-based compensation and payments and fair value of warrants



The estimation of share-based compensation costs and fair value of warrants requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The Corporation has made estimates as to the volatility of its own shares, the expected life of options, the exercise period of these options as well as the expected forfeitures. The valuation model used by the Corporation is the Black & Scholes model.

#### Deferred tax liabilities and assets

Deferred tax liabilities and assets are measured at tax rates expected in the period during which the asset is realized or the liability is settled, based on tax rates (and tax laws) that are enacted or substantively enacted at the end of the period for submission of financial information. The measurement of liabilities and deferred tax assets reflects the tax consequences that follow from the manner in which the Corporation expects, at the end of the period for submission of financial information, to recover or settle the carrying amount of its assets and liabilities.

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### ***RISKS RELATED TO EXPLORATION***

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Mineral exploration involves a high degree of risk. Few properties explored are put into production. Unusual or unexpected rock formations, fires, power outages, labour disputes, floods, explosions, cave-ins, landslides, and problems in obtaining qualified workers and appropriate or adequate machinery or equipment are other risks involved in carrying out exploration programs.

The economics of developing resource properties are affected by many factors, including operating costs, variations in the grade of ore mined, fluctuations in metal markets, processing equipment costs and other factors such as Aboriginal land claims, government regulations, especially regulations relating to royalties, allowable production, importing and exporting natural resources, and environmental protection. Depending on the price of the natural resources produced, the Corporation can determine that it is not appropriate to begin or continue commercial production. There is no certainty that amounts spent by the Corporation in exploring its mineral properties will lead to the discovery of commercial quantities of ore. Most exploration projects do not result in the discovery of commercially mineable ore deposits.

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### ***ENVIRONMENTAL AND OTHER REGULATIONS***

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Existing and future environmental legislation, regulations and measures could give rise to additional costs, capital expenditures, restrictions and delays in the Corporation's activities that are unpredictable in scope. The requirements of environmental regulations and standards are under constant evaluation and can be increased considerably, which could seriously affect the Corporation's business or its ability to develop its properties economically. Before production can begin on a property, the Corporation must obtain regulatory and environmental approvals; there is no assurance that these approvals will be obtained or can be obtained in a timely manner. The costs of changes in government regulations can also reduce the profitability of operations or completely preclude the economic development of a property.

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### ***RISKS RELATED TO FINANCING AND DEVELOPMENT***

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The development of the Corporation's properties therefore depends on its ability to obtain the necessary additional financing. There is no assurance that it will be successful in obtaining the required financing. Furthermore, putting resource properties into production depends on obtaining the services of experienced personnel or of coming to agreements with other large resource companies that can provide the expertise.

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### ***MARKET FORCES***

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Factors beyond the Corporation's control can influence the marketability of the gold or any other mineral discovered. The price of resources has fluctuated considerably, especially over the past few years. The impact of these factors cannot be accurately predicted.

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### ***UNINSURED RISKS***

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The Corporation can be held liable for the results of cave-ins, pollution, or other risks against which it cannot or may elect not to insure because of the high cost of premiums or for other reasons. The payment of these liabilities could reduce or eliminate the funds available for exploration and mining activities.

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### ***OTHER MD&A REQUIREMENTS***

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Additional information about the Corporation is available on SEDAR ([www.sedar.com](http://www.sedar.com)).

Rouyn-Noranda, Quebec, Canada  
May 20, 2021

*(s) Rahul Thomas Paul*

Rahul Thomas Paul  
President & Interim Chief Executive Officer

*(s) Hubert Parent-Bouchard*

Hubert Parent-Bouchard  
Chief Financial Officer