ESKAY MINING CORP.

FINANCIAL STATEMENTS

YEARS ENDED FEBRUARY 28, 2022 AND 2021

(EXPRESSED IN CANADIAN DOLLARS)

McGovern Hurley

Audit. Tax. Advisory.

Independent Auditor's Report

To the Shareholders of Eskay Mining Corporation

Opinion

We have audited the financial statements of Eskay Mining Corporation (the "Company"), which comprise the statements of financial position as at February 28, 2022 and 2021, and the statements of loss and comprehensive loss, statements of changes in shareholders' equity and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at February 28, 2022 and 2021 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis which we obtained prior to the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

251 Consumers Road, Suite 800
Toronto, Ontario
M2J 4R3
mcgovernhurley.com
t. 416-496-1234

McGovern Hurley

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty

exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner of the audit resulting in this independent auditor's report is Chris Milios.

McGovern Hurley LLP

McGovern Hurley LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
June 27, 2022

Eskay Mining Corp.
Statements of Financial Position
(Expressed in Canadian Dollars)

	As at February 28, 2022	As at February 28, 2021
ASSETS		
Current assets		
Cash and cash equivalents	$ **876,222**	$ 14,473,006
Amounts receivable (note 9)	**842,063**	105,908
Prepaid expenses and other deposits (note 3)	**464,840**	884,462
Total current assets	**2,183,125**	15,463,376
Non-current assets		
Deposits (note 4)	**94,303**	72,870
Investment in associate (note 14)	**6,091,409**	-
Equipment (note 5)	**112,135**	78,939
Total assets	$ **8,480,972**	$ 15,615,185
SHAREHOLDERS' EQUITY AND LIABILITIES		
Current liabilities		
Amounts payable and other liabilities (notes 11)	$ **454,349**	$ 792,010
Amounts due to related parties (note 20)	**-**	106,845
Flow-through share liability (note 12)	**-**	4,017,837
Seabridge Loan (note 13)	**2,470,802**	-
Total current liabilities	**2,925,151**	4,916,692
Non-current liabilities		
Provision for reclamation (note 10)	**66,310**	64,633
Total liabilities	**2,991,461**	4,981,325
Shareholders' equity		
Share capital (note 15)	**95,982,395**	82,905,744
Reserves	**12,083,662**	11,413,593
Accumulated deficit	**(102,576,546)**	(83,685,477)
Total shareholders' equity	**5,489,511**	10,633,860
Total shareholders' equity and liabilities	$ **8,480,972**	$ 15,615,185

Nature of operations and going concern (note 1)
Commitments and contingencies (note 21)
Subsequent events (note 24)

Approved on behalf of the Board of Directors:

"Hugh M. (Mac) Balkam", Director

"J. Gordon McMehen", Director

The accompanying notes to the financial statements are an integral part of these statements.

Eskay Mining Corp.
Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

	Years Ended February 28, 2022	Years Ended February 28, 2021
Operating expenses		
Exploration and evaluation expenditures (note 4)	**$ 16,290,449**	$ 4,822,112
General and administrative (note 19)	**1,872,753**	10,738,823
Total operating expenses	**(18,163,202)**	(15,560,935)
Other items		
Interest income	**17,260**	10,561
Amortization (note 5)	**(15,788)**	(2,024)
Accretion (note 13)	**(62,505)**	-
Flow-through share liability recovery (note 12)	**4,017,837**	1,181,513
Other expense reimbursement (note 17)	**-**	163,305
Fair value adjustment on investment (note 14)	**(4,619,042)**	-
Loss from investment in associate (note 14)	**(71,550)**	-
Income tax recovery	**5,921**	26,223
Net loss and comprehensive loss for the year	**$ (18,891,069)**	$ (14,181,357)
Net loss per share - Basic and Diluted (note 18)	**$ (0.12)**	$ (0.10)
Weighted average number of common shares outstanding - Basic and Diluted (note 18)	**162,644,967**	136,162,795

The accompanying notes to the financial statements are an integral part of these statements.

Eskay Mining Corp.
Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year ended February 28, 2022	Year ended February 28, 2021
Operating activities		
Net loss for the year	**$ (18,891,069)**	$ (14,181,357)
Adjustments for:		
Share-based payments (note 16)	**694,800**	9,751,675
Amortization (note 5)	**15,788**	2,024
Accretion (note 10 and 13)	**64,182**	2,242
Other expense recoveries	**-**	(161,105)
Flow-through share liability recovery (note 12)	**(4,017,837)**	(1,181,513)
Loss from investment in associate (note 14)	**71,550**	-
Fair value adjustment on investment (note 14)	**4,619,042**	-
Seabridge loan	**2,783,325**	-
Changes in non-cash working capital items:		
Amounts receivable	**(736,155)**	(86,793)
Prepaid expenses and other deposits	**398,189**	(875,188)
Amounts payable and other liabilities	**(337,661)**	941,602
Amounts due to related parties	**(106,845)**	(383,342)
Net cash (used in) operating activities	**(15,442,691)**	(6,171,755)
Investing activity		
Purchase of equipment	**(48,984)**	(80,963)
Net cash (used in) investing activities	**(48,984)**	(80,963)
Financing activities		
Proceeds from private placements (note 15)	**-**	20,001,625
Share issue costs	**-**	(927,013)
Proceeds from exercise of stock options	**28,000**	245,150
Proceeds from exercise of warrants	**1,866,891**	1,228,655
Net cash provided by financing activities	**1,894,891**	20,548,417
Net change in cash and cash equivalents	**(13,596,784)**	14,295,699
Cash and cash equivalents, beginning of year	**14,473,006**	177,307
Cash and cash equivalents, end of year	**$ 876,222**	$ 14,473,006

Supplemental information		
Units issued for acquisition of Garibaldi Resources Corp. (note 15(b)(vii))	**$ 10,782,001**	$ -
Common shares issued in settlement of debt	**$ -**	$ 362,122
Warrants issued for Seabridge loan	**$ 375,028**	$ -

The accompanying notes to the financial statements are an integral part of these statements.

Eskay Mining Corp.

Statements of Changes in Shareholders' Equity

(Expressed in Canadian Dollars)

Equity attributable to shareholders

	Share capital	Reserves	Accumulated deficit	Total
Balance, February 29, 2020	**$ 67,387,637**	**$ 1,468,836**	**$ (69,504,120)**	**$ (647,647)**
Common shares issued for settlement of debt (note 15(b))	362,122	-	-	362,122
Private placement (note 15(b)(i)(ii)(iii)(iv))	20,001,625	-	-	20,001,625
Share issue costs - cash	(927,013)	-	-	(927,013)
Flow-through share premium (note 12)	(5,199,350)	-	-	(5,199,350)
Exercise of stock options (note 15(b)(v))	426,977	(181,827)	-	245,150
Exercise of warrants (note 15(b)(vi))	1,228,655	-	-	1,228,655
Share-based payments (note 16)	-	9,751,675	-	9,751,675
Value of broker warrants associated with financing (note 14(b)(viii))	(374,909)	374,909	-	-
Net loss for the year	-	-	(14,181,357)	(14,181,357)
Balance, February 28, 2021	**$ 82,905,744**	**$ 11,413,593**	**$ (83,685,477)**	**$ 10,633,860**
Units issued for investment (note 15(b)(vii))	10,782,001	-	-	10,782,001
Value of warrants issued with Seabridge loan	-	375,028	-	375,028
Exercise of stock options (note 15(b)(viii))	52,850	(24,850)	-	28,000
Exercise of warrants and broker warrants (note 15(b)(ix))	2,241,800	(374,909)	-	1,866,891
Share-based payments (note 16)	-	694,800	-	694,800
Net loss for the year	-	-	(18,891,069)	(18,891,069)
Balance, February 28, 2022	**$ 95,982,395**	**$ 12,083,662**	**$102,576,546)**	**$ 5,489,511**

The accompanying notes to the financial statements are an integral part of these statements.

1. Nature of operations and going concern

Eskay Mining Corp. (the "Company" or "Eskay") is a Canadian company incorporated in British Columbia and listed for trading on the TSX Venture Exchange ("TSXV"), the Frankfurt Stock Exchange and the OTCQB Venture Market in the United States. The Company is primarily engaged in the acquisition and exploration of mineral properties. The primary office is located at The Canadian Venture Building, 82 Richmond Street East, Toronto, Ontario, M5C 1P1.

These financial statements were approved by the board of directors on June 27, 2022.

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. The Company has incurred losses in prior periods, and incurred a net loss of $18,891,069 during the year ended February 28, 2022 (year ended February 28, 2021 - net loss of $14,181,357) and has an accumulated deficit of $102,576,546 (February 28, 2021 - $83,685,477). Please refer to Note 24.

On March 31, 2020, the World Health Organization declared coronavirus (COVID-19) a global pandemic. This contagious disease outbreak, which has continued to spread, has adversely affected workforces, economies, and financial markets globally, leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

The Company's ability to continue to meet its obligations and carry out its planned exploration activities is uncertain and dependent upon the continued financial support of its shareholders and securing additional financing. While the Company has been successful in securing financing in the past, there is no assurance that it will be able to do so in the future. If the going concern assumption was not used, then the adjustments required to report the Company's assets and liabilities on a liquidation basis could be material to these financial statements.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of operations of such properties, these procedures do not guarantee the Company's title. Property title may be subject to social and government licensing requirements or regulations, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory and environmental requirements. The Company's mineral exploration property interests may also be subject to increases in taxes and royalties, renegotiation of contracts, and political uncertainty.

2. Significant accounting policies

(a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee ("IFRIC") of the IASB. The policies set out below have been consistently applied to all periods presented. These financial statements have been prepared on a historical cost basis, except for those instruments carried at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

2. Significant accounting policies (continued)

(b) Investments in Associates

An associate is an entity over which the Company has significant influence but not control and is not a subsidiary or joint venture. Significant influence is presumed to exist where the Company has between 20% and 50% of the voting rights, but can also arise when the Company has power to be actively involved and influential in financial and operating policy decisions of the entity even though Company has less than 20% of voting rights.

The Company accounts for its investments in associates using the equity method. Under the equity method, the Company's investment in an associate is initially recognized at cost and subsequently increased or decreased to recognize the Company's share of profit and loss of the associate and for impairment losses after the initial recognition date. The Company's share of an associate's loss that are in excess of its investment are recognized only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate. The Company's share of comprehensive income or losses attributable to shareholders of associates are recognized in comprehensive income during the period. The carrying amount of the Company's investments in associates also include any long-term debt interests which in substance form part of the Company's net investment. Distributions received from an associate are accounted for as a reduction in the carrying amount of the Company's investment.

(c) Exploration and evaluation expenditures

The Company expenses exploration and evaluation expenditures as incurred on exploration projects not commercially viable and technically feasible. Exploration and evaluation expenditures include acquisition costs of mineral properties, property option payments and evaluation activities.

Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs that give rise to a future benefit.

(d) Mining tax credits

Mining tax credits are recorded in the accounts when there is reasonable assurance that the Company has complied with, and will continue to comply with, all conditions needed to obtain the credits. These non-repayable mining tax credits are earned in respect of exploration costs incurred in British Columbia, Canada and are recorded as a reduction of the related exploration and evaluation expenditures.

(e) Decommissioning, restoration and similar liabilities

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of an exploration property interest. Such costs arising from the decommissioning of a plant and other site preparation work, discounted to their net present value, are provided for as soon as the obligation to incur such costs arises. Discount rates using a pretax rate that reflect the time value of money are used to calculate the net present value. These costs are charged against profit or loss. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Changes in estimates of decommissioning costs are accounted for as a change in the related liability and recognized in profit and loss. The periodic unwinding of the discount is recognized in operations as an accretion expense.

2. Significant accounting policies (continued)

(f) Significant accounting judgments and estimates

The application of the Company's accounting policies in compliance with IFRS requires the Company's management to make certain judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. These estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

(i) Assets' carrying values and impairment charges
In the determination of carrying values and impairment charges, management looks at the higher of recoverable amount or fair value less disposal costs in the case of assets and at objective evidence, significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.

(ii) Estimation of decommissioning and restoration costs and the timing of expenditure
The cost estimates are updated annually to reflect known developments, (e.g. revisions to cost estimates and to the estimated timing of decommissioning and restoration work), and are subject to review at regular intervals. Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.

(iii) Income, value added, withholding and other taxes
The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

(iv) Share-based payments
Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviours and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

2. Significant accounting policies (continued)

(g) Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value is measured at grant date and each tranche is recognized on a graded-vesting basis over the period in which the options vest. The offset to the recorded cost is to share-based payment reserve. Consideration received on the exercise of stock options is recorded as share capital and the related share-based payment reserve is transferred to share capital. Upon expiry, the recorded value is transferred to deficit.

At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in the statement of loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payment reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

(h) Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares. The Company's diluted loss per share for the periods presented does not include the effect of stock options and warrants as they are anti-dilutive.

(i) Income taxes

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

2. Significant accounting policies (continued)

(j) Impairment of non-financial assets

At each statement of financial position reporting date the carrying amounts of the Company's assets are reviewed to determine whether there is an indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less disposal costs and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss in the statements of loss and comprehensive loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

At the end of each reporting date, the Company assesses whether there is any indication that previously recognized impairment losses no longer exist. If such an indication exists, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss in the statement of loss and comprehensive loss.

(k) Share capital and common share purchase warrants

The Company periodically issues units to investors consisting of common shares and common share purchase warrants in private placements. These private placement warrants are equity instruments. Accordingly, gross proceeds received from the issuance of units are accounted for as an increase in share capital. No separate valuation (i.e. "bifurcation") of the private placement warrants is made for accounting purposes at the time of issuance or at any time thereafter.

Transaction costs directly attributable to the issuance of units are recognized as a decrease in share capital net of related income tax effects. Agent warrants are reflected as transaction costs at their estimated issue date fair value as determined using the Black-Scholes option-pricing model. When agent warrants expire unexercised, the balance is transferred to deficit.

(l) Flow-through shares

The Company has financed a portion of its exploration activities through the issue of flow-through shares, which offer a tax incentive to Canadian investors by transferring the tax deductibility of exploration expenditures from the Company to the investors.

Flow-through shares are reported at issue price. If the flow-through shares are issued at a premium to the market price of non-flow through or hard dollar shares at the date of announcement, such premium or excess proceeds is reported as a liability. The subsequent renunciation of such qualifying expenditures incurred by the Company in favour of the flow-through subscribers is reported as a reduction in the flow-through share liability and a corresponding amount as other income recorded in profit and loss.

Resource expenditure deductions for income tax purposes related to exploration and evaluation activities funded by flow-through share arrangements are renounced to investors in accordance with income tax legislation. The Company has indemnified the subscribers of flow-through share offerings against any tax related amounts that became payable by the shareholder as a result of the Company not meeting its commitments.

2. Significant accounting policies (continued)

(m) Financial Instruments

Financial instruments of the Company consists of cash, amounts receivables, accounts payable and other liabilities, amounts due to related parties and Seabridge Loan.

All financial assets not classified at amortized cost or fair value through other comprehensive income ("FVOCI") are measured at FVTPL. On initial recognition, the Company can irrevocably designate a financial asset at fair value through profit or loss ("FVTPL") if doing so eliminates or significantly reduces an accounting mismatch.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at FVTPL:

- It is held within a business model whose objective is to hold the financial asset to collect the contractual cash flows associated with the financial asset instead of selling the financial asset for a profit or loss;
- Its contractual terms give rise to cash flows that are solely payments of principal and interest.

All financial instruments are initially recognized at fair value on the statement of financial position. Subsequent measurement of financial instruments is based on their classification. Financial assets and liabilities classified at FVTPL are measured at fair value with changes in those fair values recognized in the statement of loss and comprehensive loss for the period. Financial assets classified at amortized cost and financial liabilities are measured at amortized cost using the effective interest method.

Financial assets

Initial recognition and measurement
Non-derivative financial assets within the scope of IFRS 9 are classified and measured as “financial assets at fair value”, as either FVTPL or FVOCI, and “financial assets at amortized costs”, as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company’s business model and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVTPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Subsequent measurement – financial assets at amortized cost
After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate (“EIR”) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in the statements of loss.

Subsequent measurement – financial assets at FVTPL
Financial assets measured at FVTPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVTPL are carried at fair value in the statements of financial position with changes in fair value recognized in the statements of loss.

2. Significant accounting policies (continued)

(m) Financial Instruments (continued)

Subsequent measurement – financial assets at FVOCI
Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not measure any financial assets at FVOCI.

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the statements of comprehensive loss. When the investment is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.

Derecognition
A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

Impairment of financial assets
The Company's only financial assets subject to impairment are other accounts receivable, which are measured at amortized cost. The Company has elected to apply the simplified approach to impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. To measure estimated credit losses, accounts receivable have been grouped based on shared credit risk characteristics, including the number of days past due. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

Financial liabilities

Initial recognition and measurement
Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVTPL. The Company's financial liabilities include accounts payable and other liabilities, amounts due to related parties, and other liabilities which are each measured at amortized cost. All financial liabilities are recognized initially at fair value.

Subsequent measurement – financial liabilities at amortized cost
After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in the statements of loss.

Derecognition
A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in the statements of loss.

2. Significant accounting policies (continued)

(n) Equipment

Equipment is recorded at cost less accumulated depreciation. Depreciation is provided using the declining balance method using the following rates:

Exploration equipment	- 25% to 30%

At the end of each reporting period, the Company reviews the carrying amounts of its equipment to determine whether there is any indication that the equipment has suffered an impairment loss. Where such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount is the higher of the equipment's fair value less cost to sell or its value in use.

(o) New accounting policies

Future accounting policies

IAS 1 Classification of Liabilities as Current or Non-Current (Amendment)

The IASB has published Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) which clarifies the guidance on whether a liability should be classified as either current or non-current. The amendments:

- clarify that the classification of liabilities as current or non-current should only be based on rights that are in place "at the end of the reporting period"
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability
- make clear that settlement includes transfers to the counterparty of cash, equity instruments, other assets or services that result in extinguishment of the liability.

This amendment is effective for annual periods beginning on or after January 1, 2022 and is to be applied retrospectively. There is currently a proposal in place to extend effective date for annual periods beginning on or after January 1, 2023. Earlier application is permitted. The extent of the impact of adoption of this amendment has not yet been determined.

IFRS 3, Business Combinations ("IFRS 3")

IFRS 3 was amended. The amendments introduce new exceptions to the recognition and measurement principles in IFRS 3 to ensure that the update in references to the revised conceptual framework does not change which assets and liabilities qualify for recognition in a business combination. An acquirer should apply the definition of a liability in IAS 37 – rather than the definition in the Conceptual Framework – to determine whether a present obligation exists at the acquisition date as a result of past events. For a levy in the scope of IFRIC 21, the acquirer should apply the criteria in IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. In addition, the amendments clarify that the acquirer should not recognize a contingent asset at the acquisition date. The amendments are effective for annual periods beginning on January 1, 2022. The extent of the impact of adoption of this amendment has not yet been determined.

(Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

(o) New accounting policies (continued)

Future accounting policies (continued)

IAS 16 - Property, Plant and Equipment

IAS 16 Property, Plant and Equipment was amended. The amendments introduce new guidance, such that the proceeds from selling items before the related property, plant and equipment is available for its intended use can no longer be deducted from the cost. Instead, such proceeds are to be recognized in profit or loss, together with the costs of producing those items. The amendments are effective for annual periods beginning on January 1, 2022. The extent of the impact of adoption of this amendment has not yet been determined.

3. Prepaid expenses and other deposits

	As at February 28, 2022	As at February 28, 2021
Prepaid expenses	**$ 101,592**	$ 13,227
Deposits [1]	**363,248**	871,235
	$ 464,840	$ 884,462

[1] As at February 28, 2022, there are deposits of $363,248 (February 28, 2021 - $871,235), related to airborne geophysical surveys, drilling, and camp expenses for the Company's exploration program.

4. Exploration and evaluation expenditures

	Years Ended February 28, 2022	2021 [i]
ESKAY-Corey		
Surveying, sampling and analysis	**$ 3,275,331**	$ 2,156,404
Geological and consulting	**5,024,958**	1,081,166
Camping procurement and expediting	**2,724,293**	964,912
Environmental clean up	**121,616**	-
Claims	**12,879**	-
Transportation	**2,478,910**	617,388
Accretion (note 10)	**1,677**	2,242
Access road costs	**2,650,785**	-
Total exploration and evaluation expenditures	**$ 16,290,449**	$ 4,822,112

(i) Reclassification

The comparative figures related to the Company exploration property breakdown have been reclassified to conform to the presentation adopted to better reflect the way the Company is managing its business decision processes, and budgeting since it acquired a 100% interest in ESKAY-Corey. There is no change to the aggregate expenditure made in the prior period.

(Expressed in Canadian Dollars)

4. Exploration and evaluation expenditures (continued)

ESKAY-Corey

The ESKAY-Corey property is comprised of the following:

St. Andrew (SIB)
Pursuant to an option agreement dated May 7, 2008 and amending option agreement dated January 17, 2013 with St. Andrew Goldfields Ltd., the Company earned an 80% interest in the SIB Property at Eskay Creek, British Columbia (the "Property") by expending an aggregate of $3.98 million on exploration of the Property and issuing further 265,000 common shares. On January 26, 2016, Kirkland Lake Gold Inc. ("Kirkland Lake") announced it completed the acquisition of St. Andrew. St. Andrew is a wholly-owned subsidiary of Kirkland Lake and continued to hold a 20% interest in the SIB Property. St. Andrew and the Company entered into an agreement with an effective date of November 25, 2016 for the further exploration and development of the Property. Pursuant to a Royalty Agreement dated March 8, 2021, the Company acquired the remaining 20% interest in SIB from Kirkland Lake, to hold a 100% working interest, in consideration for the granting of a 2% Net Smelter Returns Royalty on the SIB in favour of Kirkland Lake.

Corey claim
In September 1990, the Company acquired a 100% interest in mineral tenures located in the Skeena Mining Division, Province of British Columbia for $30,000 cash and a royalty of 5% of net profits from these claims to a maximum of $250,000.

These mineral exploration properties are located in northwestern British Columbia, 70 km northwest of Stewart. The Company holds a 100% interest in these mineral tenures subject to a 2% net smelter royalty.

Deposits and Exploration Advances

As at February 28, 2022, the Company had $94,303 (February 28, 2021 - $72,870) of deposits and exploration advances held by the provincial government of British Columbia. Such deposits were required by the B.C Ministry of Energy and Mines in order to permit the Company to conduct exploration and evaluation activities in that province.

5. Equipment

Cost		
Balance, February 29, 2020	**$**	**-**
Addition		80,963
Balance, February 28, 2021	**$**	**80,963**
Addition		48,984
Balance, February 28, 2022	**$**	**129,947**

(Expressed in Canadian Dollars)

5. Equipment (continued)

Accumulated depreciation		
Balance, February 29, 2020	**$**	**-**
Depreciation		2,024
Balance, February 28, 2021	**$**	**2,024**
Depreciation		15,788
Balance, February 28, 2022	**$**	**17,812**
Carrying amounts		
At February 28, 2021	**$**	**78,939**
At February 28, 2022	**$**	**112,135**

6. Capital risk management

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis. As discussed in note 1, the Company's ability to continue to carry out its planned exploration activities is uncertain and dependent upon the continued financial support of its shareholders and securing additional financing.

The Company considers its capital to be shareholders' equity which comprises share capital, reserves and accumulated deficit, which at February 28, 2022, totaled $5,489,511 (February 28, 2021 - $10,633,860).

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on activities related to its mineral exploration properties. Selected information is provided to the Board of Directors of the Company.

The Company's capital management objectives, policies and processes have remained unchanged during the year ended February 28, 2022. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than Policy 2.5 of the TSXV which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of February 28, 2022, the Company is compliant with Policy 2.5.

7. Financial risk management

Financial risk

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk, foreign currency risk and commodity and equity price risk). Risk management is carried out by the Company's management team with guidance from the Audit Committee and Board of Directors. There have been no changes in the risks, objectives, policies and procedures of the Company during the years ended February 28, 2022 and February 28, 2021.

7. Financial risk management (continued)

Financial risk (continued)

(i) Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and amounts receivable. Cash is held with select major Canadian chartered banks, from which management believes the risk of loss to be minimal. Amounts receivable consist of sales taxes receivable from government authorities in Canada and other receivables. Management believes that the credit risk concentration with respect to amounts receivable is minimal.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at February 28, 2022, the Company had cash of $876,222 (February 28, 2021 - $14,473,006) to settle current liabilities of $2,925,151 (February 28, 2021 - $4,916,692). All of the Company's short-term financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity. As discussed in note 1, the Company's ability to continually meet its obligations and carry out its planned exploration activities is uncertain and dependent upon the continued financial support of its shareholders and securing additional financing.

(iii) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity and equity prices.

(a) Interest rate risk

The Company's overall exposure to the risk of changes in market interest rates relates primarily to its bank current account balances. At prevailing market interest rates, the impact on interest income is minimal.

(b) Foreign currency risk

The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the Company's exposure to foreign currency risk is minimal.

(c) Commodity and equity price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices as they relate to valuable minerals to determine the appropriate course of action to be taken by the Company.

Based on management's knowledge and experience of the financial markets, the Company does not believe it was exposed to any material movements in the underlying market risk variables during the year ended February 28, 2022.

(Expressed in Canadian Dollars)

7. Financial risk management (continued)

Sensitivity analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are reasonably possible over a twelve month period:

(i) Cash is subject to floating interest rates. The Company has no variable interest bearing debt and receives low interest rates on its cash balances. As such, the Company does not have significant interest rate risk.

(ii) The Company does not hold balances in foreign currencies to give rise to exposure to foreign exchange risk.

8. Categories of financial instruments

	February 28, 2022	February 28, 2021
Financial assets:		
Amortized cost		
Cash	$ 730,289	$ 1,598,389
Cash equivalents	$ 145,933	$ 12,874,617
Amounts receivable	$ 842,063	$ 105,908
Financial liabilities:		
Amortized cost		
Amounts payable and other liabilities	$ 454,349	$ 792,010
Amounts due to related parties	$ -	$ 106,845
Seabridge Loans	$ 2,470,802	$ -

As of February 28, 2022 and February 28, 2021, the fair value of all of the Company's current financial instruments approximates the carrying value, due to their short-term nature.

The maturity analysis of financial liabilities as of February 28, 2022 is as follows:

	Less than 1 year	1-3 years	3-5 years	Greater than 5 years	Total
Accounts payable and accrued liabilities	$ 454,349	$ -	$ -	$ -	$ 454,349
Seabridge Loan	2,470,802	-	-	-	2,470,802
Total	**$ 2,925,151**	**$ -**	$ -	$ -	**$ 2,925,151**

9. Amounts receivable

	February 28, 2022	February 28, 2021
Sales tax receivable - (Canada)	**$ 842,063**	$ 105,462
Other receivable	**-**	446
	$ 842,063	$ 105,908

(Expressed in Canadian Dollars)

10. Provision for reclamation

The Company's provision for reclamation costs is based on management's estimated costs to dismantle and remove its facilities as well as an estimate of the future timing of the costs to be incurred. The following table presents the reconciliation of the beginning and ending aggregate carrying amount of the provision for closure and reclamation associated with the dismantling and removal of the Company's camp:

Balance at February 28, 2020	**$**	**62,391**
Accretion		2,242
Balance at February 28, 2021	**$**	**64,633**
Accretion		1,677
Balance at February 28, 2022	**$**	**66,310**

The Company has estimated its total provision for reclamation to be $66,310 at February 28, 2022 (February 28, 2021 - $64,633) based on an estimated total future liability of approximately $66,310 and an inflation rate of 2.6% (February 28, 2021 - 2.2%) and a discount rate of 1.07% (February 28, 2021 - 1.07%).

11. Amounts payable and other liabilities

Amounts payable and other liabilities of the Company are principally comprised of amounts outstanding for purchases relating to exploration and evaluation expenditures and general operating and administrative activities:

		February 28, 2022		**February 28, 2021**
Accounts payable	**$**	**409,148**	$	695,845
Accruals and others		**45,201**		96,165
Total amounts payable and other liabilities	**$**	**454,349**	$	792,010

The following is an aged analysis of amounts payable and other liabilities:

		February 28, 2022		**February 28, 2021**
Less than 1 month	**$**	**361,719**	$	529,099
1 to 3 months		**69,737**		121,930
Greater than 3 months		**22,893**		140,981
Total amounts payable and other liabilities	**$**	**454,349**	$	792,010

12. Flow-through share liability

The following is a continuity schedule of the liability of the flow-through shares issuance:

Balance at February 29, 2020	**$**	**-**
Liability incurred on flow-through shares issued		5,199,350
Settlement of flow-through share liability on incurring expenditure		(1,181,513)
Balance at February 28, 2021		**4,017,837**
Settlement of flow-through share liability on incurring expenditure		(4,017,837)
Balance at February 28, 2022	**$**	**-**

(Expressed in Canadian Dollars)

12. Flow-through share liability (continued)

The flow-through common shares issued in the non-brokered private placement completed during the year ended February 28, 2021, were issued at a premium to the market price in recognition of the tax benefits accruing to subscribers. The flow-through premium was calculated to be $5,199,350.

Date	Flow-through premium
June 3, 2020	$ 85,000
June 19, 2020	675,750
August 19, 2020	682,500
December 11, 2020	1,052,140
December 11, 2020	2,703,960
	$ 5,199,350

The flow-through premium is derecognized through income as the eligible expenditures are incurred.

13. Seabridge Loan

On November 11, 2021, the Company entered into an Amended Cost Sharing Agreement to share equally the costs of construction of the first 9 kilometres (the “First Segment of the CCAR”) of the Coulter Creek Access Road (“CCAR”), estimated to cost $12.5 million, limiting Eskay’s contribution to a maximum of $6,250,000. This agreement superseded the transaction announced on July 5, 2021. Pursuant to the Amended Cost Sharing Agreement, Seabridge will provide Eskay with a $3 million revolving loan facility at an interest rate of 3% per year.

The loan will be payable by no later than the later of December 31, 2022 and 30 days after (i) Eskay has incurred an aggregate of $6,250,000 for its share of the costs of construction and (ii) delivery of the final accounting of construction costs by Seabridge. The costs incurred to date for the construction of the First Segment of the CCAR were approximately $5.5 million, Eskay's share of which was funded through the drawdown of approximately $2.7 million of the loan facility. Construction will recommence in 2022 and Eskay will pay its additional share of the costs of the First Segment of the CCAR based upon monthly cash calls which are anticipated to be evenly spread over the remainder of the construction to be completed in 2022.

Since Eskay does not have control over the road and does not have a lease providing unrestricted access to the road, all expenditures associated with this access road have been expensed and included in exploration and evaluation expenditures in the statement of loss.

Eskay issued 500,000 bonus warrants to Seabridge in consideration for making the loan facility available. The bonus warrants are exercisable at $3.00 per share until the later of December 31, 2022 and 30 days after (i) Eskay has incurred an aggregate of $6,250,000 for its share of the costs of construction and (ii) delivery of the final accounting of construction costs by Seabridge subject to early expiry pursuant to the rules of the TSX Venture Exchange (the “TSX V”). The warrants were valued at $375,028 using the Black-Scholes pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 80% based on the Company's historical volatility; share price of $2.65; risk-free interest rate of 0.93% and an expected life of one year.

(Expressed in Canadian Dollars)

13. Seabridge Loan (continued)

As at February 28,		
Balance, February 28, 2021	**$**	**-**
Additions		2,783,325
Financing costs		(375,028)
Accretion		62,505
Balance, February 28, 2022	**$**	**2,470,802**
Allocated as:		
Current	$	2,470,802
Non-current		-
Balance, February 28, 2022	**$**	**2,470,802**

14. Investment in associate

On March 8, 2021, the Company closed the acquisition of 23,703,688 common shares of Garibaldi Resources Corp. ("GGI") from The Sprott Foundation, in consideration for the issuance of 4,211,719 working capital units at $2.56 per unit (see note 15(b)(vii)). On the acquisition date the Company acquired 19.5% of the outstanding common shares of GGI.

From the date of acquisition to January 4, 2022, the Company did not exert significant influence on GGI, as it did not have representation on the Board of Directors, did not participate in management or decision-making processes, did not share in any management personnel and had no material business dealings or transactions between the Company and GGI during this period. Therefore, the Company accounted for the common shares of GGI as a financial asset classified at fair value through profit or loss ("FVTPL").

On January 5, 2022, a director of the Company joined the board of GGI, and the Company assessed that due to this change in circumstances, the investment would be accounted for using the equity method from this date onwards, unless there is a subsequent change in circumstances.

The investments in common shares was considered a Level 1 in the fair value hierarchy for the period from March 8, 2021 to January 4, 2022. As a result of changes in the fair market value of the GGI shares, during the year ended February 28, 2022 the Company recognized an unrealized loss of $4,619,042 (year ended February 28, 2021 - $nil) which has been recorded in the statement of loss and comprehensive loss.

For the period from January 5, 2022 to February 28, 2022, the Company recognized its share of GGI loss of $71,550, using the equity method.

The changes to the carrying amounts presented in the consolidated statement of financial position can be summarized as follows:

As at February 28,		**2022**		**2021**
Transfer of fair market value		**6,162,959**		-
Loss from investment in associate		**(71,550)**		-
Balance, end of year	**$**	**6,091,409**	$	-

The following is a summary of the financial information of GGI, adjusted to conform with the accounting policies of Eskay, on a 100% basis as at the specified date and for the year then ended, as disclosed in the table below, which is the most recent publicly available information for GGI.

(Expressed in Canadian Dollars)

14. Investment in associate (continued)

As at January 31,	2022	2021
Cash and cash equivalents	**$ 563,953**	$ 258,145
Total current assets	**756,853**	3,541,801
Total non-current assets	**324,367**	402,533
Total current liabilities	**(609,768)**	(761,627)
Total non-current liabilities	**(3,094,000)**	(3,340,464)
Net loss	**$ (3,234,291)**	$ (7,174,745)
Proportionate share of net loss	**(71,550)**	-

15. Share capital

a) Authorized share capital

The authorized share capital consists of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

b) Common shares issued

As at February 28, 2022, the issued share capital amounted to $95,982,395 (February 28, 2021 - $82,905,744). Changes in issued share capital are as follows:

	Number of common shares	Amount
Balance, February 29, 2020	**118,312,021**	**$ 67,387,637**
Private placement (i)(ii)(iii)(iv)	29,856,785	20,001,625
Flow-through share premium (note 12)	-	(5,199,350)
Share issue costs - cash	-	(1,301,922)
Exercise of stock options (v)	2,280,000	245,150
Value transferred to share capital from exercise of stock options (v)	-	181,827
Common shares issued for debt settlement	2,130,129	362,122
Exercise of warrants (vi)	4,840,350	1,228,655
Balance, February 28, 2021	**157,419,285**	**$ 82,905,744**
Units issued for acquisition of GGI (vii)	4,211,719	10,782,001
Exercise of stock options (viii)	350,000	28,000
Value transferred to share capital from exercise of stock options (viii)	-	24,850
Exercise of warrants and broker warrants (ix)	1,955,989	1,866,891
Value transferred to share capital from exercise of broker warrants (ix)	-	374,909
Balance, February 28, 2022	**163,936,993**	**$ 95,982,395**

15. Share capital (continued)

b) Common shares issued (continued)

(i) On June 3, 2020, the Company closed the first tranche of a non-brokered private placement with the sale of 1,000,000 flow-through units at a price of $0.255 per flow-through unit for $255,000 and 550,000 units at a price of $0.17 per unit for $93,500 for aggregate gross proceeds of $348,500. Eligible finders were paid cash finders' fees of $1,275 and legal fees of $11,500.

Each flow-through unit comprises one common share of the Company and one-half of one common share purchase warrant. Each full warrant entitles the holder to acquire one common share at a price of $0.30 until June 3, 2022. Each unit comprises one common share of the Company and one-half of one common share purchase warrant.

(ii) On June 19, 2020, in connection with the closing of the first tranche of its non-brokered private placement on June 4, 2020, the Company closed the final tranche of a non-brokered private placement with the sale of 7,950,000 flow-through units of the Company at a price of $0.255 per flow-through unit for $2,027,250 and 2,452,941 units at a price of $0.17 per unit for $417,000 for aggregate gross proceeds of $2,444,250. Each unit comprises one common share of the Company and one-half warrant. A director of the Company subscribed for 2,452,941 units for $417,000 of the offering.

(iii) On August 19, 2020, the Company closed a non-brokered private placement with the sale of 3,500,000 flow-through units of the Company at a price of $0.645 per flow-through unit for $2,257,500 and 2,559,444 units at a price of $0.45 per unit for $1,151,750 for aggregate gross proceeds of $3,409,250.

Each flow-through unit comprises one common share of the Company and one common share purchase warrant. Each full warrant entitles the holder to acquire one common share at a price of $0.80 until two years from the closing date. Each unit comprises one common share of the Company and one common share purchase warrant.

(iv) On December 14, 2020, the Company announced that it has closed the brokered private placement offering and has issued an aggregate of 1,214,100 units of the Company at a price of $0.90 per unit, 2,904,700 flow-through shares of the Company at a price of $1.05 per flow-through share and 7,725,600 flow-through units of the Company at a price of $1.25 per flow-through unit, for an aggregate gross proceeds of $13,799,625. Each unit and each flow through unit consists of one common share of the Company, and one-half of one common share purchase warrant, with each warrant entitling the holder thereof to acquire one common share of the Company at a price of $1.30 until December 11, 2022. The broker agents were paid a cash commission of $737,978 and issued 582,789 broker warrants. Each broker warrant entitles the holder thereof to subscribe for one common share of the Company and one-half of one common share purchase warrants exercisable at a price of $0.90 until December 11, 2022.

(v) During the year ended February 28, 2021, 2,280,000 stock options were exercised by directors and consultants for common shares of the Company for gross proceeds of $245,150. The options were exercised for the following prices: (1) 350,000 common shares of the Company at $0.10 per share; (2) 80,000 common shares of the Company at $0.08 per share; (3) 50,000 common shares of the Company at $0.24 per share; (4) 850,000 common shares of the Company at $0.075 per share, (5) 400,000 common shares of the Company at $0.105 per share, (6) 250,000 common shares of the Company at $0.08 per share and (7) 300,000 common shares of the Company at $0.22 per share. A total value of $181,827 was transferred to share capital from reserves as a result of the exercise of these stock options.

(vi) During the year ended February 28, 2021, 4,840,350 warrants were exercised for common shares of the Company for gross proceeds of $1,228,655. The warrants were exercised for the following prices: (1) 200,000 common shares of the Company at $0.20 per share; (2) 20,000 common shares of the Company at $0.40 per share; (3) 120,000 common shares of the Company at $0.40 per share; (4) 200,000 common shares of the Company at $0.40 per share; (5) 50,000 common shares of the Company at $0.20 per share; (6) 300,000 common shares of the Company at $0.40 per share; (7) 592,000 common shares of the Company at $0.40 per share; (8) 250,000 common shares of the Company at $0.22 per share; (9) 3,100,000 common shares of the Company at $0.20 per share and (10) 8,350 common shares of the Company at $1.30 per share.

(Expressed in Canadian Dollars)

15. Share capital (continued)

b) Common shares issued (continued)

(vii) On March 8, 2021, the Company closed the acquisition of 23,703,688 common shares of GGI from The Sprott Foundation, in consideration for the issuance of 4,211,719 working capital units ("WC Units") of Eskay at a price of $2.56 per WC Unit. Each WC Unit consists of one common share of the company and one warrant. Each warrant entitles the holder to purchase one common share of the Company at a price of the sale of $2.82 per warrant until the earlier of: (i) March 8, 2023; and (ii) in the event that the closing price of the common shares on the TSXV is at least $3.72 for twenty (20) consecutive trading days, and the 20th trading day is on or after August 1, 2021. Upon acquisition of the common shares, the Company held 19.5% of the issued and outstanding common shares of GGI.

(viii) During the year ended February 28, 2022, 350,000 stock options were exercised at $0.08 per share by directors and consultants for common shares of the Company for gross proceeds of $28,000. A total value of $24,850 was transferred to share capital from reserves as a result of the exercise of these stock options.

(ix) During the year ended February 28, 2022, 1,955,989 warrants were exercised for common shares of the Company for gross proceeds of $1,866,891. The warrants were exercised for the following prices: (1) 562,644 common shares of the Company at $1.30 per share; (2) 75,000 common shares of the Company at $0.30 per share; (3) 582,789 common shares of the Company at $0.90 per share; and (4) 735,556 common shares of the Company at $0.80 per share. A total value of $374,909 was transferred to share capital from reserves as a result of the exercise of the 582,789 broker warrants.

16. Stock options

The following table reflects the continuity of stock options for the periods presented:

	Number of stock options	Weighted average exercise price ($)
Balance, February 29, 2020	**11,100,000**	**0.15**
Exercised (note 15(b)(v))	(2,280,000)	0.11
Granted (i)(ii)(iii)	5,550,000	2.09
Balance, February 28, 2021	**14,370,000**	**0.91**
Exercised (note 15(b)(viii))	(350,000)	0.08
Granted (iv)	75,000	2.49
Balance, February 28, 2022	**14,095,000**	**0.94**

(i) On June 24, 2020, the Company granted 1,500,000 stock options to directors and consultants at $0.24 per share for five years expiring June 24, 2025. These options vested immediately. These options have a grant date fair value of $308,850, estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 146% based on the Company's historical volatility; share price of $0.23; risk-free interest rate of 0.38% and an expected life of five years. During the year ended February 28, 2022, $nil (year ended February 28, 2021 - $308,850) was recorded as share-based payments.

(Expressed in Canadian Dollars)

16. Stock options (continued)

(ii) On July 21, 2020, the Company granted 350,000 stock options to a consultant at $0.46 per share for five years expiring July 21, 2025. These options vested immediately. These options have a grant date fair value of $144,725, estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 146% based on the Company's historical volatility; share price of $0.46; risk-free interest rate of 0.35% and an expected life of five years. During the year ended February 28, 2022, $nil (year ended February 28, 2021 - $144,725) was recorded as share-based payments.

(iii) On February 5, 2021, the Company granted 3,700,000 stock options to officers, directors and consultants at $3.00 per share for five years expiring February 5, 2026. These options vested over the span of a year, with 3,500,000 vesting immediately, and the remaining 200,000 to be vested quarterly over the span of a year. These options have a grant date fair value of $9,829,420, estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 141% based on the Company's historical volatility; share price of $3.00; risk-free interest rate of 0.48% and an expected life of five years. During the year ended February 28, 2022, $694,800 (2021 - $9,297,054) was recorded as share-based payments. 3,200,000 stock options were granted to officers and directors of the Company.

(iv) On June 28, 2021, the Company granted 75,000 stock options to a consultant at $2.49 per share for five years expiring June 28, 2026. These options vested immediately. These options have a grant date fair value of $163,479, estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 136% based on the Company's historical volatility; share price of $2.49; risk-free interest rate of 0.98% and an expected life of five years. During the year ended February 28, 2022, $163,479 was recorded as share-based payments.

(v) The portion of the estimated fair value of options granted in the prior years and vested during the year ended February 28, 2022, amounted to $531,320 (year ended February 28, 2021 - $1,046)

The following table reflects the actual stock options issued and outstanding as of February 28, 2022:

Expiry Date	Exercise Price ($)	Weighted Average Remaining Contractual Life (years)	Number of Options Outstanding	Number of Options Vested (Exercisable)	Fair value ($)
November 16, 2021 [i]	0.22	-	1,900,000	1,900,000	375,440
January 30, 2023	0.235	0.11	1,750,000	1,750,000	383,250
February 3, 2023	0.24	0.01	200,000	200,000	44,624
July 4, 2023	0.215	0.02	200,000	200,000	39,000
March 6, 2024	0.08	0.22	1,570,000	1,570,000	111,470
September 5, 2024	0.095	0.23	1,300,000	1,300,000	109,200
December 9, 2024	0.135	0.31	1,550,000	1,550,000	199,175
June 24, 2025	0.24	0.35	1,500,000	1,500,000	308,850
July 21, 2025	0.46	0.08	350,000	350,000	144,725
February 5, 2026	3.00	1.03	3,700,000	3,600,000	9,829,420
June 28, 2026	2.49	0.02	75,000	75,000	163,479
Total	**0.94**	**2.38**	**14,095,000**	**13,995,000**	**11,708,633**

[i] The November 16, 2021 options could not be exercised as a result of a blackout. This blackout also prevented the options from expiring. Subsequent to the year-end, the black out on these options was lifted and they were all exercised (See Note 24)

The weighted average exercise price of the vested options as at February 28, 2022 is $0.94.

(Expressed in Canadian Dollars)

17. Warrants

The following table reflects the continuity of warrants for the periods presented:

	Number of warrants	Weighted average exercise price ($)
Balance, February 29, 2020	**4,882,000**	**0.25**
Issued (note 15(b)(i)(ii)(iii)(iv))	17,379,947	0.66
Exercised (note 15(b)(vi)))	(4,840,350)	(0.34)
Expired	(50,000)	(0.40)
Balance, February 28, 2021	**17,371,597**	**0.66**
Issued (note 15(b)(vii))	4,211,719	2.82
Issued to Seabridge (note 13)	500,000	3.00
Exercised (note 15(b)(ix))	(1,955,989)	(0.95)
Balance, February 28, 2022	**20,127,327**	**1.13**

The following table reflects the warrants issued and outstanding as of February 28, 2022:

Expiry date	Number of warrants outstanding	Exercise price ($)
June 3, 2022	700,000	0.30
June 19, 2022	5,201,470	0.30
August 19, 2022	5,323,888	0.80
December 5, 2022	4,190,250	1.30
December 31, 2022	500,000	3.00
March 8, 2023	4,211,719	2.82
	20,127,327	**1.18**

18. Net loss per common share

The calculation of basic and diluted loss per share for the year ended February 28, 2022 was based on the loss of $18,891,069 (year ended February 28, 2021 - $14,181,357) and the weighted average number of common shares outstanding of 162,644,967 for the February 28, 2022 (year ended February 28, 2021 - 136,162,795). The diluted loss per share for the February 28, 2022 excluded 14,095,000 (February 28, 2021 - 14,370,000) options and 20,127,327 (February 28, 2021 - 17,371,591) warrants that were anti-dilutive.

(Expressed in Canadian Dollars)

19. General and administrative

	Years Ended February 28, 2022	2021
Professional fees (note 20(ii) and (iv))	**$ 238,383**	$ 286,910
Reporting issuer costs	**142,201**	205,882
Office and general	**320,455**	267,072
Advertising and promotion	**68,192**	181
Management and consulting fees (note 20(i))	**383,878**	218,940
Interest and bank charges	**24,844**	8,163
Share-based payments (note 16)	**694,800**	9,751,675
	$ 1,872,753	$ 10,738,823

20. Related party balances and transactions

Related parties include the Board of Directors, officers, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

Eskay entered into the following transactions with related parties:

(i) For the year ended February 28, 2022, the Company paid or accrued $284,367 in management and consulting fees to companies controlled by Marrelli Group of Companies, Balkam Partner, and Robert Myhill who are controlled by officers of the Company (February 28, 2021 - $218,940).

(ii) For the year ended February 28, 2022, the Company paid or accrued $52,529 in professional fees (February 28, 2021 - $36,295) to Marrelli Group of Companies (defined as Marrelli Support Services Inc., DSA Filing Services Ltd.) who is controlled by an officer of the Company. As at February 28, 2022, this company is owed $6,965 (February 28, 2021 - $7,053).

(iii) As at February 28, 2022, the Company owed certain officers, directors and parties related to officers and directors $nil (February 28, 2021 - $15,010), and legal services disclosed in (iv) below, in relation to the transactions described above. These balances are included in amounts due to related parties and are unsecured, non-interest bearing and due on demand.

(iv) During the February 28, 2022, the Company paid professional fees and disbursements of $145,338 (February 28, 2021 - $253,072) to Gardiner Roberts LLP ("Gardiner"), a law firm of which William R. Johnstone, Corporate Secretary of the Company, is a partner. These services were incurred in the normal course of operations for general corporate matters. As at February 28, 2022, Gardiner is owed $3,408 (February 28, 2021 - $85,995) and this amount is included in amounts due to related parties. These balances are unsecured, non-interest bearing, and due on demand.

(v) See note 15(b)(v)(vi).

(vi) See note 16(i).

As at February 28, 2022, Hugh Balkam, a director of the Company owns 16,883,345 common shares of the Company carrying approximately 10.30% of the voting rights attached to all common shares of the Company. As at February 28, 2022, directors and officers of the Company control an aggregate of 30,820,990 common shares of the Company or approximately 18.80% of the shares outstanding.

At February 28, 2022, the Company is not aware of any arrangements that may at result in a change in control of the Company. To the knowledge of the Company, it is not directly or indirectly owned or controlled by another corporation, by any government or by any natural or legal person severally or jointly.

(Expressed in Canadian Dollars)

21. Commitments and contingencies

Environmental contingencies
The Company's exploration activities are subject to various federal, provincial and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and are generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Management contract
The Company is party to management contracts that require additional payments of up to $264,000 to be made upon the occurrence of certain events such as termination for any reason, other than for just cause. The Company is also party to management contracts that require additional payments of up to $1,296,000 to be made upon the occurrence of certain events such as a change of control. As the triggering event has not occurred, the contingent payments have not been reflected in these financial statements.

Flow-through commitment
The flow-through agreements require the Company to renounce certain tax deductions for Canadian exploration expenditures incurred on the Company's mineral properties to flow-through participants. The Company has indemnified the subscribers for any related tax amounts that become payable by the subscribers as a result of the Company not meeting its expenditure commitments.

22. Segmented information

The Company's operations comprise a single reporting operating segment engaged in mineral exploration in Canada. As the operations comprise a single reporting segment, amounts disclosed in the financial statements also represent segment amounts. In order to determine reportable operating segments, the chief operating decision maker reviews various factors including geographical location, quantitative thresholds and managerial structure.

23. Income taxes

a) Provision for Income Taxes

Major items causing the Company's effective income tax rate to differ from the combined Canadian federal and provincial statutory rate of 26.5% (2021 - 26.5%) were as follows:

Years Ended February 28,	**2022**	**2021**
Loss before income taxes	**$ (18,891,069)**	$ (14,181,357)
Expected income tax recovery based at statutory rate	**(5,006,000)**	(3,758,060)
Adjustment to expected income tax recovery;		
Share based compensation	**184,000**	2,584,000
Change in benefit of tax assets not recognized	**1,141,000**	1,174,060
Flow-through renunciation	**3,662,000**	-
Expenses not deductible for tax purposes	**19,000**	-
Deferred income tax provision (recovery)	**$ -**	$ -

(Expressed in Canadian Dollars)

23. Income taxes (continued)

b) Deferred Income Tax

Deferred income tax assets have not been recognized in respect of the following deductible temporary differences:

	February 28, 2022	February 28, 2021
Deductible Temporary Differences		
Non-capital losses carry-forward	**$ 13,247,000**	$ 11,830,000
Share issue costs	**-**	8,000
Investments	**4,619,000**	-
Mineral exploration properties	**4,813,000**	5,296,000
Equipment	**-**	1,254,000
Other temporary differences	**9,000**	148,000
Temporary differences	**$ 22,688,000**	$ 18,536,000

At February 28, 2022, the Company has approximately $13,247,000 of non-capital losses in Canada which under certain circumstances can be used to reduce the taxable income of future years. The Canadian losses expire in the following periods:

2026	$ 968,500
2027	1,713,000
2028	2,540,000
2029	2,485,000
2030	2,788,000
2032	185,000
2034	80,000
2035	80,000
2036	12,000
2037	8,000
2038	8,000
2039	5,000
2040	1,409,000
2041	950,000
2042	15,500
	$ 13,247,000

24. Subsequent events

On April 7th, and 25th, 2022, the Company closed the first and second tranches of its non-brokered private placement and raised aggregate proceeds of $7,000,002 pursuant to the offering and issued 2,222,223 flow-through units to be sold to charitable purchasers (the "Charity FT Units") at a price of $3.15 per Charity FT Units. Each Charity FT Unit consists of one common share of the Company to be issued as a flow-through share within the meaning of the Income Tax Act (Canada) and one common share purchase warrant. Each warrant shall entitle the holder to purchase one common share at a price of $3.40 at any time on or before that date which is 24 months after the closing date.

Subsequent to February 28, 2022, 6,768,619 warrants were exercised for gross proceeds of $2,895,235, and 3,050,000 options were exercised for gross proceeds of $620,900.

ESKAY MINING CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED FEBRUARY 28, 2022
(EXPRESSED IN CANADIAN DOLLARS)

Prepared by:

ESKAY MINING CORP.

The Canadian Venture Building,
82 Richmond Street East,
Toronto, Ontario, M5C 1P1

Discussion dated June 27, 2022

Introduction

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of Eskay Mining Corp. ("Eskay" or the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the year ended February 28, 2022. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited annual financial statements of the Company for the years ended February 28, 2022 and February 28, 2021, together with the notes thereto. The Company's financial statements and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC"). Information contained herein is presented as of June 27, 2022, unless otherwise indicated.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Eskay common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Further information about the Company and its operations is available on Eskay's website at **www.eskaymining.com** or on SEDAR at **www.sedar.com**.

Cautionary Note Regarding Forward-Looking Information

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

Forward-looking statements	Assumptions	Risk factors
Potential of the Company's properties to contain economic deposits of precious and base metals. For fiscal 2023, the company's exploration expenses are estimated to be approximately $1,625,000 per month. Refer to Mineral Property Interests section.	Financing will be available for future exploration and evaluation of the Company's properties; the actual results of the Company's exploration and evaluation activities will be favourable; operating, exploration and evaluation costs will not exceed the Company's expectations; the Company will be able to retain and attract skilled staff; all requisite regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company, and applicable political and economic conditions are favourable to the Company; the price of precious and base metals and applicable interest and exchange rates will be favourable to the Company; no title disputes exist with respect to the Company's properties.	Precious and base metals price volatility; uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with the Company's expectations; availability of financing for and actual results of the Company's exploration and evaluation activities; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; ongoing uncertainties relating to the COVID-19 virus; the Company's ability to retain and attract skilled staff; availability of permits.
For fiscal 2023, the Company's operating expenses are estimated to be $104,700 per month.	The Company has anticipated all material costs; the operating activities of the Company for fiscal 2023 and the costs associated therewith, will be consistent with Eskay's current expectations.	Unforeseen costs to the Company will arise; any particular operating costs increase or decrease from the date of the estimation; changes in economic conditions.
The Company's cash position at February 28, 2022, along with a financing of $7,000,000 in April (see Notes in the Financial Statements), is sufficient to fund its operating, exploration and road construction expenses for the fiscal period ending February 28, 2023.	Financing will be available for the Company's exploration and evaluation activities and the results thereof will be favourable; actual operating and exploration costs will be consistent with the Company's current expectations; the Company will be able to retain and attract skilled staff; all applicable regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company; the Company will not be adversely affected by market competition; debt and equity markets, exchange and interest rates and other applicable economic and political conditions are favourable to the Company; the price of gold and/or other applicable metals will be favourable to the Company; no title disputes exist with respect to the Company's properties.	Gold and other metals price volatility, changes in debt and equity markets; timing and availability of external financing on acceptable terms; the uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with the Company's expectations; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; ongoing uncertainties relating to the COVID-19 virus. the Company's ability to retain and attract skilled staff; availability of permits; market competition.

Inherent in forward-looking statements are risks, uncertainties, and other factors beyond the Company's ability to predict or control. Please also refer to those risk factors referenced in the "Risks and Uncertainties" section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this Interim MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance, or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether because of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward- looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Description of Business

The Company was incorporated under the British Columbia Business Corporations Act and continued November 2, 2010, under the Business Corporations Act of Ontario. Its common shares are listed on the TSX Venture Exchange ("TSXV") (symbol "ESK") and the Frankfurt Stock Exchange (symbol "WKN 878985"). On July 9, 2020, the Company's common shares were approved for and started trading on the OTCQB Venture Market in the United States under the symbol (OTCQB: ESKYF). The Company is a natural resource company engaged in the acquisition and exploration of mineral properties in British Columbia, Canada. To date, the Company has not generated significant revenues from operations.

The Company has no revenues, so its ability to ensure continuing operations is dependent on the discovery of economically recoverable reserves, confirmation of its interest in the underlying mineral claims, and its ability to obtain necessary financing to complete the exploration activities, development, if they are proven successful, and future profitable production.

Eskay's goal is to deliver superior returns to shareholders by concentrating on the exploration of its existing properties. The Company currently plans to focus on its material properties, as set out below under "Mineral Property Interests".

The Company will continue to attempt to raise capital to meet its ongoing operating activities.

Outlook and Economic Conditions

The Company is a Canadian base and precious metal exploration company, focused on exploring its current property interests, and on acquisitions of other mineral exploration properties, should such acquisitions be consistent with its objectives and acquisition criteria. The Company currently has operations in the Province of British Columbia, Canada. The Company's financial success will be dependent upon the extent to which it can make discoveries and on the economic viability of any such discoveries. The development of such assets may take years to complete and the resulting income, if any, is difficult to determine with any certainty. To date, the Company has not produced any revenues. The sales value of any minerals discovered by the Company is largely dependent upon factors beyond its control, such as the market value of the commodities produced.

There are significant uncertainties regarding the prices of base and precious metal and the availability of equity financing for the purposes of exploration and evaluation. The future performance of the Company is largely tied to the successful exploration, discovery and eventual development of its property interests, if they are proven successful, and other prospective business opportunities and the overall financial markets. Financial markets are likely to be volatile, reflecting ongoing concerns about the stability of the global economy. However, recently, equity markets in Canada have showed signs of improvement, with equities increasing significantly during this period. Strong equity markets are favourable conditions for completing a financing, public merger or acquisition transaction.

Management regularly monitors economic conditions, estimates their impact on the Company's operations, and incorporates these estimates in both short-term operating and longer-term strategic decisions.

Due to the worldwide COVID-19 outbreak, material uncertainties may come into existence that could influence management's going concern assumption. Management cannot accurately predict the future impact COVID-19 may have on:

- Global gold prices;
- Demand for gold and the ability to explore for gold;
- The severity and the length of potential measures taken by governments to manage the spread of the virus, and their effect on labour availability and supply lines;
- Availability of essential supplies, such as water and electricity;
- Purchasing power of the Canadian dollar; or
- Ability to obtain funding.

The Canadian government has not introduced measures which impede the activities of Eskay. Management believes the business will continue and accordingly, the current situation bears no impact on management's going concern assumption. However, it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of Eskay in future periods. Accordingly, to execute the Company's plans for the near term as outlined under the heading "Mineral Property Interests" and meet the Company's administrative overhead, the Company is required to complete a financing. See "Risks and Uncertainties".

Highlights

On March 8, 2021, the Company announced that it has closed the acquisition of 23,703,688 common shares of Garibaldi Resources Corp ("GGI") from The Sprott Foundation in consideration for the issuance of 4,211,719 working capital units of Eskay at a price of $2.56 per working capital unit. Each working capital unit consists of one common share of the company and one warrant. Each warrant entitles the holder thereof to purchase one common share at a price of $2.82 per warrant share until the earlier of: (i) the date which is two years following the closing of the acquisition of common shares; and (ii) in the event that the closing price of the common shares on the TSX Venture Exchange is at least $3.72 for twenty consecutive trading days, and the 20th trading day is on or after August 1, 2021, the date which is thirty days from the final trading day. Upon acquisition of the common shares, the Company held 19.5% of the issued and outstanding common shares of GGI. The acquisition of common shares was made for investment purposes.

On March 25, 2021, and March 26, 2021, the Company announced that it has acquired a 100% interest in all the properties, including the Jeff and TV targets, which was subject to a joint venture with St. Andrew Goldfields Ltd., a wholly-owned subsidiary of Kirkland Lake Gold Ltd., pursuant to a joint venture agreement dated November 25, 2016, as amended (the "JV Agreement"). Pursuant to the terms of the JV Agreement, the joint venture has been terminated whereby the property is 100% owned by the Company, and St. Andrew has been converted to the holder of a 2% net smelter return royalty (the "NSR"). Eskay has the right, exercisable at any time, to purchase one half of the 2% NSR held by St. Andrew for $3 million and has the right of first refusal to purchase the remaining 1% NSR.

On April 13, 2021, the Company announced that it has reviewed all data from its 2020 exploration campaign and has conclusively identified multiple mineralized horizons at its 100% owned consolidated Eskay precious metal-rich volcanogenic massive sulphide ("VMS") project in the Golden triangle, British Columbia.

On April 22, 2021, the Company announced that it has commenced its 2021 exploration program with a property wide SkyTem survey across its 100% owned Eskay-Corey precious metal-rich VMS project in the Golden Triangle British Columbia.

On June 29, 2021, the Company announced that it has commenced its 2021 drill campaign at its 100% owned Eskay-Corey precious metal-rich VMS project in the Golden Triangle, British Columbia This summer, the Company plans to drill at least 30,000m of diamond core at multiple targets across its 526 sq km of land holdings commencing with focused drilling at the Jeff and TV targets to follow up on encouraging gold-silver mineralization, some high-grade, encountered by 18 of 20 holes completed in 2020.

On July 5, 2021, the Company announced that it had entered into a cost sharing agreement whereby Seabridge Gold (“Seabridge”) and the Company will share the costs equally on construction of the first 9 kilometers of the Coulter Creek Access Road (“CCAR”), estimated to cost $12.0 million. To fund the Company's share of costs under the Cost Sharing Agreement, Seabridge had agreed to purchase a $6.0 million Convertible Debenture and 1,350,000 warrants from the Company. This transaction was superceded by the Amended Cost Sharing Agreement announced on November 12, 2021.

On July 13, 2021, the Company announced that recent diamond core drilling at the Jeff target, one of multiple targets across its 100% owned Eskay-Corey precious metal-rich VMS project in the Golden Triangle, British Columbia, has encountered multiple intercepts of stockwork feeder mineralization similar to that encountered in drilling in 2020.

On July 20, 2021, the Company announced the completion of a National Instrument 43-101 Standards of Disclosure for Mineral Projects (“NI 43-101”) technical report dated July 16, 2021 with an effective date of June 8, 2021 and entitled “NI 43-101 Technical Report on the SIB-Corey-North Mitchell Property”) the “Technical Report”) in respect of its 100% owned Eskay-Corey precious metal VMS project in the Golden Triangle, British Columbia (the “Property”).

On August 23, 2021, the Company provided an update on its 2021 drill program and an overview of its property wide SkyTem results.

On September 1, 2021, the Company announced that its common shares have been approved for trading on the OTCQX® in the United States under the symbol "ESKYF".

On September 16, 2021, the Company announced that its exploration team has discovered two new potentially large VMS systems on its 100% owned Consolidated Eskay precious metal project in the Golden Triangle, British Columbia. The Company is also pleased to announce that its 2021 diamond drill program is steadily advancing with approximately 19,000m of a minimum 30,000m planned program now complete.

On October 13, 2021, the Company announced that it has concluded its 2021 diamond drill program at its 100% owned Consolidated Eskay precious metal project in the Golden Triangle, British Columbia. Recent drilling encountered massive sulfide mineralization atop the TV VMS system, demonstrates extensive sulfide mineralization occurs between the TV and Jeff deposits, confirms that the highly prospective Upper Phaeton Group stratigraphy is present in close proximity to the C10 VMS system, and establishes that the newly discovered Vermillion deposit constitutes a major new VMS discovery.

On November 8, 2021, the Company announced the first assay results from its 2021 diamond drill campaign at its 100% controlled Consolidated Eskay precious metal rich VMS project, British Columbia.

On November 12, 2021, the Company announced that it had entered into an amended agreement (the "Amended Cost Sharing Agreement") whereby Seabridge and Eskay Mining have amended the terms of their original agreement to share equally the costs of construction of the first 9 kilometres (the "First Segment of the CCAR") of the Coulter Creek Access Road ("CCAR"), estimated to cost $12.5 million, including to introduce a limit on Eskay's contribution to a maximum of $6,250,000 and eliminate the sale by Eskay of a convertible debenture.

Pursuant to the Amended Cost Sharing Agreement, Seabridge will provide Eskay with a $3 million revolving loan facility at an interest rate of 3% per year to provide Eskay flexibility with funding its share of the costs of construction.

The loan will be payable by no later than the later of December 31, 2022 and 30 days after (i) Eskay has incurred an aggregate of $6,250,000 for its share of the costs of construction and (ii) delivery of the final accounting of construction costs by Seabridge. The costs incurred to date for the construction of the First Segment of the CCAR were approximately $5.5 million, Eskay's share of which was funded through the drawdown of approximately $2.7 million of the loan facility. Construction will recommence in 2022 and Eskay will pay its additional share of the costs of the First Segment of the CCAR based upon monthly cash calls which are anticipated to be evenly spread over the remainder of the construction to be completed in 2022.

Eskay issued 500,000 bonus warrants to Seabridge in consideration for making the loan facility available. The bonus warrants are exercisable at $3.00 per share until the later of December 31, 2022 and 30 days after (i) Eskay has incurred an aggregate of $6,250,000 for its share of the costs of construction and (ii) delivery of the final accounting of construction costs by Seabridge subject to early expiry pursuant to the rules of the TSX Venture Exchange.

On December 8, 2021, the Company announced its second tranche of assay results from its 2021 diamond drill campaign at its 100% controlled Consolidated Eskay precious metal rich VMS project

On January 19, 2022, the Company announced its third tranche of assay results from its summer 2021 diamond drill campaign at its 100% controlled Consolidated Eskay precious metal rich VMS project.

Events subsequent to February 28, 2022

On March 15, 2022, the Company announced all remaining assay results from its summer 2021 diamond drill campaign at its 100% controlled Consolidated Eskay precious metal rich VMS project. A total of ninety-eight holes were drilled as part of this program. In addition to new strong results from the TV and Jeff deposits, the Company has confirmed discovery of similar previous metal rich VMS mineralization at the C-10 prospect located approximately 8km south-southeast from TV.

On March 21, 2022, the Company announced it has defined numerous new drill targets in three focus areas at its 100% controlled Consolidated Eskay precious metal rich VMS project, BC from recently received soil and rock chip analysis.

On April 6th, and 25th, 2022, the Company closed the first and second tranches of its non-brokered private placement and raised aggregate proceeds of $7,000,002 pursuant to the offering and issued 2,222,223 flow-through units to be sold to charitable purchasers (the "Charity FT Units") at a price of C$3.15 per Charity FT Units. Each Charity FT Unit consists of one common share of the Company to be issued as a flow-through share" (each, a "FT Share") within the meaning of the Income Tax Act (Canada) and one common share purchase warrant (a "Warrant"). Each Warrant shall entitle the holder to purchase one common share (a "Warrant Share") at a price of $3.40 at any time on or before that date which is 24 months after the closing date.

On May 31, 2022, the Company announced the commencement of its 2022 exploration campaign at the 100% controlled consolidated Eskay precious metal rich VMS project, in British Columbia. Cornerstone to the 2022 exploration campaign is an aggressive 30,000m diamond drill program.

Subsequent to February 28, 2022, 6,768,619 warrants were exercised for gross proceeds of $2,895,235 and 3,050,000 options were exercised for gross proceeds of $620,900.

Overall Objective

The primary business objective of Eskay is the acquisition, exploration and evaluation of mineral properties based upon Eskay's current holdings in British Columbia, Canada. In furtherance of this objective, the Company established the following business strategy:

- Develop and implement a discretionary exploration budget on its property interests with a view to establishing a viable mineral deposit; and
- Capitalize on management's technical expertise and ability to identify, evaluate, and acquire exploration properties.

See "Risks and Uncertainties" below.

Trends

Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longer-term strategic decisions. Strong equity markets are favorable conditions for completing a public merger, financing, or acquisition transaction. Apart from these and the risk factors noted under the heading "Risks and Uncertainties", and "Outlook and Economic Conditions", management is not aware of any other trends, commitments, events, or uncertainties that would have a material effect on the Company's business, financial condition, or results of operations.

Off-Balance-Sheet Arrangements

As of the date of this MD&A, the Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity, capital expenditures and capital resources that would be material to investors.

Environmental Contingency

The Company's mining and exploration activities are subject to various government laws and regulations relating to the protection of the environment. These environmental regulations are continually changing and generally becoming more restrictive. As of February 28, 2022, the Company does not believe that there are any significant environmental obligations requiring material capital outlays in the immediate future.

Mineral Property Interests

Effective in Q1 2022, the Company has aggregated its mineral claims into one property called "ESKAY-Corey", due to its budgeting and business decision processes.

Technical information

Dr. Quinton Hennigh, P. Geo., a Director of the Company, and its technical advisor, is a Qualified Person under the definition of National Instrument 43-101. Dr. Hennigh has approved the disclosure contained under the heading "Mineral Property Interests" and has verified the scientific and technical data contained herein.

The following table summarizes the Company's current exploration programs at the ESKAY-Corey Mineral Claims, and total estimated cost to complete each exploration program, and total expenditures incurred during the period presented rounded to the nearest thousandth.

Activities for the year ended February 28, 2022	Spent (approx.)	Budgeted Fiscal Expenditures February 28, 2022 (approx.)	Planned Fiscal Expenditures February 29, 2023 (approx.)
TV/Jeff – Drilling/Camp/Geological costs	$ 9,283,000	$ 8,400,000	$ 8,300,000
C10 – Drilling/Camp/Geological costs	2,204,000	2,500,000	2,100,000
Vermilion– Drilling/Camp/Geological costs	653,000	555,000	2,100,000
Coulter Creek Road	2,700,000	2,700,000	3,800,000
Scarlett Ridge	80,000	-	3,200,000
SkyTem – Geophysical costs	1,380,000	1,200,000	-
Note 1	**$ 16,300,000**	**$ 15,355,000**	**$ 19,500,000**

Based on the Company's working capital deficit of $742,026 on February 28, 2022 (February 28, 2021 – working capital surplus of $10,546,684), and anticipated exercise of warrants and options during the fiscal period the Company anticipates it will have sufficient funds for its exploration work requirements.

TV-Jeff VMS System

The 2020 SkyTEM survey showed a correlation between conductivity anomalies and known mineralization (Fig. 1); and identified additional anomalies along trend with mineralization between TV and Jeff, suggesting the possibility TV and Jeff are components of a larger VMS system. The 2021 drill program tested several of these conductivity anomalies. At Jeff anomalies 10, 11, 12, and 13 were drilled. These anomalies have a stratiform morphology, distinct from the lumpy discreet anomalies surrounding TV. At TV anomalies 4 and 7 were drilled, with drill pads constructed on anomalies 2, 6, and 9. Heavy snow ended drilling in early October before anomalies 2, 6, and 9 could be drilled.

The hypotheses going into 2021 were that the stratiform anomalies near Jeff represented graphitic mudstone horizons that could be used to correlate stratigraphy along strike, and that the lumpy anomalies were more likely to be caused by the presence of sulfide minerals. Drilling at Jeff confirmed that the stratiform conductivity anomalies are caused by graphitic mudstone, and that these anomalies represent true stratigraphic features that can be used to locate favorable stratigraphy for mineralization. The two lumpy anomalies drilled at TV both intercepted sulfide mineralization. TV21-78 tested anomaly 4 and intercepted the newly discovered Au-Ag-bearing Upper Massive Sulfide Horizon. TV21-81 tested anomaly 7, and intercepted ~92 m of stockwork sulfide mineralization in a bleached andesite breccia.

The 2021 drill program added further evidence supporting the interpretation that TV and Jeff are components of a larger VMS hydrothermal system, likely focused near TV. Examination of drill core has allowed for correlation of stratigraphy between TV and Jeff, the identification of distinct zones of stratigraphy-controlled mineralization (Fig. 2), and unequivocal evidence of syn-volcanic feeder structures was found at both TV and Jeff. Evidence for the presence of syn-volcanic VMS feeder structures includes:

1) Corridors of intense hydrothermal alteration that cut stratigraphy, and are spatially associated with mineralization and IP resistivity anomalies (Fig. 3).

2) The presence of dacite flows and peperite indicates close proximity to a syn-volcanic feeder structure. Dacite is a high viscosity lava, as such it does not travel far from the syn-volcanic feeder structure during an eruption.

3) At TV the presence of gabbro dikes and sills along the south side of the corridor of mineralization and alteration indicates that the same structure that fed the dacite and VMS hydrothermal system also fed the gabbro intrusions. The presence of gabbro is consistent with proximity to a rapidly extending back-arc rift structure.

4) Poorly-sorted coarse grained sedimentary rocks including conglomerate, and submarine debris flow breccia are closely associated with mineralized horizons, and indicate a paleoenvironment in close proximity to a fault escarpment. Conglomerate and debris flow breccia are associated with other precious metal VMS deposits (e.g., the Timiskaming Group in the Abitibi Greenstone Belt).

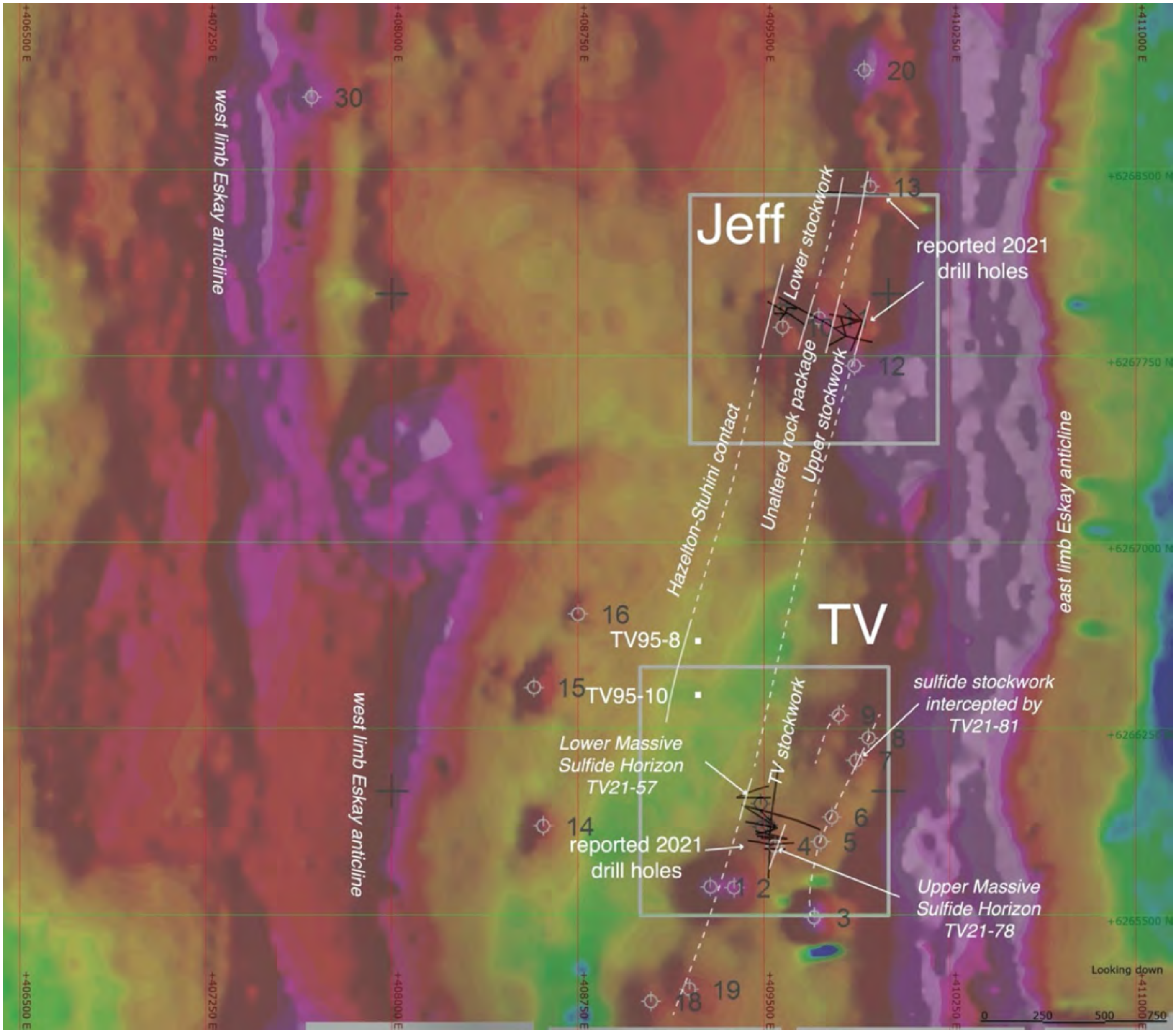


Figure 1. Close-up view of 2020 SkyTEM survey showing conductivity anomalies on trend with mineralized horizons identified during the 2020 and 2021 drill programs.

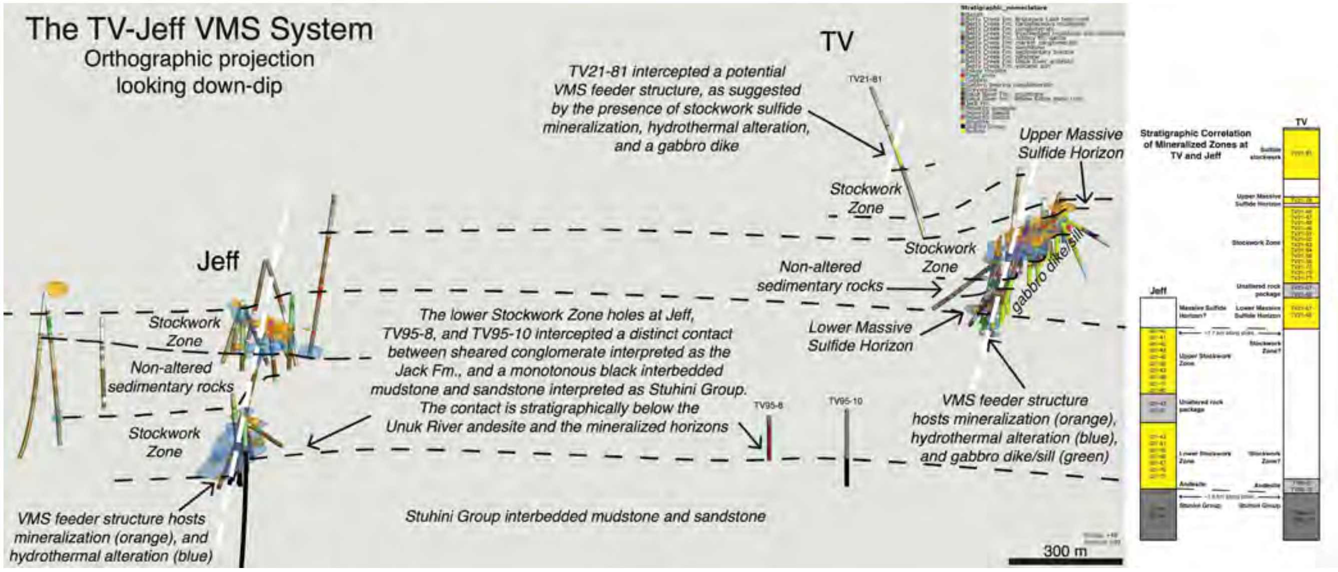


Figure 2. A long section of the TV-Jeff VMS system looking down dip. Careful investigations have correlated the stratigraphy between TV and Jeff, showing that the two stockwork zones at Jeff are stratigraphically below the Lower Massive Sulfide Horizon at TV. This opens up the possibility for additional stockwork mineralization below the Lower Massive Sulfide Horizon at TV, it is possible that Au values reported herein for the bottom of TV21-69 represent such stockwork mineralization. It is also possible that additional VMS mineralization occurs up-section from Jeff, at a position that correlates with the mineralized horizons at TV.

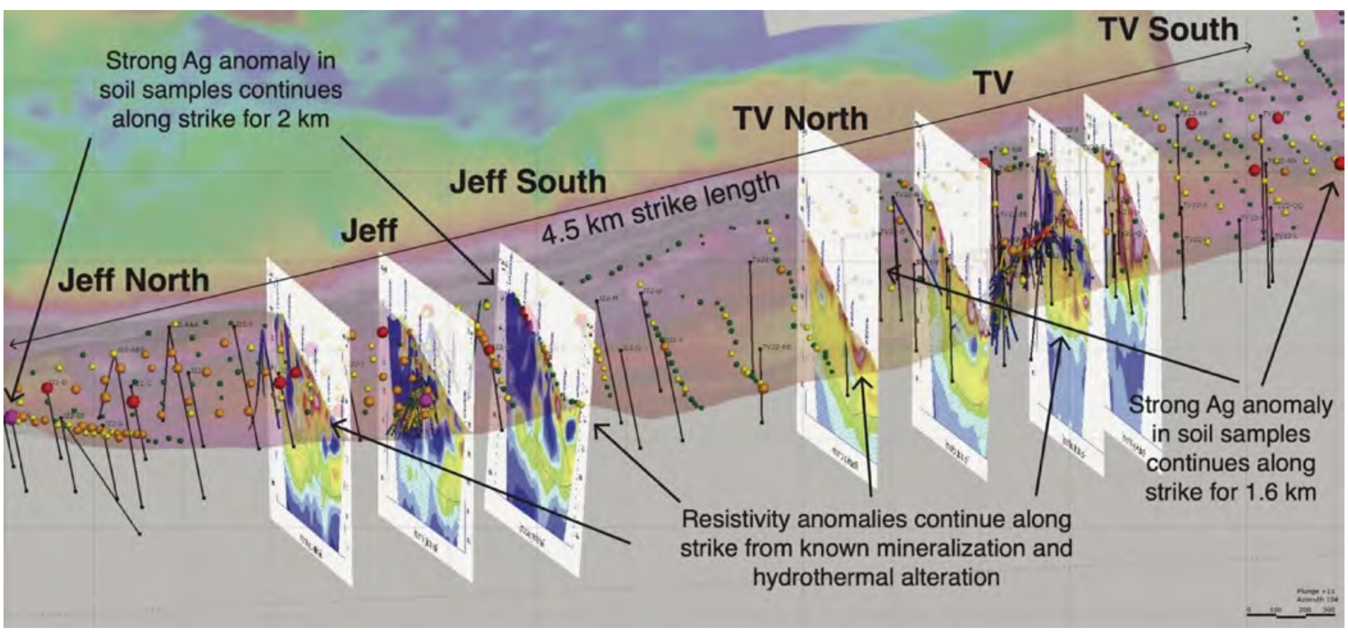


Figure 3. A long section viewed obliquely of the greater TV-Jeff VMS system. Resistivity anomalies correspond well with known mineralization and hydrothermal alteration at TV and Jeff. Zones of intense hydrothermal silica alteration are the most likely cause of the resistivity anomalies, strongly suggesting that the hydrothermal systems intercpeted at TV and Jeff extend along strike, and continue up stratigraphic section. Strong pathfinder element (Ag, As, and Hg) anomalism. Drill targeting for the 2022 program is based on these parameters.

Jeff

Drilling at Jeff focused on expanding the footprint of known mineralization, drilling the SkyTEM and IP anomalies to the north, and testing for mineralization up-stratigraphic section.

Several drill holes up-section from the upper Stockwork Zone at Jeff showed appreciable sulfide mineralization in peperitic basalt in a carbonaceous mudstone host. This suggests that the Jeff VMS system continues up-stratigraphy from mineralization identified in 2020.

Drilling of the upper Stockwork Zone at Jeff expanded the footprint of known sulfide mineralization (Figs. 4 and 5), but also showed that Au-Ag mineralization and hydrothermal alteration die out to the north. Replacement-style sulfide mineralization is hosted by basaltic and dacitic peperite, and is closely associated with a corridor of hydrothermal alteration (Fig. 2). Stratigraphic and chemostratigraphic investigations of drill core show that the Upper Stockwork Zone at Jeff correlates with a stratigraphic position immediately below the Lower Massive Sulfide Zone at TV (Fig. 2).

Drilling of the lower Stockwork Zone at Jeff showed laterally continuous semi-massive to massive sulfide mineralization on the order of 50 m true thickness and extending down dip at least 100 m (Figs. 4 and 5). The Stockwork Zones at Jeff are characterized by a broad halo of weak-moderate sulfide and Au-Ag mineralization surrounding pods of high-grade Au-Ag mineralization.

Drilling to the north of Jeff targeted stratiform SkyTEM and IP anomalies that were in proximity to historic auriferous drill holes. These drill holes encountered thick sequences of marine-deposited volcanic ash, carbonaceous mudstone, and sandstone. TV21-51 intercepted two 20-40 m intervals of moderately altered peperitic basalt with weak polymetallic sulfide mineralization that correlate with the stockwork horizons at Jeff over 400 m to the south. This shows that the hydrothermal system continues to the north of Jeff. Preliminary field investigations at the beginning of the 2022 exploration campaign show that hydrothermal alteration intensifies in the vicinity of SkyTEM anomaly 20 (Fig. 1).

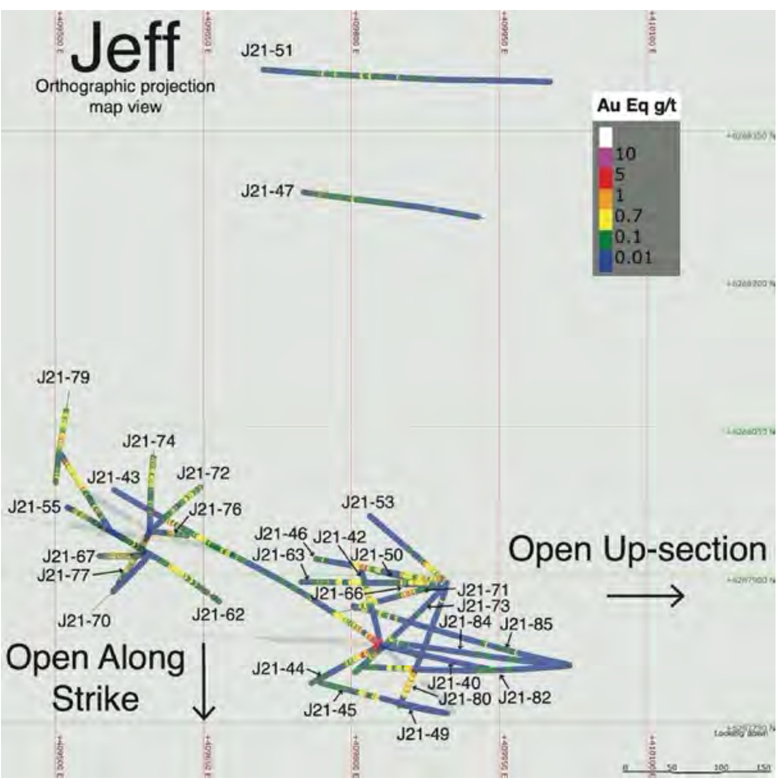


Figure 4. Map view of reported 2021 drill hole assays from Jeff. Results are given in Au equivalent, with 2020 drill holes shown in transparency. Drilling at Jeff shows a mineralization style characterized by high-grade pods surrounded by broad halos of 0.1-0.7 g/t Au equivalent, both are hosted within sulfide stockwork. Drilling to the north of Jeff (J21-47 and J21-51) shows that the TV-Jeff VMS hydrothermal system occurred at least as far north as J21-51, where the two Jeff horizons are weakly mineralized and strongly altered.

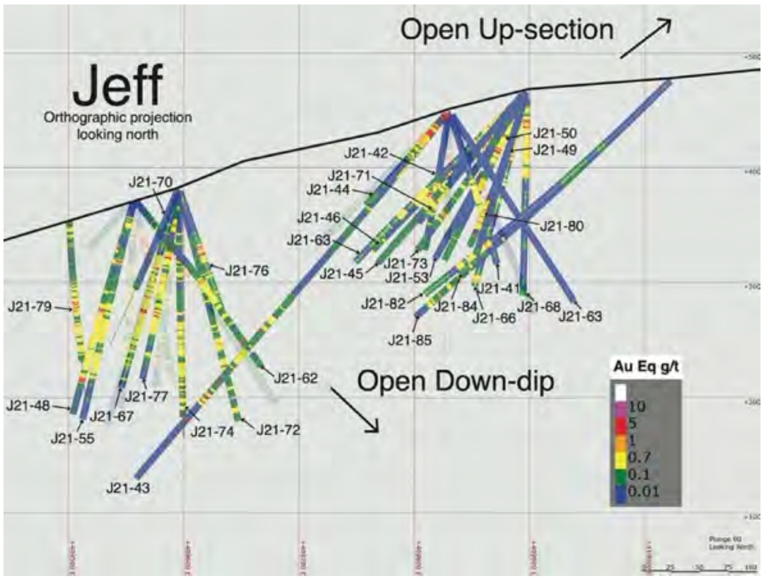


Figure 5. Cross-section view looking north of reported 2021 drill hole assays for Jeff (J21-47, and J21-51 are out of section). Results are given in Au equivalent, with 2020 drill holes shown in transparency. The broad zones of mineralization are open down-dip. There is the potential for additional mineralized horizons up-section in rocks that correlate with mineralized zones at TV.

TV

Drilling at TV (Figs. 6 and 7) focused on expanding the footprint of known mineralization, identifying mineralized zones over ~600 vertical meters of stratigraphy, and testing discrete SkyTEM anomalies of a distinct morphology than those north of Jeff.

TV hosts two distinct paleo-seafloor horizons that host volcanogenic massive sulfide: the Lower Massive Sulfide Horizon, and the Upper Massive Sulfide Horizon (Fig. 2). A laterally continuous zone of stockwork Au-Ag mineralization underlying the Upper Massive Sulfide Horizon represents the hydrothermal feeder system for VMS activity on the paleo-seafloor. The Stockwork Zone is intensely hydrothermally altered, with intense silicification approaching the paleo-seafloor horizon. This is consistent with a location near the core of a syn-volcanic VMS feeder structure.

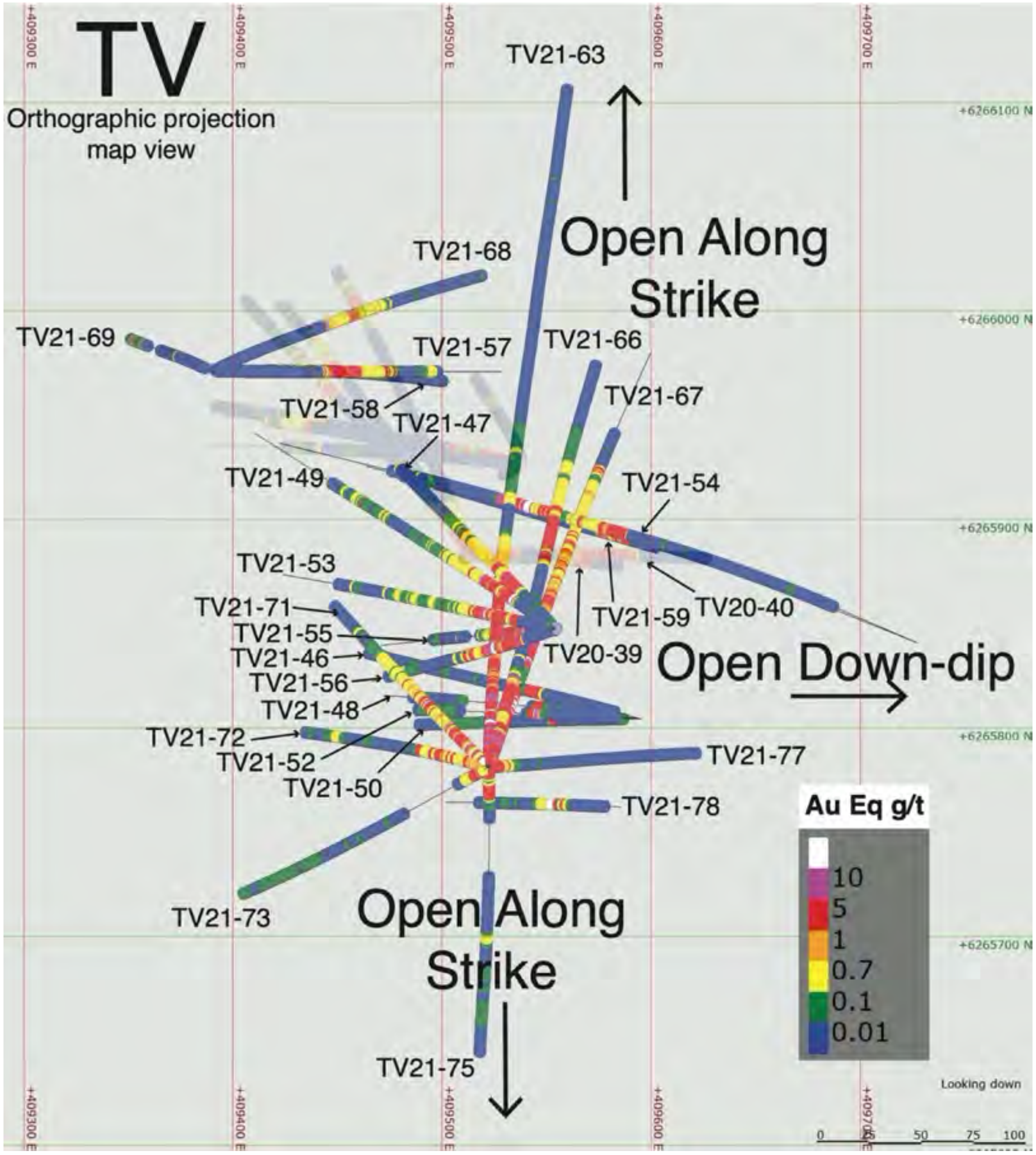


Figure 6. Map view of reported 2021 drill hole assays at TV. Results are given in Au equivalent, with 2020 drill holes shown in transparency. Mineralization remains open along strike and down-dip after the 2021 drill program.

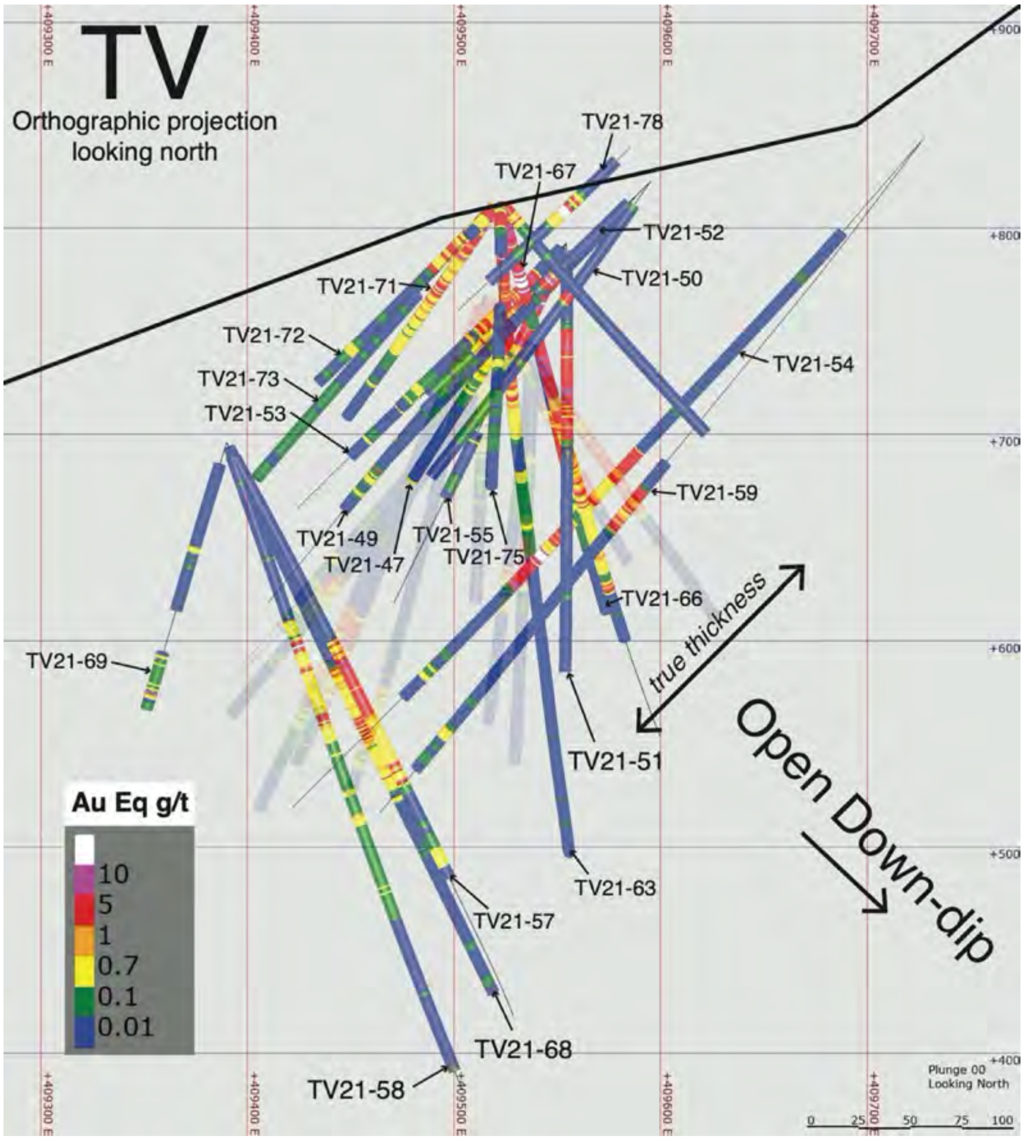


Figure 7. Cross-section looking north of reported 2021 drill hole assays at TV. Results are given in Au equivalent, with 2020 drill holes shown in transparency. Gold and silver mineralization intercepts the surface and continues down-dip where it improves in grade and continuity. Mineralization remains open along strike and down-dip after the 2021 drill program.

A closer examination of the Upper Massive Sulfide (Fig. 8) shows that the sulfide minerals consist of clastic pyrite infilled by replacement-style pyrrhotite, sphalerite, and pyrargyrite (see photos below). Preliminary drilling of this newly discovered sulfide body shows that it continues down-dip at least 25 m, and along strike ~50 m. This sulfide body corresponds with a discrete SkyTEM anomaly, and the broader IP chargeability anomaly that encompasses the Upper Zone at TV. Further drilling of this massive sulfide body will be a component of the 2023 program.

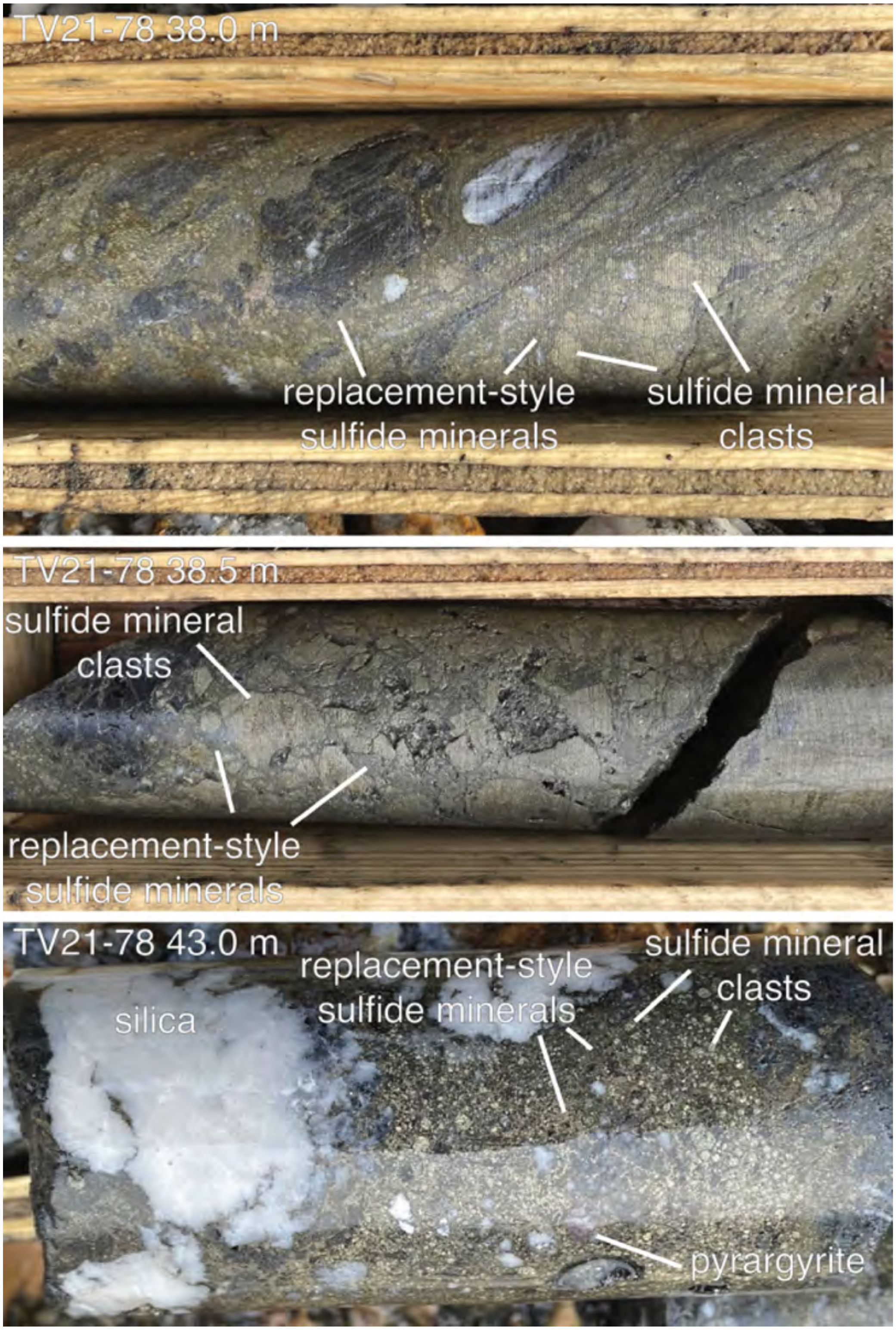


Figure 8. TV Upper Zone massive sulfide mineralization intercepted by TV21-78, showing clastic sulfide minerals with replacement-style sulfide mineralization between clasts.

The largest mineralized zone drilled at TV is the Stockwork Zone (Fig. 9) below the Upper Massive Sulfide. The Stockwork Zone is characterized by sulfide and Ag-sulfosalt minerals filling fractures in silicified mudstone and dacite breccia. Hydrothermal alteration is consistently intense, and mineralization ranges from veinlets to semi-massive. The Stockwork Zone intercepts the surface, expanding and becoming more continuous down dip. True thickness of the Stockwork Zone ranges between 50-90 m. The Stockwork Zone remains open along strike and down-dip.

Figure 9. Stockwork sulfide mineralization intercepted at surface by TV21-71. Mineralization is replacement-style to semi-massive and is hosted by intensely silicified mudstone. These features suggest TV21-71 is collared in close proximity to the base of the Upper Massive Sulfide Horizon.

Mineralization in the Lower Massive Sulfide Zone at TV was discovered by the 2020 drill program. The 2021 drill program explored this area further and has shown that massive sulfides bodies extend down-dip and along strike from previously known mineralization. Drill hole TV21-57 intercepted ~40 m of semi-massive to massive sulfide mineralization extending down dip along the mineralized horizon (Fig. 10).

Drill hole TV21-81 tested another discrete SkyTEM anomaly coincident with an IP chargeability anomaly ~300 m north of known mineralization at TV. A strongly mineralized dacite breccia was intercepted from 242-328 m. Sulfide minerals are dominantly pyrite and sphalerite. TV21-81 shows that:
the both discrete SkyTEM anomaly tested are mineralized,
mineralization continues up-stratigraphy from known mineralization at TV, and
mineralization extends 300 m closer to Jeff than previously known. These observations support the possibility that TV and Jeff are one VMS system, and that hydrothermal activity was sustained over a long time period producing multiple mineralized horizons.

Figure 10. TV Lower Zone massive sulfide mineralization intercepted by TV21-57.

Vermillion (formerly GFJ)

Planning for the 2021 Vermillion drill program initially targeted IP chargeability anomalies identified by the 2020 IP survey. A field excursion in early September discovered outcropping massive polymetallic sulfide mineralization. Examination of a cut and polished sample (Fig. 11) shows numerous coarse pyrite grains overgrown by arsenopyrite within a groundmass of sphalerite and galena. Subordinate amounts of Ag-sulfosalt minerals and chalcopyrite are present as well. XRF analysis supports the mineralogy described above, with very high As, Zn, Cu, Sb, and Ag values.

The drill plan was modified to target the ground close to the sulfide outcrop. Drill holes V21-1, 2, and 3 intercepted long (~100 m) intervals of weak to moderate sphalerite, pyrite, pyrrhotite, and chalcopyrite mineralization (see photo below). Sulfide contents ranged from 1-30% in drill core. Core logging shows that V21-1,2, and 3 intercepted massive to peperitic dacite in the upper 86 m, and is dominantly andesitic below this, with thin gabbro sills intercepted below 255 m.

Drilling of V21-4 targeted one of the IP chargeability anomalies identified in 2020. This drill hole exhibited very similar mineralization in intensely sheared dacite to andesite breccia and peperite. All Vermillion drill holes exhibit moderate to intense chloritization (also evident on the surface), and intense carbonate alteration (distinct from metamorphic carbonate veins).

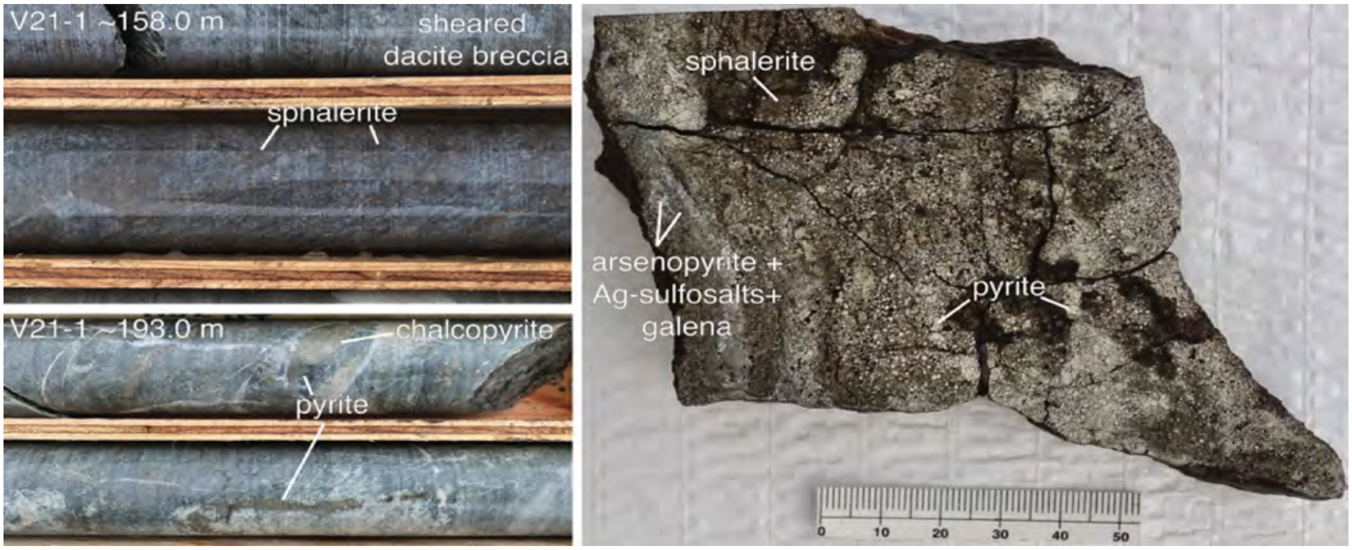


Figure 11. Representative polymetallic sulfide mineralization at Vermillion. Right: Sulfide mineralization intercepted by V21-1. Left: Cut and polished sample of massive sulfide found in outcrop.

The 2021 SkyTEM survey identified a northeast-trending sinistral fault structure cutting rocks near Vermillion, Red Lightning, and Spearhead (Fig. 12). We're interpreting this as a syn-volcanic feeder structure that has been reactivated as a sinistral strike slip fault that cuts into the west limb of the Eastern anticline. This interpretation is supported by:

1) The presence of three prospects (Vermillion, Red Lightning, and Spearhead) along this fault, two of which (Vermillion and Spearhead) have outcropping massive sulfide. A 29.28 ppb Au BLEG anomaly coincides with another geophysics indicated sinistral fault NE of Spearhead.

2) The presence of gabbro sills at Vermillion and Red Lightning that were likely fed by this structure, as is the case at TV. It's possible that the magmatic Ni-Cu deposit at Red Lightning was formed when intruding mafic magma scavenged pre-existing VMS-derived sulfide, and concentrated the sulfide by means of silicate-sulfide immiscibility within the melt upon crystallization of the magma.

3) A corridor of moderate to intense hydrothermal alteration observed on the surface and in drill core near the fault.

This interpretation fits well with the data in hand, and explains why deposits, Au anomalism, and alteration are located where they are. The trend from HSOV to Big Red is very prospective as indicated by the 2020 BLEG survey, and historic auriferous surface samples. Exploration of this structure, and the trend of very strong BLEG anomalies will continue in 2022.

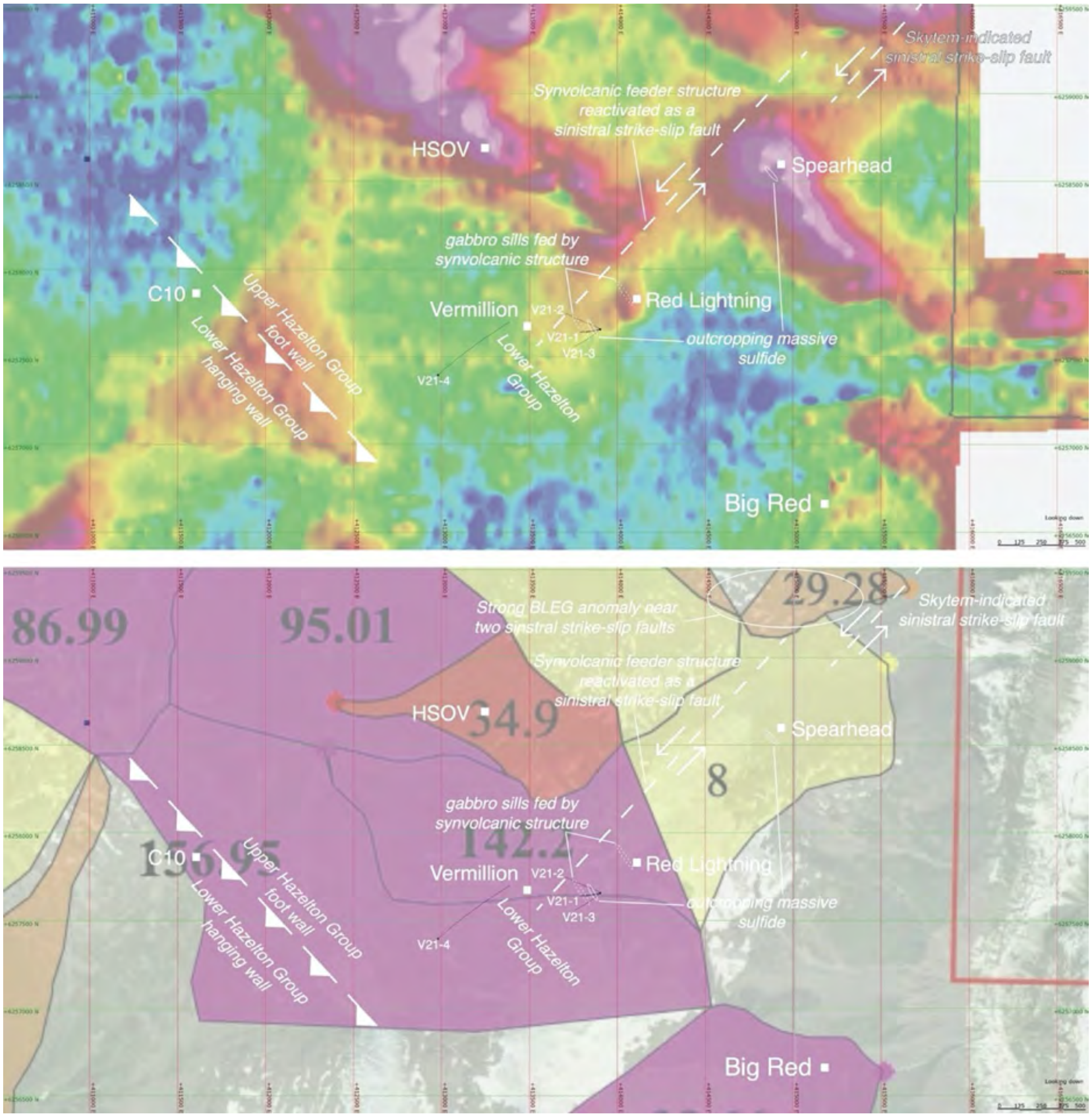
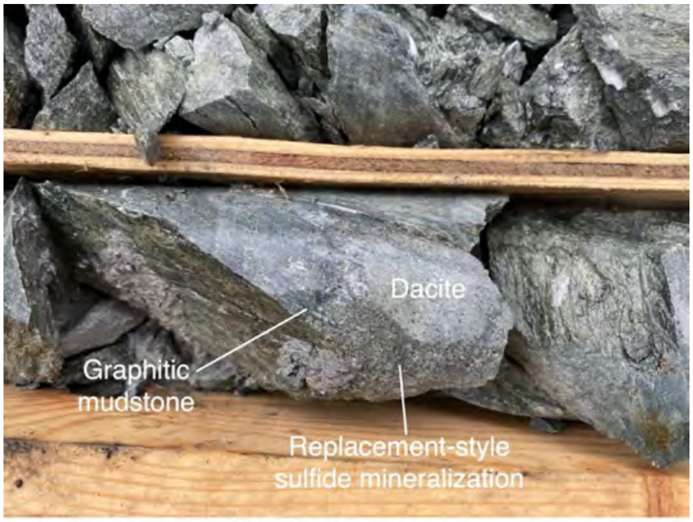


Figure 12. SkyTEM conductivity and BLEG maps with interpreted geologic structures identified during the 2021 program. The prominent sinistral structures identified with SkyTEM correspond with Spearhead, Red Lightning, Vermillion, and a 29.28 ppb Au BLEG anomaly.

C10

Drill holes C21-1,2,3, and 4 were drilled to validate the historic 100 g/t Au intercepts from the 2005 drill program, and to determine the lateral extent of Au mineralization in the vicinity. These drill holes intercepted abundant recrystallized sulfide mineralization similar in appearance to auriferous intercepts from the 2005 drill program (Fig. 13). The mineralization is hosted by dacite and andesite of the Betty Creek Fm., likely at the same stratigraphic level as Jeff.



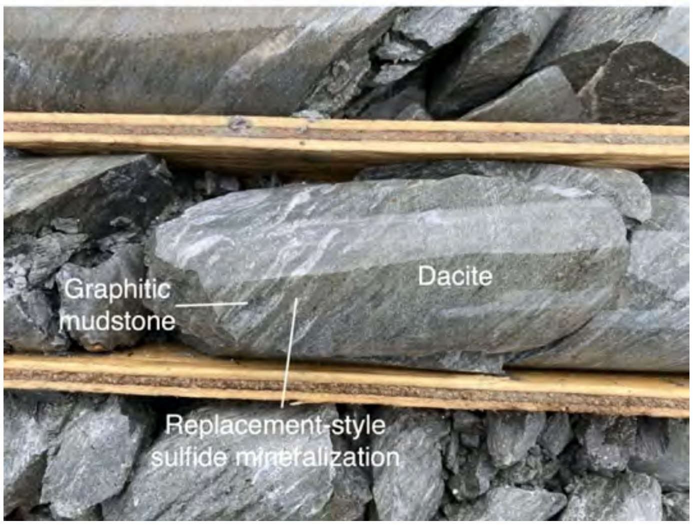


Figure 13. Sulfide mineralization hosted by intensely sheared peperitic dacite. Sulfide minerals have been recrystallized and formed banded aggregates of ~1mm pyrite crystals.

Drill hole C21-5 tested to ~500 m to south along strike from C21-4, targeting an IP chargeability anomaly. While C21-5 did not encounter appreciable sulfide mineralization, it did intercept Upper Hazelton Group stratigraphy consisting of the Willow Ridge mafic unit and the Eskay Rhyolite. The attitude of the stratigraphy confirms that C10 is on the east limb of the Eskay anticline as hypothesized. This shows that the world-famous mineralized horizon at Eskay Creek is present on the east limb of the Eskay anticline approximately 20 km to the south of Eskay Creek. The rhyolite is carbonaceous in places, and there are intervals of carbonaceous mudstone, these likely account for the IP anomaly. Drilling of C21-6 and C21-7 confirm that this contact extends northwards closer to known mineralization at C10.

The intensely sheared and brecciated Lower Hazelton Group rocks intercepted by C21-1, 2, 3, and 4 are juxtaposed on top of Upper Hazelton Group rocks intercepted by C21-5, 6, and 7. This is consistent with a west-dipping thrust fault comprising a Lower Hazelton Group hanging wall, and an Upper Hazelton Group footwall.

Scarlet Ridge-Tarn Lake Trend

The Scarlet Ridge showing lies along the east limb of the eastern anticline (Fig. 14), at the heart of a cluster of strong BLEG anomalies (Fig 15). Scarlet Ridge consists of a gossanous bluff composed of rhyolite breccia with numerous sulfide stringers that extends ~1.5 km along strike, and a complex of gossanous mudstone-hosted peperitic rhyolite sills in the valley to the east paralleling the bluffs. The rhyolite sill complex is distinctly peperitic, and riddled with pyrite stringers becoming semi-massive to massive in spots (Fig. 16). Historic exploration further to the south along the same trend (AP Zone, and Tarn Lake) shows numerous good Au grades in surface samples, and a group of 17 drill holes that intercepted Au mineralization grading up to 3.7 g/t.

The Scarlet Ridge area will be a significant focus for the 2022 program, with an extensive 1:2000 scale Anaconda-style mapping program planned for the entire Scarlet Ridge-Tarn Lake trend. A 6000 m drill program is planned in order to test for mineralization, and to complement mapping efforts on this well-mineralized but poorly-explored trend.

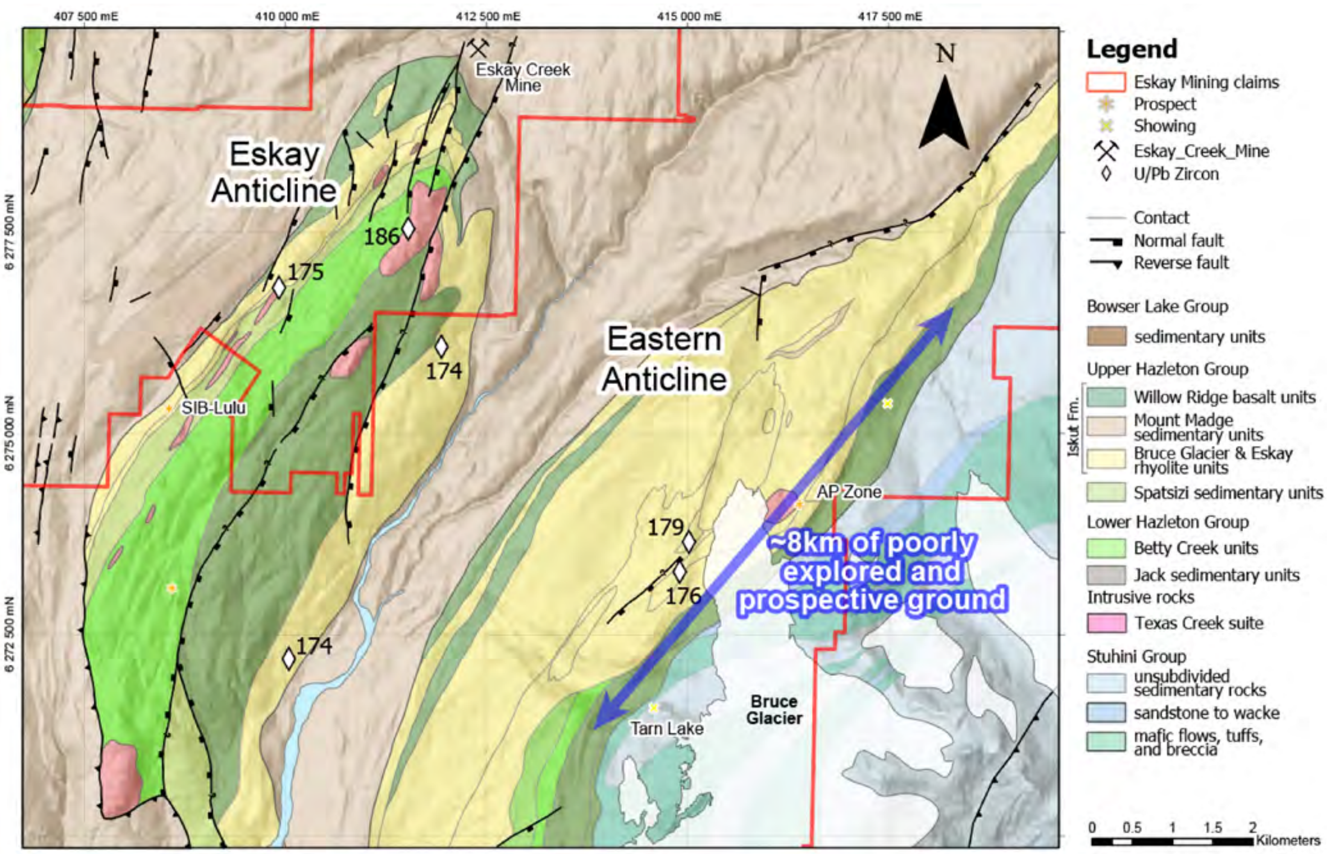


Figure 14. Geologic map showing the Eskay anticline and the Eastern anticline. The Eastern anticline hosts an 8km trend of likely VMS mineralization from Scarlet Ridge to Tarn Lake. This area is a significant focus of the 2022 mapping campaign.

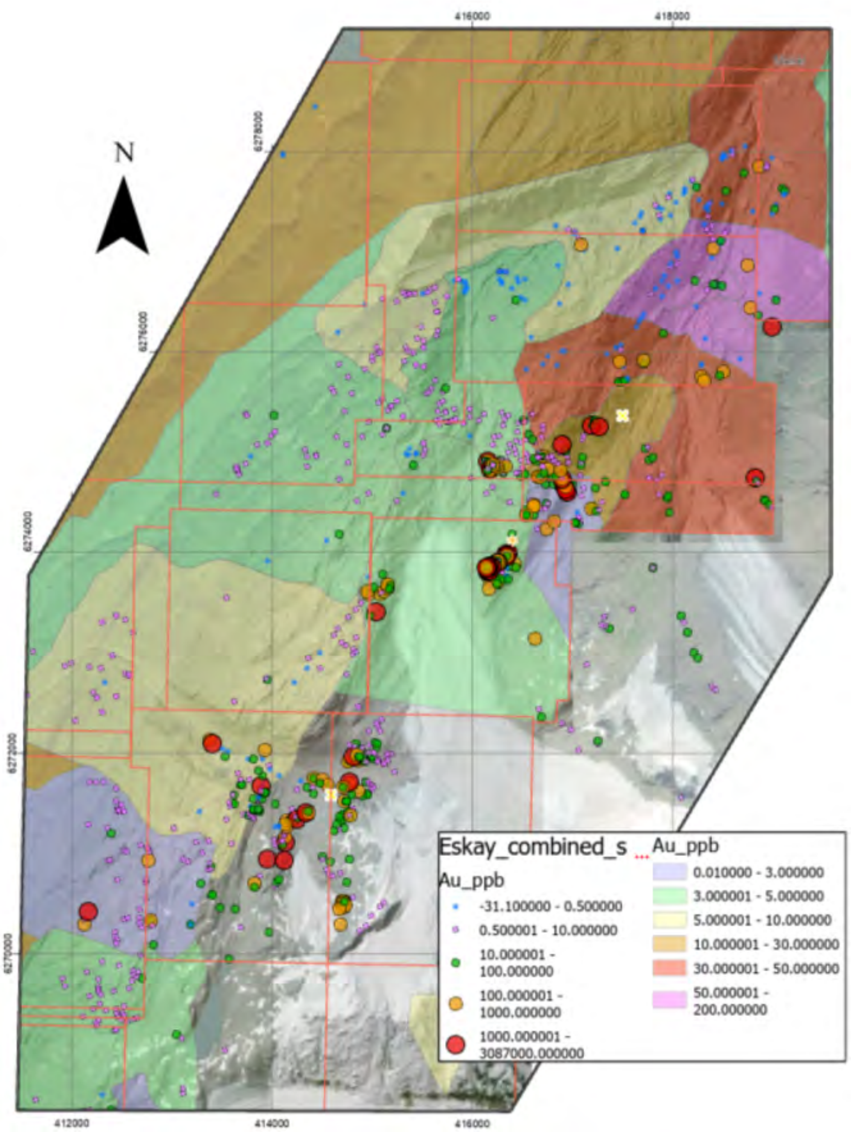


Figure 15. The Scarlet Ridge-Tarn Lake trend. Scarlet Ridge lies at the heart of the cluster of strong BLEG anomalies in the northeast. The AP Zone and Tarn Lake repsectively lie to the northeast and southwest of Bruce Glacier. It is likely that this trend of mineralization is related to another large VMS system.

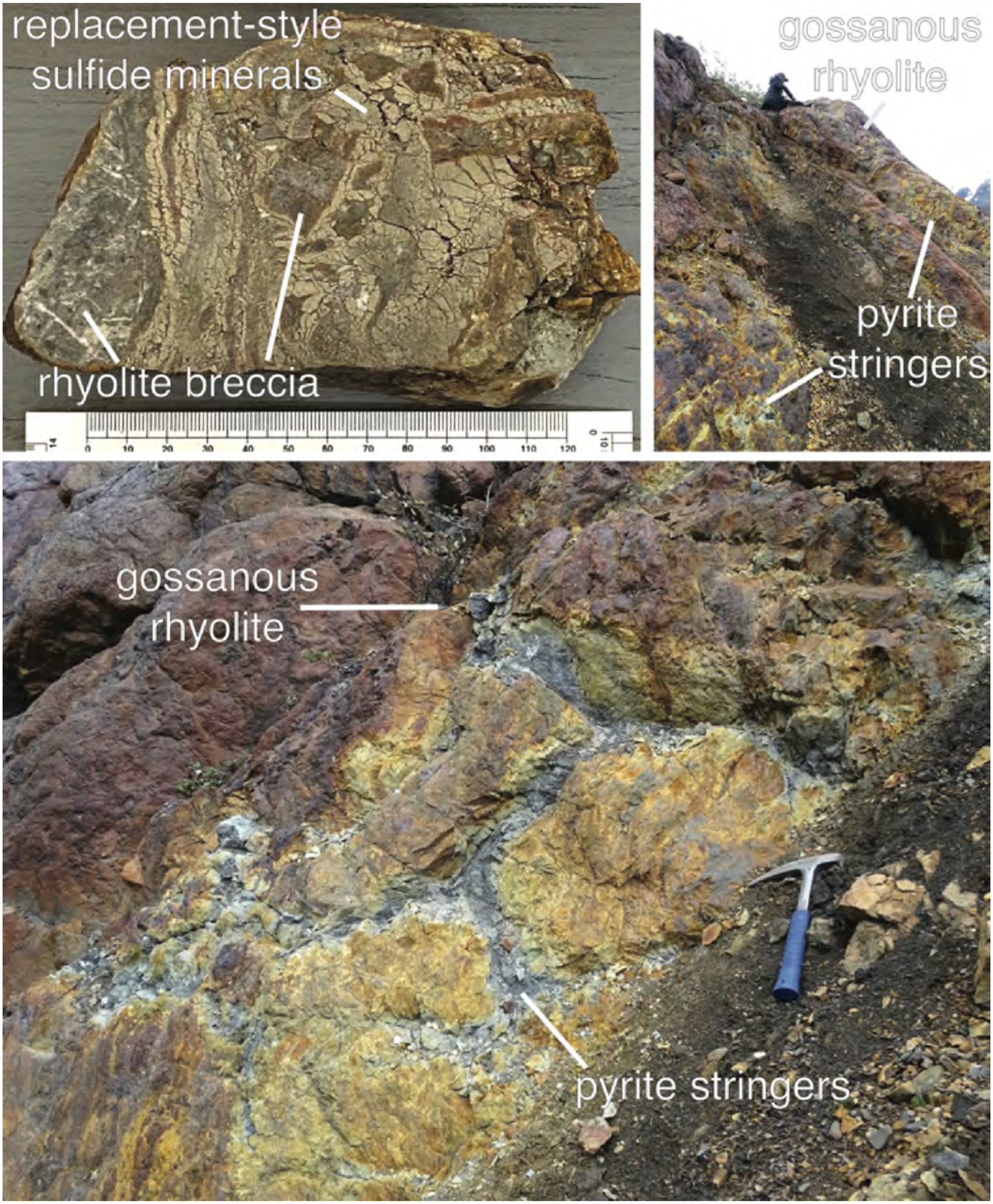


Figure 16. Rhyolite-hosted sulfide mineralization at Scarlet Ridge.

Property-wide SkyTEM Survey

A property-wide SkyTEM survey was conducted as part of the 2021 program. Results from this survey (Fig. 17) highlight conductive lithologies including carbonaceous mudstone and sulfide-bearing rocks. Geological structures such as the Eastern and Eskay anticline are well-delineated, the sinistral transform fault near Vermillion offsets conductive lithologies, and the high conductivity of the graphitic mudstone-hosted thrust faults separating the Eskay and Eastern anticlines is distinct. The TV and Jeff VMS System is characterized by conductive protuberances from the east limb in towards the hinge of the Eskay anticline. The Property-wide SkyTEM survey is being used to refine the geological model, and to assist with identification of drill targets.

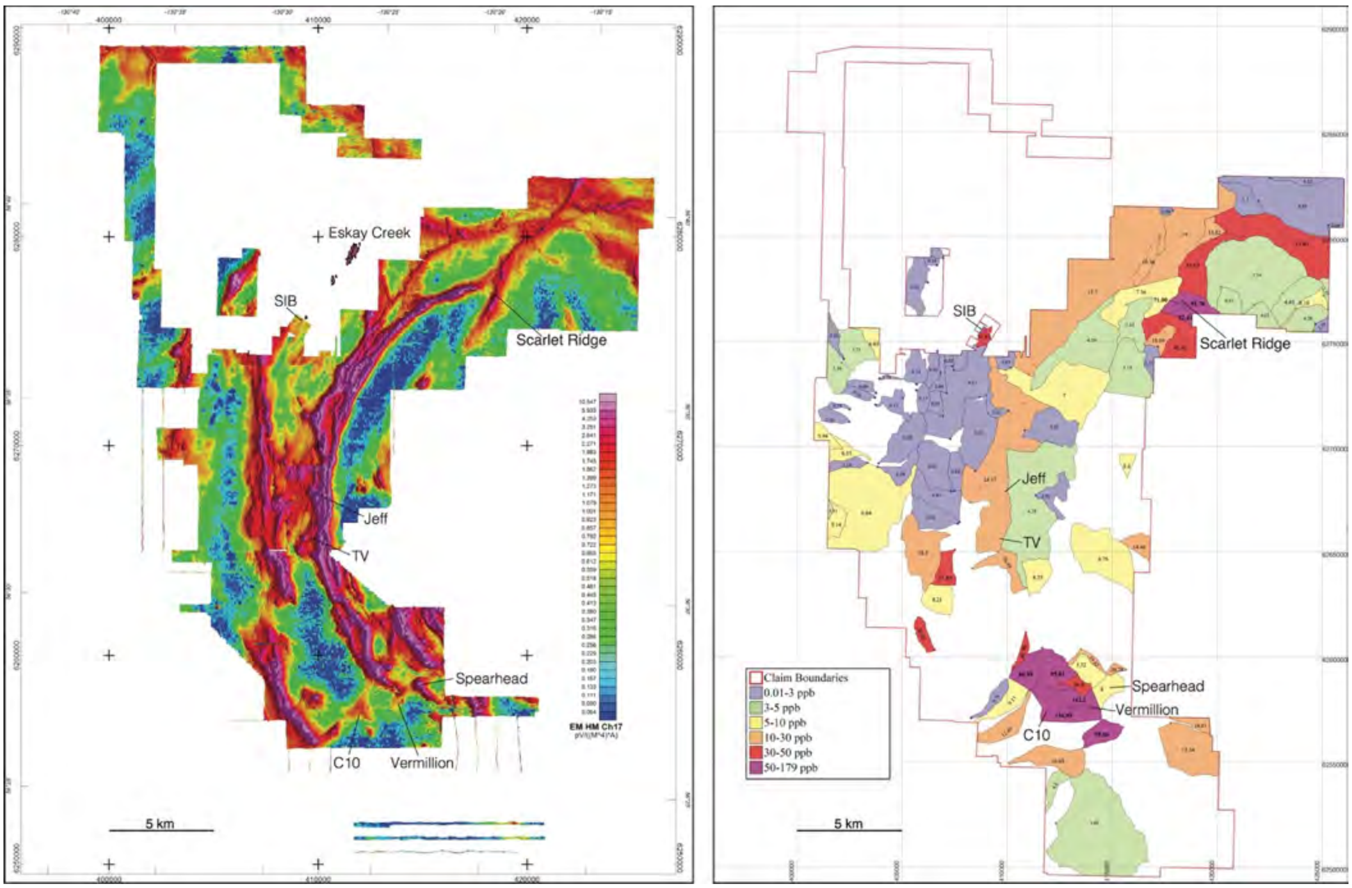


Figure 17. Results of the Property-wide SkyTEM survey (left), and the 2020 BLEG survey (right). The limbs of the Eskay and Eastern anticlines are delineated by high-conductivity lithologies, particularly where the anticlines are in thrust fault contact. The sinistral structure near Vermillion is readily identified by offset conductive lithologies. The TV and Jeff VMS System is characterized by conductive protuberances from the east limb in towards the hinge of the Eskay anticline. Similar anomalies are present on the western limb of the Eskay anticline.

Plans for the Project (Fiscal 2023):

Geological investigations conducted in 2020 were instrumental in developing a property-wide geological model to guide exploration for Au-Ag-bearing VMS deposits. We have identified six favorable horizons for mineralization: 1) Contact mudstone, 2) Eskay rhyolite peperite, 3) Bruce Glacier felsic unit peperite, 4) the Spatsizi Formation, 5) Brucejack Lake felsic unit peperite, and 6) Johnny Mt. dacite peperite. All of these horizons exhibit sub-seafloor replacement-style mineralization except the Spatsizi Formation which hosts stringer-style mineralization. These horizons are widely distributed across the Company's property and are hosted by three anticlines (Western, Eskay, and Eastern anticlines) that comprise a fold-thrust ramp complex. This structural model is consistent with geological observations and explains the spatial distribution of Au-Ag-bearing VMS deposits and Au anomalies detected by the 2020 BLEG survey on the property. The presence of six favorable horizons for VMS mineralization occurring on three anticlines opens up the entire property to exploration.

In 2021 the Company drilled 23,500 meters focusing on expanding the footprint of mineralization at ESKAY-Corey. Following up on the success of the SkyTEM survey, a property-wide SkyTEM survey was completed. These surveys will assist with geologic mapping and improve drill targeting. Field reconnaissance was performed on Au anomalies identified by the 2020 BLEG program in order to narrow down the sources of Au within prospective drainage basins. The geological models developed in 2020 were supported further by drilling and field investigations in 2021, showing that the Company has developed a predictive model for VMS exploration on the Property.

The 2022 Exploration Program commenced with field mapping efforts beginning on May 22, 2022, and drilling at the Jeff North target beginning June 1, 2022.

Most of the Company's tenures are in good standing until June 2029 with 5 tenures in good standing until at least June 22, 2024.

Deposits and Exploration Advances

As at February 28, 2022, the Company had $94,303 (February 28, 2021 - $72,870) of deposits and exploration advances held by the provincial government of British Columbia. Such deposits were required by the B.C Ministry of Energy and Mines in order to permit the Company to conduct exploration and evaluation activities in that province.

Selected Annual Financial Information

	Year Ended February 28, 2022	Year Ended February 28, 2021	Year Ended February 29, 2020,
Revenue	nil	nil	nil
Net Loss	(18,891,069)	(14,181,357)	(1,304,786)
Net loss per share - basic and diluted	(0.12)	(0.10)	(0.01)
	As at February 28, 2022	**As at February 28, 2021**	**As at February 29, 2020,**
Total assets	8,480,972	15,615,185	278,566
Total long-term liabilities	66,310	64,633	223,496

Summary of Quarterly Results

	Profit and Loss		
Three Months Ended	**Total ($)**	**Basic and Diluted Loss per Share[9][10] ($)**	**Total Assets ($)**
2022-February 28	(2,916,954)[1]	(0.02)	8,480,972
2021-November 30	(6,636,905)[2]	(0.04)	7,900,435
2021-August 31	(7,551,213)[3]	(0.05)	16,663,714
2021-May 31	(1,785,997)[4]	(0.01)	24,320,486
2021-February 28	(10,543,259)[5]	(0.08)	15,615,185
2021-November 30	(1,042,824)[6]	(0.01)	3,648,113
2021-August 31	(2,199,493)[7]	(0.02)	4,599,738
2021-May 31	(395,781)[8]	(0.00)	986,239

1) Net loss of $2,916,954 consisted primarily of: exploration and evaluation expenditures of 3,210,145; professional fees of $71,608, office and general of $172,095; share-based payments of $32,753; management and consulting fees of $94,274; reporting issuer costs of $52,161 offset by flow-through share liability recovery of $159,864, fair value adjustment on investment of $711,111 and loss from investment in associate of $71,550. All the other expenses related to general working capital purposes.
2) Net loss of $6,636,905 consisted primarily of: exploration and evaluation expenditures of $4,425,553; professional fees of $67,320; office and general of $97,194; fair value adjustment on investment of $3,081,480 and management and consulting fees of $90,610 and offset by flow-through share liability recovery of $1,242,266. All other expenses related to general working capital purposes.
3) Net loss of $7,551,213 consisted primarily of: exploration and evaluation expenditures of $7,154,143; professional fees of $28,071; management and consulting fees of $134,684; fair value adjustment on investment of $2,088,388 and share based payments of $307,083 and offset by flow-through share liability recovery of $2,217,076. All other expenses related to general working capital purposes.
4) Net loss of $1,785,997 consisted primarily of: exploration and evaluation expenditures of $1,500,608; professional fees of $71,384; and management; consulting fees of $64,310 and share based payments of $277,893 and offset by flow-through share liability recovery of $398,641. All other expenses related to general working capital purposes.
5) Net loss of $10,543,259 consisted primarily of: exploration and evaluation expenditures of $1,215,679; professional fees of $126,453, office and general of $166,353; share-based payments of $9,298,100; management and consulting fees of $71,610; reporting issuer costs of $143,639 offset by write-off of other expense recoveries of $163,305 and flow-through share liability recovery of $121,057. All other expenses related to general working capital purposes.
6) Net loss of $1,042,824 consisted primarily of: exploration and evaluation expenditure of $1,243,224; professional fees of $64,084; office and general of $52,468; and management and consulting fees of $49,110 and offset by flow-through share liability recovery of $408,415. All other expenses related to general working capital purposes.
7) Net loss of $2,199,493 consisted primarily of: exploration and evaluation expenditures of $2,051,559; professional fees of $55,533; management and consulting fees of $49,110, offset by office and general of $55,960 and flow-through share liability recovery of $652,041. All other expenses related to general working capital purposes.
8) Net loss of $395,781 consisted primarily of: exploration and evaluation expenditures of $311,650; professional fees of $40,840; and management; consulting fees of $49,110 and offset by office and general recovery of $7,709. All other expenses related to general working capital purposes.
9) Basic and diluted.
10) Per share amounts are rounded to the nearest cent, therefore aggregating quarterly amounts may not reconcile to year-to-date per share amounts.

Financial Highlights

Financial Performance

Three Months Ended February 28, 2022, Compared with Three Months Ended February 28, 2021

Eskay's net loss totaled $2,916,954, for the three months ended February 28, 2022, with basic and diluted loss per share of $0.02. This compares with a net loss of $10,543,259 with basic and diluted loss per share of $0.08 for the three months ended February 28, 2021. The increase of $7,626,305 was principally because:

- During the three months ended February 28, 2022, exploration and evaluation expenditures increased by $1,994,466 compared to the three months ended February 28, 2021. See "Mineral Properties Interests" section above for a description of activities, and the construction of the access road with Seabridge.
- The flow-through share liability recovery increased to $159,854 for the three months ended February 28, 2022, compared to $121,057 for the three months ended February 28, 2021. Flow-through share liability recovery will vary from period to period depending upon qualifying expenditures on exploration properties.
- The increase in the loss on fair value adjustments on investments of $711,111 for the three months ended February 28, 2022, compared to $nil for the three months ended February 28, 2021. The fair value of investments is will vary from period to period depending upon underlying share price of GGI.
- The decrease in share-based payments of $9,265,347 for the three months ended February 28, 2022, compared to the three months ended February 28, 2021, Share-based payments will vary from period to period depending upon the number of options granted and vested during a period and the fair value of the options calculated as at the grant date.
- During the three months ended February 28, 2022, management and consulting fees increased by $22,664 compared to the three months ended February 28, 2021 due to renegotiated management contracts, and increased time spent managing the exploration properties.

Year Ended February 28, 2022, Compared with Year Ended February 28, 2021

Eskay's net loss totaled $18,891,069, for the year ended February 28, 2022, with basic and diluted loss per share of $0.12. This compares with a net loss of $14,181,357 with basic and diluted loss per share of $0.10 for the year ended February 28, 2021. The increase of $4,709,712 was principally because:

- During the year ended February 28, 2022, exploration and evaluation expenditures increased by $11,468,337 compared to the year ended February 28, 2021. See "Mineral Properties Interests" section above for a description of activities, and the construction of the access road with Seabridge.
- The increase in flow-through share liability recovery of $4,017,837 for the year ended February 28, 2022, compared to $1,181,513 for the year ended February 28, 2021. Flow-through share liability recovery will vary from period to period depending upon qualifying expenditures on exploration properties.
- The increase in the loss on fair value adjustments on investments of $4,619,042 for the year ended February 28, 2022, compared to $nil for the year ended February 28, 2021. The fair value of investments is will vary from period to period depending upon underlying share price of GGI.
- The decrease in share-based payments of $9,056,875 for the year ended February 28, 2022, compared to the year ended February 28, 2021, was due to 1,850,000 stock options issued in the year ended August 31, 2020 while 75,000 options were issued in the year ended August 31, 2021. Share-based payments will vary from period to period depending upon the number of options granted and vested during a period and the fair value of the options calculated as at the grant date.
- During the year ended February 28, 2022, management and consulting fees increased by $164,938 compared to the year ended February 28, 2021 due to renegotiated management contracts, and increased time spent managing the exploration properties.

Cash Flow

At February 28, 2022, the Company had cash of $876,222 compared to $14,473,006 at February 28, 2021. The decrease in cash of $13,596,784 was as a result of cash outflow in operating activities of $15,442,691, cash outflow in investing activities of $48,984, and a cash inflow from financing activities of $1,894,891.

Cash inflow from financing activities of $1,894,891 was due to proceeds from the exercise of stock options of $28,000 and proceeds from the exercise of warrants of $1,866,891.

Cash used in investing activities of $48,984 was due to the purchase of equipment of $48,984.

Operating activities were affected by net loss of $18,891,069, non-cash adjustments of $1,447,525, and non-cash working capital items of $782,472. Non-cash adjustments consisted of share-based payments of $694,800, amortization of $15,788, loss from investment in associate of $71,550, accretion of $64,182, unrealized loss on fair value adjustment on investment of $4,619,042, seabridge loan of $2,783,325, and was offset by flow through share liability recovery of $4,017,837. Non-cash working capital balances consisted of an increase in amounts receivable of $736,155, a decrease in prepaid expenses and other deposits of $398,189, a decrease in accounts payable and other liabilities of $337,661 and a decrease in amounts due to related parties of $106,845.

Liquidity and Financial Position

The activities of the Company, principally the acquisition, exploration, and evaluation of mineral properties, are financed through equity offerings and the exercise of warrants or options and convertible debenture notes. The Company continues to seek capital through various means including the issuance of equity and/or debt.

The Company has no operating revenues and therefore must utilize its current cash reserves and other financing transactions to maintain its capacity to meet ongoing discretionary and committed exploration and operating activities.

At February 28, 2022, the Company had a working capital deficit of $742,026 (February 28, 2021 – working capital surplus of $10,546,684).

As at February 28, 2022, the Company had a loan to Seabridge of $2,470,802. Its credit and interest rate risk is minimal and amounts payable and other liabilities are short term and non-interest bearing.

The flow-through agreements require the Company to renounce certain tax deductions for Canadian exploration expenditures incurred on the Company’s mineral properties to flow-through participants. The Company has raised $17,246,685 through the issuance of flow-through shares, and is obligated to incur qualifying flow-through expenditures under the flow-through funding agreement by December 31, 2022. As at February 28, 2022, the Company has spent $17,246,685 as part of the flow-through funding agreement.

The Company’s use of cash at present, and in the future will occur, principally in two areas, namely, funding of its general and administrative expenditures and funding of its exploration on its mineral properties. For fiscal 2023, the Company’s expected administration and operating expenses are estimated to be $104,700 per month. The Company will continue to evaluate its exploration projects and is currently estimates its exploration budget to be $19,500,000, including the building the Coultier Creek Road.

Based on the Company's working capital deficit of $742,026 on February 28, 2022 (February 28, 2021 – working capital surplus of $10,546,684), the Company anticipates it will have sufficient funds for its operating and exploration work requirements along with repayment of debt. There may be circumstances, where for business reasons, a reallocation of funds may be necessary in order for the Company to maintain its operations. See "Risks and Uncertainties" below.

Investment in associate

On March 8, 2021, the Company closed the acquisition of 23,703,688 common shares of Garibaldi Resources Corp. ("GGI") from The Sprott Foundation, in consideration for the issuance of 4,211,719 working capital units at $2.56 per unit. On the acquisition date the Company acquired 19.5% of the outstanding common shares of GGI.

From the date of acquisition to January 4, 2022, the Company did not exert significant influence on GGI, as it did not have representation on the Board of Directors, did not participate in management or decision-making processes, did not share in any management personnel and had no material business dealings or transactions between the Company and GGI during this period. Therefore, the Company accounted for the common shares of GGI as a financial asset classified at fair value through profit or loss ("FVTPL").

On January 5, 2022, a director of the Company joined the board of GGI, and the Company assessed that due to this change in circumstances, the investment would be accounted for using the equity method from this date onwards, unless there is a subsequent change in circumstances.

The investments in common shares was considered a Level 1 in the fair value hierarchy for the period from March 8, 2021 to January 4, 2022. As a result of changes in the fair market value of the GGI shares, during the year ended February 28, 2022 the Company recognized an unrealized loss of $4,619,042 (year ended February 28, 2021 - $nil) which has been recorded in the statement of loss and comprehensive loss.

For the period from January 5, 2022 to February 28, 2022, the Company recognized it's share of GGI loss of $71,550, using the equity method.

The changes to the carrying amounts presented in the consolidated statement of financial position can be summarized as follows:

Related Party Transactions

Related parties include the Board of Directors, officers, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Eskay was a party to the following transactions with related parties:

Management and Consulting Fees	Year Ended February 28, 2022 $	Year Ended February 28, 2021 $
Robert Myhill	107,700	26,250
Gordon McMehen	-	26,250
Hugh M. Balkam (1)	-	36,000
Balkam Partners Ltd. (2)	176,667	108,000
Marrelli Support Services Inc. (3)	-	22,440
Total	**284,367**	**218,940**

Professional Fees	Year Ended February 28, 2022 $	Year Ended February 28, 2021 $
Marrelli Support Services Inc. (4)	52,529	36,295
Gardiner Roberts LLP (6)	145,338	253,072
Total	**197,867**	**289,367**

(1) Fees for performing the function of Chief Executive Officer.

(2) Management fees charged by Balkam Partners Ltd., a company controlled by Hugh M. Balkam, an officer of the Company. As at February 28, 2022, Balkam Partners Ltd. and Hugh M. Balkam were owed $nil (February 28, 2021 - $7,229) and these amounts were included in amounts due to related parties, and (5) below.

(3) Fees for performing the function of Chief Financial Officer ("CFO") charged by Marrelli Support Services Inc., a company controlled by Carmelo Marrelli, CFO of the Company. See point 4 below.

(4) Professional fees incurred to Marrelli Support Services Inc., a company controlled by Carmelo Marrelli, CFO of the Company. As at February 28, 2022, the Company owed this company $6,965 (February 28, 2021 - $7,053), this amount is included in due to related party transactions and (5) below. In fiscal 2022, CFO fees were included in professional fees.

(5) As at February 28, 2022, the Company owed certain officers, directors and parties related to officers and directors $nil (February 28, 2021 - $15,010), excluding legal fees disclosed in (6) below, in relation to the transactions described above. These balances are included in amounts due to related parties and are unsecured, non-interest bearing and due on demand.

(6) Professional fees and disbursements incurred to Gardiner Roberts LLP ("Gardiner"), a law firm of which William R. Johnstone, Corporate Secretary of the Company, is a partner. These services were incurred in the normal course of operations for general corporate matters. As at February 28, 2022, Gardiner is owed $3,408 (February 28, 2021 - $85,995) and this amount is included in amounts due to related parties. These balances are unsecured, non-interest bearing, and due on demand.

During the year ended February 28, 2021, an insider of the Company subscribed for 2,452,941 working capital units for $417,000, in connection to the June 19, 2020 private placement.

During the year ended February 28, 2021, the Company granted 1,500,000 stock options to directors and consultants at $0.24 per share for five years expiring June 24, 2025. These options vested immediately and have a grant date fair value of $308,850.

During the year ended February 28, 2021, 2,800,000 stock options were exercised by directors for common shares of the Company for gross proceeds of $245,150.

During the year ended February 28, 2022, 350,000 stock options were exercised by directors for common shares of the Company for gross proceeds of $28,000.

During the year ended February 28, 2021 2,130,129 shares were issued to a director of the Company for settlement of $362,122 of debt.

As at February 28, 2022, Hugh Balkam, a director of the Company owns 16,883,345 common shares of the Company carrying approximately 10.30% of the voting rights attached to all common shares of the Company. As at February 28, 2022, directors and officers of the Company control an aggregate of 30,820,990 common shares of the Company or approximately 18.80% of the shares outstanding.

At February 28, 2022, the Company is not aware of any arrangements that may at result in a change in control of the Company. To the knowledge of the Company, it is not directly or indirectly owned or controlled by another corporation, by any government or by any natural or legal person severally or jointly.

Environmental Contingency

The Company's mining and exploration activities are subject to various government laws and regulations relating to the protection of the environment. These environmental regulations are continually changing and generally becoming more restrictive. As of February 28, 2022, the Company does not believe that there are any significant environmental obligations requiring material capital outlays in the immediate future.

Financial Instruments

The Company’s financial instruments consist of:

Description	February 28, 2022 $	February 28, 2021 $
Cash	730,289	1,598,389
Cash equivalents	145,933	12,874,617
Amounts receivable	842,063	105,908
Amounts payable and other liabilities	454,349	792,010
Amounts due to related parties	-	106,845
Seabridge Loan	2,470,802	-

The primary goals of the Company’s financial risk management policies are to ensure that the outcome of activities involving elements of risk is consistent with the Company’s objectives and risk tolerance, while maintaining an appropriate risk/reward balance and protecting the Company’s statement of financial position from events that have the potential to materially impair its financial strength. Balancing risk and reward is achieved through: identifying risk appropriately, aligning risk with overall business strategy, diversifying risk, pricing appropriately for risk, mitigation through preventive controls, and transferring risk to third parties.

The long-term corporate objective and strategic plan remain unchanged. However, the short-term objective and plan continue to be modified to reflect global economic, financial, and general market conditions, which will inevitably have an impact on the overall risk assessment of the Company. Such modifications include streamlining operational costs and preserving cash to the extent possible.

The Company's risk exposures and the impact on its financial instruments are summarized below:

Financial risk

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest risk rate, foreign currency risk and commodity and equity price risk). Risk management is carried out by the Company's management team with guidance from the Audit Committee and Board of Directors. There have been no changes in the risks, objectives, policies and procedures of the Company during the years ended February 28, 2022 and February 28, 2021.

(i) Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligations. The Company's credit risk is primarily attributable to cash and amounts receivable. Cash is held with select major Canadian chartered banks, from which management believes the risk of loss to be minimal. Amounts receivable consist of sales taxes receivable from government authorities in Canada and other receivables. Management believes that the credit risk concentration with respect to amounts receivable is minimal.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether because of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its financing activities. As of February 28, 2022, the Company had cash of $876,222 (February 28, 2021 - $14,473,006) to settle current liabilities of $2,925,151 (February 28, 2021 - $4,916,692). All the Company's current financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity.

The Company's ability to continually meet its obligations and carry out its planned exploration activities is uncertain and dependent upon the continued financial support of its shareholders and securing additional financing.

(iii) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity and equity prices.

a) Interest rate risk
The Company's overall exposure to the risk of changes in market interest rates relates primarily to its bank current account balances. At prevailing market interest rates, the impact on interest income is minimal.

b) Foreign currency risk
The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the Company's exposure to foreign currency risk is minimal.

Based on management's knowledge and experience of the financial markets, the Company does not believe it was exposed to any material movements in the underlying market risk variables during the year ended February 28, 2022.

Sensitivity analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are reasonably possible over a twelve-month period:

I. Cash is subject to floating interest rates. The Company has no variable interest bearing debt and receives low interest rates on its cash balances. As such, the Company does not have significant interest rate risk.

II. The Company does not hold balances in foreign currencies to give rise to exposure to foreign exchange risk.

Capital Management

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and

- to maximize shareholder return.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook for the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis. The Company's ability to continue to carry out its planned exploration activities is uncertain and dependent upon the continued financial support of its shareholders and securing additional financing.

The Company considers its capital to be equity, which comprises share capital, reserves and accumulated equity, which at February 28, 2022, totaled $5,489,511 (February 28, 2021 - deficiency of $10,633,860).

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on activities related to its mineral exploration properties. Selected information is provided to the Board of Directors of the Company.

The Company's capital management objectives, policies and processes have remained unchanged during the year ended February 28, 2022. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than Policy 2.5 of the TSXV which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of February 28, 2022, the Company is compliant with Policy 2.5.

Commitments

Management contract
The Company is party to management contracts that require additional payments of up to $264,000 to be made upon the occurrence of certain events such as termination for any reason, other than for just cause. The Company is also party to management contracts that require additional payments of up to $1,296,000 to be made upon the occurrence of certain events such as a change of control. As the triggering event has not occurred, the contingent payments have not been reflected in these financial statements.

Flow-through commitment
The Company is obligated to spend $17,246,685 by December 31, 2022. As at February 28, 2022, the Company has spent $17,246,685 as part of the flow-through funding agreement. The flow-through agreements require the Company to renounce certain tax deductions for Canadian exploration expenditures incurred on the Company’s mineral properties to flow-through participants. The Company has indemnified the subscribers for any related tax amounts that become payable by the subscribers as a result of the Company not meeting its expenditure commitments.

Contingencies

A 2% net smelter royalty was issued for certain claims. The Company is investigating the circumstances under which this royalty was issued and, assuming it was validly issued, who, if anyone, currently holds the royalty.

Share Capital

As of the date of this MD&A, the Company had 175,977,835 issued and outstanding common shares, 15,580,931 warrants and 11,045,000 stock options outstanding. Therefore, the Company had 202,603,766 common shares on a fully diluted basis.

Proposed Transactions

There are no proposed transactions of a material nature being considered by the Company at the date of this MD&A. However, the Company continues to evaluate properties and corporate opportunities to advance its exploration, development and objectives.

Risks and Uncertainties

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Only investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment should undertake such investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. The Company's financial condition, results of operations and businesses are subject to certain risks, certain of which are described below (and elsewhere in this MD&A):

Additional Funding Requirements

The Company is reliant upon additional equity financing in order to continue its business and operations, because it is in the business of mineral exploration and at present does not derive any income from its mineral assets. There is no guarantee that future sources of funding will be available to the Company. If the Company is not able to raise additional equity funding in the future, it will be unable to carry out its business.

Commodity Price Volatility

The price of various commodities that the Company is exploring for can fluctuate drastically, and is beyond the Company's control. The Company is specifically concerned with the prices of precious and base metals and other minerals. While the Company would benefit from an increase in the value of precious and base metals and other minerals, a decrease in the value of precious and base metals and other minerals could also adversely affect it.

Title to Mineral Properties

Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed or impugned. Although the Company has investigated its title to the mineral properties for which it holds an option or concessions or mineral leases or licences, there can be no assurance that the Company has valid title to such mineral properties or that its title thereto will not be challenged or impugned. For example, mineral properties sometimes contain claims or transfer histories that examiners cannot verify; and transfers under foreign law often are complex. The Company does not carry title insurance with respect to its mineral properties. A successful claim that the Company does not have title to a mineral property could cause the Company to lose its rights to mine that property, perhaps without compensation for its prior expenditures relating to the property.

Mineral Exploration

Mineral exploration involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, tailings impoundment failures, cave-ins, landslides and the inability to obtain adequate machinery, equipment or labour are some of the risks involved in mineral exploration and exploitation activities. The Company has relied on and may continue to rely on consultants and others for mineral exploration and exploitation expertise. Substantial expenditures are required to establish mineral reserves and resources through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of some properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining, or to upgrade existing infrastructure. There can be no assurance that the funds required to exploit any mineral reserves and resources discovered by the Company will be obtained on a timely basis or at all. The economics of exploiting mineral reserves and resources discovered by the Company are affected by many factors, many outside the control of the Company, including the cost of operations, variations in the grade of ore mined and metals recovered, price fluctuations in the metal markets, costs of processing equipment, and other factors such as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. There can be no assurance that the Company’s mineral exploration and exploitation activities will be successful.

Country Risk

The Company could be at risk regarding any political developments in the country in which it operates. At present, the Company is only active in Canada.

Uninsurable Risks

Mineral exploration activities involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences and political and social instability. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could negatively affect the Company’s profitability and financial position and the value of its common shares. The Company does not maintain insurance against environmental risks.

Environmental Regulation and Liability

The Company’s activities are subject to laws and regulations controlling not only mineral exploration and exploitation activities themselves but also the possible effects of such activities upon the environment.

Environmental legislation may change and make the mining and processing of ore uneconomic or result in significant environmental or reclamation costs. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mineral exploitation activities, such as seepage from tailings disposal areas that could result in environmental pollution. A breach of environmental legislation may result in the imposition of fines and penalties or the suspension or closure of operations. In addition, certain types of operations require the submission of environmental impact statements and approval thereof by government authorities.

Environmental legislation is evolving in a manner that may mean stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their directors, officers and employees. Permits from a variety of regulatory authorities are required for many aspects of mineral exploitation activities, including closure and reclamation. Future environmental legislation could cause additional expense, capital expenditures, restrictions, liabilities and delays in the development of the Company’s properties, the extent of which cannot be predicted. In the context of environmental permits, including the approval of closure and reclamation plans, the Company must comply with standards and laws and regulations that may entail costs and delays, depending on the nature of the activity to be permitted and how stringently the regulations are implemented by the permitting authority. The Company does not maintain environmental liability insurance.

Regulations and Permits

The Company's activities are subject to a wide variety of laws and regulations governing health and worker safety, employment standards, waste disposal, protection of the environment, protection of historic and archaeological sites, mine development and protection of endangered and protected species and other matters. The Company is required to have a wide variety of permits from governmental and regulatory authorities to carry out its activities. These permits relate to virtually every aspect of the Company's exploration and exploitation activities. Changes in these laws and regulations or changes in their enforcement or interpretation could result in changes in legal requirements or in the terms of the Company's permits that could have a significant adverse impact on the Company's existing or future operations or projects. Obtaining permits can be a complex, time-consuming process. There can be no assurance that the Company will be able to obtain the necessary permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict the Company from continuing or proceeding with existing or future operations or projects. Any failure to comply with permits and applicable laws and regulations, even if inadvertent, could result in the interruption or closure of operations or material fines, penalties or other liabilities.

Potential Dilution

The issue of common shares of the Company upon the exercise of the options and warrants will dilute the ownership interest of the Company's current shareholders. The Company may also issue additional options and warrants or additional common shares from time to time in the future. If it does so, the ownership interest of the Company's then current shareholders could also be diluted.

Management

The success of the Company is currently largely dependent on the performance of its management. Shareholders will be relying on the good faith, experience and judgment of the Company's management and advisers in supervising and providing for the effective management of the business of the Company. The loss of the services of these persons could have a materially adverse effect on the Company's business and prospects. There is no assurance the Company can maintain the services of its management or other qualified personnel required to operate its business. Failure to do so could have a materially adverse effect on the Company and its prospects.
Additionally, directors and officers of the Company may also serve as directors and/or officers of other public companies from time to time.

Consequently, such directors and officers will be dividing their time between their duties to the Company and their duties to their other reporting issuers.

The Company has not purchased management insurance, nor has it entered into non-competition and nondisclosure agreements with management and has no current plans to do so.

First Nations and Aboriginal Rights

Eskay is committed to working in partnership with our local communities and First Nations in a manner which fosters active participation and mutual respect. Eskay works towards minimizing negative project impacts, encouraging certain joint consultation processes, addressing certain decision making processes and towards maintaining meaningful ongoing dialogue not only for the Company but for all participants in the Golden Triangle region of British Columbia.

Many of Eskay's contractors and suppliers live and work in the local communities. The Company regularly consults with communities proximal to the Company's exploration activities to advise them of plans and answer any questions they may have about current and future activities. The objective is to operate to the benefit of the shareholders and the local communities using the resources and the environment today without compromising the long-term capacity to support post exploration and ultimately post mining land uses.

First Nations and indigenous groups in British Columbia are increasingly making lands and rights claims in respect of existing and prospective resource projects on lands asserted to be First Nation or indigenous traditional or treaty lands. Should a First Nation or indigenous group make such a claim in respect of the Properties and should such claim be resolved by government or the courts in favour of the First Nation or indigenous group, it could materially adversely affect the business of Eskay. In addition, consultation issues relating to First Nation interests and rights may impact the Company's ability to pursue exploration, development and mining at its projects and could results in costs and delays or materially restrict Eskay's activities. In addition, the government of British Columbia has passed Bill 41, which commits it to making the laws of British Columbia consistent with the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP). The incorporation of the principles of UNDRIP into and the impact on the regulations and regulatory practices relating to exploration and development of mining properties in British Columbia remain uncertain, but they likely will create new risks and responsibilities for the Company in respect of the exploration and development of its Properties.

Disclosure of Internal Controls

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence to ensure that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the financial statements, and (ii) the financial statements fairly present in all material respects the financial condition, results of operations and cash flow of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

(i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

(ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with the issuer's GAAP (IFRS).

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Recent Accounting Pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2022. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IAS 1 - The IASB has published Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) which clarifies the guidance on whether a liability should be classified as either current or non-current. The amendments:

- clarify that the classification of liabilities as current or non-current should only be based on rights that are in place "at the end of the reporting period"
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability
- make clear that settlement includes transfers to the counterparty of cash, equity instruments, other assets or services that result in extinguishment of the liability.

This amendment is effective for annual periods beginning on or after January 1, 2022 and is to be applied retrospectively. There is currently a proposal in place to extend effective date for annual periods beginning on or after January 1, 2023. Earlier application is permitted. The extent of the impact of adoption of this amendment has not yet been determined.

IFRS 3, Business Combinations ("IFRS 3") - IFRS 3 was amended. The amendments introduce new exceptions to the recognition and measurement principles in IFRS 3 to ensure that the update in references to the revised conceptual framework does not change which assets and liabilities qualify for recognition in a business combination. An acquirer should apply the definition of a liability in IAS 37 – rather than the definition in the Conceptual Framework – to determine whether a present obligation exists at the acquisition date as a result of past events. For a levy in the scope of IFRIC 21, the acquirer should apply the criteria in IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. In addition, the amendments clarify that the acquirer should not recognize a contingent asset at the acquisition date. The amendments are effective for annual periods beginning on January 1, 2022. The extent of the impact of adoption of this amendment has not yet been determined.

IAS 16 - Property, Plant and Equipment - IAS 16 Property, Plant and Equipment was amended. The amendments introduce new guidance, such that the proceeds from selling items before the related property, plant and equipment is available for its intended use can no longer be deducted from the cost. Instead, such proceeds are to be recognized in profit or loss, together with the costs of producing those items. The amendments are effective for annual periods beginning on January 1, 2022. The extent of the impact of adoption of this amendment has not yet been determined.

Additional Disclosure for Venture Issuers without Significant Revenue

A summary of general and administrative expenses for the periods set forth below is as follows:

Management and Consulting Fees	**Year Ended February 28, 2022 $**	**Year Ended February 28, 2021 $**
Professional fees	238,383	286,910
Reporting issuer costs	142,201	205,882
Office and general	320,455	267,072
Advertising and promotion	68,192	181
Management and consulting fees	383,878	218,940
Interest and bank charges	24,844	8,163
Share-based payments	694,800	9,751,675
Total	**1,872,753**	**10,738,823**

ESKAY MINING CORP.

FINANCIAL STATEMENTS

YEARS ENDED FEBRUARY 28, 2021 AND FEBRUARY 29, 2020

(EXPRESSED IN CANADIAN DOLLARS)

McGovern Hurley

Audit. Tax. Advisory.

Independent Auditor's Report

To the Shareholders of Eskay Mining Corporation.

Opinion

We have audited the financial statements of Eskay Mining Corporation (the "Company"), which comprise the statements of financial position as at February 28, 2021 and February 29, 2020, and the statements of loss and comprehensive loss, statements of changes in shareholders' equity (deficiency) and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at February 28, 2021 and February 29, 2020 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis, which we obtained prior to the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

251 Consumers Road, Suite 800
Toronto, Ontario
M2J 4R3
mcgovernhurley.com
t. 416-496-1234

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty

exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner of the audit resulting in this independent auditor's report is Chris Milios.

McGovern Hurley LLP

McGovern Hurley LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
June 25, 2021

Eskay Mining Corp.
Statements of Financial Position
(Expressed in Canadian Dollars)

		As at February 28, 2021		As at February 29, 2020
ASSETS				
Current assets				
Cash	**$**	**14,473,006**	$	177,307
Amounts receivable (note 9)		**105,908**		19,115
Prepaid expenses and other deposits (note 3)		**884,462**		9,274
Total current assets		**15,463,376**		205,696
Non-current assets				
Deposits and exploration advances (note 4)		**72,870**		72,870
Equipment (note 5)		**78,939**		-
Total assets	**$**	**15,615,185**	$	278,566
SHAREHOLDERS' EQUITY (DEFICIENCY) AND LIABILITIES				
Current liabilities				
Amounts payable and other liabilities (notes 11 and 18)	**$**	**792,010**	$	212,530
Amounts due to related parties (note 18)		**106,845**		490,187
Flow-through share liability (note 12)		**4,017,837**		-
Total current liabilities		**4,916,692**		702,717
Non-current liabilities				
Provision for reclamation (note 10)		**64,633**		62,391
Other liabilities		**-**		161,105
Total liabilities		**4,981,325**		926,213
Shareholders' equity (deficiency)				
Share capital (note 13)		**82,905,744**		67,387,637
Reserves		**11,413,593**		1,468,836
Accumulated deficit		**(83,685,477)**		(69,504,120)
Total shareholders' equity (deficiency)		**10,633,860**		(647,647)
Total shareholders' equity (deficiency) and liabilities	**$**	**15,615,185**	$	278,566

Nature of operations and going concern (note 1)
Commitments and contingencies (note 19)
Subsequent events (note 22)

Approved on behalf of the Board of Directors:

"Hugh M. (Mac) Balkam", Director

"J. Gordon McMehen", Director

The accompanying notes to the financial statements are an integral part of these statements.

Eskay Mining Corp.
Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

	Year ended February 28, 2021	Year ended February 29, 2020
Operating expenses		
Exploration and evaluation expenditures (note 4)	**$ 4,822,112**	$ 246,530
General and administrative (note 17)	**10,738,823**	1,087,022
Total operating expenses	**(15,560,935)**	(1,333,552)
Other items		
Interest income	**10,561**	147
Amortization	**(2,024)**	-
Flow-through share liability recovery (note 12)	**1,181,513**	28,619
Other expense recoveries	**163,305**	-
Income tax recovery	**26,223**	-
Net loss and comprehensive loss for the year	**$ (14,181,357)**	$ (1,304,786)
Net loss per share - Basic and Diluted (note 16)	**$ (0.10)**	$ (0.01)
Weighted average number of common shares outstanding - Basic and Diluted (note 16)	**136,162,795**	114,348,260

The accompanying notes to the financial statements are an integral part of these statements.

Eskay Mining Corp.
Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year ended February 28, 2021	Year ended February 29, 2020
Operating activities		
Net loss for the period	**$ (14,181,357)**	$ (1,304,786)
Adjustments for:		
Share-based payments	**9,751,675**	524,566
Amortization	**2,024**	-
Accretion (note 10)	**2,242**	2,162
Flow-through share liability recovery (note 12)	**(1,181,513)**	(28,619)
Other expense recoveries	**(161,105)**	-
Changes in non-cash working capital items:		
Amounts receivable	**(86,793)**	(8,745)
Prepaid expenses	**(875,188)**	6,413
Amounts payable and other liabilities	**941,602**	230,503
Amounts due to related parties	**(383,342)**	160,120
Net cash (used in) operating activities	**(6,171,755)**	(418,386)
Investing activity		
Purchase of equipment	**(80,963)**	-
Net cash (used in) investing activity	**(80,963)**	-
Financing activities		
Proceeds from private placements	**20,001,625**	442,000
Share issue costs	**(927,013)**	-
Proceeds from shares issued as a result of exercise of stock options	**245,150**	93,000
Proceeds from exercise of warrants	**1,228,655**	-
Net cash provided by financing activities	**20,548,417**	535,000
Net change in cash	**14,295,699**	116,614
Cash, beginning of year	**177,307**	60,693
Cash, end of year	**$ 14,473,006**	$ 177,307
Supplemental information		
Common shares issued in settlement of debt	**$ 362,122**	$ 90,000

The accompanying notes to the financial statements are an integral part of these statements.

Eskay Mining Corp.
Statements of Changes in Shareholders' Equity (Deficiency)
(Expressed in Canadian Dollars)

Equity attributable to shareholders

	Share capital	Reserves	Accumulated deficit	Total
Balance, February 28, 2019	**$ 66,677,037**	**$ 1,165,600**	**$ (68,335,064)**	**$ (492,427)**
Common shares issued for settlement of debt (note 13(b)(ii))	90,000	-	-	90,000
Private placement (note 13(b)(iii))	442,000	-	-	442,000
Exercise of stock options (note 13(b)(i))	178,600	(85,600)	-	93,000
Share-based payments	-	524,566	-	524,566
Expiry of stock options	-	(135,730)	135,730	-
Net loss for the year	-	-	(1,304,786)	(1,304,786)
Balance, February 29, 2020	**$ 67,387,637**	**$ 1,468,836**	**$ (69,504,120)**	**$ (647,647)**
Common shares issued for debt settlement (note 13(b)(ix))	362,122	-	-	362,122
Private placement	20,001,625	-	-	20,001,625
Share issue costs - cash	(927,013)	-	-	(927,013)
Flow-through share premium (note 12)	(5,199,350)	-	-	(5,199,350)
Value of broker warrants associated with financing (note 13(b)(vii))	(374,909)	374,909	-	-
Exercise of stock options (note 13(b)(viii))	426,977	(181,827)	-	245,150
Exercise of warrants (note 13(b)(x))	1,228,655	-	-	1,228,655
Share-based payments	-	9,751,675	-	9,751,675
Net loss for the year	-	-	(14,181,357)	(14,181,357)
Balance, February 28, 2021	**$ 82,905,744**	**$ 11,413,593**	**$ (83,685,477)**	**$ 10,633,860**

The accompanying notes to the financial statements are an integral part of these statements.

1. Nature of operations and going concern

Eskay Mining Corp. (the "Company" or "Eskay") is a Canadian company incorporated in British Columbia and listed for trading on the TSX Venture Exchange ("TSXV"), the Frankfurt Stock Exchange and the OTCQB Venture Market in the United States. The Company is primarily engaged in the acquisition and exploration of mineral properties. The primary office is located at The Canadian Venture Building, 82 Richmond Street East, Toronto, Ontario, M5C 1P1.

These financial statements were approved by the board of directors on June 25, 2021.

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. The Company has incurred losses in prior periods, and incurred a net loss of $14,181,357 during the year ended February 28, 2021 (year ended February 29, 2020 - net loss of $1,304,786) and has an accumulated deficit of $83,685,477 (February 29, 2020 - $69,504,120). As at February 28, 2021, the Company had a working capital surplus of $10,546,684 (February 29, 2020 - working capital deficiency $497,021).

On March 31, 2020, the World Health Organization declared coronavirus (COVID-19) a global pandemic. This contagious disease outbreak, which has continued to spread, has adversely affected workforces, economies, and financial markets globally, leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

The Company's ability to continue to meet its obligations and carry out its planned exploration activities is uncertain and dependent upon the continued financial support of its shareholders and securing additional financing. While the Company has been successful in securing financing in the past, there is no assurance that it will be able to do so in the future. If the going concern assumption was not used then the adjustments required to report the Company's assets and liabilities on a liquidation basis could be material to these financial statements.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of operations of such properties, these procedures do not guarantee the Company's title. Property title may be subject to social and government licensing requirements or regulations, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory and environmental requirements. The Company's mineral exploration property interests may also be subject to increases in taxes and royalties, renegotiation of contracts, and political uncertainty.

2. Significant accounting policies

(a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee ("IFRIC") of the IASB. The policies set out below have been consistently applied to all periods presented. These financial statements have been prepared on a historical cost basis, except for those instruments carried at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

(b) Exploration and evaluation expenditures

The Company expenses exploration and evaluation expenditures as incurred on exploration projects not commercially viable and technically feasible. Exploration and evaluation expenditures include acquisition costs of mineral properties, property option payments and evaluation activities.

2. Significant accounting policies (continued)

(b) Exploration and evaluation expenditures (continued)

Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs that give rise to a future benefit.

(c) Mining tax credits

Mining tax credits are recorded in the accounts when there is reasonable assurance that the Company has complied with, and will continue to comply with, all conditions needed to obtain the credits. These non-repayable mining tax credits are earned in respect of exploration costs incurred in British Columbia, Canada and are recorded as a reduction of the related exploration and evaluation expenditures.

(d) Decommissioning, restoration and similar liabilities

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of an exploration property interest. Such costs arising from the decommissioning of a plant and other site preparation work, discounted to their net present value, are provided for as soon as the obligation to incur such costs arises. Discount rates using a pretax rate that reflect the time value of money are used to calculate the net present value. These costs are charged against profit or loss. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Changes in estimates of decommissioning costs are accounted for as a change in the related liability and recognized in profit and loss. The periodic unwinding of the discount is recognized in operations as an accretion expense.

(e) Significant accounting judgments and estimates

The application of the Company's accounting policies in compliance with IFRS requires the Company's management to make certain judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. These estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

(i) Assets' carrying values and impairment charges
In the determination of carrying values and impairment charges, management looks at the higher of recoverable amount or fair value less disposal costs in the case of assets and at objective evidence, significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.

(ii) Estimation of decommissioning and restoration costs and the timing of expenditure
The cost estimates are updated annually to reflect known developments, (e.g. revisions to cost estimates and to the estimated timing of decommissioning and restoration work), and are subject to review at regular intervals. Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.

2. Significant accounting policies (continued)

(e) Significant accounting judgments and estimates (continued)

(iii) Income, value added, withholding and other taxes
The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

(iv) Share-based payments
Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviours and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

(f) Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value is measured at grant date and each tranche is recognized on a graded-vesting basis over the period in which the options vest. The offset to the recorded cost is to share-based payment reserve. Consideration received on the exercise of stock options is recorded as share capital and the related share-based payment reserve is transferred to share capital. Upon expiry, the recorded value is transferred to deficit.

At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in the statement of loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payment reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

2. Significant accounting policies (continued)

(g) Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares. The Company's diluted loss per share for the periods presented does not include the effect of stock options and warrants as they are anti-dilutive.

(h) Income taxes

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(i) Impairment of non-financial assets

At each statement of financial position reporting date the carrying amounts of the Company's assets are reviewed to determine whether there is an indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less disposal costs and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss in the statements of loss and comprehensive loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

At the end of each reporting date, the Company assesses whether there is any indication that previously recognized impairment losses no longer exist. If such an indication exists, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss in the statement of loss and comprehensive loss.

2. Significant accounting policies (continued)

(j) Share capital and common share purchase warrants

The Company periodically issues units to investors consisting of common shares and common share purchase warrants in private placements. These private placement warrants are equity instruments. Accordingly, gross proceeds received from the issuance of units are accounted for as an increase in share capital. No separate valuation (i.e. "bifurcation") of the private placement warrants is made for accounting purposes at the time of issuance or at any time thereafter.

Transaction costs directly attributable to the issuance of units are recognized as a decrease in share capital net of related income tax effects. Agent warrants are reflected as transaction costs at their estimated issue date fair value as determined using the Black-Scholes option-pricing model. When agent warrants expire unexercised, the balance is transferred to deficit.

(k) Flow-through shares

The Company has financed a portion of its exploration activities through the issue of flow-through shares, which offer a tax incentive to Canadian investors by transferring the tax deductibility of exploration expenditures from the Company to the investors.

Flow-through shares are reported at issue price. If the flow-through shares are issued at a premium to the market price of non-flow through or hard dollar shares at the date of announcement, such premium or excess proceeds is reported as a liability. The subsequent renunciation of such qualifying expenditures incurred by the Company in favour of the flow-through subscribers is reported as a reduction in the flow-through share liability and a corresponding amount as other income recorded in profit and loss.

Resource expenditure deductions for income tax purposes related to exploration and evaluation activities funded by flow-through share arrangements are renounced to investors in accordance with income tax legislation. The Company has indemnified the subscribers of flow-through share offerings against any tax related amounts that became payable by the shareholder as a result of the Company not meeting its commitments.

(l) Financial Instruments

Financial instruments of the Company consists of cash, amounts receivables, accounts payable and other liabilities, amounts due to related parties and other liabilities.

All financial assets not classified at amortized cost or fair value through other comprehensive income ("FVOCI") are measured at FVTPL. On initial recognition, the Company can irrevocably designate a financial asset at fair value through profit or loss ("FVTPL") if doing so eliminates or significantly reduces an accounting mismatch.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at FVTPL:

- It is held within a business model whose objective is to hold the financial asset to collect the contractual cash flows associated with the financial asset instead of selling the financial asset for a profit or loss;
- Its contractual terms give rise to cash flows that are solely payments of principal and interest.

All financial instruments are initially recognized at fair value on the statement of financial position. Subsequent measurement of financial instruments is based on their classification. Financial assets and liabilities classified at FVTPL are measured at fair value with changes in those fair values recognized in the statement of loss and comprehensive loss for the period. Financial assets classified at amortized cost and financial liabilities are measured at amortized cost using the effective interest method.

2. Significant accounting policies (continued)

(l) Financial Instruments (continued)

Financial assets

Initial recognition and measurement
Non-derivative financial assets within the scope of IFRS 9 are classified and measured as "financial assets at fair value", as either FVTPL or FVOCI, and "financial assets at amortized costs", as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company's business model and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVTPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Subsequent measurement – financial assets at amortized cost
After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate ("EIR") method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in the statements of loss.

Subsequent measurement – financial assets at FVTPL
Financial assets measured at FVTPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVTPL are carried at fair value in the statements of financial position with changes in fair value recognized in the statements of loss. The Company does not measure any financial assets at FVTPL.

Subsequent measurement – financial assets at FVOCI
Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not measure any financial assets at FVOCI.

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the statements of comprehensive loss. When the investment is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.

Derecognition
A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

Impairment of financial assets
The Company's only financial assets subject to impairment are other accounts receivable, which are measured at amortized cost. The Company has elected to apply the simplified approach to impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. To measure estimated credit losses, accounts receivable have been grouped based on shared credit risk characteristics, including the number of days past due. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

2. Significant accounting policies (continued)

(l) Financial Instruments (continued)

Financial liabilities

Initial recognition and measurement
Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVTPL. The Company's financial liabilities include accounts payable and other liabilities, amounts due to related parties, and other liabilities which are each measured at amortized cost. All financial liabilities are recognized initially at fair value.

Subsequent measurement – financial liabilities at amortized cost
After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in the statements of loss.

Derecognition
A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in the statements of loss.

(m) Equipment

Equipment is recorded at cost less accumulated depreciation. Depreciation is provided using the declining balance method using the following rates:

Exploration equipment	- 25% to 30%

At the end of each reporting period, the Company reviews the carrying amounts of its equipment to determine whether there is any indication that the equipment has suffered an impairment loss. Where such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount is the higher of the equipment's fair value less cost to sell or its value in use.

(n) New accounting policies

Future accounting policies

IAS 1 Classification of Liabilities as Current or Non-Current (Amendment)

The IASB has published Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) which clarifies the guidance on whether a liability should be classified as either current or non-current. The amendments:

- clarify that the classification of liabilities as current or non-current should only be based on rights that are in place "at the end of the reporting period"
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability
- make clear that settlement includes transfers to the counterparty of cash, equity instruments, other assets or services that result in extinguishment of the liability.

This amendment is effective for annual periods beginning on or after January 1, 2022 and is to be applied retrospectively. There is currently a proposal in place to extend effective date for annual periods beginning on or after January 1, 2023. Earlier application is permitted. The extent of the impact of adoption of this amendment has not yet been determined.

(Expressed in Canadian Dollars)

3. Prepaid expenses and other deposits

	As at February 28, 2021	As at February 29, 2020
Prepaid expenses	**$ 13,227**	$ 9,274
Deposits	**871,235**	-
	$ 884,462	$ 9,274

4. Exploration and evaluation expenditures

	Year ended February 28, 2021	Year ended February 29, 2020
St. Andrew Goldfield (SIB) - Eskay Project		
Surveying, sampling and analysis	**$ 60,967**	$ 3,271
Geological and consulting	**133,475**	39,024
Accretion	**2,242**	2,162
Camping procurement and expediting	**524,393**	-
Other	**1,386,849**	71,100
Transportation	**308,628**	4,267
Write off of joint venture receivable	**820,899**	-
	3,237,453	119,824
Corey Mineral Claims		
Surveying, sampling and analysis	**673,397**	3,271
Geological and consulting	**162,077**	22,315
Camping procurement and expediting	**389,205**	-
Other	**51,220**	95,337
Transportation	**308,760**	5,783
	1,584,659	126,706
Total exploration and evaluation expenditures	**$ 4,822,112**	$ 246,530

St. Andrew Goldfield (SIB) - Eskay Project

Pursuant to an option agreement dated May 7, 2008 and amending option agreement dated January 17, 2013 with St. Andrew Goldfields Ltd., the Company earned an 80% interest in the SIB Property at Eskay Creek, British Columbia (the “Property”) by expending an aggregate of $3.98 million on exploration of the Property and issuing further 265,000 common shares. On January 26, 2016, Kirkland Lake Gold Inc. ("Kirkland Lake") announced it completed the acquisition of St. Andrew. St. Andrew is a wholly-owned subsidiary of Kirkland Lake and continued to hold a 20% interest in the SIB Property. St. Andrew and the Company entered into an agreement with an effective date of November 25, 2016 for the further exploration and development of the Property.

On April 26, 2017, the Company announced that it has signed an option agreement (the “Agreement”) with SSR Mining Inc. (formerly Silver Standard Resources Inc.) (“SSR Mining”) pursuant to which SSR Mining could acquire up to a 60% undivided interest in part of Eskay’s SIB Property, located in northwest British Columbia, Canada. SSR Mining formally abandon the option on January 30, 2019 without earning any interest in the SIB Property.

(Expressed in Canadian Dollars)

4. Exploration and evaluation expenditures (continued)

St. Andrew Goldfield (SIB) - Eskay Project (continued)

SSR Mining was responsible for all deposits with the B.C Ministry of Energy and Mines in order to permit SSR Mining to conduct exploration and evaluation activities on Eskay's SIB Property. As a result, the B.C. Ministry of Energy and Mines refunded $60,000 to the Company on August 7, 2018. On September 24, 2019, the Company entered into an agreement with SSR Mining and is now obligated to pay the sum of $70,000 plus interest from January 30, 2019 at the prime rate of the Royal Bank of Canada plus 2% until the date of payment as reimbursement for the cash deposits made by SSR Mining. This amount is included in accounts payable and other liabilities at February 28, 2021 and February 29, 2020.

On March 25, 2021, the Company announced that it has aquired a 100% interest in the SIB Property ("St Andrew") (note 22).

Corey Mineral Claims

In September 1990, the Company acquired a 100% interest in mineral tenures located in the Skeena Mining Division, Province of British Columbia for $30,000 cash and a royalty of 5% of net profits from these claims to a maximum of $250,000.

These mineral exploration properties are located in northwestern British Columbia, 70 km northwest of Stewart. The Company holds a 100% interest in these mineral tenures subject to a 2% net smelter royalty.

Deposits and Exploration Advances

As at February 28, 2021, the Company had $72,870 (February 29, 2020 - $72,870) of deposits and exploration advances held by the provincial government of British Columbia. Such deposits were required by the B.C Ministry of Energy and Mines in order to permit the Company to conduct exploration and evaluation activities in that province.

5. Equipment

Cost		
Balance, February 29, 2020	**$**	**-**
Addition		80,963
Balance, February 28, 2021	**$**	**80,963**
Accumulated depreciation		
Balance, February 29, 2020	**$**	**-**
Depreciation		2,024
Balance, February 28, 2021	**$**	**2,024**
Carrying amounts		
At February 29, 2020	**$**	**-**
At February 28, 2021	**$**	**78,939**

6. Capital risk management

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis. As discussed in note 1, the Company's ability to continue to carry out its planned exploration activities is uncertain and dependent upon the continued financial support of its shareholders and securing additional financing.

The Company considers its capital to be shareholders' equity which comprises share capital, reserves and accumulated deficit, which at February 28, 2021, totaled $10,633,860 (February 29, 2020 - Shareholder's deficiency $647,647).

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on activities related to its mineral exploration properties. Selected information is provided to the Board of Directors of the Company.

The Company's capital management objectives, policies and processes have remained unchanged during the year ended February 28, 2021. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than Policy 2.5 of the TSXV which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of February 28, 2021, the Company is compliant with Policy 2.5.

7. Financial risk management

Financial risk

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk, foreign currency risk and commodity and equity price risk). Risk management is carried out by the Company's management team with guidance from the Audit Committee and Board of Directors. There have been no changes in the risks, objectives, policies and procedures of the Company during the years ended February 28, 2021 and February 29, 2020.

(i) Credit risk

Credit risk is the risk of loss associated with a counterparty’s inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and amounts receivable. Cash is held with select major Canadian chartered banks, from which management believes the risk of loss to be minimal. Amounts receivable consist of sales taxes receivable from government authorities in Canada and other receivables. Management believes that the credit risk concentration with respect to amounts receivable is minimal.

7. Financial risk management (continued)

(ii) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at February 28, 2021, the Company had cash of $14,473,006 (February 29, 2020 - $177,307) to settle current liabilities of $4,916,692 (February 29, 2020 - $702,717). All of the Company's short-term financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity. As discussed in note 1, the Company's ability to continually meet its obligations and carry out its planned exploration activities is uncertain and dependent upon the continued financial support of its shareholders and securing additional financing.

(iii) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity and equity prices.

(a) Interest rate risk

The Company's overall exposure to the risk of changes in market interest rates relates primarily to its bank current account balances. At prevailing market interest rates, the impact on interest income is minimal.

(b) Foreign currency risk

The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the Company's exposure to foreign currency risk is minimal.

(c) Commodity and equity price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices as they relate to valuable minerals to determine the appropriate course of action to be taken by the Company.

Based on management's knowledge and experience of the financial markets, the Company does not believe it was exposed to any material movements in the underlying market risk variables during the year ended February 28, 2021.

Sensitivity analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are reasonably possible over a twelve month period:

(i) Cash is subject to floating interest rates. The Company has no variable interest bearing debt and receives low interest rates on its cash balances. As such, the Company does not have significant interest rate risk.

(ii) The Company does not hold balances in foreign currencies to give rise to exposure to foreign exchange risk.

(Expressed in Canadian Dollars)

8. Categories of financial instruments

	February 28, 2021	February 29, 2020
Financial assets:		
Amortized cost		
Cash	$ 14,473,006	$ 177,307
Amounts receivable	$ 105,908	$ 19,115
Financial liabilities:		
Amortized cost		
Amounts payable and other liabilities	$ 792,010	$ 212,530
Amounts due to related parties	$ 106,845	$ 490,187
Other liabilities	$ -	$ 161,105

As of February 28, 2021 and February 29, 2020, the fair value of all of the Company's current financial instruments approximates the carrying value, due to their short-term nature.

9. Amounts receivable

	February 28, 2021	February 29, 2020
Sales tax receivable - (Canada)	**$ 105,462**	$ 18,669
Other receivable	**446**	446
	$ 105,908	$ 19,115

10. Provision for reclamation

The Company's provision for reclamation costs is based on management's estimated costs to dismantle and remove its facilities as well as an estimate of the future timing of the costs to be incurred. The following table presents the reconciliation of the beginning and ending aggregate carrying amount of the provision for closure and reclamation associated with the dismantling and removal of the Company's camp:

Balance at February 28, 2019	**$ 60,229**
Accretion	2,162
Balance at February 29, 2020	**$ 62,391**
Accretion	2,242
Balance at February 28, 2021	**$ 64,633**

The Company has estimated its total provision for reclamation to be $64,633 at February 28, 2021 (February 29, 2020 - $62,391) based on an estimated total future liability of approximately $64,631 and an inflation rate of 2.2% (February 29, 2020 - 2.2%) and a discount rate of 1.07% (February 29, 2020 - 1.07%). Reclamation is expected to occur in the year 2022.

(Expressed in Canadian Dollars)

11. Amounts payable and other liabilities

Amounts payable and other liabilities of the Company are principally comprised of amounts outstanding for purchases relating to exploration and evaluation expenditures and general operating and administrative activities:

	February 28, 2021	February 29, 2020
Accounts payable	**$ 695,845**	$ 204,530
Accruals and others	**96,165**	8,000
Total amounts payable and other liabilities	**$ 792,010**	$ 212,530

The following is an aged analysis of amounts payable and other liabilities:

	February 28, 2021	February 29, 2020
Less than 1 month	**$ 529,099**	$ 120,213
1 to 3 months	**121,930**	15,285
Greater than 3 months	**140,981**	77,032
Total amounts payable and other liabilities	**$ 792,010**	$ 212,530

12. Flow-through share liability

The following is a continuity schedule of the liability of the flow-through shares issuance:

Balance at February 28, 2019	**$ 28,619**
Settlement of flow-through share liability on incurring expenditure	(28,619)
Balance at February 29, 2020	**$ -**
Liability incurred on flow-through shares issued	5,199,350
Settlement of flow-through share liability on incurring expenditure	(1,181,513)
Balance at February 28, 2021	**$ 4,017,837**

The flow-through common shares issued in the non-brokered private placement completed during the year ended February 28, 2021 were issued at a premium to the market price in recognition of the tax benefits accruing to subscribers. The flow-through premium was calculated to be $5,199,350.

Date	Flow-through premium
June 3, 2020	$ 85,000
June 19, 2020	675,750
August 19, 2020	682,500
December 11, 2020	1,052,140
December 11, 2020	2,703,960
	$ 5,199,350

The flow-through premium is derecognized through income as the eligible expenditures are incurred.

(Expressed in Canadian Dollars)

13. Share capital

a) Authorized share capital - the authorized share capital consists of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

b) Common shares issued - as at February 28, 2021, the issued share capital amounted to $82,905,744 (February 29, 2020 - $67,387,637). Changes in issued share capital are as follows:

	Number of common shares	Amount
Balance, February 28, 2019	**112,248,864**	**$ 66,677,037**
Private placement (iii)	3,600,000	442,000
Exercise of stock options (i)	1,200,000	93,000
Value transferred to share capital from exercise of stock options	-	85,600
Common shares issued for debt settlement (ii)	1,263,157	90,000
Balance, February 29, 2020	**118,312,021**	**$ 67,387,637**
Private placement (iv)(v)(vi)(vii)	29,856,785	20,001,625
Flow-through share premium (note 12)	-	(5,199,350)
Share issue costs	-	(1,301,922)
Exercise of stock options (viii)	2,280,000	245,150
Value transferred to share capital from exercise of stock options	-	181,827
Common shares issued for debt settlement (ix)	2,130,129	362,122
Exercise of warrants (x)	4,840,350	1,228,655
Balance, February 28, 2021	**157,419,285**	**$ 82,905,744**

(i) During the year ended February 29, 2020, 1,200,000 stock options were exercised by directors of the Company for gross proceeds of $93,000. A total value of $85,600 was transferred to share capital from reserves as a result of the exercise of these stock options.

(ii) During the year ended February 29, 2020, 1,263,157 shares, were issued to a director of the Company for settlement of $90,000 of debt.

(iii) On December 5, 2019, the Company closed a non-brokered private placement with the sale of 3,350,000 working capital units at a price of $0.12 per working capital units for $402,000 and 250,000 flow-through units at a price of $0.16 per flow-through units for $40,000 for aggregate gross proceeds of $442,000.

Each working capital unit comprises one common share of the Company and one common share purchase warrant. Each full warrant entitles the holder to acquire one common share at a price of $0.20 until December 5, 2020.

Each flow-through unit comprises one common share of the Company and one common share purchase warrant. Each full warrant entitles the holder to acquire one common share at a price of $0.22 until December 5, 2020.

(iv) On June 3, 2020, the Company closed the first tranche of a non-brokered private placement with the sale of 1,000,000 flow-through units at a price of $0.255 per flow-through unit for $255,000 and 550,000 units at a price of $0.17 per unit for $93,500 for aggregate gross proceeds of $348,500. Eligible finders were paid cash finders' fees of $1,275 and legal fees of $11,500.

Each flow-through unit comprises one common share of the Company and one-half of one common share purchase warrant. Each full warrant entitles the holder to acquire one common share at a price of $0.30 until June 3, 2022. Each unit comprises one common share of the Company and one-half of one common share purchase warrant exercisable at a price of $0.30.

13. Share capital (continued)

(v) On June 19, 2020, in connection with the closing of the first tranche of its non-brokered private placement on June 4, 2020, the Company closed the final tranche of a non-brokered private placement with the sale of 7,950,000 flow-through units of the Company at a price of $0.255 per flow-through unit for $2,027,250 and 2,452,941 units at a price of $0.17 per unit for $417,000 for aggregate gross proceeds of $2,444,250. Each unit comprises one common share of the Company and one-half warrant. A director of the Company subscribed for 2,452,941 units for $417,000 of the offering.

(vi) On August 19, 2020, the Company closed a non-brokered private placement with the sale of 3,500,000 flow-through units of the Company at a price of $0.645 per flow-through unit for $2,257,500 and 2,559,444 units at a price of $0.45 per unit for $1,151,750 for aggregate gross proceeds of $3,409,250.

Each flow-through unit comprises one common share of the Company and one common share purchase warrant. Each full warrant entitles the holder to acquire one common share at a price of $0.80 until two years from the closing date. Each unit comprises one common share of the Company and one common share purchase warrant exercisable at a price of $0.80.

(vii) On December 14, 2020, the Company announced that it has closed the brokered private placement offering and has issued an aggregate of 1,214,100 units of the Company at a price of $0.90 per unit, 2,904,700 flow-through shares of the Company at a price of $1.05 per flow-through share and 7,725,600 flow-through units of the Company at a price of $1.25 per flow-through unit, for an aggregate gross proceeds of $13,799,625. Each unit and each flow through unit consists of one common share of the Company, and one-half of one common share purchase warrant, with each warrant entitling the holder thereof to acquire one common share of the Company at a price of $1.30 until December 11, 2022. The broker agents were paid a cash commission of $737,978 and issued 582,789 broker warrants. Each broker warrant entitles the holder thereof to subscribe for one common share of the Company and one-half of one common share purchase warrants exercisable at a price of $0.90 until December 11, 2022.

(viii) During the year ended February 28, 2021, 2,280,000 stock options were exercised by directors and consultants for common shares of the Company for gross proceeds of $245,150. The options were exercised for the following prices: (1) 350,000 common shares of the Company at $0.10 per share; (2) 80,000 common shares of the Company at $0.08 per share; (3) 50,000 common shares of the Company at $0.24 per share; (4) 850,000 common shares of the Company at $0.075 per share, (5) 400,000 common shares of the Company at $0.105 per share, (6) 250,000 common shares of the Company at $0.08 per share and (7) 300,000 common shares of the Company at $0.22 per share. A total value of $181,827 was transferred to share capital from reserves as a result of the exercise of these stock options.

(ix) During the year ended February 28, 2021, 2,130,129 shares were issued to a director of the Company for settlement of $362,122 of debt.

(x) During the year ended February 28, 2021, 4,840,350 warrants were exercised for common shares of the Company for gross proceeds of $1,228,655. The warrants were exercised for the following prices: (1) 200,000 common shares of the Company at $0.20 per share; (2) 20,000 common shares of the Company at $0.40 per share; (3) 120,000 common shares of the Company at $0.40 per share; (4) 200,000 common shares of the Company at $0.40 per share; (5) 50,000 common shares of the Company at $0.20 per share; (6) 300,000 common shares of the Company at $0.40 per share; (7) 592,000 common shares of the Company at $0.40 per share; (8) 250,000 common shares of the Company at $0.22 per share; (9) 3,100,000 common shares of the Company at $0.20 per share and (10) 8,350 common shares of the Company at $1.30.

(Expressed in Canadian Dollars)

14. Stock options

The following table reflects the continuity of stock options for the periods presented:

	Number of stock options	Weighted average exercise price ($)
Balance, February 28, 2019	**7,857,144**	**0.16**
Exercised	(1,200,000)	0.08
Granted (i)(ii)(iii)	6,000,000	0.10
Expired	(1,557,144)	0.09
Balance, February 29, 2020	**11,100,000**	**0.15**
Exercised	(2,280,000)	0.11
Granted (iv)(v)(vi)	5,550,000	2.09
Balance, February 28, 2021	**14,370,000**	**0.91**

(i) On March 6, 2019, the Company granted 2,500,000 stock options to officers, directors and consultants at $0.08 per share for five years expiring March 6, 2024. These options vested immediately. These options have a grant date fair value of $177,500, estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 139% based on the Company's historical volatility; share price of $0.08; risk-free interest rate of 1.69% and an expected life of five years. During the year ended February 29, 2020, $nil and $177,500, respectively, was recorded as share-based payments.

(ii) On September 5, 2019, the Company granted 1,300,000 stock options to officers, directors and consultants at $0.095 per share for five years expiring September 4, 2024. These options vested immediately. These options have a grant date fair value of $109,200, estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 138% based on the Company's historical volatility; share price of $0.095; risk-free interest rate of 1.15% and an expected life of five years. During the year ended February 29, 2020, $109,200 was recorded as share-based payments.

(iii) On September 11, 2019, the Company granted 350,000 stock options to a consultant at $0.10 per share for five years expiring September 11, 2024. These options vested immediately. These options have a grant date fair value of $30,800, estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 138% based on the Company's historical volatility; share price of $0.10; risk-free interest rate of 1.43% and an expected life of five years. During the year ended February 29, 2020, $30,800 was recorded as share-based payments.

(iv) On December 9, 2019, the Company granted 1,550,000 stock options to a director and consultants at $0.135 per share for five years expiring December 9, 2024. These options vested immediately. These options have a grant date fair value of $199,175, estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 138% based on the Company's historical volatility; share price of $0.145; risk-free interest rate of 1.61% and an expected life of five years. During the year ended February 29, 2020, $199,175 was recorded as share-based payments.

(v) On January 8, 2020, the Company granted 300,000 stock options to Focus Communications at $0.22 per share for three years expiring January 8, 2023. These options vested over the span of one year. These options have a grant date fair value of $45,450, estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 136% based on the Company's historical volatility; share price of $0.20; risk-free interest rate of 1.65% and an expected life of three years. During the year ended February 29, 2020, $7,891 was recorded as share-based payments.

(Expressed in Canadian Dollars)

14. Stock options (continued)

(vi) On June 24, 2020, the Company granted 1,500,000 stock options to directors and consultants at $0.24 per share for five years expiring June 24, 2025. These options vested immediately. These options have a grant date fair value of $308,850, estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 146% based on the Company's historical volatility; share price of $0.23; risk-free interest rate of 0.38% and an expected life of five years. During the year ended February 28, 2021, $308,850 was recorded as share-based payments.

(vii) On July 21, 2020, the Company granted 350,000 stock options to a consultant at $0.46 per share for five years expiring July 21, 2025. These options vested immediately. These options have a grant date fair value of $144,725, estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 146% based on the Company's historical volatility; share price of $0.46; risk-free interest rate of 0.35% and an expected life of five years. During the year ended February 28, 2021, $144,725 was recorded as share-based payments.

(viii) On February 5, 2021, the Company granted 3,700,000 stock options to officers, directors and consultants at $3.00 per share for five years expiring February 5, 2026. These options vested over the span of a year, with 3,500,000 vesting immediately, and the remaining 200,000 to be vested quarterly over the span of a year. These options have a grant date fair value of $9,829,420, estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 141% based on the Company's historical volatility; share price of $3.00; risk-free interest rate of 0.48% and an expected life of five years. During the year ended February 28, 2021, $9,297,054 was recorded as share-based payments. 3,200,000 stock options were granted to officers and directors of the Company.

The following table reflects the actual stock options issued and outstanding as of February 28, 2021:

Expiry date	Exercise price ($)	Weighted average remaining contractual life (years)	Number of options outstanding	Fair value ($)	Number of options vested (exercisable)
November 16, 2021	0.22	0.09	1,900,000	375,440	1,900,000
January 30, 2023	0.235	0.23	1,750,000	383,250	1,750,000
February 5, 2023	0.24	0.03	200,000	44,624	200,000
July 4, 2023	0.215	0.03	200,000	39,000	200,000
March 6, 2024	0.08	0.40	1,920,000	136,320	1,920,000
September 5, 2024	0.095	0.32	1,300,000	109,200	1,300,000
December 9, 2024	0.135	0.41	1,550,000	199,175	1,550,000
June 24, 2025	0.24	0.45	1,500,000	308,850	1,500,000
July 21, 2025	0.46	0.11	350,000	144,725	350,000
February 5, 2026	3.00	1.27	3,700,000	9,829,420	3,500,000
	0.91	**3.34**	**14,370,000**	**11,570,004**	**14,170,000**

The weighted average exercise price of the vested options at February 28, 2021 is $0.91.

(Expressed in Canadian Dollars)

15. Warrants

The following table reflects the continuity of warrants for the periods presented:

	Number of warrants	Weighted average exercise price ($)
Balance, February 28, 2019	**1,282,000**	**0.40**
Issued (note 13(b)(i)(ii)(iii))	3,600,000	0.20
Balance, February 29, 2020	**4,882,000**	**0.25**
Issued (note 13(b)(iv)(v)(vi)(vii))	17,379,947	0.66
Exercised (note 13(b)(viii))	(4,840,350)	(0.34)
Expired	(50,000)	(0.40)
Balance, February 28, 2021	**17,371,597**	**0.66**

The following table reflects the warrants issued and outstanding as of February 28, 2021:

Expiry date	Number of warrants outstanding	Exercise price
June 3, 2022	775,000	$ 0.30
June 19, 2022	5,201,470	$ 0.30
August 19, 2022	6,059,444	$ 0.80
December 5, 2022	4,752,894	$ 1.30
December 5, 2022 [1]	582,789	$ 0.90
	17,371,597	$ 0.66

[1] These warrants are exercisable into units of the Company. Each unit is comprised of a common share and one half of a warrant exercisable at $1.30 until December 5, 2022.

16. Net loss per common share

The calculation of basic and diluted loss per share for the year ended February 28, 2021 was based on the loss of $14,181,357 (February 29, 2020 - $1,304,786) and the weighted average number of common shares outstanding of 136,162,795 for the year ended February 28, 2021 (February 29, 2020 - 114,348,260). The diluted loss per share for the year ended February 28, 2021 excluded 14,370,000 (February 29, 2020 - 11,100,000) options and 17,371,597 (February 29, 2020 - 4,882,000) warrants that were anti-dilutive.

17. General and administrative

	Year ended February 28, 2021	Year ended February 29, 2020
Professional fees (note 18(ii) and (v))	**$ 286,910**	$ 108,706
Reporting issuer costs	**205,882**	25,257
Office and general	**267,072**	167,858
Advertising and promotion	**181**	-
Management and consulting fees (note 18(i))	**218,940**	256,440
Interest and bank charges	**8,163**	4,195
Share-based payments (note 14)	**9,751,675**	524,566
	$ 10,738,823	$ 1,087,022

18. Related party balances and transactions

Related parties include the Board of Directors, officers, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

Eskay entered into the following transactions with related parties:

(i) For the year ended February 28, 2021, the Company paid or accrued $218,940 in management and consulting fees to companies controlled by current officers (year ended February 29, 2020 - $256,440).

(ii) For the year ended February 28, 2021, the Company paid or accrued $36,295, in professional fees (February 29, 2020 - $29,072) to companies controlled by an officer of the Company. As at February 28, 2021, this company is owed $7,053 (February 29, 2020 - $24,915).

(iii) As at February 28, 2021, the Company owed the CEO $nil (February 29, 2020 - $31,782) which pertained to interest accrued on a loan advanced to the Company during the year ended February 29, 2012, which is included in the amounts due to related parties. These balances are unsecured, non-interest bearing, and due on demand.

(iv) As at February 28, 2021, the Company owed certain officers, directors and parties related to officers and directors $15,010 (February 29, 2020 - $458,407), excluding legal services disclosed in (v) below, in relation to the transactions described above. These balances are unsecured, non-interest bearing and due on demand.

(v) During the year ended February 28, 2021, the Company paid professional fees and disbursements of $253,072 (February 29, 2020 - $62,186) to Gardiner Roberts LLP ("Gardiner"), a law firm of which William R. Johnstone, Corporate Secretary of the Company, is a partner. These services were incurred in the normal course of operations for general corporate matters. As at February 28, 2021, Gardiner is owed $85,995 (February 29, 2020 - $13,257) and this amount is included in amounts due to related parties. These balances are unsecured, non-interest bearing, and due on demand.

(vi) See note 13(b)(i)(ii)(v)(viii)(ix)(x).

(vii) See note 14.

(viii) See note 19.

As at February 28, 2021, Hugh Balkman, a director of the Company owns 16,183,345 common shares of the Company carrying approximately 10.3% of the voting rights attached to all common shares of the Company. As at February 28, 2021, directors and officers of the Company control an aggregate of 21,676,920 common shares of the Company or approximately 13.80% of the shares outstanding.

At February 28, 2021, the Company is not aware of any arrangements that may at result in a change in control of the Company. To the knowledge of the Company, it is not directly or indirectly owned or controlled by another corporation, by any government or by any natural or legal person severally or jointly.

19. Commitments and contingencies

Environmental contingencies
The Company's exploration activities are subject to various federal, provincial and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and are generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

(Expressed in Canadian Dollars)

19. Commitments and contingencies (continued)

Management contract
The Company is party to management contracts that require additional payments of up to $144,000 to be made upon the occurrence of certain events such as termination for any reason, other than for just cause. The Company is also party to management contracts that require additional payments of up to $816,000 to be made upon the occurrence of certain events such as a change of control. As the triggering event has not occurred, the contingent payments have not been reflected in these financial statements.

Flow-through commitment

The Company is obligated to spend $17,246,685 by December 31, 2022. As at February 28, 2021, the Company had spent $3,674,003 as part of the flow-through funding agreement for shares issued during the year ended February 28, 2021. The flow-through agreements require the Company to renounce certain tax deductions for Canadian exploration expenditures incurred on the Company's mineral properties to flow-through participants. The Company has indemnified the subscribers for any related tax amounts that become payable by the subscribers as a result of the Company not meeting its expenditure commitments. The Company does not have sufficient working capital to cover it's flow-through commitment, and intends to cover its flow-through commitment through additional equity financing.

20. Segmented information

The Company's operations comprise a single reporting operating segment engaged in mineral exploration in Canada. As the operations comprise a single reporting segment, amounts disclosed in the financial statements also represent segment amounts. In order to determine reportable operating segments, the chief operating decision maker reviews various factors including geographical location, quantitative thresholds and managerial structure.

21. Income taxes

a) Provision for Income Taxes

Major items causing the Company's effective income tax rate to differ from the combined Canadian federal and provincial statutory rate of 26.5% (2020 - 26.5%) were as follows:

Years Ended February 28,	**2021**	**2020**
Loss before income taxes	**$ (14,181,357)**	$ (1,304,786)
Expected income tax recovery based at statutory rate	**(3,758,060)**	(345,768)
Adjustment to expected income tax recovery;		
Share based compensation	**2,584,000**	-
Change in benefit of tax assets not recognized	**1,174,060**	345,768
Deferred income tax provision (recovery)	**$ -**	$ -

(Expressed in Canadian Dollars)

21. Income taxes (continued)

b) Deferred Income Tax

Deferred income tax assets have not been recognized in respect of the following deductible temporary differences:

	February 28, 2021	February 29, 2020
Deductible Temporary Differences		
Non-capital losses carry-forward	**$ 11,830,000**	$ 11,040,800
Share issue costs	**8,000**	12,000
Mineral exploration properties	**5,296,000**	17,721,000
Equipment	**1,254,000**	1,254,000
Other temporary differences	**148,000**	148,000
Temporary differences	**$ 18,536,000**	$ 30,175,800

At February 28, 2021, the Company has approximately $11,830,000 of non-capital losses in Canada which under certain circumstances can be used to reduce the taxable income of future years. The Canadian losses expire in the following periods:

2026	$ 1,130,000
2027	1,713,000
2028	2,540,000
2029	2,485,000
2030	2,788,000
2032	185,000
2034	80,000
2035	80,000
2036	12,000
2037	8,000
2038	8,000
2039	5,000
2040	6,000
2041	790,000
	$ 11,830,000

22. Subsequent events

On March 8, 2021, the Company announced that it had closed the acquisition of 23,703,688 common shares of Garibaldi Resources Corp ("GGI") from The Sprott Foundation in consideration for the issuance of 4,211,719 units of Eskay at a price of $2.56 per unit. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to purchase one common share of the Company at a price of $2.82 per warrant until the earlier of: (i) March 8, 2023; and (ii) in the event that the closing price of the common shares on the TSX Venture Exchange is at least $3.72 for twenty (20) consecutive trading days, and the 20th trading day (the “Final Trading Day”) is on or after August 1, 2021, the date which is thirty (30) days from the Final Trading Day.

On March 25, 2021, the Company announced that it had acquired the remaining 20% interest in the SIB property from St. Andrew Goldfields Ltd. and now owns 100% of the property. St. Andrew Goldfields previous 20% interest has been converted into a 2% Net Smelter Royalty ("NSR") on the SIB property. Eskay has the right, exercisable at any time, to purchase on one half of the 2% NSR for $3 million and has a right of first refusal to purchase the remaining 1% NSR.

Subsequent to year end, 238,127 warrants with an exercise price of $1.30 were exercised for gross proceeds of $309,565.

22. Subsequent events (continued)

Subsequent to year end, 262,255 warrants with an exercise price of $0.90 were exercised for gross proceeds of $236,029.

Subsequent to year end, 350,000 options with an exercise price of $0.08 were exercised for gross proceeds of $28,000.

ESKAY MINING CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED FEBRUARY 28, 2021

(Expressed in Canadian Dollars)

Prepared by:

ESKAY MINING CORP.

The Canadian Venture Building,
82 Richmond Street East,
Toronto, Ontario, M5C 1P1

Discussion dated June 25, 2021

Introduction

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of Eskay Mining Corp. ("Eskay" or the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the year ended February 28, 2021. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited annual financial statements of the Company for the years ended February 28, 2021 and February 29, 2020, together with the notes thereto. The Company's financial statements and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC"). Information contained herein is presented as of June 26, 2021, unless otherwise indicated.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Eskay common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Further information about the Company and its operations is available on Eskay's website at **www.eskaymining.com** or on SEDAR at **www.sedar.com**.

Cautionary Note Regarding Forward-Looking Information

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

Forward-looking statements	Assumptions	Risk factors
Potential of the Company's properties to contain economic deposits of precious and base metals. For fiscal 2022, the company's exploration expenses are estimated to be $1,200,000 per month.	Financing will be available for future exploration and evaluation of the Company's properties; the actual results of the Company's exploration and evaluation activities will be favourable; operating, exploration and evaluation costs will not exceed the Company's expectations; the Company will be able to retain and attract skilled staff; all requisite regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company, and applicable political and economic conditions are favourable to the Company; the price of precious and base metals and applicable interest and exchange rates will be favourable to the Company; no title disputes exist with respect to the Company's properties.	Precious and base metals price volatility; uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with the Company's expectations; availability of financing for and actual results of the Company's exploration and evaluation activities; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; ongoing uncertainties relating to the COVID-19 virus; the Company's ability to retain and attract skilled staff; availability of permits.
For fiscal 2022, the Company's operating expenses are estimated to be $90,000 per month.	The Company has anticipated all material costs; the operating and exploration activities of the Company for fiscal 2022 and the costs associated therewith, will be consistent with Eskay's current expectations.	Unforeseen costs to the Company will arise; any particular operating costs increase or decrease from the date of the estimation; changes in economic conditions.
The Company's cash position at February 28, 2021 is sufficient to fund its operating expenses for the twelve months ending February 28, 2022.	Financing will be available for the Company's exploration and evaluation activities and the results thereof will be favourable; actual operating and exploration costs will be consistent with the Company's current expectations; the Company will be able to retain and attract skilled staff; all applicable regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company; the Company will not be adversely affected by market competition; debt and equity markets, exchange and interest rates and other applicable economic and political conditions are favourable to the Company; the price of gold and/or other applicable metals will be favourable to the Company; no title disputes exist with respect to the Company's properties.	Gold and other metals price volatility, changes in debt and equity markets; timing and availability of external financing on acceptable terms; the uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with the Company's expectations; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; ongoing uncertainties relating to the COVID-19 virus. the Company's ability to retain and attract skilled staff; availability of permits; market competition.

Inherent in forward-looking statements are risks, uncertainties, and other factors beyond the Company's ability to predict or control. Please also refer to those risk factors referenced in the "Risks and Uncertainties" section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance, or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether because of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Description of Business

The Company was incorporated under the British Columbia Business Corporations Act and continued November 2, 2010, under the Business Corporations Act of Ontario. Its common shares are listed on the TSX Venture Exchange ("TSXV") (symbol "ESK") and the Frankfurt Stock Exchange (symbol "WKN 878985"). On July 9, 2020, the Company's common shares were approved for and started trading on the OTCQB Venture Market in the United States under the symbol (OTCQB: ESKYF). The Company is a natural resource company engaged in the acquisition and exploration of mineral properties in British Columbia, Canada. To date, the Company has not generated significant revenues from operations.

The Company has no revenues, so its ability to ensure continuing operations is dependent on the discovery of economically recoverable reserves, confirmation of its interest in the underlying mineral claims, and its ability to obtain necessary financing to complete the exploration activities, development, if they are proven successful, and future profitable production.

Eskay's goal is to deliver superior returns to shareholders by concentrating on the exploration of its existing properties. The Company currently plans to focus on its material properties, as set out below under "Mineral Property Interests".

The Company will continue to attempt to raise capital to meet its ongoing operating activities.

Outlook and Economic Conditions

The Company is a Canadian base and precious metal exploration company, focused on exploring its current property interests, and on acquisitions of other mineral exploration properties, should such acquisitions be consistent with its objectives and acquisition criteria. The Company currently has operations in the Province of British Columbia, Canada. The Company's financial success will be dependent upon the extent to which it can make discoveries and on the economic viability of any such discoveries. The development of such assets may take years to complete and the resulting income, if any, is difficult to determine with any certainty. To date, the Company has not produced any revenues. The sales value of any minerals discovered by the Company is largely dependent upon factors beyond its control, such as the market value of the commodities produced.

There are significant uncertainties regarding the prices of base and precious metal and the availability of equity financing for the purposes of exploration and evaluation. The future performance of the Company is largely tied to the successful exploration, discovery and eventual development of its property interests, if they are proven successful, and other prospective business opportunities and the overall financial markets. Financial markets are likely to be volatile, reflecting ongoing concerns about the stability of the global economy. However, recently, equity markets in Canada have showed signs of improvement, with equities increasing significantly during this period. Strong equity markets are favourable conditions for completing a financing, public merger or acquisition transaction.

Management regularly monitors economic conditions, estimates their impact on the Company's operations, and incorporates these estimates in both short-term operating and longer-term strategic decisions.

Due to the worldwide COVID-19 outbreak, material uncertainties may come into existence that could influence management's going concern assumption. Management cannot accurately predict the future impact COVID-19 may have on:

- Global gold prices;
- Demand for gold and the ability to explore for gold;
- The severity and the length of potential measures taken by governments to manage the spread of the virus, and their effect on labour availability and supply lines;
- Availability of essential supplies, such as water and electricity;
- Purchasing power of the Canadian dollar; or
- Ability to obtain funding.

The Canadian government has not introduced measures which impede the activities of Eskay. Management believes the business will continue and accordingly, the current situation bears no impact on management's going concern assumption. However, it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of Eskay in future periods. Accordingly, to execute the Company's plans for the near term as outlined under the heading "Mineral Property Interests" and meet the Company's administrative overhead, the Company is required to complete a financing. See "Risks and Uncertainties".

Highlights

- On April 15, 2020, the Company announced that the new website, found at www.eskaymining.com, had been launched. The website includes a Presentation by Dr. John DeDecker discussing the exploration potential of the Company's SIB Property.

- On May 15, 2020, the Company announced an extension on the exercise date of 1,282,000 warrants currently exercisable until June 1, 2020 (as to 1,082,000) and June 7, 2020 (as to 200,000) at $0.40 per share, issued pursuant to the private placement financing which closed in June of 2018, for a further year until June 1, 2021 and June 7, 2021 respectively. Each warrant entitles the holder to acquire one common share at a price of $0.40 until the earlier of (i) June 1, 2021; and (ii) in the event that the closing price of the common shares on the TSXV is at least $0.60 for ten (10) consecutive trading days, and the 10th trading day is at least four (4) months from June 1, 2018, the date which is thirty (30) days from the 10th trading day. On August 24, 2020, the Company announced that the extension of the remaining 1,142,000 warrants exercisable at $0.40 per share had been accelerated because the Company's common shares have closed at a price of at least $0.60 for ten (10) consecutive trading days as of August 21, 2020. The remaining unexercised 2018 Warrants expired on September 23, 2020.

- On June 3, 2020, the Company closed the first tranche of its non-brokered private placement with the sale of 1,000,000 FT Units of the Company at a price of $0.255 per FT Unit for $255,000 and 550,000 WC Units at a price of $0.17 per WC Unit for $93,500. A finder was paid a cash fee of $1,275. The Company also announced that it planned to increase its flow-through offering by a further 2,050,000 FT Units to up to 8,950,000 FT Units of the Company at a price of $0.255 per FT Unit for up to $2,282,250 to fund its 2020 exploration.

- On June 19, 2020, the Company closed the final tranche of its non-brokered private placement with the sale of 7,950,000 FT Units of the Company at a price of $0.255 per FT Units for $2,027,250 and 2,452,941 WC Units at a price of $0.17 per WC Unit for $417,000. The Company raised an aggregate of $2,282,250 in flow-through funds and $510,500 in working capital funds pursuant to the Offering. Proceeds from the Offering will be used to fund the Company's 2020 exploration program and for general working capital.

- On June 22, 2020, the Company announced the commencement of the 2020 exploration program. The program is designed to cover a broader extent of the Company's 526 square kilometer property in the heart of British Colombia's "Golden Triangle" and encompass an investigation of geophysical targets and generate new, high quality drill targets.

- On June 23, 2020, the Company entered into an agreement to settle a debt of $80,340 owed to Balkam Partners Ltd., a company controlled by the President and CEO of the Company, Hugh (Mac) Balkam, for management fees, and a debt of $281,782 owed to Mac Balkam for management fees, as to $250,000, and accrued interest on funds loaned to the Company by Mac Balkam, as to $31,782, for an aggregate of $362,122 of debt to be settled in consideration for the issuance of 2,130,129 common shares of the Company at a price of $0.17 per share, subject to disinterested shareholder approval which was obtained at the annual meeting on August 11, 2020.

- On June 24, 2020, the Company announced the grant of an aggregate of 1,500,000 stock options to directors and consultants of the Company. The stock options are exercisable at $0.24 per share for five years.

- On July 9, 2020, the Company's common shares were approved for and started trading on the OTCQB Venture Market in the United States under the symbol (OTCQB: ESKYF).

- On July 10, 2020, the Company announced that Quinton Hennigh and Tom Weis would be presented as nominees for Directors of the Company at the upcoming Annual General and Special Meeting to be held on August 11, 2020.

- On July 14, 2020, the Company announced that its 2020 exploration program was advancing on schedule at its approximately 526 square kilometer property in the heart of British Colombia's Golden Triangle. Importantly, recent review of historic diamond drill core from holes drilled at numerous prospects within Eskay's land tenure indicates that these systems all display a volcanogenic massive sulphide ("VMS") affinity. VMS Deposits are sulphide rich accumulations that formed around black smokers associated with submarine hot springs. Such deposits usually occur in clusters on the sea floor resulting in mineral districts once uplifted onto continents. This new revelation implied that the partially explored systems on Eskay Mining's property potentially collectively comprises a greater Eskay Creek VMS district.

- On July 21, 2020, the Company granted 350,000 stock options to a consultant of the Company. The stock options are exercisable at $0.46 per share for five years.

- On July 28, 2020, the Company commenced a private placement offering of up to 3,500,000 FT Units of the Company at a price of $0.645 per FT Units for up to $2,257,500 and up to 4,500,000 WC Units at a price of $0.45 per WC Unit for up to $2,025,000 to fund its 2020 exploration.

- On July 28, 2020, the Company announced that it has secured a diamond drill through Driftwood Diamond Drilling Ltd to undertake a minimum 3,000 m drill program this exploration season. Drilling is expected to commence in a few weeks after the Company has reviewed incoming geophysical data designed to refine drill targeting at multiple precious metal rich volcanogenic massive sulphide targets.

- On August 19, 2020, the Company closed its non-brokered private placement with the sale of 3,500,000 FT Units of the Company at a price of $0.645 per FT Units for $2,257,500 and 2,559,444 WC Units at a price of $0.45 per WC Unit for $1,151,750. The Company raised an aggregate of $3,409,250 pursuant to the Offering.

- On September 22, 2020, the Company announced that it has encountered precious metal-bearing volcanogenic massive sulphide mineralization in its first diamond drilling at the TV target on joint venture ground held with Kirkland Lake Gold Ltd.

- On October 16, 2020, the Company announced that it has completed a highly successful diamond drill campaign encompassing 4,335.55m in 20 holes at its TV-Jeff precious metal-bearing volcanogenic massive sulphide target on joint venture ground held with Kirkland Lake Gold Ltd.

- On November 20, 2020, the Company entered into an agreement with Echelon Wealth Partners Inc., and Eight Capital as co-lead agents (the "Agents") that have agreed to sell, on a "Best efforts" private placement basis, up to approximately $10,000,000 of units, traditional flow-through shares and flow-through units of the Company at a price of $0.90 per unit, $1.05 per flow-through share and $1.25 per flow through unit. Each unit and flow-through unit will consist of one common share of the Company and one half of one common share purchase warrant, with each warrant entitling the holder thereof to acquire one common share of the Company at a price of $1.30 for a period of two years following the closing of the offering. On November 26, 2020, the Company announced that the offering had been increased to $11.5 million. The Agents were granted an option (the "Agents' Option") to purchase an additional 20% of the securities being offered.

- On December 14, 2020, the Company announced that it has closed the brokered private placement offering previously announced on November 20, 2020 and November 26, 2020 and has issued an aggregate of 1,214,100 units of the Company at a price of $0.90 per unit, 2,904,700 flow-through shares of the Company at a price of $1.05 and 7,725,600 flow-through units of the Company at a price of $1.25, for an aggregate gross proceeds of $13,799,625 including the exercise of the Agents' Option.

- On December 22, 2020, the Company announced that it has confirmed discovery of two precious metal-rich volcanogenic massive sulphide deposits at the TV and Jeff targets on the joint venture ground held with Kirkland Lake Gold Ltd.

- On January 6, 2021, the Company announced that effective immediately Dr. John DeDecker was appointed VP of Exploration and M Robert Myhill became the VP of Finance.

- On February 2, 2021, the Company announced that it has received all assays from 20 drill holes completed during its maiden diamond drill program at two precious metal-rich volcanogenic massive sulphide deposits, Jeff and TV, on joint venture ground held with Kirkland Lake Gold Ltd. Assays include 25.55m grading 2.0 gpt Au eq and 9.5 gpt Au and 70.0 gpt Ag including 9.25m grading 32.17 gpt Au and 93.2 gpt Ag in hole J20-33 at Jeff.

- On February 5, 2021, the Company announced that an aggregate of 3,700,000 options to purchase common shares of Eskay at $3.00 per share for five years have been granted to officers, directors, and consultants of Eskay.

- On February 25, 2021, the Company announced that its stream sample analytics results highlight many new high priority precious metal-rich volcanogenic massive sulphide targets across its 526 sq km land holdings immediately south and east of the Eskay Creek mine. Stream sediment samples were collected as part of the Company's 2020 exploration program and the fine fraction was analyzed using bulk leach extractable gold methodology.

- On March 8, 2021, the Company announced that it has closed the Acquisition of 23,703, 688 common shares of Garibaldi Resources Corp ("GGI") from the Sprott Foundation in consideration for the issuance of 4,211,719 working capital units of Eskay at a price of $2.56 per working capital unit. Each working capital unit consists of one common share of the company and one common share purchase warrant. Each warrant entitles the holder thereof to purchase one common share of the Company at a price of $2.82 per warrant share until the earlier of: (i) the date which is two (2) years following the closing of the Acquisition; and (ii) in the event that the closing price of the Common shares on the TSX Venture Exchange is at least $3.72 for twenty (20) consecutive trading days, and the 20th trading day is on or after August 1, 2021, the date which is thirty (30) days from the final trading day. The Acquisition represents 19.5% of the current issued and outstanding shares of GGI. The Acquisition is being made for investment purposes.

- On March 25, 2021, and March 26, 2021, the Company announced that it has acquired a 100% interest in all the properties, including the Jeff and TV targets, which was subject to a joint venture with St. Andrew Goldfields Ltd., a wholly- owned subsidiary of Kirkland Lake Gold Ltd., pursuant to a joint venture agreement dated November 25, 2016, as amended (the "JV Agreement"). Pursuant to the terms of the JV Agreement, the joint venture has been terminated whereby the property is 100% owned by the Company, and St. Andrew has been converted to the holder of a 2% net smelter return royalty (the "2% NSR"). Eskay has the right, exercisable at any time, to purchase one half of the 2% NSR held by St. Andrew for $3 million and has the right of first refusal to purchase the remaining 1% NSR.

- On April 13, 2021, the Company announced that it has reviewed all data from its 2020 exploration campaign and has conclusively identified multiple mineralized horizons at its 100% owned consolidated Eskay precious metal-rich volcanogenic massive sulphide ("VMS") project in the Golden triangle, British Colombia.

- On April 22, 2021, the company announced that it has commenced its 2021 exploration program with a property wide SkyTem survey across its 100% owned consolidated Eskay precious metal-rich VMS project in the Golden Triangle British Colombia.

Overall Objective

The primary business objective of Eskay is the acquisition, exploration and evaluation of mineral properties based upon Eskay's current holdings in British Columbia, Canada. In furtherance of this objective, the Company established the following business strategy:

- Develop and implement a discretionary exploration budget on its property interests with a view to establishing a viable mineral deposit; and

- Capitalize on management's technical expertise and ability to identify, evaluate, and acquire exploration properties.

See "Risks and Uncertainties" below.

Trends

Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longer-term strategic decisions. Strong equity markets are favorable conditions for completing a public merger, financing, or acquisition transaction. Apart from these and the risk factors noted under the heading "Risks and Uncertainties", and "Outlook and Economic Conditions", management is not aware of any other trends, commitments, events, or uncertainties that would have a material effect on the Company's business, financial condition, or results of operations.

Off-Balance-Sheet Arrangements

As of the date of this MD&A, the Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity, capital expenditures and capital resources that would be material to investors.

Mineral Property Interests

Dr. Quinton Hennigh, P. Geo., a Director of the Company, and its technical advisor, is a Qualified Person under the definition of National Instrument 43-101. Dr. Hennigh has approved the disclosure contained under the heading "Mineral Property Interests" and has verified the scientific and technical data contained herein.

The following table summarizes the Company's current exploration programs at the SIB Property and Corey Mineral Claims, and total estimated cost to complete each exploration program, and total expenditures incurred during the period presented. For more information about exploration expenditures incurred by category, please see "Additional Disclosure for Venture Issuers Without Significant Revenue" below.

Summary of Completed Activities (Year Ended February 28, 2021)	(A) Spent (approx.)	Plans for the Project (Fiscal 2021)	(B) Planned Expenditures (approx.)
Based on the Company's working capital surplus of $10,546,684 on February 28, 2021 (February 29, 2020 – working capital deficit of $497,021), and anticipated exercise of warrants and options during the fiscal period the Company may not have sufficient funds for its exploration work requirements and will require a financing. The major variables are expected to be the size, timing, and results of the Company's exploration program. Notes 1 and 2 below refer to work on the Corey claims and SIB/Lulu and TV/Jeff	$2,201,000	Diamond drilling this Summer (2021) at the TV and Jeff occurrences (see Note 2 below) will follow up on drilling conducted in 2020. Data collected during the 2020 field season was compiled, evaluated, and interpreted during the remainder of the year and into 2021, and were used to develop the exploration plan for the 2021 field season. Permitting has been completed for a large-scale deep drilling program on the west and east limbs of the Eskay anticline. Additional core drilling will be conducted at C10, GFJ, and SIB (see Note 1). On the North Mitchell block, the intention remains to undertake further geologic mapping to help target mineralizing systems on the block, which lies north of Brucejack and east of Fe Cap. Follow-up reconnaissance prospecting, geochemical surveys, and mapping will be undertaken to better evaluate the potential for Eskay Creek-style mineralization in the Jurassic submarine volcanic stratigraphy on the property.	$14,095,000
	$2,201,000		**$14,095,000**

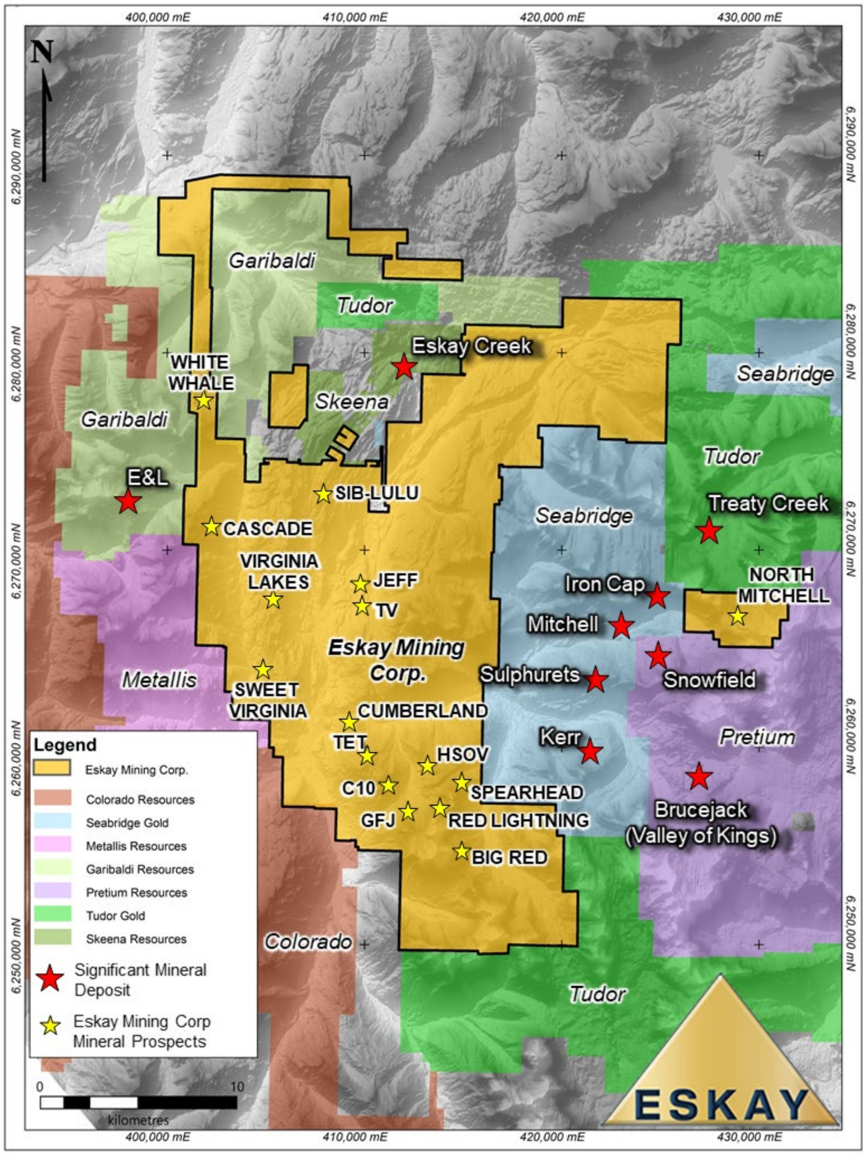
Most of the Company's tenures are in good standing until June 2029 with 5 tenures in good standing until at least June 22, 2024.

Note 1

Corey Mineral Claims

In September 1990, the Company acquired a 100% interest in mineral tenures located in the Skeena Mining Division, Province of British Columbia for $30,000 cash and a royalty of 5% of net profits from these claims to a maximum of $250,000.

These mineral properties are in northwestern British Columbia, 70 km northwest of Stewart. The Company holds a 100% interest in these mineral tenures subject to a 2% net smelter royalty.



Map showing property boundary, nearby mineral deposits, and the Au-Ag VMS deposits discussed in this report.

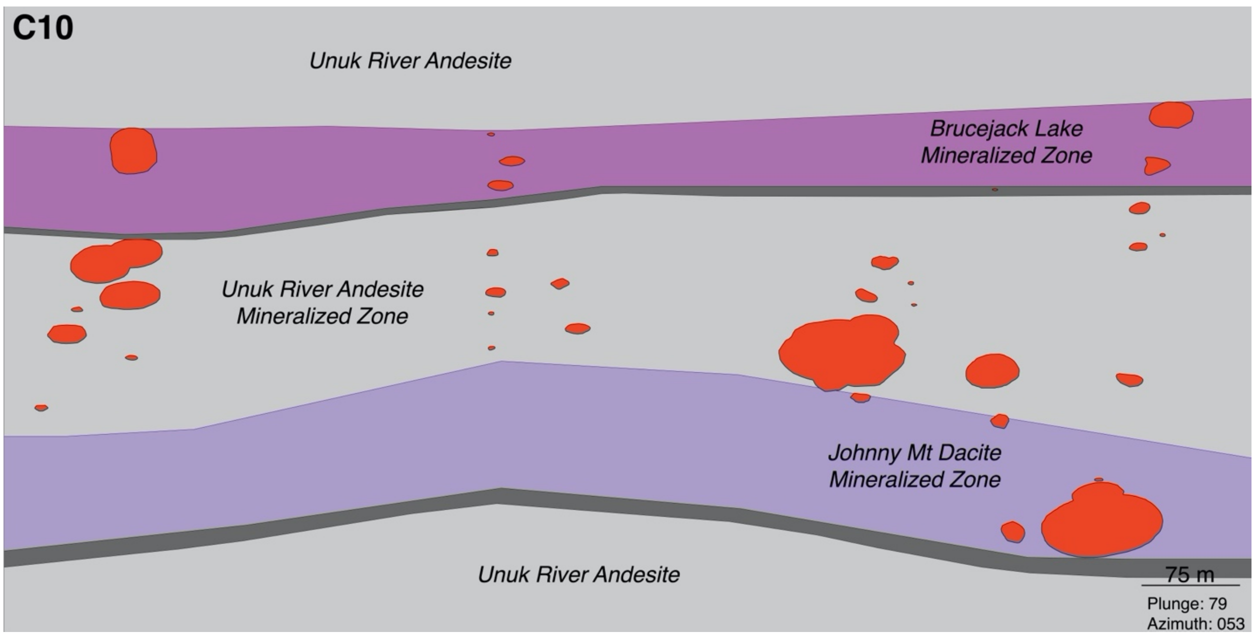
Tet-C10

Tet and C10 were a significant focus of the 2020 field program. Relogging and sampling of historic drill core, reconnaissance mapping, and induced-polarization (IP) investigations were conducted. Historic drilling at C10 intercepted numerous auriferous intervals grading as high as 99.4 g/t, with numerous intercepts in the 1-10 g/t range. Previous and new surface investigations at Tet show the presence of high-grade Ag sulfosalt mineralization.

Re-examination of historic drill core indicates that Tet-C10 are within the volcanic-arc related Betty Creek Formation, as are Jeff, TV, and the lower stratigraphy at SIB. Betty Creek Formation rocks at Tet-C10 are more metamorphosed than further north, however relict primary rock textures and mineralogy, coupled with geochemical analyses have confirmed the intermediate composition and volcanic arc-related nature of host rocks at Tet-C10. Examination of the topographic expression using 3-D modelling shows that Tet-C10 lies along the newly identified east limb of the Eskay anticline, forming a mineralized trend with Jeff and TV to the north.

Induced polarization investigations show chargeability and resistivity anomalies similar in shape, size, and magnitude to those at Jeff, TV; indicating the possible presence of several stratiform mineralized horizons. Mineralization encountered in historic drilling correlates with chargeability anomalies, just as at Jeff and TV. Several chargeability anomalies extend to the south and east beyond historic drilling in areas where past surface sampling has encountered Au and Ag mineralization.

The results summarized above are consistent with Tet-C10 forming a component of the east-limb Eskay anticline trend of VMS deposits along with TV and Jeff. The C10 deposit is a high-priority target for geologic mapping, sampling, and drilling in 2021.



Stratigraphic section of C10 looking down-dip.

<u>GFJ</u>

The IP surveys conducted at Tet-C10 extended eastwards to include the GFJ Au-Ag showing. These investigations show chargeability and resistivity anomalies similar in shape, size, and magnitude to those at Tet-C10; indicating the possible presence of several stratiform mineralized horizons. Past surface sampling has indicated the possibility of high-grade Au-Ag mineralization at GFJ. Most of the high-grade surface samples were collected in locations corresponding with chargeability anomalies. GFJ is a high priority target for mapping, sampling, and drilling in 2021.

<u>Red Lightning</u>

The 2020 field program included relogging 3 representative drill holes from Red Lightning, RL-3, RL-4, and CR06-86. These holes are characterized by gabbro intruded into contact metamorphosed Betty Creek Formation volcanic arc-related rocks. The gabbro has zones of silicate-sulfide immiscibility with sulfide minerals grading from disseminated to massive. Mineralogy is dominated by pyrrhotite and chalcopyrite, with sphalerite and Ni-sulfides as accessory minerals. The relative age of the gabbro places the intrusion during the period when VMS systems were active, suggesting the gabbro intrusions at E&L and Red

Lightning may represent the rift-related magmatic intrusions that drive VMS hydrothermal systems. This possibility is being investigated.

The grades intersected to date are sub-economic (20.4 m at 0.79% Cu, 0.42% Ni and 0.08% Co, including 10 m at 1.03% Cu, 0.55% Ni and 0.10% Co. The Red Lightning area remains prospective given its location along the Au-rich trend from C10-Tet to Spearhead identified by drilling and surface sampling.

Spearhead

Reconnaissance mapping, sampling, IP investigations, and relogging of historic drill core SH-2 was conducted at Spearhead in 2020.

Spearhead is a mudstone-hosted VMS deposit approximately 1 km northeast of Red Lightning. Mudstone with semi-massive sulfide mineralization outcrops on the surface forming a SE-NW trend extending approximately 150 meters. Past surface sampling encountered grades of 2-4 g/t along the mineralized outcrop. Surface investigations and examination of drill core SH-2 show that Spearhead is likely hosted within felsic volcanic rocks belonging to the Bruce Glacier felsic unit of the Upper Hazelton Group.

Induced polarization investigations show a correlation between outcropping mineralization and chargeability. Chargeability anomalies extend to the SE along the strike of the mineralized trend and extend down-dip along stratigraphy.

Detailed geologic mapping and systematic surface sampling will be conducted at Spearhead in 2021.

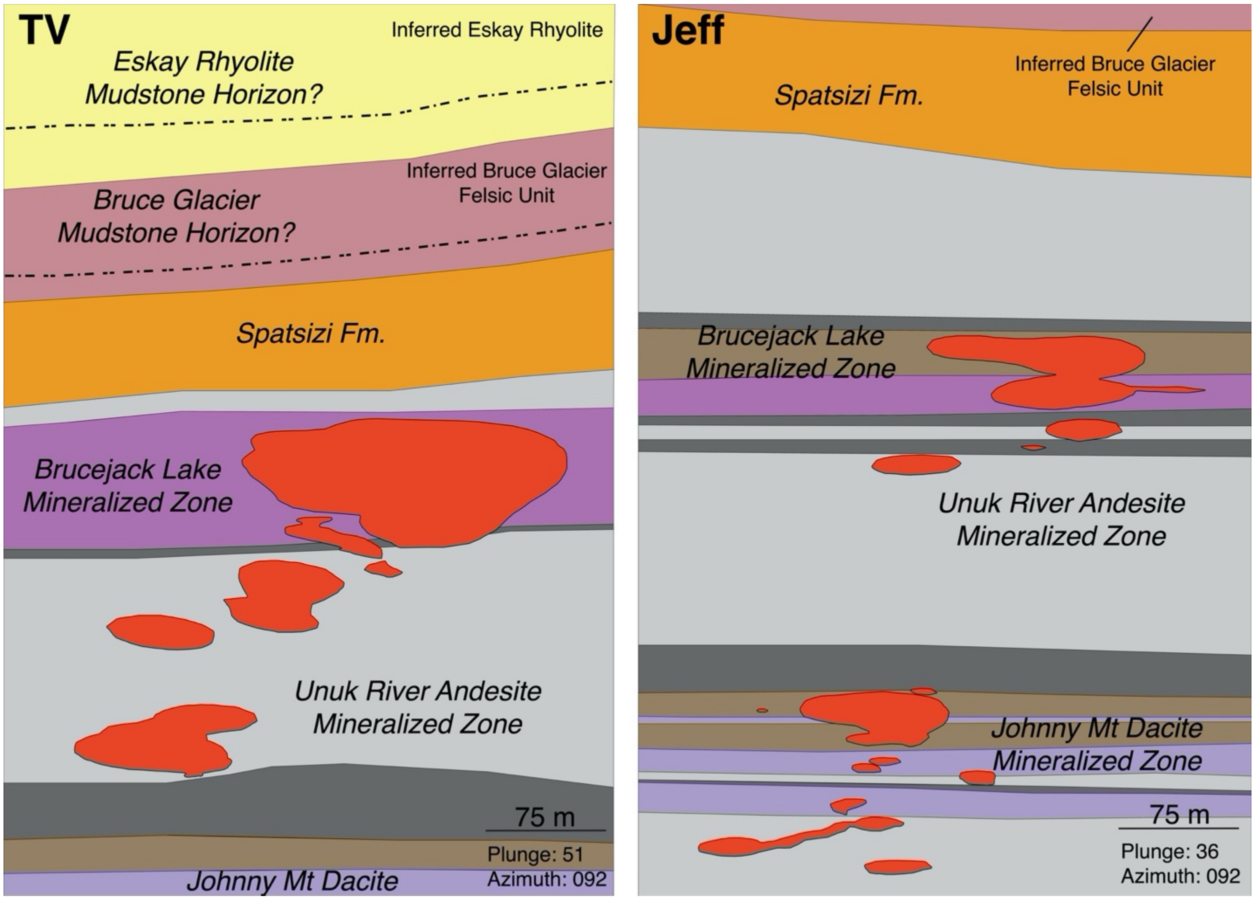
Note 2

Jeff and TV

The Jeff and TV deposits lie on the east limb of the Eskay anticline. The Jeff showing lies 4 km south-southeast of the Lulu zone and the TV showing 1.5 km south of Jeff.

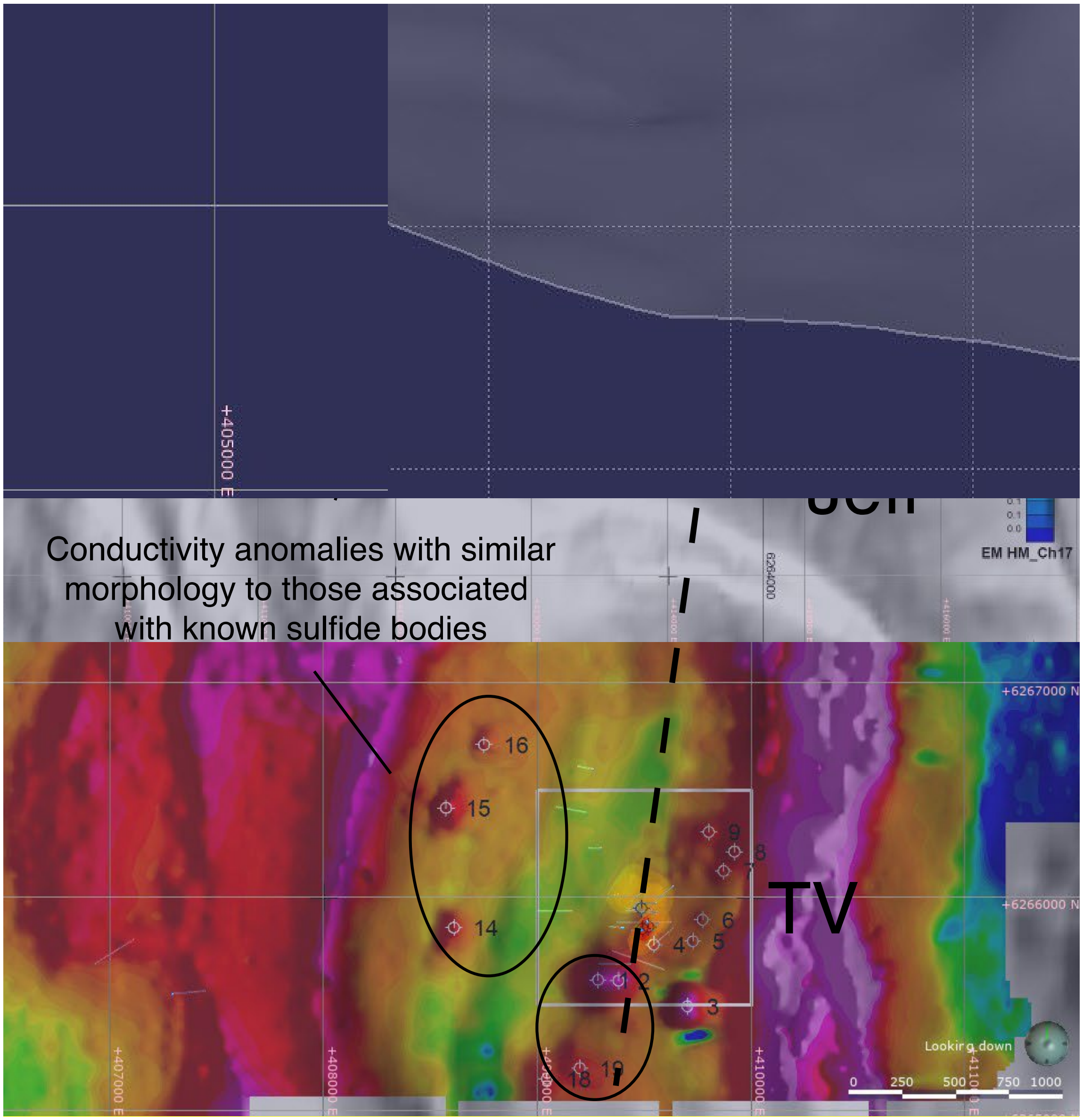
Drilling in 2020 intercepted Au grades as high as 84.4 g/t over 1 meter, and silver grades up to 2430 g/t. The TV and Jeff area has enormous precious metal potential and is a high priority for further exploration in 2021.

Stratiform Au-Ag VMS mineralization occurs within peperitic dacite and basalt, similar to the ELM Zone at Eskay Creek, and mineralization at SIB-Lulu. The deposits are associated with intense hydrothermal alteration, and subseafloor replacement replacement-style to stringer-style sulfide and sulfosalt mineralization. The precious metal mineralogy is primarily: electrum, arsenian pyrite, arsenopyrite, miargyrite, and pyrargerite.



Stratigraphic sections of TV and Jeff looking down-dip, mineralized zones are shown in red.

A SkyTEM survey of the area shows that known mineralization correlates with distinct high conductivity anomalies. Many such conductivity anomalies that lie on trend with TV and Jeff were discovered. Magnetotelluric (MT) and IP surveys were performed and support our model of stacked stratiform sulfide mineralization. As with the SkyTEM survey, the MT and IP surveys have anomalies that correlate well with the SkyTEM data and with known sulfide mineralization. Geophysical investigations have confirmed our geologic model, and will assist with drill planning on the numerous targets in the TV-Jeff area.



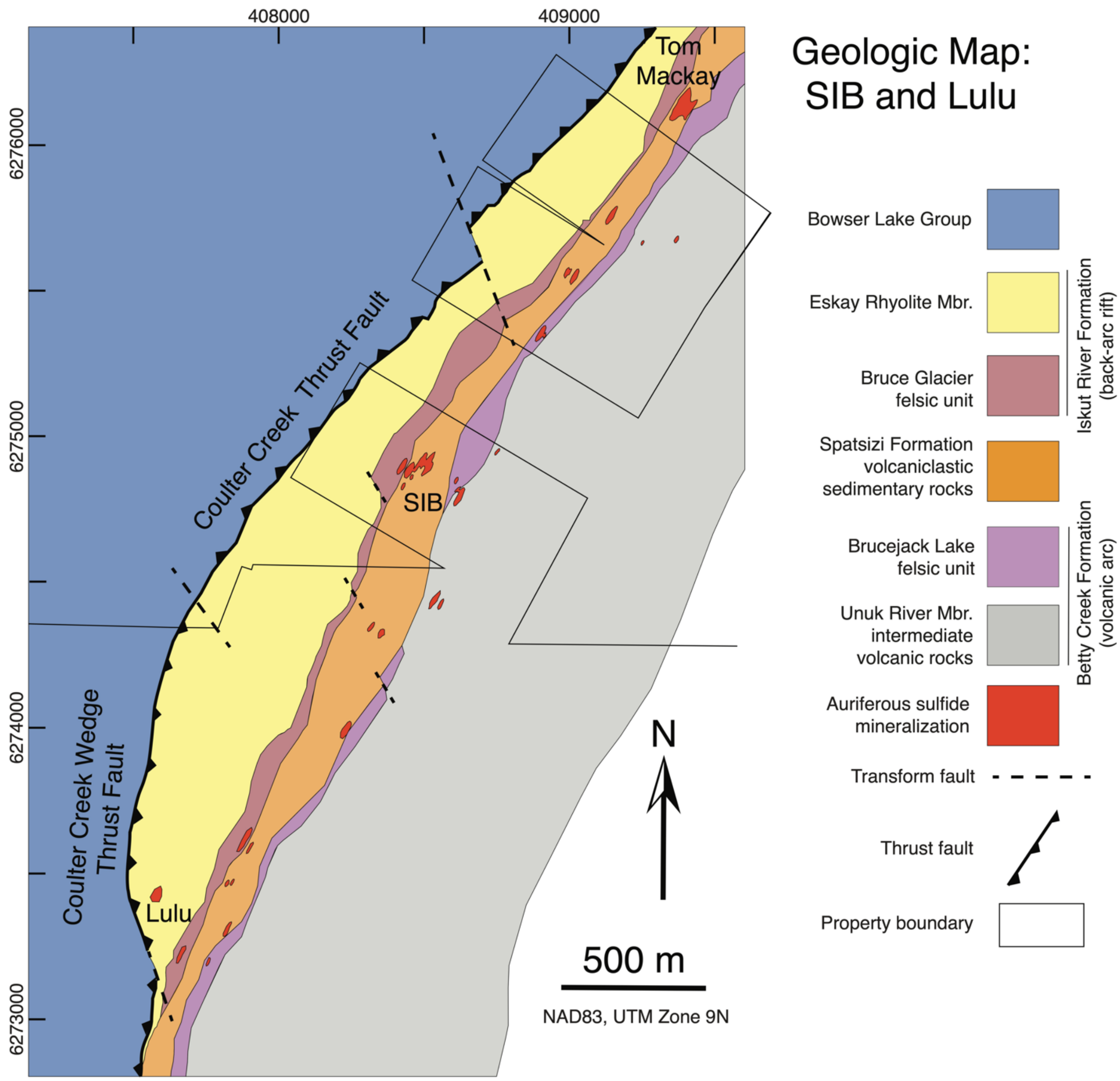
SkyTEM conductivity map of TV and Jeff showing known mineralized zones and anomalies suggestive of additional mineralized zones.

<u>SIB/Lulu</u>

SIB lies 4.5 km southwest of Eskay Creek Mine, with Lulu 2.5 km southwest of SIB. The SIB and Lulu showings are within a corridor of stratiform Au-Ag sulfide mineralization extending from Eskay Creek along the west limb of the Eskay anticline to the Lulu zone approximately 7 km to the southwest.

Work at SIB and Lulu comprised a detailed relogging and sampling of select drill holes for stratigraphic, structural, geochemical, mineralogical, and precious metal investigations. These investigations confirmed our reinterpretation of the Coulter Creek Thrust Fault as west-dipping with a wedge back-thrust near the Lulu Zone, and the presence of stratiform Au-Ag mineralization stratigraphically correlated with the Lower and Even Lower Mudstones at Eskay Creek, plus mineralization in stratigraphically deeper horizons within the Spatsizi and Betty Creek Formations. At Lulu the confirmation of the wedge back-thrust fault, and stratiform Au-Ag mineralization associated with intense hydrothermal alteration open up a new exploration strategy for SIB-Lulu. Three-dimensional modelling of historic drilling shows that the Lulu-horizon continues below the wedge back-thrust fault. This opens up the possibility for finding the continuation of the Lulu Zone.

Historic drilling encountered numerous intervals with 1-15 g/t grades along strike all the way from SIB to Lulu. Now that the geometry and style of mineralization have been ascertained exploration at SIB-Lulu can be performed in a systematic and targeted manner.

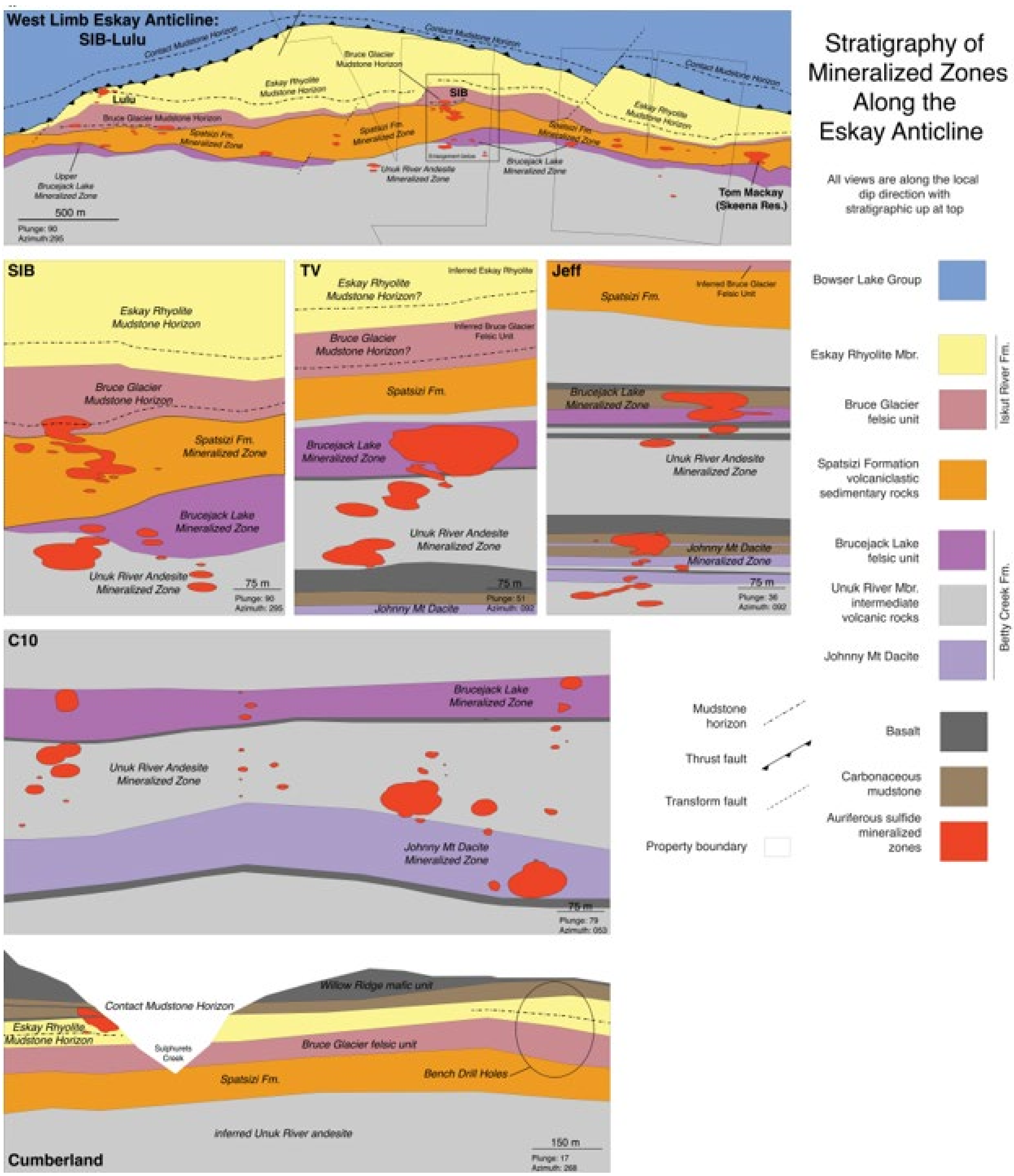


Geologic map of the SIB and Lulu VMS deposits. The Tom Mackay deposit is owned by Skeena Resources.

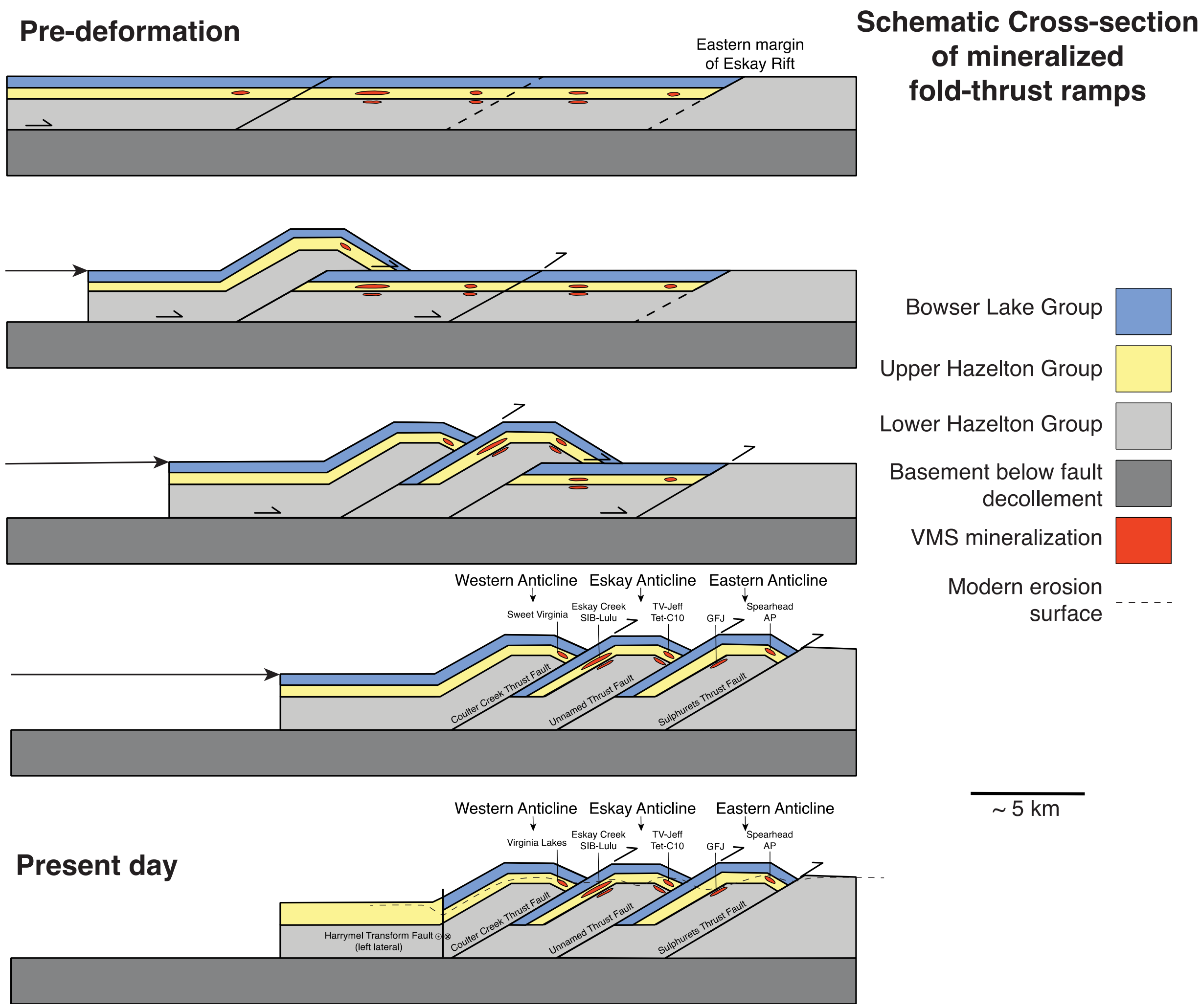
Property-wide exploration model and plan for 2021

Geological investigations conducted in 2020 were instrumental in developing a property-wide geological model to guide exploration for Au-Ag-bearing VMS deposits. We have identified six favorable horizons for mineralization: 1) Contact mudstone, 2) Eskay rhyolite peperite, 3) Bruce Glacier felsic unit peperite, 4) the Spatsizi Formation, 5) Brucejack Lake felsic unit peperite, and 6) Johnny Mt. dacite peperite. All of these horizons exhibit sub-seafloor replacement-style mineralization except the Spatsizi Formation which hosts stringer-style mineralization. These horizons are widely distributed across the Company's property and are hosted by three anticlines (Western, Eskay, and Eastern anticlines) that comprise a fold-thrust ramp complex. This structural model is consistent with geological observations and explains the spatial distribution of Au-Ag-bearing VMS deposits and Au anomalies detected by the 2020 BLEG survey on the property. The presence of six favorable horizons for VMS mineralization occurring on three anticlines opens up the entire property to exploration. Much of the 2021 field season will be devoted to developing drill targets property-wide based on the model discussed above.

The Company plans to drill a minimum of 30,000 meters focusing on expanding the footprint of mineralization at TV and Jeff and drilling underexplored targets at C10 and GFJ. Following up on the success of the SkyTEM survey of TV and Jeff in 2020, a property- wide SkyTEM survey will be conducted in 2021. An extensive geologic mapping and surface sampling program will be performed in order to refine our understanding of the structural geology and stratigraphy used to develop the geologic model that guides development of drill targets. A property-wide LiDAR and high-resolution orthoimagery survey will be conducted. These surveys will assist with geologic mapping and improve drill targeting. A follow-up BLEG survey will be performed on Au anomalies identified by the 2020 BLEG program in order to narrow down the sources of Au within prospective drainage basins.



Stratigraphic sections of deposits on the west limb of the Eskay anticline (SIB and Cumberland), and the East limb of the Eskay anticline (TV, Jeff, and C10).



Schematic showing proposed deformation history of mineralized Hazelton Group stratigraphy on Eskay Mining Corp. property. Late Jurassic and Tertiary intrusions have been omitted for clarity.

Deposits and Exploration Advances

As of February 28, 2021, the Company had $72,870 (February 29, 2020 - $72,870) of deposits and exploration advances held by the provincial government of British Columbia. Such deposits were required by the B.C Ministry of Energy and Mines to permit the Company to conduct exploration and evaluation activities in that province.

Selected Annual Financial Information

	Year ended February 28, 2021 ($)	Year ended February 29, 2020 ($)	Year ended February 28, 2019 ($)
Revenue	nil	nil	nil
Net loss	(14,181,357)	(1,304,786)	(693,671)
Net loss per share – basic and diluted	(0.10)	(0.01)	(0.01)
	As at February 28, 2021 ($)	**As at February 29, 2020 ($)**	**As at February 28, 2019 ($)**
Total assets	15,615,185	278,566	159,620
Total long-term liabilities	64,633	223,496	221,334

Summary of Quarterly Results

	Profit and Loss		
Three Months Ended	Total ($)	Basic and Diluted Loss Per Share [9] [10] ($)	Total Assets ($)
2021-February 28	(10,543,259) [1]	(0.08)	15,615,185
2020-November 30	(1,042,824) [2]	(0.01)	3,648,113
2020-August 31	(2,199,493) [3]	(0.02)	4,599,738
2020-May 31	(395,781) [4]	(0.00)	986,239
2020-February 29	(548,117) [5]	(0.00)	278,566
2019-November 30	(376,858) [6]	(0.00)	269,883
2019-August 31	(134,990) [7]	(0.00)	190,356
2019-May 31	(244,821) [8]	(0.00)	130,640

(1) Net loss of $10,543,259 consisted primarily of: exploration and evaluation expenditures of $1,215,679; professional fees of $126,453, office and general of $166,353; share-based payments of $9,298,100; management and consulting fees of $71,610; reporting issuer costs of $143,639 offset by write-off of other expense recoveries of $163,305 and flow-through share liability recovery of $121,057. All other expenses related to general working capital purposes.

(2) Net loss of $1,042,824 consisted primarily of: exploration and evaluation expenditure of $1,243,224; professional fees of $64,084; office and general of $52,468; and management and consulting fees of $49,110 and offset by flow-through share liability recovery of $408,415. All other expenses related to general working capital purposes.

(3) Net loss of $2,199,493 consisted primarily of: exploration and evaluation expenditures of $2,051,559; professional fees of $55,533; management and consulting fees of $49,110, offset by office and general of $55,960 and flow-through share liability recovery of $652,041. All other expenses related to general working capital purposes.

(4) Net loss of $395,781 consisted primarily of: exploration and evaluation expenditures of $311,650; professional fees of $40,840; and management; consulting fees of $49,110 and offset by office and general recovery of $7,709. All other expenses related to general working capital purposes.

(5) Net loss of $548,117 consisted primarily of: exploration and evaluation expenditures of $231,091; professional fees of $32,693, office and general of $110,118; share-based payments of $207,066 and management and consulting fees of $49,110 offset by deferred tax recovery of $28,619. All other expenses related to general working capital purposes.

(6) Net loss of $376,858 consisted primarily of: exploration and evaluation expenditure of $11,583; professional fees of $42,103; office and general of $55,522; share-based payments of $140,000 and management and consulting fees of $49,110. All other expenses related to general working capital purposes.

(7) Net loss of $134,990 consisted primarily of: exploration and evaluation expenditures of $540; professional fees of $14,354 and management and consulting fees of $116,610 offset by office and general of $238. All other expenses related to general working capital purposes.

(8) Net loss of $244,821 consisted primarily of: exploration and evaluation expenditures of $3,316; professional fees of $19,556; office and general of $2,456; share-based payments of $177,500 and management and consulting fees of $41,610. All other expenses related to general working capital purposes.

(9) Basic and diluted.

(10) Per share amounts are rounded to the nearest cent, therefore aggregating quarterly amounts may not reconcile to year-to-date per share amounts.

Financial Highlights

Financial Performance

Three Months Ended February 28, 2021, Compared with Three Months Ended February 29, 2020

Eskay's net loss totaled $10,543,259, for the three months ended February 28, 2021, with basic and diluted loss per share of $0.08. This compares with a net loss of $548,117 with basic and diluted loss per share of $0.00 for the three months ended February 29, 2020. The increase of $9,995,142 was principally because:

- During the three months ended February 28, 2021, exploration and evaluation expenditures increased by $984,588 compared to the three months ended February 29, 2020. See "Mineral Properties Interest" section above for a description of activities.

- The increase in share-based payments of $9,091,034 for the three months ended February 28, 2021, compared to the three months ended February 29, 2020, was due to 3,700,000 stock options issued in the 2020 period while 1,550,000 options were issued in the 2020 period. Share-based payments will vary from period to period depending upon the number of options granted and vested during a period and the fair value of the options calculated as at the grant date.

- The increase in flow-through share liability recovery of $92,901 for the three months ended February 28, 2021, compared to $nil for the three months ended February 29, 2020. This is due to the fact that the Company did not have to raise funds through flow-through shares during the three months ended February 29, 2020.

- During the three months ended February 28, 2021, professional fees increased by $93,760 compared to the three months ended February 29, 2020, due to the increased legal fees related to the closing of the private placements and the annual, which occurred during the three months ended February 29, 2021.

- During the three months ended February 28, 2021, other expense recoveries increased by $163,305 compared to the three months ended February 29, 2020 This balance includes a statue-barred balance of $161,105 which is now stale dated.

- During the three months ended February 28, 2021, reporting issuer costs increased by $127,150 compared to the three months ended February 29, 2020. This is due to the increased financing and exploration which occurred during the current fiscal year.

- All other expenses related to general working capital purposes.

Year Ended February 28, 2021, Compared with Year Ended February 29, 2020

Eskay's net loss totaled $14,181,357 for the year ended February 28, 2021, with basic and diluted loss per share of $0.10. This compares with a net loss of $1,304,786 with basic and diluted loss per share of $0.01 for the year ended February 29, 2020. The increase of $12,876,571 was principally because:

- During the year ended February 28, 2021, exploration and evaluation expenditures increased by $4,575,582 compared to the year ended February 29, 2020. See "Mineral Properties Interest" section above for a description of activities.

- The increase in share-based payments of $9,227,109 for the year ended February 28, 2021, compared to the year ended February 29, 2020, was due to 5,550,000 stock options issued with a weighted average exercise price of $2.09 in the 2021 period while 6,000,000 stock options with a weighted average exercise price of $0.10 were issued in the 2020 period. Share-based payments will vary from period to period depending upon the number of options granted and vested during a period and the fair value of the options calculated as at the grant date.

- The increase in flow-through share liability recovery of $1,152,894 for the year ended February 28, 2021, compared to the year ended February 29, 2020. This is due to the issuance of flow through shares during the year ended February 28, 2021.

- During the year ended February 28, 2021, management and consulting fees decreased by $37,500 compared to the year ended February 29, 2020 due to the accrual of directors fees covering the prior periods, which occurred during the year ended February 29, 2020.

- During the year ended February 28, 2021, professional fees increased by $178,204 compared to the year ended February 29, 2020 due to the increased legal fees related to the closing of the private placements, which occurred during the year ended February 28, 2021.

- During the year ended February 28, 2021, reporting issuer costs increased by $180,625 compared to the year ended February 29, 2020. This is due to the increased financing and exploration which occurred during the current fiscal year.

- During the year ended February 28, 2021, other expense recoveries increased by $163,305 compared to the year ended February 29, 2020. This balance represents a statue-barred balance which is now stale dated and is no longer considered material.

- All other expenses related to general working capital purposes.

Cash Flow

At February 28, 2021, the Company had cash of $14,473,006. The increase in cash of $14,295,699 from the February 29, 2020, cash balance of $177,307 was a result of cash outflow in operating activities of $6,171,755, cash outflow from investing activities of $80,963 and cash inflow from financing activities of $20,548,417.

Operating activities were affected by net loss of $14,181,357, non-cash adjustments of $8,413,323, and non-cash working capital items of $403,721. Non-cash adjustments consisted of share-based payments of $9,751,675, accretion of $2,242, amortization of $2,024, and was offset by flow through share recovery liability of $1,181,513, other expense recoveries of $161,105. Non-cash working capital balances consisted of an increase in amounts receivable of $86,793, an increase in prepaid expenses of $875,188, an increase in accounts payable and accrued liabilities of $941,602 and a decrease in amounts due to related parties of $383,342.

Investing activity was affected by the purchase of equipment of $80,963.

Financing activities were affected by proceeds from private placements of $20,001,625, proceeds from the exercise of stock options of $245,150, proceeds from the exercise of warrants of $1,228,655 and offset by share issuance costs of $927,013.

Liquidity and Financial Position

The activities of the Company, principally the acquisition, exploration, and evaluation of mineral properties, are financed through equity offerings and the exercise of warrants or options. The Company continues to seek capital through various means including the issuance of equity and/or debt.

The Company has no operating revenues and therefore must utilize its current cash reserves and other financing transactions to maintain its capacity to meet ongoing discretionary and committed exploration and operating activities.

At February 28, 2021, the Company had a working capital surplus of $10,546,684 (February 29, 2020 – working capital deficiency $497,021).

At February 28, 2021, the Company has no debt. Its credit and interest rate risk are minimal and amounts payable and other liabilities are short term and non-interest bearing.

The Company has traditionally supplemented equity financing from time to time by obtaining loans from related parties. These are used to provide interim, short-term financing to meet day-to-day cash flow needs on occasion and are not intended to be a long-term source of capital.

The Company's use of cash at present occurs, and in the future will occur, principally in two areas, namely, funding of its general and administrative expenditures and funding of its investment activities. Those investing activities include the cash components of the cost of acquiring and exploring its mineral claims. For fiscal 2021, the Company's expected administration and operating expenses are estimated to be $90,000 per month. The Company will continue to evaluate its exploration projects and is currently estimates its exploration budget to be $14,095,000.

Currently, the Company's operating and administration expenses are approximately $90,000 per month and $1,200,000 per month for exploration expenses. Based on the rate of expenditure, the Company does not have sufficient cash on hand and will have to raise equity capital in the near term in amounts sufficient to fund both exploration work and working capital requirements. Materially all the Company's exploration activities and a portion of the general and administrative costs are discretionary. Therefore, there is considerable flexibility in terms of the pace and timing of exploration and how expenditures have been, or may be, adjusted, limited, or deferred subject to current capital resources and potential to raise further funds. The Company requires to complete a financing to carry on business activities. The major variables are expected to be the size, timing and results of the Company's exploration program and its ability to continue to access capital to fund its ongoing operations. Although the Company has been successful in raising funds to date, there is no assurance that future equity capital or debt will be available to the Company in the amounts or at the times desired or on terms that are acceptable to the Company, if at all. See "Risk Factors" below.

The Company does not have sufficient working capital to cover its flow-through commitment, and intends to cover its flow-through commitment through additional equity financing.

Related Party Transactions

Related parties include the Board of Directors, officers, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Eskay was a party to the following transactions with related parties:

Management and Consulting Fees	Year Ended February 28, 2021 $	Year Ended February 29, 2020 $
Robert Myhill	26,250	45,000
Gordon McMehen	26,250	45,000
Hugh M. Balkam (1)	36,000	36,000
Balkam Partners Ltd. (2)	108,000	108,000
Marrelli Support Services Inc. (3)	22,440	22,440
Total	**218,940**	**256,440**

Professional Fees	Year Ended February 28, 2021 $	Year Ended February 29, 2020 $
Marrelli Support Services Inc. (4)	36,295	29,072
Total	**36,295**	**29,072**

(1) Fees for performing the function of Chief Executive Officer.

(2) Management fees charged by Balkam Partners Ltd., a company controlled by Hugh M. Balkam, an officer of the Company. As at February 28, 2021, Balkam Partners Ltd. and Hugh M. Balkam were owed $7,229 (February 29, 2020 - $362,132) and these amounts were included in amounts due to related parties.

(3) Fees for performing the function of Chief Financial Officer ("CFO") charged by Marrelli Support Services Inc., a company controlled by Carmelo Marrelli, CFO of the Company.

(4) Professional fees charged by Marrelli Support Services Inc., a company controlled by Carmelo Marrelli, CFO of the Company. As at February 28, 2021, the Company owed this company $7,053 (February 29, 2020 - $24,915).

(5) As at February 28, 2021, Hugh M. Balkam, an officer of the Company, was owed $nil (February 29, 2020 - $31,782) which pertained to interest accrued on a loan advanced to the Company during the year ended February 29, 2020.

(6) As at February 28, 2021 the Company owed certain officers, directors and parties related to officers and directors $15,010 (February 29, 2020 - $458,407), excluding interest disclosed in (5) above, in relation to the transactions described above. These balances are unsecured, non-interest bearing and due on demand.

(7) During the year ended February 28, 2021, the Company paid professional fees and disbursements of $253,072 (February 29, 2020 - $62,186) to Gardiner Roberts LLP ("Gardiner"), a law firm of which William R. Johnstone, Corporate Secretary of the Company, is a partner. These services were incurred in the normal course of operations for general corporate matters. As at February 28, 2021, Gardiner is owed $85,995 (February 29, 2020 - $13,257) and this amount is included in amounts due to related parties. These balances are unsecured, non-interest bearing, and due on demand.

During the year ended February 28, 2021, a director of the Company subscribed for 2,452,941 units for $417,000, in connection to the June 19, 2020, private placement.

During the year ended February 28, 2021, the Company granted 5,050,000 stock options to directors and consultants between $0.24 and $3.00 per share for five years expiring June 24, 2025, July 21, 2025, and February 25, 2026. These options vested immediately and have a grant date fair value of $8,953,740.

During the year ended February 28, 2021, 2,130,129 shares were issued to a director of the Company for settlement of $362,122 of debt.

To the knowledge of the Company, as at February 28, 2021, Hugh Balkman, a director of the Company owns 16,183,345 common shares of the Company carrying approximately 10.3% of the voting rights attached to all common shares of the Company. As at February 28, 2021, directors and officers of the Company control an aggregate of 21,676,920 common shares of the Company or approximately 13.8% of the shares outstanding.

The Company is currently not aware of any arrangements that may at a subsequent date result in a change in control of the Company. To the knowledge of the Company, it is not directly or indirectly owned or controlled by another corporation, by any government or by any natural or legal person severally or jointly.

Environmental Contingency

The Company's mining and exploration activities are subject to various government laws and regulations relating to the protection of the environment. These environmental regulations are continually changing and generally becoming more restrictive. As of February 28, 2021, the Company does not believe that there are any significant environmental obligations requiring material capital outlays in the immediate future.

Financial Instruments

The Company's financial instruments consist of:

Description	February 28, 2021 $	February 29, 2020 $
Cash	14,473,006	177,307
Amounts receivable	105,908	19,115
Amounts payable and other liabilities	792,010	212,530
Amounts due to related parties	106,845	490,187
Other liabilities	nil	161,105

The primary goals of the Company's financial risk management policies are to ensure that the outcome of activities involving elements of risk is consistent with the Company's objectives and risk tolerance, while maintaining an appropriate risk/reward balance and protecting the Company's statement of financial position from events that have the potential to materially impair its financial strength. Balancing risk and reward is achieved through: identifying risk appropriately, aligning risk with overall business strategy, diversifying risk, pricing appropriately for risk, mitigation through preventive controls, and transferring risk to third parties.

The long-term corporate objective and strategic plan remain unchanged. However, the short-term objective and plan continue to be modified to reflect global economic, financial, and general market conditions, which will inevitably have an impact on the overall risk assessment of the Company. Such modifications include streamlining operational costs and preserving cash to the extent possible.

The Company's risk exposures and the impact on its financial instruments are summarized below:

Financial risk

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest risk rate, foreign currency risk and commodity and equity price risk). Risk management is carried out by the Company's management team with guidance from the Audit Committee and Board of Directors. There have been no changes in the risks, objectives, policies and procedures of the Company during the years ended February 28, 2021 and February 29, 2020.

(i) Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligations. The Company's credit risk is primarily attributable to cash and amounts receivable. Cash is held with select major Canadian chartered banks, from which management believes the risk of loss to be minimal. Amounts receivable consist of sales taxes receivable from government authorities in Canada and other receivables. Management believes that the credit risk concentration with respect to amounts receivable is minimal.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether because of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its financing activities. As of February 28, 2021, the Company had cash of $14,473,006 (February 29, 2020 - $177,307) to settle current liabilities of $4,916,692 (February 29, 2020 - $702,717). All the Company's current financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity.

The Company's ability to continually meet its obligations and carry out its planned exploration activities is uncertain and dependent upon the continued financial support of its shareholders and securing additional financing.

(iii) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity and equity prices.

(a) Interest rate risk

The Company's overall exposure to the risk of changes in market interest rates relates primarily to its bank current account balances. At prevailing market interest rates, the impact on interest income is minimal.

(b) Foreign currency risk

The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the Company's exposure to foreign currency risk is minimal.

(c) Commodity and equity price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices as they relate to valuable minerals to determine the appropriate course of action to be taken by the Company.

Based on management's knowledge and experience of the financial markets, the Company does not believe it was exposed to any material movements in the underlying market risk variables during the year ended February 28, 2021.

Sensitivity analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are reasonably possible over a twelve-month period:

(i) Cash is subject to floating interest rates. The Company has no variable interest bearing debt and receives low interest rates on its cash balances. As such, the Company does not have significant interest rate risk.

(ii) The Company does not hold balances in foreign currencies to give rise to exposure to foreign exchange risk.

Capital Management

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and

- to maximize shareholder return.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook for the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis. The Company's ability to continue to carry out its planned exploration activities is uncertain and dependent upon the continued financial support of its shareholders and securing additional financing.

The Company considers its capital to be equity, which comprises share capital, reserves and accumulated equity, which at February 28, 2021, totaled $10,633,860 (February 29, 2020 - deficiency of $647,647).

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on activities related to its mineral exploration properties. Selected information is provided to the Board of Directors of the Company.

The Company's capital management objectives, policies and processes have remained unchanged during the year ended February 28, 2021. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than Policy 2.5 of the TSXV which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of February 28, 2021, the Company is compliant with Policy 2.5.

Commitments

Management contract
The Company is party to management contracts that require additional payments of up to $144,000 to be made upon the occurrence of certain events such as termination for any reason, other than for just cause. The Company is also party to management contracts that require additional payments of up to $816,000 to be made upon the occurrence of certain events such as a change of control. As the triggering event has not occurred, the contingent payments have not been reflected in these financial statements.

Flow-through commitment
The Company is obligated to spend $17,246,685 by December 31, 2022. As at February 28, 2021, the Company had spent $3,674,003 as part of the flow-through funding agreement for shares issued during the year ended February 28, 2021. The flow-through agreements require the Company to renounce certain tax deductions for Canadian exploration expenditures incurred on the Company's mineral properties to flow-through participants. The Company has indemnified the subscribers for any related tax amounts that become payable by the subscribers as a result of the Company not meeting its expenditure commitments. The Company does not have sufficient working capital to cover it's flow-through commitment, and intends to cover its flow-through commitment through additional equity financing.

Share Capital

As of the date of this MD&A, the Company had 162,481,386 issued and outstanding common shares, 21,082,934 warrants and 14,020,000 stock options outstanding. Therefore, the Company had 197,584,320 common shares on a fully diluted basis.

Proposed Transactions

There are no proposed transactions of a material nature being considered by the Company at the date of this MD&A. However, the Company continues to evaluate properties and corporate opportunities to advance its exploration, development and objectives.

Risks and Uncertainties

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Only investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment should undertake such investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. The Company's financial condition, results of operations and businesses are subject to certain risks, certain of which are described below (and elsewhere in this MD&A):

Additional Funding Requirements

The Company is reliant upon additional equity financing in order to continue its business and operations, because it is in the business of mineral exploration and at present does not derive any income from its mineral assets. There is no guarantee that future sources of funding will be available to the Company. If the Company is not able to raise additional equity funding in the future, it will be unable to carry out its business.

Commodity Price Volatility

The price of various commodities that the Company is exploring for can fluctuate drastically, and is beyond the Company's control. The Company is specifically concerned with the prices of precious and base metals and other minerals. While the Company would benefit from an increase in the value of precious and base metals and other minerals, a decrease in the value of precious and base metals and other minerals could also adversely affect it.

Title to Mineral Properties

Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed or impugned. Although the Company has investigated its title to the mineral properties for which it holds an option or concessions or mineral leases or licences, there can be no assurance that the Company has valid title to such mineral properties or that its title thereto will not be challenged or impugned. For example, mineral properties sometimes contain claims or transfer histories that examiners cannot verify; and transfers under foreign law often are complex. The Company does not carry title insurance with respect to its mineral properties. A successful claim that the Company does not have title to a mineral property could cause the Company to lose its rights to mine that property, perhaps without compensation for its prior expenditures relating to the property.

Mineral Exploration

Mineral exploration involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, tailings impoundment failures, cave-ins, landslides and the inability to obtain adequate machinery, equipment or labour are some of the risks involved in mineral exploration and exploitation activities. The Company has relied on and may continue to rely on consultants and others for mineral exploration and exploitation expertise. Substantial expenditures are required to establish mineral reserves and resources through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of some properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining, or to upgrade existing infrastructure. There can be no assurance that the funds required to exploit any mineral reserves and resources discovered by the Company will be obtained on a timely basis or at all. The economics of exploiting mineral reserves and resources discovered by the Company are affected by many factors, many outside the control of the Company, including the cost of operations, variations in the grade of ore mined and metals recovered, price fluctuations in the metal markets, costs of processing equipment, and other factors such as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. There can be no assurance that the Company's mineral exploration and exploitation activities will be successful.

Country Risk

The Company could be at risk regarding any political developments in the country in which it operates. At present, the Company is only active in Canada.

Uninsurable Risks

Mineral exploration activities involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences and political and social instability. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could negatively affect the Company's profitability and financial position and the value of its common shares. The Company does not maintain insurance against environmental risks.

Environmental Regulation and Liability

The Company's activities are subject to laws and regulations controlling not only mineral exploration and exploitation activities themselves but also the possible effects of such activities upon the environment.

Environmental legislation may change and make the mining and processing of ore uneconomic or result in significant environmental or reclamation costs. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mineral exploitation activities, such as seepage from tailings disposal areas that could result in environmental pollution. A breach of environmental legislation may result in the imposition of fines and penalties or the suspension or closure of operations. In addition, certain types of operations require the submission of environmental impact statements and approval thereof by government authorities.

Environmental legislation is evolving in a manner that may mean stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their directors, officers and employees. Permits from a variety of regulatory authorities are required for many aspects of mineral exploitation activities, including closure and reclamation. Future environmental legislation could cause additional expense, capital expenditures, restrictions, liabilities and delays in the development of the Company's properties, the extent of which cannot be predicted. In the context of environmental permits, including the approval of closure and reclamation plans, the Company must comply with standards and laws and regulations that may entail costs and delays, depending on the nature of the activity to be permitted and how stringently the regulations are implemented by the permitting authority. The Company does not maintain environmental liability insurance.

Regulations and Permits

The Company's activities are subject to a wide variety of laws and regulations governing health and worker safety, employment standards, waste disposal, protection of the environment, protection of historic and archaeological sites, mine development and protection of endangered and protected species and other matters. The Company is required to have a wide variety of permits from governmental and regulatory authorities to carry out its activities. These permits relate to virtually every aspect of the Company's exploration and exploitation activities. Changes in these laws and regulations or changes in their enforcement or interpretation could result in changes in legal requirements or in the terms of the Company's permits that could have a significant adverse impact on the Company's existing or future operations or projects. Obtaining permits can be a complex, time-consuming process. There can be no assurance that the Company will be able to obtain the necessary permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict the Company from continuing or proceeding with existing or future operations or projects. Any failure to comply with permits and applicable laws and regulations, even if inadvertent, could result in the interruption or closure of operations or material fines, penalties or other liabilities.

Potential Dilution

The issue of common shares of the Company upon the exercise of the options and warrants will dilute the ownership interest of the Company's current shareholders. The Company may also issue additional options and warrants or additional common shares from time to time in the future. If it does so, the ownership interest of the Company's then current shareholders could also be diluted.

Management

The success of the Company is currently largely dependent on the performance of its management. Shareholders will be relying on the good faith, experience and judgment of the Company's management and advisers in supervising and providing for the effective management of the business of the Company. The loss of the services of these persons could have a materially adverse effect on the Company's business and prospects. There is no assurance the Company can maintain the services of its management or other qualified personnel required to operate its business. Failure to do so could have a materially adverse effect on the Company and its prospects.
Additionally, directors and officers of the Company may also serve as directors and/or officers of other public companies from time to time.

Consequently, such directors and officers will be dividing their time between their duties to the Company and their duties to their other reporting issuers.

The Company has not purchased management insurance, nor has it entered into non-competition and nondisclosure agreements with management and has no current plans to do so.

First Nations and Aboriginal Rights

Eskay is committed to working in partnership with our local communities and First Nations in a manner which fosters active participation and mutual respect. Eskay works towards minimizing negative project impacts, encouraging certain joint consultation processes, addressing certain decision making processes and towards maintaining meaningful ongoing dialogue not only for the Company but for all participants in the Golden Triangle region of British Columbia.

Many of Eskay's contractors and suppliers live and work in the local communities. The Company regularly consults with communities proximal to the Company's exploration activities to advise them of plans and answer any questions they may have about current and future activities. The objective is to operate to the benefit of the shareholders and the local communities using the resources and the environment today without compromising the long-term capacity to support post exploration and ultimately post mining land uses.

First Nations and indigenous groups in British Columbia are increasingly making lands and rights claims in respect of existing and prospective resource projects on lands asserted to be First Nation or indigenous traditional or treaty lands. Should a First Nation or indigenous group make such a claim in respect of the Properties and should such claim be resolved by government or the courts in favour of the First Nation or indigenous group, it could materially adversely affect the business of Eskay. In addition, consultation issues relating to First Nation interests and rights may impact the Company's ability to pursue exploration, development and mining at its projects and could results in costs and delays or materially restrict Eskay's activities. In addition, the government of British Columbia has passed Bill 41, which commits it to making the laws of British Columbia consistent with the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP). The incorporation of the principles of UNDRIP into and the impact on the regulations and regulatory practices relating to exploration and development of mining properties in British Columbia remain uncertain, but they likely will create new risks and responsibilities for the Company in respect of the exploration and development of its Properties.

Disclosure of Internal Controls

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence to ensure that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the financial statements, and (ii) the financial statements fairly present in all material respects the financial condition, results of operations and cash flow of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

(i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

(ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with the issuer's GAAP (IFRS).

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Recent Accounting Pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2020. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IAS 1 – Presentation of Financial Statements ("IAS 1") and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8") were amended in October 2018 to refine the definition of materiality and clarify its characteristics. The revised definition focuses on the idea that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements. The amendments are effective for annual reporting periods beginning on or after January 1, 2020. Earlier adoption is permitted.

Subsequent events

On March 8, 2021, the Company announced that it had closed the acquisition of 23,703,688 common shares of Garibaldi Resources Corp ("GGI") from The Sprott Foundation in consideration for the issuance of 4,211,719 units of Eskay at a price of $2.56 per unit. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to purchase one common share of the Company at a price of $2.82 per warrant until the earlier of: (i) March 8, 2023; and (ii) in the event that the closing price of the common shares on the TSX Venture Exchange is at least $3.72 for twenty (20) consecutive trading days, and the 20th trading day (the "Final Trading Day") is on or after August 1, 2021, the date which is thirty (30) days from the Final Trading Day.

On March 25, 2021, the Company announced that it had acquired the remaining 20% interest in the SIB property from St. Andrew Goldfields Ltd. and now owns 100% of the property. St. Andrew Goldfields previous 20% interest has been converted into a 2% Net Smelter Royalty ("NSR"). Eskay has the right, exercisable at any time, to purchase on half of the 2% NSR for $3 million and has a right of first refusal to purchase the remaining 1% NSR.

On April 22, 2021, the Company announce that it had commenced its 2021 exploration program with a property wide SkyTem Survey across its 100% owned Consolidate Eskay precious metal-rich volcanogenic massive sulphide ("VMS") project in the Golden Triangle, British Colombia.

Subsequent to year end, 238,127 warrants with an exercise price of $1.30 were exercised for gross proceeds of $309,565.

Subsequent to year end, 262,255 warrants with an exercise price of $0.90 were exercised for gross proceeds of $236,029.

Subsequent to year end, 350,000 options with an exercise price of $0.08 were exercised for gross proceeds of $28,000.

Additional Disclosure for Venture Issuers without Significant Revenue

A summary of general and administrative expenses for the periods set forth below is as follows:

Detail	Year Ended February 28, 2021 $	Year Ended February 29, 2020 $
Professional fees	286,910	108,706
Reporting issuer costs	205,882	25,257
Office and general	267,072	167,858
Advertising and promotion	181	nil
Management and consulting fees	218,940	256,440
Interest and bank charges	8,163	4,195
Share-based payments	9,751,675	524,566
Total	**10,738,823**	**1,087,022**