



**BIG RIDGE GOLD CORP.**  
*(An Exploration Stage Company)*

**MANAGEMENT'S DISCUSSION AND  
ANALYSIS**

**For the Three Months Ended  
September 30, 2021**

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

The following Management's Discussion and Analysis ("MD&A") of Big Ridge Gold Corp. ("Big Ridge" or "the Company") provides information relevant to an assessment and understanding of the financial condition and results of operations of the Company. This MD&A should be read in conjunction with the Company's condensed interim consolidated financial statements for the three months ended September 30, 2021 and 2020 and the notes thereto, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board, including International Accounting Standard 34 – Interim Financial Reporting.

This MD&A includes information available to and is dated November 23, 2021. Unless otherwise stated, all currency amounts are stated in Canadian dollars, and all financial information provided in this MD&A is prepared in accordance with IFRS.

### **FORWARD LOOKING INFORMATION**

Certain information contained in this MD&A constitutes forward-looking information within the meaning of Canadian securities laws ("forward-looking statements"). All statements in this MD&A, other than statements of historical fact, which address events, results, outcomes or developments that Big Ridge expects to occur are forward-looking statements.

Forward-looking statements relate to future events or future performance and reflect management's expectations or beliefs regarding future events and include, but are not limited to, statements with respect to the estimation of mineral reserves and resources, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, success of mining operations, environmental risks, permitting risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology. By their very nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks related to actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of resources; possible variations in ore reserves, grade or recovery rates; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; as well as those factors detailed from time to time in the Company's interim and annual financial statements which are filed and available for review on SEDAR at [www.sedar.com](http://www.sedar.com). Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

Other than as specifically required by law, Big Ridge undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made, or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results otherwise.

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public

health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. 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 results of operations at this time.

## **QUALIFIED PERSONS AND CAUTIONARY NOTE REGARDING MINERAL RESOURCES**

The disclosure in this MD&A of a scientific or technical nature for the Company's Hope Brook Gold Project, including disclosure of mineral resources, is based on the HBGP Technical Report (as hereinafter defined) prepared in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("**NI 43-101**"), as summarized under "Hope Brook Gold Project" in this MD&A, and other information that has been prepared by or under the supervision of "qualified persons" (as such term is defined in NI 43-101) with the consent of such persons. The HBGP Technical Report has been filed on SEDAR and can be reviewed at [www.sedar.com](http://www.sedar.com). Actual recoveries of mineral products may differ from reported mineral reserves and resources due to inherent uncertainties in acceptable estimating techniques. In particular, "indicated" and "inferred" mineral resources have a greater amount of uncertainty as to their existence, economic and legal feasibility. It cannot be assumed that all or any part of an "indicated" or "inferred" mineral resource will ever be upgraded to a higher category of resource or, ultimately, a reserve. Mineral resources that are not mineral reserves do not have demonstrated economic viability. Investors are cautioned not to assume that all or any part of a mineral deposit with resources in these categories will ever be converted into proven or probable reserves.

Except where specifically indicated otherwise, the scientific and technical information contained in this MD&A was reviewed and approved by Nick Tintor, Chair of the Board of Directors of the Company, and Richard Mazur, P.Geol., a Director of the Company. Messrs. Tintor and Mazur are Qualified Persons in accordance with NI 43-101.

## **CAUTIONARY NOTE TO U.S. INVESTORS**

This MD&A has been prepared in accordance with the requirements of the securities laws in effect in Canada, which differ materially from the requirements of United States securities laws applicable to U.S. companies. For U.S reporting purposes, the United States Securities and Exchange Commission (the "SEC") has adopted amendments to its disclosure rules (the "SEC Modernization Rules") to modernize the mineral property disclosure requirements for issuers, referred to as "mining registrants", whose securities are registered with the SEC. These amendments became effective in February 2019 with compliance required for the first fiscal year beginning on or after January 1, 2021. While not applicable to Big Ridge, the SEC Modernization Rules replace the historical property disclosure requirements for mining registrants that were included in SEC Industry Guide 7, which will be rescinded from and after the required compliance date of the SEC Modernization Rules. Information concerning our mineral properties has been prepared in accordance with the requirements of Canadian securities laws, which differ in material respects from the requirements of the SEC set forth in Industry Guide 7. In accordance with NI 43-101, the terms "mineral reserve", "proven mineral reserve", "probable mineral reserve", "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource" are defined in accordance with CIM standards. While the terms "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource" are recognized and required by NI 43-101, and now recognized under the SEC Modernization Rules, SEC Industry Guide 7 does not recognize them. Readers of this MD&A are cautioned that mineral resources do not have demonstrated economic viability. Inferred mineral resources have a high degree of uncertainty as to their existence and as to whether they can be economically or legally mined. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Therefore, readers are cautioned not to assume that all or any part of an inferred mineral resource exists, that it can be economically or legally mined, or that it will ever be upgraded to a higher category. Likewise, readers are cautioned not to assume that all or any part of measured mineral resources or indicated mineral resources will ever be upgraded into mineral reserves.

## OVERVIEW OF BIG RIDGE

Big Ridge is focused on the acquisition, exploration and development of precious metals properties located in Canada. The Company was incorporated under the provisions of the Business Corporations Act (British Columbia) on June 6, 1987. The Company is listed on the TSX Venture Exchange as a Tier 2 mining issuer under the trading symbol BRAU and is a reporting issuer in the provinces of British Columbia and Alberta.

The Company is currently advancing the Hope Brook Gold Project under the terms of an option agreement with First Mining Gold Corp., discussed below, pursuant to which it may earn an interest of up to 80%. Big Ridge considers the Hope Brook Gold Project its only material resource property interest.

In addition, the Company owns 100% interests in the following resource properties:

- The Destiny Gold Property in Quebec. Big Ridge has entered into an option agreement with Clarity Gold Corp (CSE:CLAR), described below, pursuant to which Clarity may earn an interest of up to 100% in this property, and consequently has ceased to incur costs related to Destiny.
- The Oxford Gold Property in Manitoba. Big Ridge has entered into an Exploration Agreement with the Bunibonabee Cree Nation (“BCN”), which will enable the Company to recommence exploration activity at Oxford once a Heritage Resource Impact Assessment can be completed. As reported below, the completion of this study has been delayed as a result of public health protection measures undertaken by the BCN as a response to COVID-19.
- The Miner Lake Gold Property located near Beardmore, Ontario. Big Ridge has entered into an agreement to sell its interest in Miner Lake and four additional properties located close to Miner Lake, and consequently the Company has made no expenditures on these properties in the current period.

## OPERATIONAL HIGHLIGHTS

During the period ended September 30, 2021, the Company commenced operations at the Hope Brook Gold Project. This involved the following work, all of which was undertaken in advance of the first meaningful exploration program at Hope Brook since 2012.

- Refurbishment of existing equipment on site, acquisition of equipment and support vehicles, and construction and refurbishment of buildings at Hope Brook to support a planned year-round exploration and drilling program.
- Completion of line-cutting and a Controlled Source Audio-frequency Magnetotellurics (CSAMT) geophysical survey designed to test the large 1,200 meter (“m”) gap between the 240 Zone and Main Zone and extensions to the southwest and northeast of the 240 and Main Zones. This program is expected to better define current targets and identify new ones across the large concession package striking for more than 30 kilometers. The results of this work are pending at the date of this MD&A.
- Commencement of work to update an ore sorting study undertaken in 2013.
- Securing the services of key service providers, including a drilling contractor and water-based and fixed-wing logistical support.

This followed on from a number of changes made by the Company in the fiscal year ended June 30, 2021 in preparation for taking on a more advanced exploration/development project, including:

- Entering into an option agreement with First Mining Gold Corp. pursuant to which the Company may earn an interest of up to 80% in the Hope Brook Gold Project.
- Strengthening the board and management team.
- Completing two financings and the acquisition of Empress Resources Corp., which resulted in aggregate gross proceeds of \$8.3 million becoming available to the Company.
- Entering into an exploration agreement with the Bunibonabee Cree Nation (“BCN”) that creates a pathway to the resumption of exploration activity at the Oxford gold project, subject to the completion of an archeological study in conjunction with the BCN.

- Optioning out the Company's 100% interest in the Destiny project in Quebec and entering into a sale agreement to divest the Company's Ontario-based properties, narrowing the focus outside of the Hope Brook project to a single early stage project.

**Year ended June 30, 2021:**

***Flow-Through Unit Financing and Acceleration of Warrants:***

On June 30, 2021, Big Ridge closed a brokered private placement of 24,390,500 flow-through units at a price of \$0.205, with each unit consisting of one flow-through share and one warrant exercisable at a price of \$0.18 per share and expiring on June 30, 2023, for gross proceeds of \$5,000,053.

The trading price of Big Ridge's shares in the period from June 8 to June 21, 2021, following the announcement of this financing, enabled Big Ridge to trigger the early expiry of 22,325,000 warrants issued in connection with its May 2020 private placement. From June 22 to June 30, 2021 warrant holders exercised a total of 6,250,000 warrants for aggregate proceeds of \$1,250,000, and the remaining 16,075,000 warrants were exercised subsequent to year end for additional proceeds of \$3,215,000.

***Acquisition of Empress Resources and concurrent financing:***

- On July 7, 2020, Big Ridge completed its acquisition of the outstanding securities of Empress Resources Corp. ("Empress"), under a Plan of Arrangement with Empress and its subsidiary Empress Royalty Corp. ("Royalty"). This transaction involved the following elements:
  - Prior to the acquisition, Empress spun out Royalty to its shareholders.
  - Big Ridge issued a total of 12,214,211 common shares to acquire the common shares of Empress and issued a total of 9,557,800 warrants exercisable into 9,605,589 common shares of the Company at a price of \$0.48 per share and an additional 242,544 warrants exercisable into 243,757 common shares at a price of \$0.73 per share. These warrants were issued to replace Empress unit and finder's warrants in force immediately prior to closing, which were cancelled under the terms of the Transaction.
  - Concurrent with the acquisition of Empress, Big Ridge granted to Royalty NSR royalties ranging between 0.5% and 1.0% on the mining claims underlying its exploration and evaluation asset properties and transferred the Company's portfolio of marketable securities to Royalty in exchange for 4,615,384 Royalty common shares valued at \$0.05 per share. Big Ridge then distributed 4,607,950 shares to its shareholders of record at July 2, 2020 in the form of a special dividend consisting of 0.41 Royalty shares per Big Ridge share held on the record date.
- The completion of this acquisition triggered the conversion of 22,325,000 subscription receipts, issued pursuant to a private placement which closed on May 29, 2020, into common shares and share purchase warrants and unlocked \$2.2 million in gross proceeds, which had been held in escrow since the closing of the private placement in May 2020.

***Management and board:***

- The Company completed its planned measures to strengthen the management team with the appointment of Mike Bandrowski as President and Chief Executive Officer on July 7, 2020 and Jim Kirke as Chief Financial Officer on August 31, 2020.
- Following the departures of David Rhodes, Duncan Gordon and Jeremy Bond, the Company appointed Nick Tintor and Bill Williams to the Board of Directors.
  - Mr. Tintor is a mining executive and geologist with more than 30 years of experience in the Canadian mining industry. For the past 20 years, he has been involved in all aspects of junior mining company management from project generation, to finance and executive management. He also brings deep global relationships in the mining industry and especially in the Canadian resources investment banking sector.

- Dr. Williams is an economic geologist with nearly 40 years experience related to the exploration and development of mining and oil & gas projects as well as oversight of mining operations. He provides consulting services to the mining industry with a focus on M & A analysis, risk analysis, project management, and permitting strategies. He holds a Ph.D. in Economic Geology from the University of Arizona and is a Certified Professional Geologist.
- Following the closing of the Hope Brook option agreement, Ken Engquist, First Mining's Chief Operating Officer, joined Big Ridge's board.

**Hope Brook Gold Project:**

On April 6, 2021, Big Ridge entered into an earn-in agreement with First Mining Gold Corp. ("First Mining"), pursuant to which the Company may earn an interest of up to 80% in the Hope Brook Gold Project, a past producing mine located in Newfoundland and Labrador. This transaction closed on June 8, 2021.

On closing, Big Ridge paid First Mining \$500,000 in cash and issued 11,500,000 common shares of Big Ridge, at which point Big Ridge became the operator of the project.

The earn-in is comprised of two stages, as described below:

- In order to exercise its first earn-in right to acquire a 51% interest in the Hope Brook Gold Project, Big Ridge must incur and fund expenditures on the Hope Brook Gold Project of no less than \$10 million by June 8, 2024. Upon achieving this expenditure threshold and issuing an additional 15 million common shares to First Mining, subject to the approval of the TSX Venture Exchange, Big Ridge (51% interest) will become party to a joint venture agreement for the Hope Brook Gold Project with First Mining (49% interest), with Big Ridge continuing as the operator. Concurrently with the creation of the joint venture, the joint venture entity will grant to First Mining a 1.5% net smelter returns royalty on the Hope Brook Gold Project, subject to a right of Big Ridge to buy back 0.5% for \$2 million.
- To earn an additional 29% interest in the Hope Brook Gold Project, Big Ridge must incur an additional \$10 million in expenditures on the project by June 8, 2026. Upon achieving this final expenditure threshold and issuing an additional 10,000,000 common shares ("Stage 2 Shares") to First Mining, subject to the approval of the TSX Venture Exchange, Big Ridge will become the holder of an 80% interest in the Hope Brook Gold Project. Big Ridge will solely fund all expenditures on the project up to and including the date on which Big Ridge announces the results of a feasibility study on the project, at which time First Mining's free carry period will terminate. If the issuance of the Stage 2 Shares would result in First Mining owning more than 19.9% of the total number of Big Ridge common shares issued and outstanding following such share issuance, the number of Stage 2 Shares shall be reduced such that First Mining will own no more than 19.9% of the total number of Big Ridge common shares issued and outstanding following the issuance of the Stage 2 Shares.

In addition, upon the commencement of commercial production at the project, Big Ridge will pay \$2 million to First Mining.

The Hope Brook Gold Project consists of 6 mineral exploration licences covering a total of 25,075 hectares and hosts an underground gold resource, which is set out below. This resource was based on a cut-off grade of 3 g/t and a long-term gold price of US \$1,200/oz. The resource table below and the related notes are excerpted from the NI 43-101 compliant technical report entitled "*NI 43-101 Technical Report for the Hope Brook Gold Project, Newfoundland and Labrador, Canada*", issued May 6, 2021, with an effective date of April 6, 2021.

| <b>Category</b> | <b>Tonnes</b> | <b>Grade<br/>(g/t)</b> | <b>Contained<br/>ounces<br/>gold</b> |
|-----------------|---------------|------------------------|--------------------------------------|
| Indicated       | 5,500,000     | 4.77                   | 844,000                              |
| Inferred        | 836,000       | 4.11                   | 110,000                              |

Notes:

1. Includes only Mine Zone and 240 Zone areas
2. The above mineral resource estimate is based on a partial percentage block model with dike material removed. Dike percent is estimated at 18% for the Mine Zone and 0 % for the 240 Zone
3. Gold grades reflect application of domain-specific raw assay capping factors that range between 55 g/t Au and 3 g/t Au
4. Rounding of tonnes may result in apparent differences between tonnes, grade and contained ounces
5. Mineral resources that are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental permitting, legal, title, taxation, sociopolitical, metal pricing, marketing, or other relevant issues
6. The gold cut-off value of 3.00 g/t reflects reasonable prospects for eventual economic extraction based on application of conventional underground mining methods such as long hole stoping, historical gold recovery levels that range between 80% and 91% for past production (86% for Coastal Gold testing) and a long-term gold price of US\$1200 per ounce

**Destiny Gold Project:**

On November 27, 2020, the Company entered into an option agreement with Clarity Gold Corp. ("Clarity") pursuant to which Clarity may earn up to a 100% interest in the Company's wholly owned Destiny gold project.

Initially, Clarity may earn a 49% interest in the project by making a series of cash and share-based payments to the Company as described below.

- A deposit of \$50,000;
- A cash payment of \$450,000 and the equivalent of \$1,000,000 in common shares of Clarity on or before January 26, 2021;
- A cash payment of \$750,000 and the equivalent of \$1,000,000 in common shares of Clarity on or before January 11, 2022; and
- A cash payment of \$750,000 and the equivalent of \$1,500,000 in common shares of Clarity on or before January 11, 2023.

Clarity may increase its interest in the Destiny project to 100% by making an additional \$1,000,000 in cash payments and issuing the equivalent of \$2,000,000 in common shares on or before January 11, 2024. In the event that Clarity earns a 100% interest in the project, the Company will retain a 1% net smelter returns royalty which Clarity may buy back for a further payment of \$1,000,000.

**Oxford Gold Project:**

On October 5, 2020, the Company entered into an Exploration Agreement with the BCN at the Company's Oxford Gold Project in Manitoba. The first phase of this work, which commenced in the first quarter of the current fiscal year but is suspended at the date of this MD&A, is subject to a Heritage Resource Impact Assessment ("HRIA"). Results of the HRIA will be utilized to outline the upcoming exploration program, previously approved by the Manitoba Government.

The HRIA, which is a prerequisite to the recommencement of ground exploration and drilling at the Company's 100%-owned Oxford Gold Project, has not proceeded as expected, as a result of the inability of the consultants carrying out this study to visit the property or to meet in person with elders and other members of the BCN. This reflects the significant health challenges faced by the BCN in the Oxford House area of Manitoba.



In conjunction with other mining companies active in the Oxford House area, the Company has extended offers of financial assistance to the BCN. In October, 2021, the BCN agreed to permit the Company's consultants to visit the property, which management expects will enable the Company to complete the HRIA in fiscal 2022.

**Other properties:**

On March 11, 2021, Big Ridge entered into a sale agreement with Caprock Mining Corp. (then known as Blingold Corp.) ("Caprock") pursuant to which Big Ridge agreed to sell its interest in its Mud Lake, Golden Heart, Brookbank East, Three Towers, Miner Lake, and Green Oaks properties to Caprock in exchange for the issuance by Caprock of 10,000,000 common shares of Caprock. The closing of the sale of these properties is subject to the timing of the listing of Caprock's common shares on the Canadian Stock Exchange ("CSE"), which had not occurred as at September 30, 2021 or subsequently to the date of this MD&A.

The issuance by Caprock of the shares contemplated by this agreement is expected to result in Big Ridge holding 25% of the issued and outstanding shares of Caprock immediately prior to Caprock listing its shares on the CSE. Management expects that its interest will be diluted as Caprock pursues additional financing.

**SUMMARY OF FINANCIAL RESULTS**

The Company's consolidated results of operations for the three months September 30, 2021 and 2020 are set out below.

|                                    | 2021             | 2020           |
|------------------------------------|------------------|----------------|
|                                    | \$               | \$             |
| <b>EXPENSES</b>                    |                  |                |
| Exploration expense                | 653,022          | 6,700          |
| General and administrative expense | 435,474          | 325,143        |
| Finance expense, net               | 311,317          | 3,571          |
| <b>Loss and Comprehensive Loss</b> | <b>1,399,813</b> | <b>335,414</b> |

**Three months ended June 30, 2021:**

- **Exploration expenses** increased from \$6,700 to \$653,022, reflecting the commencement of operations at Hope Brook. There were no significant exploration expenditures in the three months ended September 30, 2020 as the Company focused on completing the acquisition of Empress Resources and a subscription receipts financing that was tied to the acquisition and continuing the commercial discussions that led ultimately to the Destiny and Hope Brook option agreements.
- **General and administrative expenses** increased from \$325,143 to \$435,474. The significant cost components which gave rise to this increase are set out below:
  - **Share based compensation expense** increased from \$159,152 to \$195,885. Stock option expense in the quarter amounted to \$46,485 (2020 - \$159,152), with the current period expense representing recognition of expenses associated with unvested options granted in a prior period. Expenses associated with deferred share units awarded to the Company's directors and officers amounted to \$149,400 (2020 - \$Nil).
  - **Management fees and Payroll and payroll related costs** charged to operations increased from \$83,782 to \$113,703, due primarily to the Company paying director fees with effect from the fourth quarter of 2021.
  - **Investor relations** increased from \$10,475 to \$41,137 as the Company incurred costs with respect to market maker services and other activities intended to improve investor awareness.
- **Finance expense, net** increased from \$43,571 to \$311,317, largely as a result of mark-to-market losses on the Company's marketable securities in the period ended September 30, 2021.

## SELECTED ANNUAL INFORMATION

The following table summarizes selected financial data for the Company for each of the three most recently completed financial years. The information set out below should be read in conjunction with the Company's audited annual financial statements.

|                                    | Years ended June 30 |                  |                  |
|------------------------------------|---------------------|------------------|------------------|
|                                    | 2021                | 2020             | 2019             |
|                                    | \$                  | \$               | \$               |
| <b>EXPENSES</b>                    |                     |                  |                  |
| Exploration expense                | 40,850              | 118,391          | 292,723          |
| General and administrative expense | 1,057,125           | 508,440          | 351,904          |
| Finance expense, net               | 506,409             | 23,451           | 68,888           |
| Other (income) expense             | (690,900)           | -                | (149,000)        |
| <b>Loss for the year</b>           | <b>913,484</b>      | <b>650,282</b>   | <b>564,515</b>   |
| <b>Loss per share</b>              | <b>0.02</b>         | <b>0.06</b>      | <b>0.05</b>      |
| <b>Total assets</b>                | <b>12,954,153</b>   | <b>4,807,328</b> | <b>3,276,418</b> |

## SUMMARY OF QUARTERLY RESULTS

The table below presents selected financial data for the Company's eight most recently completed quarters:

|   | September 30<br>2021 | June 30<br>2021 | March 31<br>2021 | December 31<br>2020 | September 30<br>2020 | June 30<br>2020 | March 31<br>2020 | December 31<br>2019 |
|---|----------------------|-----------------|------------------|---------------------|----------------------|-----------------|------------------|---------------------|
| <i>In thousands of Canadian dollars, except for (income) loss per share</i> |                      |                 |                  |                     |                      |                 |                  |                     |
| <b>Financial results</b>  |                      |                 |                  |                     |                      |                 |                  |                     |
| Loss for the period   | 1,400                | 926             | (544)            | 195                 | 335                  | 62              | 283              | 150                 |
| Basic and diluted (income) loss per share                                   | 0.01                 | 0.02            | (0.01)           | -                   | 0.01                 | 0.01            | 0.03             | 0.01                |
| Exploration and evaluation expenditures                                     | 653                  | 22              | 7                | 5                   | 7                    | -               | 50               | 31                  |
| <b>Balance sheet data</b>   |                      |                 |                  |                     |                      |                 |                  |                     |
| Cash and short term deposits  | 10,510               | 8,295           | 3,057            | 2,703               | 3,037                | 140             | 301              | 535                 |
| Exploration and evaluation assets   | 4,071                | 4,071           | 1,347            | 2,156               | 2,156                | 2,156           | 2,156            | 2,156               |
| Total assets  | 15,227               | 12,954          | 5,487            | 4,894               | 5,247                | 4,807           | 2,661            | 2,963               |
| Shareholders' equity  | 14,631               | 12,769          | 5,396            | 4,825               | 4,996                | 4,728           | 2,572            | 2,855               |

## LIQUIDITY AND CAPITAL RESOURCES

The Company has no cash flow from operations as its projects are at an exploration stage, therefore financings have been the primary source of funds. Given the volatility in equity markets, global uncertainty in economic conditions, cost pressures and results of exploration activities, management regularly reviews expenditures and exploration programs and equity markets in order that the Company has sufficient liquidity to support its growth strategy.

At September 30, 2021, the Company had cash of \$10,509,782 and working capital of \$10,603,471 reflecting \$2,232,500 in gross proceeds from the offering of subscription receipts completed in May 2020; the net assets of Empress acquired in July 2020; the first tranche of cash proceeds received from Clarity Gold Corp. pursuant to the option agreement on the Destiny Gold Project; the proceeds of the private placement of flow-through units which closed on June 30, 2021, which amounted to \$5,000,053; and a total of \$4,666,354 in proceeds from the exercise of warrants and stock options. In addition, the Company received additional aggregate proceeds of \$126,000 from the exercise of warrants in the period from October 1, 2021, to the date of this MD&A.

In the opinion of management, the Company's working capital is sufficient to support the Company's general administrative and corporate operating requirements and anticipated spending on its mineral projects for the next twelve months. Management will continue to seek necessary

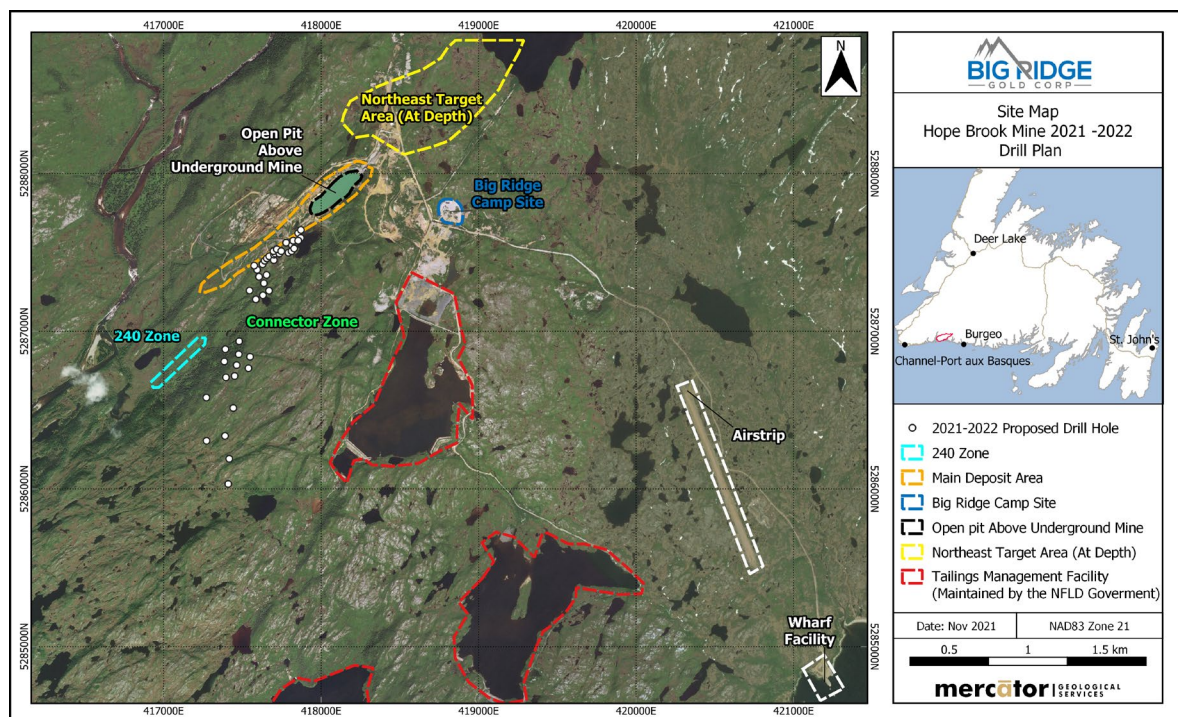
financing through a combination of issuance of new equity instruments, entering into joint venture arrangements or debt financing; however, there is no assurance that the Company will be successful in these actions. If the Company continues fieldwork on its exploration projects, additional financing will be required.

## OUTLOOK

### Hope Brook

Subsequent to September 30, 2021, the Company engaged a drilling contractor and fixed-wing logistical support, which is necessary to support a planned year-round drilling program, and the first holes were drilled at the Hope Brook property in November 2021.

The initial drill program at Hope Brook will comprise 25,000 meters of drilling, focused primarily on the gap between the 240 and Main Zones at surface and to depth, as illustrated on the property map below.



Two drills are currently on site with camp operations through the winter supported by fixed-wing aircraft based in Stephenville, Newfoundland. Drilling will continue non-stop with the exception of a 30-day break over the holidays. At the date of this MD&A a total of 9 holes, covering a total of 1,667 meters, had been completed. No assays are available at the date of this MD&A.

The Company is continuing to re-model the existing mineral resource with representatives from Mercator Geological Services with the intention to revise the mineral resource estimate in the second half of the 2022 fiscal year. This revised resource estimate will reflect up-to-date assumptions of gold pricing, changes to the cutoff grade that follow from the revised gold pricing assumptions, and the results of the drilling program to date. The Company is also updating an ore sorting study completed in 2013 by TOMRA Sorting Solutions and has engaged a metallurgist to carry out preliminary studies of gold recoveries. This work will serve as the foundation for a Preliminary Economic Assessment on the Hope Brook Gold Project.

Concurrently with this work plan, Big Ridge also plans to advance baseline environmental studies and increase its presence in the local communities currently supporting Hope Brook with talented labour, material and food supplies.

### **Oxford**

In October 2021 representatives of the BCN indicated their willingness to allow the Company's archeological consultant to visit the Oxford property and the band itself to complete the HRIA. Since that time, COVID-19 infections in the province of Manitoba have escalated and it is not possible to say with certainty when this work will recommence.

### **Ontario properties**

At the date of this MD&A, Caprock has not met the one remaining condition in the sale agreement for the Company's Ontario properties, the listing of Caprock's common shares on a recognized Canadian stock exchange.

## **RELATED PARTY TRANSACTIONS**

During the three months ended September 30, 2021 and 2020, the Company recognized the following costs in respect of services provided by related parties:

|   | 2021           | 2020           |
|---|----------------|----------------|
|   | \$             | \$             |
| <b>Charged to Salaries, Wages and Benefits:</b>   |                |                |
| Salaries paid to key management   | 80,000         | -              |
| Director fees   | 20,000         | -              |
|   | <b>100,000</b> | <b>-</b>       |
| <b>Charged to Share-Based Compensation:</b>   |                |                |
| Stock option expense recognized in the period   | 29,359         | 159,152        |
| DSU expense recognized in the period  | 149,400        | -              |
|   | <b>178,759</b> | <b>159,152</b> |
| <b>Charged to Management fees:</b>  |                |                |
| Escarpment Capital Advisors (controlled by Company's President )                                | -              | 45,000         |
| Nick Tintor (Chairman)  | 10,000         | -              |
| Mirador Management (controlled by a director and former CEO)                                    | -              | 10,500         |
| ASI Accounting Services (controlled by Company's CFO from February 11, 2020 to August 31, 2020) | -              | 15,245         |
| Jim Kirke - CFO from August 31, 2020  | -              | 10,000         |
|   | <b>10,000</b>  | <b>80,745</b>  |
| <b>Charged to Exploration expenses:</b>   |                |                |
| Nick Tintor - Chairman  | 5,000          | -              |
|   | <b>5,000</b>   | <b>-</b>       |
| <b>Transaction costs with respect to the Transaction:</b>                                       |                |                |
| Escarpment Capital Advisors   | -              | 75,000         |
|   | <b>-</b>       | <b>75,000</b>  |

## FULLY DILUTED SHARE CAPITAL

The table below presents the Company's fully diluted common share data as at the date of this MD&A.

|   |                    |
|---|--------------------|
| Common shares   | 107,692,785        |
| Shares issuable upon exercise of outstanding warrants   | 33,931,352         |
| Outstanding options, of which 2,864,168 are exercisable | 4,447,500          |
| <b>Total - fully diluted</b>                            | <b>146,071,637</b> |

## OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements, either at September 30, 2021 or subsequently to the date of this MD&A.

## SUBSEQUENT EVENTS

Subsequent to September 30, 2021, Big Ridge issued a total of 1,566,667 common shares pursuant to the exercise of share purchase warrants, for aggregate proceeds of \$282,000.

## CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, 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:

- The characterization of the Company's acquisition of the outstanding securities of Empress Resources Corp. as an acquisition of assets as opposed to a business combination.
- The carrying value and the recoverability of exploration and evaluation assets, which are included in the statements of financial position based on the planned exploration budgets and drill results of exploration programs.
- The inputs used in accounting for share-based compensation expense included in profit or loss calculated using the Black-Scholes option pricing model.
- The valuations of shares issued in non-cash transactions.
- The recognition of deferred tax assets based on the change in unrecognized deductible temporary tax differences.

## DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Additional disclosure concerning the Company's general and administrative expenses and mineral property acquisition and exploration costs is provided in the Company's condensed interim consolidated financial statements for the period ended September 30, 2021. These financial statements are available on the Company's website at [www.bigridgegold.com](http://www.bigridgegold.com) or on SEDAR at [www.sedar.com](http://www.sedar.com).

## DIVIDENDS

As discussed under the heading "Acquisition of Empress Resources and concurrent financing", during the year ended June 30, 2021, the Company declared a special dividend of Royalty shares to its shareholders of record on July 2, 2020 in accordance with the terms of the Transaction. Shareholders of the Company received 0.41 of a Royalty share for each share held of the Company at the record date.

Other than this special dividend, Big Ridge has not paid a dividend since inception and has no plans to pay dividends for the foreseeable future.

## **LEGAL PROCEEDINGS**

At September 30, 2021 and subsequently to the date of this MD&A, there were no legal proceedings involving the Company.

## **DISCLOSURES ABOUT RISKS**

Big Ridge is subject to the usual risks associated with a junior mineral exploration company. The Company competes for access to financing, specialized third-party service providers and human capital against other exploration companies, some of whom may be better capitalized. The price of gold, the principal metal contained within Big Ridge's mineral exploration properties, has fluctuated significantly over the past few years and may continue to do so. Such volatility may affect the timing and magnitude of funds which the Company may seek to raise to support further exploration of its properties or may make it difficult or impossible for the Company to complete an offering of securities.

Resource acquisition, exploration, development, and mining is a highly speculative business that involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of precious metals and other minerals may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish economically viable mineral deposits, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the acquisition, exploration or development programs planned by the Company will result in a profitable commercial mining operation. The potential for any project to eventually become an economically viable operation depends on numerous factors including: the quantity and quality of the minerals discovered if any, the proximity to infrastructure, metal and mineral prices (which vary considerably over time) and government regulations. The exact effect these factors can have on any given exploration property cannot be predicted accurately, but the effect can be materially adverse.

Although management has used its best efforts to ensure title to properties in which it has interests, there is no guarantee that title to the properties will not be challenged or impugned. The Company's mineral property interests may be subject to prior unregistered agreements or transfers or land claims, and title may be affected by undetected defects.

In addition to the foregoing, Big Ridge is subject to a number of other risks and uncertainties which are not discussed in this MD&A. To properly understand such risks, readers are directed to the risk factors disclosed under the heading "Risk Factors" in Big Ridge's Annual Information Form for the year ended June 30, 2021 and other filings made with Canadian securities regulatory authorities, available on SEDAR at [www.sedar.com](http://www.sedar.com).

## **FINANCIAL RISK MANAGEMENT**

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below.

### *Interest rate risk*

The Company has no material exposure at September 30, 2021 to interest rate risk through its financial instruments.

### *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. Sensitivity to a plus or minus .1% change in cash interest rates would affect net loss by \$10,000 annually. The



Company does not hold any material balances in foreign currencies that could give rise to exposure to foreign exchange risk.

*Currency risk*

As at September 30, 2021, \$3,169 of the Company's cash and cash equivalents was held in US dollars. The Company has no operations in foreign jurisdictions at this time and as such has no material currency risk associated with its operations.

*Credit risk*

The Company has cash balances and no interest-bearing debt. The Company has no significant concentrations of credit risk arising from operations. The Company's current policy is to invest excess cash in bank deposits or investment-grade short-term deposit certificates issued by Canadian financial institutions with which it keeps its bank accounts, and management believes the risk of loss to be remote.

*Liquidity risk*

The Company manages liquidity risk by maintaining sufficient cash balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term obligations. As at September 30, 2021, the Company had a cash balance of \$10,509,782 (June 30, 2021: \$8,295,125) to settle current liabilities of \$445,202 (June 30, 2021: \$183,121).

**ADDITIONAL INFORMATION**

The Company's Annual Information Form for the year ended June 30, 2021 is available on SEDAR at [www.sedar.com](http://www.sedar.com).