



**OPTIMUM VENTURES LTD.**

Management Discussion & Analysis ("MD&A")

For the year ended June 30, 2022

## **CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

This MD&A includes certain forward-looking statements or information. All statements other than statements of historical fact included in this MD&A including statements relating to the potential mineralization or geological merits of the Company's mineral properties and the future plans, objectives or expectations of the Company are forward-looking statements that involve various risks and uncertainties. Such forward-looking statements include among other things, statements regarding future commodity pricing, estimation of mineral reserves and resources, timing and amounts of estimated exploration expenditures and capital expenditures, costs and timing of the exploration and development of new deposits, success of exploration activities, permitting time lines, future currency exchange rates, requirements for additional capital, government regulation of mining operations, environmental risks, anticipated reclamation expenses, timing and possible outcome of pending litigation, timing and expected completion of property acquisitions or dispositions, and title disputes. They may also include statements with respect to the Company's mineral discoveries, plans, out-look and business strategy.

Forward-looking statements are predictions based upon current expectations and involve known and unknown risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements.

Important factors that could cause actual results to differ materially from the Company's plans or expectations include risks relating to the actual results of exploration programs, fluctuating commodity prices, the possibility of equipment breakdowns and delays, the availability of necessary exploration equipment including drill rigs, exploration cost overruns, general economic or business conditions, regulatory changes, and the timeliness of government or regulatory approvals to conduct planned exploration work. Additional factors that could cause actual results to differ materially from the Company's plans or expectations include political events, the effects of pandemics, fluctuations in mineralization grade, geological, technical, mining or processing problems, future profitability on production, the ability to raise sufficient capital to fund exploration or production, litigation, legislative, environmental and other judicial, regulatory, political and competitive developments, inability to obtain permits, general volatility in the equity and debt markets, accidents and labor disputes and the availability of qualified personnel.

Although the Company has attempted to identify all of the factors that may affect our forward-looking statements or information, this list of the factors is not exhaustive. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks and uncertainties detailed throughout this MD&A. The Company disclaims any intention or obligation to update or revise forward-looking information, whether as a result of new information, future events or otherwise, except where required by applicable securities laws.

## **DATE AND INTRODUCTION**

Optimum Ventures Ltd. (the “Company”) was incorporated on November 23, 2017 under the laws of the Province of British Columbia, Canada. The Company incorporated a State of Alaska subsidiary, Hyder Ventures Ltd. on February 8, 2019. The Company’s principal business activity is the acquisition, exploration and evaluation of mineral properties located in Province of British Columbia, Canada and in the State of Alaska, USA.

The Company’s head office is located at Suite 1507 – 1030 West Georgia Street, Vancouver, British Columbia, V6E 2Y3.

The Company’s common shares trade on the TSX Venture Exchange under the symbol “OPV”.

This discussion and analysis of financial position, results of operations and cash flows of Optimum Ventures Ltd. for the year ended June 30, 2022 includes information up to and including October 26, 2022 and should be read in conjunction with the Company’s audited consolidated financial statements for the years ended June 30, 2022 and 2021. All dollar figures are in Canadian dollars unless otherwise stated.

The reader is encouraged to review the Company’s statutory filings on [www.sedar.com](http://www.sedar.com) and to review other information about the Company on its website at [www.optimumventures.ca](http://www.optimumventures.ca).

## **MINERAL PROPERTIES**

### ***Premier South Property***

The Premier South Property was comprised of eight patented mineral claims known as the Riverside claims and four federally located mineral claims known as the Mineral Basin claims, all situated in Hyder Mining District in the State of Alaska, USA. The Premier South Property was located immediately south of Ascot Resources Premier Gold Project.

During the year ended June 30, 2020, the Company acquired 23 additional mineral claims in the State of Alaska to expand the area around the Premier South Property. The Company made a cash payment of \$18,000 for the additional claims.

In total, the Premier South Property covered 315 hectares.

**MINERAL PROPERTIES** – (cont'd)

***Premier South Property*** – (cont'd)

*Riverside Option*

By an option assignment agreement dated December 8, 2017, the Company had the right to acquire a 100% interest in the Riverside claims which consisted of 8 patented mineral claims located in the Hyder Mining District, in the State of Alaska, USA. Consideration to acquire the 100% interest was as follows:

*Cash Payments:*

- i) US\$10,000 on execution of the agreement (paid);
- ii) a further US\$20,000 on or before September 22, 2018 (paid);
- iii) a further US\$30,000 on or before September 22, 2019 (paid);
- iv) a further US\$40,000 on or before September 22, 2020 (paid); and
- v) a further US\$50,000 on or before September 22, 2021 (paid).

*Cumulative Exploration Expenditures:*

- i) US\$10,000 on or before September 22, 2018 (incurred);
- ii) a further US\$30,000 on or before September 22, 2019 (incurred);
- iii) a further US\$40,000 on or before September 22, 2020 (incurred); and
- iv) a further US\$50,000 on or before September 22, 2021 (incurred).

Any exploration expenditures in excess of the minimum annual exploration expenditures would be carried over to the following year's commitment.

At any time after September 22, 2018 but before September 22, 2022, the Company could purchase the Riverside claims outright for US\$500,000 provided that all the cash payments and exploration expenditures set out above have been made to the latest anniversary date.

The Riverside claims were subject to a 2% net smelter returns royalty. The Company had the right, at any time, to purchase one-half of the royalty for US\$500,000.

**MINERAL PROPERTIES** – (cont'd)

***Premier South Property*** – (cont'd)

*Mineral Basin Option*

By an option assignment agreement dated December 8, 2017, the Company had the right to acquire up to a 100% interest in the Mineral Basin claims which consisted of 4 federally located mineral claims located in the Hyder Mining District, in the State of Alaska, USA. Consideration to acquire an initial 51% the interest was as follows:

*Cash Payments:*

- i) US\$10,000 on execution of the agreement (paid);
- ii) a further US\$20,000 on or before September 25, 2018 (paid);
- iii) a further US\$20,000 on or before September 25, 2019 (paid);
- iv) a further US\$20,000 on or before September 25, 2020 (paid);
- v) a further US\$20,000 on or before September 25, 2021 (paid); and
- vi) a further US\$200,000 on or before September 25, 2022.

*Cumulative Exploration Expenditures:*

- i) US\$30,000 on or before September 25, 2018 (incurred);
- ii) a further US\$50,000 on or before September 25, 2019 (incurred);
- iii) a further US\$70,000 on or before September 25, 2020 (incurred);
- iv) a further US\$100,000 on or before September 25, 2021 (incurred); and
- v) a further US\$200,000 on or before September 25, 2022

Any exploration expenditures in excess of the minimum annual exploration expenditures would be carried over to the following year's commitment.

Upon earning a 51% interest in the Mineral Basin claims, the Company had the right to purchase the remaining 49% interest for US\$500,000 at any time on or before September 25, 2023.

The Mineral Basin claims were subject to a 2% net smelter returns royalty. The Company had the right, at any time, to purchase one-half of the royalty for US\$500,000.

At June 30, 2022, the Company had determined that no further exploration work was warranted on the Premier South Property. Consequently, on August 24, 2022, the Company provided the vendors of the Riverside and Mineral Basin claims with notice that it would not be proceeding with the option agreements. The accumulated property acquisition costs and deferred exploration costs which totalled \$1,039,734 were written-off effective June 30, 2022.

**MINERAL PROPERTIES** – (cont'd)

***Premier South Property*** – (cont'd)

2020 Exploration Program

The Premier South Property is located in the USA which delayed the drilling program outlined in the Company's initial public offering prospectus due to COVID-19 cross border travel restrictions. To date, the Company has primarily used US labour contractors to upgrade the access road to the Premier South Property and to complete surface field work.

On May 11, 2021, Optimum released results from a limited surface exploration program conducted late in the 2020 field season on the Riverside claims. Program highlights included:

- Up to 1,290 g/t gold in grab samples from historic trenches on the Jarvis vein.
- Up to 4.89 g/t gold in grab samples from historic trenches on the Lindeborg vein.
- Up to 2.6 g/t gold in soil sampling on grid No. 1.
- Up to 4.95 g/t gold in soil sampling on grid No. 2.
- Up to 39.1 g/t gold in soil sampling on grid No. 3.

Mineralization on the claims is associated with northwest-trending shear zones within granodiorites. The veins generally consist of a one-to-1.5-metre-wide zone of quartz with massive galena, sphalerite, pyrite and minor chalcopyrite stringers as well as local coarse visible gold. Sulphides occupy the central 0.4 to 0.5 metres of the quartz veins and locally form 50% of the rock. Fine grained pyrite is present in the wall areas of the vein forming an envelope that is 0.5 metre wide on either side of the structures. Gold and silver values are associated with the base-metal-bearing portions of the veins identified to date.

Due to the Canada/US border closure discussed above, exploration on the Premier South Property was limited to soil sampling in three separate grids and grab sampling of mineralization in historic trenches and adits. The program was conducted by local prospectors and samplers, supervised by the Company's qualified person. A total of 597 soil samples were collected every 25 metres along lines spaced 25 metres apart. The largest grid over the south end of the property measured 500 metres by 450 metres. The other grids located over the north end of the property measured out triangularly in shape due to steepness of the topography. Soil sampling was successful in outlining areas for further work. Sampling indicated up to 2.6 g/t gold in soil sampling on grid No. 1, up to 4.95 g/t gold in soil sampling on grid No. 2 and up to 39.1 g/t gold in soil sampling on grid No. 3. A total of 32 grab samples were taken off the wall of trenches and short adits on the Jarvis and Lindeborg veins. A photo of the Jarvis vein as well as several photos of the coarse gold present in the vein are shown on the Company's website. Rock sampling was also conducted on quartz veins near the border and variably mineralized Lindeborg which yielded values ranging from 20 parts per billion gold to 29.1 g/t gold as well as 0.2 to 538 g/t silver. Sampling on the Jarvis was located from muck and broken material at the end of a short adit.

***Edward Kruchkowski, P.Geo., a Qualified Person as defined by NI-43-01 regulations and a director of the Company, has reviewed this MD&A and approved the technical disclosures concerning the Premier South Property.***

**MINERAL PROPERTIES** – (cont'd)

***Harry Property***

On September 13, 2021, the Company entered into an option agreement with Teuton Resources Corp. (“Teuton”) to acquire an 80% interest in the Harry and Outland Silver Bar Properties (the “Harry Property”). The Harry Property is located north of Stewart, British Columbia in the Skeena Mining Division. It consists of three contiguous mineral claims that cover a gross area of approximately 1,333 hectares.

The Harry Property lies in a prospective corridor running north-northwest from the Premier, Silver Coin, Big Missouri and Dilworth gold deposits presently being developed by Ascot Resources Ltd. Lying to the west and north of the Harry Property are the extensive holdings of Scottie Resources Corp. which include the formerly producing Scottie Gold mine. The Harry Property is also immediately adjacent to the extensive holdings of Pretium Resources Inc. on the northeast boundary.

Consideration to acquire the 80% interest in the Harry Property is as follows:

*Cumulative Exploration Expenditures:*

- \$500,000 on or before September 13, 2022 (“the Year 1 expenditures”) (incurred);
- a further \$1,000,000 on or before September 13, 2023 (“the Year 2 expenditures”);
- a further \$1,500,000 on or before September 13, 2024 (“the Year 3 expenditures”);
- a further \$2,000,000 on or before September 13, 2025 (“the Year 4 expenditures”);
- a further \$4,000,000 on or before September 13, 2026 (“the Year 5 expenditures”).

All exploration expenditures are on a “make or pay” basis, meaning the Company shall either make the required expenditures, or pay the Optionor in cash for any shortfall within 30 days of the period during which the expenditures were required.

*Cash Payments:*

- \$50,000 on TSX Venture Exchange approval of the agreement (paid);
- a further \$75,000 on or before the earlier of September 13, 2022 and the date that is 30 days after the date that the Year 1 expenditures are incurred (paid);
- a further \$100,000 on or before the earlier of September 13, 2023 and the date that is 30 days after the date that the Year 2 expenditures are incurred;
- a further \$150,000 on or before the earlier of September 13, 2024 and the date that is 30 days after the date that the Year 3 expenditures are incurred;
- a further \$400,000 on or before the earlier of September 13, 2025 and the date that is 30 days after the date that the Year 4 expenditures are incurred;
- a further \$725,000 on or before the earlier of September 13, 2026 and the date that is 30 days after the date that the Year 5 expenditures are incurred.

**MINERAL PROPERTIES** – (cont'd)

***Harry Property*** – (cont'd)

*Share Issuances:*

- 200,000 common shares on TSX Venture Exchange approval of the agreement (issued at a fair value of \$91,000);
- a further 300,000 common shares on or before the earlier of September 13, 2022 and the date that is 30 days after the date that the Year 1 expenditures are incurred (issued at a fair value of \$100,500);
- a further 300,000 common shares on or before the earlier of September 13, 2023 and the date that is 30 days after the date that the Year 2 expenditures are incurred;
- a further 700,000 common shares on or before the earlier of September 13, 2024 and the date that is 30 days after the date that the Year 3 expenditures are incurred;
- a further 1,000,000 common shares on or before the earlier of September 13, 2025 and the date that is 30 days after the date that the Year 4 expenditures are incurred;
- a further 1,500,000 common shares on or before the earlier of September 13, 2026 and the date that is 30 days after the date that the Year 5 expenditures are incurred.

Upon exercise of the option by the Company, the parties will enter into an agreement for the operation of the Harry Property with the Company being the operator. The Company will grant the Optionor a 2% net smelter return royalty.

Concurrent with the entry into the option agreement with Teuton for the Harry Property, the Company entered into a quitclaim agreement with Jayden Resources Inc. ("Jayden"), pursuant to which Jayden agreed to terminate its option agreement with Teuton in consideration for \$27,000 (paid) and the issuance of 750,000 common shares of the Company (issued at a fair value of \$341,250).

In connection with both of the above agreements, the Company entered into a finders' fee agreement under which the Company paid a finder's fee of 229,706 common shares at a fair value of \$104,516.

As per the December 1, 2020 National Instrument 43-101 Technical Report on the Harry Property filed by Jayden (available on Jayden's profile on SEDAR at [www.sedar.com](http://www.sedar.com)), the majority of the Harry Property including the Outlander claim lies along the NW portion of a geological corridor prospective for gold-silver mineralization that is up to 3 kilometres wide. It is at least 15 kilometres long extending from south of the Premier mine, possibly in the US, north to the Scottie Gold mine and beyond. The Harry Property is situated near infrastructure including a year-round road, a powerline and an ice-free port in Stewart. In addition, a mill is currently being constructed by Ascot Resources Ltd. at the site of the historical Premier mine.

In 2020, a new zone of mineralization called the Milestone was discovered on the Harry Property averaging 7.86 ounces per ton gold (269.5 g/t) across a two-metre width. The full width of this new zone has not been defined due to overburden cover (see Jayden's news release dated February 10, 2021 available on their profile on SEDAR at [www.sedar.com](http://www.sedar.com)).



**MINERAL PROPERTIES** – (cont'd)

***Harry Property*** – (cont'd)

*Technical Report on the Harry Property*

The Company filed a technical report on the Harry Property in compliance with National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101") prepared by the Company's independent geologist and qualified person under NI 43-101, Alojzy Walus, M. Sc., P. Geo with an effective date of October 15, 2021 (the "Technical Report"). A copy of the Technical Report is available on the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

The 43-101 Technical Report states:

*"The bulk of the Harry property lies within a 3 km wide and at least 15 km long prospective corridor which hosts a number of gold-silver deposits as well as numerous prospects. Deposits within this corridor include Premier, Big Missouri, Silver Coin, Martha Ellen and Mt Dilworth.*

*The property is located within Jurassic volcanic rocks bounded by the Summit Lake stock to the north and Texas Creek batholith to the south which are part of the Texas Creek Plutonic suite in the Stewart Area. This suite of intrusive rocks is associated with mineralization at the historic Premier mine located 15 km south of the property and the KSM copper-gold porphyries and Brucejack Lake gold deposits. The Premier mine produced 2,000,000 ounces (oz) of gold and 49,000,000 ounces of silver. The KSM and Brucejack Lake deposits contain 6.4 million ounces of gold in the proven and probable categories.*

*One of the showings called Milestone is a 2.0 m wide quartz breccia vein which contains pyrite, minor galena and locally dendrites of native gold. A grab sample from the vein ran 1,553 g/t gold. A chip sample taken across the vein returned 269.5 g/t gold over 2.0 metres (Teuton Resources press release, December 9, 2020). The second showing called S-1 represents a 10 metres wide vein swarm comprised of numerous parallel quartz veins which contain up to 10% of combined pyrite, galena and sphalerite. Four grab samples collected from this showing returned up to 1.34 g/t gold and 32 g/t silver. In addition to these two mineral occurrences, the area also contains numerous quartz+/-carbonate veins with some of them mineralized with pyrite, galena, sphalerite, chalcopyrite and tetrahedrite. Only a few of these veins were sampled as smooth rock surfaces made it impossible to sample them.*

*During the 2020 exploration program the author identified a large intrusive body of Premier Porphyry in the area of the Milestone and S-1 showings which is in contact with a large prominent quartz-sericite-pyrite alteration zone at least 400 metres in size. The presence of Premier Porphyry is very encouraging since this rock was the source of mineralization in the historic Premier Mine.*

*The Harry property has excellent potential for the discovery of high-grade gold-silver mineralization as well as large-scale low-grade gold-silver zones similar to those located within the mineralized corridor described above."*

**MINERAL PROPERTIES** – (cont'd)

***Harry Property*** – (cont'd)

2021 Exploration Program

The Harry Property hosts several 500-metre-wide zones of intense alteration that trend northwest along the claim length. Within this intense alteration, sericite along with abundant pyrite is prevalent. Quartz veins, quartz breccias and semi-massive sulphides occur within these alteration zones.

On January 20, 2022, Optimum released partial assay results, including multiple high-grade gold and silver assays, from a limited surface exploration program conducted on the Harry Property during the fall of 2021.

The 2021 exploration program identified:

- Six separate quartz-sulphide structures in a small northeast area of the Harry Property;
- The Swann zone several hundred metres east of the Milestone showing;
- Fine visible gold in semi-massive to massive sulphide in the Swann zone;
- Premier porphyry intrusive in contact with mineralized zones (similar to the host rock of the nearby Premier gold deposit).

The 2021 exploration program consisted of surface sampling newly located structures in the area of the Milestone showing. A total of 50 samples were collected, with assay results received for the first 38 samples. Values ranged from 0.01 to 23.30 g/t gold and 0.02 to 3,379 g/t silver. This sampling work was successful in identifying several new structures.

Highlights included:

- 23.30 g/t gold and 2,995 g/t silver in grab sample A21-2A;
- 11 g/t gold and 3,379 g/t silver in grab sample A21-3;
- 3 g/t gold and 328 g/t silver in float sample A21-22;
- 5.5 g/t gold and 270 g/t silver in a 0.4-metre chip sample (A21-5A).

The work completed in late 2021, while only on a small area of the full package, indicates that sulphide zones occur within quartz-bearing structures trending both east-west (south dip). Where these structures are crosscut by northwest-trending structures (dipping east), semi-massive to massive sulphides occur. Within these sulphides, sphalerite, galena, tetrahedrite, chalcopyrite and pyrite are present. Fine visible gold is occasionally present within the massive mineralization.

**MINERAL PROPERTIES** – (cont'd)

**Harry Property** – (cont'd)

2021 Exploration Program – (cont'd)

On March 2, 2022, Optimum released additional encouraging assay results from its fall 2021 exploration program conducted on the Harry Property. The sampling program was conducted on and in the region of the newly discovered Swann zone, which is exposed over a small area and consists of quartz and semi-massive to massive mineralization with visible gold within an intensely altered zone. Determination of its true width and strike length will be part of the focus in the 2022 exploration program.

SWANN ZONE SURFACE SAMPLING

Sample No.	Gold g/t	Silver g/t	Copper %	Lead %	Zinc %
S21-1	0.762	352	2.61	0.13	0.11
S21-2	285.4	1,872	1.91	0.74	0.90
S21-3	23.397	75.29	0.20	0.87	1.01
S21-4	122.4	1,949	2.07	0.81	0.36
S21-5	3.42	40.68	0.11	1.68	2.05

Grab samples are solely designed to show the presence or absence of any mineralization and to characterize the metal tenor in the mineralization. Grab samples are by definition selective and not intended to provide nor should be construed as a representative indication of grade or mineralization.

On April 20, 2022, Optimum released assay results from four short drill holes which tested an area of high-grade gold-silver base-metal-bearing boulders in the area of the Swann zone.

Highlights included:

- Hole DDH21-3 intersected 15.64 metres grading 1,437 g/t silver equivalent (433.4 g/t silver, 3.10 g/t gold, plus significant base metal credits).
- Hole DDH21-4 intersected 9.26 metres grading 1,833 g/t silver equivalent (690.15 g/t silver, 1.64 g/t gold plus significant base metal credits).

The first two holes of the program appear to have penetrated the footwall region of the Swann zone with narrow stringers of base metal in quartz containing low precious metal values. DDH21-2 had 0.91 metres of 11.77 g/t silver and 2.17% zinc as well as 3.05 metres of 21.66 g/t silver and 2.24% zinc.

Sampling from a float boulder train produced high-grade results: the average value of 22 samples taken from the vicinity of the Swann zone is 74.22 g/t gold, 842.9 g/t silver, 37.6% lead, 1.18% copper and 28.9% zinc.

**MINERAL PROPERTIES** – (cont'd)

***Harry Property*** – (cont'd)

2022 Exploration Program

On August 3, 2022, Optimum began surface exploration work on the Harry Property. A Shaw portable core drill commenced shallow drilling to test known mineralized zones to delineate potential new drill targets. The Shaw portable core drill is capable of 1 to 1.5 metre long core samples that are 41 millimetres in diameter.

On August 18, 2022, Optimum announced that several new zones of mineralization were discovered on the Harry Property. New mapping indicated a sequence of volcanic rocks in the northeast portion of the claim block with thick sections of mudstone in the southwest, both of which are intensely altered with zones of mineralization with an abundance of sericite and pyrite. Quartz veins, quartz breccias and semi-massive sulphides also occur within these alteration zones. These wide zones of intense alteration trend north and northwest along the claim length. This type of alteration and mineralization is similar to nearby gold deposits. The new zones were as follows:

*Golden Summit*

Located in the northwest corner of the claim group, a quartz breccia zone one to two metres wide, part of a 50-metre-wide alteration corridor, carries pockets and stringers of tetrahedrite, green sphalerite (similar to that of the Swann zone one kilometre southeast) and galena with minor pyrite. In the footwall region of the zone, several parallel zones of quartz breccia with sulphides occur. Drill pads were constructed for drilling in early September which consisted of short holes to test the width and tenor of gold-silver-lead-zinc mineralization.

*BR*

Located near the Swann zone, BR is approximately 100 metres higher in elevation. The zone consists of massive galena with minor sphalerite veinlets in a stockwork zone. The zone is poorly exposed in an overburden-covered area. Further work is required to determine if it is part of the Swann zone. Several drill holes are planned in this highly accessible zone.

*Ursula*

This zone consists of massive pyrite with minor galena and sphalerite exposed and is over 10 metres wide. Galena-rich boulders up to one metre in diameter located down ice from an overburden-covered area in the zone indicate the possibility of strike extension. Chip sampling and Shaw drill testing are planned for this zone.

**MINERAL PROPERTIES** – (cont'd)

***Harry Property*** – (cont'd)

2022 Exploration Program – (cont'd)

*Saw Cut*

A zone of pyrite and sphalerite in mudstones was located along the edge of the Salmon glacier with the presence of hydrozincite and zinc carbonate over an extensive area. Coarse pyrite and fine sphalerite occur along layers of fine beds in this zone. This mineralization type appears to be similar to the Eskay Creek deposit. Further sampling and drilling are planned at Saw Cut.

*GS*

A new discovery occurring within north-trending sediments, including galena and sphalerite mineralization along a stockwork zone. Additional sampling is planned to define this new discovery.

On September 16, 2022, Optimum announced the results of an induced polarization and magnetic geophysical survey completed by Simcoe Geoscience on the Harry Property.

The IP surveying yielded new and important information that will help guide drilling and surface exploration work. This survey was carried out to outline known structures and uncover unknown structures due to overburden in the area. This has outlined areas of sulphide concentrations as well as areas of quartz-sulphide stock works. The final survey report has demonstrated the program's success by outlining numerous anomalies.

Highlights of the IP survey include:

- Identified 27 chargeability anomalies (first to third order);
- Drilling targets can now be selected from the first priority on the 2-D sections for future exploration follow-up;
- The east side of the grid (L7E, L8E and L9E) depicts the strongest chargeability at both extents of the profiles;
- The western profiles (L5E, L6E and L11E) depict the strongest chargeability in the central parts of the sections;
- Discovery of new zone Ursula South. This zone consists of mineralization of a stockwork of galena-sphalerite veins up to 0.8 metres wide over a width of five metres and is in an overburden area approximately 75 metres south of the Ursula zone;
- The first- and second-priority zones are relatively shallow compared with the third-priority zone, which extends to a depth of more than 300 metres. Aside from anomalous zones, overall chargeability is in the high range, which reflects major amounts of pyrite and high sulphide percentage in the survey area. The chargeability zones are generally controlled by the subvertical faults.

**MINERAL PROPERTIES** – (cont'd)

***Harry Property*** – (cont'd)

2022 Exploration Program – (cont'd)

The IP survey report states: "The IP resistivity models display a subsurface resistivity variation range from 200 ohm-metres to 20,000-plus ohm-metres. The survey area generally has low to moderate resistivity, and the range of resistivity shows the area's sedimentary and volcanic rock units. The resistivity sections resolved the distinct changes in resistivity from south to north along the parallel lines. Sub-horizontal contacts are mapped in this region and several subvertical faults are resolved, which extends from surface to a depth of more than 400 metres."

On September 27, 2022, Optimum released gold and silver assays for select samples from the BR, Ursula and Golden Summit zones on the Harry Property.

Highlights of the sampling include:

- 1.8 to 26.6 g/t gold and 282.9 to 1,003.2 g/t silver from five samples on the BR zone;
- 0.8 to 6.5 g/t gold and 131.3 to 208.1 g/t silver on the Ursula zone;
- 0.1 to 2.3 g/t gold and 470.3 to 5,477.4 g/t silver on the Golden Summit zone.

On October 24, 2022, Optimum announced that Sunbeam Drilling Ltd. had commenced a drilling program on the Harry Property utilizing a B-15 drill running NQ core and a JK Smit helicopter portable drill using BTW core. The drill program is planned for 2,500 metres.

The program is scheduled to test multiple new zones of gold-silver bearing poly-metallic sulphide mineralization discovered earlier this year by prospecting, and in some instances, by shallow surface drilling. Priority is being given to the Swann, BR, Ursula, Ursula South, Saw Cut and GS zones, where to date, over 1,000 surface talus fines, chip samples, grab samples, saw cut samples and Shaw drill core samples have been sent to the lab for analysis.

***Edward Kruchkowski, P.Geo., a Qualified Person as defined by NI-43-01 regulations and a director of the Company, has reviewed this MD&A and approved the technical disclosures concerning the Harry Property.***

**SELECTED ANNUAL INFORMATION**

The following table sets out selected financial information of the Company for the years ended June 30, 2022, 2021 and 2020:

	June 30, 2022 \$	June 30, 2021 \$	June 30, 2020 \$
Revenues	Nil	Nil	Nil
Net and comprehensive loss	(2,409,283)	(107,518)	(484,000)
Basic and diluted loss per share	(0.065)	(0.005)	(0.024)
Total assets	5,346,499	3,787,380	854,799
Non-current financial liabilities	51,331	Nil	Nil
Dividends	Nil	Nil	Nil

## **DISCUSSION OF OPERATIONS**

The Company recorded a net loss and comprehensive loss of \$2,409,283 for the year ended June 30, 2022 compared to \$107,518 for the year ended June 30, 2021.

The Company signed a two-year lease for its head office premises on November 1, 2021. Rent expense was no longer recorded after November 1, 2021 and the office lease cost was thereafter expensed as amortization of right of use asset and lease interest. The comparative figures were not restated as permitted under the transitional provisions of IFRS 16 – Leases.

The Company incurred consulting fees of \$79,000 for the year ended June 30, 2022 compared to \$Nil for the year ended June 30, 2021. During the year ended June 30, 2022, the Company incurred consulting fees related to office administration including the design and maintenance of its website.

The Company incurred filing fees of \$45,275 for the year ended June 30, 2022 compared to \$9,788 for the year ended June 30, 2021. During the year ended June 30, 2022 filing fees of \$13,202 were paid to the TSX Venture Exchange with respect to the filing of documents for the option of the Harry Property.

The Company incurred legal fees of \$85,730 for the year ended June 30, 2022 compared to \$5,101 for the year ended June 30, 2021. During the year ended June 30, 2022, legal fees increased due to the option of the Harry Property, the granting of stock options and the completion of a flow-through private placement.

The Company incurred management fees of \$135,000 for the year ended June 30, 2022 compared to \$30,000 for the year ended June 30, 2021. The Company's Chief Executive Officer charged management fees at a rate of \$10,000 per month beginning in July 2021. The previous Chief Executive Officer charged management fees at a rate of \$1,250 per month.

The Company recorded stock-based payments expense of \$806,181 for the year ended June 30, 2022 compared to \$Nil for the year ended June 30, 2021. The Company accrues share-based payments expense over the vesting period of the options. During the year ended June 30, 2022, the Company granted 2,500,000 stock options. No stock options were granted during the year ended June 30, 2021.

The Company recorded shareholder communications expense of \$122,195 for the year ended June 30, 2022 compared to \$Nil for the year ended June 30, 2021. Optimum retained MKT Digital Inc. ("MKT") for public relations services. MKT will work to develop and implement a strategic corporate communications program to increase the visibility of the Company amongst investors and industry stakeholders. The Company also retained Gina Capital LP for a German shareholder communications campaign.

The Company recorded rental income of \$79,750 for the year ended June 30, 2022 compared to \$Nil for the year ended June 30, 2021. The rental income related to the sublet of its head office premises.

The Company recorded other income of \$14,665 for the year ended June 30, 2022 compared to \$Nil for the year ended June 30, 2021. The other income related to the recognition of the flow through premium paid by investors in the Company's flow through private placement. At June 30, 2022, the remaining flow-through premium liability was \$286,935.



**DISCUSSION OF OPERATIONS** – (cont'd)

The Company recorded a write-off of exploration and evaluation assets of \$1,039,734 for the year ended June 30, 2022 compared to \$Nil for the year ended June 30, 2021. At June 30, 2022, the Company had determined that no further exploration work was warranted on the Premier South Property. On August 24, 2022, the Company provided the vendors of the Riverside and Mineral Basin claims with notice that it would not be proceeding with the option agreements. The accumulated property acquisition costs and deferred exploration costs were written-off effective June 30, 2022.

Acquisition, exploration and evaluation costs incurred on the Company's mineral properties for the years ended June 30, 2022 and 2021 were as follows:

	Premier South	Harry	Total
At June 30, 2020	\$ 442,162	\$ -	\$ 442,162
Property acquisition costs - cash	79,170	-	79,170
Deferred exploration costs - assays	23,486	-	23,486
Deferred exploration costs - claim maintenance fees	9,434	-	9,434
Deferred exploration costs - equipment rental - Note 6	19,474	-	19,474
Deferred exploration costs - geological	3,550	-	3,550
Deferred exploration costs - labour	24,192	-	24,192
Deferred exploration costs - travel and field	65	-	65
	159,371	-	159,371
At June 30, 2021	601,533	-	601,533
Property acquisition costs - cash	90,475	77,000	167,475
Property acquisition costs - shares – Note 8	-	536,766	536,766
Deferred exploration costs – assays	11,974	38,718	50,692
Deferred exploration costs - claim maintenance fees	4,892	-	4,892
Deferred exploration costs - equipment rental - Note 6	106,795	59,941	166,736
Deferred exploration costs - geological - Note 6	11,955	46,475	58,430
Deferred exploration costs – labour	106,873	-	106,873
Deferred exploration costs - road construction - Note 6	12,500	12,500	25,000
Deferred exploration costs - travel and field	92,737	88,568	181,305
Deferred exploration costs - BCMETC	-	(26,678)	(26,678)
	438,201	833,290	1,271,491
Write-off of exploration and evaluation assets	(1,039,734)	-	(1,039,734)
At June 30, 2022	\$ -	\$ 833,290	\$ 833,290

The Company recorded a BC Mining Exploration Tax Credit receivable of \$26,678 for the year ended June 30, 2022 compared to \$Nil for the year ended June 30, 2021.

### **SUMMARY OF QUARTERLY RESULTS**

The figures for the quarters ended June 30, 2022 and 2021 are derived from the Company's audited consolidated financial statements. All other quarterly figures are derived from the Company's unaudited condensed interim consolidated financial statements.

	June 30, 2022 \$	March 31, 2022 \$	December 31, 2021 \$	September 30, 2021 \$
Net loss and comprehensive loss	(1,753,730)	(440,281)	(130,247)	(85,025)
Basic loss per share	(0.05)	(0.01)	(0.00)	(0.00)
Diluted loss per share	(0.05)	(0.01)	(0.00)	(0.00)

	June 30, 2021 \$	March 31, 2021 \$	December 31, 2020 \$	September 30, 2020 \$
Net loss and comprehensive loss	(36,931)	(19,695)	(24,116)	(26,776)
Basic loss per share	(0.00)	(0.00)	(0.00)	(0.00)
Diluted loss per share	(0.00)	(0.00)	(0.00)	(0.00)

### **FOURTH QUARTER**

The Company had the following significant fourth quarter transactions:

- At June 30, 2022, the Company had determined that no further exploration work was warranted on the Premier South Property. On August 24, 2022, the Company provided the vendors of the Riverside and Mineral Basin claims with notice that it would not be proceeding with the property option agreements. The accumulated property acquisition costs and deferred exploration costs which totaled \$1,039,734 were written-off effective June 30, 2022.
- At June 30, 2022, the Company revalued share-based payments expense on 2,500,000 options granted on January 24, 2022. The revaluation resulted in an increase to share-based payments expense of \$556,181.

### **OFF-BALANCE SHEET ARRANGEMENTS**

The Company has no off-balance sheet arrangements to report.

### **PROPOSED TRANSACTIONS**

The Company has no proposed transactions to report.

## **LIQUIDITY AND CAPITAL RESOURCES**

At June 30, 2022, the Company has not advanced its mineral properties to commercial production and has not generated revenue from operations. The Company does not expect to generate revenues in the foreseeable future and expects to continue to incur costs to further explore its mineral properties.

The Company's mineral property interests were acquired by way of option agreements which carry ongoing cash and exploration expenditure obligations as disclosed earlier in this MD&A.

At June 30, 2022, the Company had working capital of \$3,137,385. The Company has financed its administrative overheads, mineral property acquisitions and exploration programs to date through the issuance of common shares. However, there is no assurance it will be able to do so in the future.

### ***Financing Activities***

#### **Year ended June 30, 2022:**

On December 7, 2021, the Company issued 425,500 common shares at \$0.15 per share for proceeds of \$63,825 pursuant to the exercise of 425,500 agent's options.

On December 13, 2021, the Company issued 4,640,000 common shares pursuant to a flow-through private placement at \$0.50 per share for gross proceeds of \$2,320,000. Filing fees of \$11,600 were paid with respect to this private placement. The Company recorded a flow-through premium liability of \$301,600. To June 30, 2022, the Company has recorded other income of \$14,665 related to the flow-through premium.

To June 30, 2022, the Company had incurred \$112,811 of eligible flow-through expenditures. The Company is required to incur an additional \$2,207,189 of flow-through expenditures by December 31, 2022.

During the year ended June 30, 2022, the Company issued 200,000 common shares pursuant to the exercise of 200,000 share purchase warrants for proceeds of \$70,000.

#### **Year ended June 30, 2021:**

On June 25, 2021, the Company issued 11,538,191 units at \$0.26 per unit for gross proceeds of \$2,999,930. Each unit consisted of one common share and one-half of one share purchase warrant. Each full share purchase warrant entitled the holder to purchase an additional common share at \$0.35 until June 25, 2023. Legal fees of \$14,716 and filing fees of \$17,219 were paid with respect to this private placement.

**TRANSACTIONS BETWEEN RELATED PARTIES**

At October 26, 2022, the Board of Directors of the Company are Andrew Bowering, Edward Kruchkowski, Randolph Kasum and Tyler Ross. The officers of the Company are Tyler Ross, CEO and Edward Kruchkowski, CFO.

The Company incurred the following charges by directors of the Company and by companies with directors in common with the Company during the years ended June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Deferred exploration costs – equipment rental	\$ 132,112	\$ 18,645
Deferred exploration costs – geological	24,000	-
Deferred exploration costs – road construction	25,000	-
Management fees	135,000	30,000
Rent	4,000	12,000
Share-based payments	<u>438,562</u>	<u>-</u>
	<u>\$ 758,674</u>	<u>\$ 60,645</u>

Key management personnel consist of the directors and officers of the Company. During the nine months ended March 31, 2022 and 2021, the Company incurred the following key management compensation charges:

	<u>2022</u>	<u>2021</u>
Deferred exploration costs – equipment rental	\$ 132,112	\$ 18,645
Deferred exploration costs – geological	16,000	-
Deferred exploration costs – road construction	25,000	-
Management fees	101,250	22,500
Share-based payments	<u>438,562</u>	<u>-</u>
	<u>\$ 754,674</u>	<u>\$ 41,145</u>

At June 30, 2022, exploration advances includes \$590,000 (June 30, 2021: \$Nil) paid to companies with directors in common with the Company for an exploration program on the Harry Property that commenced subsequent to June 30, 2022.

At June 30, 2022, due to related parties includes \$34,125 (June 30, 2021: \$63,000) due to companies with directors in common with the Company for management fees and office rent.

## **CRITICAL ACCOUNTING ESTIMATES**

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual experience may differ from these estimates and assumptions. The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive loss in the period of the change, if the change affects that period only; or in the period of the change and future periods, if the change affects both. Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the consolidated financial statements are discussed below:

### *Exploration and Evaluation Expenditures*

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of the expenditures is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available.

### *Rehabilitation Provisions*

Rehabilitation provisions were determined to be \$Nil based on management estimates. Assumptions were made which management believes are a reasonable basis upon which to estimate the future liability. Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to provisions from period to period.

### *Share-Based Payments*

The Company uses the Black Scholes Option Pricing Model for valuation of share-based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

### *Valuation of Deferred Tax Assets*

The Company makes a determination of whether it is likely that future taxable profits will be available to utilize against any deferred tax assets.

### *Going Concern*

The Company uses judgement in its assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.

### **CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION**

The Company's significant accounting policies are disclosed in Note 3 to its audited consolidated financial statements for the years ended June 30, 2022 and 2021.

#### ***New Accounting Standards and Interpretations***

There were no recently adopted accounting standards with a material impact to the consolidated financial statements during the year ended June 30, 2022.

#### ***Future Accounting Pronouncements***

The Company has not identified any new accounting pronouncements that are likely to have a material impact on its consolidated financial statements in future years.

## **FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS**

The fair values of the Company's financial assets and liabilities approximate their carrying amounts.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The Company's financial instruments consist of cash, accounts payable and due to related parties. Cash is classified as FVTPL and accounts payable and due to related parties are classified as financial liabilities at amortized cost.

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.

### *Credit Risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash is exposed to credit risk. The Company reduces its credit risk on cash by placing these instruments with institutions of high credit worthiness.

### *Interest Rate Risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's cash is exposed to interest rate risk.

### *Liquidity Risk*

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company's accounts payable and amounts due to related parties are all current and due within 90 days of the balance sheet date.

### *Currency Risk*

The Company's functional currency is the Canadian dollar. The exploration of the Company's mineral properties is partially conducted in United States dollars, which may impact operating results and cash flows by changes in the Canadian dollar vis-à-vis the United States dollar. The Company does not engage in any hedging activities to reduce its foreign currency risk.

## **RISKS AND UNCERTAINTIES**

In addition to the risks and uncertainties outlined earlier in this management discussion, the Company is also subject to other risks and uncertainties including the following:

### *COVID-19*

In March 2020, the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak and the related adverse public health developments have adversely affected workforces, economies and financial markets, leading to a global economic downturn. Management has implemented safeguards and protocols recommended by the relevant health authorities to protect its workers and continues to monitor the situation.

### *General Risk Associated with the Mining Industry*

The business of mineral deposit exploration and extraction involves a high degree of risk. Few properties that are explored ultimately become producing mines. At present, none of the Company's properties has a known commercial ore deposit. The main operating risks include: securing adequate funding to maintain and advance exploration properties; ensuring ownership of and access to mineral properties by confirmation that claims and leases are in good standing and obtaining permits for drilling and other exploration activities. The market prices for gold and other metals can be volatile and there is no assurance that a profitable market will exist for a production decision to be made or for the ultimate sale of the metals even if commercial quantities of precious and other metals are discovered.

Exploration and development activities involve risks which careful evaluation and experience may not, in some cases eliminate. The commercial viability of a mineral deposit depends on many factors not all of which are within the control of management. Some of the factors that affect the financial viability of a given mineral deposit include its size, grade and proximity to infrastructure, government regulation, taxes, royalties, land tenure, land use, environmental protection and reclamation and closure obligations. Management may attempt to mitigate its exploration risk by employing a strategy of joint ventures with other companies which balances risk while at the same time allows properties to be advanced.

### *Dependence on Key Personnel*

Loss of certain members of the executive team or key operational leaders of the company could have a disruptive effect on the implementation of the Company's business strategy and the efficient running of day-to-day operations until their replacement is found. Recruiting personnel is time consuming and expensive and competition for professionals is intense. The Company may be unable to retain its key employees or attract, assimilate, retain or train other necessary qualified employees, which may restrict its growth potential.



**RISKS AND UNCERTAINTIES** – (cont'd)

*Option Agreements*

The Company is currently earning some of its interests in its mineral properties through option agreements and acquisition of title to the property is only completed when the option conditions have been met. These conditions generally include making property payments and incurring exploration expenditures on the properties and can include the completion of pre-feasibility studies. If the Company does not satisfactorily complete its option conditions in the time frame laid out in the option agreement, the Company's title to the mineral property will not vest and the Company will have to write-down the previously capitalized costs related to that property.

*Permits and Licences*

The operations of the Company will require licences and permits from various governmental authorities, which have been applied for and/or will be applied for at the proper time. There can, however, be no assurance that the Company will be able to obtain all necessary licences and permits required to carry out exploration, development and mining operations of its projects.

*Environmental Regulation*

The operations of the Company are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions or various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which means stricter standards, and enforcement, fines and penalties for non-compliance are becoming more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and their directors, officers and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of future operations. The Company may become subject to liability for pollutions or hazards against which it cannot insure or again which it may elect not to insure where premium costs are disproportionate to the Company's perception of the relevant risks. The payment of such insurance premiums and of such liabilities would reduce the funds available for exploration and production activities.

**OUTSTANDING SHARE DATA**

*Number of Issued and Outstanding Common Shares:*

At October 26, 2022 40,188,397

*Stock Options:*

At October 26, 2022, there were 3,600,000 stock options outstanding entitling the holders thereof the right to purchase one common share for each option held as follows:

Number of Options	Exercise Price	Expiry Date
2,500,000	\$0.50	January 24, 2027
1,100,000	\$0.15	December 20, 2029
3,600,000		

*Share Purchase Warrants:*

At October 26, 2022, there were 5,569,095 share purchase warrants outstanding entitling the holders thereof the right to purchase one common share for each warrant held at \$0.35 until June 25, 2023.