Talisker RESOURCES

(formerly Eurocontrol Technics Group Inc.)

Management's Discussion & Analysis

For the year ended December 31, 2020

Dated March 25, 2021

Forward-Looking Statements

This Management's Discussion and Analysis ("MD&A") contains certain statements that may be deemed "forward-looking statements," within the meaning of certain securities laws. Forward-looking statements relate to management's expectations or beliefs about future performance, events, or circumstances that include, but are not limited to, reserve or resource potential, exploration and operational activities, and events or developments that the Company expects or targets. Forward-looking statements can usually be identified by words such as: "future", "plans", "scheduled", "expects", "intends", "estimates", "forecasts", "will", "may", "could", "would", and variations thereof. Although the Company believes that these statements are based on reasonable assumptions, all forward-looking statements involve known and unknown risks and uncertainties that may cause the actual performance, events, or circumstances of the Company to be materially different than anticipated. The forward-looking information in this MD&A describes the Company's expectations as of the date of this MD&A.

The results or events anticipated or predicted in such forward-looking information may differ materially from actual results or events. The Company and its operations are also subject to a large number of risks, including: the Company's liquidity and financing capability, fluctuations in gold prices, market conditions, results of current exploration activities, the possibility of a labour stoppage or shortage, delays in obtaining government permits and approvals and such other risks as discussed herein and in other publicly filed disclosure documents. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in such forward-looking statements, there may be other factors that cause performance, events, or circumstances to differ materially from those described in forward-looking statements. There can be no assurance that forward-looking statements will prove to be accurate. Accordingly, readers should not try to place undue reliance on forward-looking statements contained in this MD&A.

The Company cautions that the foregoing list of material factors is not exhaustive. When relying on the Company's forward-looking information to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. The Company has assumed a certain progression, which may not be realized. It has also assumed that the material factors referred to in the previous paragraph will not cause such forward-looking information to differ materially from actual results or events. However, the list of these factors is not exhaustive and is subject to change and there can be no assurance that such assumptions will reflect the actual outcome of such items or factors.

Forward-looking statements are based on management's current plans, estimates, projections, beliefs, and opinions and Talisker does not undertake any obligation to update forward-looking statements should the assumptions related to these plans, estimates, projections, beliefs and opinions change, except as required by law.

Qualified Person

The technical information contained in this MD&A has been approved by Leonardo de Souza (BSc, AusIMM (CP) Membership 224827), Talisker's Vice President, Exploration and Resource Development, who is a "qualified person" within the meaning of National Instrument 43-101, Standards of Disclosure for Mineral Projects.

Recent Developments, Exploration Properties, Outlook and Strategy

RECENT DEVELOPMENTS

Talisker Resources Ltd. (formerly Eurocontrol Technics Group Inc.) ("Talisker" or the "Company") is a publicly listed company incorporated in British Columbia and continued in the Province of Ontario. The Company is engaged in exploration and evaluation of mineral properties in British Columbia.

Fiscal Year 2020

On February 4, 2020, the Company closed a bought deal private placement for gross proceeds of $13,059,988 and issued 15,333,320 common shares at a price of $0.33 per common share and 16,161,600 charity flow-through common shares (the "Charity FT Shares") at a price of $0.495 per Charity FT Share. In connection with the private placement, the Company paid $667,387 in cash commissions and issued an aggregate of 620,817 compensation warrants, with each compensation warrant entitling the holder to acquire one common share of the Company at a price of $0.33 for a period of 24 months from the closing date.

On February 12, 2020, the Company announced that it was undertaking a drill program at the Bralorne Gold Project. In press releases dated April 1st, May 5th, May 26th, June 9th, July 6th, July 16th, September 8th, October 19th, November 26th, 2020 and January 14th, January 19th, February 2nd and February 23rd, 2021, the Company provided updates on the drill program including assay results. Further details of the exploration drill program and results are included under "*Exploration Properties*".

On July 7, 2020, the Company entered into an asset purchase agreement (the "Purchase Agreement") with TDG Gold Corp. ("TDG Gold") for TDG Gold to acquire Talisker's mineral resource properties located in the Toodoggone region of the province of British Columbia, including the Baker Project, the Shasta Mine and the Baker mill infrastructure and equipment, the Chappelle property, the Mets lease, and the Bot property (collectively the "Properties"). On December 11, 2020, pursuant to the Purchase Agreement, TDG Gold acquired the Properties by issuing to Talisker 18,973,699 TDG Gold common shares representing an ownership interest of 33.3% of TDG Gold based on the current shares outstanding and 30.12% of the fully-diluted issued and outstanding TDG Gold shares. TDG Gold shares are listed on the TSX Venture Exchange and trade under the symbol "TDG".

On July 30, 2020, the Company's common shares were qualified to trade on the OTCQX Best Market.

On August 13, 2020, the Company closed a bought deal private placement for gross proceeds of $23,000,000. In connection with the offering, the Company issued an aggregate of 28,260,870 units at a price of $0.46 per unit for gross proceeds of $13,000,000 and 15,625,000 charity flow-through units at a price of $0.64 per charity flow-through unit for gross proceeds of $10,000,000. Each unit and charity flow through unit was comprised of one common share and one-half of one common share purchase warrant with each warrant entitling the holder to purchase one common share at an exercise price of $0.70 for a period of 12 months from the date of issuance thereof. The warrants were ascribed a fair value of $3,752,000 which was valued using the Black-Scholes pricing model with the following assumptions: dividend yield 0%; risk free interest 0.28%; volatility 132% and an expected life of 12 months. In consideration for their services, the Company paid cash commissions and incurred other closing costs totaling $1,517,215.

On September 2, 2020, the Company filed an Annual Information Form for the year ended December 31, 2019 (the "AIF") and a technical report (the "Technical Report") prepared in accordance with National Instrument 43-101 – *Standards for Disclosure for Mineral Projects* ("NI 43-101") in respect of the Bralorne Gold Project, located in Bralorne, British Columbia. The Technical Report includes a Mineral Resource Estimate described under "*Exploration Properties – Southern British Columbia Properties*". The Technical Report has an effective date of July 24, 2020 and includes information on the Bralorne Gold Project as of that date. The current mineral resource estimate is limited to the area between the historic Bralorne and King mines where Avino Silver & Gold Mines Ltd. ("Avino"), the prior owner, concentrated its test mining activities and does not include any of the recent exploration drilling conducted by Talisker since acquiring the Bralorne Gold Project.

On October 14, 2020 The Company's common shares began trading on the TSX under the symbol "TSK". In connection with the listing on the TSX, the Company voluntarily delisted its common shares from the Canadian Securities Exchange effective October 13, 2020.

On January 26, 2021, the Company announced the results of the systematic rock and soil sampling program conducted at its Golden Hornet property during the 2020 field season and announced a 6,700 metre drill program to test all four mineralized zones. Further details of the exploration drill program and results are included under "*Exploration Properties*".

On March 25, 2021, the Company a planned strategic investment by New Gold Inc. ("New Gold") and a non-brokered private placement to raise total gross proceeds of up to $19.1 million through the issuance of 37,366,932 flow-through common shares of the Company at a price of $0.51 per flow-through common share. The non-brokered private placement is expected to close on or about April 15, 2021 and is subject to the approval of the Toronto Stock Exchange. Immediately following the closing of the non-brokered private placement, New Gold will acquire 37,366,932 common shares, which will provide New Gold with a 14.9% interest in the Company on a pro forma basis. In anticipation of New Gold acquiring its interest, New Gold and Talisker have entered into an investor rights agreement (the "Investor Rights Agreement") which provides that the rights provided to New Gold shall become effective upon the date that New Gold has acquired a 14.9% interest in the Company (the "Effective Date"). Pursuant to the Investor Rights Agreement, during the period commencing on the Effective Date and ending on the date on which New Gold's ownership is less than 10% of the issued and outstanding common shares of Talisker, New Gold will have the right, among other things, to:

- Have a nominee appointed to the board of directors of Talisker (the "**Board**") and have such nominee nominated for election at the Company's meetings of shareholders. If the size of the Board is increased to eight or more members, New Gold shall be entitled to designate an additional nominee.
- Participate on a pro rata basis in equity financings by Talisker in order to maintain its 14.9% interest in Talisker. In addition, New Gold will have certain top-up rights that will allow it to maintain its interest in the event of other dilutive events undertaken by Talisker.
- Certain information and access rights to the Company's properties.

In return for these rights, New Gold has agreed to, among other things:

- For a period of 24 months, ensure it is present at shareholder meetings of the Company and, subject to certain exceptions, not vote against matters that have been unanimously approved by the Board.
- Certain restrictions on disposing its interest in Talisker.
- A 24-month standstill which will prohibit New Gold from taking certain actions, including acquiring more than 14.9% of the issued and outstanding common shares of Talisker, subject to certain exceptions.

The outbreak of COVID-19 has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. On April 1, 2020, the Company temporarily suspended its operations in British Columbia for good practices in relation to public health measures and out of concern for the Company's employees and out of respect for the Company's Indigenous partners and other local communication members who were concerned about the introduction of the virus to the area from outsiders travelling to the Bralorne Gold Project. On May 26, 2020, the Company announced that it had re-commenced drilling operations with new protocols and practices in place to abide by the public health regulations and guidelines. The duration and impact of the COVID-19 pandemic is unclear at this time and as a result it is not possible for management to estimate the severity of the impact it may have on the financial results and operations of the Company in future periods. It is management's assumption that the Company will continue to operate as a going concern. Based on current legislation, as of December 31, 2020, the Company is required to spend approximately $11,000,000 to be spent by December 31, 2021 in connection with its flow-through offerings (December 31, 2019 - $3,158,000). On July 7, 2020, the Department of Finance proposed to extend the flow-through funds spend period and the look-back rule by one year, including extending the filing requirement for the Part XII.6 tax for the same period. Proposed amendments to enact these proposals were published on December 16, 2020, but have not been enacted as of December 31, 2020. Assuming the extension is enacted as proposed, the Corporation will be required to spend $11,000,000 of flow-through funds by December 31, 2022, instead of December 31, 2021.

Fiscal Year 2019

On January 24, 2019, the Company entered into an asset purchase agreement (the "Purchase Agreement") to acquire Sable Resources Ltd.'s ("Sable") mineral resource properties located in the Province of British Columbia and certain related assets (the "Acquired Properties[1]") in exchange for paying Sable $500,000 in cash and issuing Sable 30,000,000 post-consolidation shares at the time of closing and granting Sable, on the closing date, a 1.0% net smelter return royalty on each of the Acquired Properties and assuming certain liabilities relating to the Acquired Properties (the "Transaction"). Additionally, in connection with the Transaction, the Company announced that it planned to:

1. consolidate its outstanding shares on the basis of one post-consolidation share for each four shares;
2. change its name to "Talisker Resources Ltd."; and
3. apply to the Canadian Securities Exchange (the "CSE") to have its shares listed and posted for trading on the CSE and apply to the TSX Venture Exchange ("TSXV") to have its shares delisted from the TSXV upon completion of the Transaction.

On March 29, 2019, shareholders approved the Transaction and other related items of business and on April 17, 2019, the Company filed Articles of Amendment to change its name to Talisker Resources Ltd. and to consolidate its shares on a 1 for 4 basis.

On April 17, 2019, the Company completed an offering of 11,730,000 subscription receipts (each, a "Subscription Receipt"), at a price of $0.20 per Subscription Receipt, for gross proceeds of $2,346,000. Following completion of the transaction with Sable on April 18, 2019, the gross proceeds were released to Talisker, and all of the Subscription Receipts were automatically exchanged for units (each, a "Unit") of Talisker. Each Unit was comprised of one common share of Talisker, and one common share purchase warrant of Talisker, with each common share purchase warrant entitling the holder to acquire a further common share of the Company at a price of $0.30 for a period of 24 months, subject to accelerated expiry in the event the closing price of the shares of the Company is greater than $0.50 for ten consecutive trading days.

On August 29, 2019 through September 6, 2019, the Company completed three tranches of a private placement financing of common shares, flow-through shares (the "FT Shares") and charity flow-through shares (the "Charity FT Shares") of the Company, issuing 11,642,770 common shares at a price of $0.14 per common share for gross proceeds of $1,629,988, as well as 10,463,750 FT Shares at a price of $0.16 per FT Share for gross proceeds of $1,674,200 and 4,071,000 Charity FT Shares at a price of $0.21 per Charity FT Share for gross proceeds of $854,910, respectively, for aggregate gross proceeds of $4,159,098. In connection with the financing, the Company paid cash commissions totaling $254,256, and

[1] Acquired Properties included several early to advanced stage projects including in the Toodoggone region of northern British Columbia, the past producing Baker Gold Project; the Shasta Mine and Baker mill infrastructure and equipment; the Chappelle (Baker and Multinational Mines) property; the Mets Lease; and the Bot Property and in south central British Columbia, the Blue Jay Property; the Spences Bridge Property; the Tulameen Property; and the Tulox Property.

(in Canadian dollars unless otherwise noted)

issued an aggregate of 518,566 compensation warrants, with each compensation warrant entitling the holder to acquire one common share of the Company at a price of $0.14 for a period of 24 months.

On November 21, 2020, the Company announced that it had entered into a definitive purchase agreement to acquire a 100% interest in the Bralorne Gold Project from Avino Silver & Gold Mines Ltd. ("Avino") through the acquisition of Bralorne Gold Mines Ltd., a wholly-owned subsidiary of Avino (the "Acquisition"). On December 13, 2019, the Company completed the Acquisition in exchange for:

1. a cash payment of $8.7 million;
2. the issuance of 12,580,000 common shares of Talisker; and
3. the issuance of 6,290,000 common share purchase warrants, with each common share purchase warrant being exercisable at $0.25 for a period of three years from closing, subject to acceleration in the event the closing price of common shares is greater than $0.35 for 20 or more consecutive trading days at any time following April 14, 2020.

A cash payment of US$2.5 million will be payable to Avino on commencement of commercial production of the Project.

At closing, Bralorne had approximately $1.9 million in cash, which was sufficient to finance the remaining flow-through expenditures on the Bralorne Gold Project at such time and had no debts or liabilities other than in respect of certain equipment and environmental, permitting, reclamation and rehabilitation costs associated with the Bralorne Gold Project.

The 12,580,000 common shares issued to Avino are subject to a contractual one-year hold period, subject to certain exceptions. Until Avino holds not less than 5% of outstanding common shares of Talisker, Avino has a pre-emptive right to participate in future equity financings of Talisker to maintain its share ownership percentage interest in Talisker.

In connection with the Acquisition, the Company completed a private placement of 22,222,222 common shares at price of $0.18 per common share for gross proceeds of $4.0 million.

On December 23, 2019, the Company entered into a definitive royalty purchase agreement and royalty agreement with Bralorne and Osisko Gold Royalties Ltd ("Osisko") for the completion of the sale of a 1.2% net smelter returns royalty on all production from the Bralorne Gold Project in exchange for $6.2 million in cash

EXPLORATION PROPERTIES

The exploration and evaluation expenses for the Company are summarized as follows:

	Three months ended December 31, 2020	Three months ended December 31, 2019	**Year ended December 31, 2020**	Year ended December 31, 2019
Bralorne Gold Project	**$ 3,474,465**	$ 221,392	**$ 8,678,091**	$ 221,392
Spences Bridge Gold Project	**773,428**	518,353	**2,302,450**	2,144,716
Baker Project	**-**	9,387	**-**	9,387
Tulox Property	**-**	3,683	**-**	3,683
Exploration and evaluation expenditures	**$ 4,247,893**	$ 752,815	**$ 10,980,541**	$ 2,379,178

(in Canadian dollars unless otherwise noted)

The exploration and evaluation expenses for the Company by expenditure classification is summarized as follows:

	Three months ended December 31, 2020	Three months ended December 31, 2019	**Year ended December 31, 2020**	Year ended December 31, 2019
Consulting	**$ 321,108**	$ 188,357	**$ 1,013,873**	$ 491,257
Salaries and wages	**705,544**	253,705	**2,230,372**	930,158
Drilling	**1,812,473**	57,011	**4,618,909**	57,011
Assays	**287,584**	68,105	**755,748**	133,000
Field supplies & administrative	**784,381**	(80,462)	**1,834,712**	180,400
Travel and other	**21,268**	167,835	**90,031**	391,047
Equipment rentals	**82,042**	98,264	**220,648**	196,305
Share based payments	**200,381**	-	**425,843**	**-**
Equipment repairs & maintenance	**33,112**	-	**109,586**	-
Recovery of exploration and evaluation expenditures (1)	**-**	-	**(319,181)**	-
Exploration and evaluation expenditures	**$ 4,247,893**	$ 752,815	**$ 10,980,541**	$ 2,379,178

(1) The Company recognized a receivable of $319,181 related to B.C. tax mining credits.

The mine care and maintenance costs for the Company by expenditure classification is summarized as follows:

	Three months ended December 31, 2020	Three months ended December 31, 2019	**Year ended December 31, 2020**	Year ended December 31, 2019
Consulting	**$ 100,298**	$ -	**$ 491,249**	$ -
Salaries and wages	**281,802**	-	**668,822**	-
Field supplies and administrative	**(7,719)**	-	**245,726**	-
Assays	**3,637**	-	**30,718**	-
Share based payments	**663**	-	**162,355**	-
Equipment repairs & maintenance	**3,001**	-	**112,997**	-
Mine care and maintenance costs	**$ 381,682**	$ -	**$ 1,711,867**	$ -

Talisker's exploration projects include the Bralorne Gold Complex, an advanced stage project with significant exploration potential from a historical high-grade producing gold mine as well as its Spences Bridge Gold Project where the Company holds ~85% of the emerging Spences Bridge Gold Belt and several other early stage Greenfields projects listed below. The Company's properties comprise 282,403 hectares over 258 claims, six leases and 198 crown grant claims.

Southern British Columbia Properties

Located in southern British Columbia, the Bralorne Gold Project comprises the tenure owned by Bralorne Gold Mines Ltd., a wholly-owned subsidiary of Talisker, that comprises several historic mine workings (Pioneer, Bralorne, King and Taylor-Bridge mines) as well as additional tenure acquired by Talisker in 2020, the Royalle property, the NaiKun Wind Crown Grant claims, the Congress property and the Bralorne Crown Grant Extensions (further described below). With these acquisitions, the Bralorne Gold Project comprises over 15,446 ha over 59 claims, three leases and 198 Crown Grant claims. The Bralorne Gold mine complex produced approximately 4.2 million ounces of gold at a grade of 17.7 g/t Au from 30 veins in three adjacent mines; Bralorne, Pioneer and King, until eventual closure in 1971 due to depressed gold prices.

(in Canadian dollars unless otherwise noted)

The Bralorne Gold Project tenure held by Bralorne Gold Mines has a current mineral resource estimate of 49,000 tonnes at 0.394 opt for 19,000 ounces in the Measured category, 211,000 tonnes at 0.341 opt t for 72,000 ounces in Indicated category, giving a total of 260,000 tonnes at 0.351opt for 91,000 ounces of Measured and Indicated mineral resources, and 317,000 tonnes at 0.231 opt for 78,000 ounces in the Inferred category – see table below. The Technical Report has an effective date of July 24, 2020 and includes information on the Bralorne Gold Project up to that date. The current resource estimate is limited to the area between the historic Bralorne and King mines where Avino, the prior owner, concentrated its test mining activities and does not include any of the recent exploration drilling conducted by Talisker since acquiring the Bralorne Gold Project. The Technical Report with an effective date of July 24, 2020 (filed on SEDAR on September 2, 2020) was prepared by Garth Kirkham as an update to a 2016 technical report "Bralorne Gold Mine, British Columbia, Canada, NI 43-101 Technical Report" prepared for Avino that had an effective date of October 20, 2016 (the "2016 Technical Report"). Key assumptions, parameters, and methods used to prepare the estimates are disclosed in the Technical Report which is available on the Company's SEDAR profile.

Mineral Resource for Bralorne Gold Project												
	Measured			Indicated			Measured & Indicated			Inferred		
Vein	Tons	Au opt	Au Ounces	Tons	Au opt	Au Ounces	Tons	Au opt	Au Ounces	Tons	Au opt	Au Ounces
51b FW	8,000	0.265	2,000	29,000	0.210	6,000	38,000	0.222	8,000	136,000	0.203	26,000
51bFW/HW				25,000	0.620	16,000	25,000	0.667	16,000	35,000	0.415	14,000
Alhambra	15,000	0.284	4,000	15,000	0.275	4,000	30,000	0.280	8,000	9,000	0.204	2,000
BK	21,000	0.481	10,000	47,000	0.351	16,000	68,000	0.391	26,000	35,000	0.184	6,000
BK-9870	6,000	0.548	3,000	7,000	0.277	2,000	13,000	0.396	5,000	2,000	0.243	1,000
BKN				35,000	0.380	13,000	35,000	0.380	13,000	44,000	0.314	14,000
Prince									0	12,000	0.173	2,000
Shaft				40,000	0.283	11,000	40,000	0.283	11,000	24,000	0.283	7,000
Taylor				13,000	0.174	2,000	1,000	0.174	3,000	21,000	0.235	5,000
TOTAL	49,000	0.394	19,000	211,000	0.341	72,000	260,000	0.351	91,000	317,000	0.231	78,000

Notes:

1. Numbers are rounded and therefore may not add up exactly.
2. Mineral Resources reported demonstrate reasonable prospect of eventual economic extraction, as required under NI 43-101. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.
3. The Mineral Resources may be materially affected by environmental, permitting, legal, marketing, and other relevant issues.
4. Inferred mineral resources are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves. However, it is reasonably expected that the majority of Inferred Mineral Resources could have been upgraded to Indicated Resources.

Land Acquisitions

On March 26, 2020, Talisker announced an increase to its land position in the Bralorne Gold Camp with the acquisition of the Royalle property comprising four claim blocks comprising 3,827 hectares. The claim blocks sit directly south of the historic Bralorne-Pioneer mine along strike of the Cadwaller break that host eight exploration targets including mesothermal gold and silver veins and skarn style mineralization. The main target is the Piebiter zone with historic adit sampling returning gold grades of 4.3 g/t over 21 metres and selective grab samples of up to 227 g/t Au. The Chopper silver vein has been delineated for 2,400 metres and with selective grab samples up to 1,585 g/t Ag. The Company notes that these selected samples are not necessarily representative of the mineralization hosted on the Property and limited drilling has been completed on the Property. A qualified person has not verified the data disclosed in respect of the Property, including sampling, analytical and test data underlying this information. The data comes from historic reports prepared by previous owners. In connection with the agreement, Talisker paid $60,000 in cash and issued 600,000 common shares of Talisker. The Vendor has retained a 1% NSR that Talisker can purchase for $1,000,000.

On March 31, 2020, Talisker announced a further expansion of its land position in the Bralorne Gold Camp with the acquisition of 19 Crown Grant mineral claims totaling 358.5 hectares. The NaiKun Crown Grant mineral claims are located five kilometres southwest of Goldbridge, British Columbia and partially underlay Talisker's current Bralorne Gold Project mineral tenure. The property sits seven kilometres directly along strike of the Bralorne-Pioneer mines. On April 15, 2020, under the terms of the purchase agreement, Talisker issued 100,000 shares to the vendor in return for 100% ownership of the Naikun Grown Grants.
On April 9, 2020, the Company announced the acquisition of the Congress property located directly north of the historic Bralorne-Pioneer mine comprising 20 mineral claims, three mining leases and eight crown grants totaling 2,675.50 hectares. The Congress property contains a historic indicated and inferred resource of 192,638 tonnes grading at 9.24 g/t for 57,234 oz (Mine Development Assessment Process – Congress Project Stage 1 Report, September 1988) defined by underground sampling and surface and underground drilling. As the report was prepared prior to NI 43-101 standards for disclosure, the Company does not know the relationship of the historic resource categories and Talisker has no knowledge of the reliability of the historic resource. Additional drilling and sampling and quality control will be required to verify and upgrade the historical estimate. Talisker's qualified person has not done sufficient work to classify the historical estimate as a current mineral resource and the Company is not treating the historical estimate as a current mineral resource. Under the terms of the purchase agreement, Talisker issued 1,000,000 common shares in return for 100% ownership of the Congress property. In addition to the statutory four month hold period, the shares issued are subject to certain resale restrictions for up to one year.

On October 30, 2020, the Company closed the acquisition of 17 Crown Granted mineral claims (the "Bralorne Extension Claims"). Under the terms of the purchase agreement, Talisker paid $50,000 in cash and issued 400,000 common shares of Talisker.

Post these acquisitions, the Company's Bralorne Gold Project comprises 15,446 hectares over 59 mineral claims, three mining leases and 198 Crown grants along a 33 kilometre trend.

Exploration Drill Program

On February 12, 2020, Talisker announced the commencement of the Phase 1 drill program planned for an initial 2,700m of diamond drilling in five holes as part of a larger 11,200m program. The Phase 1 drill holes targeted the HW, Main, J and 77 veins and encountered numerous previously unknown mineralised structures with discovery of additional veins highlighting the growing potential of the Bralorne Gold Project. In addition, significant gold mineralization was identified for the first time in the altered halos surrounding the veins in both footwall and hanging wall locations associated with intense silica-sericite alteration increasing the known mineralization.

On July 6, 2020, the Company announced that a second drill rig was being added and that the drill plan was being increased from 11,200m to approximately 17,000m in response to successful drilling results with a plan to accelerate target definition and drill testing to allow the Company to prioritize the targets that will form the basis of our mineral resource.

On October 19, 2020, the Company provided an update on its 2020 drill program including a second increase in the drill program from 17,000m to 23,000m in response to continued successful drilling results. The Company indicated that 14,811m of the planned 23,000m drill program has been completed comprising 20 holes and two wedges and that 5,715 assay samples have been received with an additional 4,542 samples currently at the assay laboratory. It was also noted that the drilling program has successfully validated 19 vein targets and identified three new, close to surface vein targets (Charlotte, Empire and Vein 51) and that the remaining program has been designed to test eight additional vein targets and to expand on the newly identified close to surface targets. It was also announced that in connection with the increase of the planned program to 23,000m, and once the necessary equipment and infrastructure is in place, the

Company planned to mobilize two additional drill rigs on site increasing the drill program to four rigs which will improve drill productivity that will be aided by the recent purchase of three automatic cores saws and a new 44-man camp. Construction of a new core logging facility and the recruitment of additional were completed to facilitate this expansion.

On January 14, 2021, the Company announced it had commenced the first stage of its resource delineation drill program to target conversion to inferred category of veins validated during 2020 drill program. It was noted that stage one of the resource delineation program will comprise 50,000m and will focus on veins located within 700m from surface and will be undertaken from surface with four drill rigs during winter months increasing to eight rigs after the Spring freshet. It was also noted that in addition to the resource delineation drill program, the Company is also evaluating multiple high-grade satellite targets along strike of the prolific 30-kilometre Cadwallader Break, in-line with our aggressive plans to develop Bralorne as a mineral district.

On February 2, 2021, the Company announced confirmation of near-surface bulk tonnage gold mineralization at the Charlotte Zone, located directly above the high-grade veins that are the primary focus of the 2021 resource drill program. Extensive near-surface gold mineralization comprising a series of shallow-dipping, stacked quartz veins was first intersected during the Company's validation drill program in 2020. The Company outlined that the near surface bulk tonnage gold mineralization at the Charlotte Zone is has been confirmed by 25 intersects from 14 drill holes defining a broad zone with multiple gold-bearing structures over a strike length of 600m, a width of 270m and extending at least 300m down plunge from surface. The Company has initiated a 15,000m core relog and re-sample program to identify other areas with near-surface bulk-tonnage potential.

Additional details on the drill program including assay results are included in press releases dated April 1st, May 5th, May 26th, June 9th, July 6th, July 16th, September 8th, October 19th, November 26th, 2020, January 19th, February 2nd, February 23rd and March 16th.

Spences Bridge Gold Project

The Spences Bridge Gold Project consists of a 201,163 hectare (135 claims) land package covering ~85% of the Spences Bridge Gold Belt in southern British Columbia and comprises the Company's Spences Bridge and Blustry Mountain claims. The Spences Bridge Gold Project was acquired as part of the Acquired Properties from Sable and since acquisition in April 2019, the Company has been actively involved in negotiations with small third party claim holders with a view to fully consolidate the belt. In connection with the acquisition of the Acquired Properties, the Company assumed a strategic alliance that Sable had entered into with Westhaven Ventures Inc. ("Westhaven") which owns the Shovelnose Project, Prospect Valley, Skoonka and Skoonka North properties that are contiguous to the Company's claims. The strategic alliance provides for an agreement whereby any ground staked within 5 km of Westhaven's existing projects will be subject to a 2.5% net smelter royalty. Additionally, Westhaven has a 30 day right of first refusal for any properties within the same 5 km radius.

In 2019 Talisker commenced a regional stream sediment and geological reconnaissance program for the Spences Bridge Gold Project. The phase 1 program was undertaken by 22 geologists and consisted of a planned collection of 4,500 stream samples to be executed over two field seasons. In parallel to the regional geochemistry program, a detailed phase 2 program consisting of alteration and geological mapping, soil and rock chip sampling and in some cases geophysics to identify resistors was also conducted over selected anomalies identified in the phase 1 program, as well as from previously identified government mineral file occurrences and historic anomalies identified in assessment reporting.

In 2019, the Company increased its holdings on the western margin of the Spences Bridge Gold Project where multiple anomalous basins along the edge of the block were identified. The Company also entered into purchase agreements for the Blustry Mountain project which comprises four mineral claims, totaling 471.5 hectares, in exchange for cash payments of $30,000 (paid), the issuance of 220,000 common shares of Talisker (issued) and, in the case of three of the minerals claims, a 1% net smelter royalty ("NSR"). Talisker has the right to purchase 50% of the NSR for $500,000.

The Company provided updates on the regional stream sediment program on August 22 and October 24, 2019. Results from the 2019 phase 1 regional stream sediment program included the review of 2,186 planned sample sites with 1,358 stream sediment samples collected and 828 planned sample sites being discarded due to either insufficient drainage incision, poor stream channel development, insufficient sediment material or overwhelming input from colluvial media. A total of 1,358 assays from ultra-trace ICP-MS analysis have been received with zero outstanding samples remaining at the lab. Geostatistical analysis of assay results has identified 23 anomalous basins within the 98th percentile defined by values above 37.5ppb Au and a total of 10 basins have been identified as highly anomalous with values above 100ppb Au (0.1g/t) to a maximum returned value of 315ppb Au (0.315 g/t). Mean sediment background value (50th percentile) has been identified as 1ppb Au. Further, the Company has defined eight multi-basin areas anomalous in gold and epithermal pathfinder elements and that Phase 2 soil sampling, detailed mapping and geophysics have been initiated on these areas.

On June 18, 2020, the Company announced the initiation of the 2020 greenfields exploration program at its wholly-owned Spences Bridge and Remington Gold Projects.

On September 28, 2020, the Company staked five additional mineral tenure claims comprising 6,957 hectares contiguous with tenure comprising the Spences Bridge Gold Project, along the northwestern tenure margin, approximately 40km north-northeast of Lytton.

On October 27, 2020, the Company provided an update on the 2020 field season that was undertaken by a team of 20 geologists. The comprehensive geochemical program collected 6,020 soil samples, 273 stream samples, 529 rock samples and 23 talus fine samples and 1:5000 scale geological and reconnaissance mapping was undertaken at Spences Bridge, Golden Hornet and Remington projects. A total of 3,382 soil samples, 227 rock samples, 124 steam sediment samples, and 21 talus fine samples were collected during the 2020 field program. Soil sampling over the Falcon and Cobra prospects yielded gold and multi-element soil anomalies approximately 1,000 x 400m and 1,200 x 600m, respectively. The collection of 124 stream sediment samples on the northern third of the Spences Bridge Project tenure returned two multi-basin, multi-element prospects as well as nine single basin anomalies that require follow-up. Updated Phase 1 results for the Spence Bridge Gold Project since inception include 13 basins greater than 100ppn Au, 27 basins greater than 40.9ppb (98th percentile) to a maximum value of 0.627ppm Au (0.627g/t Au). Detailed geologic mapping took place over seven of the prospect areas developed in 2019. The completion of the Company's phase 1 program over the entirety of the Spences Bridge Gold Project generated 13 prospects including the discovery of outcropping, epithermal-style quartz veins at two prospects, Nova and Cyclone, where no historic work has previously been reported. The Company noted that these new vein systems are not yet fully understood, however with only five kilometres separating the Nova and Cyclone targets, there is the potential for an extensive epithermal system.

Blustry Mountain Property

The Blustry Mountain property is located in southern British Columbia near Lytton and consists of four mineral claims comprising 471.5 hectares. The Blustry Mountain claims were acquired as part of Talisker's Spences Bridge Gold Project consolidation plan. Exploration in 2020 will consist of mapping and sampling via helicopter access, with the goal of defining the footprint of alteration and mineralization within the Blustry Mountain main zone.

Dora-Merritt Property Option

On May 31, 2019, Talisker entered into a purchase agreement for the Dora-Merritt property comprising six mineral claims, totaling 374.05 Ha, which agreement provides the Company with an option to acquire 100% of the Dora-Merritt property mineral claims which are contiguous to the Company's Spences Bridge Gold Project (the "Dora Gold property"). Under the term of the option agreement, Talisker paid $10,000 in cash and agreed to pay $10,000 and 50,000 common shares of Talisker on May 31, 2020, and May 31, 2021; $20,000 and 50,000 common shares of Talisker on May 31, 2022; $50,000 and 150,000 common shares of Talisker on May 31, 2023; and to spend a minimum of $50,000 per year over five years. The option agreement is also subject to a share bonus of one common share per ounce of gold equivalent in the inferred or greater category to a maximum of 250,000 common shares and a 2% NSR. The Company has the right to purchase 50 per cent of the NSR for $1 million.

The Dora Gold property is located 23 km southwest of Merritt. Historical soil samples identified a north-south trending strongly silicified rhyolite dome with stockwork of chalcedonic silica veins. Historical trench samples over the rhyolite identified multiple zones of mineralization with local gold values up to 7.8 g/t associated with silica veining. Soil sampling was completed in October 2019 on east-west trending lines with 50m spaced samples and 100m spaced lines for a total of 747 samples. Spacing was 50 metres on the east-west line, 100 metres on the north-south line covering the entirety of the claim group. Detailed mapping of the Dora-Merritt property was completed in early August 2019 and further followed up in June 2020 and outlined two more prospective rhyolite units. Gold in soil anomlies is coincident with the outcropping expression of silica altered rhyolite units for a strike length of 800m. A ground magmetic survey was completed in late October 2019 along east-west trending lines at 100m spacing identifying magnetic lows coincident with both the outcropping rhyolite units as well as gold in soil anomalies. The Company has received the drill permit and anticipates commencing drilling in Q2 2021.

SC Property

On June 18, 2020, the Company announced that it had entered into a definitive purchase agreement with an arm's length vendor to purchase the SC Property which is contiguous to the Dora Gold property and that the Company plans to include the SC Property in the Dora Gold property drill permit application. The SC Property comprises one claim (166.24 hectares) that contains a large gold in soil anomaly directly above a mapped rhyolitic body hosted within the Spences Bridge Volcanics. The historical trenches exposed strongly silicified rhyolite, hosting stockwork banded low-sulphidation veins and anomalous values up to 1.7 g/t Au. The SC property extends the geochemical anomaly present at the Dora Gold Property which includes historical rock samples as high as 7.68 g/t Au and represents an additional target within the Dora Gold Project. Under the terms of the purchase agreement, Talisker paid $30,000 cash and issued 150,000 shares to the vendor along with a 1% NSR in return for 100% ownership of the SC Property. The NSR can be purchased by Talisker for $500,000. The common shares issued will be subject to a four month hold period pursuant to applicable securities laws.

On October 27, 2020, the Company announced that mapping was completed at the Dora Gold property, where several linear-trending gold-in-soil anomalies coincident with gold mineralized rhyolitic dykes of 1 to 6 g/t gold were defined and identified in the 2019 field season.

Lola Property

The Lola property is centered on a major crustal suture zone, 20 kilometres south of the Elizabeth gold mine and is prospective for low-intermediate sulphidation gold systems. The Lola property is located in south central British Columbia 35 kilometres from Lillooet. The Lola property is comprised of four mineral claims that encompass an area of 4,949 hectares.

Initial mapping and prospecting was completed in July 2019 with the main Lola structure identified and mapped. The Lola structure is a 20 to 40 metre wide north-northwest trending vein zone consisting of banded chalcedonic and opaline silica. The veins host visible cinnabar, stibnite and chalcocite mineralization in fine linear sulphide bands.

On August 28, 2019, Talisker announced the initiation of Phase 2 exploration on the Lola property. Preliminary mapping and rock sampling were undertaken in 2019 and identified multiple northwest trending structures with low to intermediate sulphidation characteristics. Talisker plans to undertake a soil sampling program consisting of approximately 1,400 samples on northeast-southwest trending lines at 50 metres sample spacing and 200 metres line spacing to evaluate the full extent of the Lola structures and to aid in drill targeting. A soil program began in early October 2020 with 316 samples collected out of a proposed 1,387. Weakly anomalous gold was detected, however the structure was mainly highlighted by elevated pathfinder elements Ag, Ba, Cu, Hg and Sb. With the geology differing from that of the Spences Bridge Gold Project, the Company is exploring the Lola property as a separate project.

Remington Property

The Remington property is in an emerging gold belt prospective for low-intermediate sulphidation systems and mesothermal gold systems located north of the historic Bralorne Gold Camp. Staked as part of the Spences Bridge Gold Project consolidation in advance of the Bralorne acquisition, the Remington Property is located in central British Columbia near the town of Goldbridge. The Remington property has not been systematically mapped and has been never drilled. With the geology differing from that of the Spences Bridge Gold Project, the Company is exploring the Remington property as a separate project. The project consists of 22 mineral titles totalling 33,839.1 hectares. In the fall of 2019 the same systematic phase based exploration program as conducted on the Spences Bridge Project was initiated, 220 stream sediment samples and 71 rock samples were collected using a team of 16 field geologists based out of Goldbridge, BC over a 25 day program. In 2020, the continuation and completion of the Remington Phase 1 program took place from September 18th to October 10th. A total of 154 stream sediment samples and 44 rock samples were collected. A total of 605 first order drainage basins were investigated from 2019 to 2020. Phase 1 yeided 12 multi-basin-multi-element prospects that require follow-up. Follow-up, detailed geologic mapping, and grid-based soil geochemistry surveys are planned for 2021.

Big Sheep Property

The Big Sheep property comprises 162.6 hectares over two mineral claims and was acquired in January 2020 with the payment of $40,000 in cash and the issuance of 250,000 common shares. The Big Sheep property is located at the northwest extreme of the Remington property where a large alteration zone is easily identifiable in the field and also on satellite images where soil and talus anomalies reach up to 1.7 ppm Au with high values of Ag, As, Te.

No work was completed on the Big Sheep property in 2020. Detailed geologic mapping and rock sampling is planned for the 2021 season.

Blue Jay Property

The Blue Jay property consists of five claim blocks totaling 2,753 hectares located 30 minutes north of Rock Creek, British Columbia. In 2019, the Company did not undertake any exploration work on the Blue Jay property and no exploration work is planned for 2020. Talisker has initiated an airborne geophysical survey over the entirety of the Golden Hornet Option as well as the contiguous Blue Jay tenure along E-W trending lines at 100m spacing; tentative completion of the survey is in early 2021

Golden Hornet Property Option

On January 28, 2020, the Company entered into an option agreement for the Golden Hornet property. The Golden Hornet property comprises 13 mineral claims encompassing 2,206.03 hectares that are contiguous to the Company's existing Blue Jay property.

Under the term of the option agreement, Talisker can acquire 100% of the Golden Hornet property in exchange for payments totaling $145,000 in cash and 575,000 common shares, payable as to $10,000 cash on signing and 50,000 common shares, $10,000 in cash and 50,000 common shares on the first anniversary, $25,000 cash and 75,000 common shares on the second anniversary, $50,000 cash and 150,000 common shares on the third anniversary, and $50,000 cash and 250,000 common shares on the fourth anniversary and to expend $60,000 per year over four years. The option agreement is also subject to a share bonus of one common share per ounce of gold equivalent in the inferred or greater category to a maximum of 200,000 common shares and a 2% NSR. Talisker has the right to purchase 100% of the NSR for $1 million.

Previous work on the Golden Hornet property consists of a northwest trending sheet vein system with trench sample intercepts of 21.1g/t gold over 5.1 metres and 4.17 g/t gold over 14 metres. Confirmation grab sampling of the veins returned values of 26.1 g/t and 12 g/t gold. Talisker notes that these selected samples are not necessarily representative of the mineralization hosted on the Golden Hornet property. Limited drilling has been completed on the Golden Hornet property.

On June 18, 2020, the Company announced that it plans on completing permitting for a drill program at the Golden Hornet property.

On September 30, 2020, the Company staked five strategic claims totaling 105 hectares adjacent to the Golden Hornet property option and on October 27, 2020, the Company announced that the 2020 field season included a soil geochemical survey, geological mapping and rock-chip sampling. Preliminary rock-chip assay results from outcropping quartz veins returned values up to 26 g/t gold, reflecting the historic trench samples of up to 30 g/t gold associated with massive sulphide and sheeted quartz veins. Phase 2 soil geochemistry and detailed geological mapping is complete and results from the soil survey are pending the backlog of samples at the assay lab in British Columbia. Talisker has initiated permitting for the purpose of diamond drilling on the Golden Hornet Project and anticipates receiving approval in early 2021.

On October 27, 2020, the Company provided an update on the 2020 field season that was undertaken by a team of 20 geologists. A total of 2,638 soil samples and 255 rock samples were collected during the 2020 program. The soil geochemical program yielded a 2,100 x 600m gold in soil anomaly trending north-northwest, paralleling the mapped contact of the altered crowded feldspar diorite and the basement hornfels sediments. Rock samples of silica-pyrite-arsenopyrite veins and fracture fills returned anomalous gold values up to 28.6 g/t. Talisker initiated an airborne geophysical survey over the entirety of the Golden Hornet property as well as the contiguous Blue Jay tenure along east-west trending lines at 100 metre spacing and the Company submitted a drill permitting application.

On January 26, 2021, the Company announced the results of the systematic rock and soil sampling program conducted during the 2020 field season indicating that 210 rock samples validate high-grade historic channel samples of 27.0 g/t over 2.0 m[2] and 22.1 g/t over 5.2 m[1] and defined a robust 2.8 km x 1.3 km multi-line, multi-station gold anomaly. Four mineralized outcropping vein zones were defined including three newly discovered outcropping vein zones that extend known historic mineralization, including the Polymetallic Montana Zone which returned up to 14.05 g/t Au, 7.84% Zn, 1.8% Cu and 4.4% Pb. It was also noted that results from the 1,093 line kilometre airborne Versatile Time-Domain Electromagnetic (VTEM) and Magnetic geophysical surveys undertaken are expected in the first quarter and that results would be correlated with the geochemistry to assist in confirming the drill plan. The Company also announced that permitting to drill a total of 6,700 metres testing all four mineralized zones, with the focus being the Main Hornet Zone is anticipated early March.

Tulox Property

The Tulox property is located 55 kilometres north of Kamloops within the Bonaparte Plateau region. The property consists of 22 mineral claims totaling 13,720.9 hectares. Drilling undertaken by Sable in 2018 identified a low-grade gold system hosted within a series of mafic dykes located along a northwest trending contact between two polyphase early Jurassic intrusives. No exploration was completed on the Tulox property by Talisker in 2020, however re-sampling of historic drill core and updating to the current 43-101

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[2] The Company notes that these selected samples are not necessarily representative of the mineralization hosted on the Property. Limited drilling has been completed within the Project.

has been completed. In 2021, the Company plans to undertake limited prospecting and mapping for the Tip-Top and Revolver mineral occurrences located on the Tulox property.

OUTLOOK AND STRATEGY

Talisker plans to continue to develop and strengthen its land position to remain a dominant gold explorer in southern British Columbia capitalizing on its strong cash position and technical knowledge to acquire undervalued and underexplored historic camps and through the staking of internally generated grassroots target areas.

In 2021, the Company plans to continue its drill program targeting high grade veins at the Bralorne Gold Project and to finalize infrastructure and preparations for a 44-man camp and the construction of a new core logging facility to support the increase to eight drill rigs and the expansion of the drill program to 50,000 metres. The Company also plans to undertake drilling at its Dora Gold Project and Golden Hornet Project when drill permits are received.

Summarized Financial Results

RESULTS OF OPERATIONS

For the year ended December 31, 2020, net loss amounted to $15,734,051, compared to a net loss of $5,015,024 in 2019. For the three month period ended December 31, 2020, net loss amounted to $3,412,946, compared to a net loss of $2,360,397 in 2019. The loss for the three month period and year end included $45,000 in losses related to the Company's 33% ownership interest in TDG Gold. The increased net loss is primarily due to the Company's increased exploration activity primarily related to the Company's acquisition of the Bralorne Gold Project in December 2019. During the comparative period, the Company transitioned in April 2019 to the mining exploration business having completed the acquisition of the Baker Project, the Shasta Mine and the Baker mill infrastructure (the "Sable Acquired Properties"). The Company's main exploration focus is the Bralorne Gold Project.

Expenses

For the years ended December 31, 2020 and 2019:

Expenses of $20,194,251 for the year ended December 31, 2020, increased in comparison with the expenses of $5,009,173 for the year ended December 31, 2019. The increase for the period is primarily due to the following variances with remaining expenditures remaining consistent between the two periods:

- Exploration and evaluation expenses increased to $10,980,541 for the year ended December 31, 2020 from $2,379,178 for the same period in 2019. The increase is due to the change in business during the prior year to a mining exploration company and the acquisition of the Sable Acquired Properties and the Bralorne Gold Project. During the prior year, the Company acquired the Sable Acquired Properties in April 2019 and the Bralorne Gold Project in December 2019.

- Mine care and maintenance costs increased to $1,711,867 for the year ended December 31, 2020 from $nil for the same period in 2019. The increase is due to the acquisition of the Bralorne Gold Project in December 2020 which resulted in water treatment costs of $628,527 (2019 - $nil) and environmental costs of $1,083,340 (2019 - $nil).

- Consulting and management expenses increased from $538,330 for the year ended December 31, 2019 to $2,927,455 for the year ended December 31, 2020. The increase is due to the change in business during the prior year to a mining exploration company and the acquisition of the Sable Acquired Properties and the Bralorne Gold Project. During the prior year, the Company only owned the Sable Acquired Properties and Bralorne Gold Project for part of the period.

- Administration costs increased from $268,389 for the year ended December 31, 2019 to $1,648,045 for the year ended December 31, 2020. The increase is in relation to the change of business and increased support and administrative costs related to the new business activities.

- Share based payments increased to $1,239,421 for the year ended December 31, 2020 from $1,448,000 for the same period in 2019. Share based payments vary based on the number of options and RSU's issued in the period and their related valuation. See note 16 of the audited consolidated financial statements for the years ended December 31, 2020 and 2019 for details on options and RSU's issued.

- Public company costs increased from $269,720 for the year ended December 31, 2019 to $953,497 for the year ended December 31, 2020. The increase is due to the increase in corporate developments and acquisitions during the year which resulted in increased disclosure costs and investor relation costs, as well as ongoing marketing and investor relations activities. On October 14, 2020, the Company's common shares were listed on the Toronto Stock Exchange (the "TSX"). Costs related to the listing process have been recorded under this category.

- Travel and other costs increased from $105,556 for the year ended December 31, 2019 to $225,811 for the year ended December 31, 2020. The increase is due to the increase in travel associated with marketing campaigns and corporate developments during the year.

- Depreciation of property, plant and equipment increased from $nil for the year ended December 31, 2019 to $507,614 for the year ended December 31, 2020. The increase is due to the acquisition of property, plant and equipment in connection with the acquisition of the Bralorne Gold Project.

For the three month periods ended December 31, 2020 and 2019:

Expenses of $7,558,870 for the three month period ended December 31, 2020, increased in comparison with the expenses of $2,420,528 for the three month period ended December 31, 2019. The increase for the period is primarily due to the following variances with remaining expenditures remaining consistent between the two periods:

- Exploration and evaluation expenses increased to $4,247,893 for the three month period ended December 31, 2020 from $824,581 for the same period in 2019. The increase is due to the acquisition of the Bralorne Gold Project. During the prior year, the Company owned the Sable Acquired Properties commencing in April 2019 and the Bralorne Gold Project commencing in December 2019.

- Mine care and maintenance costs increased to $381,682 for the three month period ended December 31, 2020 from $nil for the same period in 2019. The increase is due to the acquisition of the Bralorne Gold Project which resulted in water treatment costs of $70,832 (2019 - $nil) and environmental costs of $310,850 (2019 - $nil).

- Consulting and management expenses increased from $184,890 for the three month period ended December 31, 2019 to $1,097,765 for the three month period ended December 31, 2020. The increase is due to the change in business during the prior year to a mining exploration company and the acquisition of the Sable Acquired Properties and the Bralorne Gold Project. During the prior year, the Company only owned the Sable Acquired Properties and the Bralorne Gold Project for part of the year.

- Administration costs increased from $115,810 for the three month period ended December 31, 2019 to $443,229 for the three month period ended December 31, 2020. The increase is in relation to the change of business and increased support and administrative costs related to the new business activities.

(in Canadian dollars unless otherwise noted)

- Public company costs increased from $103,506 for the three month period ended December 31, 2019 compared to $326,531 for the three month period ended December 31, 2020. The increase is due to the increase in corporate developments including TSX listing, and acquisitions during the year which resulted in increased disclosure costs and investor relation costs, as well as ongoing marketing and investor relations activities.

- Travel and other costs decreased from $89,741 for the three month period ended December 31, 2019 to $21,821 for the three month period ended December 31, 2020. The decrease is due to the decrease travel associated with marketing campaigns and corporate developments in the quarter in response to the COVID-19 pandemic.

- Depreciation of property, plant and equipment increased from $nil for the three month period ended December 31, 2019 to $151,375 for the three month period ended December 31, 2020. The increase is due to the acquisition of property, plant and equipment in connection with the acquisition of the Bralorne Gold Project.

Other Income/Expenses

The Company recorded interest accretion expense of $336,868 (2019 - $16,198) during the year ended December 31, 2020 and $82,448 (2019 - $16,198) during the three month period ended December 31, 2020, representing interest accretion on the asset retirement obligations in connection with the acquisition of the Bralorne Gold Project.

The Company recorded an income tax recovery of $494,000 (2019 - $nil) during the year ended December 31, 2020 and $nil (2019 - $nil) during the three month period ended December 31, 2020, upon filing of renunciation documents with the Canada Revenue Agency which occurred during the year ended December 31, 2020.

The Company also recorded a gain from sale of properties of $4,255,849 (2019 - $nil) during the year ended December 31, 2020 and $4,255,849 (2019 - $nil) during the three month period ended December 31, 2020, related to the sale of properties to TDG Gold, see note 10 of the audited consolidated financial statements for the years ended December 31, 2020 and 2019 for details.

SELECTED ANNUAL FINANCIAL INFORMATION

The information below should be read in conjunction with the condensed interim financial statements and related notes and other financial information. The following is for the periods ended:

	Year Ended Dec 31, 2020	Year Ended Dec 31, 2019	Year Ended Dec 31, 2018
	$	$	$
Revenue – discontinued operations	-	-	1,168,726
Income (Loss)			
- from continuing operations	(15,734,051)	(5,015,024)	(2,959,533)
- from discontinued operations	-	-	(5,912,546)
- net income (loss)	(15,734,051)	(5,015,024)	(8,872,079)
Income (Loss) per share			
- from continuing operations	(0.09)	(0.08)	(0.13)
- from discontinued operations	-	-	(0.26)
- net income (loss)	(0.09)	(0.08)	(0.39)
Total assets at end of period/year	60,428,300	37,821,067	4,797,461

(in Canadian dollars unless otherwise noted)

SUMMARY OF QUARTERLY RESULTS

The following tables set forth selected financial information for each of the Company's eight most recently completed quarters:

	Q4 2020 $	Q3 2020 $	Q2 2020 $	Q1 2020 $
Expenses	(7,558,870)	(6,124,732)	(2,943,460)	(3,567,189)
Other income (expense)	4,144,435	(90,614)	99,302	(184,706)
Foreign exchange gain (loss)	1,489	(3,280)	(756)	330
Income tax recovery			-	494,000
Net loss	(3,412,946)	(6,218,626)	(2,844,914)	(3,257,565)
Basic income (loss) per share	(0.02)	(0.03)	(0.02)	(0.02)
Total assets at end of period	60,428,300	64,232,670	46,951,948	48,561,106

	Q4 2019 $	Q3 2019 $	Q2 2019 $	Q1 2019 $
Expenses	(2,420,528)	(1,060,314)	(1,323,857)	((204,474)
Other expense (income)	(8,534)	2,875	1,737	14,783
Foreign exchange loss (gain)	(3,101)	(7,267)	2,204	(8,548)
Income tax recovery	-	-	-	-
Net loss	(2,432,163)	(1,064,706)	(1,319,916)	(198,239)
Basic and fully diluted income (loss) per share	(0.04)	(0.02)	(0.02)	(0.00)
Total assets at end of period	37,821,067	7,831,775	5,213,455	4,170,382

Expenses from continuing operations have fluctuated somewhat quarter over quarter ranging from a low of $204,474 in the first quarter of 2019 to a high of $7,558,870 in the fourth quarter of 2020. Expenses increased starting from the second quarter of 2019 when the Company changed its business to a mineral resource exploration company and raised significant funds which were used for exploration activities.

Disclosure of Outstanding Share Data as of March 25, 2021

	Authorized	Outstanding
Voting or equity securities issued and outstanding	Unlimited	214,542,849 common shares
Securities convertible or exercisable into voting or equity shares		a) Options to acquire up to 15,325,000 common shares b) 780,000 RSU's to acquire up to nil common shares c) 31,992,144 Warrants exercisable to acquire common shares of the Company

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements as of December 31, 2020.

Financial Instruments and Other Instruments

The Company's financial instruments consist of cash and cash equivalents, marketable securities, reclamation deposits, accounts payable and accrued liabilities and equipment loan and leases payable. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments and that the fair values of these financial instruments approximate their carrying values.

Dividends

The Company has neither declared nor paid any dividends on its common shares. The Company intends to retain its earnings, if any, to finance growth and expand its operation and does not anticipate paying any dividends on its common shares in the foreseeable future.

LIQUIDITY AND CASH FLOWS

The Company ended the fourth quarter of fiscal 2020 with cash of $24,974,407, compared to $9,702,490 as at December 31, 2019. The Company had working capital (current assets – current liabilities) of $23,420,863 as at December 31, 2020 compared to working capital of $8,603,385 as at December 31, 2019.

Working capital is a non-IFRS measurement with no standardized meaning under IFRS. Working capital was calculated as the total of cash and cash equivalents of $24,974,407, amounts receivable of $345,767, inventory of $64,212, prepaid expenses of $438,196, less accounts payable and accrued liabilities of $2,123,784, RSU liability of $8,619 and current portion of lease obligation of $269,316.

Cash used by operating activities was $17,741,320 for the year ended December 31, 2020 compared to cash used by operating activities of $2,392,681 for the year ended December 31, 2019. Cash flows used by operating activities was smaller in the comparable period due to the receipt of the final instalment of $1,300,000 under the SICPA long term receivable and a decrease in expenditures due to the elimination of the discontinued operations in Israel. During the current year, cash flows used by operating activities increased due to cash used in operations at the Sable Acquired Properties and the Bralorne Gold Project

Cash flows used in investing activities was $2,722,071 for the year ended December 31, 2020, compared to cash from investing activities of $1,071,351 for the year ended December 31, 2019. Investing activities mainly related to investments in marketable securities and restricted cash requirements. The amount of cash from investing activities was higher in the comparable period primarily due to the net sale of marketable securities of $90,580 (2019 - $2,526,633), as well as the elimination of cash used in investing activities of the discontinued operation, offset by the purchase of Bralorne Gold Mines Ltd. which amounted to a net cash outflow of $904,923. In addition, the Company deposited $1,179,963 related to reclamation bonding requirements in connection with site reclamation obligations, as well as acquisitions of mineral properties of $215,000 (2019 - $540,000) and property, plant and equipment of $1,071,338 (2019 - $nil).

Cash flows provided by financing activities was $35,735,308 for the year ended December 31, 2020, compared to $10,077,209 for the year ended December 31, 2019. The amount of cash provided by financing activities was higher in the current period primarily due to private placements and exercises of warrants completed during the year ended December 31, 2020 of 83,440,964 shares for net proceeds of $35,735,308 (2019 – 60,129,742 shares for proceeds of $10,077,209).

It is not possible to predict if or when the Company will achieve profitable levels of operations as the Company is in the exploration stage. As at December 31, 2020, the Company had working capital of $23,420,863 (December 31, 2019 - $8,603,385).

The consolidated financial statements have been prepared on a going concern basis. The going concern basis assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Company had a net loss during the year ended December 31, 2020 of $15,734,051 and an accumulated deficit of $31,754,440.

The Company's ability to continue as a going concern is dependent upon attaining profitable operations, and, if required, the ability to raise equity financing to meet expenditure commitments. There is no assurance that these activities will be successful.

CAPITAL RESOURCES

The Company has no history of revenues from its operating activities. The Company is not in commercial production on any of its mineral properties and accordingly does not generate cash from operations. During the year ended December 31,2020, the Company had negative cash flow from operating activities, and the Company anticipates it will have negative cash flow from operating activities in future periods.

The Company has, in the past, financed its activities by raising capital through equity issuances. Until Talisker can generate a positive cash flow position, in order to finance its exploration programs, the Company will remain reliant on the equity markets for raising capital, in addition to adjusting spending, disposing of assets and obtaining other non-equity sources of financing.

The Company believes it has sufficient cash resources and the ability to raise funds to meet its exploration and administrative overhead expenses and maintain its planned exploration activities for the next 12 months. However, there is no guarantee that the Company will be able to maintain sufficient working capital in the future due to market, economic and commodity price fluctuations. See "Risks and Uncertainties".

TRANSACTIONS WITH RELATED PARTIES

The following is a summary of the Company's related party transactions during the years ended December 31, 2020 and 2019:

The Company incurred administrative and operations costs in the amount of $30,934 for the year ended December 31, 2020 (2019 - $88,491) paid to Sable Resources Ltd., a company with certain common directors and officers.

The Company incurred operations costs in the amount of $126,328 for the year ended December 31, 2020 (2019 - $nil) paid to JDS Energy & Mining Inc., a company with certain common directors and officers.

Compensation of Key Management Personnel of the Company

In accordance with IAS 24, key management personnel, including companies controlled by them, are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

The remuneration of directors and key executives is determined by the compensation committee.

(in Canadian dollars unless otherwise noted)

The remuneration of directors and other members of key management personnel during the years ended December 31, 2020 and 2019 were as follows:

	December 31, 2020	December 31, 2019
Short term employee benefits, director fees	**$ 1,979,181**	$ 665,633
Share based payments	**1,189,000**	1,195,000
	$ 3,168,181	$ 1,860,633

As at December 31, 2020, an amount of $279,973 (December 31, 2019 - $91,852) due to key management personnel, was included in accounts payable and accrued liabilities. This amount is unsecured, non-interest bearing and without fixed terms of repayment.

The Company's Board of Directors has overall responsibility for the oversight of the Company's risk management policies. In carrying on its business, the Company is exposed to a variety of risks, including the risks described elsewhere in this MD&A. The Company can neither predict nor identify all such risks nor can it accurately predict the impact, if any, of such risks on its business, operations or the extent to which one or more risks or events may materially change future results of financial position from those reported or projected in any forward looking statements. Accordingly, the Company cautions the reader not to rely on reported financial information and forward-looking statements to predict actual future results. This MD&A and the accompanying financial information should be read in conjunction with this statement concerning risks and uncertainties. Some of the risks, uncertainties and events that may affect the Company, its business, operations, and results, are given in this section. However, the factors and uncertainties are not limited to those stated. The Company has policies and practices mandated by the Board of Directors to manage the Company's risks which include the risks described elsewhere in this MD&A and below.

RISK FACTORS

The Company's business, being the acquisition, exploration, and development of mineral properties in Canada, is speculative and involves a high degree of risk. The risk factors listed below could materially affect the Company's financial condition and/or future operating results, and could cause actual events to differ materially from those described in forward-looking statements made by or relating to the Company.

Readers are encouraged to review other specific risk factors which are discussed elsewhere in this MD&A as well as in the Company's AIF for the year ended December 31, 2019.

Pandemic Diseases

The Company's operations are subject to the risk of emerging infectious diseases or the threat of outbreaks of viruses or other contagions or epidemic diseases. These infectious disease risks may not be adequately responded to locally, nationally or internationally due to lack of preparedness to detect and respond to outbreaks or respond to significant pandemic threats. As such, there are potentially significant economic and social impacts of infectious disease risks, including the inability of the Company's exploration operations to operate as intended due to shortage of skilled employees, shortages in supply chains, inability of employees to access sufficient healthcare, significant social upheavals, government or regulatory actions or inactions, the declines in the price of precious metals, capital market volatility, or other unknown but potentially significant impacts. Given the fact that the Company's properties are located in British Columbia, there are potentially significant economic losses from infectious disease outbreaks that can extend far beyond the initial location of an infection disease outbreak. As such, both catastrophic outbreaks as well as regional and local outbreaks can have a significant impact on the Company's operations. The Company may not be able to accurately predict the quantum of such risks. In addition, the Company's own operations are exposed to infection disease risks noted above and as such the Company's operations may be adversely affected by such infection disease risks. Accordingly, any outbreak or threat of an outbreak of a virus or other contagions or epidemic disease could have a material adverse effect on the Company, its business, results from operations and financial condition.

COVID-19

In particular, the Company wishes to highlight that it continues to face risks related to COVID-19, which could continue to significantly disrupt its operations and may materially and adversely affect its business and financial conditions.

In December 2019, a novel strain of the coronavirus emerged in China and the virus has now spread worldwide with infections having been reported globally resulting in a global pandemic. The extent to which COVID-19 will continue to impact the Company's business, including its operations and the market for its securities, will depend on future developments, which are highly uncertain and cannot be predicted at this time, and include the duration, severity and scope of the outbreak and the actions taken to contain or treat the coronavirus outbreak. In particular, the continued spread of COVID- 19 globally could materially and adversely impact the Company's business including without limitation, employee health, workforce productivity, obligations regarding flow-through shares, increased insurance premiums, limitations on travel, the availability of industry experts and personnel, restrictions to its drill program and/or the timing to process drill and other metallurgical testing, and other factors that will depend on future developments beyond the Company's control, which may have a material and adverse effect on the its business, financial condition and results of operations.

There can be no assurance that the Company's personnel will not be impacted by these pandemic diseases and ultimately see its workforce productivity reduced or incur increased medical costs / insurance premiums as a result of these health risks. Further, there can be no assurances that the remaining balance of the gross proceeds from the sale by the Company of flow-through shares in 2019 will be used by the Company to incur "Canadian exploration expenses" that qualify as "flow-through mining expenditures" (as both terms are defined in the *Income Tax Act* (Canada)), and such other applicable British Columbia provincial obligations will be satisfied, by December 31, 2020 if the COVID-19 pandemic continues and/or the Government of BC mandates that the Company's business operations should be suspended. On July 7, 2020, the Department of Finance proposed to extend the flow-through funds spend period and the look-back rule by one year, including suspending the Part XII.6 tax for the same period.

The Company has completed the following action to reduce costs and meet its stated targets as at December 31, 2020:

Elimination of all non-essential travel, entertainment and other discretionary spending estimated to reduce annual costs by $500K

Based on events and circumstances known to us to date, we believe that the Company may be subject the following risks beyond 2020:

• Social distancing restrictions to protect the safety of our stakeholders and employees may limit both the access to our properties, and the volume of exploration we are able to fulfill throughout the upcoming quarters. More severe government-imposed restrictions, including lockdowns, could further restrict our ability to access our offices or Exploration properties.

• We may also face supply chain challenges if there are disruptions in service at Site, or logistics providers. Increased market demand for logistic providers may continue to increase our operating costs and/or limit our ability to continue our operations.

While the full-extent of the impact of COVID-19 on the Company's business remains uncertain, we believe that the cost reductions and liquidity management strategies employed will partially mitigate the above risks as further described under "Recent Developments". In addition, a significant outbreak of COVID-19 could result in a widespread global health crisis that could adversely affect global economies and financial markets resulting in an economic downturn that could have an adverse effect on the demand for precious metals and the Company's future prospects.

Nature of Mineral Exploration and Mining

The Company's future is dependent on its exploration and development programs. The exploration and development of mineral deposits involves significant financial risks over a prolonged period of time, which may not be eliminated even through a combination of careful evaluation, experience and knowledge. Few properties that are explored are ultimately developed into economically viable operating mines. Major expenditures on the Company's exploration properties may be required to construct mining and processing facilities at a site, and it is possible that even preliminary due diligence will show adverse results, leading to the abandonment of projects. It is impossible to ensure that preliminary or full feasibility studies on the Company's projects, or the current or proposed exploration programs on any of the properties in which the Company has exploration rights, will result in any profitable commercial mining operations. The Company cannot give any assurance that its current and future exploration activities will result in a discovery of mineral deposits containing mineral reserves.

Estimates of mineral resources and any potential determination as to whether a mineral deposit will be commercially viable can also be affected by such factors as: the particular attributes of the deposit, such as its size and grade; unusual or unexpected geological formations and metallurgy; proximity to infrastructure; financing costs; precious metal prices, which are highly volatile; and governmental regulations, including those relating to prices, taxes, royalties, infrastructure, land use, importing and exporting of metal concentrates, exchange controls and environmental protection. The effect of these factors cannot be accurately predicted, but the combination of any or all of these factors may result in the Company not receiving an adequate return on its invested capital or suffering material adverse effects to its business and financial condition. Exploration and development projects also face significant operational risks including but not limited to an inability to obtain access rights to properties, accidents, equipment breakdowns, labour disputes (including work stoppages and strikes), and other unanticipated interruptions.

Exploration, Development and Operations

The long term profitability of the Company's operations will be in part directly related to the cost and success of its exploration programs, which may be affected by a number of factors, including the Company's ability to extend the permitted term of exploration granted by the underlying concession contracts. Substantial expenditures are required to establish reserves through drilling, to develop processes to extract the resources and, in the case of new properties, to develop the extraction and processing facilities and infrastructure at any site chosen for extraction. Although substantial benefits may be derived from the discovery of a major deposit, no assurance can be given that any such deposit will be commercially viable or that the funds required for development can be obtained on a timely basis.

Early Stage Status and Nature of Exploration

The terms "resource(s)" or "reserve(s)" cannot be used to describe any of the Company's exploration properties due to the early stage of exploration at this time. Any reference to potential quantities and/or grade is conceptual in nature, as there has been insufficient exploration to define any mineral resource and it is uncertain if further exploration will result in the determination of any mineral resource. Any information, including quantities and/or grade, described in this AIF should not be interpreted as assurances of a potential resource or reserve, or of potential future mine life or of the viability or profitability of future operations.

Liquidity and Additional Financing

The Company's ability to continue its business operations is dependent on management's ability to secure additional financing. The Company's only source of liquidity is its cash and cash equivalent balances. Liquidity requirements are managed based upon forecasted cash flows to ensure that there is sufficient working capital to meet the Company's obligations.

The advancement, exploration and development of the Company's properties, including continuing exploration and development projects, and, if warranted, construction of mining facilities and the commencement of mining operations, will require substantial additional financing. As a result, the Company may be required to seek additional sources of equity financing in the near future. While the Company has been successful in raising such financing in the past, its ability to raise additional equity financing may be affected by numerous factors beyond its control including, but not limited to, adverse market conditions, commodity price changes and economic downturns. There can be no assurance that the Company will be successful in obtaining any additional financing required to continue its business operations and/or to maintain its property interests, or that such financing will be sufficient to meet the Company's objectives or obtained on terms favourable to the Company. Failure to obtain sufficient financing as and when required may result in the delay or indefinite postponement of exploration and/or development on any or all of the Company's properties, or even a loss of property interest, which would have a material adverse effect on the Company's business, financial condition and results of operations.

No Earnings and History of Losses

The business of developing and exploring resource properties involves a high degree of risk and, therefore, there is no assurance that current exploration programs will result in profitable operations. The Company has not determined whether any of its properties contains economically recoverable reserves of mineralized material and currently has not earned any revenue from its projects; therefore, the Company does not generate cash flow from its operations. There can be no assurance that significant additional losses will not occur in the future. The Company's operating expenses and capital expenditures may increase in future years with advancing exploration, development and/or production from the Company's properties. The Company does not expect to receive revenues from operations in the foreseeable future and expects to incur losses until such time as one or more of its properties enters into commercial production and generates sufficient revenue to fund continuing operations. There is no assurance that any of the Company's properties will eventually enter commercial operation. There is also no assurance that new capital will become available, and if it is not, the Company may be forced to substantially curtail or cease operations.

Market Price of the Common Shares

The Company's shares are listed on the TSX under the symbol "TSK" and the OTCQX Best Market under the symbol "TSKFF". The market price of securities of many companies, particularly exploration and development stage mining companies, experience wide fluctuations that are not necessarily related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that an active market for the common shares will be sustained, or that fluctuations in the price of the common shares will not occur. The market price of the common shares at any given point in time may not accurately reflect the Company's long-term value. Securities class action litigation has often been brought against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

Volatility of Commodity Prices

The development of the Company's properties is dependent on the future prices of minerals and metals. As well, should any of the Company's properties eventually enter commercial production, the Company's profitability will be significantly affected by changes in the market prices of minerals and metals.

Precious metals prices are subject to volatile price movements, which can be material and occur over short periods of time and which are affected by numerous factors, all of which are beyond the Company's control. Such factors include, but are not limited to, interest and exchange rates, inflation or deflation, fluctuations in the value of the U.S. dollar and foreign currencies, global and regional supply and demand, speculative trading, the costs of and levels of precious metals production, and political and economic conditions. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems, the strength of and confidence in the U.S. dollar (the currency in which the prices of precious metals are generally quoted), and political developments.

The effect of these factors on the prices of precious metals, and therefore the economic viability of any of the Company's exploration projects, cannot be accurately determined. The prices of commodities have historically fluctuated widely, and future price declines could cause the development of (and any future commercial production from) the Company's properties to be impracticable or uneconomical. As such, the Company may determine that it is not economically feasible to commence commercial production at some or all of its properties, which could have a material adverse impact on the Company's financial performance and results of operations. In such a circumstance, the Company may also curtail or suspend some or all of its exploration activities.

Industry and Economic Factors Affecting the Company

The Company is a junior resource issuer focused primarily on the evaluation, exploration and development of mineral properties and potential acquisition of mineral properties in the future. The Company's future performance is largely tied to the financial markets related to junior resource companies, which is often cyclical. The Company will continuously monitor several economic factors including the uncertainty regarding the price of gold, silver and copper and the availability of equity financing for the purposes of mineral exploration and development. The Company's future performance is largely tied to its ability to raise additional financing needed to fund its ongoing exploration and operating activities and to pursue the exploration and the development of its mineral property interests and the overall financial markets. Financial markets in the mining sector are likely to continue to be volatile reflecting ongoing concerns about the global economy. Companies worldwide have been affected negatively by these trends. As a result, the Company may have difficulties raising equity financing needed for the purposes of mineral exploration and development, particularly without excessively diluting the interests of its current shareholders. Should market volatility affect the Company's ability to raise equity financing as expected, the Company's current strategy is to continue a modest exploration program on its properties using existing cash and funds generated through equity financings if and when available and to seek out other prospective business opportunities, including entering into option arrangements and/or joint ventures. The Company believes that this focused strategy will enable it to pursue its business strategy and plans in the near term. These trends may limit the Company's ability to develop and/or further explore its properties, and/or acquire other property interests that could be acquired in the future. Management will monitor economic conditions and estimate their impact on the Company's plans, strategies and activities and incorporate these estimates in short-term operating and longer-term strategic decisions.

Title Matters

Title to, and the area of, mineral properties may be disputed. There is no guarantee that title to one or more claims or concessions at the Company's projects will not be challenged or impugned. There may be challenges to any of the Company's titles which, if successful, could result in the loss or reduction of the Company's interest in such titles. The Company's properties may be subject to prior unregistered liens, agreements, transfers or claims, and title may be affected by, among other things, undetected defects. In addition, the Company may be unable to operate its properties as permitted or to enforce its rights with respect to its properties. The failure to comply with all applicable laws and regulations, including a failure to pay taxes or to carry out and file assessment work, can lead to the unilateral termination of concessions by mining authorities or other governmental entities.

Environmental Risks and Hazards

The mining and mineral processing industries are subject to extensive environmental regulation for the protection of the environment. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. These regulations may adversely affect the Company or require it to expend significant funds. There is also a risk that environmental and other laws and regulations may become more onerous, making it costlier for the Company to remain in compliance with such laws and regulations.

There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties on which the Company holds interests which are unknown to the Company at present and which have been caused by previous or existing owners or operators of the properties or by current or previous surface rights owners.

The Company cannot give any assurances that breaches of environmental laws (whether inadvertent or not) or environmental pollution will not materially and adversely affect its business, plans and financial condition. There is no assurance that any future changes to environmental regulation, if any, will not adversely affect the Company.

Significant liabilities exist on the project lands in the form of historic mine construction and development infrastructure, tailings dam(s), waste dump site, a mill site, a camp site, and other mining related infrastructure, disturbance, and equipment located on the property. The Company cannot guarantee that its estimation of the amount of these liabilities is accurate. The cost of addressing existing liabilities may be significantly higher than as currently estimated by the Company.

Influence of Third-Party Stakeholders

Some of the lands in which the Company holds an interest, or the exploration equipment and roads or other means of access which the Company intends to utilize in carrying out its work programs or general business activities, may be subject to interests or claims by third party individuals, groups or companies. In the event that such third parties assert any claims or do not consent to the Company carrying on activities on lands subject to their interests or claims, the Company's work programs may be delayed or prevented, even if such claims are not meritorious. Such claims or delays may result in significant financial loss and loss of opportunity for the Company.

The Company may need to enter into negotiations with landowners and other groups in local communities in British Columbia in order to conduct further exploration and development work on its properties. There is no assurance that future discussions and negotiations will result in agreements with landowners and other local community groups in British Columbia or if such agreements will be on terms acceptable to the Company so that the Company may continue to conduct exploration and development activities on these properties.

Term and Extension of Concession Contracts

Non-compliance with concession contracts may lead to their early termination by the relevant mining authorities or other governmental entities. A company whose concession contracts were subject to termination could be prevented from being issued new concessions or from keeping the concessions that it already held. The Company is not aware of any cause for termination or any investigation or procedure aimed at the termination of any of its concession contracts.

Management of Growth

The Company may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operations and financial systems and to expand, train and manage its employee base. The inability of the Company to deal with this growth could have a material adverse impact on its business, plans, operations and prospects.

Governmental Regulation

The mineral exploration and development activities of the Company are subject to various laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters in local areas of operation. Although the Company's exploration and development activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration, development or production. Amendments to current laws and regulations governing the Company's operations, or more stringent implementation thereof, could have an adverse impact on the Company's business and financial condition.

The Company's operations may be subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining 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 that means standards are stricter, and enforcement, fines and penalties for non-compliance are 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 the Company's future operations.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities that could cause operations to cease or be curtailed. Other enforcement actions may include corrective measures requiring capital expenditures, the installation of additional equipment or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of such mining activities and may have civil or criminal fines or penalties imposed upon them for violations of applicable laws or regulations.

Permitting

The operations of the Company require licenses and permits from various governmental authorities. The Company will use its best efforts to obtain all necessary licenses and permits to carry on the activities which it intends to conduct, and it intends to comply in all material respects with the terms of such licenses and permits. However, there can be no guarantee that the Company will be able to obtain and maintain, at all times, all necessary licenses and permits required to undertake its proposed exploration and development, or to place its properties into commercial production and to operate mining facilities thereon. In the event of commercial production, the cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations or preclude the economic development of the Company's properties.

With respect to environmental permitting, the development, construction, exploitation and operation of mines at the Company's projects may require the granting of environmental licenses and other environmental permits or concessions by the competent environmental authorities. Required environmental permits, licenses or concessions may take time and/or be difficult to obtain, and may not be issued on the terms required by the Company. Operating without the required environmental permits may result in the imposition of fines or penalties as well as criminal charges against the Company for violations of applicable laws or regulations.

Surface Rights

The Company does not own all of the surface rights at its properties and there is no assurance that surface rights owned by the government or third parties will be granted, nor that they will be on reasonable terms if granted. Failure to acquire surface rights may impact the Company's ability to access its properties, as well as its ability to commence and/or complete construction or production, any of which would have a material adverse effect on the profitability of the Company's future operations.

Risk of Litigation

The Company may become involved in disputes with other parties in the future which may result in litigation or other legal proceedings. The results of legal proceedings cannot be predicted with certainty. If the Company is unable to resolve these disputes favourably, it may have a material adverse impact on the ability of the Company to carry out its business plan.

Dependence on Key Personnel

The Company's future growth and its ability to develop depend, to a significant extent, on its ability to attract and retain highly qualified personnel. The Company relies on a limited number of key employees, consultants and members of senior management, and there is no assurance that the Company will be able to retain such personnel. The loss of one or more key employees, consultants or members of senior management, if such persons are not replaced, could have a material adverse effect on the Company's business, financial condition and prospects. The Company currently does not have key person insurance on these individuals.

To operate successfully and manage its potential future growth, the Company must attract and retain highly qualified engineering, managerial and financial personnel. The Company faces intense competition for qualified personnel in these areas, and there can be no certainty that the Company will be able to attract and retain qualified personnel. If the Company is unable to hire and retain additional qualified personnel in the future to develop its properties, its business, financial condition and operating results could be adversely affected.

Internal Controls

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, and not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

Uninsurable Risks

Exploration, development and production operations on mineral properties involve numerous risks, including but not limited to unexpected or unusual geological operating conditions, seismic activity, rock bursts, cave-ins, fires, floods, landslides, earthquakes and other environmental occurrences, risks relating to the shipment of precious metal concentrates or ore bars, and political and social instability, any of which could result in damage to, or destruction of, the mine and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although the Company believes that appropriate precautions to mitigate these risks are being taken, operations are subject to hazards such as equipment failure or failure of structures, which may result in environmental pollution and consequent liability. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks because of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate the Company's future profitability and result in increasing costs and a decline in the value of the common shares. The Company does not maintain insurance against title, political or environmental risks.

While the Company may obtain insurance against certain risks in such amounts as it considers adequate, the nature of these risks is such that liabilities could exceed policy limits or be excluded from coverage. The potential costs that could be associated with any liabilities not covered by insurance or in excess of insurance coverage may cause substantial delays and require significant capital outlays, thereby adversely affecting the Company's business and financial condition.

Global Financial Conditions

Current global financial conditions have been subject to increased volatility, and access to public financing, particularly for junior resource companies, has been negatively impacted. The extent and duration of impacts that the Coronavirus may have on commodity prices, on the Company's suppliers and employees and on global financial markets is not known at this time, but could be material. If increased levels of volatility and market turmoil continue, the Company's operations could be adversely impacted and the value and price of the common shares could be adversely affected. These factors may impact the ability of the Company to obtain equity or debt financing in the future and, if obtained, such financing may not be on terms favourable to the Company.

Information Systems Security Threats

The Company's operations depend upon information technology systems which may be subject to disruption, damage or failure from different sources, including, without limitation, installation of malicious software, computer viruses, security breaches, cyber-attacks and defects in design.

Although to date the Company has not experienced any losses relating to cyber attacks or other information security breaches, there can be no assurance that the Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Competition

The mineral exploration and mining business is competitive in all of its phases. In the search for and acquisition of attractive mineral properties, the Company competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources. The Company's ability to acquire properties in the future will depend on its ability to select and acquire suitable producing properties or prospects for mineral exploration. There is no assurance that the Company will continue to be able to compete successfully with its competitors in acquiring such properties or prospects, nor that it will be able to develop any market for the raw materials that may be produced from its properties. Any such inability could have a material adverse effect on the Company's business and financial condition.

Option and Joint Venture Agreements

The Company has and may continue to enter into option agreements and/or joint ventures as a means of gaining property interests and raising funds. Any failure of any partner to meet its obligations to the Company or other third parties, or any disputes with respect to third parties' respective rights and obligations, could have a negative impact on the Company. Pursuant to the terms of certain of the Company's existing option agreements, the Company is required to comply with exploration and community relations obligations, among others, any of which may adversely affect the Company's business, financial results and condition.

Under the terms of such option agreements the Company may be required to comply with applicable laws, which may require the payment of maintenance fees and corresponding royalties in the event of exploitation/production. The costs of complying with option agreements are difficult to predict with any degree of certainty; however, were the Company forced to suspend operations on any of its concessions or pay any material fees, royalties or taxes, it could result in a material adverse effect to the Company's business, financial results and condition.

The Company may be unable to exert direct influence over strategic decisions made in respect of properties that are subject to the terms of these agreements, and the result may be a materially adverse impact on the strategic value of the underlying concessions.

Acquisitions and Integration

From time to time, the Company may examine opportunities to acquire additional exploration and/or mining assets and businesses. Any acquisition that the Company may choose to complete may be of a significant size relative to the size of the Company, may change the nature or scale of the Company's business and activities, and may expose the Company to new geographic, political, operating, financial and geological risks. The Company's success in its acquisition activities, if any, depends upon its ability to obtain additional sources of financing, identify suitable acquisition candidates, negotiate acceptable terms for any such acquisition, and integrate any acquired operations successfully with those of the Company. Any acquisitions would be accompanied by risks. In the event that the Company chooses to raise debt capital to finance any such acquisitions, the Company's leverage will be increased. If the Company chooses to use equity as consideration for such acquisitions, existing shareholders may suffer significant dilution. There can be no assurance that the Company would be successful in obtaining additional sources of financing or in overcoming these risks or any other problems encountered in connection with such acquisitions.

Community Relationships

The Company's relationships with the communities in which it operates are critical to ensure the future success of its existing operations and the development of its projects.

There is no reason to believe at this time that there are, or will be, issues related to Indigenous land claims or objections locally. Indigenous engagement is a strong commitment of Talisker.

While the Company is committed to operating in a socially responsible manner and working towards entering into agreements in satisfaction of such requirements, there is no guarantee that its efforts will be successful, in which case interventions by third parties could have a material adverse effect on the Company's business, financial position and operations.

Conflicts of Interest

Certain directors and officers of the Company also serve as directors and/or officers of other companies involved in natural resource exploration, development and mining operations. Consequently, there exists the possibility for such directors and officers to be in a position of conflict. The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company, and to disclose any interest they may have in any project or opportunity of the Company. In addition, each of the directors is required by law to declare his or her interest in and refrain from voting on any matter in which he or she may have a conflict of interest, in accordance with applicable laws.

Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supplies, as well as the location of population centres and pools of labour, are important determinants which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could impact the Company's ability to explore its properties, thereby adversely affecting its business and financial condition.

The Outstanding Common Shares Could be Subject to Dilution

The exercise of stock options and warrants already issued by the Company and the issuance of additional equity securities in the future could result in dilution in the equity interests of holders of common shares.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company classifies its financial instruments carried at fair value according to a three level hierarchy that reflects the significance of the inputs used in making the fair value measurements. The three levels of fair value hierarchy are as follows:

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

As at December 31, 2020 and 2019, there were no significant concentrations of credit risk for cash and cash equivalents and marketable securities. The carrying amount reflected above represents the Company's maximum exposure to credit risk for such cash and cash equivalents and marketable securities.

The carrying value of cash and cash equivalents, marketable securities, reclamation deposits, accounts payable and accrued liabilities and leases payable approximate fair value because of the limited terms of these instruments.

The Company's risk exposure and the impact on the Company's financial instruments are summarized below. There have been no changes in the risks, objectives, policies and procedures from the previous reporting period.

Credit Risk

The Company's credit risk is primarily attributable to cash and cash equivalents, marketable securities and receivables. Management believes that the credit risk concentration with respect to these financial instruments is minimal.

Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to capital markets is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. As at December 31, 2020, the Company had a cash and cash equivalents balance of $24,974,407 (December 31, 2019 - $9,702,490) as well as marketable securities of $nil (December 31, 2019 - $nil) to settle current liabilities of $2,401,719 (December 31, 2019 - $1,545,971). Working capital for the Company as at December 31, 2020 was $23,420,863 (December 31, 2019 - $8,603,385).

The maturity profiles of the Company's contractual obligations and commitments as at December 31, 2020, are summarized as follows:

	Total	Less than 1 Year	1 to 5 Years	More than 5 Years
Accounts payable and accrued liabilities	$ 2,123,784	$ 2,123,784	$ -	$ -
Leases obligations	770,110	315,534	454,576	-
Provision for site reclamation and closure	14,592,950	-	-	14,592,950
Total	$ 17,486,844	$ 2,439,318	$ 454,576	$ 14,592,950

Market Risk

(a) Foreign currency risk

The Company's reporting currency is the Canadian dollar. The functional currency of the Company is the Canadian dollar.

Based on the foreign currency balances at December 31, 2020, a 10% change in foreign exchange rates between the Canadian dollar and these foreign currencies over the next year would affect net income by approximately $10,000 (2019 - $1,000). This analysis only addresses the impact on financial instruments with respect to currency movement and excludes other economic or geo-political implications of such currency fluctuation. In practice, actual results will likely differ from this analysis and the difference may be material.

The exposure of the Company's financial assets, including marketable securities as at December 31, 2020 is as follows:

	CDN Dollar	US Dollar	Total (in CDN dollars)
Financial assets			
Cash and cash equivalents	$ 24,968,787	$ 5,620	$ 24,974,407
Amounts receivable	345,767	-	345,767
Reclamation deposits	1,190,000	-	1,190,000
Total	$ 26,504,554	$ 5,620	$ 26,510,174
Financial liabilities			
Accounts payable and accrued liabilities	$ 2,048,378	$ 75,406	$ 2,123,784
Leases payable	692,181	-	692,181
	$ 2,740,559	$ 75,406	$ 2,815,965

(b) Commodities price risk

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

Adoption New Accounting Standards

The adoption of the following new standards, interpretations and amendments were included in the financial statements for the year beginning January 1, 2020.

IFRS 3, Business Combinations ("IFRS 3")
In October 2018, the IASB issued amendments to the guidance in IFRS 3, that revises the definition of a business. The revised guidance introduces an optional concentration test that, if met, eliminates the need for further assessment. To be considered a business, an acquisition would have to include an input and a substantive process that together significantly contribute to the ability to create outputs. The new guidance provides a framework to evaluate when an input and a substantive process are present. It is also no longer necessary to assess whether market participants are capable of replacing missing elements or integrating the acquired activities and assets. These amendments were adopted and resulted in no impact on the financial statements.

Amendments to IAS 16
Amendments to IAS 16, Property, Plant and Equipment—Proceeds before Intended Use Effective on January 1, 2022, the amendments to IAS 16 require that entities are no longer able to deduct the net proceeds from selling any items from an asset's carrying amount before it is capable of operating in the manner intended by management. Instead, the proceeds should be recognised in accordance with applicable standards and in particular applying the measurement requirements of IAS 2 for the cost of those items. The Amendments to IAS 16 may impact the Company's development projects.

CRITICAL ACCOUNTING ESTIMATES

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

- Exploration and Evaluation ***Assets' carrying values and impairment charges*** - The Company assesses its cash-generating units at each reporting date to determine whether any indication of impairment exists. Where an indicator of impairment exists, an estimate of the recoverable amount is made, which is the higher of the fair value less costs of disposal and value in use. The determination of the recoverable amount requires the use of estimates and assumptions such as long-term commodity prices, discount rates, future capital requirements, exploration potential and future operating performance. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's-length transaction between knowledgeable and willing parties

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

- ***Provision for site reclamation and closure*** - Provisions for site reclamation and closure have been created based on management estimates. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability as shown in Note 13. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management and are based on current regulatory requirements. Significant changes in estimates of discount rate, contamination, restoration standards and techniques will result in changes to provisions from period to period. Actual reclamation and closure costs will ultimately depend on future market prices for the costs which will reflect the market condition at the time the costs are actually incurred. The final cost of the currently recognized rehabilitation provisions may be higher or lower than currently provided for.

- **Impairment of investments in associate** – The Company follows the guidance of IAS 28, Investments in Associates and Joint Ventures to assess whether there are impairment indicators which may lead to the recognition of an impairment loss with respect to its net investment in an associate. This determination requires significant judgement in evaluating if a decline in fair value is significant or prolonged, which triggers a formal impairment test. In making this judgement, the Company's management evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its carrying amount, the volatility of the investment and the financial health and business outlook for the investee, including factors such as the current and expected status of the investee's exploration projects and changes in financing cash flows.

- **COVID-19 -** The outbreak of the novel coronavirus ("COVID-19"), has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. The duration and impact of the COVID-19 pandemic is unclear at this time and as a result it is not possible for management to estimate the severity of the impact it may have on the financial results and operations of the Company in future periods. It is management's assumption that the Company will continue to operate as a going concern. Based on current legislation, as of December 31, 2020, the Company is required to spend approximately $11,000,000 to be spent by December 31, 2021 in connection with its flow-through offerings (December 31, 2019 - $3,158,000). On July 7, 2020, the Department of Finance proposed to extend the flow-through funds spend period and the look-back rule by one year, including extending the filing requirement for the Part XII.6 tax for the same period. Proposed amendments to enact these proposals were published on December 16, 2020, but have not been enacted as of December 31, 2020. Assuming the extension is enacted as proposed, the Corporation will be required to spend $11,000,000 of flow-through funds by December 31, 2022, instead of December 31, 2021.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Disclosure controls and procedures

Disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation and include controls and procedures designed to ensure that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Internal controls over financial reporting

Internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS. Management is also responsible for the design of the Company's internal control over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

The Company's internal controls over financial reporting include policies and procedures that: pertain to the maintenance of records that, in reasonable detail accurately and fairly reflect the transactions and disposition of assets; provide reasonable assurance that transactions are recorded as necessary to permit preparation of the financial statements in accordance with IFRS and that receipts and expenditures are being made only in accordance with authorization of management and directors of the Company; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of assets that could have a material effect on the financial statements.

As at December 31, 2020 there has not been any material change to internal controls over financial reporting for the year. Management, including the Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of the Company's internal controls over financial reporting. As of December 31, 2020, the Chief Executive Officer and Chief Financial Officer have each concluded that the Company's internal controls over financial reporting, as defined in National Instrument 52-109 – Certification of Disclosure in Issuer's Annual and Interim Filings, are effective to achieve the purpose for which they have been designed. Because of their inherent limitations, internal controls over financial reporting can provide only reasonable assurance and may not prevent or detect misstatements. Furthermore, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

CORPORATE GOVERNANCE

Management and the Board recognizes the value of good corporate governance and the need to adopt best practices. The Company is committed to continuing to improve its corporate governance practices in light of its stage of development and evolving best practices and regulatory guidance.

The Board has adopted a board mandate outlining its responsibilities and defining its duties. The Board has four committees: the Audit Committee, the Compensation Committee, the Corporate Governance and Nominating Committee, and the Technical Committee. Each Committee has a committee charter, which outlines the committee's mandate, procedures for calling a meeting, and provides access to outside resources.

The Board has also adopted a code of ethics, which governs the ethical behavior of all employees, management and directors. Separate trading blackout and disclosure policies are also in place. For more details on the Company's corporate governance practices, please refer to Talisker's website (www.taliskerresources.com).

The Company's directors have expertise in exploration, metallurgy, mining, accounting, legal, banking, financing and the securities industry. The Board and each Committee meets at least four times per year.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A may contain forward-looking statements and forward-looking information within the meaning of applicable Canadian securities legislation (collectively, "forward-looking information"), including, but not limited to, statements relating to the future financial or operating performance of the Company, the Company's exploration projects, the future price of metals, the estimation of mineral resources, the realization of mineral resource estimates, the timing and amount of estimated future production (if any), capital, operating and exploration expenditures, costs and timing of the development of new deposits, costs and timing of future exploration, use of proceeds from financings, requirements for additional capital, government regulation of mining operations and mineral exploration activities, environmental risks, reclamation expenses, title disputes or claims, limitations of insurance coverage, development of the explorations projects. Often, but not always, forward-looking information can be identified by the use of words and phrases such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

Forward-looking information reflects the Company's beliefs and assumptions based on information available at the time such statements were made. Actual results or events may differ from those predicted in forward-looking information. All of the Company's forward-looking information is qualified by (i) the assumptions that are stated or inherent in such forward-looking information, including the assumptions listed below, and (ii) the risks described in the section entitled "Risks and Uncertainties" in this MD&A, the financial statements of the Company, and the sections entitled "Risk Factors" and "Cautionary Statement Regarding Forward-Looking Information" in the annual information form of the Company for the fiscal year ended December 31, 2020, which are available electronically on SEDAR (www.sedar.com) under Talisker's issuer profile.

Although the Company believes that the assumptions underlying the forward-looking information contained in this MD&A are reasonable, this list is not exhaustive of the factors that may affect any forward-looking information. The key assumptions that have been made in connection with forward-looking information include the following: the significance of drill results and ongoing exploration activities; timing to obtain assay results from labs; ability of exploration activities (including drill results) to accurately predict mineralization; the predictability of geological modelling; the accuracy of the Company's records of its property interests; the global economic climate; metal prices; environmental risks; community and non-governmental actions; that permits required for the Company's operations will be obtained on a timely basis in order to permit the Company to proceed on schedule with its planned drilling programs; that skilled personnel and contractors will be available as the Company's operations continue to grow; that the price of gold will exceed levels that will render the project of the Company economical; the relevance of the assumptions, estimates and projections in technical reports; the timing and results of a feasibility study on the Windfall Project; and that the Company will be able to continue raising the necessary capital to finance its operations and realize on its mineral resource estimates.

Forward-looking information involves known and unknown risks, future events, conditions, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by forward-looking information. Such factors include, among others, general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities; errors in geological modelling; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of metals; possible variations of grade or recovery rates; failure of plant and equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; political instability; and delays in obtaining governmental approvals or financing or in the completion of development or construction activities.

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 information, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking information contained herein is given as of the date of this MD&A and the Company disclaims any obligation to update any forward-looking information, whether as a result of new information, future events or results, except as may be required by applicable securities laws. There can be no assurance that forward-looking information 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 information.

MANAGEMENT'S RESPONSIBILITY

Management is responsible for all information contained in this report. The consolidated financial statements have been prepared in accordance with IFRS and include amounts based on management's informed judgments and estimates. The financial and operating information included in this MD&A is consistent with that contained in the consolidated financial statements in all material aspects.

Management maintains internal controls to provide reasonable assurance that financial information is reliable and accurate and assets are safeguarded. The Audit Committee has reviewed the consolidated financial statements with management. The Board of Directors has approved the consolidated financial statements on the recommendation of the Audit Committee.

ADDITIONAL INFORMATION

Additional information relating to the Company, including the Company's AIF dated September 2, 2020, which can be found on the Company's profile on SEDAR at www.sedar.com.