

# **Nevada King Gold Corp. (formerly Victory Metals Inc.)**

## **Management's Discussion and Analysis**

For the nine months ended December 31, 2021 and 2020

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The following discussion is management's assessment and analysis of the results and financial condition of Nevada King Gold Corp. (formerly Victory Metals Inc.) (the "Company" or "Nevada King") and should be read in conjunction and should be read in conjunction with the accompanying unaudited condensed consolidated interim financial statements and related notes. The financial data was prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") and all figures are reported in Canadian dollars unless otherwise indicated.

Certain information included in this discussion may constitute forward-looking statements. Forward-looking statements are based on current expectations and entail various risks and uncertainties. These risks and uncertainties could cause or contribute to actual results that are materially different from those expressed or implied. The effective date of this report is February 24, 2022.

The scientific and technical geological content and interpretations contained in this report have been reviewed and approved by the Company's exploration manager, Cal Herron, P.Geo., a Qualified Person as defined by National Instrument 43-101, Standards of Disclosure for Mineral Projects ("NI 43-101"). The scientific and technical metallurgical content and interpretations contained in this report have been reviewed and approved by Jeffery L. Woods, B.Sc., SME-QP, MMSA-QP, a Qualified Person as defined by NI 43-101.

### **Description of Business**

The Company was originally incorporated on October 20, 2000, under the Business Corporations Act in the province of Alberta and on May 25, 2012, the Company was continued as a British Columbia corporation under the Business Corporations Act in the province of British Columbia. The address of the Company's registered office is Suite 2200 – 885 West Georgia Street, Vancouver, BC, Canada V6C 3E8.

The Company is a mineral exploration company engaged in the acquisition, exploration and evaluation of resource properties in Nevada, United States of America. The Company owns a 100% interest in the Iron Point Vanadium Project, consisting of 730 unpatented lode claims covering approximately 12,822 acres, located in the Iron Point mining district 22 miles east of Winnemucca, Humboldt County, Nevada (USA) (the "Project" or the "Property"). The Project straddles Interstate 80, has high voltage electric power lines running through the Project area and a railroad line passing across the northern property boundary. The Company is well financed to advance the Project through resource estimation and initial feasibility study work. In addition to the Property, the Company has the option to acquire interests in up to a further 104 acres contiguous to the Property.

On April 7, 2021, the Company completed the purchase of all of the issued and outstanding common shares of Nevada King Mining Ltd. ("Nevada King Mining") in exchange for 99,134,006 common shares of the Company with a fair value of \$50,558,343. The acquisition was accounted for as an asset acquisition under IFRS 2. The acquired assets and liabilities were recorded at their fair value.

The completion of the acquisition was subject to the completion of a minimum \$8 million non-brokered private placement by the Company. Accordingly, the Company issued 32,806,902 subscription receipts at a price of \$0.55 per subscription receipt for gross proceeds of \$18,043,796 in the last fiscal quarter of 2021. Each subscription receipt entitled the holder to receive one post-acquisition share of the Company immediately after closing of the acquisition. The gross proceeds were held in escrow until the completion of the acquisition on April 7, 2021, at which time the subscription receipts were converted into 32,806,902 common shares of the Company and the proceeds were released from escrow.

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## **Current Status of Nevada King's Land Positions in Nevada**

Nevada King's gold projects are concentrated within the Battle Mountain Trend and at the intersection with the Getchell Trend. It should be noted that the three major mineral belts in Northern Nevada (the Carlin, Battle Mountain, and Getchell Trends) are defined by the alignment of Eocene-age sediment and intrusive-hosted gold deposits. Other gold deposits occur adjacent to these trends, but the mineralization tends to be younger (Oligocene, Miocene) and is often hosted in Tertiary volcanics. Most of Nevada King's projects are located within 20 kilometers of existing, large mining operations, so local access and infrastructure are generally good.

A more detailed view of Nevada King's project locations is seen in Figure 1, where only the Eocene (or suspected Eocene) age sediment-hosted gold deposits are shown together with contoured reported total gold reserves. The contoured reserves do not include all gold occurrences and smaller historical gold resources, so many areas hosting exploration potential are not readily evident. Gaps between the contoured reserves can be explained by the presence of deep grabens related to Basin and Range normal faulting or simply by a lack of exploration. However, by just looking at the spatial relationship between Nevada King's land positions and existing gold mines, the project areas both cut across and follow the prevailing trends. This is particularly evident on the ground within the Buffalo Valley, Lewis, and Hilltop South Projects, where the alignment of nearby large pit operations with Nevada King claim blocks is clearly visible.

A better depiction of exploration potential is seen in Figure 2, where gravity anomalies, the distribution of gold mines, presence of historical resources, and identified gold mineralization in surface outcrops are taken into account. The region delimited by the red-hachured lines constitutes the Company's hunting ground, and within this large zone of prospective ground, Nevada King has been gradually building land positions and steadily closing in on known gold resources, always mindful of its major guidelines, particularly district-scale control over district-scale mineralization. With two small gold resources at Lewis already under its control, and other resources at Hilltop South, Horse Mountain, and Carico Lake-Cedars surrounded, Nevada King is well on its way to carving out large portions of the Battle Mountain Trend.

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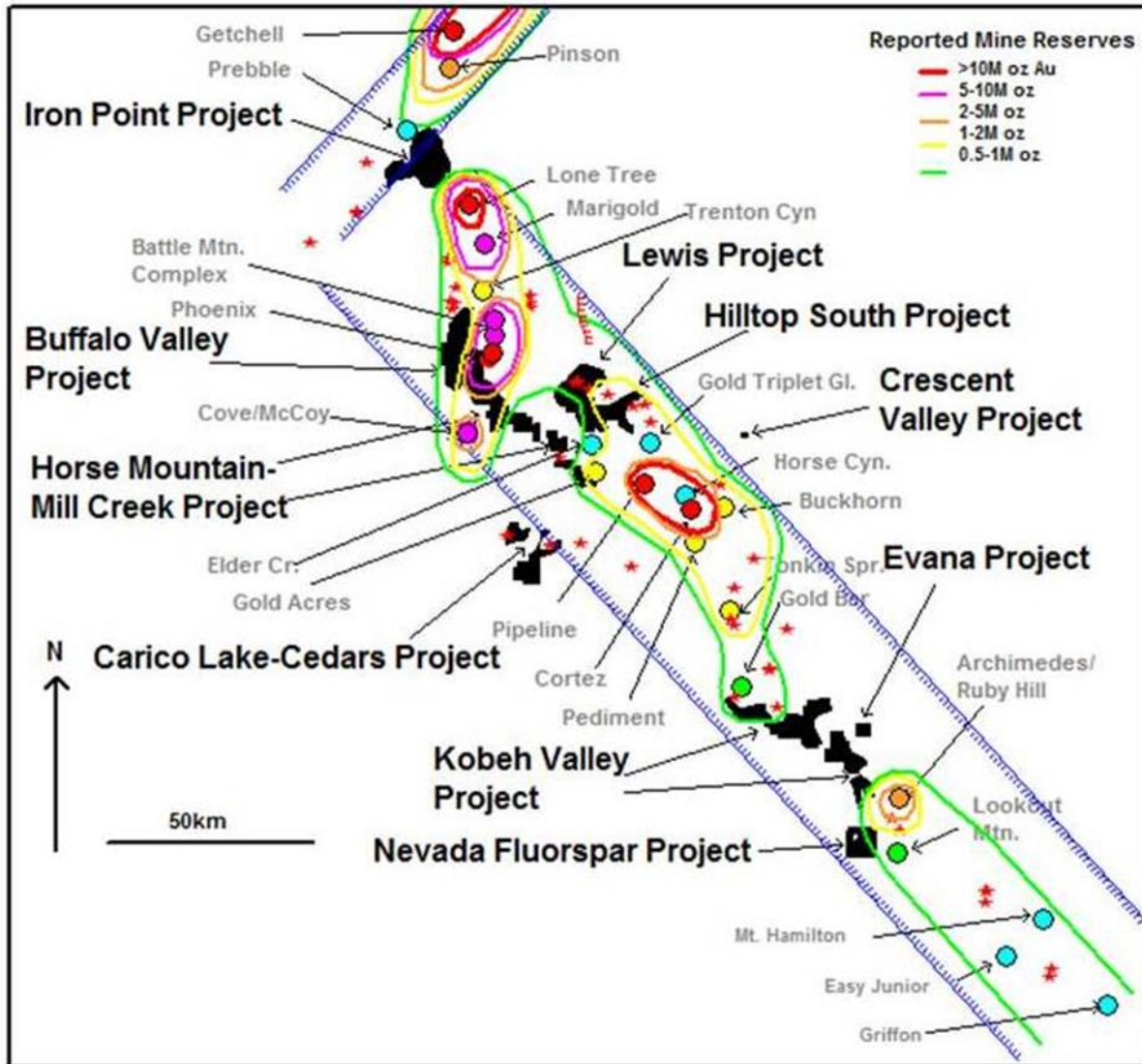


Figure 1. Location of Nevada King projects in relation to Au deposits and gold reserve distribution along the Battle Mountain Trend. Gold reserve figures from NBMG Nevada Mineral Explorer website.

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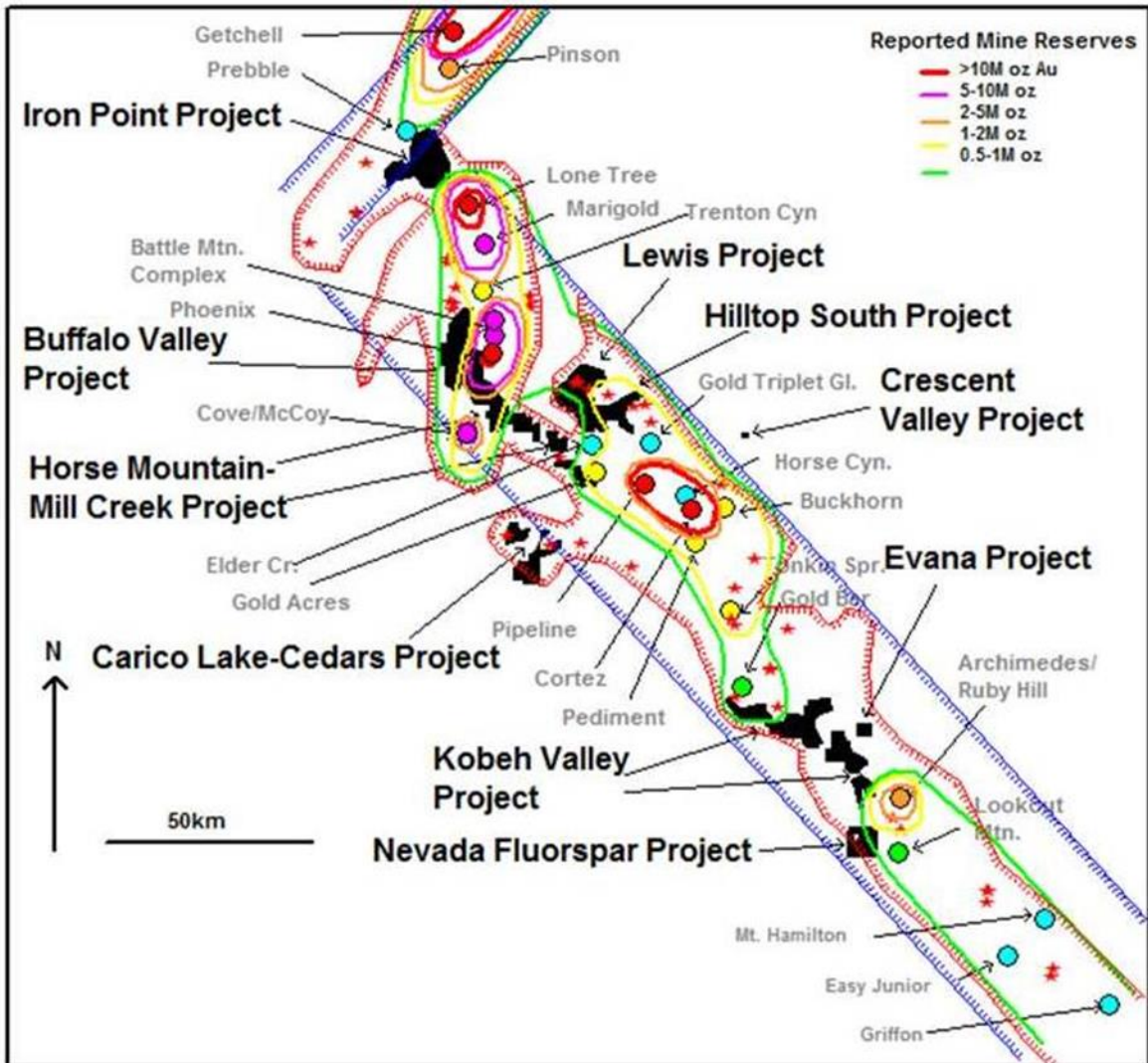


Figure 2. Location of Nevada King projects in relation to the most prospective ground within the Battle Mountain and Getchell Trends. The region delimited by red-hachured lines represents the most prospective areas based on distribution of gold mines, smaller historical Au resources (red stars), and favorable gravity anomalies.

As of December 31, 2021, Nevada King owned and controlled a total of 8,490 lode claims along the Battle Mountain Trend (including patented claims) in eleven separate project areas (Table 1), with annual claim holding costs totaling US \$1,600,019.

| Project Area              | Number of Lode Claims |
|---------------------------|-----------------------|
| Iron Point                | 1,183                 |
| Lewis                     | 668                   |
| Hilltop South             | 343                   |
| Buffalo Valley            | 1,191                 |
| Horse Mountain-Mill Creek | 924                   |
| Carico Lake-Cedars        | 909                   |
| Crescent Valley           | 14                    |
| Kobei Valley              | 1,882                 |
| Evana                     | 119                   |

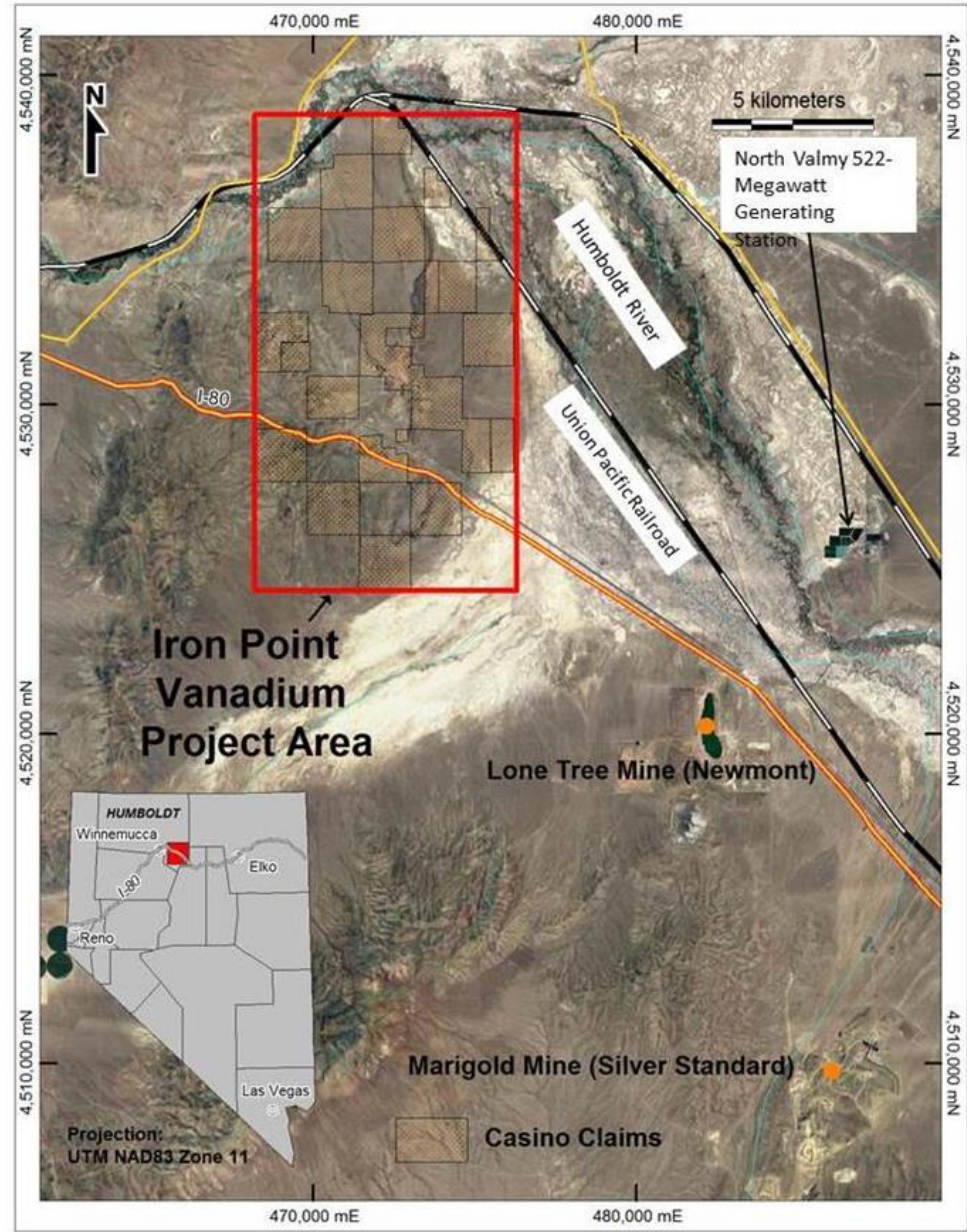
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|                  |              |
|------------------|--------------|
| Atlanta          | 651          |
| Nevada Fluorspar | 606          |
| <b>Total</b>     | <b>8,490</b> |

## Iron Point Vanadium and Gold Project



**Figure 3. Location of Iron Point Project area and land status. Orange-striped pattern denotes Nevada King mineral rights.**

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## **Land History**

The Iron Point Project consists of 1,183 unpatented lode claims and four patented mining claims covering approximately 18,526 acres (7,509 hectares). The claim group is in North-Central Nevada in Humboldt County, 35 kilometers east of Winnemucca (Figure 3) and centered at UTM Zone 11N geographical coordinates 472,000E, 4,531,000N (Lat 40.935°, Long 117.327°). Winnemucca is the largest town in the area with a population of 7,900. The project has been extensively explored for gold by numerous operators, but Newmont USA Ltd. ("Newmont") conducted drilling specifically for vanadium in 1966 and discovered widespread, low grade vanadium mineralization that was not of interest at the time.

Of the total land holding, 730 lode claims are owned by Brownstone Ventures (US) Inc. ("Brownstone"), formerly a subsidiary of Victory Metals, Inc. ("Victory") and now a wholly owned subsidiary of Nevada King. Brownstone holds a 100% interest in the claims. One lode claim (Silver Coin) is leased from Patricia Tintle ("Tintle") and is subject to a US\$300,000 buy-out after four years. Upon exercise of the buy-out, Brownstone will hold 100% of the claim with no underlying royalty to Tintle. Brownstone also holds a ten-year lease on four patented mining claims (the Silver King block) from Canarc Resource Corp. ("Canarc") by which Canarc receives annual payments of US\$12,000 (the first of which was made on signing) plus an option exercise payment of US\$120,000. Upon exercise of the option, Canarc will retain a 2% NSR royalty on the property of which Nevada King will have the right to buy back one-half (1%) of the royalty for US\$1,000,000.

## **Environmental Permitting**

The Iron Point Property is located on Multiple Use Bureau of Land Management ("BLM") lands administered by the Winnemucca District Office and is subject to surface management regulations contained in 43 CFR 3809. The initial drilling activities in 2018 were permitted under a Notice, which mandates less than 5 acres of surface disturbance. Nevada King, through Brownstone, retained EM Strategies in early 2019 to implement the environmental baseline studies necessary for completing an Environmental Assessment ("EA") at Iron Point and thereby obtaining a plan of operation ("POO") for the continuing exploration and eventual developmental drilling. Zoological, botanical, and cultural baseline studies were largely completed by the third quarter of 2019. The POO and reclamation bond was approved by the BLM on February 17, 2021 (NVN098607) and allows for 55 acres of disturbance.

## **Project Infrastructure**

The Project area straddles US Interstate 80 (I-80) – a major east-west transcontinental highway. From the Iron Point exit on I-80, dirt roads and jeep trails head north and south into all portions of the Property. The Union Pacific Railroad runs around the northern end of the Property. Regularly scheduled air passenger service is available in Reno, Nevada (260 air-kilometers to the southwest), and in Elko, Nevada (130 air-kilometers to the east).

The project site does not have electrical service, but electrical power is readily accessible. The 522-megawatt North Valmy Generating Station, located 15 kilometers east of the Property, feeds readily accessible, high-voltage transmission lines that run along the I-80 corridor and cross the southern end of the project area. There are currently no developed water supply or water rights attached to the project. Wells can be drilled in the future for sustained drilling, but exploratory drilling will rely upon trucked water and temporary reservoirs.

## **Historical Work**

The Iron Point project is located at the intersection of the Battle Mountain and Getchell gold belts, and on trend with several world-class gold mines including Twin Creeks (14M ounces Au), Turquoise Ridge (16M ounces Au), and Marigold (12M ounces Au)\*. Many companies have explored the Iron Point district and the surrounding area for a number of commodities, including gold, beginning with Newmont in 1966 and continuing to Miranda Gold in 2008. To date, there have been over 82,000 meters of core and reverse circulation ("RC") drilled in approximately 450 historical holes (records are not consistent) within the overall outline of the Iron Point project. Though the vast majority have been drilled to relatively shallow depths (<300 meters), historical drilling identified a narrow seven-kilometer-long gold mineralized shear zone in the upper plate, with styles similar to that seen at the nearby Lone Tree and Marigold mines.

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The majority of the holes drilled on the Iron Point vanadium zone were drilled by Aur Resources from 1996 to 1997, with the remaining holes being drilled by Newmont, Chevron Resources Ltd., Molycorp, Inc., and Southern Pacific Resource Corporation. Aur Resources Inc. ("Aur Resources") completed 24 holes totaling 5,813 meters of drilling, consisting of seven holes of wireline diamond drilling totaling 1,882 meters, and 17 holes of RC drilling totaling 3,931 meters. Core and pulps are still available and have been reanalyzed by American Assay Laboratories Inc. Re-logging of these historical holes for geological accuracy is still ongoing at the time of writing this report. The best hole drilled by Aur Resources (96IPDDH-03) intercepted 18.29 meters grading 1.66 g/t Au starting at 172 meter-depth. An aggregate of 27.4 meters grading 1.163 g/t Au, including 3 meters grading 6.37 g/t Au starting at 180 meter-depth (True thickness of mineralized drill intercept is unknown).

There have been no historic mineral resource or reserve estimates reported for this project that can be documented or reported in any extent.

\*Total gold endowments referenced in NBMG Nevada Mineral Explorer website and Barrick 2020 Annual Report.

### **Project Geology**

The project area consists of Lower Paleozoic, Western Assemblage rocks belonging to the Roberts Mountains Allochthon that are unconformably overlain by Tertiary gravels and finally Pliocene basalt. A major range-front fault, the Edna Mountain Structural Zone ("EMSZ"), bounds the Property along its eastern margin, and another major fault on the western side juxtaposes Cambrian Preble Fm. shale against the Western Assemblage lithotypes. The Preble Fm. is unconformably overlain by an extensive sheet of Golconda Allochthon siliclastic-volcanic units that are exposed immediately west of the project area. These lithotypes are completely absent from the Project area yet so close, so the fault separating Preble from the Western Assemblage at Iron Point must be responsible for a large vertical displacement between these blocks, with the west side having been down thrown.

The vanadium mineralization occurs within the upper part of the Western Assemblage, within the Ordovician-age Vinini Formation. A Cretaceous quartz diorite body, the Iron Point intrusive, intruded Western Assemblage units in the eastern part of the project area and created an extensive contact-metamorphic halo that resulted in skarnification, hornfels alteration, and carbon remobilization. Carlin-type gold mineralization related to a Tertiary-age, low-temperature hydrothermal system produced widespread anomalous Au-As-Sb-Hg mineralization that was the focus of numerous historical exploration efforts throughout the district. Additionally, several small past-producing silver mines are located along the margin of the Iron Point intrusive, where mineralization was localized along dike contacts with carbonate host rocks.

### **Recent Exploration**

#### **Nevada King's 2018-2019 Vanadium Exploration at Iron Point**

In September 2018, Nevada King, through Brownstone, contracted Harris Exploration Drilling Inc. to commence a 8,000-meter program utilizing two RC drills and one core drill. All work was permitted under a Notice approved by the Winnemucca BLM office on August 31, 2018 and secured by a state-wide reclamation bond accepted September 5, 2018. In addition, on January 19, 2019, Nevada King contracted Fred Anderson Drilling to complete 300 meters of PQ coring for metallurgical testing.

The drill program was focused around an area of vanadium mineralization that was drilled in the 1960's and 1990's by Newmont and Aur Resources, respectively. The historically drilled area is roughly 1,000 meters in diameter with drilled mineralization extending in places from near surface down to a depth of 200 meters. The drill campaign aimed to identify and outline the geology and distribution of vanadium mineralization preparatory to making a maiden resource estimate. Samples from the RC and core drilling were sent to American Assay Laboratories Inc, Reno, Nevada.

By April 10, 2019, Nevada King had finished this Phase I maiden drill campaign and released all assay results. The program had 68 RC holes and four diamond drill holes that collected samples for metallurgical testing. Drill hole locations are shown in Figure 4 relative to cross section lines and historical drilling.

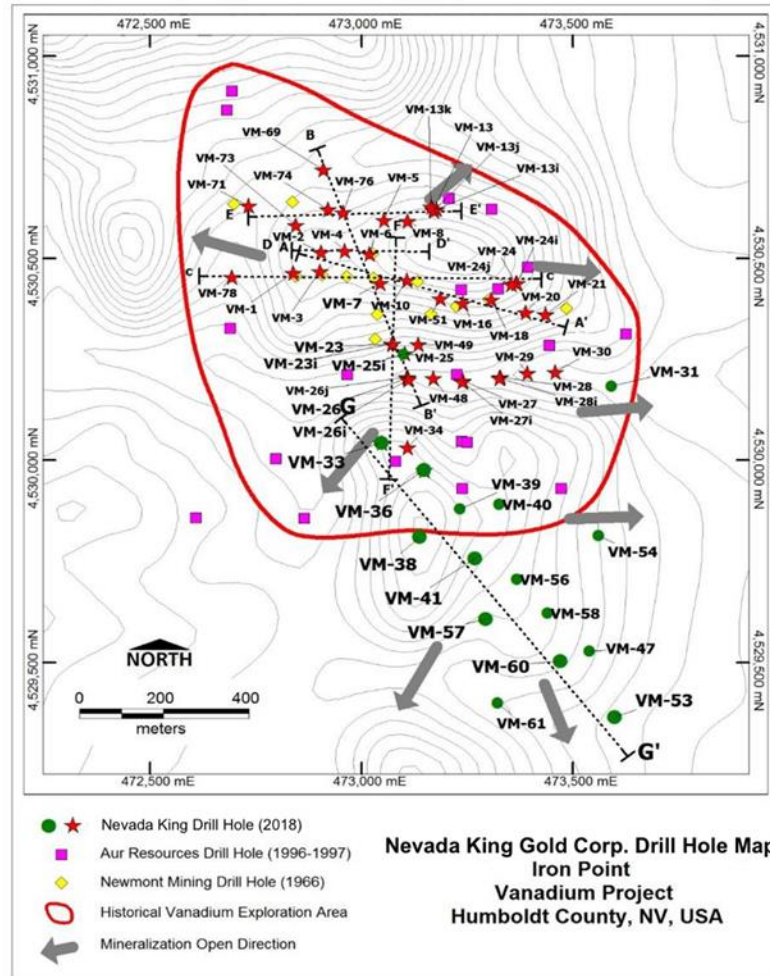
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Highlights from the program included:

- 44 meters grading 0.48% V2O5 in VM-02
- 27 meters grading 0.56% V2O5 in VM-07
- 26 meters grading 0.59% V2O5 (including 3 meters grading 0.84% V2O5) in VM-67



**Figure 4. Location of Nevada King holes drilled during its maiden 2018 program**

These intercepts are contained in two flat-lying higher grade vanadiferous horizons, referred to as the Upper and New High-Grade Zones, which occur within a broader and extensive envelope of vanadium mineralization within the Vinini Formation. This broader envelope generally starts at surface and extends down to a depth of at least 175 meters, with intercepts from surface including:

- 175 meters grading 0.25% V2O5 in hole VM-02 (from surface)
- 139 meters grading 0.28% V2O5 in hole VM-07 (from surface)
- 151 meters grading 0.21% V2O5 in hole VM-76 (from surface)

The Upper High-Grade Zone was indicated in historical drilling at Iron Point and was the basis for Nevada King's initial assessment of the project's resource potential. The New High-Grade Zone was newly discovered by this confirmation drilling campaign and yielded some of the highest-grade vanadium mineralization found to date. A high degree of continuity was not apparent from historical drilling and the Company believes this significant improvement

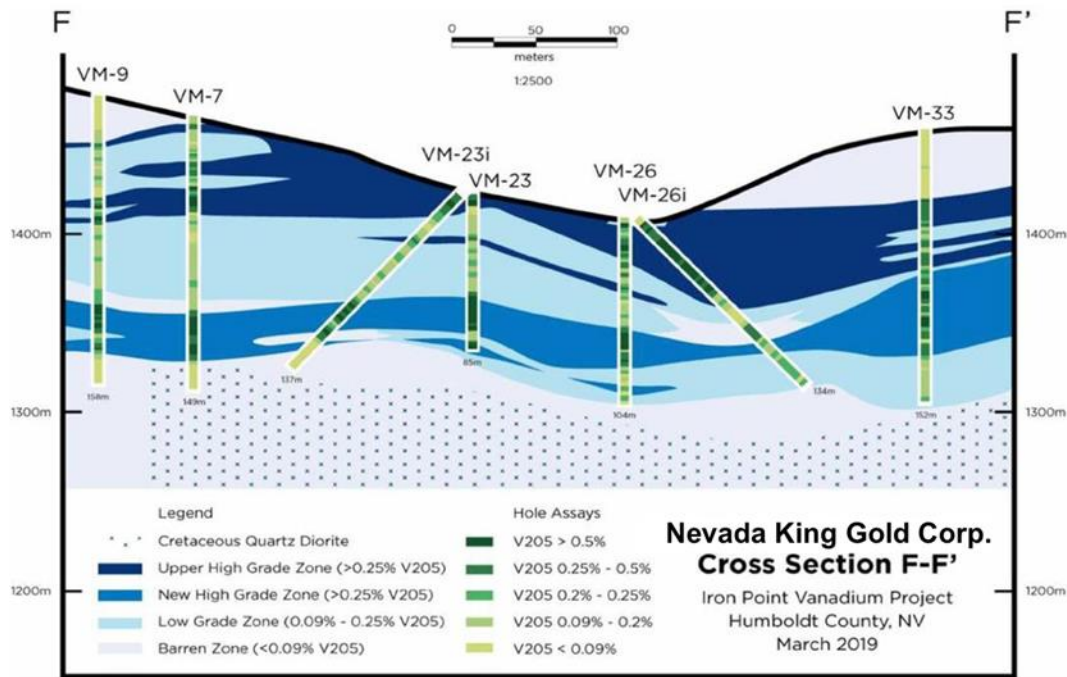


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in zone correlation can be attributed to the higher sample recoveries and greater depth penetration achieved in the current program. The mineralized horizons are near-horizontal, and good lateral continuity of mineralization in both the lower grade vanadium envelope and the two high-grade zones extends throughout the central portion of the historical vanadium mineralized zone, as seen in Figure 5.



**Figure 5. North-south drill section F-F' across the central portion of the vanadium deposit, showing sub-horizontal geometry of vanadium zones and lateral continuity of mineralization.**

Following the results of the 2018 maiden drilling campaign, Nevada King retained Mine Development Associates (“MDA”), a highly respected resource estimation and engineering firm based in Sparks, Nevada, to evaluate the overall extent of the vanadium mineralization at Iron Point and plan the maiden resource estimation work. With this objective in mind, MDA developed the Phase II drill program of 53 holes (44 RC and 9 core holes) based on preliminary geostatistical analysis of the Phase I results, thus ensuring sufficient drill spacing for a resource estimate, predominantly in the measured and indicated category. The drill pattern covered a north-westerly trending zone measuring 1,800 meters long by 550 meters wide. Hole depths ranged from 130 meters to 280 meters with angles ranging from  $-45^{\circ}$  to vertical. Most of the holes were concentrated within the southern half of the Property, where previous drill holes were more widely spaced. The program also provided sample material for the next phase of metallurgical test work, utilizing material from the 9 core holes distributed over the project area in order to provide representative metallurgical samples of the vanadium mineralization.

The Phase II program was completed in September 2019 with 53 holes drilled for a total of 9,745 meters, comprised of 8,070 meters in 42 RC holes and 1,675 meters in 11 diamond holes (see map in Figure 6). Similar to the results achieved during the Phase I program, all of these holes demonstrate good lateral continuity and confirm the near surface, flat-lying nature of vanadium mineralization at the deposit scale. Furthermore, these Phase II holes extended mineralization to greater depths in areas where shallow Phase I drilling failed to fully penetrate the entire vanadium horizons. Consequently, the deeper Phase II holes significantly expanded the extent of known vanadium mineralization

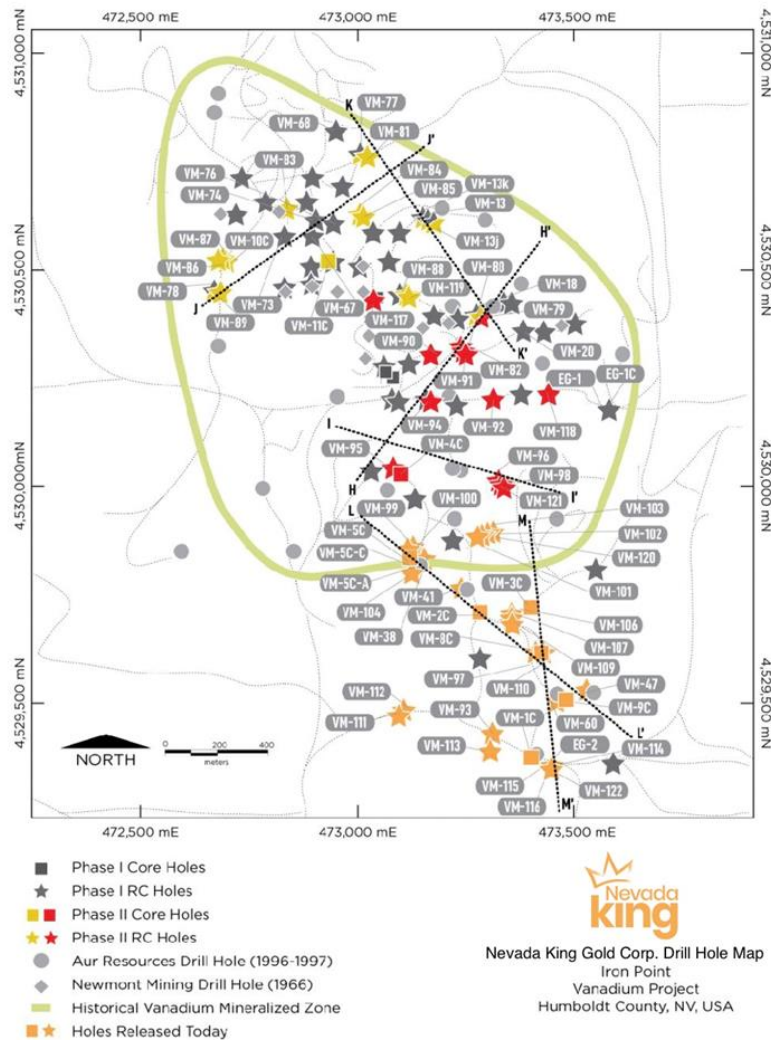
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at Iron Point thus increasing the overall tonnage potential and confidence in the mineralization in advance of a maiden resource estimate. Other important results from this program are summarized below:

- Thicker zones of higher-grade mineralization are clustered around core hole VM-8C within an area measuring 300 meters in a N-S direction and 130 meters wide, in places extending from the surface down to a maximum depth of 170 meters. The shallow nature of this relatively uniform and vertically continuous mineralization provides Nevada King with an attractive open pit target.
- Mineralization remains open to the west, east, and south.



**Figure 6. Location of all completed Phase II holes in relation to Phase I and earlier holes. Nevada King's final set of confirmation RC and diamond drill holes from Phase II are shown by orange stars and squares, in relation to the already released Phase II drill holes in red and yellow. Phase I drilling (grey stars and squares) are shown from the 2018 program, as well as historical Newmont and Aur Resource drill holes (grey circles and diamonds).**

As observed in the Phase I drilling these latest intercepts are consistent with two flat-lying higher grade vanadiferous horizons, referred to as the Upper High Grade and New High Grade Zones. Results from this program include:

- 52.4 meters grading 0.47% V<sub>2</sub>O<sub>5</sub> (including 5.8 meters grading 1.2% V<sub>2</sub>O<sub>5</sub>) in VM-004C

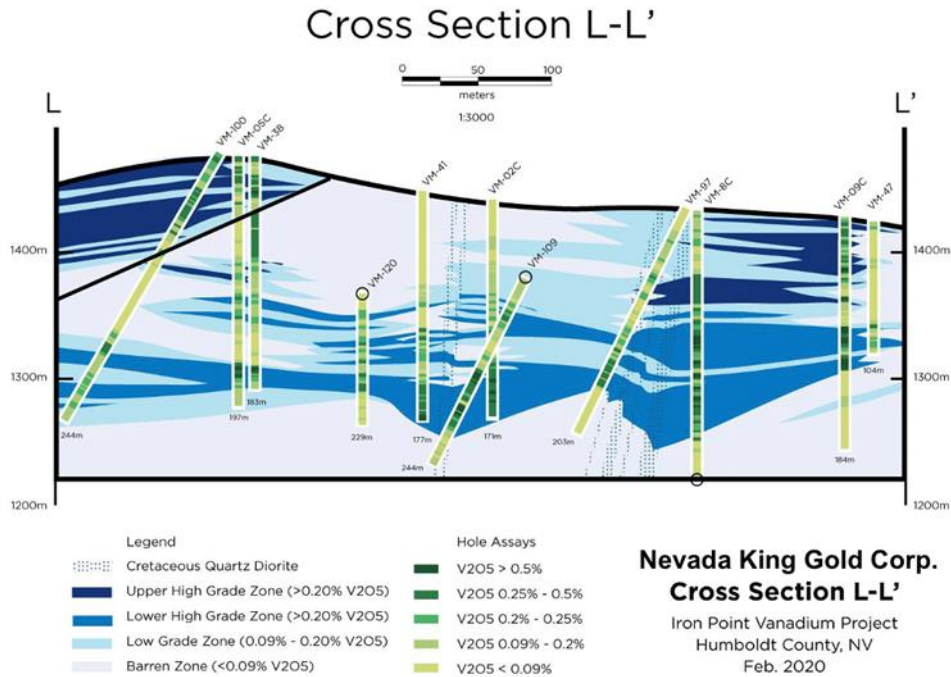
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- 37.4 meters grading 0.40% V2O5 (including 4.7 meters grading 0.8% V2O5) in VM-079
- 61.0 meters grading 0.47% V2O5 (including 10.7 meters grading 0.90% V2O5) in VM-001C

Through all of the drill phases at Iron Point, the sub-horizontal nature of the two vanadiferous horizons and good lateral continuity of mineralization are maintained, as seen in drill section L-L' in Figure 7.



**Figure 7. Cross section L-L' showing distribution of vanadium mineralization in relation to the current geologic interpretation.**

In summary, the Phase II drilling returned surprisingly high-grade results in the southern portion of the vanadium rich target area. Most notable is a shallow and relatively uniform zone of vanadium mineralization that is a prime candidate for initial developmental focus. Furthermore, the increased drill density in the southern portion of the deposit revealed larger and higher-grade zones of vanadium mineralization than previously identified from Phase I drilling. The Phase II drill program sought to close-off the lateral and vertical extent of mineralization; it instead confirmed that the deposit remains open in most directions and to depth.

## **Preliminary Economic Assessment**

With Phase II drilling completed, MDA initiated a maiden resource estimate which will form the basis for a planned Preliminary Economic Assessment (“PEA”) study. In September 2020, Nevada King retained Wood Canada Ltd. of Vancouver, BC to identify the initial direction for mining and processing studies to produce the PEA.

## **Metallurgical Testing**

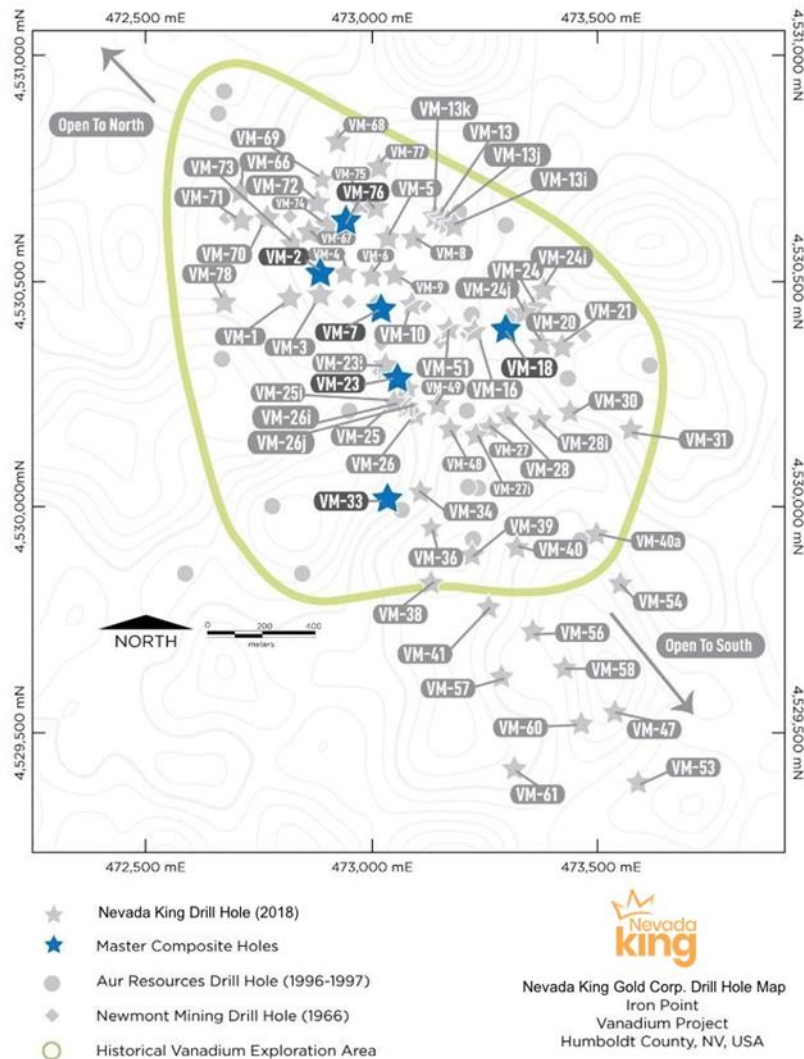
A total of 197 RC drill reject samples were delivered to McClelland Laboratories Inc. (“McClelland Labs”) of Sparks, Nevada, for sample preparation, assaying, and compositing. A master composite sample was constructed that best represented both the spatial and stratigraphic distribution of mineralized zones throughout the Iron Point project as shown in Figure 8. Specifically, the master composite is made up of cuttings from drill intervals ranging between a depth of 1.5 meters to 164.6 meters. Intervals incorporated into the composite had a minimum grade of 0.17% V2O5,

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a maximum grade of 1.14% V<sub>2</sub>O<sub>5</sub>, a median grade of 0.38% V<sub>2</sub>O<sub>5</sub>, and a mean (unweighted) grade of 0.34% V<sub>2</sub>O<sub>5</sub> from triplicate analysis.



**Figure 8. Location of drill holes included in the master composite metallurgical sample.**

Sixteen tests were run at atmospheric pressure with a leach time of eight hours. Initial factor high and low levels were selected based on similar unit operations currently used in the industry, i.e. slurry solids density 20 to 40 percent, which is common in flotation concentrate products and gold leach circuits, respectively. Owing to the atmospheric leaching process, maximum temperature considered was 90 degrees centigrade. Intermittent samples were taken at two, four, and six hours and each solution analyzed for pH, oxidation-reduction potential, and acid concentration. At the termination of the test, samples were filtered with dried solids and leach solutions submitted for analyses.

The highest vanadium recoveries are associated with some combination of higher sulfuric acid dosage and temperature. The best four combinations average 91.7% vanadium recovery with the highest recovery of 94.3% associated with a low percentage of solid solution, and higher temperature and acid dosage. Acid consumptions ranging between 88 kg/t and 142 kg/t with an average of 109 kg/t. The high temperature runs consistently outperformed the low temperature runs with respect to vanadium. Acid dosages have a lower level of impact than temperature on recovery. High solids density has a negative influence on the recovery, though not as statistically significant as temperature or sulfuric acid dosage.

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Subsequent confirmation tests are summarized in Table 2. The leaching model allows for maximizing vanadium recovery with a range of 88.0% to 91.5% and an average of 90.0%. Sulfuric acid consumption averaged 74.8% and ranged between 5 kg/t and 102.0 kg/t. Note that the 5 kg/t consumption for CON-1 is likely an outlier but is included in the analysis at this point.

**Table 2. Model Confirmation Runs with Summary Agitation Leach Test Results, Iron Point Master Composite, for each of the 5 Tests**

| Test ID | Factor 1<br>Temp.,<br>°C | Factor 2<br>Density,<br>% solids | Factor 3<br>HF<br>g/L | Factor 4<br>H2SO4,<br>g/L | Leach<br>Time, hr | V<br>Recovery,<br>% | H2SO4<br>Consumption<br>kg/mt |
|---------|--------------------------|----------------------------------|-----------------------|---------------------------|-------------------|---------------------|-------------------------------|
| CON-1   | 0.022                    | 0.000                            | 0.000                 | 1.667                     | 8                 | 89.7                | 5                             |
| CON-2   | 0.511                    | -0.200                           | 0.787                 | -0.013                    | 8                 | 90.4                | 102                           |
| CON-3   | 0.511                    | -0.200                           | 0.800                 | -0.013                    | 8                 | 91.5                | 93                            |
| CON-4   | 0.556                    | -0.300                           | 0.987                 | -0.013                    | 8                 | 90.4                | 81                            |
| CON-5   | 0.422                    | -0.100                           | 1.000                 | 0.307                     | 8                 | 88.0                | 93                            |

Nevada King, through Brownstone, retained Kemetco Research Inc. ("Kemetco") of Richmond, BC in September 2020 to advance the metallurgical testing program initiated by McClelland Labs. The Kemetco program is currently pursuing two objectives:

- Conduct unit operation testing and collect required data for the PEA carried out by Wood PLC.
- Demonstrate the conceptual flowsheet at a bench scale and produce a small sample of final V2O5.

## Nevada King's Gold Exploration at Iron Point

### **2019 Lower Plate Gold Scout Drill Program**

The potential for a deep Carlin-type gold deposit similar to Turquoise Ridge (16M ounces Au) or Twin Creeks (14M ounces Au) mines has been largely untested on the Property prior to Nevada Gold's tenure. Only 18 known historic drill holes across the project area exceeded 300 meters (1000 feet) drill depths. A scout exploration drill program was designed to test this potential during the 2019 field season with planned depths up to 700 meters. Two separate targets located approximately 3 kilometers distant were selected, and 5 exploratory holes, totaling 2,686.5 meters, were drilled along the range-front escarpment on the eastern portion of the Property (Figure 9).

Deep core drill hole VM-008C successfully intersected lower plate carbonate strata beneath the Roberts Mountain Thrust fault ("RMT") at depth of 279 meters. Significant alteration typical of Carlin-type systems was present throughout the lower plate section to the end of hole at 710 meters. The bottom 5.8 meters of this hole graded 0.165 g/t Au accompanied by elevated As, Sb, and Hg, suggesting the system may be intensifying at depth.

EG-001C was collared 590 meters to the NNE of VM-008C. The hole was drilled to 305 meters with RC, then completed with diamond drill core to 552 meters. The upper portion of the drill hole intersected an interval of quartzite cut by intrusive dikes, then an interval of skarn from 190-221 meters. From 221 meters to the end of the hole at 552 meters, the lithology was granodiorite with zones of skarn from 391.4-415 meters, 451-469 meters, and 481-518 meters. The hole intersected an aggregate interval of 54.88 meters of 0.287 g/t Au beginning at 7.6 meters downhole.

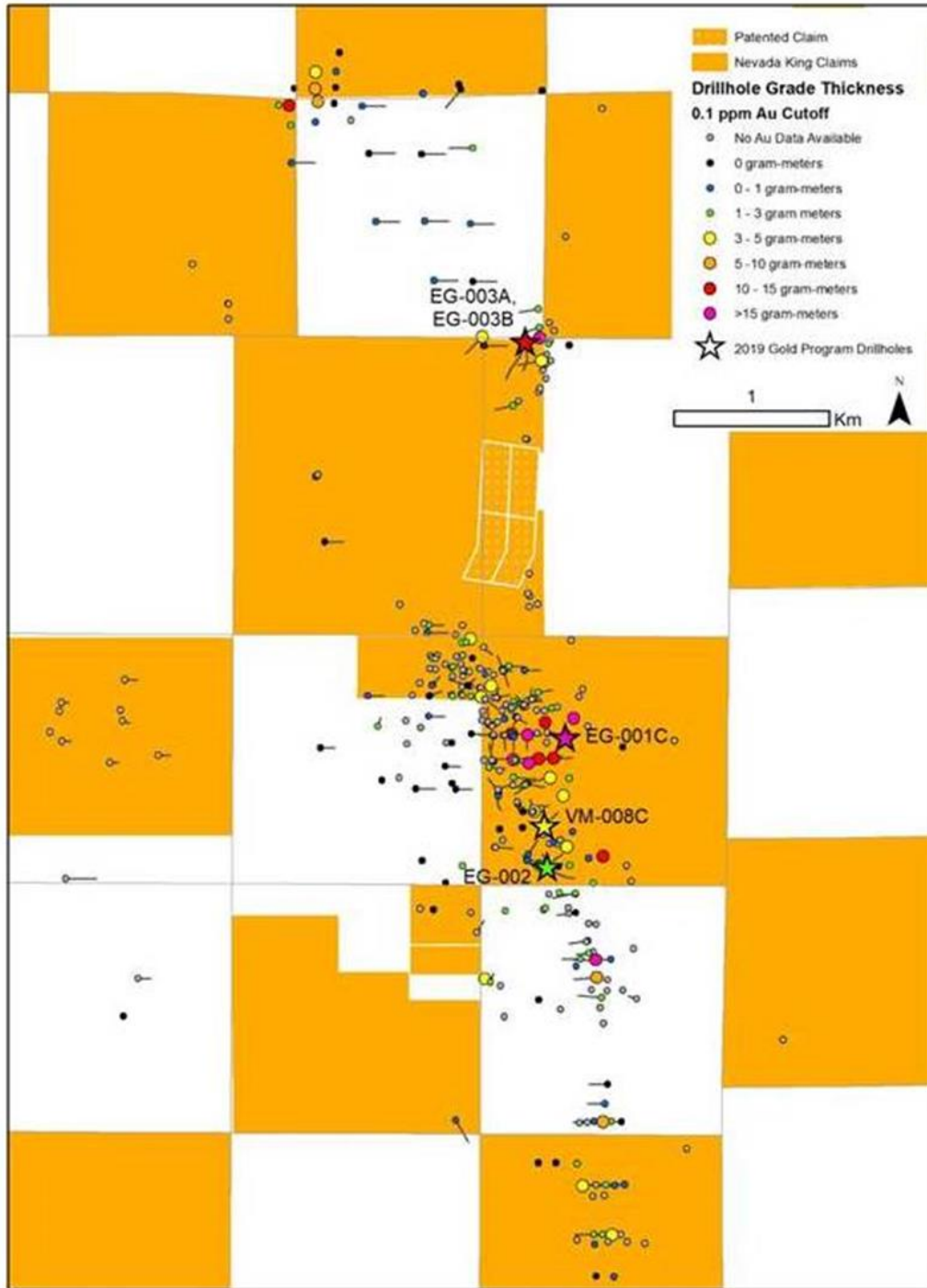
RC drill holes EG-003A and EG-003B were drilled approximately 3 kilometers to the north of VM-008C along the EMSZ. These holes were collared 100 meters to the west of Newcrest Mining Limited's NP-09 drill hole which intersected 178.31 meters at 0.273 g/t Au beginning 33.5 meters downhole, including 41.15 meters grading 0.600 g/t Au beginning at 53.3 meters downhole. While both had a 60-degree inclination, EG-003A was drilled to 512 meters with a 165-degree azimuth, while EG-003B was drilled to 611 meters on a 192 degree azimuth to test the EMSZ

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structure that NP-09 was believed to have intersected. EG-003A and EG-003B both intersected intervals of altered siltstone and silty carbonates. EG-003A intersected an aggregate interval of 59.45 meters of 0.194 g/t Au beginning at 9.1 meters downhole.



**Figure 9: Location of Nevada King's 2019 scout drill holes in relation to historical drilling. Historical holes are color-coded on the basis of grade X thickness using a 0.1 g/t cutoff. The strong NNW trend of Au mineralization in drillholes is evident.**

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## **Drilling Database Compilation**

An exploration database was developed to systematically integrate historic drill hole data from numerous campaigns with the more recent drilling done by Nevada King. The database currently contains records for approximately 550 drill holes, of which 446 holes have known depths. The holes drilled prior to Nevada King's tenure in the district total a minimum of 59,500 meters (~195,200 feet) with an average depth of 189 meters (620 feet). This database represents the most complete dataset compilation in the district's history, and the standardized format serves as the foundation for a 3D model.

## **Surface Geochemistry Compilation**

As part of the district-scale data compilation, known historic surface samples were added to the database and analyzed using ioGas software. Approximately 8,200 historic soil and rock chip samples across the project area were integrated. A +3km NNW trending lineament of strong pathfinder geochemistry associated with Carlin-type gold deposits was identified, centered on the Iron Point Intrusive on the eastern portion of the project area. This anomalous zone extends NNW to the margin of the post-mineral basalt cap. Because this lineament closely coincides with features visible in multiple geophysical datasets as well as trends in the historical drilling, Nevada King believes the anomaly continues to the NNW beneath the basalt cap. Additional zones of geochemical anomalies were identified across the Property for follow-up exploration.

## **Geophysical Surveys**

During September-November 2020, several geophysical surveys were conducted within the project area to guide future drilling efforts. Results of all surveys were interpreted by consulting geophysicist Jim Wright, who has extensive experience working in Nevada.

- Gravity survey
  - Conducted by Magee Geophysics in September 2020
  - 1156 stations in a 200m x 200m grid across the claim checkerboard
- Drone-based Airborne Magnetic survey
  - Flown by Zonge International during September-October 2020
  - 287 lines with 50m spacing totaling 1079 line-km
- CSAMT survey
  - Ground survey conducted by Zonge International during October-November 2020
  - 8 lines totaling 23.9 line-km

## **Pulp Re-assay Program**

With the focus on vanadium in the 2018 and early 2019 exploration programs, drill cuttings and cores within the resource area were not initially assayed for gold. A gold re-assay program was conducted on pulp samples in Q1 2021 to identify zones of gold mineralization in the Upper plate lithologies, and the structures that may control "leakage" from a Carlin-type deposit at depth hosted in the Lower plate carbonate section.

- 5,155 sample pulps from 38 drill holes were submitted to American Assay Lab (Reno, NV).
- Drill holes were selected to provide good areal coverage across the vanadium resource area. Submitted pulps cover the entirety of each drill hole, and appropriate insertions of QAQC standards and blanks were used to ensure analytical accuracy.
- Results of the program identified intervals of gold mineralization hosted in Upper plate rocks and in zones of sheared intrusive and indicate some controlling structures in the Upper plate lithology (Western Assemblage).

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Highlights include the following:

- VM-092: **44.2m** grading **0.461 g/t Au** from 99.1-164.6m (aggregate interval)
- VM-121: **9.1m** grading **0.259 g/t Au** from 109.7-118.9m,  
**and 19.81m** grading **0.62 g/t Au** from 160.0-184.4m (aggregate interval)
- VM-116: **4.6m** grading **1.104 g/t Au** from 275.8-280.4m.
- CG-IP-009: **12.2m** grading **0.389 g/t Au** from 146.3-158.5m.

## **2021 Soil Sampling Program**

A soil sampling program was conducted in late August 2021 to expand coverage outwards from historical soil grids. 1,608 samples were collected on 200m x 100m centers across the Company's existing claim block, covering an area approximately 25 km<sup>2</sup>. Stronger geochemical anomalies tend to coincide with mapped structures and structural intersections, as well as dike corridors. Additional zones of geochemical anomalies were identified across the Property for follow-up exploration.

## **2021 Scout Reconnaissance Drill Program**

Post-mineral basalt flows cap a plateau covering a 16 sq. km area in the northeast portion of the Iron Point claim block. Historic drilling along the NNW-trending projection of the Fairway Zone near the center of the basalt flows intersected intervals up to 39.6m grading 0.22 g/t Au including 3.05m of 1.85 g/t Au. Because the Company does not possess cuttings or geological logs from these historic holes to determine the host rock and nature of this mineralization, it was decided to undertake a scout reconnaissance drill program to help identify and delineate future deep exploration in this target area. The purpose of this scout program is to determine the thickness of the basalt cover as well as to identify the underlying bedrock geology, alteration, and vectors to mineralization. Results will also be used to ground-truth CSAMT data and refine the subsurface interpretation. The program consists of 18 shallow vertical RC drill holes totaling 2,400m (Figure 10). Drilling commenced in November 2021, and prior to the end of year drilling break, twelve holes totaling 1,790m were completed to an average depth of 150m. An additional 490m of drilling is planned for completion in Q1 2022. Initial results indicate the thickness of basalt drilled ranges from 20-69m, and that bedrock geology consists of Comus and Preble formations. Zones of quartz veining, sulfides and alteration were encountered in various holes. Drill samples were submitted for analysis to American Assay Labs in Reno, Nevada in late December 2021 and initial results are still pending.

## **2022 Range Front Zone ("RFZ") Deep Drill Program**

A mud-rotary drill rig is being mobilized to Iron Point to drill three deep pre-collars along the Range Front Zone ("RFZ"). Each pre-collar will be drilled to a nominal depth of approximately 455m and casing will be set to allow for follow-on diamond drilling to advance each drill hole to a depth up to approximately 915m. The objective of these drill holes is to step-out from areas of known mineralization, and at the same time, test the hanging wall side of the range front fault. A gravity survey completed in 2020 indicates the presence of a large down-dropped block extending to the east up to 3.5km from the range front fault beneath alluvium. If favorable Lower Plate carbonates are discovered in this down-dropped block, the target area along the RFZ will be greatly expanded.

Proposed RFZ holes 1 and 2, collared 250m apart in a north-south direction, will serve as 350m step-outs to the ENE and ESE of deep drill hole VM-008C drilled in 2019. Proposed RFZ drill hole 2 is located approximately 90m northwest of historic hole CH-IP88-03 drilled by Chevron in 1988 that intersected 7.62m grading 1.59 g/t Au beginning 353.57m downhole, including 1.54m grading 3.68 g/t Au at 355m. CH-IP88-03 drilled through 305m (1,000ft) of alluvium before entering bedrock, however the rock unit hosting gold is unknown at this time.

Proposed RFZ drill hole 3, situated 600m to the NNE of drill hole VM-008C, is a 265m step-out of mineralization encountered in 2019 drill hole EG-001C. Grade-thickness contours of nearby historic drill holes indicate an ENE orientation to Au mineralization in the upper plate siliciclastic rocks, a vector that coincides with a pronounced shoulder in the gravity dataset.



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EG-002, the fourth planned deep test in the RFZ, is a 265m step-out to the south of VM-008C. This drill hole was pre-collared to 305m during the 2019 program but a core tail was not drilled at that time. A 610m core tail is planned during the 2022 program, bringing the total planned depth of this hole to 915m. This hole is situated within the same structural block as VM-008C and is expected to fully test prospective Lower Plate stratigraphy in this area.

Diamond drill core tails will be completed in each of these four pre-collar holes to depths up to 915m.

## 2022 Fairway Zone Deep Drill Program

During 2021, Nevada King's geologists compiled extensive datasets including multiple geophysical surveys conducted in 2020 including gravity, CSAMT, and aeromagnetism, along with historic soil and drill results, resulting in identification of a profound NNW-trending structural corridor, referred to as the "Fairway" Zone. This zone displays alteration and gold mineralization centered along an interpreted intrusive complex and extends a distance of 4.5km, projecting under the post-mineral basalt flows to the north. A single deep drill hole, collared 2.8km NNW of VM-008C, is planned as an initial test of this target area. This test will be started with a cased RC pre-collar drilled to a planned depth of 457m and finished with a diamond drill core tail to a planned total depth of 760m. Prospective Lower Plate stratigraphy is expected to be encountered in this area

**Table 3. Nevada King's 2021-2022 completed and proposed drill holes as of December 31, 2021. \*\*Drill hole EG-002 was pre-collared with RC to 305m during the 2019 drill program; the total depth of the pre-collar and planned core tail is reported in the table.**

| Hole ID           | Length (m) | Azimuth (deg.) | Dip (deg.) | Status    | Program            | Zone             |
|-------------------|------------|----------------|------------|-----------|--------------------|------------------|
| IP21-001          | 167.6      | 0              | -90        | Completed | Shallow Scout RC   | Basalt Plateau   |
| IP21-002          | 179.8      | 0              | -90        | Completed | Shallow Scout RC   | Basalt Plateau   |
| IP21-003          | 179.8      | 0              | -90        | Completed | Shallow Scout RC   | Basalt Plateau   |
| IP21-004          | 179.8      | 0              | -90        | Completed | Shallow Scout RC   | Basalt Plateau   |
| IP21-005          | 219.5      | 0              | -90        | Completed | Shallow Scout RC   | Basalt Plateau   |
| IP21-006          | 185.9      | 0              | -90        | Completed | Shallow Scout RC   | Basalt Plateau   |
| IP21-007          | 45.7       | 0              | -90        | Completed | Shallow Scout RC   | Basalt Plateau   |
| IP21-008          | 182.9      | 0              | -90        | Completed | Shallow Scout RC   | Basalt Plateau   |
| IP21-009          | 173.7      | 0              | -90        | Completed | Shallow Scout RC   | Basalt Plateau   |
| IP21-010          | 45.7       | 0              | -90        | Completed | Shallow Scout RC   | Basalt Plateau   |
| IP21-011          | 67.1       | 0              | -90        | Completed | Shallow Scout RC   | Basalt Plateau   |
| IP21-012          | 164.6      | 0              | -90        | Completed | Shallow Scout RC   | Basalt Plateau   |
| Planned_1         | 83.8       | 0              | -90        | Planned   | Shallow Scout RC   | Basalt Plateau   |
| Planned_2         | 76.2       | 0              | -90        | Planned   | Shallow Scout RC   | Basalt Plateau   |
| Planned_3         | 106.7      | 0              | -90        | Planned   | Shallow Scout RC   | Basalt Plateau   |
| Planned_4         | 91.4       | 0              | -90        | Planned   | Shallow Scout RC   | Basalt Plateau   |
| Planned_5         | 61.0       | 0              | -90        | Planned   | Shallow Scout RC   | Basalt Plateau   |
| Planned_6         | 61.0       | 0              | -90        | Planned   | Shallow Scout RC   | Basalt Plateau   |
| Fairway Zone hole | 760.0      | 0              | -90        | Planned   | Deep Drill Program | Fairway Zone     |
| RFZ hole 1        | 915.0      | 0              | -90        | Planned   | Deep Drill Program | Range Front Zone |
| RFZ hole 2        | 915.0      | 0              | -90        | Planned   | Deep Drill Program | Range Front Zone |
| RFZ hole 3        | 915.0      | 0              | -90        | Planned   | Deep Drill Program | Range Front Zone |
| EG-002**          | 915.0      | 0              | -90        | Planned   | Deep Drill Program | Range Front Zone |

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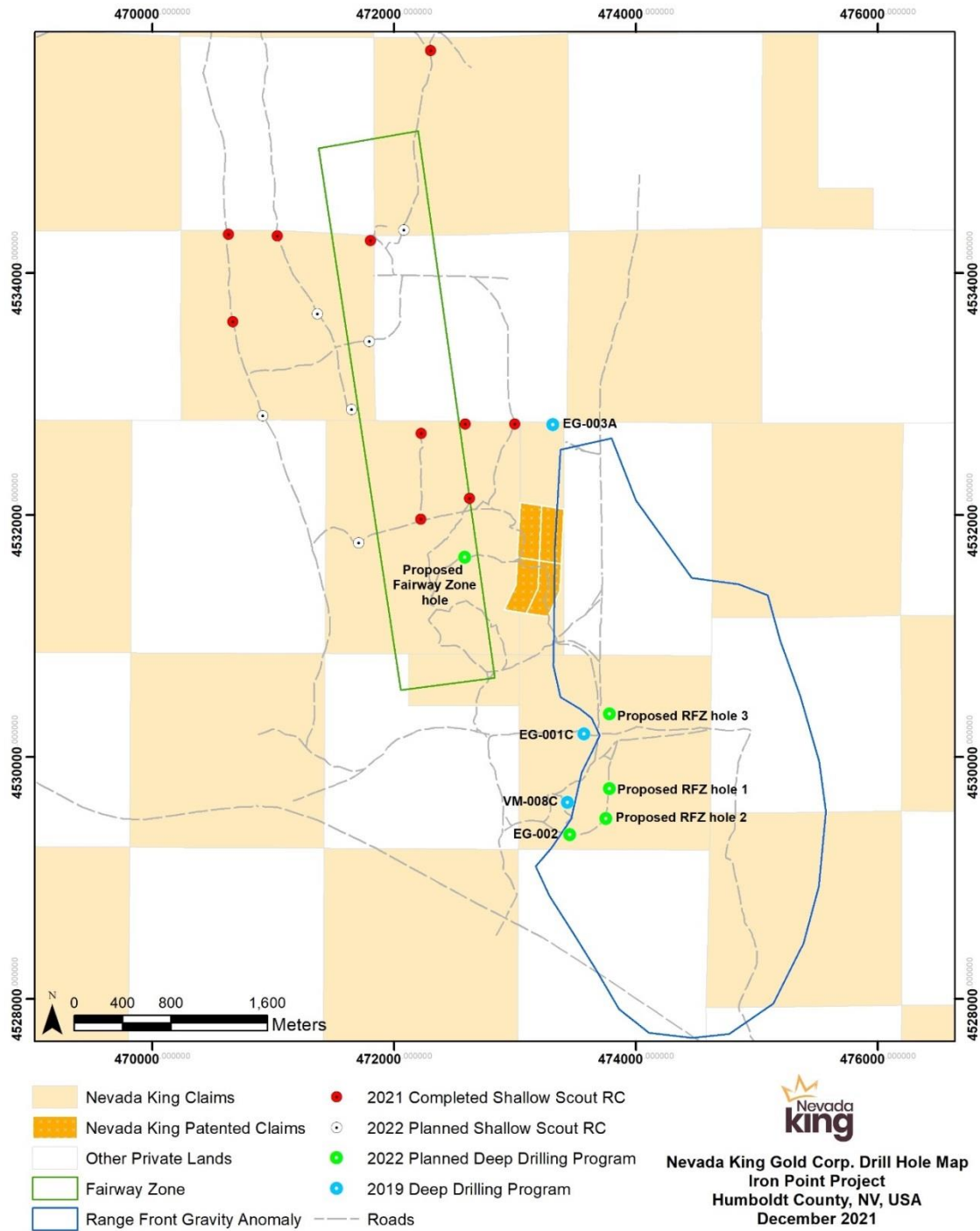


Figure 10. Location of Nevada King’s proposed 2021-2022 drill holes in relation to 2019 Lower Plate program drill holes.

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## *Atlanta Gold Project*

### **Project Highlights**

- The Atlanta project, which is inclusive of the historical Atlanta Mine, is located in the northern portion of Lincoln County, Nevada approximately 264 kilometers northeast of Las Vegas, Nevada, and is part of the prolific gold-producing Battle Mountain Trend.
- The project consists of 12 patented and 639 unpatented mineral lode claims, totaling approximately 5,166 hectares, held 100% by Desert Hawk Resources Inc. ("Desert Hawk"), a wholly owned US subsidiary of Nevada King Gold Corp.
- The Atlanta Mine is a historical gold-silver producer with an NI 43-101 compliant pit-constrained resource of 460,000 ounces Au in the measured and indicated category (11.0M tonnes at 1.3 g/t) plus an inferred resource of 142,000 ounces Au (5.3M tonnes at 0.83 g/t). Please refer to the NI 43-101 Technical Report on Resources titled "Atlanta Property, Lincoln County, NV" with an effective date of October 6, 2020, and a report date of December 22, 2020, as prepared by Gustavson Associates, LLC ("Gustavson") and filed under the Company's profile on SEDAR ([www.sedar.com](http://www.sedar.com)) (Gustavson 2020).
- The Company acquired the Atlanta project through purchase of Desert Hawk from Meadow Bay Gold Corporation ("Meadow Bay") in late 2019. Desert Hawk, as a subsidiary of the Company, became the Atlanta project operator under BLM Plan of Operation NVN 091367N effective August 3, 2020, with an existing reclamation bond.
- The project is accessible year-round by maintained county roads and possesses a powerline connection to the local grid, an industrial well with water rights, and a full-service camp at site that can house up to fifteen people year-round.
- Desert Hawk's permitted on-site activities under the plan of operation includes exploratory drilling followed by reclamation of any disturbed areas. On June 22, 2021, the Company announced commencement of a 4,200-meter, RC drilling program at Atlanta. Please refer to the Company's June 22, 2021 news release entitled "Nevada King Commences Drilling at 100% Owned Atlanta Gold Mine, Nevada" filed under the Company's profile on SEDAR. This initial exploration program was focused on (1) resource expansion along the northern, eastern, and southern portions of the historic Atlanta open pit where low historical drill density excluded shallower oxide mineralization occurring up-dip of the Gustavson 2020 resource zone, and (2) tying the higher grade mineralization seen at depth in several historical holes drilled along the west side of the Atlanta pit to mineralized outcrop exposed in the bottom of the pit. The program was concluded on October 9, 2021, with 66 RC holes completed, ranging from 33 meters to 207 meters in depth, and totaling 5,407 meters.
- Assays from Desert Hawk's drilling program clearly met the Company's initial objectives and in some areas exceeded expectations. Drill results show gold to be concentrated along a densely silicified collapse breccia zone developed along a gently west-dipping contact involving a variably sulfidized quartz monzonite sill in the hanging wall and dolomite in the footwall. Replacement-type mineralization is clearly evident within strongly silicified and decalcified dolomite. Higher gold grades occur along northerly-trending, steeply dipping faults, often accompanied by strongly altered rhyolitic dikes, that displace the intrusive-dolomite contact, resulting in a series of narrow fault blocks progressively down-dropped to the west. Higher grades are concentrated along a northerly-trending 40m to 80m wide fault block corridor identified as the Atlanta Mine Fault Zone, which was the focus of historical mining activity.
- In a new structural interpretation for the Atlanta deposit developed by the Company's technical team, potential higher-grade gold mineralization will be targeted in drilling where northerly striking high-angle

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shears intersect a low angle silicified breccia zone beneath a strongly altered quartz monzonite sill (please see discussion below).

- After examining the historical drill and surface sample data for the Atlanta project and compilations of recent sampling, geophysical, and magnetic survey work conducted by Nevada King, it is apparent that the Atlanta gold resource is just one part of a much larger, caldera-related epithermal gold-silver system. Prior operators largely focused on the Atlanta pit area (0.15 square kilometers or 15 hectares in size), while little attention was paid to regional exploration. The Company sees excellent potential, not just for expanding the existing Atlanta pit resource, but also for locating new areas of gold mineralization elsewhere within the 100% owned, 52 square kilometer (5,166 hectare) property package.

### **Property Location, Description, and Infrastructure**

The Atlanta project, which includes the historical Atlanta Gold Mine, is located in the northern portion of Lincoln County, Nevada and is approximately 264 kilometers northeast of Las Vegas, Nevada. The region is high desert with warm summers and cold, dry winters and the property displays moderate topography with elevations from 6,500 to 7,800 feet above sea level. County-maintained roads connect the project area to major highways. The town of Pioche is located about 80 kilometers south of the project and the town of Ely is a two-hour drive to the northwest.

The project consists of 12 patented and 639 unpatented mineral lode claims, totaling approximately 5166 hectares, held 100% by Desert Hawk. The Atlanta Mine is a historical gold-silver producer with an NI 43-101 compliant pit-constrained resource of 460,000 ounces Au in the measured and indicated category (11.0M tonnes at 1.3 g/t) plus an inferred resource of 142,000 ounces Au (5.3M tonnes at 0.83 g/t). Please refer to the NI 43-101 Technical Report on Resources titled "Atlanta Property, Lincoln County, NV" with an effective date of October 6, 2020, and a report date of December 22, 2020, as prepared by Gustavson and filed under the Company's profile on SEDAR ([www.sedar.com](http://www.sedar.com)).

The Atlanta project is well situated with regard to physical infrastructure. Prior mining operations at the site established an open pit mine, a tailings dam, a mill and processing area, and a surface impoundment area. The mill building and mill equipment were removed from the site prior to the Company's ownership. The established access roads, power line, telecommunications, water rights, a Desert Hawk-owned water well for processing and camp operations, and office and camp infrastructure are all supportive of exploration, mining, and development activities.

### **Property Ownership and Permitted Activities**

The Atlanta property is 100% held by Desert Hawk. Desert Hawk had been formed as a private company in 2010 to hold the Atlanta project and was purchased by Meadow Bay in 2010 from the company's originators. Casino Gold Corp. (a subsidiary of Nevada King Mining, Ltd.) purchased Desert Hawk from Meadow Bay in 2019 thus acquiring the Atlanta project. Casino Gold Corp. added an additional 255 lode claims to Desert Hawk's original claims in September 2019. The historically-producing Atlanta Mine is located within the 12 patented mining claims. At present, no production is occurring from the historical mine site. The unpatented claims are located on United States BLM land. Annual BLM claim maintenance fees are paid for the period through September 1, 2021 and claim maintenance requirements are current with Lincoln County. Property taxes to Lincoln County for the patented mining claims are paid through the end of the fiscal year of 2021.

The BLM has no restrictions that would prevent mining or exploration operations on unpatented land beyond the typical requirements of permitting, bonding and reclamation. Effective August 3, 2020, the BLM accepted Desert Hawk as the operator of the Atlanta Mine project (replacing former project owner Meadow Bay) upon Desert Hawk's posting of a US\$321,744 reclamation bond with the BLM. Desert Hawk is now the operator in the BLM Plan of Operations (NVN 091367) for the project, originally approved by the BLM in 2014 for Meadow Bay. Desert Hawk's permitted on-site activities under the Plan of Operations includes exploratory drilling followed by reclamation of any disturbed areas. The activities are authorized under Reclamation Permit #0360 approved by the Bureau of Mining Regulation and Reclamation of the Nevada Division of Environmental Protection upon posting of the US\$321,744 reclamation bond with the BLM.

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## **Royalties, Agreements, and Encumbrances**

Production from specific claims on the Atlanta project is subject to net smelter royalties (Table 4): (a) for production on the NBI Claims (135 claims total), Desert Hawk is obligated to a 3% net smelter return to Americas Bullion Royalty Corp.; (b) for production on the Bobcat Claims (48 claims total), Desert Hawk is obligated to pay Bobcat Properties, Inc. (Rutherford Day) a 3% net smelter return royalty for up to 4000 ounces of gold; and, production from the ATL 122, ATL 124, ATL 126, and ATL 156 Claims is subject to a 3% net smelter royalty payable to Exxon Minerals Corporation (these four claims are located in the footprint of the former tailings pond and are not currently part of a production plan). All other claims on the Atlanta project are unencumbered by royalties.

| <b>ROYALTY HOLDER</b>             | <b>RELEVANT AREA</b>             | <b>NSR</b> | <b>EXPECTED ECONOMIC IMPACT</b>   |
|-----------------------------------|----------------------------------|------------|---|
| Bobcat Properties, Inc.           | Atlanta Mine<br>Atlanta Porphyry | 3%         | Capped at 4,000 ounces gold   |
| American Bullion<br>Royalty Corp. | Northern Mag Low                 | 3%         | Of current targets, only Northern Mag Low falls within the net smelter royalty  |
| Exxon Minerals<br>Corporation     | Tailings                         | 3%         | Exxon royalty is not likely to be triggered – there are no current plans to develop or in any way disturb the tailings facility |

## **Historical Work**

Underground mining along the Atlanta fault commenced in 1905 and small tonnages were intermittently mined via underground and open pit methods by numerous operators up through the 1960's. With rising gold prices in the 1970's, the Standard Slag Company enlarged the Atlanta pit and mined 1.5M tonnes, recovering 110,000 ounces of gold and 800,000 ounces of silver between 1975 and 1985 (averaging 3 g/t Au and 39 g/t Ag – recovered by milling and agitated leach with cyanide). Subsequent to 1985, explorers included Gold Fields (1990-1991), Kinross Gold Corp (“Kinross”) (1997-1998), and Meadow Bay (2011-2018), who collectively completed 58,800 meters of diamond drill and RC drilling. A significant amount of this core as well as drill pulps, RC rejects, and chip trays are preserved in an on-site storage facility.

Nevada King acquired the property from Meadow Bay in 2019 and promptly staked an additional 255 lode claims around the core land position, bringing the total property up to 639 lode claims and 12 patented claims, covering 5,166 hectares. Subsequent to acquisition, the Company conducted a reconnaissance scale mapping and sampling program over areas of historical mining/prospecting and has since concluded district-scale soil sampling together with ground gravity and drone magnetic surveys. Soil sample results are still pending, while the geophysical data is currently being integrated with the surface geology preparatory to interpretive analysis and target generation.

## **Current Resource Estimate (Gustavson 2020)**

The current pit-constrained gold and silver resource estimate for the Atlanta project was completed in December 2020 by Gustavson: 460,000 ounces Au in the measured and indicated category (11.0M tonnes at 1.3g/t) plus an inferred resource of 142,000 ounces Au (5.3M tonnes at 0.83 g/t) utilizing a 0.35 g/t Au cut-off. The estimate incorporates both historical drilling conducted by Kinross and Gold Fields as well as more recent drilling performed by Meadow Bay.

Please refer to the NI 43-101 Technical Report on Resources titled “Atlanta Property, Lincoln County, NV” with an effective date of October 6, 2020, and a report date of December 22, 2020, as prepared by Gustavson and filed under the Company's profile on SEDAR ([www.sedar.com](http://www.sedar.com)).

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| Resource Category    | Tonnes (000's) | Au Grade (ppm) | Contained Au Oz (000's) | Ag Grade (ppm) | Contained Ag Oz (000's) |
|----------------------|----------------|----------------|-------------------------|----------------|-------------------------|
| Measured             | 4,130          | 1.51           | 200                     | 14.0           | 1,860                   |
| Indicated            | 6,910          | 1.17           | 260                     | 10.6           | 2,360                   |
| Measured + Indicated | 11,000         | 1.30           | 460                     | 11.9           | 4,220                   |
| Inferred             | 5,310          | 0.83           | 142                     | 7.3            | 1,240                   |

## **Recent Work Conducted by Nevada King**

In 2021 Nevada King completed drone magnetic, gravity and soil sampling surveys over a 52 square kilometer area on the property. The drone magnetic survey conducted by Zonge Geophysical and the gravity survey conducted by Magee Geophysical Services LLC, based out of Reno, Nevada, were completed in Second Quarter 2021. Both surveys were conducted to help locate intrusions, major fault offsets, and strongly altered zones obscured by post-mineral cover. The Company also completed an extensive soil sampling survey which includes 1,900 samples taken on a 100 meter by 200-meter grid spacing. NKG is currently utilizing the geophysical and soil sample results to generate new exploration targets within the district that can be drill-tested concurrently with the resource expansion drilling program.

Rock chip sampling and geologic mapping within and around the Atlanta open pit in early 2021 identified gold mineralization in the 0.3-1.0 g/t grade range along the eastern wall of the pit and extending over 200 meters eastward from the pit edge within an area of almost no historical drilling or sampling. These strong gold anomalies occur along the eastern margin of the Gustavson 2020 conceptual pit shell within a portion of the resource zone classified as waste. Mineralization within the open pit also occurs in strongly silicified and de-calcified dolomite along a northerly trending 100-meter-wide zone of high angle shears and altered felsic dikes that generally parallels the historically-mined Atlanta vein. NKG's rock sampling of these structure returned gold concentrations up to 1.11 g/t across 23 meters (true thickness) that historically was considered barren. Based both sample sets, the Company saw good potential for extending the Gustavson resource further eastward and southward with shallow drilling.

Recent addition of detailed ground gravity, drone magnetic, and soil sample data infills large gaps in the historical database and now allows Nevada King to evaluate the property's district-scale gold potential. Pre-1930s mining and prospecting activity together with widely scattered historical drill data suggest potential for additional silica breccia-hosted gold similar to the Atlanta Mine as well as gold mineralization occurring along Paleozoic basement – Tertiary volcanic contacts similar to Liberty Gold Corp's Goldstrike deposit in Utah. Much of the Atlanta district is obscured by alluvium and post-mineral volcanics, so the Company will be pursuing both target types utilizing its new data.

## **2021 NKG Drilling Program**

The Company commenced drilling at Atlanta with one RC rig on June 22, 2021, while a second drill began turning in early July. The program was concluded on October 9, 2021, with 66 RC holes completed (Figure 11) ranging from 33 meters to 207 meters in depth and totaling 5,407 meters (see Table 5). Drill results are presented in Table 6.

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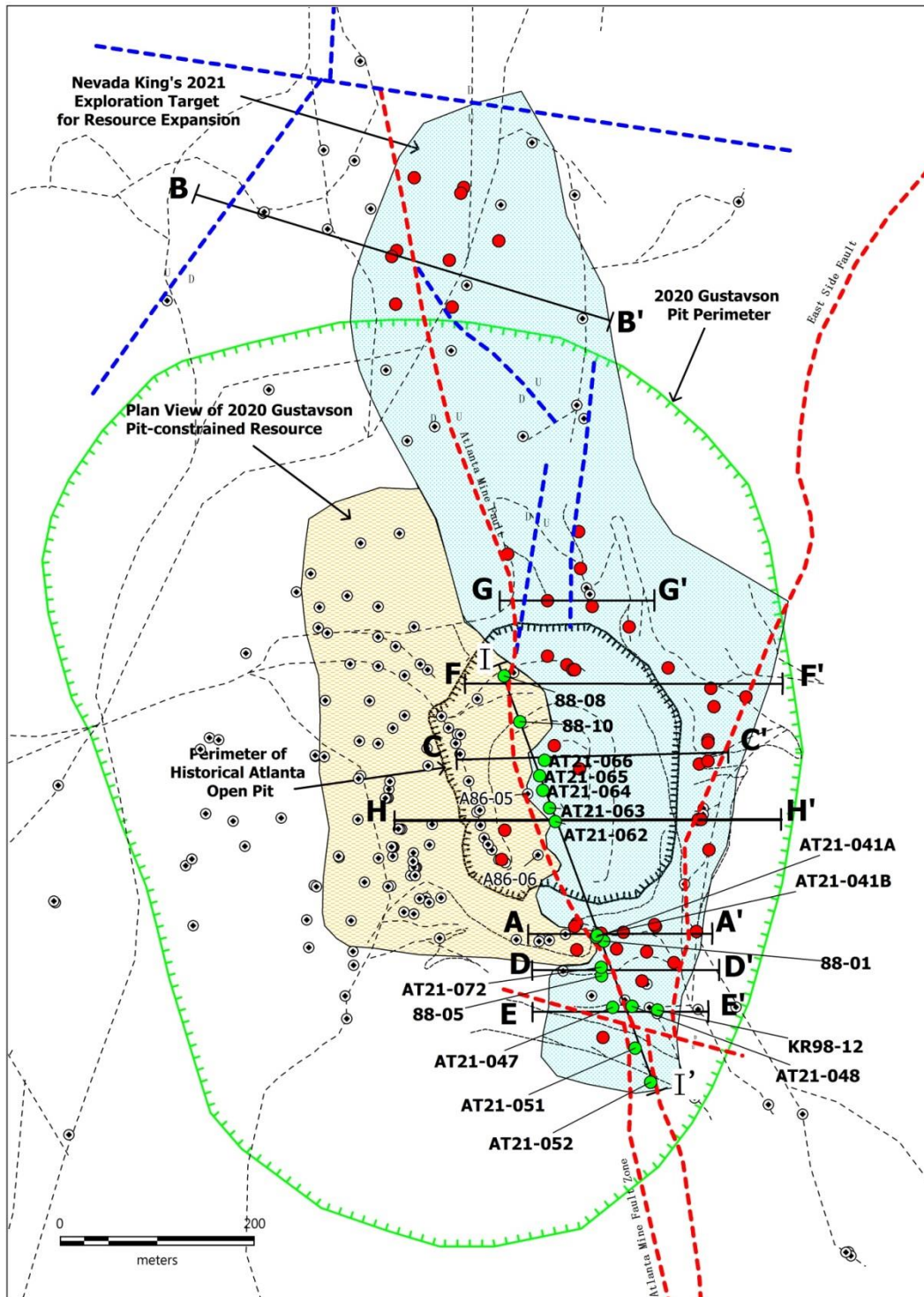


Figure 11. Location of Nevada King's 2021 RC drill holes (red and green dots) relative to historical drill holes (black circles) and the 2020 Gustavson gold resource zone and pit perimeter. Current historical open pit shown by black hatched line.

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**Table 5. Angles and depths of RC holes drilled by Nevada King at Atlanta in 2021. NAD 83 Z11N.**

| Hole ID   | Azimuth | Angle | Depth (m) | UTM E  | UTM N   | Elev (m) |
|-----------|---------|-------|-----------|--------|---------|----------|
| AT21-001  |         | -90   | 137.2     | 733342 | 4261530 | 2016.2   |
| AT21-002  |         | -90   | 137.2     | 733393 | 4261520 | 2012.8   |
| AT21-002T |         | -90   | 70.1      | 733390 | 4261514 | 2004.9   |
| AT21-003  |         | -90   | 198.2     | 733323 | 4261454 | 2016.5   |
| AT21-003T |         | -90   | 143.3     | 733319 | 4261449 | 2012.8   |
| AT21-004  |         | -90   | 137.2     | 733378 | 4261445 | 2016.2   |
| AT21-005  |         | -90   | 122.0     | 733429 | 4261465 | 2013.7   |
| AT21-006  |         | -90   | 207.3     | 733323 | 4261400 | 2016.5   |
| AT21-007  |         | -90   | 152.4     | 733323 | 4261400 | 2015.9   |
| AT21-009A |         | -90   | 82.3      | 733511 | 4261166 | 2083.8   |
| AT21-010  |         | -90   | 152.4     | 733438 | 4261143 | 2062.5   |
| AT21-011  |         | -90   | 79.3      | 733513 | 4261128 | 2079.0   |
| AT21-013  |         | -90   | 97.6      | 733479 | 4261095 | 2061.9   |
| AT21-014  |         | -90   | 45.7      | 733525 | 4261089 | 2079.6   |
| AT21-015  |         | -90   | 67.1      | 733479 | 4261038 | 2037.2   |
| AT21-016  |         | -90   | 45.7      | 733563 | 4261068 | 2097.9   |
| AT21-018  |         | -90   | 48.8      | 733499 | 4261029 | 2047.3   |
| AT21-018A | 183     | -60   | 73.2      | 733505 | 4261024 | 2038.4   |
| AT21-018B | 90      | -45   | 73.2      | 733507 | 4261024 | 2038.4   |
| AT21-019  |         | -90   | 67.1      | 733603 | 4261026 | 2107.9   |
| AT21-020  |         | -90   | 45.7      | 733647 | 4261005 | 2118.9   |
| AT21-024  |         | -90   | 67.1      | 733650 | 4260986 | 2115.9   |
| AT21-025  |         | -90   | 39.6      | 733683 | 4260996 | 2118.9   |
| AT21-030  |         | -90   | 61.0      | 733644 | 4260952 | 2105.8   |
| AT21-030A | 278     | -45   | 94.5      | 733644 | 4260949 | 2105.8   |
| AT21-032  |         | -90   | 45.7      | 733635 | 4260927 | 2097.9   |
| AT21-032A | 243     | -45   | 91.5      | 733644 | 4260930 | 2097.9   |
| AT21-038  |         | -90   | 45.7      | 733634 | 4260870 | 2079.6   |
| AT21-038A | 300     | -60   | 51.8      | 733637 | 4260870 | 2079.6   |
| AT21-041  |         | -90   | 36.6      | 733534 | 4260753 | 2124.4   |
| AT21-041A |         | -90   | 73.2      | 733529 | 4260749 | 2125.0   |
| AT21-041B | 360     | -57   | 82.3      | 733530 | 4260751 | 2124.7   |
| AT21-042  |         | -90   | 64.0      | 733557 | 4260754 | 2065.5   |
| AT21-042A | 15      | -45   | 61.0      | 733550 | 4260737 | 2065.2   |
| AT21-043  |         | -90   | 30.5      | 733590 | 4260760 | 2070.4   |
| AT21-043A | 340     | -55   | 45.7      | 733589 | 4260762 | 2070.4   |
| AT21-044  |         | -90   | 36.6      | 733632 | 4260755 | 2080.5   |
| AT21-045  |         | -90   | 91.5      | 733509 | 4260736 | 2052.4   |
| AT21-046  |         | -90   | 33.5      | 733576 | 4260704 | 2077.7   |
| AT21-047  |         | -90   | 97.6      | 733546 | 4260677 | 2091.8   |
| AT21-048  |         | -90   | 73.2      | 733566 | 4260678 | 2089.9   |
| AT21-050  |         | -90   | 82.3      | 733509 | 4260763 | 2050.0   |
| AT21-050A | 335     | -60   | 182.9     | 733507 | 4260760 | 2052.4   |
| AT21-051  |         | -90   | 79.3      | 733569 | 4260635 | 2100.0   |
| AT21-052  |         | -90   | 73.2      | 733585 | 4260600 | 2111.0   |
| AT21-053  |         | -90   | 102.1     | 733536 | 4260646 | 2101.8   |
| AT21-060  | 90      | -45   | 76.2      | 733512 | 4260922 | 1980.2   |
| AT21-061  |         | -90   | 54.9      | 733486 | 4260946 | 1980.2   |
| AT21-062  |         | -90   | 73.2      | 733487 | 4260868 | 1984.8   |



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|----------|-----|-----|-------|--------|---------|--------|
| AT21-063 |     | -90 | 48.8  | 733481 | 4260882 | 1983.2 |
| AT21-064 |     | -90 | 67.1  | 733474 | 4260900 | 1981.7 |
| AT21-065 |     | -90 | 61.0  | 733471 | 4260915 | 1980.2 |
| AT21-066 |     | -90 | 61.0  | 733476 | 4260931 | 1980.2 |
| AT21-067 |     | -90 | 57.9  | 733435 | 4260859 | 2016.8 |
| AT21-068 |     | -90 | 73.2  | 733442 | 4260829 | 2016.8 |
| AT21-069 |     | -90 | 54.9  | 733581 | 4260734 | 2068.6 |
| AT21-070 |     | -90 | 54.9  | 733609 | 4260723 | 2072.0 |
| AT21-071 |     | -90 | 42.7  | 733645 | 4260839 | 2089.9 |
| AT21-072 |     | -90 | 42.7  | 733534 | 4260718 | 2063.7 |
| AT21-101 | 310 | -60 | 140.2 | 731477 | 4259930 | 2108.2 |
| AT21-102 |     | -90 | 61.0  | 731463 | 4259707 | 2096.0 |
| AT21-103 |     | -90 | 54.9  | 732194 | 4259985 | 2064.0 |
| AT21-104 |     | -90 | 158.5 | 731039 | 4260305 | 2088.4 |
| AT21-105 |     | -90 | 30.5  | 732090 | 4260166 | 2070.1 |
| AT21-106 |     | -90 | 128.0 | 732258 | 4260014 | 2062.5 |
| AT21-107 |     | -90 | 140.2 | 732716 | 4259873 | 2048.8 |

Table 6. Averaged gold intercepts for 2021 Nevada King RC drilling at Atlanta, using a 0.300 cutoff grade.

| Hole #    | TD (m) | From (m) | To (m) | Down Hole Intercept Length (m) | Ave Au (g/t) | G X T (g-m) |
|-----------|--------|----------|--------|--------------------------------|--------------|-------------|
| AT21-001  | 137.16 | 94.5     | 131.1  | 25.9 +                         | 1.001        | 26+         |
| AT21-002  | 137.16 | 82.3     | 105.2  | 22.9                           | 0.707        | 16          |
| AT21-003  | 198.12 | 155.5    | 173.8  | 18.3                           | 4.64         | 85          |
| includes  |        | 160.1    | 169.2  | 9.1                            | 8.263        |             |
| AT21-004  | 140.21 | 85.4     | 118.9  | 33.5                           | 0.735        | 25          |
| AT21-005  | 121.92 | 99.1     | 103.7  | 4.6                            | 0.418        | 2           |
| AT21-006  | 207.26 | 163.1    | 175.3  | 12.2                           | 0.959        | 12          |
| AT21-007  | 152.4  | 91.5     | 111.3  | 19.8                           | 1.01         | 20          |
| AT21-009A | 82.3   | 0.0      | 4.6    | 4.6                            | 0.377        | 2           |
| AT21-010  | 152.4  | 0.0      | 10.7   | 10.7                           | 2.298        | 25          |
| AT21-011  | 79.25  | 0.0      | 19.8   | 10.7                           | 0.973        | 10          |
| AT21-013  | 97.54  | 53.4     | 67.1   | 13.7                           | 0.816        | 11          |
| AT21-014  | 45.72  | 0.0      | 24.4   | 24.4                           | 0.353        | 9           |
| AT21-015  | 67.06  | 24.4     | 42.7   | 9                              | 0.669        | 6           |
| AT21-016  | 45.72  | 1.5      | 7.6    | 6.1                            | 0.438        | 3           |
| AT21-018  | 48.77  |          |        | 0                              | <0.300       | 0           |
| AT21-018A | 73.15  | 16.8     | 42.7   | 29                             | 1.103        | 32          |
| AT21-018B | 73.15  |          |        | 0                              | <0.300       | 0           |
| AT21-019  | 67.06  |          |        | 0                              | <0.300       | 0           |
| AT21-020  | 45.72  |          |        | 0                              | <0.300       | 0           |
| AT21-024  | 70.1   |          |        | 0                              | <0.300       | 0           |
| AT21-025  | 39.62  |          |        | 0                              | <0.300       | 0           |
| AT21-030  | 60.96  |          |        | 0                              | <0.300       | 0           |
| AT21-030A | 94.49  | 9.1      | 91.5   | 21.3                           | 0.718        | 15          |
| AT21-032  | 45.72  |          |        | 0                              | <0.300       | 0           |
| AT21-032A | 91.44  | 57.9     | 67.1   | 9.1                            | 0.873        | 8           |
| AT21-038  | 45.72  | 0.0      | 32.0   | 32                             | 0.589        | 19          |
| AT21-038A | 51.82  | 0.0      | 36.6   | 36.6                           | 0.653        | 24          |
| AT21-041  | 36.58  | 29.0     | 36.6   | 7.6+                           | 0.401        | 3+          |

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|-----------|--------|-------|-------|-------|--------|-----|
| AT21-041A | 73.15  | 38.1  | 61.0  | 22.9  | 2.167  | 50  |
| AT21-041B | 82.3   | 38.1  | 73.2  | 35    | 1.173  | 41  |
| AT21-042  | 64.01  | 9.1   | 36.6  | 27.4  | 0.793  | 22  |
| AT21-042A | 60.96  | 18.3  | 50.3  | 32    | 0.801  | 26  |
| AT21-043  | 30.48  | 10.7  | 29.0  | 18.3  | 0.951  | 17  |
| AT21-043A | 45.72  | 19.8  | 33.5  | 13.7  | 1.9    | 26  |
| AT21-044  | 36.58  | 4.6   | 24.4  | 19.8  | 0.482  | 10  |
| AT21-045  | 91.44  | 50.3  | 91.5  | 41.2+ | 1.031  | 42+ |
| AT21-046  | 33.53  | 7.6   | 19.8  | 12.2  | 1.78   | 22  |
| AT21-047  | 97.54  | 67.1  | 74.7  | 7.6   | 0.725  | 8   |
| AT21-048  | 73.15  | 29.0  | 64.0  | 12.2  | 0.401  | 5   |
| AT21-050  | 82.3   | 48.8  | 79.3  | 30.5  | 1.391  | 42  |
| AT21-050A | 182.88 | 141.8 | 178.4 | 36.6  | 1.006  | 37  |
| AT21-051  | 79.25  | 32.0  | 51.8  | 6.1   | 0.367  | 2   |
| AT21-052  | 73.15  | 13.7  | 15.2  | 1.5   | 0.981  | 1   |
| AT21-053  | 102.11 | 62.5  | 83.8  | 21.3  | 0.309  | 7   |
| AT21-060  | 76.2   |       |       | 0     | <0.300 | 0   |
| AT21-061  | 54.86  | 3.0   | 36.6  | 33.5  | 0.598  | 20  |
| AT21-062  | 73.15  | 9.1   | 64.0  | 54.9  | 5.341  | 293 |
| includes  |        | 30.5  | 41.2  | 10.7  | 11.191 |     |
| AT21-063  | 48.77  | 7.6   | 48.8  | 41.2  | 3.939  | 162 |
| includes  |        | 38.1  | 47.3  | 9.1   | 9.228  |     |
| AT21-064  | 67.06  | 3.0   | 67.1  | 64    | 3.351  | 215 |
| includes  |        | 50.3  | 62.5  | 12.2  | 6.88   |     |
| AT21-065  | 60.96  | 3.0   | 51.8  | 48.8  | 2.319  | 113 |
| AT21-066  | 60.96  | 3.0   | 57.9  | 54.9  | 2.62   | 144 |
| includes  |        | 51.8  | 54.9  | 3     | 13.35  |     |
| AT21-069  | 54.86  | 3.0   | 18.3  | 15.2  | 1.006  | 15  |
| AT21-070  | 54.86  |       |       | 0     | <0.300 | 0   |
| AT21-071  | 42.67  |       |       | 0     | <0.300 | 0   |
| AT21-072  | 42.67  | 35.1  | 42.7  | 7.6+  | 0.769  | 6+  |
| AT21-101  | 140.21 | 12.2  | 42.4  | 3     | 0.45   | 1   |
| AT21-102  | 60.96  |       |       | 0     | <0.300 | 0   |
| AT21-103  | 54.86  |       |       | 0     | <0.300 | 0   |
| AT21-104  | 158.5  | 16.8  | 22.9  | 3     | 0.402  | 1   |
| AT21-105  | 30.48  |       |       | 0     | <0.300 | 0   |
| AT21-106  | 128.02 |       |       | 0     | <0.300 | 0   |
| AT21-107  | 140.21 |       |       | 0     | <0.300 | 0   |

Additionally, three vertical core holes totaling 183m were drilled as a check on the RC drilling. Assay results for these holes are still pending.

The primary objectives of the Phase 1 drilling were to (1) confirm results from historical RC and core holes located along the eastern margin of the Gustavson 2020 Resource, (2) expand the 2020 resource northward, eastward, and southward into areas of sparse to non-existent historical drilling, and (3) expand upon the high-grade core mineralization seen in deeper historical holes along the eastern side of the Gustavson 2020 Resource zone. In addition to the resource expansion drilling, the Company also drilled seven scout holes (AT21-001 through AT21-007) in other parts of the Atlanta District testing a variety of geochemical and geophysical anomalies.

The 2021 drilling program conclusively demonstrated the existence of low and moderate grade gold mineralization north, south, and east of the Gustavson 2020 resource model such that good potential exists for significantly expanding upon the current resource model and also reducing the strip ratio upon mining. Overall, the Company found more gold and higher grades than were expected given the historical data. Nevada King's denser drill hole patterns within

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shallow portions of the Atlanta epithermal system reveal a near-horizontal silicified replacement horizon hosting the bulk of gold mineralization that was progressively down-dropped westward along a series of high-angle, northerly trending faults collectively referred to as the Atlanta Mine Fault Zone (Figures 12 and 13). These high-angle faults served as the “feeder” structures for channeling gold-bearing fluids into the low-angle, silicified collapse breccia zone that occurs along the basal contact of a gently west-dipping quartz monzonite sill.

This model for mineralization at Atlanta differs substantially from the historical structural model that posited gold mineralization along a 45° west-dipping listric fault (the Atlanta Vein) that flattened with depth and did not recognize the westward step-down fault displacement of the low-angle replacement horizon. In essence, the historical model attributed gold mineralization within the Atlanta pit (and Gustavson 2020 resource model) to a single fault zone, whereas Nevada King's model contends the bulk of gold mineralization is confined to the low-angle replacement zone while higher grades occur along high-angle faults cutting across and off-setting the replacement horizon. This difference in structural models is important in that Nevada King's scenario adds substantial, shallow tonnage east of the Atlanta Mine Fault Zone where the Gustavson resource model excluded all mineralization. Nevada King's model also holds promise for substantially increasing both tonnage and grade along the 40m to 80m wide Atlanta Mine Fault Zone, where narrow fault blocks 20m-40m wide hosting the replacement horizon have been progressively down-dropped westward. Historically, this structural zone was largely defined by angle holes drilled eastward into the apparent 45° west-dipping Atlanta Vein. However, in Nevada King's structural model, it would be difficult to fully penetrate the narrow, down-dropped fault slices of the replacement horizon hosting the bulk of gold mineralization with holes drilled eastward at -45° to -55° angles. Closely spaced vertical holes are the best method for fully penetrating the replacement horizon and defining the high-angle fault offsets along which higher grades are anticipated.

Historical drilling west of the open pit hit higher grade mineralization generally at depths of 100m and more beneath the bottom of the pit. One of Nevada King's 2021 objectives centered on drill-testing the western side of the open pit to see whether or not this higher-grade mineralization extended to the surface. Five vertical RC holes (AT21-062 through AT21-066) oriented along a N-S line following the Atlanta Mine Fault Zone were drilled at the base of the pit. As seen in Table 6, the high gold grades hit in these holes prove the extension of higher-grade gold mineralization to the surface, as shown in Figure 13. Confirmation of near-surface, oxidized high grade gold mineralization within the open pit adds a new element to Nevada King's Atlanta resource expansion program. Good potential now exists for significantly increasing both grade and tonnage of the current resource model with addition of hitherto unrecognized shallow high-grade mineralization located above and immediately east of the Gustavson resource boundary. Nevada King recognizes the importance of expanding these shallow high-grade intercepts laterally along strike of the Atlanta Mine Fault zone as well as from the surface down to the deep high-grade intercepts seen in a number of historical holes, many of which are below the deepest extent of the Gustavson 2020 resource model. A mix of closely spaced, vertical core and RC holes will be used in this high-grade expansion program in order to: (1) minimize drilling costs, (2) maximize sample quality, and (3) facilitate higher grade resource definition. Moving into the 2022 exploration program at Atlanta, the Company will concentrate more on expanding the high-grade potential, both with respect to building grade in the open pit resource and defining resource more amenable to underground mining. This higher-grade mineralization now holds promise for establishing early cash flow in the event of an open pit operation.

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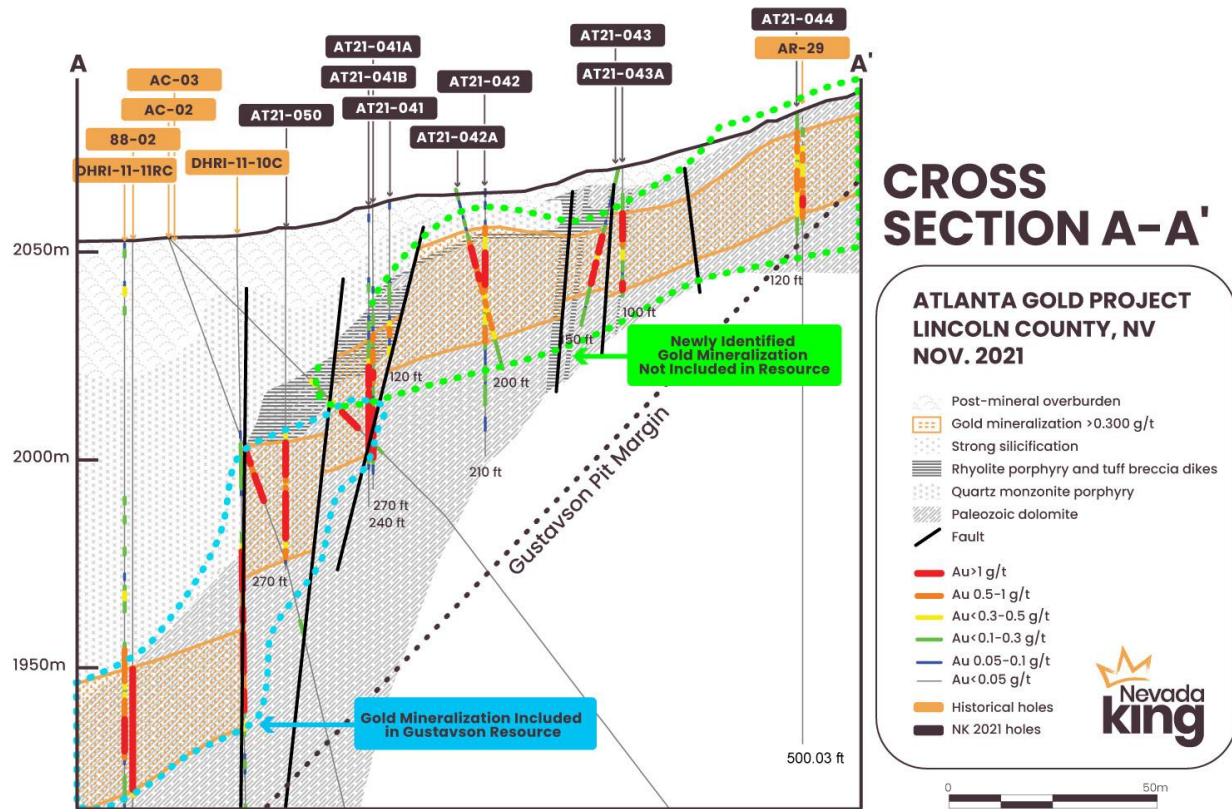
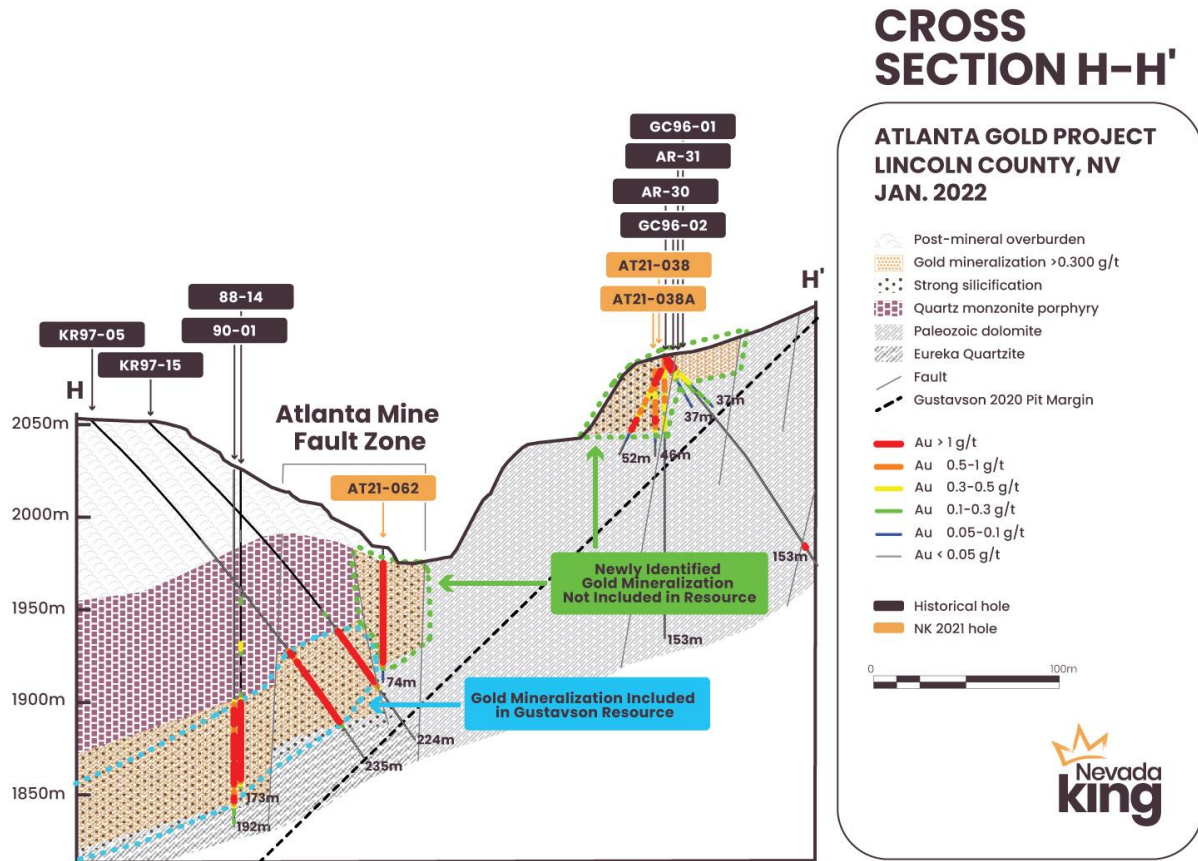


Figure 12. Cross section “A-A” showing gold distribution in the Nevada King RC holes drilled across southern end of the historical Atlanta open pit. Eastern margin of 2020 Gustavson gold resource model is defined by historical holes noted in orange. Gold mineralization occurs beneath a quartz monzonite intrusive sill within a strongly silicified collapse breccia horizon developed along the intrusive contact and between the Laketown Dolomite and underlying Ely Springs Dolomite units. The shallow-dipping mineralized horizon is sharply down-dropped on west side of section along a series of high angle faults constituting the historical Atlanta Mine Fault zone.

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**Figure 13. Cross section H-H' showing gold distribution in the Nevada King RC holes drilled across the center of the historical Atlanta open pit. Eastern margin of 2020 Gustavson gold resource model is located west and below intercept in AT21-062. Gold mineralization hit in AT21-062 extends the Gustavson resource model further eastward and up to the bottom of the pit.**

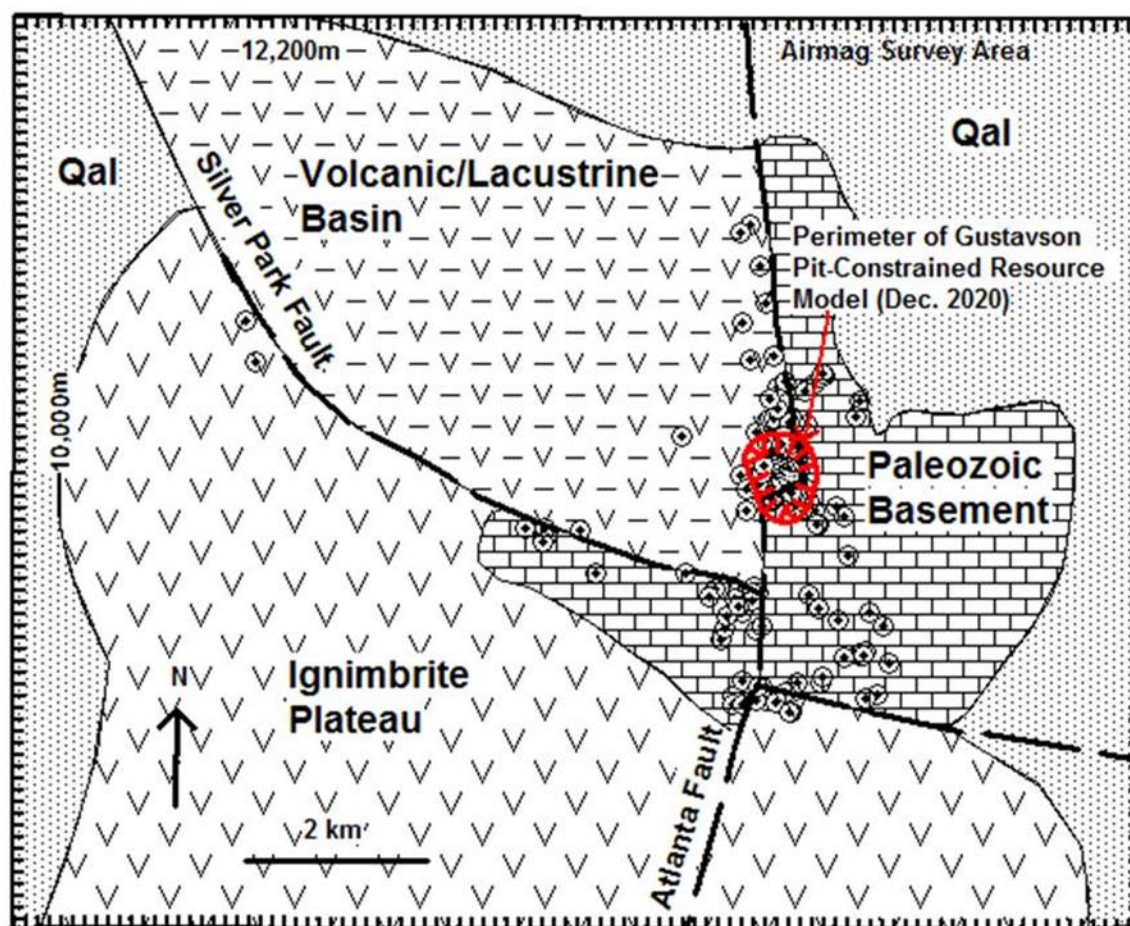
## Geology and Mineralization

Figure 14 shows the district-scale distribution of major rock types in relation to the current Gustavson resource zone. The district itself measures about 8 kilometers by 6 kilometers in plan and is structurally dominated by the N-S striking, W-dipping Atlanta fault and the NW-trending Silver Park fault zone. The Atlanta fault is considered to be the eastern ring fracture boundary of the Oligocene-age (29.5 Ma) Indian Peak caldera, while gold mineralization throughout the Atlanta district appears to be coeval with caldera formation. The Atlanta fault generally separates Paleozoic carbonates and quartzite in the east block from Tertiary rhyolite, tuff, and tuffaceous sediments comprising the west block. A splay in the Atlanta fault localized intrusion of the Atlanta porphyry stock and the related gold mineralization along the west-dipping contact (Atlanta Mine Fault Zone) separating carbonates on the east from down-dropped Tertiary volcanics and porphyry on the west. Epithermal-type, low-sulfidation gold mineralization occurs within strongly silicified, brecciated carbonates along and adjacent to the mine fault and within the porphyry stock (Figure 13).

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**Figure 14. Generalized geology of the Atlanta district. Historical drill holes shown by circles. Atlanta open pit is located in the center of the 2020 Gustavson pit-constrained resource zone.**

The other historical mines in the district are largely controlled by the Silver Park shear zone. Located 6 kilometers west of the Atlanta pit, a large area of altered intrusive rhyolite and felsic tuff comprising the Western Knolls target hosts scattered low grade gold anomalies and elevated tracer element (As, Sb, Hg, Te) concentrations. The tellurium anomalies made Meadow Bay think another mineralized stock at depth may be responsible for the widespread alteration seen at Western Knolls. Two holes drilled into the northern end of the target area returned geochemically anomalous gold, but the values were not high enough to justify continuing the program, even though the altered area is very large.

Mining in the Atlanta pit ceased in 1985 due to falling gold price and rapidly increasing strip ratio, particularly on the east (Ely Springs Dolomite) and south (Eureka Quartzite) where steep slopes precluded mining grades averaging 2.5 g/t recoverable, or about 3 g/t head grade. Very little attention was given to the east side of the Atlanta Mine Fault Zone, as it was generally believed that there was very limited potential for finding additional mineralization, particularly at an average grade of 2 to 3 g/t. This prejudice followed the property up to the point of Nevada King's involvement.

The Atlanta Mine Fault Zone was historically presumed to be the main mineralizing feature at Atlanta, while gold mineralization occurring east of the fault was considered inconsequential, in large part due to the low grade. However, scattered gold hits in several historical drill holes along the east side of the Atlanta pit opened the door for alternative structural interpretations. Nevada King therefore started looking at the eastern side of the open pit and up on the steep

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slope further eastward, where the Company noted a variety of different structures, all of which accompanied gold mineralization in outcrop. A major NNE-striking, 45° west-dipping contact identified as the East Side fault in Figure 11 was mapped along the southeastern rim of the pit and up onto the high ridge east of the pit. This silicified breccia zone hosts strongly silicified and argillized felsic tuff dikes and divides massive Ely Springs Dolomite on the east from variably silicified Ely Springs Dolomite and Laketown Dolomite on the west. Outcrop samples along this structure returned values up to 1.50ppm Au across 5 meters.

Nevada King therefore considers the East Side fault to be a second, important control over gold distribution at Atlanta, while several other vertical to steeply east dipping, northerly trending faults with altered tuff dikes chop up the Ely Springs Dolomite across the eastern half of the open pit area, dropping narrow wedges of strongly silicified Laketown Dolomite into variably decalcified blocks of massive Ely Springs. The felsic tuff dikes typically show evidence of volatile brecciation, and adjacent Laketown Dolomite beds show evidence of collapsed brecciation and subsequent silica replacement. Nevada King's 2022 drilling program will be exploring the low-grade mineralization along the East Side Fault in areas that have not previously been drilled.

## ***Lewis Gold Project***

**“The Last Untapped Gold District in the Heart of Elephant Country”**

### **Project Highlights**

- Located in the heart of the Battle Mountain Gold Belt, surrounded by numerous world-class gold deposits currently being mined by Nevada Gold Mines.
- Adjoins and is on trend with Nevada Gold Mines' Hilltop gold deposit (reported 2M ounces Au @ 0.875g/t).
- Contains two small historical gold resources that are open in multiple directions.
- Large Nevada King land package hosts significant gold mineralization in historical drill holes and surface samples across a 9 square kilometer area.
- Potential deposit types include Pipeline (22M ounces Au), Marigold (5.3M ounces Au), Fortitude (4M ounces Au), and Hilltop (2M ounces Au).
- An RC drilling program designed to confirm historical drill results within three separate target areas was initiated on October 9, 2021. To date, 5 vertical holes ranging in depth from 91 meters to 173 meters have been completed, totaling 625 meters. Drilling will continue until inclement weather and ground conditions shut the program down. The Company hopes to complete between 2000 and 3000 meters before the winter close-out. Initial sample results are pending.

### **Location and Project History**

Located in Lander County, Nevada about 21 kilometers south of Battle Mountain, the Lewis district adjoins the northwestern end of Barrick Gold Corp's ("Barrick") Hilltop deposit (2 million ounces Au drill indicated) and sits more or less along the trend axis about 20 kilometers SE of Newmont's large Phoenix Au mine (13 million ounces Au) and 26 kilometers NW of Barrick's huge Pipeline Au mine complex (20 million ounces). The property currently encompasses 13,590 acres (5500 hectares) consisting of 595 lode claims and 20 patented mining claims owned by Nevada King, and a core group of 55 lode claims under a lease-option agreement with Tim Percival. The March 2018 Percival Lease also included a large historical database that revealed significant gold mineralization (>0.10 g/t Au) in drill holes and surface/underground samples within the entire Nevada King land package.

Prospecting and limited mining of the high-grade veins exposed in the Lewis mining district began in the late 1870's. The Betty O'Neal mine (part of Nevada King's patented claim holdings) was worked extensively for silver from the 1880's through the 1890's and was mined intermittently until about 1936, with recorded production of about 4.2 M ounces Ag and 20,000 ounces Au (1902-1936). In Whisky Canyon proper, the Celestine O'Neal property was explored and mined intermittently beginning prior to 1900 and continuing to 1923. Production was small but relatively high grade (> 1.0 oz/t Au). Several other small, but high grade, mines of limited production occur in Rocky Canyon, on the intervening hill between Rocky and Whisky Canyons, and along the west side of Lewis Canyon.

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Porphyry copper-molybdenum exploration at Lewis during the early-to mid-1970's reportedly encountered low-grade, Cu-Mo porphyry mineralization beneath surface breccia pipe outcrops and within a large magmatic center exposed along the southern margin of the property. Gold exploration within the district started in the late 1970's and is summarized below.

- Noranda Inc. ("Noranda"), 1980-1981 Drilled 6,790' (2,070 meters)
- Amax Inc. ("Amax"), 1986 Drilled 4,880' (1,488 meters)
- Tenneco Minerals Co., 1986 Undisclosed amount of drilling.
- St. George Metals Inc., 1986-1990 Drilled 70,172' (21,394 meters) and delineated an in-house geologic resource (43-101 non-compliant) of 64,000 ounces Au in two areas.
  - The Celestine O'Neal resource reported to contain 800,000 tons @ 0.048 oz/ton.
  - The Rocky Canyon resource reported to contain about 1 million tons grading 0.026 oz/ton.
- Cyprus Amax Minerals, 1992 Drilled 3,770' (1,150 meters)
- Cameco, 1996 Drilled 15,036' (4,584 meters)
- Placer Dome Inc., 2005 Drilled 3,910' (1,192 meters)
- Carlin Gold Corporation, 2007 Drilled 4,000' (1,220 meters)

Examples of historical drill hole intercepts (43-101 non-compliant) reported from the property are listed below. All gold intercepts are within Upper plate lithotypes, and true mineralized thickness is unknown.

- Along the northwestern side of the property, RC-97-11 drilled by Cameco in 1997 cut 13.7 meters grading 3.321g/t at 45.7 meters to 59.4 meters, including 1.52 meters grading 24.15g/t at 53.34 meters to 54.86 meters.
- In the southern part of the property, hole RC-3 drilled by Draco Mines Inc. ("Draco") in 1988 cut 9.1 meters grading 2.47g/t at 44.2 meters to 53.3 meters (includes 1.52 meters @ 8.57g/t at 51.82 meters to 53.34 meters), and 10.64 meters @ 1.58g/t at 70.1 meters to 80.77 meters.
- In the eastern part of the property, hole 80-R-10 drilled by Noranda in 1980 hit 41.2 meters grading 1.435g/t at 30.48 meters to 71.63 meters, including 6.1 meters @ 7.938g/t at 33.5 meters to 39.6 meters.
- In the southeastern part of the property, hole STGA-2 drilled by St. George Metals Inc. in 1989 hit a long, low grade 187.4 meters intercept averaging 0.266g/t Au from 16.8 meters to 204.2 meters.

### **Geologic Description**

The Lewis district encompasses most of the Lewis cauldron complex, which appears to be a very circular, structural collapse feature characterized by older rocks (including Roberts Mtn. Fm.) outside of the cauldron rim and younger rocks in the cauldron's center. Gold mineralization in both the Lewis and Hilltop districts is spatially related to a broad (200 to 500 meters wide), northwest trending sheeted dike and vein zone (Hilltop structure zone). The felsic to intermediate composition dikes are typically strongly altered and surrounded by high-sulfidation type alteration aureoles. Silver veins mined prior to 1942 are hosted within and adjacent to these altered dikes. In contrast, the low-grade gold mineralization present at Hilltop and Lewis is hosted in gently west-dipping breccia zones (thrust or detachment faults) that cut the Valmy quartzite-chert unit. Strongly altered dikes/sills and intrusive breccias occur within the mineralized, low-angle breccia zones within both districts. High-angle faults and quartz veins cutting the low-angle breccia zones tend to host higher Au grades and apparently served as feeder structures for the low-grade, blanket-like mineralization.

The Lewis project is largely underlain by Paleozoic siliciclastic rocks, subordinate carbonate sedimentary rocks, and minor Triassic clastic sedimentary rocks, all of which are considered to be stratigraphically positioned within the Upper plate of the Roberts Mountain Thrust. The location of the Roberts Mountain Thrust at Lewis is currently unknown. This sedimentary section is intruded by abundant felsic igneous rocks (dikes and small masses) and is partially overlain by felsic volcanic rocks. Structurally, the area is very complex and consists of Antler- and Sonoman-aged imbricate thrust faults crosscut by several distinct sets of high-angle faults. Hydrothermal alteration features are extensively developed and include silicification, argillic and sericitic clay alteration, quartz veining, extensive introduction of sulfide minerals, and abundant supergene oxidation products of primary sulfide minerals.



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Gold mineralization is dominantly structurally controlled and is focused along high- and low-angle fault zones, although favorable host rock composition is also locally important. Two distinct styles of mineralization occur: 1) earlier Ag-base metal rich quartz+calcite+barite+sulfide mineral veins, and 2) a gold-rich (Au>Ag) stage containing abundant arsenic and minor base metal sulfides hosted by quartz- and clay-rich structural zones, veins, stockworks, and disseminations. Arsenic is a close associate of the gold mineralization and concentrations between 300 to 1000 ppm are typical. Copper, lead, zinc, bismuth are locally variable and can be highly anomalous.

Gold mineralized zones occur as steeply dipping veins, fault breccia+vein zones, and as low-angle shear-breccia zones developed along thrust fault zones. Most individual structures are relatively narrow (to about 20 feet thick), but subparallel sets of high-angle faults and associated fractures create very wide zones (hundreds of feet) of structurally prepared rocks that host intense alteration and strong gold mineralization. A preliminary study of the Noranda and Draco/Amax drilling information suggests that the best gold-bearing zones in Whisky Canyon occur beneath low-angle, shallowly-dipping (to the southwest) thrust fault zones and associated thick shear zone. These structural zones are up to 200 feet thick and are mineralized over a thickness of 100 feet in some areas. Although these shallowly dipping zones are well mineralized, the primary source of the gold-bearing fluids is believed to be the steeply-dipping fault-breccia zones that localized higher grade veins throughout the zone. Several of these are exposed at the Celestine O'Neal mine and at numerous other locations throughout Whisky Canyon.

The steeply dipping vein and fault breccia mineralization consists of varying mixtures of quartz and calcite gangue containing abundant sulfide minerals; locally, with sulfides minerals more abundant than the gangue. The sulfides include pyrite, arsenopyrite, pyrrhotite, chalcopyrite, sphalerite, and tetrahedrite. Secondary copper minerals occur in oxidized zones with strong jarosite, FeOx concentrations, and some scorodite. Copper concentrations significantly increase in and around Rocky Canyon and are associated with strong thermal metamorphic and metasomatic mineral assemblages, suggesting a spatial association with a buried magmatic center. The silver content of the gold-rich veins is extremely variable and locally veins contain up to several ounces/ton silver. However, the concentrations do not approach the high multiple-tens of ounce/ton silver grades that are typical of the type 1 silver-dominant veins at the Betty O'Neal mine.

Shear zone-type mineralization is generally less distinctive than the steeply dipping vein and fault breccia type mineralization. The altered shear zones contain much more abundant clay alteration mineral assemblages that are intermixed with the silicified portions of the sheared rocks in association with sulfide minerals. Most of the shear zone mineralization is more intensely oxidized relative to the vein mineralization. This style of gold mineralization is a very attractive target for generating a large bulk tonnage resource similar to what has been intersected in some of the thicker mineralized intercepts in the Whisky Canyon drill holes.

### 2021 Maiden Drilling Program

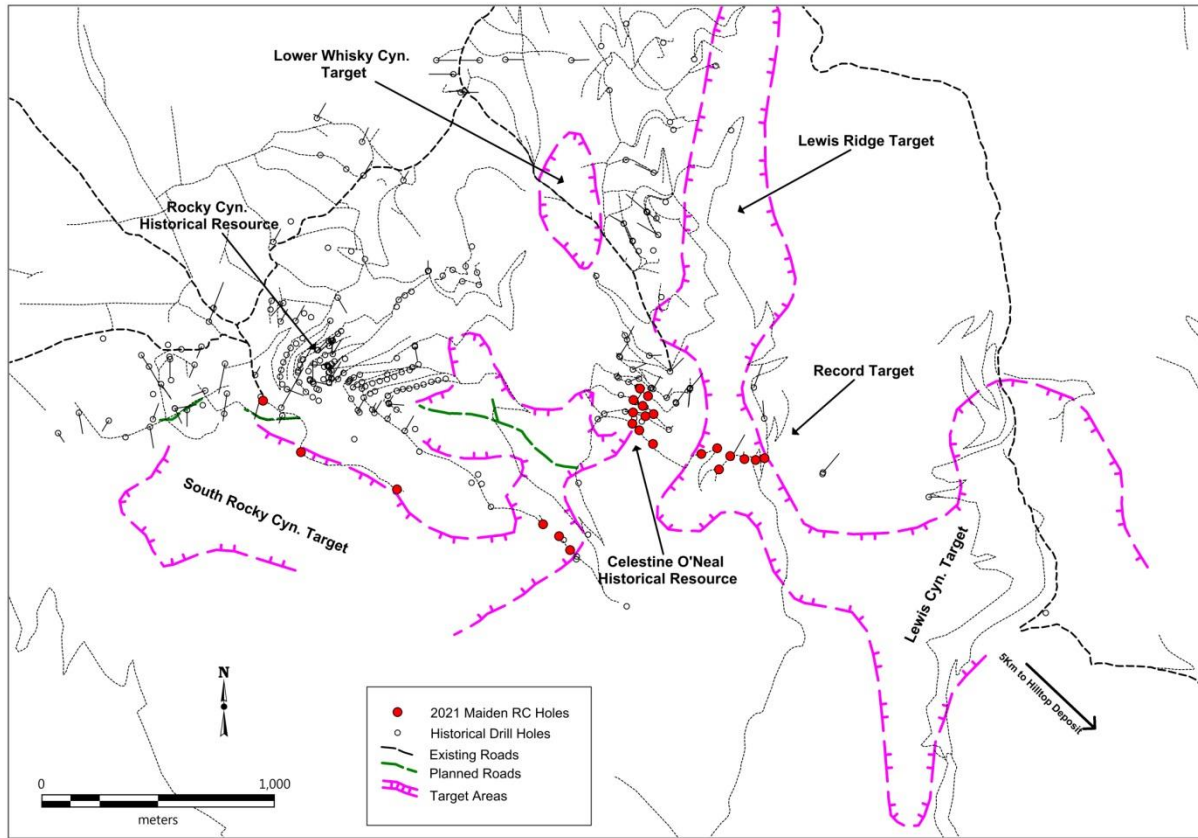
Nevada King commenced a 3,500-meter reverse circulation (RC) drilling program on October 9, 2021 designed to confirm historical mineralization reported in three main target areas: the Celestine O'Neal historical resource zone, the Rocky Canyon historical resource zone, and the Record Target (Figure 15). With a limited number of step-out holes, the Company sought to demonstrate lateral continuity of gold mineralization between the three target areas. Drilling started at the Celestine O'Neal target at a lower elevation and moved upslope (and southward) with subsequent holes. These holes are clustered around several historical RC holes that encountered significant gold mineralization, as follows:

- In 1980 Noranda's vertical hole 80-R10 cut a contiguous 46 meters averaging 1.31 g/t between 30 meter and 76 meter depths, including 6 meters @ 7.94 g/t starting at 33 meter depth.
- The Amax/Draco Mines JV drilled vertical hole RC-10 in 1987, hitting a contiguous 13.7-meter grading 3.45 g/t at 111 meters -125 meters, including 3 meters @ 11.81 g/t.
- St. George Metals encountered 75 meters grading 0.74 g/t between depths of 27 meters - 102 meters in angle hole (-61 deg) WC-4RC in 1988.

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**Figure 15. Location of proposed 2021 RC drill holes (red dots) relative to major exploration targets and existing roads (black dashed and dotted lines). Targets as denoted by the purple hatched target areas are defined by vectors derived from historical drill results together with surface sample results. Historical drill holes shown by black circles.**

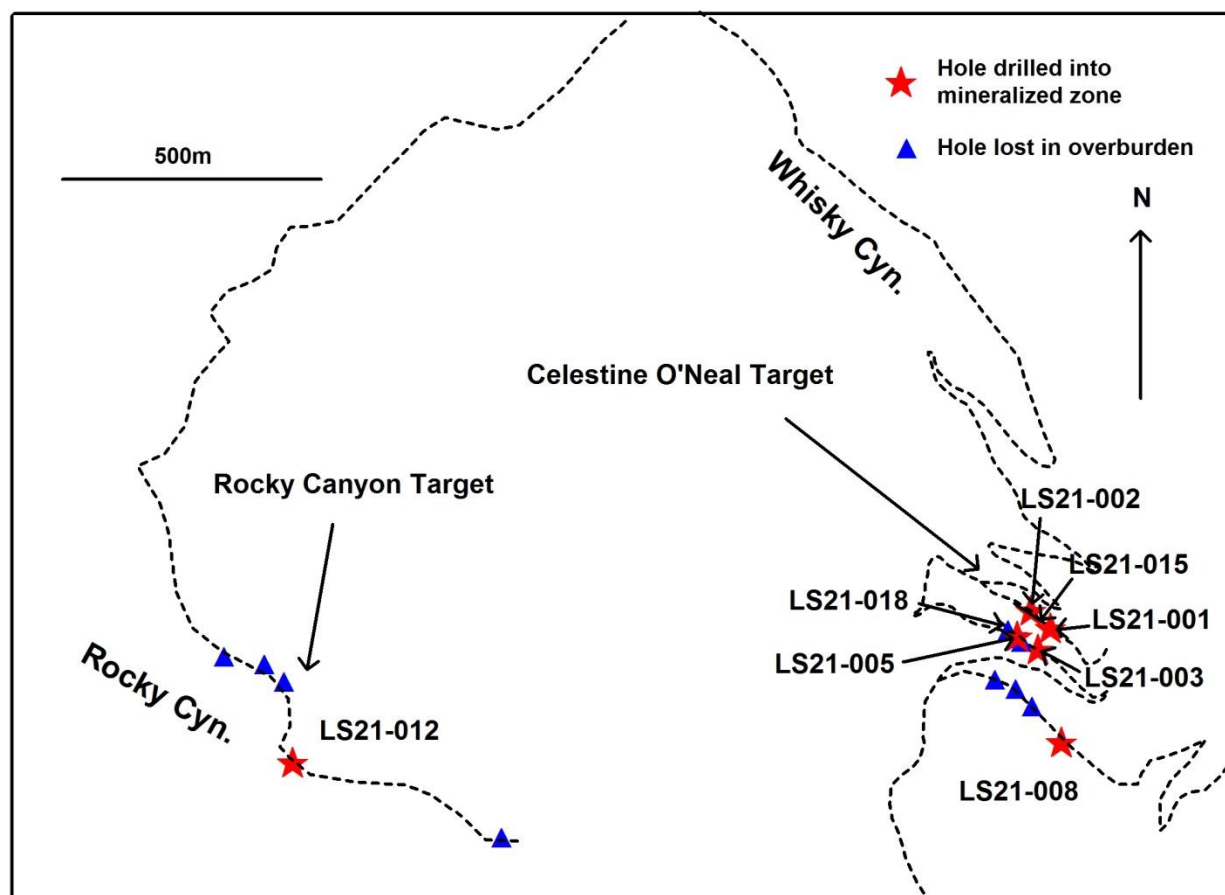
**Table 7. Drill holes completed in 2021 at the Lewis Project.**

| Hole ID  | Hole Type | Azimuth | Dip | Depth (meters) |
|----------|-----------|---------|-----|----------------|
| LS21-001 | RC        | 0       | -90 | 91             |
| LS21-002 | RC        | 0       | -90 | 107            |
| LS21-003 | RC        | 0       | -90 | 113            |
| LS21-005 | RC        | 0       | -90 | 140            |
| LS21-008 | RC        | 0       | -90 | 174            |
| LS21-012 | RC        | 0       | -90 | 52             |
| LS21-015 | RC        | 290     | -55 | 149            |
| LS21-018 | RC        | 307     | -58 | 85             |

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**Figure 16. Location of NKG RC holes drilled during the 2021 program on existing roads (black lines) relative to two main historical resource zones, the Celestine O'Neal, and Rocky Canyon resources. Red stars denote holes that penetrated post-mineral overburden and sampled the mineralized zone.**

Unfortunately, a series of severe snowstorms in mid-October cut off access to higher elevations and limited Nevada King's program to the Celestine O'Neal and Rocky Canyon targets. Consequently, only 15 vertical and 3 angle holes ranging in depth from 17m to 174m were drilled. However, of these 18 holes attempted, only 8 holes totaling 912m (Table 7) penetrated the post-mineral overburden and sampled mineralized basement rock. Of the eight holes completed, seven were within the Celestine O'Neal target and one vertical hole penetrated surficial debris flows in the Rocky Canyon target and sampled basement rock (Figure 16). Assay results are still pending.

The geology as seen in the cuttings is summarized below, starting with the youngest rocks.

- A post-mineral, moderately west-dipping landslide mass between 15m and 50m thick completely obscures the underlying mineralized zone at Celestine O'Neal and Rocky Canyon. Historical geologic maps do not identify any landslide masses in this area, but the base of the landslide is clearly marked by brown saprolite that sits directly on top of silicified sandstone. Rocks within the landslide mass are unmineralized, which explains the lack of anomalous gold in soil samples taken south and west of the Celestine O'Neal tunnels. The absence of a soil signature may well have discouraged historical exploration in this area where the exposed rocks were historically considered to be unmineralized bedrock.
- Strongly silicified fine-grained sandstone, siltstone, and limy arkosic sandstone hosting banded quartz-carbonate-sulfide veinlets occur directly beneath the landslide mass. Both sheeted and stockwork micro-veining is noted, with at least two generations of quartz veining. Fine-grained stibnite, galena, and

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arsenopyrite are present within larger quartz-pyrite veins. In looking at the assays for nearby historical drill holes, this silicified and veined sandstone hosts the gold within the Celestine O'Neal historical resource. The unit is at least 60 meters thick and is in fault contact with the underlying Valmy Formation argillite and quartzite. As the shear contact is approached, carbon micro-veining in the silicified sandstone increases rapidly. This unit could be the Elder Sandstone, which is an important gold host at the Marigold Mine.

- Carbonaceous phyllite, argillite, and quartzite most likely belonging to the Valmy Formation underlie the gold zone at Celestine O'Neal. The sheared contact is marked by carbonaceous gouge, silicified breccia, and quartz veining. This altered contact zone is at least 10 meters thick and appears to dip gently southward. Nearby historical drill holes show very low gold values within this carbonaceous rock.

Difficult drilling conditions coupled with inclement weather severely curtailed Nevada King's 2021 program. The company will resume drilling at Lewis in 2022 after the roads have dried and will be using a different type of RC drilling system better suited for penetrating the strongly fragmented landslide masses overlying the mineralized zone.

### *Horse Mountain-Mill Creek Gold Project*

#### **Project Highlights**

- Project area surrounds Nevada Gold Mine's gold resource target at Horse Mountain and bounds the southern side of the Gold Acres deposit (1M ounces Au) and eastern side of Premier Mines Cove deposit (4M ounces Au).
- Focus of substantial drilling by major and junior explorers since the 1980's.
- Hosts historical drill holes that penetrated the Roberts Mountain Thrust and hit significant gold mineralization in Lower plate carbonates identified by Barrick as Roberts Mtn. Formation.
- Large land package that cuts a wide swath across the Battle Mountain Trend.

#### **Project Description**

The Horse Mountain-Mill Creek project is located in Lander County, Nevada 35 kilometers south of Battle Mountain, Nevada and 13 kilometers west of Nevada Gold Mines' Pipeline Mine (22M ounces Au). The project consists of the HM Claim block, the GA Claim block, and the MC Claim block, totaling 924 unpatented lode mining claims, all located on BLM ground and owned 100% by Nevada King.

Surface geology within Horse Mountain-Mill Creek project area is dominated by the Upper plate Valmy Formation, consisting of quartzite, chert, sandstone to siltstone, silicious shale, and minor intercalated mafic volcanic flows. Two small windows eroded through the Roberts Mountain Thrust expose Lower plate Roberts Mountain Formation carbonates north of Mill Creek (off of Nevada King's claim block) and at Barrick's HM Project at Horse Mountain. Both Lower Paleozoic assemblages are overlain by post-mineral Tertiary volcanics and Quaternary alluvium. Gold mineralization found to date within the project area is primarily Carlin-type in Lower plate rocks, and Marigold-type in Upper plate lithotypes. The alteration suite and geochemical signature are typical of Carlin-type gold deposits within the Carlin and Battle Mountain Trends, where the gold is most commonly microscopic and is in close association with anomalous amounts of As, Hg, Sb, and Th as well as anomalously low abundance of common base metals such as copper, lead, and zinc.

#### **Historical Exploration**

Barite mining began in the 1930's near the project area and continued into the early 1980's. Aside from the barite exploration, there is little evidence of early prospecting for gold. Documented gold exploration activities within the property and immediate locale demonstrate the area have been subject to numerous exploration plays by numerous companies dating back to 1973. Two prominent exploration targets occur within the project area, both of which have been the focus of extensive and continual historical drilling by a number of major and junior explorers since the 1980's, as illustrated below.

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- Mill Creek Historical Explorers
  - X-Cal Resources Ltd., 2006 Drilling
  - Barrick, 2005 Drilling
  - Newcrest Resources, Inc., 2003 Drilling
  - Phelps Dodge Corporation, 1999 Drilling
  - Kennecott Utah Copper LLC, 1999 Drilling
  - Barrick, 1998 Drilling
  - Santa Fe Gold Corporation, 1991 Drilling
  - Saga Exploration Co., 1989 Drilling
  
- Horse Mountain Historical Explorers
  - Newcrest Resources, Inc., 2008 Drilling
  - Barrick, 2005 Drilling
  - High Desert Mineral Resources Inc., 1995 Drilling
  - Golden Independence Mining Corp., 1993 Drilling
  - Euro-Nevada Mining Corporation, 1992 Drilling
  - Gexa Gold Co., 1987 Drilling
  - Phelps Dodge Corporation, 1987 Drilling
  - Nerco Exploration Co., 1985 Drilling

Historical drilling within the Mill Creek target tested gravity anomalies that are largely obscured by shallow alluvium and post-mineral volcanics. These exploratory efforts presumably chased a variety of potential deposits, ranging from the Upper plate-hosted Marigold and Lone Tree mines to intrusive-dominated deposits like Phoenix and McCoy-Cove, to Lower plate sediment-hosted targets such as Pipeline. In contrast, the target at Horse Mountain is better exposed and drill-defined, so Nevada King already knows its exploration will focus on expanding the Upper and Lower plate mineralization identified by the historical drilling. Therefore, the Company's exploration program almost exclusively addresses the Horse Mountain target. The Mill Creek target requires additional geophysical definition and acquisition of historical data before any progress can be achieved.

The Horse Mountain target adjoins Nevada Gold Mines' active HM project on its south side, and widespread historical drilling shows gold mineralization trends southward from Nevada Gold Mines' claims onto Nevada King's ground, where deeper holes penetrated the Roberts Mountain Thrust and encountered significant gold and tracer element concentrations in lower plate carbonates.

Core hole BHM-001 drilled by Barrick in 2005 hit 30 meters grading 0.772g/t at 282 meters to 312 meters in rock identified by Barrick as Roberts Mountain Formation, including 2.29 meters @ 3.17g/t at 297.8 meters to 300.2 meters. Arsenic averaged 1,140ppm while mercury averaged 4.40ppm. Other Lower plate hits include BHM-003 (18.3 meters averaging 0.364g/t at 336.9 meters to 355.2 meters) and BHM-005 (29 meters grading 0.238g/t at 623.4 meters to 652.4 meters).

## ***Buffalo Valley Gold Project***

### **Project Highlights**

- Proximal to the large Phoenix gold mine (Nevada Gold Mines) and Premier Gold Mines Limited's ("Premier") Cove gold mine. Adjacent to and on trend with the smaller Buffalo Valley gold deposits (500,000 ounces Au).
- Effectively cuts-off Nevada Gold Mines' land position south of Phoenix together with the northern and eastern boundaries of Premier's Cove land position.
- Covers a large swath of alluvial cover separating the Phoenix and Cove mine areas that gravity data suggests is shallow, and therefore prospective for similar type deposits.

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## **Project Description**

The Buffalo Valley gold project is located in Lander County, Nevada 7 kilometers west of Nevada Gold Mines' Phoenix Mine (10M ounces Au) and 10 kilometers north of Premier's Cove/McCoy Mine (4M ounces Au). The project consists of the BV and WE Claim blocks, totaling 1191 unpatented lode mining claims located on BLM ground. Widespread historical drilling in Upper plate rocks was performed by major and junior explorers during the period from 1985 to 2007. This large claim block covers gravity anomalies between the Phoenix and Cove/McCoy Mines and the Mill Creek project area. The region is largely covered by alluvium. Potential deposit types at Buffalo Valley include Marigold (5.3M ounces Au) and Cove/McCoy (4M ounces Au).

## ***Hilltop South Gold Project***

### **Project Highlights**

- The project is on trend with and bounds the southern and eastern margins of Nevada Gold's Hilltop deposit (reported 2M ounces Au @ 0.875g/t).
- The project is surrounded by Nevada Gold Mines' deposits, which include current exploration programs extending northward from the Pipeline Mine up to the SE corner of Nevada King's claim block.
- Widespread gold and tracer element anomalies indicate potential at depth.

### **Project Description**

The Hilltop South project is located in Lander County, Nevada, 17 kilometers northwest of the Pipeline Mine (22M ounces Au). The project consists of the NSR Claim block containing 343 unpatented lode mining claims located on BLM land. The project is on trend with and bounds southern and eastern margins of Nevada Gold Mines' Hilltop deposit (reported 2M ounces Au @ 0.875g/t). Widespread historical drilling in Upper plate lithotypes by major and junior explorers occurred during the period from 1986 to 2011. Rock samples collected by the Company in altered Upper plate rocks across a 6 square kilometer area range in gold values from <0.005 to 0.295ppm and are accompanied by anomalous As-Hg-Sb. Potential deposit types at Hilltop South include Pipeline (22M ounces Au), Marigold (5.3M ounces Au), and Hilltop (2M ounces Au).

### **Recent Work Conducted by Nevada King**

The Company is currently engaged in a soil sampling program across the entire property.

## ***Carico Lake-Cedars Gold Project***

### **Project Highlights**

- Completely surrounds a small gold resource at the Cedars project that is being touted by current owners as hosting 600,000 ounces Au. The Cedars area has been the focus of intensive historical drilling by major explorers.
- Widespread gold and tracer element anomalies at the surface.
- Anomalous gold hit in the Valmy Formation at Carico Lake in historical drill holes, and strong surface As-Hg anomalies over a very large area, both in the Valmy and also in overlying, altered Tertiary volcanics.
- Potential for several different types of gold deposits in Upper and Lower plates of Roberts Mountain Thrust as well as along contacts between Paleozoic section and Tertiary volcanics.

### **Project Description**

The Carico Lake-Cedars Gold project is located in Lander County, Nevada 25 kilometers west of Nevada Gold Mines' Cortez Mine (17M ounces Au). The project consists of the CDR and CL Claim blocks, totaling 909 unpatented lode mining claims located on BLM ground. The project completely surrounds a small historical gold resource drilled by Chevron Resources Ltd. in the early 1980's. Widespread historical drilling by numerous major and junior explorers

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occurred during the period from 1981 to 2002 and tested siliclastic and carbonate lithotypes in Upper plate Roberts Mountain and Upper plate Golconda assemblages. Nevada King reconnaissance rock sampling returned widespread gold and tracer element anomalies over a large area, ranging in gold values from <0.005 to 2.89ppm. Potential deposit types at Carico Lake–Cedars include Cortez (17M ounces Au), Marigold (5.3M ounces Au), and Lone Tree (4M ounces Au).

On August 3, 2021, Nevada King concluded an 8-year lease-option agreement with Timothy and Ann Percival and Darryl Killian (the "Optionors") for 61 unpatented lode claims located within the Company's Carico Lake claim block. The Optionors shall receive annual payments starting at US\$20,000 and escalating to US\$40,000 in the seventh year. An option payment of US\$425,000 is due in the eighth year and, upon exercise of the option, the Optionors will retain a 2% NSR royalty on the property on which Nevada King will have the right to buy back one-half (1%) of the royalty for US\$500,000. The property was historically drilled by Cameco, with several shallow holes hitting strongly anomalous gold mineralization.

### ***Kobeh Valley Gold Project***

#### **Project Highlights**

- Project area is sandwiched in between McEwen Mining Inc.'s ("McEwen") Gold Bar mining complex and Ruby Hill Mining Company, LLC's ("Ruby Hill") Ruby Hill Mine. Bounds southern margin of McEwen's land, and western margin of Ruby Hill's land.
- Covers a large E-W swath of ground along the axis of the Battle Mountain Gold Belt.
- Focus of much historical drill exploration by major and junior explorers trying to hit southern extensions of gold mineralization from the Gold Bar to the Gold Pick mine zones underneath the alluvial blanket of Kobeh Valley.

#### **Project Description**

The Kobeh Valley gold project is located in Eureka County, Nevada and is situated 58 kilometers southeast of Nevada Gold Mine's Cortez Mine (17M ounces Au) and 10 kilometers northwest of the Ruby Hill Mine (2.3M ounces Au). The project consists of the KVC, KVE, KVW and WE Claim blocks: 1882 total unpatented lode mining claims on BLM land, staked by the Company from January 2020 through June 2020. This extensive series of claim blocks covers a significant E-W swath of ground along the axis of the Battle Mountain Gold Belt.

The Kobeh Valley claims bound the southern margin of McEwen's Gold Bar mining complex, with reported measured plus indicated gold resource of 30M tons grading 0.92/t for 819,000 ounces (2019 estimate). Mineralization trends onto Nevada King's large claim block. Potential deposit types within the Kobeh Valley claim blocks include Lower plate replacement deposits (aka Carlin type) as seen within the Gold Bar area (1+M ounces Au) and at Archimedes/Ruby Hill (2.3M ounces Au).

### ***Evana Vanadium and Gold Project***

#### **Project Highlights**

- The Evana project was acquired primarily for its vanadium potential. Surface vanadium values at Evana are on-par with those obtained at Nevada King's Iron Point vanadium deposit, and the area of mineralization at Evana is large, much like Iron Point.
- The project was explored previously for gold and is relatively close to the Archimedes mine, so there is gold potential as well.

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## **Project Description**

The Evana project is located in Eureka County, Nevada and is 18 kilometers northwest of the Archimedes/Ruby Hill Mine (2.3M ounces Au). The project consists of 119 unpatented lode mining claims on BLM ground that were purchased by Brownstone from Nevada Alaska Mining Company in 2020. The geological setting is very similar to Nevada King's Iron Point Project: vanadium mineralization is found at the surface in Upper plate Vinini Formation, and gold targets are in the Lower plate carbonate rocks below the Roberts Mountain Thrust adjacent to a Tertiary-age granitic stock. Major explorers drilled for gold at Evana during the period from 1986 to 1994. The Company performed rock and soil sampling at Evana in early 2020 and identified a large area of strongly anomalous vanadium mineralization. Potential deposit types at Evana include Iron Point Vanadium (V) and Archimedes (Au), and Gold Bar.

## ***Crescent Valley Gold Project***

### **Project Highlights**

- The small 14-claim block at Crescent Valley was established to cover a short segment of chalcedony-opal veining along which surface samples returned strong gold anomalies. The en echelon vein zone is 10 meters to 20 meters wide.
- Multiple vein stages with local fine grained sulfide mineralization argue for long-lived and possibly strong hydrothermal activity.
- Proximity to Nevada Gold Mines' Buckhorn and Cortez mines.
- Potential at depth for a high-grade vein system along the lines of Fire Creek Mine (Klondex Mines Ltd.).

### **Project Description**

The Crescent Valley gold project is located in Eureka County, Nevada 22 kilometers northeast of the Cortez Mine (17M ounces Au). The project consists of the HMD Claim block, totaling 14 unpatented lode mining claims on BLM ground. Historical drilling for gold by major explorers occurred during the period from 1987 to 1994. A chalcedony and opaline sheeted vein zone is exposed for 1.5 kilometers along a NE trending range-front fault. Nevada King collected rock samples along the vein zone that ranged from 0.014 to 0.225ppm Au. The potential deposit type at Crescent Valley is a quartz vein system at depth, possibly similar to the Fire Creek Mine (approx. 500,000 ounces Au) located 25 kilometers to the northwest.

## ***Nevada Fluorspar Project***

### **Project Highlights**

- Project hosts the MB fluorspar deposit with a JORC Code (2012)-compliant CaF<sub>2</sub> resource.
- The fluorspar deposit is a large fluorine-rich skarn hosted by Ordovician age carbonate sedimentary rocks. The mineralized zone extends for more than a kilometer from the postulated position of a buried Cretaceous age granite.
- Potential exists for a large sediment-hosted gold system similar to McEwen's Gold Bar mining complex, with reported measured and indicated gold resource of 30M tons grading 0.92/t for 819,000 ounces (2019 estimate).

### **Project Description**

The Nevada Fluorspar project is located in Eureka County, Nevada approximately 19 kilometers southwest of the town of Eureka and 4 kilometers west of Timberline Resources' Lookout Mountain gold deposit. The project consists of: (a) a core group of sixty MB and MBT claims that were purchased by the Company in late 2020 from Nevada Fluorspar, LLC; and (b) 546 additional lode mining claims (the NF Claims) staked by the Company in late 2020. Between the core group and the additionally staked claims, there are 606 unpatented lode mining claims all located on BLM ground. A series of drilling operations between the 1960's and the 1980's were completed by various



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explorers that outlined the potential of the CaF<sub>2</sub> deposit. In 2013, Tertiary Minerals (US) Inc. completed a two-phase drilling program comprising approximately 5700 meters (35 holes).

## Overall Performance and Results of Operations

Total assets increased to \$82,641,169 at December 31, 2021, from \$28,561,426 at March 31, 2021, primarily as a result of the acquisition of Nevada King Mining and the resulting increase in acquired assets as follows: exploration and evaluation assets of \$49,045,175, property, plant and equipment of \$650,259, reclamation bonds of \$404,078, advances for exploration and evaluation assets of \$795,448 and cash of \$424,262. Cash and restricted cash decreased by \$4,090,301 during the period due to cash used in operating activities of \$2,335,631, exploration and evaluation asset expenditures of \$4,936,542, advances for exploration and evaluation assets of \$208,189, purchase of a drill casing of \$151,238 and additional reclamation bond payments of \$85,864. These outflows were partially offset by net proceeds of \$3,202,901 received from a private placement financing.

### *Three months ended December 31, 2021 and 2020*

During the three months ended December 31, 2021, loss from operating activities increased by \$49,534 to \$827,222 compared to \$777,688 for the three months ended December 31, 2020. The increase in loss from operating activities is largely due to:

- An increase in marketing of \$375,556. Marketing was \$391,787 for the three months ended December 31, 2021, compared to \$16,231 for the same period in the prior year. Marketing activities in the current quarter are related to two new promotional contracts as well as the production of videos on the Company's projects.
- An increase of \$71,108 in office and sundry. Office and sundry were \$89,119 for the three months ended December 31, 2021, compared to \$18,011 for the quarter ended December 31, 2020. The increase is due to the inclusion of the results of operations of Nevada King Mining from the date of acquisition of April 7, 2021.
- An increase of \$31,177 in professional fees. Professional fees were \$41,587 for the three months ended December 31, 2021, compared to \$10,410 for the quarter ended December 31, 2020. The increase is related to an increase in activity in the current period.

These increases were largely offset by a decrease of \$421,721 in management and director fees. Management and director fees were \$245,311 for the three months ended December 31, 2021, compared to \$667,032 for the three months ended December 31, 2020. The decrease is related to performance bonuses paid to management in the quarter ended December 31, 2020.

The Company recorded a loss and comprehensive loss of \$827,642 or \$0.00 basic and diluted loss per share for the three months ended December 31, 2021 (December 31, 2020: \$775,161 or \$0.01 basic and diluted loss per share).

### *Nine months ended December 31, 2021 and 2020*

During the nine-month period ended December 31, 2021, loss from operating activities increased by \$754,555 to \$2,207,472 compared to \$1,452,917 for the nine months ended December 31, 2020. The increase in loss from operating activities is largely due to:

- An increase of \$202,222 in consulting fees. Consulting fees were \$357,022 for the period ended December 31, 2021, compared to \$154,800 for the period ended December 31, 2020. The increase is related to costs associated with transition services related to Nevada King Mining and termination costs in the current period.
- An increase in marketing of \$599,483. Marketing was \$632,701 for the nine months ended December 31, 2021, compared to \$33,218 for the same period in the prior year. Marketing activities in the current period are related to two new promotional contracts as well as the production of videos on the Company's projects.

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- An increase of \$145,918 in office and sundry. Office and sundry were \$199,149 for the nine months ended December 31, 2021, compared to \$53,231 for the period ended December 31, 2020. The increase is due to the inclusion of the results of operations of Nevada King Mining from the date of acquisition of April 7, 2021.
- An increase of \$131,131 in professional fees. Professional fees were \$174,601 for the nine-month period ended December 31, 2021, compared to \$43,470 for the comparable period ended December 31, 2020. The increase is related to an increase in activity in the current period.
- An increase of \$53,056 in transfer agent and regulatory fees. Transfer agent and regulatory fees were \$65,989 for the nine months ended December 31, 2021, compared to \$12,933 for the comparable period in the prior year. The increase is related to an increase in activity as well as the costs incurred to list the Company on the OTCQB Venture Market in the US.
- An increase of \$37,983 in travel. Travel expense was \$37,983 for the nine months ended December 31, 2021, compared to \$Nil for the comparable period in 2020. The increase in the current period is due to the increase in travel as a result of the acquisition of Nevada King Mining as well as government enacted travel bans due to the COVID-19 virus in the prior year period.

These increases were partly offset by a decrease of \$431,221 in management and director fees. Management and director fees were \$724,044 for the nine months ended December 31, 2021, compared to \$1,155,265 for the nine months ended December 31, 2020. The decrease is related to performance bonuses paid to management in the period ended December 31, 2020.

The Company recorded a loss and comprehensive loss of \$2,077,329 or \$0.01 basic and diluted loss per share for the period ended December 31, 2021 (December 31, 2020: \$1,456,707 or \$0.02 basic and diluted loss per share).

### Summary of Quarterly Results

| Period    | Net and            | Loss per Share |
|-----------|--------------------|----------------|
|           | Comprehensive Loss |                |
|           | \$                 | \$             |
| 31-Dec-21 | (827,642)          | (0.00)         |
| 30-Sep-21 | (739,627)          | (0.00)         |
| 30-Jun-21 | (510,060)          | (0.00)         |
| 31-Mar-21 | (499,521)          | (0.01)         |
| 31-Dec-20 | (775,161)          | (0.01)         |
| 30-Sep-20 | (349,742)          | (0.00)         |
| 30-Jun-20 | (331,804)          | (0.00)         |
| 31-Mar-20 | (360,557)          | (0.00)         |

### Liquidity and Capital Resources

The Company does not currently have a recurring source of revenue and has historically incurred negative cash flows from operating activities.

At December 31, 2021, the Company had cash of \$14,941,192 and current liabilities of \$411,467.

The Company believes that it has adequate cashflow to meet obligations and carry out planned activities for the next twelve months.

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## June 2021 Financing – Net Proceeds of \$3,577,436

In June 2021, the Company completed a non-brokered private placement of 6,000,000 common shares at a price of \$0.60 per common share for total proceeds of \$3,600,000. The Company incurred share issuance costs of \$22,564 in connection with the private placement financing. The Company intends to use these proceeds to advance the Company's development stage exploration and evaluation assets and to fund ongoing operations.

|  | Intended Use of Proceeds (Estimated) | Actual Use of Proceeds | Over/(Under)-Expenditure at December 31, 2021 |
|--|--------------------------------------|------------------------|---|
| Uses of Funds:                             | \$                                   | \$                     | \$  |
| Working capital to fund ongoing operations | 1,788,718                            | -                      | (1,788,718)                                   |
| Acquisition, exploration and evaluation    | 1,788,718                            | -                      | (1,788,718)                                   |
| <b>Total Uses</b>                          | <b>3,577,436</b>                     | <b>-</b>               | <b>(3,577,436)</b>                            |

## December 2020 and January 2021 Financings – Net Proceeds of \$17,341,054

In December 2020, the Company completed the first tranche of a non-brokered private placement of 27,569,702 subscription receipts at a price of \$0.55 per subscription receipt for gross proceeds of \$15,163,336. In January 2021, the Company completed the second and final tranche of a non-brokered private placement of 5,237,200 subscription receipts at a price of \$0.55 per subscription receipt for gross proceeds of \$2,880,460. The Company incurred finders' fees of \$662,487 and other share issuance costs of \$40,255 in connection with the private placement.

|  | Intended Use of Proceeds (Estimated) | Actual Use of Proceeds | Over/(Under)-Expenditure at December 31, 2021 |
|--|--------------------------------------|------------------------|---|
| Uses of Funds:                             | \$                                   | \$                     | \$  |
| Working capital to fund ongoing operations | 12,341,054                           | 2,298,661              | (10,042,393)                                  |
| Acquisition, exploration and evaluation    | 5,000,000                            | 4,006,844              | (993,156)                                     |
| <b>Total Uses</b>                          | <b>17,341,054</b>                    | <b>6,068,403</b>       | <b>(11,035,549)</b>                           |

## October 2020 Financings – Net Proceeds of \$2,178,400

In October 2020, the Company completed a non-brokered private placement of 5,000,000 common shares at a price of \$0.40 per common share for total proceeds of \$2,000,000 and a non-brokered private placement of 500,000 common shares at a price of \$0.40 per common share for total proceeds of \$200,000. The Company paid share issuance costs of \$34,225 in connection with the private placement financings.

|  | Intended Use of Proceeds (Estimated) | Actual Use of Proceeds | Over/(Under)-Expenditure at December 31, 2021 |
|--|--------------------------------------|------------------------|---|
| Uses of Funds:                             | \$                                   | \$                     | \$  |
| Working capital to fund ongoing operations | 2,178,400                            | 2,178,400              | -   |
| <b>Total Uses</b>                          | <b>2,178,400</b>                     | <b>2,178,400</b>       | <b>-</b>                                      |

## Outstanding Share Data

As at December 31, 2021 and the date of this report there are 243,574,976 common shares issued and outstanding.

On April 7, 2021, the Company completed the plan of arrangement for the acquisition of 100% of the common shares of Nevada King Mining Ltd. Concurrently, 32,806,902 subscription receipts were converted into 32,806,902 common shares of the Company.

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In June 2021, the Company completed a private placement financing, issuing 6,000,000 common shares at \$0.60 per share for gross proceeds of \$3,600,000.

On September 7, 2021, the Company completed an agreement with Ethos, issuing 6,500,000 common shares of the Company with a fair value of \$2,470,000, in exchange for Ethos renouncing all of its rights under the earn-in agreement on the Iron Point project.

As at December 31, 2021, and the date of this report there were 6,460,000 stock options and no warrants outstanding.

## Related Party Balances and Transactions

### *Key Management Personnel Compensation*

| <b>Period ended</b>   | December 31,<br>2021 | December 31,<br>2020 |
|---|----------------------|----------------------|
|   | \$                   | \$                   |
| Management fees paid to a company controlled by the Executive Chairman      | 224,682              | 403,929              |
| Management fees paid to a company controlled by the Chief Executive Officer | 201,479              | 360,668              |
| Management fees paid to the Chief Financial Officer                         | 167,883              | 300,668              |
| Director fees   | 130,000              | 90,000               |
|   | 724,044              | 1,155,265            |

Under the terms of their management agreements, certain officers of the Company are entitled to 18 months of base pay in the event of their agreements being terminated without cause.

Included in accounts payable and accrued liabilities at December 31, 2021 are payables of \$10,349 related to expense reimbursement (March 31, 2021 - \$Nil) for officers and directors of the Company. Related party payables are unsecured, non-interest bearing and have no specified terms of repayment.

## Risks and Uncertainties

The risks and uncertainties described in this section are considered by management to be the most important in the context of the Company's business. The risks and uncertainties below are not inclusive of all the risks and uncertainties the Company may be subject to and other risks may exist. The Company is in the business of acquiring, exploring and evaluating mineral properties. It is exposed to a number of risks and uncertainties that are common to other mining companies. The industry is capital intensive at all stages and is subject to variations in commodity prices, market sentiment, inflation and other risks.

### *Mining Exploration and Development*

Exploration for minerals is highly speculative in nature, involves many risks and frequently is unsuccessful. There is no assurance that any exploration activities of the Company will result in the development of an economically viable mine project. The economics of developing mineral properties are affected by many factors including the cost of operations, variations in the grade of ore mined, fluctuations in metal markets, costs of mining and processing equipment, government regulations, location of the orebody and its proximity to infrastructure such as roads and power, required metallurgical processes, regulatory permit requirements, prevailing metal prices, economic and financing conditions at the relevant time.

Substantial expenditures are required to establish mineral resources and mineral reserves through drilling, to develop metallurgical processes to extract the metal from mineral resources, and in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Assuming discovery of an economic ore body, depending on the type of mining operation involved, several years may elapse from the initial phases of

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drilling until commercial operations are commenced and during such time the economic feasibility of production may change.

The Company has never completed a mining development project and does not generate any revenues from production. The future development of properties found to be economically feasible will require the construction and operation of mines, processing plants and related infrastructure and the Company does not have any experience in taking a mining project to production. As a result of these factors, it is difficult to evaluate the Company's prospects, and the Company's future success is more uncertain than if it had a more proven history.

The development of the Company's projects will include the construction and operation of mines, processing plants and related infrastructure. As a result, the Company is and will continue to be subject to all of the risks associated with establishing new mining operations, including risks relating to the availability and cost of skilled labour, mining equipment, fuel, power, materials and other supplies; the ability to obtain all necessary governmental approvals and permits; potential opposition from non-governmental organizations, environmental groups or local residents; and the availability of funds to finance construction and development activities.

Cost estimates may increase as more detailed engineering work is completed on a project. It is common for new mining operations to experience unexpected costs, problems and delays during construction, development, and mine start-up. In addition, delays in the early stages of mineral production often occur. Accordingly, the Company cannot provide assurance that its activities will result in profitable mining operations at its mineral properties.

## *Infrastructure*

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which effect capital and operating costs. Unusual or infrequent weather phenomena, terrorism, sabotage, community, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations, financial condition and results of operations.

## *Risks Associated with Gold and Vanadium Markets*

The profitability of the Company's operations will be dependent upon the market prices of gold and vanadium. Gold and vanadium prices fluctuate widely and are affected by numerous factors beyond the control of the Company. The level of interest rates, the rate of inflation, the world supply of mineral commodities and the stability of exchange rates can all cause significant fluctuations in prices.

Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments. The prices of gold and vanadium have fluctuated widely in recent years, and future price declines could cause commercial production to be impracticable, thereby having a material adverse effect on the Company's business, financial condition and result of operations.

Depending on the market prices of gold and vanadium, the Company may determine that it is not economically feasible to continue some or all of its operations or the development of some or all of its projects, as applicable, which could have an 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.

## *Public Health Crises such as the COVID-19 Pandemic*

On March 11, 2020, the World Health Organization declared the global outbreak of a novel coronavirus identified as "COVID-19" a global pandemic. In order to combat the spread of COVID-19, governments worldwide have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures. These measures have caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility in national and global equity and commodity markets. Central banks and governments, including Canadian federal and provincial governments, have

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reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of any interventions.

Significant economic and social impacts have limited the Company's ability to continue its exploration and evaluation activities as intended. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operations in future periods.

## *Regulatory Risks*

Mining activities are subject to extensive laws and regulations governing prospecting, development, production, exports, taxes, labor standards, occupational health and safety, water disposal, toxic substances, explosives, management of natural resources, environmental management and protection, mine safety, dealings with Aboriginal groups, historic and cultural preservation and other matters. Compliance with such laws and regulations increases the costs of planning, designing, drilling, developing, construction, operating and closing mines and other facilities.

Failure to comply with applicable laws and regulations may result in civil or criminal fines or penalties or enforcement actions, including orders issued by regulatory or judicial authorities enjoining or curtailing operations, requiring corrective measures or other remedial actions, any of which could result in the Company incurring significant expenditures. Changes to current laws, regulations and permits governing operations and activities of mining companies, including environmental laws and regulations or more stringent enforcement thereof, could have a material adverse impact on the Company and increase costs, affect the Company's ability to expand or transfer existing operations or require the Company to abandon or delay the development of new properties.

The Company may be subject to potential legal claims based on an infringement of applicable laws or regulations which, if determined adversely to the Company, could have a material effect on the Company or its financial condition or require the Company to compensate persons suffering loss or damage as a result of any such infringement.

## *Permitting Risks*

There can be no assurance that all licenses, permits or property rights which the Company may require for any exploration or development of mining operations will be obtainable on reasonable terms or in a timely manner, or at all, that such terms will not be adversely changed, that required extensions will be granted, or that the issuance of such licenses, permits or property rights will not be challenged by third parties. Delays in obtaining or a failure to obtain such licenses, permits or property rights or extension thereto, challenges to the issuance of such licenses, permits or property rights, whether successful or unsuccessful, changes to the terms of such licenses, permits or property rights, or a failure to comply with the terms of any such licenses, permits or property rights that the Company has obtained, could have a material adverse effect on the Company by delaying or preventing or making more expensive exploration, development and/or production.

## *Environmental Risks and Hazards*

The Company's activities are subject to extensive federal, state, and local laws and regulations governing environmental protection and employee health and safety. Environmental legislation is evolving in a manner that is creating stricter standards, while enforcement, fines and penalties for non-compliance are also increasingly stringent. Compliance with environmental regulations may require significant capital outlays on behalf of the Company and may cause material changes or delays in the Company's intended activities. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations. Further, any failure by the Company to comply fully with all applicable laws and regulations could have significant adverse effects on the Company, including the suspension or cessation of operations.

## *Risks with Title to Mineral Properties*

Title on mineral properties and mining rights involves certain risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the ambiguous conveyance history of many mining properties. Although the Company has, with the assistance of its legal advisors, diligently investigated and validated

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title to its mineral claims, there is no guarantee that the Company will not encounter challenges or loss of title to its assets. The Company does not carry title insurance.

The Company is actively engaged in the process of seeking to strengthen the certainty of its title to its mineral concessions, which are held either directly or through its equity interest in its subsidiaries.

The Company cannot give any assurance that title to properties it acquired individually or through historical share acquisitions will not be impugned and cannot guarantee that the Company will have or acquire valid title to these mining properties. Failure by the Company to retain title to properties which comprise its projects could have a material adverse effect on the Company and the value of its common shares.

### *Risks Associated with Potential Acquisitions*

The Company may evaluate opportunities to acquire additional mining assets and businesses. These acquisitions may be material in size, may change the scale of the Company's business and may expose the Company to new geographic, political, operating, financial and geological risks. The Company's success in its acquisition activities depends on its ability to identify suitable acquisition targets, acquire them on acceptable terms and integrate their operations successfully with those of the Company. The Company may need additional capital to finance any such acquisitions.

Debt financing related to acquisition would expose the Company to the risk of leverage, while equity financing may cause existing shareholders to suffer dilution. There is a limited supply of desirable mineral lands available for claim staking, lease or other acquisition in the areas where the Company contemplates conducting exploration activities. The Company may be at a disadvantage in its efforts to acquire quality mining properties as it must compete with individuals and companies which in many cases have greater financial resources and larger technical staffs than the Company. Accordingly, there can be no assurance that the Company will be able to compete successfully for new mining properties.

### *Negative Operating Cash Flow*

The Company is an exploration stage company and has not yet commenced commercial production on any property and, accordingly, has not generated cash flow from operations. The Company has a history of losses and there can be no assurance that it will ever be profitable. The Company expects to continue to incur losses unless and until such time as it commences profitable mining operations on its properties. The development of the properties will require the commitment of substantial financial resources. The amount and timing of expenditures will depend on a number of factors, some of which are beyond the Company's control, including the progress of ongoing exploration, studies and development, the results of consultant analysis and recommendations, the rate at which operating losses are incurred and the execution of any joint venture agreements with any strategic partners, if any. There can be no assurance that the Company will ever generate revenues from operations or that any properties the Company may hereafter acquire or obtain an interest in will generate earnings, operate profitably or provide a return on investment in the future. There can be no assurance that the Company's cost assumptions will prove to be accurate, as costs will ultimately be determined by several factors that are beyond the Company's control. The Company expects to continue to incur negative consolidated operating cash flow and losses until such time as it enters into commercial production.

### *Financing*

Additional funding will be required to complete the proposed or future exploration and other programs on the Company's properties. There is no assurance that any such funds will be available. Failure to obtain additional financing, if required, on a timely basis, could cause the Company to reduce or delay its proposed operations. The majority of sources of funds currently available to the Company for its acquisition and exploration projects are, in large part, derived from the issuance of equity.

While the Company has been successful in the past in obtaining equity financing to undertake its currently planned exploration and evaluation programs, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

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## *Personnel and Equipment*

The ability to identify, negotiate and consummate transactions that will benefit the Company is dependent upon the efforts of the Company's management team. The loss of the services of any member of management could have a material adverse effect on the Company. The Company's future drilling activities may require significant investment in additional personnel and capital equipment. Given the current level of demand for equipment and experienced personnel within the mining industry, there can be no assurance that the Company will be able to acquire the necessary resources to successfully implement its business plan. The Company is heavily dependent on its key personnel and on its ability to motivate, retain and attract highly skilled persons. If, for any reason, any one or more of such key personnel do not continue to be active in the Company's management, the Company could be adversely affected. There can be no assurance that the Company will successfully attract and retain additional qualified personnel to manage its current needs and anticipated growth. The failure to attract such qualified personnel to manage growth effectively could have a material adverse effect on the Company's business, financial condition or results of operations.

## *Insurance*

In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions and other environmental occurrences may occur. It is not always possible to fully insure against such risks and, even where such insurance is available, the Company may decide to not take out insurance against such risks. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the Company.

## *Currency Risk*

The Company is exposed to currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars. The Company has not entered into any foreign currency contracts to mitigate this risk. Certain of the Company's cash, and accounts payable and accrued liabilities are denominated in US dollars including mineral property obligations. Therefore, the US dollar amounts are subject to fluctuation against the Canadian dollar. The Company also has transactional currency exposures. Such exposures arise from purchases in currencies other than the respective functional currencies, typically in the US dollar. The Company maintains its accounts in Canadian dollars, while the markets for vanadium and gold are principally denominated in U.S. dollars.

## *Litigation*

The Company is subject to litigation risks. All industries, including the mining industry, are subject to legal claims, with and without merit. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, there can be no assurance that the resolution of any particular legal proceeding will not have a material adverse effect on the Company's financial position or results of operations.

## *Enforcement of Civil Liabilities*

Certain of the Company's directors and certain of the experts named herein reside outside of Canada and, similarly, a majority of the assets of the Company are located outside of Canada. It may not be possible for investors to effect service of process within Canada upon the directors and experts not residing in Canada. It may also not be possible to enforce against the Company and certain of its directors and experts named herein judgements obtained in Canadian courts predicated upon the civil liability provisions of applicable securities laws in Canada.

## **Critical Accounting Policies and Estimates**

The Company prepares its financial statements in accordance with IFRS as issued by the International Accounting Standards Board ("IASB").

The preparation of the condensed consolidated interim financial statements requires management to make certain



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estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

The condensed consolidated interim financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at year end that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to the following:

### (i) Critical accounting estimates

- The valuation of share-based payments. The fair value of common share purchase options granted is determined at the issue date using the Black-Scholes pricing model. The fair value of common shares issued for finders' fees are based on the closing price of the transaction those fees pertain to.
- The net carrying value of each exploration and evaluation asset is reviewed regularly for conditions that suggest impairment. This review requires significant judgment. Factors considered in the assessment of asset impairment include, but are not limited to, whether there has been a significant adverse change in the legal, regulatory, accessibility, title, environmental or political factors that could affect the property's value; whether there has been an accumulation of costs significantly in excess of the amounts originally expected for the property's acquisition, development or cost of holding; and whether exploration activities produced results that are not promising such that no more work is being planned in the foreseeable future. If impairment is determined to exist, a formal estimate of the recoverable amount is prepared, and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount.
- The determination of tax expense for the period and deferred tax assets and liabilities involves significant estimation and judgment by management. In determining these amounts, management interprets tax legislation in a variety of jurisdictions and make estimates of the expected timing of the reversal of deferred tax assets and liabilities. Management also makes estimates of future earnings which affect the extent to which potential future tax benefits may be used. The Company is subject to assessments by various taxation authorities, which may interpret legislation differently. These differences may affect the final amount or the timing of the payment of taxes. We provide for such differences where known based on our best estimate of the probable outcome of these matters.

### (ii) Critical accounting judgments

- Presentation of the condensed consolidated interim financial statements as a going concern which assumes that the Company will continue in operation for the foreseeable future, obtain additional financing as required, and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due.
- The analysis of the functional currency for each entity of the Company. In concluding that the Canadian dollar is the functional currency of the parent and its subsidiary companies, management considered the currency that mainly influences the cost of providing goods and services in each jurisdiction in which the Company operates. As no single currency was clearly dominant the Company also considered secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained.
- Management is required to assess impairment in respect to the Company's intangible mineral property

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interests. The triggering events are defined in IFRS 6. In making the assessment, management is required to make judgments on the status of each project and the future plans towards finding commercial reserves. Management has determined that there were no indicators of impairment as at December 31, 2021.

### Financial Risk Management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes.

#### *Credit risk*

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company does not have financial instruments that potentially subject the Company to credit risk. The Company's credit risk has not changed significantly from the prior year. The Company places its cash with financial institutions with high credit ratings, thus the credit risk is minimal.

#### *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company has historically relied on issuance of shares to fund exploration programs and may require doing so again in the future.

The Company has \$411,467 in accounts payable and accrued liabilities that are due within one year of the date of the condensed consolidated interim statement of financial position.

#### *Market risk*

##### *(i) Currency risk*

Financial instruments that impact the Company's net earnings or other comprehensive income due to currency fluctuation include cash accounts and accounts payable and accrued liabilities denominated in US dollars. The sensitivity of the Company's profit or loss to a change in the exchange rate between the United States dollar and the Canadian dollar at December 31, 2021 would change the company's loss by \$24,953 as a result of a 10% change in the CAD dollar exchange rate relative to the US dollar.

##### *(ii) Interest rate risk*

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is not exposed to interest rate risk.

##### *(iii) Price risk*

Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company's properties have exposure to predominantly gold and vanadium. Commodity prices greatly affect the value of the Company and the potential value of its property and investments.

#### *Capital management*

The Company's objectives when managing capital are:

- To safeguard its ability to continue as a going concern in order to develop and operate its current projects;
- Pursue strategic growth initiatives; and
- To maintain a flexible capital structure which lowers the cost of capital.

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In assessing its capital structure, the Company includes in its assessment the components of shareholders' equity. In order to facilitate the management of capital requirements, the Company prepares annual expenditure budgets and continuously monitors and reviews actual and forecasted cash flows. The annual and updated budgets are monitored and approved by the Board of Directors. To maintain or adjust the capital structure, the Company may, from time to time, issue new shares, issue new debt, repay debt or dispose of non-core assets. The Company's current capital resources are insufficient to carry out exploration plans and support operations through the current operating period. The Company is dependent upon the ability to raise additional funding to meet its obligations and commitments.

The Company is not subject to any capital requirements imposed by any regulator.

There were no changes in the Company's approach to capital management during the period ended December 31, 2021.

## **Off-Balance Sheet Arrangements**

The Company does not utilize off-balance sheet arrangements.

## **Proposed Transactions**

There are no proposed transactions as at the date of this report.

## **Management's Report on Internal Control over Financial Reporting**

In connection with National Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109") adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com).