



**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**WEST VAULT MINING INC.**  
**(formerly West Kirkland Mining Inc.)**

**For the period ended June 30, 2020**

Office:  
Suite 838  
1100 Melville Street  
Vancouver, BC V6E 4A6  
Canada

TSXV: WVM  
Phone: (604) 685-8311  
Fax: (604) 484-4710  
[info@westvaultmining.com](mailto:info@westvaultmining.com)  
[www.westvaultmining.com](http://www.westvaultmining.com)

# **West Vault Mining Inc.**

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

**For the period ended June 30, 2020**

---

### **Overview**

West Vault Mining Inc. ("West Vault" or the "Company") (formerly West Kirkland Mining Inc.) is a mineral exploration and development company focused on the development of gold projects in Nevada with its flagship asset being the Hasbrouck heap-leach gold project, which consists of the Hasbrouck Mine and Three Hills Mine (the "Hasbrouck Gold Project"). The Company has been focused in 2020 on completing the federal permitting process for the phase 2 Hasbrouck pit of the Hasbrouck Gold Project. The Company is based in Vancouver, British Columbia, Canada and its common shares trade on the TSX Venture Exchange ("TSXV") under the symbol, "WVM". The Company is a reporting issuer in each of the provinces of Canada except Quebec.

The following Management's Discussion and Analysis ("MD&A") focuses on the financial condition and results of operations of the Company for the period ended June 30, 2020. The MD&A is prepared as of August 21, 2020 and should be read in conjunction with the Company's interim condensed consolidated financial statements and related notes thereto for the period ended June 30, 2020.

The Company prepares its financial statements in accordance with International Financial Reporting Standards ("IFRS"). All dollar figures included therein and in the following discussion and analysis are quoted in Canadian dollars unless otherwise noted.

### **Forward-Looking Information**

Certain statements made and information contained herein may constitute "forward-looking statements" or "forward-looking information" within the meaning of applicable securities legislation (collectively, "Forward-Looking Statements"). Forward-Looking Statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or are those, which, by their nature, refer to future events. Forward-Looking Statements in this MD&A include, but are not limited to, statements with regard to:

- Planned permitting activity for the Hasbrouck properties;
- The Company's ability to obtain additional financing on satisfactory terms;
- Planned exploration activity including both expected drilling and geological and geophysical related activities;
- Impact of increasing competition;
- Future foreign currency exchange rates;
- Future sources of liquidity, cash flows and their uses; and

Forward-Looking Statements are necessarily based on a number of estimates and assumptions that, while considered reasonable by the Company based on the information available to it, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The Company cautions investors that any Forward-Looking Statements provided by the Company are not a guarantee of future results or performance, and that actual results may differ materially from those in Forward-Looking Statements as a result of various estimates, assumptions, risks, and uncertainties, including, but not limited to, the state of the financial markets for the Company's equity securities, the state of the market for gold or other minerals that may be produced generally, recent market volatility; variations in the nature, quality and quantity of any mineral deposits that may be located, the Company's ability to obtain any necessary permits, consents or authorizations required for its activities, to raise the necessary capital or to be fully able to implement its business strategies and other risks associated with the exploration and development of mineral properties.

Although the Company has attempted to identify risks and uncertainties (section 9) that may cause actual actions, events or results to differ materially from those described in Forward-Looking Statements, there may be other factors that cause actual results, performances, achievements or events to not be as anticipated, estimated or intended. Also, many of the factors are beyond the Company's control. As actual results and future events could differ materially from those anticipated in Forward-Looking Statements,

# **West Vault Mining Inc.**

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

### **For the period ended June 30, 2020**

---

readers should not place undue reliance on such statements. Except as may be required by law, the Company undertakes no obligation to publicly update or revise any Forward-Looking Statements, whether as a result of new information, future events or otherwise.

#### **Recent Activities in the Company**

##### ***Consolidation of the Hasbrouck Project***

On August 13, 2020 the Company acquired a 25% interest in the Hasbrouck Project owned by Clover Nevada LLC, a wholly owned USA subsidiary of Waterton Precious Metals Fund II Cayman, LP ("Waterton"). As a result, the Company consolidated 100% ownership of the Hasbrouck Project. To acquire Waterton's interests the Company paid Waterton US\$10 million in cash and issued 1.0 million common shares worth \$1.3 million based on the share price at the time the formal agreements were executed and announced on July 22, 2020. In the event of a change of control of the Company, or the Company sells substantially all of Hasbrouck within six, twelve or eighteen months from the closing of the transaction on August 13, 2020, Waterton will be entitled to a cash payment calculated as a declining percentage of the consideration received in excess of US\$50 million at a rate of 25%, 12.5% or 6.25% respectively.

On August 12 and August 13, 2020 the Company closed a non-brokered private placement and a brokered private placement, both priced at \$1.15 per common share and both first announced on July 22, 2020. The non-brokered private placement, completed with two major shareholders of the Company, closed August 12, 2020 for 8,855,000 common shares and gross proceeds of \$10,183,250. The brokered private placement for 5,520,000 common shares and gross proceeds of \$6,348,000 closed August 13, 2020. Total commissions of \$380,880 were paid on the brokered private placement.

##### ***Name Change and Share Consolidation***

On June 29, 2020 the Company announced that at the Annual General and Special Meeting of Shareholders of the Company held on June 25, 2020 (the "2020 AGM"), West Kirkland's shareholders approved the Company's change of name to "**West Vault Mining Inc.**" with immediate effect. The Company's common shares began trading under the new symbol '**WVM**' on July 2, 2020.

At the Company's 2020 AGM shareholders also approved a reverse split of the Company's common shares and on June 29, 2020 the Company announced it had consolidated its issued and outstanding common shares on the basis of one (1) post-consolidation common share for every ten (10) pre-consolidation common shares. The share consolidation reduced the number of common shares from 425,346,309 to 42,534,631. All share numbers in this MD&A are presented on a post-consolidation basis.

##### ***Permitting Progress***

On August 4, 2020 the Company announced that the public comment period pursuant to the National Environmental Policy Act ("NEPA") process for the Hasbrouck Gold Project's Environmental Assessment ("EA") had concluded. The Bureau of Land Management ("BLM") reported receipt of comment letters at the end of the public consultation period. One letter, from an environmental group, asserts, among other items, that the mine should have been reviewed by the BLM under a more extensive Environmental Impact Statement ("EIS") process rather than as an EA. The BLM subsequently reviewed the comments received and determined no change in process is required. The Company believes that the environmental approvals process for Hasbrouck has conformed to NEPA requirements and has been performed in close consultation with the BLM. The Company anticipates receiving final federal permits for the Hasbrouck Mine in the months ahead. The Three Hills Mine has already been granted federal and state permits.

**West Vault Mining Inc.**  
**Management's Discussion and Analysis**  
For the period ended June 30, 2020

**Company Objectives**

On August 12, 2019 the Company announced a revised strategic plan to amplify the Company's strengths while reducing holding costs and dilution risks for shareholders. Key objectives of the Company's revised strategic plan include:

- Holding permitted gold reserves in Nevada;
- Minimizing holding and overhead costs;
- Protecting and enhancing shareholder value;
- Developing the Hasbrouck Gold Project when market conditions are compelling and financial risks are low; and
- Returning capital to shareholders.

**Discussion of Operations and Financial Results**

**1. Results of Operations**

***For the six month period ended June 30, 2020***

For the period ended June 30, 2020, the Company incurred a net loss of \$270,946 (June 30, 2019 - \$226,164). Throughout 2019 and into 2020 expenditures have been limited largely to permitting the Hasbrouck Project with \$426,785 having been spent in the current period as compared to \$604,562 in the prior comparable period. Comprehensive income during the period totaled \$1,932,625 (June 30, 2019 - \$2,046,777 loss) with gain largely caused by a 5% increase in value of the US Dollar as compared to the Canadian Dollar at December 31, 2019. The Company's mineral properties (the Company's largest asset) are held in subsidiaries with US Dollar functional currencies and are translated to Canadian dollars at the respective period end rates.

***For the three month period ended June 30, 2020***

For the period ended June 30, 2020, the Company incurred a net loss of \$169,771 (June 30, 2019 - \$112,638). Throughout 2019 and into 2020 expenditures have been limited largely to permitting the Hasbrouck Project with \$235,307 having been spent in the current period as compared to \$378,210 in the prior comparable period. Comprehensive loss for the period totaled \$1,902,469 (June 30, 2019 - \$1,023,565) with loss largely caused by a 4% decrease in value of the US Dollar as compared to the Canadian Dollar at March 31, 2020. The Company's mineral properties (the Company's largest asset) are held in subsidiaries with US Dollar functional currencies and are translated to Canadian dollars at the respective period end rates.

**Selected Information**

The following tables set forth selected financial data from the Company's consolidated financial statements and should be read in conjunction with those financial statements.	Three months ended June 30, 2020	Three months ended June 30, 2019	Six months ended June 30, 2020	Six months ended June 30, 2019
Interest Income	\$ 1,696	\$ 5,711	\$ 2,388	\$ 12,746
Comprehensive Loss (Income)	\$ 1,902,469	\$ 1,023,565	\$ (1,932,625)	\$ 2,046,777
Basic and Diluted Loss per Share	\$ 0.00	\$ 0.00	\$ 0.01	\$ 0.01
Total Assets	\$ 45,508,734	\$ 44,145,317	\$ 45,508,734	\$ 44,145,317
Long Term Debt	\$ Nil	\$ Nil	\$ Nil	\$ Nil
Dividends	\$ Nil	\$ Nil	\$ Nil	\$ Nil

**West Vault Mining Inc.**  
**Management's Discussion and Analysis**  
For the period ended June 30, 2020

The following table sets forth selected quarterly financial information for each of the last eight (8) quarters:

<b>Quarter Ending</b>	<b>Interest &amp; Other Income</b>	<b>Net Loss<sup>(a)</sup></b>	<b>Comprehensive Loss (Gain)<sup>(b)</sup></b>	<b>Net Basic Loss per Share</b>
June 30, 2020	\$ 1,696	\$ 169,771	\$ 1,902,469	\$ 0.00
March 31, 2020	\$ 2,388	\$ 101,175	\$ (3,936,269)	\$ 0.00
December 31, 2019	\$ 920	\$ 139,438	\$ 973,542	\$ 0.00
September 30, 2019	\$ 3,233	\$ 1,124,031	\$ 603,544	\$ 0.03
June 30, 2019	\$ 5,711	\$ 112,368	\$ 1,023,565	\$ 0.00
March 31, 2019	\$ 7,035	\$ 113,796	\$ 1,023,212	\$ 0.00
December 31, 2018	\$ 72	\$ 163,467	\$ (2,097,028)	\$ 0.00
September 30, 2018	\$ 1,244	\$ 112,857	\$ 831,383	\$ 0.00

**Notes:**

- a) Quarterly Net Loss is often materially affected by the timing and recognition of large non-cash expenses.
- b) Comprehensive (gain) loss by quarter is often materially affected by changes in foreign exchange rates.

**2. Exploration Programs and Expenditures**

***Hasbrouck Gold Project***

On January 24, 2014 the Company entered into a purchase agreement to acquire 75% of the Hasbrouck and Three Hills properties (together the Hasbrouck Gold Project as defined above) in southwestern Nevada for consideration of US\$20 million from Allied Nevada Gold Corp. ("ANV").

On March 10, 2015 ANV announced that it had filed for Chapter 11 bankruptcy protection in the U.S. and was implementing a financial restructuring of its debt. On June 19, 2015, Waterton Precious Metals Fund II Cayman, LP ("Waterton") acquired all of ANV's exploration properties and related assets (excluding the Hycroft operation) for US\$17.5 million, including the remaining 25% interest in the Hasbrouck Project.

As outlined in the purchase agreement, 100% title to the mineral rights underlying the Hasbrouck Gold Project was transferred into the LLC on September 1, 2016 with the Company retaining its 75% interest and Waterton its 25% interest for ownership and operating purposes.

On August 13, 2020 the Company purchased Waterton's 25% interest for US\$10 million and one million shares of the Company to consolidate 100% of the Hasbrouck Project.

The Hasbrouck Gold Project has been advanced to a pre-feasibility study level. Further details of the pre-feasibility study and permitted progress can be found below.

***Other Properties***

***Hill of Gold***

On November 29, 2016 the Company announced that it had signed a ten-year Mineral Lease and Option to Purchase Agreement (the "HOG Lease") for a 100% interest in the Hill of Gold property near Tonopah, Nevada. The Hill of Gold property is located midway between the Three Hills Mine and the Hasbrouck Mine. The HOG Lease is for ten years and its terms allow for mining and involve annual lease payments as pre-payments on a 2% NSR royalty of US\$25,000 for the first three years and thereafter US\$30,000 per year, with the option of buying the mining claims and royalty for US\$500,000 at any time during the lease

# **West Vault Mining Inc.**

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

### **For the period ended June 30, 2020**

---

term. The most recent lease payment was made in November 2019. The lease is for 25 mining claims on approximately 500 acres of unpatented land.

At Hill of Gold permitting work will be directed at defining an open pit that can add mine life to the permitted Three Hills Mine. Historical drilling at Hill of Gold consisted of 29,926 feet from 83 reverse circulation holes and 6 core holes. The Hill of Gold host rocks and geological setting are similar to those found at the Three Hills deposit.

#### *Royalty on Hasbrouck Gold Project*

On May 9, 2017 the Company announced it had purchased from Newmont an approximate 1.1% NSR royalty on the Hasbrouck Gold Project, plus the rights to US\$1.0 million in payments due upon commercial production at the Hasbrouck Gold Project and the extinguishment of US\$194,000 in existing land fees due to Newmont, in exchange for the Company's TUG property interest (see below for further details). Newmont sold the 1.25% NSR royalty that they retained to Maverix Metals in 2018, which extinguished the Company's right to purchase said 1.25% royalty. The Company now owns for its own account approximately a 1.1% NSR royalty, or 31.4% of the existing 3.5% NSR royalties on the Hasbrouck Gold Project. The existing NSR royalties are over claims hosting the Proven and Probable Reserves and have not been altered by way of this transaction.

#### **Permitting**

##### *Hasbrouck Mine Permitting Update*

The Company has chosen to focus on obtaining federal permits at Hasbrouck Mine as a method of adding to the project value and reducing schedule risk.

The mine plan for the Hasbrouck Mine, as outlined in the 2016 PFS, will require the usual amount of permits for a typical mining operation in Nevada, and is being processed under an EA, which categorization was decided upon by the BLM in March of 2020.

On August 4, 2020, the Company announced the 30-day public comment period for the Hasbrouck Mine EA had closed. The BLM received comment letters at the end of the comment period as part of the NEPA process. One of the letters from an environmental group, asserts, among other items, that the mine should have been reviewed by the BLM under a more extensive EIS process rather than the current EA. The BLM has indicated they intend to proceed under the current EA process.

The Company submitted the Hasbrouck Mine Plan of Operation to the BLM in September 2017. There are no identified biological, cultural, hydrology, or geochemistry issues that would delay or disrupt the timely process of applications for permits. The Company has continued work towards the completion of permitting at Hasbrouck Mine in advance of the completion of project financing and the commencement of construction at Three Hills Mine, reducing the time gap between the commencement of production at Three Hills Mine and completion of permitting at Hasbrouck Mine. The Company anticipates receiving final federal permits for the Hasbrouck Mine in the months ahead.

##### *Three Hills Mine Permitting Update*

On November 27, 2015 the Company announced the receipt of a positive Decision Record and Finding of No Significant Impact for the federal EA of the Three Hills Mine. The receipt of the positive Decision Record signified completion of the NEPA process and EA process and was the final major permitting step necessary for construction at the Three Hills Mine to begin. The last key state permit necessary for construction and operation at the Three Hills Mine was issued in June 2016.

Three Hills Mine was assessed under an EA rather than the lengthier and costlier EIS due to its footprint being less than a square mile and the absence of "significant impacts" as determined by the BLM. West

# **West Vault Mining Inc.**

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

**For the period ended June 30, 2020**

---

Vault plans to operate the Three Hills Mine for at least two years which allows time to build the Hasbrouck Mine. Hasbrouck Mine's capital costs are projected at a gold price of \$1,275 to be largely if not entirely funded by cash flow from the Three Hills Mine. The possibility exists that the ore body at Three Hills Mine can be extended through exploration performed while under construction and in operation, which would generate additional cash flow over and above that required for construction of the Hasbrouck Mine. Drilling completed in 2017 did not yield further economically recoverable ore.

### ***Hasbrouck Gold Project Updated Pre-feasibility Study***

The Hasbrouck Gold Project's base case, as reported in the 2016 PFS, has an after-tax IRR of 43% and a US\$120 million after-tax NPV at a 5% discount rate (NPV 5%) at a US\$1,275/oz gold price and a US\$18.21/oz silver price (all figures are based on 100% of the project). Processing is planned at an average 6.1 million ore tons per year for an average of 74,000 ounces annual gold-equivalent production for eight years.

In the 2016 PFS base case a Carbon-In-Columns ("CIC") plant will be installed at the Three Hills Mine. Gold loaded on carbon at the Three Hills Mine will be stripped by an off-site contractor, regenerated and returned. In contrast an Adsorption-Desorption-Recovery plant (ADR) complete with CIC will be installed at the Hasbrouck Mine, necessary due to the greater amount of silver and mercury in that deposit which effectively eliminates the option of shipping loaded carbon off-site for stripping.

Initial capital to construct the Three Hills Mine is estimated at US\$47 million. Further capital expenditures of \$83 million to construct the larger Hasbrouck Mine are modelled to come from free cashflow from operations at the Three Hills Mine.

The 2016 PFS includes a timeline which shows the Three Hills Mine operating for approximately two years followed by six years of operations at the Hasbrouck Mine to produce 594,000 equivalent gold ounces over eight years. The life of mine stripping ratio will be 1:1. Adjusted Operating Costs net of by-products as defined by the World Gold Council will be US\$661 per ounce of gold, with All-in Sustaining Costs net of by-products of US\$709 per ounce of gold.

Three Hills Mine is planned as a run-of-mine heap-leach operation using conventional open pit, truck-and-shovel mining. Run-of-mine ore will be placed on the leach pad at 15,000 tons per day. A large-scale metallurgical test using a 20 ton sample of representative un-crushed ore predicted 81.5% gold recovery at the Three Hills Mine.

The Hasbrouck Mine is designed as a 17,500 ton-per-day heap-leach operation. Crushing will be by a primary jaw crusher, two secondary cone-crushers, and a tertiary high-pressure grinding roll ("HPGR"). Crushed product will be agglomerated with cement in a pug mill and conveyed to a leach pad. Metallurgical tests on Hasbrouck Mine ore in a lab-scale HPGR predict that using an HPGR for tertiary crushing will result in a gold recovery of 74% and silver recovery of 11%. Gold and silver will be leached using an industry-standard dilute cyanide solution which will then be passed through carbon columns to extract the dissolved precious metals.

The 2016 PFS National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101") compliant technical report was filed on SEDAR on September 15, 2016. The filed report is entitled "Technical Report and Updated Preliminary Feasibility Study: Hasbrouck and Three Hills Gold-Silver Project, Esmeralda County, Nevada," is dated September 14, 2016 and was prepared by Thomas L. Dyer, P.E. and Paul Tietz, C.P.G. of Mine Development Associates ("MDA") of Reno, Nevada, who are WKM's Independent Qualified Persons as defined under NI 43-101. A copy of the report can be found at [www.sedar.com](http://www.sedar.com) and on the Company's website. This latest technical report is an update to the earlier 2015 PFS technical report dated effective June 19, 2015, which was prepared by the same Qualified Persons as the 2016 PFS. Mineral Resource and Reserve estimates have not changed since June 19, 2015.

**West Vault Mining Inc.**  
**Management’s Discussion and Analysis**  
For the period ended June 30, 2020

---

**Water**

Water for the first-phase Three Hills Mine will be obtained from a well that will be sunk on the mine property just north of the Three Hills Mine open pit. Historic reports of strong water inflows into several underground mines at the location of the intended well provide good hydrogeological evidence that such a well will be sufficiently productive.

To allow the legal appropriation of groundwater, the Company leased a water right from Liberty Moly LLC (“Liberty Moly”) on February 21, 2017, which allows the Company to appropriate ground-water at the Three Hills Mine. Liberty Moly holds certain water rights which allow it to appropriate groundwater within Hydrographic Basin 137a for use at their Liberty Moly project, located 30 km north of WKM’s Hasbrouck Gold Project. The lease allows WKM to appropriate 800 acre feet of groundwater annually at a diversion rate of 1.522 cubic feet per second (500 gallons per minute). The quantity of water leased by WKM is a small portion of Liberty Moly’s aggregated water rights of 6,200 acre feet annually and is sufficient for WKM’s water needs at both the Three Hills Mine and Hasbrouck Mine.

As initial compensation for the leased water rights, WKM issued to Liberty Moly US\$100,000 worth of WKM common shares (1,454,778 common shares) at a price of \$0.09 per share calculated on the last closing price of one WKM common share on the TSXV on February 13, 2017, converted into U.S. dollars based on the noon buying rate reported by the Bank of Canada on February 14, 2017. On each anniversary date during the term of the Lease, WKM is to pay Liberty Moly either US\$10,000 in cash or the equivalent value in common shares calculated by dividing US\$10,000 by the last closing price of one WKM common share on the TSXV immediately preceding the anniversary date, converted into U.S. dollars based on the foreign exchange rate reported by the Bank of Canada on the applicable payment anniversary. Accordingly, 179,446 shares were issued to Liberty Moly on March 2, 2018 and 204,582 shares were issued to Liberty Moly on April 5, 2019 to settle the US\$10,000 owed on each anniversary date. US\$10,000 was paid to Liberty Moly in April 2020.

Water for the Hasbrouck Mine will come from the aforementioned well that will be installed at the Three Hills Mine, and which will be piped from Three Hills Mine to the Hasbrouck Mine via a 5-mile, 12-inch diameter pipeline, to be installed on public land. Pumping costs will be minimal as Hasbrouck Mine is at approximately 700 ft lower elevation than Three Hills Mine.

The Three Hills and Hasbrouck Mines are located in different hydrographic basins. Approval to transfer water from one basin to another is required under Nevada regulations; such approval was obtained from Nevada’s state engineer in early 2019. Approval to pipe water from the Three Hills Mine to the Hasbrouck Mine eight km to the south effectively finalizes the Company’s water supply plans for the project as a whole.

**Hasbrouck Gold Project Resources**

No change to Mineral Resources or Reserves has occurred since the 2015 PFS. Resources reported below are as at November 3, 2014 and are inclusive of Reserves and are based on 100% of the project.

<b>Hasbrouck Deposit Reported Mineral Resources* November 3, 2014, Mine Development Associates (0.006oz AuEq/ton Cutoff)</b>					
<b>Class</b>	<b>Tons</b>	<b>oz Au/ton</b>	<b>oz Au</b>	<b>oz Ag/ton</b>	<b>oz Ag</b>
Measured	8,261,000	0.017	143,000	0.357	2,949,000
Indicated	45,924,000	0.013	595,000	0.243	11,147,000
M+I	54,185,000	0.014	738,000	0.260	14,096,000
Inferred	11,772,000	0.009	104,000	0.191	2,249,000
Notes: oz AuEq/ton = oz Au/ton + (oz Ag/ton x 0.000417)					



**West Vault Mining Inc.**  
**Management's Discussion and Analysis**  
For the period ended June 30, 2020

<b>Three Hills Reported Mineral Resources* August 4, 2014, Mine Development Associates (0.005oz Au/ton Cutoff)</b>			
<b>Class</b>	<b>Tons</b>	<b>oz Au/ton</b>	<b>oz Au</b>
Indicated	10,897,000	0.017	189,000
Inferred	2,568,000	0.013	32,000

**Notes:**

- CIM definitions are followed for classification of Mineral Resources.
- Mineral Resources are estimated using a gold price of US\$1,300 per oz and a silver price of US\$22 per oz.
- Totals may not represent the sum of the parts due to rounding.
- The Mineral Resources have been prepared by Paul Tietz, C.P.G of Mine Development Associates in conformity with CIM "Estimation of Mineral Resource and Mineral Reserves Best Practices" guidelines and are reported in accordance with the Canadian Securities Administrators NI43-101. Mineral resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all Mineral Resource will be converted into Mineral Reserve.

**Hasbrouck Gold Project Reserves**

The 2015 PFS, Mineral Resource and Mineral Reserves Estimates were prepared in conformance with NI 43-101 by Mine Development Associates of Reno, Nevada ("MDA"). Proven and Probable Reserves (based on 100% of the project) are 45.3 million tons containing 762,000 ounces gold and 10.6 million ounces silver and are detailed below:

<b>Hasbrouck Gold Project Reserves* June 3, 2015, Mine Development Associates <sup>(1, 2)</sup></b>							
<b>Three Hills</b>			<b>K tons</b>	<b>Grade (oz Au/ ton)</b>	<b>K oz Au</b>	<b>oz Ag/ton</b>	<b>K oz Ag</b>
0.005 Au cutoff	opt	Proven	-	-	-	-	-
		Probable	9,653	0.018	175	-	-
		P&P	9,653	0.018	175	-	-
<b>Hasbrouck</b>							
Variable <sup>(3)</sup>		Proven	6,242	0.020	127	0.410	2,562
		Probable	29,374	0.016	461	0.273	8,007
		P&P	35,617	0.017	588	0.297	10,569
<b>Total Hasbrouck Gold Project</b>							
Variable <sup>(3)</sup>		Proven	6,242	0.020	127	0.410	2,562
		Probable	39,028	0.016	635	0.205	8,007
		P&P	45,270	0.017	762	0.233	10,569

**Notes:**

- The estimation and classification of Proven and Probable Reserves have been prepared by Thomas L. Dyer, P.E., of Mine Development Associates following CIM standards.
- Reserves are estimated based on \$1,225/oz gold and \$17.50/oz silver.
- Cutoff grades used for reserves are: Three Hills 0.005 oz Au/ton, Hasbrouck Upper Siebert 0.008 oz Au/ton, and Hasbrouck Lower Siebert 0.007 oz Au/ton.
- It is MDA's opinion that the sampling, assaying, and security procedures used at Three Hills and Hasbrouck follow industry standard procedures and are adequate for the estimation of the current Mineral Reserves.

**West Vault Mining Inc.**  
**Management's Discussion and Analysis**  
For the period ended June 30, 2020

5. MDA completed audits of the database, performed a site visit, reviewed QAQC data and confirmed historic assays. After performing their review, they consider the assay data to be adequate for the estimation of the current Mineral Reserves.
6. MDA has reviewed and verified the data disclosed in the above table to be in conformity with generally accepted CIM "Estimation of Mineral Resource and Mineral Reserves Best Practices" guidelines in accordance with NI 43-101.

**3. Liquidity and Capital Resources**

On August 12 and August 13, 2020 the Company closed both a non-brokered private placement and a brokered private placement of common shares whereby the Company issued 14,375,000 common shares at a price of \$1.15 per share for gross proceeds of \$16,531,250. After purchasing the remaining 25% of the Hasbrouck Project, including a payment to Waterton of US\$10.0 million in cash as described above, the Company currently has approximately \$2.8 million in cash.

The Company has no sources of operating income at present. The Company's ability to continue as a going concern is dependent upon its ability to raise funds primarily through the issuance of shares or through obtaining alternative financing, in which it has been successful in the past. In addition, if the Company is to begin construction on the Hasbrouck Gold Project, it will be necessary to obtain additional financing. If the Company is unable to obtain this additional financing, management may be required to curtail development at the Hasbrouck Gold Project. The Company has proactively taken steps to lower its overhead, staff costs and its land-holding costs to conserve working capital.

The financial statements are prepared on the basis of a going concern which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. If the Company was unable to continue as a going concern, there would be changes in the carrying amounts of assets and liabilities and the statement of financial position classifications used.

**4. Off Balance Sheet Arrangements**

The Company does not have any special purpose entities nor is it party to any arrangements that would be excluded from the balance sheet.

**5. Transactions with Related Parties**

The Company paid remuneration for the following items with companies related by way of directors in common:

	<b>3 months ended June 30, 2020</b>	3 months ended June 30, 2019	<b>6 months ended June 30, 2020</b>	6 months ended June 30, 2019
General Administration	\$ 6,000	\$ 6,000	\$ 12,000	\$ 12,000
Accounting fees	12,000	12,000	24,000	24,000
Rent	6,282	6,282	12,564	12,564
Directors Fees	34,250	27,953	49,250	42,953
<b>Total Related Party Transactions</b>	<b>\$ 58,532</b>	<b>\$ 52,235</b>	<b>\$ 97,814</b>	<b>\$ 91,517</b>

For the six month period ended June 30, 2020 the Company accrued and paid \$12,000 (June 30, 2019 - \$12,000) for day-to-day administration, reception and secretarial services and \$24,000 (June 30, 2019 - \$24,000) for accounting services; and \$12,564 (June 30, 2019 - \$12,564) for rent to Platinum Group Metals Ltd., a company related by virtue of common directors and officers. Amounts payable at period end include an amount of \$9,044 payable to Platinum Group Metals (December 31, 2019 \$36,234).

# **West Vault Mining Inc.**

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

**For the period ended June 30, 2020**

---

These transactions are in the normal course of operations and are measured at the exchange amount of consideration established and agreed to by the parties.

### **6. Proposed Transactions**

As is typical of the mineral exploration and development industry, the Company periodically reviews potential merger, acquisition, investment, joint venture and other opportunities that could enhance shareholder value.

### **7. Critical Accounting Estimates**

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Management has identified (i) mineral property acquisition and deferred exploration costs (ii) provision for environmental reclamation and closure costs, (iii) deferred tax provision (iv) share-based compensation and (v) recoverability of its interest in mineral properties as the main estimates for the following discussion. Please refer to Note 2 of the Company's 2019 audited annual consolidated financial statements for a description of the significant accounting policies and critical accounting estimates.

Under IFRS, the Company defers all costs relating to the acquisition and exploration of its mineral properties. Any revenues received from such properties are credited against the costs of the property. When commercial production commences on any of the Company's properties, any previously capitalized costs would be charged to operations using a unit-of-production method. The Company reviews the carrying value of its mineral properties for recoverability when events or changes in circumstances indicate that the properties may be impaired. If such a condition exists and the carrying value of a property exceeds the estimated net recoverable amount, provision is made for impairment in value.

The existence of uncertainties during the exploration stage and the lack of definitive empirical evidence with respect to the feasibility of successful commercial development of any exploration property does create measurement uncertainty concerning the estimate of the amount of impairment and related fair value of any mineral property. The Company relies on its own or independent estimates of further geological prospects of a particular property and also considers the likely proceeds from a sale or assignment of the rights before determining whether or not impairment in value has occurred.

Environmental reclamation and closure costs have been estimated based on the Company's interpretation of current regulatory requirements, however changes in regulatory requirements and new information may result in revisions to estimates. The Company recognizes the fair value of liabilities for reclamation and closure costs in the period in which they are incurred. A corresponding increase to the carrying amount of the related assets is generally recorded and depreciated over the life of the asset.

The deferred tax provision is based on the liability method. Future taxes arise from the recognition of the tax consequences of temporary differences by applying enacted or substantively enacted tax rates applicable to future years to differences between the financial statement carrying amounts and the tax bases of certain assets and liabilities. The Company does not recognize any deferred tax assets unless it is probable that the deferred tax amount will be realized in the foreseeable future.

### **8. Financial Instruments and Other Instruments**

The Company has designated its cash, accounts receivable and reclamation bonds as fair value through profit and loss, all of which are adjusted for current exchange rates as applicable. Trades payable and other liabilities are recorded and measured at amortized cost. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from financial

# **West Vault Mining Inc.**

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

### **For the period ended June 30, 2020**

---

instruments. The fair value of these financial instruments approximates their carrying value due to their capacity for prompt liquidation.

## **9. Risks and Uncertainties**

### Impact of COVID-19

COVID-19 was declared a worldwide pandemic by the World Health Organization on March 11, 2020. The speed and extent of the spread of COVID-19, and the duration and intensity of resulting business disruption and related financial and social impact, are uncertain. Further, the extent and manner to which COVID-19, and measures taken by governments, the Company or others to attempt to reduce the spread of COVID-19, may affect the Company and cannot be predicted with certainty.

COVID-19 and the related measures taken by government have had and may continue to have an adverse impact on many aspects of the Company's business including, employee health, workforce productivity and availability, travel restrictions, contractor availability, supply availability, the Company's ability to maintain its controls and procedures regarding financial and disclosure matters and the availability of insurance and the costs thereof, some of which, individually or when aggregated with other impacts, may be material to the Company.

In addition, the actual or threatened spread of COVID-19 globally, and responses of governments and others to such actual or threatened spread, could also have a material adverse effect on the global economy, could continue to negatively affect financial markets, including the price of gold and the trading price of the Company's shares, could adversely affect the Company's ability to raise capital, and could cause continued interest rate volatility and movements that could make obtaining financing more challenging or more expensive.

### Other Risks and Uncertainties

The Company's securities should be considered a highly speculative investment and investors should carefully consider all of the information disclosed in the Company's Canadian regulatory filings prior to making an investment in the Company. For a discussion of risk factors applicable to the Company, see the section entitled "Risk Factors" in the Company's most recent annual information form filed with the Canadian provincial securities regulators.

Without limiting the foregoing, the most significant risks and uncertainties faced by the Company are: the inherent risk associated with mineral exploration and development activities; the uncertainty of mineral resources and their development into mineable reserves; uncertainty as to potential project delays from circumstances beyond the Company's control; as well as title risks; political risks; risks associated with fluctuations in foreign exchange rates; risks associated with fluctuations in metal prices; risks associated with the possible failure to obtain mining licenses and/or obtain the capital required for project and mine development.

## **10. Disclosure on Internal Controls**

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

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), this Venture Issuer Basic Certificate does

# **West Vault Mining Inc.**

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

**For the period ended June 30, 2020**

---

not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of: i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's accounting policies.

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

### **11. Outstanding Share Data**

The Company has an unlimited number of common shares authorized for issuance without par value. On June 29, 2020, the Company completed a consolidation of its common shares on the basis of one new share for ten old shares (1:10). At June 30, 2020 there were 42,534,630 common shares outstanding and 1,397,500 incentive share options outstanding. At present, the Company has 57,936,630 shares outstanding, 2,957,500 options and 331,200 broker warrants outstanding.

### **12. Outlook**

Now that the Company has consolidated 100% ownership of the Hasbrouck Gold project the Company plans to continue following a very focused strategy to add value with low risk. The Company is pursuing the final permit for the second phase, larger Hasbrouck open pit deposit. The Company anticipates receiving final federal permits for the Hasbrouck Mine in the months ahead. Currently, permits are in place for the phase one Three Hills open pit deposit. Heap leach recovery test work and baseline work for Hasbrouck open pit, crushing circuit and heap leach pad is largely complete.

The Company believes that the completion of permitting is a low risk path to add project value. A fully federally permitted open pit heap leach mine with good margins and a low strip ratio, in Nevada, is a rare asset. The Company reserves are of sufficient size for a standalone operation as outlined in the PFS and additional resources could be detailed during construction or operation.

The Company will continue to follow government health directives in the months ahead and will make the health and safety of employees and contractors its first priority. The Company plans to continue with its permitting progress while reducing costs where possible in this period of market uncertainty.

The price of gold has shown considerable improvement from the US\$1,275 per ounce level of the baseline assumptions of the Hasbrouck PFS.

The Company is currently considering steps to become more active in operational readiness and attracting investor interest as the gold price has moved up in 2020.

### **Approval**

The Board of Directors of West Vault Mining Inc. has approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.

**West Vault Mining Inc.**  
**Management's Discussion and Analysis**  
For the period ended June 30, 2020

---

**List of Directors and Officers:**

Directors: R. Michael Jones  
Pierre Lebel  
Kevin Falcon  
Peter Palmedo

Officers: R. Michael Jones (President and Chief Executive Officer)  
Frank Hallam (Chief Financial Officer and Corporate Secretary)  
Sandy McVey (Chief Operating Officer)