



(An Exploration Stage Company)

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE-MONTH PERIODS ENDED DECEMBER 31, 2020 AND 2019

The following Management Discussion and Analysis ("MD&A") prepared by the management of EnGold Mines Ltd. (the "Company", "EnGold") as at December 31, 2020, should be read in conjunction with the Company's condensed interim financial statements for the period ended December 31, 2020 and the annual audited financial statements for the year ended September 30, 2020 and related notes attached thereto which are prepared in accordance with International Financial Reporting Standards. Certain statements included or incorporated by reference in this MD&A constitute forward-looking statements or forward-looking information under applicable securities legislation. These forward-looking statements are not guarantees of future performance and involve risk and uncertainties, which could cause actual results to differ materially from those anticipated. The Company expressly disclaims any obligation to update forward-looking statements unless so required by applicable laws. The information in this MD&A is current as of March 1, 2021.

These statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement. In particular, this MD&A contains forward-looking statements, pertaining to the following:

1. capital expenditure programs;
2. development of resources;
3. expectations regarding the Company's ability to raise capital;
4. expenditures to be made by the Company to meet certain work and flow-through commitments; and
5. work plans to be completed by the Company.

With respect to forward-looking statements listed above and contained in the MD&A, the Company has made assumptions regarding, among other things:

1. the British Columbian legislative and regulatory environment;
2. the impact of increasing competition;
3. unpredictable changes to the market prices for minerals;
4. anticipated results of exploration activities; and
5. the Company's ability to obtain additional financing on satisfactory terms.

The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this MD&A:

1. volatility in the market prices for minerals;
2. uncertainties associated with estimating resources;
3. geological, technical, drilling and processing problems;
4. incorrect assessments of the value of acquisitions;
5. unanticipated results of exploration activities; and
6. unpredictable weather conditions.

All dollar amounts are expressed in Canadian dollars unless otherwise indicated. Note that additional information related to the Company is available on SEDAR at www.sedar.com.

1. Nature of Operations and Overall Performance

Description of Business

EnGold Mines Ltd. is incorporated under the Business Corporations Act (British Columbia) and is listed on the TSX Venture Exchange under the trading symbol "EGM". The Company changed its name pursuant to a shareholders' resolution passed at the Company's Annual General Meeting held April 22, 2016.

The Company is a mineral exploration company whose sole focus is the exploration of the Lac La Hache property located approximately 17 kilometres northeast of the town of Lac La Hache in south central BC (the "Property"). The Property is accessed by approximately 30 kilometres of all-weather logging roads. Lac La Hache is located on BC Highway 97 approximately 65 Kilometres south of Williams Lake, and is well served by rail, road and power infrastructure. Operations on the Property may be carried out 12 months of the year. The Company has accumulated the Property and conducted exploration since 1988.

Exploration Program and Results

Lac La Hache Property

A drill program underway in Q4, 2020 (previously reported, 5 holes, 2,423 m) continued into Q1-2020-2021 until October 27, 2020. During the current reporting period October 1, 2020 through December 31, 2020 this work resulted in increased exploration expenditure (\$229,461) relative to the period ended December 31, 2019 (\$64,533) and included diamond drilling of 1,161 m in 2 holes at the G1 Prospect plus 2 holes in the Road Gold Prospect.

Previous Work (2015-2019)

During the year ended September 30, 2015, management decided that the most compelling prospect on the Property was the Aurizon South zone, which previously had yielded significant high-grade gold copper values over potentially underground minable widths. During the fourth quarter of fiscal 2015, EnGold Mines Ltd completed a \$400,000 flow-through equity financing and commenced a 2,600 metres diamond drilling program targeting the Aurizon South. The program was completed in two phases, one of which was completed subsequent to year end. Results confirmed and expanded the known high-grade gold/copper zones.

During the three-month period ended December 31, 2016, EnGold completed 12 drill holes comprising 3,851.5 metres with continued high-grade gold and copper results, 11 holes of which targeted the Aurizon South. The continued encouraging results enabled the company to raise an additional \$1,100,000 in flow-through funding in December 2016, which was earmarked for further Aurizon South drilling during the year ended September 30, 2017.

Also during the 2016 campaign, visible-gold-bearing quartz veins were discovered for the first time on the project, intersected in drill cores at Aurizon South at shallow and intermediate depths. At least one very well mineralized vein has been exhumed in surface trenching, where several localized grab samples from the 15 cm wide vein assayed multi-ounces of both gold and silver and many percent copper. While the currently known veins do not add significant tonnes to the Aurizon resource, they represent bonanza grades, with high potential for discovery of additional veins.

Encouraging results from several drilling campaigns at Aurizon South prompted the Company to initiate a formal 43-101 resource estimate, which was announced on January 19, 2018. The maiden, base-case Aurizon South inferred resource estimate, using a 2.5 gpt cut-off grade, totals 1,073,000 tonnes grading 3.6 gpt gold equivalent containing 124,206 ounces of gold equivalent. For detailed disclosures related to the assumptions underlying this resource disclosure, please see the Company's news release available via its website (www.engold.ca). A Technical Report disclosing full particulars of the resource prepared in accordance with NI43-101 has been filed on www.sedar.com.

The Aurizon resource represents the second zone for which a maiden resource exists within the project, following the first completed in 2012 at Spout Deposit.

In addition to successful drill results at Aurizon South, in 2015 EnGold identified a new zone of porphyry copper mineralization named the Berkey Zone. The Berkey Zone is located west of the Ann North prospect and exhibits disseminated copper grades in the 0.4 % range within host rocks geologically similar to large orebodies in the region.

2017 Discovery

In September 2016, drilling logistical issues at Aurizon South prompted the Company to commence a vertical hole centered within an anomaly defined by a 2015 ground gravity test survey. DDH G16-01 was drilled to a depth of 136.6 m, then halted to support continued drilling at Aurizon South. This initial gravity anomaly test hole was not completed until February 2017, where it intersected a significant new 27 m true thickness copper-magnetite (gold-silver) zone at a depth of 337 m. Striking geological similarities between the new zone and existing Spout Resource located 1800 m to the north-west suggested the two may be genetically related and possibly hosted within the same Nicola volcano-stratigraphic sedimentary strata.

The downhole uniformity of the "G1 Discovery" mineralization and high grades (27 m grading 1.76 % Cu, 0.27 gpt Au, 10.29 gpt Ag, 35.8 % Fe, and including 14 m grading 2.09 % Cu) were duplicated in many subsequent drill holes completed in a 50 m step-out pattern. A total of 30 vertical drill holes were completed at G1 as of March 31, 2018. The maximum true thickness to date within the sub-horizontal, stratiform, carbonate replacement-style zone was intersected in DDH G17-16 (43.45 m grading 1.31 % Cu, 0.20 gpt Au, 4.06 gpt Ag and 31.14 % Fe and including 24 m grading 1.67 % Cu). At that time, the G1 Zone defined an irregular, crudely elliptical polygon measuring approximately 320 m NE-SW by 130 m NW-SE, with a thicker (43.5 m to date), NE-SW trending axis, narrowing outwards. Boundaries were defined by narrow or low-grade intersections in several peripheral holes, based on large 50 m step-outs, allowing possible extensions in several directions. Of particular note, the thickest intersection in DDH G17-16, did not extend to holes spaced 50 and 71 m to the north, east or northwest, providing valid drill targets between those

initial step-outs in order to locate the zone edge and determine the nature of the boundary (see 2020 drilling summary, below).

To support improved geological understanding and drill targeting, regional and very detailed ground gravity surveying was completed in 2017 by Excel Geophysics, Edmonton. A detailed airborne gravity/magnetic survey was also completed by Sander Geophysics, Ottawa. In addition to maps provided by the contractors, digital data from both airborne and ground surveys were further processed to produce 3D shapes by geophysical consultant Trent Pezzot. These results were then modeled as 3D isosurfaces for viewing and incorporation with other 3D data by EnGold's VP Exploration.

Collectively, the gravity anomalies define a 6 km long trend extending from the Spout Resource across the property to the east-southeast, to the limit of the ground survey sites. Only three of approximately 9 gravity anomalies defined by these surveys were drill tested by a single drill hole, with negative results, but these contribute to a better general understanding of the significance of the anomalies. Future drilling is warranted, both within the three "one-hole" anomalies and within the remaining 6 anomalies.

The field exploration program was interrupted for ten weeks during July to September 2017 by extreme forest fire activity throughout the Cariboo region of BC. Although the Lac La Hache project area was not directly affected by fire, hot and dry conditions and related extreme fire danger required the Company to cease operations in compliance with the BC Wildfire Act with respect to high-risk activities.

Drilling to extend and infill the G1 zone continued until December 9, 2017. Four holes were completed (G17-37, G17-38, G17-39 and G17-40) including two located midway between large, 71m step-outs along the central, thicker axis of the zone. These holes intersected much thicker mineralization than was previously drilled in the nearest holes, demonstrating the value of in-fill between the offset 50 m-spaced initial pattern of drilling.

In 2018, additional geophysical methods were completed at G1. These included experimental borehole and surface Induced Polarization surveys, borehole electromagnetic methods and detailed ground magnetic surveys, to complement the existing geophysical model at G1 and to support improved exploration along the G1 axis and in the 1800 metre gap between G1 and Spout Deposit. The new data delineated the previously undefined western part of the historical, Peach Melba IP anomaly, a high intensity (up to 38 mV/V) and large (1500 m x 1000 m) IP chargeability anomaly located approximately 1000 m east of G1. (Reinterpretation in 2020 based on the IP data, drill results and our existing geological exploration model suggests the IP anomaly may relate to porphyry system east of G1 Zone, as described below.)

Detailed B-soil geochemical sampling was completed in 2018 over the gold-copper-rich quartz veins on surface at Aurizon South, west of the main Aurizon South Deposit structure. Results provided prospecting focus which lead to discovery of new gold bearing quartz veins and silicified zones on surface, just west of the Aurizon Deposit structure. All 7 short follow-up drill holes (484 m total) encountered mineralization, with the best intercepts being AZS18-69 which cut 12.75 gpt Au, 7.5 gpt Ag & 0.27% Cu over 1.64 m within a larger intercept grading 5.82 gpt Au, 5.47 gpt Ag & 0.16% Cu over 3.9 m, and AZS18-68 that cut 13.60 gpt Au, 12.60 gpt Ag & 1.87% Cu over 0.94 m. AZS18-68 also cut another intercept further down the hole, grading 5.12 gpt Au, 2.40 gpt Ag & 0.05% Cu over 2.18 m. Intercepts are reported as core lengths as the true width of the mineralized zones has not yet been determined.

Also during 2018, EnGold Joint Operation partner Pacific Empire Minerals Corp. ("PEMC") carried out a program of relatively shallow reverse circulation on the Red Property, where a total of 8 shallow holes totaling 403 metres were drilled, ranging from depths of 27.5 metres to 94.5 metres. No significant copper mineralization was encountered, and results suggest the IP chargeability is due to graphite within a volcano-sedimentary unit at shallow depths. The work on the Red Property was funded solely by PEMC with no dilution to EnGold.

2019 Discovery

2019 summer/fall drilling at Aurizon South Deposit included two holes designed to test extensions of previous high-grade gold results, at the northern end of the Deposit. One of the holes, AZS19-80, intersected 6.18 gpt gold, 0.8 % copper and 2.63 gpt silver over 4.55 metres, including 13.9 gpt gold, 1.55 % copper and 4.8 gpt silver over 0.72 metres. The summer 2019 program also included an extensive B-soil geochemistry survey that revealed large and significant new areas of interest at Aurizon West, 8000 Area, Jodie Prospect and the Scorpio porphyry-Mo prospect.

2020 Summary

The first of several holes designed to explore deep beneath existing prospects on the project commenced March 2, 2020 at the Ann North prospect (hole AN20-01), where shallow (<350m) historical (pre-2005) drilling intersected chalcopyrite and trace bornite within hydrothermal breccias and fractures (DDH 00-15 cut 125 m grading 0.2 % Cu, 0.3 gpt Au; DDH 00-16 cut 210 m grading 0.16 % Cu, 0.12 gpt Au; DDH 04-19 cut 105 m grading 0.29 % Cu, 0.33 gpt Au). The copper-gold-silver zone lies within a pronounced magnetic low, coincident with a central IP low and

surrounded by higher IP values where copper-poor pyrite was intersected at shallow levels. 3-D modeling of the IP data suggests the IP low dips roughly 75-80 degrees to the west, in keeping with structural evidence of a 15 degree tilt of the entire project geological package.

Concerns for worker safety and related travel restrictions related to Covid-19 prompted suspension of drilling at 604 m on March 19. Geologically, this hole provided encouragement, intersecting quartz-bearing intrusive phases not seen elsewhere on the project except at Ann North, with intense potassic alteration, sparsely distributed, narrow hydrothermal breccia veins, quartz-sulphide veins with chalcopyrite, bornite and tentatively identified chalcocite, and disseminated and vein-hosted molybdenite (latter not observed elsewhere within the 10-km mineralized corridor at Lac La Hache). A wider (20 cm core length) quartz-carbonate-sulphide vein carried 2.11 % Cu, 0.63 gpt Au and 6.3 gpt Ag. At that time, alteration appeared to be weakening towards the bottom of the incomplete hole, which contained traces of chalcopyrite and bornite.

Drilling within AN20-01 resumed August 12, 2020 and was drilled to 804 m downhole. Unfortunately, the lower 200 m of the hole continued to be less mineralized/altered than the upper portion, suggesting the hole skirted under and south of the north-dipping zone defined by historical drilling. The Company believes additional deep drilling is warranted here, and at other untested locations below existing at-or-near-surface porphyry mineralization.

Drilling at G1 Prospect during the current period included four holes, 3 targeting extensions of the thickest true-width to date in hole G17-16 and 1 testing extension of the Prospect to the southeast. Results were successful in both areas. Hole G20-46, located 20 m northeast of hole G17-16, cut 15.43 m grading 1.6% Copper Equivalent (CuEq)* within a broader 34.46 m mineralized interval grading 1.02 % CuEq. Hole G20-47, located 20 m southeast of G17-16, cut 22.4 m grading 1.43 % CuEq within a broader 38.6 m interval grading 1.05 % CuEq. Hole G20-48, collared 20 m northwest of G17-16, encountered a narrow vertical intrusive dike throughout the expected mineralized interval and thus was not sampled. Holes G20-46 and G20-47 successfully confirmed extension of mineralization encountered in G17-16, which cut 43.45 m of 1.54% CuEq.

Hole G20-49 was collared to test a previously undrilled area in the southeastern side of G1 Zone, where previous wide-spaced drilling suggested the zone narrowed. Results within this 50 m step-out exceeded expectations, extending the semi-massive stratiform mineralization typical of the G1 "Main zone" (20.3 m grading 0.81 % Cu), but also cutting a significantly broader, lower-grade interval stratigraphically above the Main zone, totalling 215 m grading 0.3 copper equivalent. The new-style of magnetite-chalcopyrite-pyrite carbonate replacement occurs within silty-sandy bedded, calcsilicate-altered volcanoclastic sediments.

Q4-2020 - 2021 Summary

G1 Prospect

Two additional 50-m step-outs from G20-49 were completed at G1 Prospect during the current reporting period in holes G20-50 and G20-51 (489.5 and 489.8 m, respectively). Results indicate that the thick intercepts of semi-massive magnetite and chalcopyrite mineralization typical within the subhorizontal, G1 Main Zone appear to thin toward the southeast (DDH G20-51 intersected 5 m grading 1 % copper). However, thick intervals of lower grade material occur at higher elevations within these holes (hole 51 intersected 86 m grading 0.25 % copper). Increased faulting and down-dropped marker beds lying stratigraphically below the Main Zone are interpreted to result from porphyry-related structures extending up from the east, where the largest and most intense induced polarization anomaly has been geophysically mapped. Metal-bearing hydrothermal solutions and intrusive dikes may extend upwards from a deeper porphyry system along fault structures, depositing metals in subvertical fractures and stringers within the overlying sedimentary sequence, with strong preferential replacement of subhorizontal carbonate-rich, porous horizons. The Main Zone and lower marker beds dip, and are locally down-dropped, to the east by faulting. This bedding/structural relationship also appears to extend from G1 northwesterly to Spout Deposit, as evident within the Spout South Zone drilling.

Road Gold

The new Road Gold Zone discovery resulted from follow-up to a cluster of strong soil Au-Cu geochem anomalies that occur within part of a 1,600 m long ground magnetic low extending from Ann North Zone to the visible-gold-bearing Jodie showing, located 300 m to the south. The magnetic low is strongest and widest (~ 60 m) at the Road Gold zone, where bedrock grab samples obtainable over 30 m assayed anomalous gold up to 2.5 gpt. An attempt was made to test a portion of the structure in October 2020 using two shallow, 45-degree drill holes (R20-01 and R20-02, 182 m total) Both holes encountered intense stockwork fracturing and localized quartz veining, chalcopyrite and pyrite within highly K-altered monzonite. Intensely blocky faulting forced abandonment of both holes at 71 m and 111 m, respectively, with only low gold grades within very poor core recovery. Results suggest the strong surface results may dip easterly and drilling failed to reach the mineralized zone. Additional drilling in 2021 will use larger diameter HQ drill rods to improve core recovery and facilitate completion of new holes through the target at Road Gold Prospect.

Maiden Resources, G1 and Spout

During the period, SRK Consulting continued work to complete revised resource estimates for Spout Deposit, incorporating 2018 drilling results at depth within North Spout Zone, and a new maiden resource estimate for G1 Prospect. Underground mining methods will be considered in addition to open-pit, where suitable. Results of this work remain pending at time of writing.

Despite challenges related to Covid-19 during the reporting period, management believes its exploration results were highly successful. Management believes the Property offers strong potential for discovery of precious and base metal deposits within surface and underground mineable scenarios.

For further information about the Lac La Hache Property, visit www.engold.ca

Resource Property Interests – Exploration and evaluation expenditures

Activities of the Company for the period ended December 31, 2020 focused on the continuing exploration work on its Lac La Hache property as indicated in the *Exploration Program and Results* described above.

Exploration and evaluation expenditures for the period ended December 31, 2020 and 2019 are detailed below:

	2020	2019
Assays	\$ 10,720	\$ 4,718
Drilling	118,000	-
Equipment	1,120	5,243
Geological services	46,795	32,938
Geophysical services	12,642	-
Geotechnical services	21,500	15,000
Supplies and other	12,437	2,387
Travel	6,247	4,247
Total	\$ 229,461	\$ 64,533

The strong exploration results obtained in 2020 at the Lac La Hache Property have renewed management's commitment to aggressively exploring the Property. Management intends to raise significant additional equity financing to continue with its ongoing exploration activities.

2. Results of Operations

During the three-month period ended December 31, 2020, the Company had a loss of \$254,496 (2019 – \$198,480). Significant expenditures during the period were as follows:

- **Depreciation** – Increased to \$13,436 (2019 - \$13,227) and was considered comparable period over period.
- **Exploration and evaluation expenditures** – Increased to \$229,461 (2019 - \$64,533) as the Company commenced a drill program during the current period.
- **Filing and regulatory** – decreased to \$2,499 (2019 - \$5,060) resulting from fewer regulatory filings in the current period.
- **Insurance** – increased to \$6,767 (2019 - \$4,719) as a result of higher D&O liability insurance premiums as compared to the prior period.
- **Office and other** – decreased to \$6,336 (2019 - \$8,411) as the Company continued its focus on cost reductions.
- **Management and consulting fees** – decreased to \$48,146 (2019 - \$52,028) primarily related to staffing and payroll changes as compared to the prior period.
- **Professional fees** – decreased to \$16,669 (2019 - \$25,939) resulting from a reduction in legal costs as compared to the prior year.

- **Share-based payments** – decreased to \$9,137 (2019 - \$40,351) relating to the fair value of stock options granted during the period recognized over the course of their vesting period.
- **Shareholder communications** – increased to \$6,567 (2019 - \$2,630) as the Company had more news to disseminate relating to its drill program on the Lac La Hache project.

3. Summary of Quarterly Results

	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020
Total assets	\$2,930,835	\$3,313,635	\$3,021,829	\$3,137,421
Working capital	(548,018)	(310,286)	(685,369)	(681,913)
Shareholders' equity	2,197,412	2,442,771	2,075,844	2,125,031
Loss	(254,496)	(415,155)	(187,443)	(548,066)
Loss per share	(0.00)	(0.00)	(0.00)	(0.00)
	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019
Total assets	\$3,475,795	\$2,910,847	\$2,832,401	\$2,928,346
Working capital	(223,213)	(498,807)	(324,885)	(277,556)
Shareholders' equity	2,586,095	2,273,290	2,449,629	2,497,875
Loss	(198,480)	(484,094)	(243,023)	(332,255)
Loss per share	(0.00)	(0.00)	(0.00)	(0.00)

4. Liquidity

The Company's historical capital needs have been met by issuance of shares. As at December 31, 2020, the Company had a working capital deficiency of \$548,018 (September 30, 2020 - \$310,286). The Company proposes to meet any additional financing requirements through equity financing.

The Company's cash position as at December 31, 2020 was \$4,967 (September 30, 2020 - \$346,430). During the period ended December 31, 2020, operating activities required cash of \$328,904 (2019 - \$173,173) and investing activities required \$nil (2019 - \$nil).

During the period ended December 31, 2020, \$12,559 was used for (2019 - \$595,367 generated by) financing activities which included \$nil (2019 - \$689,250) in proceeds from share private placements, less share issuance costs of \$nil (2019 - \$80,404), and outflows of \$12,559 (2019 - \$13,479) towards lease liabilities.

The Company does not have operations that generate cash flow and it is unlikely that it will generate cash flow from operations in the foreseeable future. Cash requirements will depend primarily on the extent of future exploration programs. Subsequent phases will depend, both on cost and duration, and on results from previous phases, and it is therefore extremely difficult to predict future cash requirements. As of the date of this filing, the Company does not have the adequate funds on hand to complete its planned exploration program for the fiscal year 2021.

As at December 31, 2020, the Company's accounts payable and accrued liabilities of \$408,367 included \$328,516 payable to the Company's legal counsel for services primarily related to the Company's legal proceedings with the Company's former CEO (note 10 below). The Company has made an arrangement with its law firm, whereby it makes \$10,000 monthly payments.

As at March 1, 2021, incentive stock options were outstanding as follows:

	Number	Exercise price	Expiry date
Stock Options	1,023,334	\$0.40	March 16, 2021
	66,666	\$0.40	August 8, 2021
	2,630,000	\$0.10	March 27, 2023
	500,000	\$0.10	October 14, 2023
	<u>4,220,000</u>		

As at March 1, 2021, share purchase warrants were outstanding as follows:

	Number	Exercise price	Expiry date
Share Purchase Warrants	290,909	\$0.12	July 2, 2021
	65,000	\$0.12	September 24, 2021
	188,235	\$0.085	December 18, 2021
	1,900,000	\$0.07	June 19, 2022
	115,500	\$0.04	June 19, 2022
	1,200,000	\$0.07	June 30, 2022
	52,500	\$0.04	June 30, 2022
	10,650,000	\$0.07	July 22, 2022
	745,500	\$0.04	July 22, 2022
	2,333,333	\$0.10	August 13, 2022
	326,666	\$0.10	August 13, 2021
	1,667,334	\$0.10	August 20, 2022
	<u>233,427</u>	<u>\$0.10</u>	<u>August 20, 2021</u>
	19,768,404		

The Company is dependent on raising funds by the issuance of shares in order to undertake exploration and development interests and meet general and administrative expenses beyond one year in the future. There can be no assurance that the Company will be successful in obtaining their required financing.

5. Capital Resources

The Company's ability to raise additional funds from the equity markets will largely depend upon general market conditions and the Company's ability to achieve certain exploration milestones.

Issued and outstanding common shares at March 1, 2021, the date of this report is 244,465,446 (December 31, 2020 – 244,465,446).

Instruments and Other Instruments

The following is a summary of the accounting model the Company has elected to apply to each of its significant categories of financial instruments outstanding:

Cash	Amortized cost
Receivables	Amortized cost
Reclamation deposits	Amortized cost
Restricted cash	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

Determination of Fair value

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The Statement of Financial Position carrying values for: cash; receivables; accounts payables and accrued liabilities, approximates fair value due to their short-term or demand nature.

6. Related Party Transactions

Key management personnel comprise the Chief Executive Officer, Chief Financial Officer, Corporate Secretary, Vice President of Exploration and Directors of the Company. The remuneration of the key management personnel for the period ended December 31, 2020 is as follows:

- Included in management, salaries, and consulting fees was \$30,000 (2019 - \$30,000) for services provided by the CEO, \$6,000 (2019 - \$6,000) paid to the corporate secretary, and \$12,000 (2019 - \$12,000) to a company that employs the CFO of the Company.
- Included in exploration and evaluation expenditures are \$34,720 (2019 - \$17,040) for geological consulting services to a company controlled by the Vice President of Exploration.
- Share based payments of \$nil (2019 - \$36,601) related to the fair value of stock options issued to key management personnel.

An amount of \$10,872 (September 30, 2020 - \$4,200) included in accounts payable is owed to related parties. These balances are unsecured, non-interest bearing, have no fixed repayment terms, and are due on demand. Included in prepaid expenses was \$2,000 (September 30, 2020 - \$14,000) advanced to related parties.

7. Office-Balance Sheet Arrangements

There are no off-balance sheet arrangements to which the Company is committed.

8. Subsequent Events

Subsequent to the period ended December 31, 2020, the Company applied for the CEBA and received additional \$20,000 loan. The CEBA remains interest free until December 31, 2022 and has no fixed repayment schedule.

9. Proposed Transactions

The Company has no specific proposed transactions. However, consistent with the nature of the Company's operations, the Company is continuously reviewing potential mineral property acquisitions and is likely to acquire additional mineral properties in the future.

10. Legal Proceedings

During the period, the Company was a party to the following legal proceeding.

Eisler v EnGold. In fiscal Q4 of 2015, a holding company 100% owned by Mr. Irvin Eisler, a former CEO of the Company brought a lawsuit in the Supreme Court of BC against EnGold for wrongful dismissal arising out of the termination of Mr. Eisler's employment in 2011. Management believed that the Company's termination of Mr. Eisler for cause was entirely justified, and the case was wholly without merit. The Company filed a counterclaim against Mr. Eisler et al for unspecified damages relating to significant amounts of inappropriate related party payments that accrued to Mr. Eisler's benefit during his tenure. During the year ended September 30 2018, the Company registered a Certificate of Pending Litigation ("CPL") against certain real estate holdings of Mr. Eisler and adjoined Mr. Eisler's wife Olga Eisler in relation to the CPL. An action was brought by the plaintiffs that the Company's counterclaim be held on a summary basis instead of at a full trial and also made application to have the CPL lifted. The Company opposed both actions. The court dismissed the application for a summary trial but did order that the CPL be lifted on the condition that Mr. Eisler provide \$400,000 in security against the Company's counterclaim. During fiscal 2018, The case was set down for a three-week trial commencing November 26th, 2018. Notably, Mr. Eisler passed away in August of 2018, but the executor of Mr. Eisler's estate elected to proceed to trial in Mr. Eisler's absence.

The trial proceeded as scheduled and wound up on December 14th, 2018, with the judge reserving judgment, with a ruling issued on November 22, 2019. In the ruling, the Court found that the Estate was entitled to \$72,500 in damages from the Company for wrongful dismissal plus costs, initially estimated to be \$60,000. Further, the Company's counterclaim for disgorgement of funds by the Estate related to multiple alleged breaches of legal duties by the late Mr. Eisler was dismissed. Following receipt of the ruling, the Company has filed a notice of appeal with the Court of Appeal. Following filing of the notice of appeal, the plaintiffs sought recovery of full indemnity costs, which would be in excess of the quantum of costs allowable under rules of court in BC.

The Company disputed the higher cost demands in court, with the judge ruling in favour of the plaintiffs. The plaintiffs further sought security for their costs and release of the above referenced \$400,000 security. Despite the Company's vigorous objections, the court ordered that the \$400,000 in security be released and that the Company post \$250,000 in security in favour of the plaintiffs with \$60,000 (paid) to be posted 30 days from the decision and \$190,000 posted 90 days from the decision paid for the year ended September 30, 2020). The appeal was heard on January 19th, 2021, with the decision of the court reserved pending a written ruling of unknown timing.

11. Critical Accounting Estimates and Judgments

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

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

Critical accounting estimates

- i. Share-based payments are subject to estimation of the value of the award at the date of grant using pricing models such as the Black-Scholes option valuation model. The option valuation model requires the input of highly subjective assumptions including the expected share price volatility. Because the Company's warrants have characteristics significantly different from those of traded options and because the subjective input assumptions can materially affect the calculated fair value, such value is subject to measurement uncertainty.

Critical accounting judgments

- i. The carrying value and recoverability of exploration and evaluation assets requires management to make certain estimates, judgments and assumptions about each project. Management considers the economics of the project, including the latest resources prices and the long-term forecasts, and the overall economic viability of the project. Management has assessed these indicators and does not believe an impairment provision is required.
- ii. Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.
- iii. The estimate for contingencies and settlement provisions require management to make judgments as to the likelihood of outcomes and estimates of the timing and the possible outflow of economic benefits.

12. Changes in Accounting Policies

There were no changes in accounting policies during the three-month period ended December 31, 2020.

13. Disclosure Control and Procedures

Internal Controls and Procedures

The Chief Executive Office and Chief Financial Officer are responsible for designing internal controls over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's financial statements for external purposes accordance with IFRS.

Certain weaknesses exist in internal controls over financial reporting. As indicative of many small companies, the lack of segregation of duties and effective risk assessment were identified as areas which existed. The existence of these weaknesses is to be compensated by senior management monitoring, which exists. The officers will continue to monitor very closely all financial activities of the Company and increase the level of supervision in key areas. It is important to note that this issue will also require the Company to hire additional staff in order to provide greater segregation of duties. Since the increased costs of such hiring could threaten the Company's financial viability, management has chosen to disclose the potential risk in its filings and proceed with increased staffing only when the budgets and workload will enable the action.

Risk Factors

In conducting its business, the Company, like all development-stage mineral exploration companies, faces a variety of risks uncertainties. While unable to eliminate all of them, the Company aims at managing and reducing such risks as much as possible.

Exploration and Development - Resource exploration and development is a highly speculative business, characterized by a number of significant risks including, but not limited to, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. Few exploration projects successfully achieve development due to factors that cannot be predicted or anticipated, and even one such factor may result in the economic viability of a project being detrimentally impacted such that it is neither feasible nor practical to proceed. The Company closely monitors its activities and those factors that could impact them and employs experienced consulting to assist in its risk management and to make timely adequate decisions.

Title Risks - Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims, as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many mineral properties.

Permitting Risks - The development of mineral resources in British Columbia is subject to a comprehensive review, approval and permitting process involving various provincial and regional agencies, in addition to the various First Nations groups that have jurisdiction in the Company's area of claims. There can be no assurance given for the required approvals and permits for a mining project, even if technically and economically warranted, can be obtained in a timely or cost-effective manner.

Fluctuating Metal Prices - Factors beyond the control of the Company have a direct effect on global metal prices, which have fluctuated widely, particularly in recent years. Consequently, the economic viability of any of the Company's exploration projects and the Company's ability to finance the development of its projects cannot be accurately predicted and may be adversely affected by fluctuations in metal prices.

Environmental Regulations Permits and Licenses - Environmental laws and regulation could also impact the viability of a project. The Company has ensured that it has complied with these regulations, but there can be changes in legislation outside the Company's control that could also add a risk factor to a project.

Competition - The mineral exploration industry is intensely competitive in all its phases, and the Company competes with some companies that have greater financial and technical resources. Competition could adversely affect the Company's ability to acquire suitable properties or prospects in the future.

Future Financings - The Company's continued operation will be dependent in part upon its ability procure additional financing. To date, the Company has done so through a combination of: (i) equity financing; and (ii) cash payments received as property option payments from third parties. The current state of global equity markets has had a direct effect on the ability of exploration companies, including the Company, to finance project acquisition and development through the equity markets. There can be no assurance that forms of financing can be obtained at a future date. Failure to obtain additional financing on a timely basis may cause the Company to postpone development plans, forfeit rights in some or all of the properties or joint ventures, or reduce or terminate some or all of the operations.

Price Volatility of Publicly Traded Securities - During recent months, global securities markets have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price that have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur.

14. Approvals

The Board of Directors of EnGold Mines Ltd. has approved the disclosures contained in the Management Discussion and Analysis for the period ended December 31, 2020, prepared as at March 1, 2021.

15. Information regarding forward looking statements

The technical disclosures herein have been reviewed and approved by Mr. Robert Shives, PGeo, vice-president of exploration to the company and a qualified person as defined in National Instrument 43-101.

This Management's Discussion and Analysis of Financial Condition and Results of Operations contain certain forward-looking statements. Forward-looking statements include but are not limited to those with respect to the prices of gold and other metals, the estimation of mineral resources and reserves, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, costs and timing of the development of new deposits, success of exploration activities, permitting time lines, currency fluctuations, requirements for additional capital, Government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage and the timing and possible outcome of pending litigation. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes" or variations of such words and phrases, or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such risks and uncertainties include, among others, the actual results of current exploration activities, conclusions or economic evaluations, changes in project parameters as plans continue to be refined, possible variations in grade and or recovery rates, failure of plant, equipment or processes to operate as anticipated, accidents, labour disputes or other risks of the mining industry, delays in obtaining government approvals or financing or incompleteness of development or construction activities, risks relating to the integration of acquisitions, to international operations, and to the prices of gold and other metals. While the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company expressly disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise except as required by law.