



**BRAVEHEART RESOURCES INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MAY 31, 2021**

The following management's discussion and analysis ("MD&A") is management's assessment of the results and financial condition of Braveheart Resources Inc. ("Braveheart" or the "Company") and should be read in conjunction with the audited consolidated financial statements for the year ended May 31, 2021 ("2021"), which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar amounts are in Canadian dollars, unless otherwise noted. The date of this MD&A is September 28, 2021. Braveheart's most recent filings are available on the System for Electronic Document Analysis and Retrieval ("SEDAR") and can be accessed through the Internet at www.sedar.com, or on the Company website www.braveheartresources.com.

The "Qualified Person" under the guidelines of National Instrument 43-101 of the Canadian Securities Administrators ("NI 43-101") for Braveheart's exploration and mining projects as described in the following discussion and analysis is Ian Berzins, CEO of the Company and a Professional Engineer Registered in the Provinces of Alberta and British Columbia.

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1. DESCRIPTION OF BUSINESS

Braveheart is a Canadian-based exploration company focused on acquiring, exploring and developing mineral properties throughout Canada, principally in British Columbia and Ontario.

On November 27, 2012, the Company filed Articles of Amalgamation under the Business Corporations Act (Ontario), whereby the Company was amalgamated with Braveheart to form an amalgamated corporation operating under the name of "Braveheart Resources Inc." (the "Company"). All amounts herein reflect the financial effects of the amalgamation.

The Company is listed on the TSX Venture Exchange, having the symbol BHT as well as the OTCQB Venture Market in the United States, having the symbol RIINF and the Frankfurt Stock Exchange (FSE) having the symbol 2ZR.



The consolidated financial results include Braveheart Resources Inc. and its wholly-owned subsidiaries, Pickle Lake Minerals Inc. (subsequent to December 23, 2020 acquisition) and Purcell Basin Minerals Inc., and its wholly-owned subsidiaries Bul River Mineral Corporation, Gallowai Metal Mining Corporation, Grand Mineral Corporation, and Stanfield Mining Group of Canada Ltd.

2. HIGHLIGHTS OF THE YEAR AND SUBSEQUENT EVENTS

Highlights for the year ended May 31, 2021 include:

- **Copper Market Prices**

Management is encouraged by the recent 6 months price levels of copper with spot market prices remaining greater than \$US 4.00/pound while in March 2020, copper spot prices were as low as \$US 2.10/pound. These trends support our development and acquisition efforts.

ACQUISITION

- **Property Acquisition – Thierry**

On December 23, 2020 the Company purchased the shares of Cadillac Ventures Holdings Inc. which owns the Thierry Mine Project ("Thierry") near Pickle Lake, Ontario from Cadillac Ventures Inc. (TSXV:CDC).

- **Thierry Project Preliminary Economic Assessment (PEA) Highlights**

The Thierry Mine project is a past-producing copper and nickel mine located approximately 15 kilometres west of Pickle Lake, Ontario, and accessible on a year-round basis by paved and all-weather roads. The property is approximately 4,700 hectares in size. There is a municipal airport, nearby rail system and provincial power grid within eight kilometres of the mine. The underground infrastructure includes a three-compartment shaft, production decline to 520 metres below surface and lateral developments on three levels. The underground workings are currently flooded. On February 22, 2021 the Company released its PEA focused solely on mining of the Mineral Resources at the Thierry underground mine.

Life of Mine ("LOM") revenues from net smelter returns are estimated at \$2,579 million. LOM cash flow in terms of EBITDA is \$1,516 million. Net cash flow of \$1,516 million less taxes of \$256 million and LOM capital expenditures of \$710 million results in an after-tax cash flow of \$549 million. The after-tax NPV using a 6% discount rate is estimated at \$240 million with an IRR of 19%. LOM operating costs are \$1,063 million.

- **Options agreement to acquire Alpine Gold Mine Property**

On March 3, 2021, the Company entered into a new option agreement to acquire a 100% interest in the past-producing Alpine Mine Property near Nelson, British Columbia. The Company previously held an option on the property until December 2019.

FINANCING ACTIVITIES

- **Convertible Debt Conversions with Shares and Warrants**

During the year, the convertible debenture (the "Debenture") was converted entirely to equity securities (with the exception of \$122,000 interest payment) as per below:

On August 6, 2020, Debenture holders exercised conversion of \$2,400,000 of debenture principal into shares of the Company. The Company issued 12,000,000 shares at a conversion price of \$0.20 as settlement of \$2,400,000 of its Debenture.

On May 31, 2021, the Company issued 27,200,000 shares at a conversion price of \$0.13 as settlement of \$3,536,000 of its Debenture.



- **Related Party Debt Renegotiated Terms and Partial Settlement**

On January 12, 2021, the Company renegotiated terms of its senior secured related party loan agreement. The loan, which had a principal amount of \$5,000,000 and was put in place in January 2019, carried an interest of 14.8% for a term of four years. Effective January 19th, 2021, the interest rate was reduced to 10% for the balance of the loan, which expires on January 19, 2023. \$780,000 of accrued interest due was settled with the issuance of 6,500,000 common shares.

- **Bul River Mine Development Financing and Future Concentrate Sales Contract**

On March 17, 2021, the Company entered into a Concentrate Purchase Agreement with Ocean Partners UK Ltd. (Ocean) for the sale of its copper concentrates (with gold and silver credits) from its Bul River Mine. Additionally, Ocean has agreed to provide the Company with a Pre-Payment Financing Facility against initial proceeds from milling of mineralized material on surface. On March 13, 2021, the Company made an initial draw of USD \$1,000,000 net of arrangement fees and expenses associated with lender due diligence and legal fees.

- **Private Placements – Equity Fundraising**

During the year ended May 31, 2021, the Company completed the following equity financings for net proceeds of \$2,777,969:

-August 6, 2020 private placement of 2,000,000 units at \$0.1015 per unit for \$203,000. Each unit is comprised of one common share and one warrant. Each warrant is exercisable into a common share at a price of \$0.1688 per share until August 6, 2025.

-September 1, 2020 private placement of 2,222,222 units at \$0.1125 per unit for \$250,000. Each unit is comprised of one common share and one warrant. Each warrant is exercisable into a common share at a price of \$0.1875 per share until September 1, 2025.

-September 22, 2020 private placement of 7,000,000 units at \$0.075 per unit for \$525,000. Each unit is comprised of one common share and one warrant. Each warrant is exercisable into a common share at a price of \$0.11 per share until September 22, 2023.

-On October 30, 2020, the Company issued 13,545,734 units at \$0.075 per unit for \$1,015,930. Each unit is comprised of one common share and one warrant. Each warrant is exercisable into a common share at a price of \$0.11 per share until October 30, 2023.

-On December 10, 2020, the Company issued 3,047,115 units at \$0.10 per unit for \$304,711.

- On April 6, 2021, the Company issued 5,217,391 units at an issue price of \$0.115 per unit for \$600,000. Each unit consists of one flow-through common share and one-half of one (1/2) common share purchase warrant. Each whole warrant is exercisable into a common share at an exercise price of \$0.14 per share for a period of two years.

MINING PROPERTY DEVELOPMENT

Bul River Mine Development

Exploration Drilling

All six holes that have been drilled as part of the H1 2021 drilling program have intersected mineralized structures between 425 metres and 525 metres below the surface portal and between 75 metres and 175 metres below the lowest workings of the mine on 9 level. The intersections do not represent true width of the vein structures. (Please also see press releases issued on June 7, 2021 and July 8, 2021.)



Mine Permitting

The Company continues to work closely with the British Columbia Ministry of Environment and Climate Change Strategy ("ENV") and the Ministry of Energy, Mines and Low Carbon Innovation ("EMLI") on its application to restart the Bul River Project. The Company is pursuing a Joint Mines Act and Environmental Permit Amendment process wherein the Company is requesting an amendment to the current effluent discharge permit and permission to dispose of filtered tailings in a new tailings storage facility on surface. The primary change to the effluent discharge permit will be the inclusion of additional element testing but the current discharge location will not change nor will the anticipated volume of discharge to the environment.

To-date, the Company has submitted an updated project description and an information reporting table ("IRT") and responded to screening responses from regulators. The Company has recently been notified of EMLI's plans to establish a Mine Review Committee and prepare for engagement with the Ktunaxa Nation Council ("KNC").

VAST Resources Solutions Inc. ("VAST") is the environmental consulting firm that is assisting the Company with the application process. Braveheart recently engaged Tetra Tech Canada Inc. ("Tetra Tech") to assist with geochemical components of Phase 1 of the mining permit submission. Phase 1 of the restart will include the initial processing of a 184,000-tonne stockpile of mineralized material currently on surface. Tetra Tech assisted previous owners of the Project with assessment and characterization of geologic materials since 2006. Tetra Tech will assist the Company initially with Acid Rock Drainage and Metal Leaching ("ARD ML") related components of the application.

Hydroelectric Reconnection Project

The Company is continuing to complete engineering studies and construction activities associated with a restart of the Project. A 10 MVA transformer and related switchgear that was originally purchased in August 2019 was decommissioned in Manitoba on September 20, 2021 and transported to the mine site in British Columbia on September 24, 2021. A commissioning and re-energization date will be confirmed with BC Hydro soon.

On December 7, 2020, the Company, received a positive System Impact Study ("SIS") from British Columbia Hydro and Power Authority ("BCH") for upgrading the hydroelectric capacity at the Bul River Mine project ("BRM"). Braveheart is proposing to reconnect to an existing 66kV power line that is immediately adjacent to the property. This power line is the same line that supplied hydroelectric power to the site during previous operations up until 2013. The SIS determined that it is technically feasible to interconnect the proposed BRM load of 7.5 MVA to the BCH transmission system. BCH's estimate for system reinforcements and revenue metering associated with the reconnection is \$300,000. The cost estimate has an accuracy range of +100/-35%.

Dry Stack Tailings

In support of its permit applications for a new permit to store tailings on surface, management has engaged Stantec Consulting Ltd. ("Stantec") to design a new Tailings Storage Facility ("TSF") at its 100% owned Bul River Mine property near Cranbrook, British Columbia. The TSF design will be used as part of the re-start plan, the mine requires the construction of a new TSF to manage tailings waste from the processing of an existing stockpile of mineralized material on surface and future underground mining at the site. Braveheart has identified a possible location for the TSF within the existing mine permit boundary and adjacent to the process plant. Filtered tailings (also referred to as dry stack tailings) has been identified as the preferred tailings deposition technology for the new TSF. Permitting of the new TSF will require completion of a Best Available Technology ("BAT") options assessment as per EMLI (Ministry of Energy, Mines and Low Carbon Innovation) regulations. Should the BAT assessment identify other technologies as better options for the project, Stantec and Braveheart will review the impacts on the regulatory application process. Stantec possesses global mining and extensive experience in the design and development of tailings storage facilities, waste rock storage facilities, and associated water management structures. Their expertise extends from feasibility level to detailed design, site construction, and supporting mines from operations through closure. They have successfully completed designs and obtained mine permits in British Columbia for tailings facilities, mine rock dumps and water management dams.



Flotation Tank Cells

On December 3, 2020, the Company, entered into an agreement with Nelson Machinery & Equipment Ltd. ("Nelson") for the procurement of six (6) refurbished Outotec flotation tank cells from Nelson's branch facility located near Kamloops, BC, Canada. The cells are an integral part of the flotation circuit which will include rougher, scavenger and cleaner capacity to support the current plant design of 700 tonnes per day milling operation.

To-date the Company has advanced funds to complete the refurbishment of two cells with planned completion and delivery of all cells by late 2021. The Company has identified several solutions for a new filtration circuit but not yet committed funds.

Refurbishment of the tank cells will commence in late 2021 with expected completion, delivery to and installation at the mine site near Cranbrook, British Columbia. The flotation circuit will be used to produce a copper concentrate including gold and silver by-products which will be sold as a final product to a third-party smelter outside of British Columbia. The circuit will be designed and operated to produce a 25% copper concentrate of similar quality to the previous operations of Placid Oil between 1970 and 1974. The new flotation circuit will replace the conventional mechanical cells that were operated by Placid Oil and subsequently removed from the mill due to wear and corrosion.

Ore Sorting

On April 19, 2021, the Company, reported results of its ore sorting study for its 100% owned Bul River copper, gold and silver mine project. Braveheart engaged ABH Engineering ("ABH"), a world leader in ore sorting technology assessment and installation, to complete this study. Ore sorting or pre-concentration of mineralized material has the potential benefit of increasing the mill feed grade which can result in an improved net present value ("NPV") of a mining project. Potential benefits include a lowering of operating costs on a unit basis, a reduction in the volume of fine tailings created through the milling process and the overall volume of material transported to the tailings storage facility, a reduction in power consumption particularly in the grinding circuit and a lower overall environmental impact. Braveheart plans to advance the Bul River mine project in a phased approach wherein a surface stockpile of mineralized material will provide the initial feedstock to an up-graded 700 tonne per day mill. Ore sorting capability could be introduced ahead of the grinding circuit.

SUBSEQUENT EVENTS

-Private Placement -On July 8, 2021 the Company issued 7,233,130 units at \$0.10 per unit for \$723,313. Each unit is comprised of one common share and one warrant. Each warrant is exercisable into a common share at a price of \$0.14 per share for a period of 24 months from offering.

-Purchase of Thierry NSR - On July 29, 2021, the Company amended the agreement to purchase of a 2% Net Smelter Royalty ("NSR") on the Thierry Mine Project. Braveheart issued 250,000 common shares and made a cash payment of \$225,000 to repurchase the entire 2% NSR.

3. ACQUISITION OF THIERRY MINE PROJECT

On December 22, 2020, the Company purchased a 100% interest in the Thierry Mine Project ("Thierry") near Pickle Lake, Ontario. The Thierry copper-nickel platinum group elements ("PGE") deposit was discovered by Union Minière Exploration and Mining ("UMEX") of Belgium in 1969 and mined through open pit and underground workings between 1976 and 1982. The mine was shut down due to low commodity prices. Based on historical records UMEX milled 5,800,000 short tons of copper and nickel ore from the deposit with an average grade of 1.13% Cu and 0.14% Ni. In addition, precious metals payables included 47,000 ounces of palladium, 17,000 ounces of gold, 17,500 ounces of platinum and 900,000 ounces of silver.



3.1 Summary of Acquisition of Thierry

On December 22, 2020 the Company completed a definitive agreement to acquire the shares of Cadillac Ventures Holdings Inc. which owns the Thierry Mine Project (Thierry) near Pickle Lake, Ontario from Cadillac Ventures Inc. (Cadillac)(TSXV:CDC). This was an arm's length transaction. On January 26, 2021 Cadillac Ventures Holdings Inc. changed its name to Pickle Lake Minerals Inc.

The terms of the arrangement were as follows:

- (i) \$300,000 in cash;
- (ii) 11,000,000 common shares of the Company; and,
- (iii) up to an additional 2,500,000 common shares following delivery of the pending Updated Rehabilitation Plan to the Ministry of Energy, Northern Development and Mines of Ontario for Thierry.
- (iv) a 2% net smelter royalty ("NSR") to be retained by Cadillac of which 1% of the NSR can be purchased by the Company for \$1,000,000. On January 21, 2021 the Company agreed to repurchased the 2% NSR for consideration of 2,500,000 shares of the Company. On July 29, 2021, the Company amended the agreement to purchase of a 2% Net Smelter Royalty ("NSR") on the Thierry Mine Project. Braveheart issued 250,000 common shares and made a cash payment of \$225,000 to purchase the entire 2% NSR subsequent to year end.
- (v) Cadillac remains responsible for settlement of certain liabilities on acquisition of Thierry.

4. MINERAL PROPERTY EXPLORATION ACTIVITIES

4.1 Bul River Mine Property

All six holes that have been drilled as part of the H1 2021 drilling program have intersected mineralized structures between 425 metres and 525 metres below the surface portal and between 75 metres and 175 metres below the lowest workings of the mine on 9 level. The intersections do not represent true width of the vein structures.

The purpose of the H1 2021 drilling program is to test the down dip extension of the vein systems under the current workings to demonstrate the potential that the current Resource can be extended on strike and to depth. All six holes in the 2021 program were drilled from underground workings on 9 Level and collared in 9E4XC Ext Re-muck. 22,000 metres of underground workings are currently being maintained in a dewatered condition.

4.2 Option agreement to acquire Alpine Gold Mine Property

The property is located in the West Kootenay region approximately 20 kilometres northeast of Nelson. During the 2016 fiscal year the Company entered into an agreement to acquire 100% of the property. On December 15, 2019, the Company did not satisfy its commitments in its previous option agreement (issue \$200,000 in cash and 400,000 common shares). In the year ended May 31, 2020, the Company recorded an impairment of \$365,000, its recorded historical costs.

On March 3, 2021 the Company entered into a new option agreement to acquire a 100% interest in the past producing Alpine Mine Property near Nelson, British Columbia. The Company previously held an option on the property until December 2019. The Terms of the new option agreement include the following:

- a. Issuance of 1,000,000 shares of Braveheart to the Optionor. The shares were issued on May 17, 2021
- b. A cash payment of \$100,000 by April 15, 2022.
- c. Property expenditures of approximately \$700,000 to complete permitting and construction of an upgraded road to the mine site from Nelson by December 22, 2022.
- d. A cash payment of \$1,400,000 by December 15, 2023.
- e. A cash payment of \$1,500,000 by December 15, 2024.



5. MINERAL PROPERTY EXPENDITURES AND COMMITMENTS

5.1 Mineral Property Expenditures

Braveheart's option payments and acquisition costs on mineral properties through the year ended May 31, 2021 were as follows:

Mineral Property	Balance May 31, 2020	Additions	Acquisition costs	Balance May 31, 2021
Purcell – Bul River	2,158,000	-	(68,406)	2,089,594
Thierry	-	2,353,095	(25,000)	2,328,095
Total	\$ 2,158,000	\$ 2,353,095	\$ (93,406)	\$ 4,417,689

Braveheart's expenditures on mineral properties during the year ended May 31, 2021 were as follows:

Mineral Property	Mining Exploration Expense	
	May 31, 2021	May 31, 2020
Alpine	\$ -	\$ 21,053
Purcell Bul River	542,832	1,126,835
Thierry	103,902	-
Total	\$ 646,734	\$ 1,147,888



6. RESULTS OF OPERATIONS

6.2 Analysis of Key Variances

Results of operations for the year ended May 31, 2021 resulted in a net loss of \$7,192,276, compared to a loss of \$5,113,802 for the prior year.

	<i>Note</i>	Years ended	
		May 31 2021	May 31 2020
Revenue		\$ 11,007	\$ -
Expenses			
Marketing and advertising		\$ 176,861	\$ 68,142
Consulting fees		696,633	611,622
Amortization	7	191,584	179,478
Accretion	18	38,297	22,908
Administrative expenses		234,835	202,659
Professional fees		291,164	196,632
Rent		-	1,000
Salaries and wages		202,795	389,875
Supplies and maintenance		288,795	425,122
Equipment repairs		3,761	37,286
Mining exploration and development expenses	8	646,734	1,147,888
Mining tax credit	8, 13	(147,879)	(204,306)
Share based compensation	12	750,039	989,675
Interest expense	16,17,19	1,194,222	1,413,305
Operating expenses		4,567,841	5,481,286
Other (income) expenses:		(14,258)	-
Impairment of assets	9	-	365,007
Gain on sale of assets		(6,991)	-
Loss on conversion of convertible debt	19	3,090,130	-
Gain on modification of related party debt	16	(323,920)	-
Gain on extension of convertible debt terms	19	-	(592,749)
Foreign exchange (gain) loss		(37,816)	531
Interest income		(5,717)	(26,433)
Net loss		\$ (7,258,262)	(5,227,642)
Deferred income tax recovery	13	(65,986)	(113,840)
Net loss and comprehensive loss for the year		\$ (7,192,276)	\$ (5,113,802)



Operating expenses were reduced from year to year by \$969,973 with the most significant changes as follows:

\$501,154 Reduction - Mining exploration and development expenses

During March 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian governments regarding travel, business operations and isolation/quarantine orders. Exploration drilling operations were suspended during these restrictions with a restart in April 2021. Offsetting the expense reductions associated with reduced exploration activities, Mining exploration and development expenses for the year ended May 31, 2021 included \$246,020 of costs associated with the design of dry stack for tailings.

\$187,080 Reduction - Salaries and wages

As per above, considerable reductions in staffing associated with delayed exploration drilling as a result of COVID-19 restrictions.

\$239,636 Reduction - Share based compensation

9,305,000 options with average \$0.18 exercise price were issued during the year ended May 31, 2021 compared to 5,955,556 with average \$0.10 exercise price in the previous year

\$219,083 Reduction - Interest expense

\$6,000,000 Convertible debentures were fully converted to equity securities during the year ended May 31, 2021 as well as \$780,000 of related party loans. Effective January 12, 2021 the interest on related party loan was reduced from 14.8% to 10%.

Non operating income/expense variances:

(\$365,007) Impairment of assets in the year ended May 31, 2020

During the year ended May 31, 2020, the Company recorded an impairment of \$365,000, its previous historical cost of the Alpine Mine property as a result of the Company not satisfying the commitments in its option agreement with regards to the Alpine Mine property (issue \$200,000 in cash and 400,000 common shares).

\$3,090,130 Loss on Conversion of convertible debt in 2021

\$(592,749) Gain on Extension of convertible debt terms in 2020

The Company incurred a loss on conversion of convertible debt of \$3,090,130 which represents the difference between fair value estimates of 27,200,000 units issued of \$4,268,796 compared to the fair value estimate of 11,788,667 shares that would have been issued on the conversion of \$3,536,000 debenture at \$0.30 per share, the terms of conversion prior to re-negotiation in accordance with IFRS 9 the transaction was accounted for as an inducement. 2020 include a one-time gain as the result of two-year extension of payment terms of the convertible debentures of \$592,749.

\$(323,920) Gain on Modification of related party debt terms in 2021

On January 12, 2021 the Company renegotiated loan terms, effective January 19th, 2021, the interest rate was reduced to 10% for the balance of the loan. \$780,000 of accrued interest was settled with the issuance of 6,500,000 common shares which resulted in a gain on modification of related party debt.



Selected Annual Information

The following table sets forth selected annual financial information of the Company for, and as of the end of, each of the last three fiscal years. The selected financial information should be read in conjunction with the Company's annual financial statements and related notes thereto for the years ended May 31, 2021, 2020, and 2019.

	2021	2020	2019
Revenues	\$ 11,007	\$ -	\$ -
Net loss	(7,192,276)	(5,113,802)	(2,914,855)
Net loss per share ⁽¹⁾	(0.049)	(0.048)	(0.049)
Total assets	15,012,048	11,235,444	12,409,823
Short term liabilities	3,106,452	399,322	367,349
Long term liabilities	4,585,093	9,824,829	9,556,175
Working capital (deficiency)	1,422,997	738,969	1,888,968

(1) Basic net loss per share and net loss per share on a fully diluted basis.

Operating costs have been consistent year to year with the exception of the following:

2021 compared to 2020

During the year ending May 31, 2021, the Company incurred a loss on conversion of convertible debt of \$3,090,130 which represents the difference between fair value estimates of 27,200,000 units issued of \$4,268,796 compared to the fair value estimate of 11,788,667 shares that would have been issued on the conversion of \$3,536,000 debenture at \$0.30 per share, the terms of conversion prior to re-negotiation.

During March 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian governments regarding travel, business operations and isolation/quarantine orders. Exploration drilling operations were suspended during these restrictions with a restart in April 2021. Offsetting the expense reductions associated with reduced exploration activities.

2020 compared to 2019

On January 18, 2019, the Company purchased the Purcell project (approximately 4 1/2 months prior to the year ended May 31, 2019). Subsequent integration has had notable increases in certain costs including consulting, amortization, accretion, administrative expenses, professional fees, salaries and wages, supplies and maintenance and mining, and interest expenses increases were largely new operating costs associated with the operations of the Purcell Project since acquisition. Salaries and wages, and supplies and maintenance, and mining expenses (including electricity) relate to the drilling operations and ongoing de-watering of the underground tunnels of the property to ensure success of future mining operations.



7. QUARTERLY FINANCIAL INFORMATION

The following is selected financial data from the quarterly interim consolidated financial statements of Braveheart for the last eight completed fiscal quarters ending May 31, 2021. This information should be read in conjunction with Braveheart's audited annual and unaudited interim consolidated financial statements for the periods below.

	May 31, 2021	Feb. 28, 2021	Nov. 30, 2020	August 31, 2020	May 31 2020	Feb. 28 2020	Nov. 30, 2019	Aug. 31, 2019
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
(a) Revenue	\$ 5,779	\$1,231	\$147	\$3,850	\$(10,053)	\$1,924	\$16,251	\$18,311
(b) Net loss and comprehensive loss	(4,118,039)	\$(1,139,059)	\$(1,205,567)	\$(729,611)	\$(365,106)	\$(1,588,348)	\$(1,221,558)	\$(1,938,790)
(c) Net loss per share –basic and fully diluted ⁽¹⁾	\$(.028)	\$(.0007)	\$(0.009)	\$(0.006)	\$(0.000)	\$(.014)	\$(0.012)	\$(0.019)

⁽¹⁾ Fully diluted weighted average common shares outstanding, used in the calculation of fully diluted net loss per share, are not reflective of the outstanding stock options and warrants at that time as their exercise would be anti-dilutive in the net loss per share calculation.

During the fourth quarter ending May 31, 2021, the Company incurred a loss on conversion of convertible debt of \$3,090,130 which represents the difference between fair value estimates of 27,200,000 units issued of \$4,268,796 compared to the fair value estimate of 11,788,667 shares that would have been issued on the conversion of \$3,536,000 debenture at \$0.30 per share, the terms of conversion prior to re-negotiation.

Braveheart does not generate any significant operating revenue.

8. FINANCIAL CONDITION

Braveheart intends to obtain proceeds from additional equity financing or prospective lenders to finance the proposed Thierry Mine Project acquisition as well as capital development of the Bul River mining facilities for ore mining operations or ore processing and exploration expenditures, as well as general and administrative expenditures; however, there can be no assurance that additional capital or other types of financing will be available or that, if available, the terms of such financing will be favourable to Braveheart.



9. LIQUIDITY AND CAPITAL RESOURCES

The consolidated financial statements have been prepared on a going concern basis, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company for the year ended May 31, 2021 incurred a net loss of \$7,192,276 (cumulative deficit of \$23,701,659) and used cash flow in operating activities of \$2,160,892. At year end May 31, 2021, the Company, has a working capital deficit of \$1,422,9967 and raised cash of \$723,313 subsequent to year-end (note 21). The Company will be required to raise significant financing to fund both ongoing operating activities and the capital required to develop its existing mining properties. In addition, the Company has certain commitments of \$388,465 (note 20) and longer term debt maturities totaling \$6,052,309 (notes 16 and 17) for which repayment will be required. Lastly, the Company has to comply with certain conditions present in the Ocean Partner UK agreement (“Ocean debt”) (note 17). If these conditions, which include the raise of \$2 million of financing, are not met the Ocean debt will be due on December 31, 2021. The Company currently has not met the Ocean debt conditions nor has the funds to repay this debt if it becomes due on December 31, 2021. The Company will have to raise significant additional funds to advance its exploration and development activities and, while it has been successful in doing so in the past, there can be no assurance that it will be able to do so in the future. Further, the Company’s continued existence is dependent upon the preservation of its interest in the underlying mineral properties, the discovery of economically recoverable mineral reserves and the achievement of profitable operations.

As a result of these risks, there exists a material uncertainty that may cast significant doubt on the Company’s ability to continue as a going concern.

These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses or statement of financial position classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material.

Braveheart is wholly dependent on equity or debt financing to complete acquisition, exploration, and development of its exploration and evaluation assets. Braveheart does not expect to generate any significant revenues from operations until earliest summer of 2022.

Braveheart is dependent on external financing to fund its acquisitions and exploration activities. In order to carry out further exploration and pay for general and administrative costs, Braveheart may spend its existing working capital and attempt to raise additional funds as needed. Braveheart will continue to assess new properties and seek to acquire interests in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

The ability of Braveheart to successfully acquire additional mineral properties and proceed with exploration activities on current properties is conditional on its ability to secure financing when required. Braveheart proposes to meet additional capital requirements through equity financing. In light of the continually changing financial markets, there is no assurance that new funding will be available at the times or in the amounts required or desired by Braveheart, or upon terms acceptable to Braveheart or at all.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of Braveheart, is reasonable. There were no changes in Braveheart's approach to capital management during the year ended May 31, 2021. Braveheart is subject to externally imposed capital requirements of its loan agreements discussed in notes 16 and 17 of the financial statements.

The Company has to comply with certain conditions present in the Ocean agreement. If these conditions, which include the raise of \$2 million of financing, are not met the Ocean debt will be due on December 31, 2021. The Company currently has not met the Ocean debt conditions nor has the funds to repay this debt if it becomes due on December 31, 2021.



On March 13, 2021, the Company made an initial draw of \$1,248,181 (USD \$1,000,000) net of arrangement fees and expenses associated with lender due diligence and legal fees.

The Company may access up to USD \$3,500,000 subject to certain conditions, which can be used for capital expenditures at Bul River including plant commissioning and general working capital purposes. Further advances require:

- provide lender with independently verified mining financial plan with adequate equity raises.
- Bul River mining processing Government permitting to operate completed.
- the fair market value of tangible property is in excess of all debts and the Company is solvent, paying debts as they come due.

10. OFF-BALANCE SHEET ARRANGEMENTS

Other than those commitments and contracts previously discussed, Braveheart had no other off-balance sheet arrangements at May 31, 2021.

11. OUTLOOK AND FUTURE WORK

Braveheart is focussed on:

Bul River Project – continued efforts to complete permitting requirements, completing capital improvements and upgrades to ready for anticipated 2022 mining operations.

Thierry Project – negotiated settlement of remaining acquired liabilities in anticipation of future exploration.

Alpine Project - make contractual commitments to retain option rights on the property for future exploration.

Working capital from Braveheart's treasury, as available from time to time, may also be used to acquire and explore other properties either alone or in concert with others as opportunities and finances permit.

Braveheart intends to target, review and, if desirable, acquire and develop additional mineral assets in order to augment and strengthen its current mineral property portfolio. In conducting its search for additional mineral properties, Braveheart may consider acquiring properties that it considers prospective based on criteria such as the exploration history or location of the properties, or a combination of these and other factors.

Braveheart is in the exploration stage and is subject to risks and challenges similar to companies in a comparable stage. These risks include, but are not limited to, the challenges of securing adequate capital in view of exploration, development and operational risks inherent in the mining industry as well as global economic and gold price volatility. There is no assurance that Braveheart's funding initiatives will continue to be successful to fund its planned exploration activities.

An investment in Braveheart's securities is speculative.

12. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The consolidated financial statements for the year ended May 31, 2021 have been prepared using IFRS applicable to a going concern, which assumes continuity of operations and realization of assets and settlement of liabilities in the normal course of business. However, Braveheart is in the exploration stage and is subject to risks and challenges similar to companies in a comparable stage. As a result of these circumstances, there is significant doubt as to the appropriateness of the going concern presumption. There is no assurance that Braveheart's funding initiatives will continue to be successful and these financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption inappropriate. These adjustments could be material.



The preparation of these audited consolidated financial statements in accordance with International Accounting Standard as issued by the International Accounting Standards Board (“IASB”), requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual outcomes could differ from these estimates. These audited consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the audited consolidated 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 the statement of financial position reporting date, 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, but are not limited to, the following:

- Braveheart assesses the carrying value of exploration and evaluation assets each reporting period to determine whether any indication of impairment exists. The calculation of recoverable amount requires the use of estimates and assumptions such as long-term commodity prices, discount rates, recoverable metals, and operating performance;
- Due to the complexity and nature of Braveheart's operations, various legal and tax matters are outstanding from time to time. By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events. In the opinion of management, these matters did not have a material effect on Braveheart's financial position or results of operations as at and for the year ended May 31, 2021; and
- Management’s assessment of the going concern assumption requires judgment with respect to the funds to be available over the next twelve months.

13. SIGNIFICANT ACCOUNTING POLICIES

Braveheart’s significant accounting policies are summarized in the notes to the audited annual consolidated financial statements for the year ended May 31, 2020. Braveheart is in the exploration stage and is subject to risks and challenges similar to companies in a comparable stage. The policies described below, and estimates related to them, have the most significant effect in preparation and presentation of Braveheart’s consolidated financial statements.

13.1 Exploration and Evaluation Assets

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures (“E&E”) are charged to operations as incurred. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs and share based payments to employees and consultants, are expensed in the period in which they occur.

The acquisitions of mineral property interests are initially measured at cost. Mineral property acquisition costs and development expenditures incurred subsequent to the determination of the feasibility of mining operations and approval of development by the Company are capitalized until the property to which they relate is placed into production, sold or allowed to lapse.

Exploration and evaluation costs incurred prior to determination of the feasibility of mining operations are charged to



operations as incurred. Mineral property acquisition costs include the cash consideration and the fair market value of shares issued for mineral property interests pursuant to the terms of the relevant agreements. These costs will be amortized over the estimated life of the property following commencement of commercial production, or written off if the property is sold, allowed to lapse, or when an impairment of value has been determined to have occurred.

13.2 Share-Based Payment Transactions

The grant date fair value of share-based payment awards granted to employees is recognized as an employee expense or capitalized to exploration and evaluation assets for grants to individuals working directly on mineral properties with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes. Fair values of share-based payments (including stock options and warrants) are determined based on estimated fair values at the time of grant using the Black-Scholes option pricing model.

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period that the employees unconditionally become entitled to payment. The liability is remeasured at each reporting date and at settlement date. Any changes in the fair value of the liability are recognized as personnel expense in profit or loss.

Share-based payment arrangements in which Braveheart receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by Braveheart.

14. ACCOUNTING ISSUES

14.1 Management of Capital Risk

The objective when managing capital is to safeguard Braveheart's ability to continue as a going concern, so that it can continue to provide adequate returns to shareholders, benefits to other stakeholders and to have sufficient funds on hand to meet its exploration and development plans to ensure the ongoing growth of the business.

Braveheart considers as capital its shareholders' equity and cash and equivalents. Braveheart manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust capital structure, Braveheart may issue new common shares through private placements, repurchase shares, sell assets, incur debt, or return capital to shareholders. Braveheart will require additional funds to carry out capital development and exploration on its mineral properties. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration and development activities. Due to the cyclical nature of the industry, there is no guarantee that when Braveheart needs to raise capital, there will be access to funds at that time.

14.2 Management of Financial Risk

Braveheart is exposed to various property and financial risks and assesses the impact and likelihood of this exposure. These risks include property risk, credit risk, liquidity risk, market risk, interest rate risk and commodity price risk. Where material, these risks are reviewed and monitored by the Board of Directors and they are more fully described in note 5 to the financial statements for the ended May 31, 2021.



15. OUTSTANDING SHARE DATA

	Number of Shares
Common shares outstanding – May 31, 2020	113,175,899
Share issue for cash	27,815,072
Shares issued on exercise of options	400,000
Shares issued for settlement of convertible loan	39,200,000
Shares issued for cash – flow-through shares	5,217,391
Shares issued for property acquisition	12,000,000
Shares issued for settlement of related party loan	6,500,000
Shares issued on exercise of warrants	1,240,000
Common shares outstanding – May 31, 2021	205,548,362

Braveheart has an authorized share capital consisting of an unlimited number of common shares.

Subsequent to May 31, 2021, the Company issued –
 -250,000 shares on purchase of the Thierry 2% NSR and
 -7,233,130 in a private placement.

As at September 28, 2021, there were 213,031,492 common shares outstanding.

15.2 Warrants

	Number of Warrants
Warrants outstanding – May 31, 2020	27,667,569
Exercised for cash proceeds of \$186,003	(1,240,000)
Expired	(25,640,000)
Issued	57,995,309
Warrants outstanding – May 31, 2021	58,782,878

Subsequent to May 31, 2021 –
 - the Company issued 7,233,130 in a private placement.
 -521,569 expired unexercised.

As at September 28, 2021, there were 65,494,439 warrants outstanding.

15.3 Stock Options

The Company has a stock option plan to provide employees, directors, officers and consultants with options to purchase common shares of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock on the day of grant and the maximum term of option is five years. The maximum number of shares which may be issued under the program shall not exceed 10% of the issued and outstanding shares. The following summarizes the employees, directors, officers and consultants stock options that have been granted, exercised, expired, vested or cancelled during the period ended May 31, 2021:



	Number of Options	Weighted Average Exercise Price
Balance, May 31, 2020	8,155,556	\$ 0.16
Issued	9,305,000	0.10
Exercised	(400,000)	0.06
Balance, May 31, 2021	17,060,556	\$ 0.12

Subsequent to May 31, 2021 –

- the Company issued 500,000 options.

As at September 28, 2021, there were 17,560,556 stock options outstanding.

16. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash and cash equivalents, accounts receivable and harmonized sales tax, accounts payable and accrued liabilities, due to related parties, loans payable and government grants. The fair value of the Company's accounts payable and accrued liabilities, due to related parties, loans payable, are estimated by management to approximate their carrying values. Cash and cash equivalents is recorded at fair value using Level 1 quoted prices in active markets for identical assets or liabilities and, in management's opinion, the Company is not exposed to significant interest or credit risk from these financial instruments. Please refer to Note 5 for detailed discussion of the financial risk factors.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- interest rate risk
- price risk
- commodity price risk
- foreign currency risk

The Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

(i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's accounts receivables, and cash and equivalents.

The Company considers this risk to be low.

Accounts Receivables



Receivables are measured at carrying value and are subject to credit risk exposure.

Cash and cash equivalents and deposits

At times when the Company's cash position is positive, cash deposits are made with financial institutions having reasonable local credit ratings.

(ii) Liquidity risk

Liquidity risk encompasses the risk that a company cannot meet its financial obligations in full. The Company's main sources of liquidity are its cash and cash equivalents. These funds are primarily used to operating cost, finance working capital, exploration expenditures, evaluation expenditures, and acquisitions.

The Company manages its liquidity risk by regularly monitoring its cash flows from operating activities and holding adequate amounts of cash and cash equivalents.

As part of its capital management process, the Company prepares budgets and forecasts, which are used by management and the Board of Directors to direct and monitor the strategy and ongoing operations and liquidity of the Company. Budgets and forecasts are subject to significant judgement and estimates relating to activity levels, future cash flows and the timing thereof and other factors which may or may not be within the control of the Company. The current volatility in commodity prices and overall global market uncertainty creates significant inherent challenges with the preparation of financial forecasts. See further discussions relating to going concern and liquidity in note 1 to the financial statements.

(iii) Interest rate risk

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

Related party loans are at fixed rates and loans payable are variable.

(iv) Commodity price risk

The value of the Company's exploration and evaluation assets are related to the price of gold, copper, and other mineral commodities. Adverse changes in the price of gold and copper can also significantly impair the economic viability of the Company's projects, along with the ability to obtain future financing.

Gold, copper, and other mineral commodities prices historically have fluctuated widely and are affected by numerous factors outside of the Company's control, including, but not limited to, industrial and retail demand, central bank reserves, management forward sales by producers and speculators, levels of worldwide production, short-term changes in supply and demand due to speculative hedging activities, macro-economic variables and certain other factors related specifically to gold, copper, and other mineral commodities.

(v) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign currency exchange rates. The Company is exposed to foreign currency fluctuations as certain transactions and loans are denominated in United States dollars.



Sensitivity analysis - Based on management's knowledge and experience of the financial markets, the Company believes that movements at $\pm 10\%$ are "reasonably possible" over a one year period:

- (a) As at May 31, 2021, the Company had \$1,134,130 (\$1,000,000 US dollars) in loan liability and \$7,030 in cash denominated US Dollar foreign currency.
- (b) Price risk is remote since the Company is a non-producing entity.

17. OTHER INFORMATION

17.1 Contractual Commitments

Flow Through Share Commitments -As at May 31, 2021 the Company estimates a \$388,465 remaining commitment on eligible Canadian exploration and development expenses by December 31, 2021. Subsequent to May 31, 2021 the Company has had an active drilling program underway at its Bul River property.

Thierry Contingency - The Company may be required to issue up to an additional 2,500,000 common shares following delivery of the pending Updated Rehabilitation Plan to the Ontario Ministry of Northern Development, Mines, Natural Resources and Forestry for Thierry.

In connection with the Exploration Memorandum of Understanding with the Mishkeegogamang First Nation, the Company has committed to contribute \$60,000 annually to the Mishkeegogamang Community Fund to benefit the community.

Capital equipment commitments of \$357,000 related to Bul River flotation tank equipment.

Alpine Gold Mine Property Option Commitments -

- a. A cash payment of \$100,000 by April 15, 2022.
- b. Property expenditures of approximately \$700,000 to complete permitting and construction of an upgraded road to the mine site from Nelson by December 22, 2022.
- c. A cash payment of \$1,400,000 by December 15, 2023.
- d. A cash payment of \$1,500,000 by December 15, 2024.

17.2 Limitations of Controls and Procedures

Braveheart's Chief Executive Officer and Chief Financial Officer believe that any disclosure controls and procedures or internal controls over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within Braveheart have been prevented or detected. These inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any systems of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected.

17.3 Corporate Governance

Braveheart's Board of Directors follows corporate governance policies to ensure transparency and accountability to shareholders.



The Audit Committee fulfills its role of ensuring the integrity of the reported information through its review of the unaudited interim and audited annual consolidated financial statements prior to their submission to the Board of Directors for approval.

17.4 Related Party Transactions

On January 4, 2019, the Company entered into a loan agreement with Matlock Farms Ltd., a company controlled by Aaron Matlock, a director of the Company. The loan has a principal amount of \$5,000,000 and carries an interest rate of 14.8% for a term of four years. Effective January 19, 2021 the interest rate was renegotiated to 10% for the balance of the loan and \$780,000 accrued interest was settled with the issuance of 6,500,000 common shares. The loan is secured by a general security agreement.

Key management costs (including share based compensation) for the year were \$1,033,027 (2020 - \$1,296,950).

17.5 Subsequent Events

Private Placement - On July 8, 2021 the Company issued 7,233,130 units at \$0.10 per unit for \$723,313. Each unit is comprised of one common share and one warrant. Each warrant is exercisable into a common share at a price of \$0.14 per share for a period of 24 months from offering.

Thierry NSR Purchase - On July 29, 2021, the Company purchased the 2% NSR on the Thierry Mine Project. Braveheart issued 250,000 common shares and made a cash payment of \$225,000 to repurchase the entire 2% NSR.

17.6 Changes in Accounting Policies

None

18. FORWARD-LOOKING STATEMENTS CAUTIONARY NOTE

This MD&A may contain forward-looking statements that are based on Braveheart's expectations, estimates and projections regarding its business and the economic environment in which it operates. These statements speak only as of the date on which they are made, are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. Examples of some of the specific risks associated with the operations of Braveheart are set out above under "Risk Factors". Actual outcomes and results may differ materially from those expressed in these forward-looking statements and readers should not place undue reliance on such statements.

Certain information included in this MD&A may constitute forward-looking information within the meaning of securities laws. In some cases, forward-looking information can be identified by the use of terms such as "may", "will", "should", "expect", "believe", "plan", "scheduled", "intend", "estimate", "forecast", "predict", "potential", "continue", "anticipate" or other similar expressions concerning matters that are not historical facts. Forward-looking information may relate to management's future outlook and anticipated events or results, and may include statements or information regarding the future plans or prospects of Braveheart. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Although Braveheart believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.

Forward-looking information is inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Braveheart to be materially different from those expressed or implied by such forward-looking information, including but not limited to, risks related to Braveheart's goal of creating shareholder value by concentrating on the acquisition and development of properties that have the potential to contain economic mineral deposits; management's assessment of future plans for its property interests (See "Mining



Properties – Exploration Activities”); management’s economic outlook regarding future trends; Braveheart’s expected exploration budget and ability to meet its working capital needs at the current level in the short term (See “Liquidity and Capital Resources” and “Financial Conditions”); expectations with respect to raising capital (See “Liquidity and Capital Resources”); and management’s proposed undertaking to attempt to renegotiate certain of its option agreements (See “Financial Conditions”).

Inherent in forward-looking statements are risks, uncertainties and other factors beyond Braveheart’s ability to predict or control. These risks, uncertainties and other factors include, but are not limited to, mineral price volatility, changes in debt and equity markets, timing and availability of external financing on acceptable terms, the uncertainties involved in interpreting geological data and confirming title to recently acquired properties, the possibility that future exploration results will not be consistent with Braveheart’s expectations, increases in costs, environmental compliance and changes in environmental and other local legislation and regulation, interest rate and exchange rate fluctuations, changes in economic and political conditions and other risks involved in the mineral exploration and development industry, as well as those risk factors listed in the “Risk Factors” section above. Readers are cautioned that the foregoing list of factors is not exhaustive of the factors that may affect the forward-looking statements. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about the following: the availability of financing for Braveheart’s exploration and development activities; operating and exploration and development costs; Braveheart’s ability to retain and attract skilled staff; timing of the receipt of regulatory and governmental approvals for exploration properties and other operations; market competition; and general business and economic conditions.

For further discussion of certain risks and uncertainties that could contribute to a difference in results that those expressed in certain forward looking statements contained herein, please review those risks listed under the heading “Risks Factors” in this MD&A. Although Braveheart 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. Forward-looking statements are not guarantees of future performance and 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. These forward-looking statements are made as of the date hereof and Braveheart takes no responsibility to update them or to revise them to reflect new events or circumstances, except as required by law.

18.1 Risk Factors

The Company's business is the exploration, development and production of mineral resources. As the Company's business is in an exploration phase, an investment in securities of the Company involves a high degree of risk. The risk factors discussed below do not necessarily include all risks associated with the business, operations and affairs of the Company.

Exploration Stage Operations

The Company’s operations are subject to all of the risks normally incident to the exploration for and the development and operation of mineral properties. Mineral exploration is a business of high inherent risk. All exploration and mining programs face a risk of unknown and unanticipated geological conditions, and promising indications from early results may not be borne out in further exploration work. A mineral exploration program often requires substantial cash investment, which can be lost in its entirety if it does not result in the discovery of a commercially viable mineral resource.

The commercial viability of a mineral deposit is dependent on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, as well as mineral prices. Most of these factors are beyond the control of the Company. Mineral exploration involves risks which even a combination of careful evaluation, experience, and knowledge cannot eliminate. Development of a producing mine generally requires large capital investment



and numerous permits from government regulatory agencies. There is no assurance that the funds required to exploit mineral resources discovered by the Company will be obtained on a timely basis or at all. There is also no assurance that the Company will be able to obtain the required government permits required. The costs and time involved in the permitting process may also delay the commencement of mining operations, or make the development of a producing mine uneconomic.

Financial Needs to Maintain Going Concern

To date, the Company has not had any significant revenues from operations. The ability of the Company to continue as a going concern is dependent on the Company's ability to obtain financing to continue exploration, development and commercialize of its properties. There is no certainty that the Company will be able to obtain the financing required to continue its exploration and development activities. Equity financing and related party loans have historically been the Company's source of financing its operations. There can be no assurance that additional financing will be available to the Company, or, if it is, that it will be available on terms acceptable to the Company. If the Company is unable to obtain the financing necessary to support its activities, it may be unable to continue as a going concern.

Competition

The mining industry is intensely competitive in all of its phases, and the Company competes with other companies, some of which have greater technical and financing resources than itself with respect to the ability to acquire properties of merit, the recruitment and retention of qualified employees and other persons to carry out its mineral exploration activities and for financing from third party investors. Competition in the mining industry could adversely affect the Company's prospects for mineral resource exploration in the future and cause the Company to fail to obtain appropriate personnel to pursue its objectives, the financing required to continue its exploration activities or further claims or properties to grow its business and operations.

Title to Properties

While the Company has investigated its titles and all of its claims, the Company cannot guarantee that title to such property and claims will not be challenged or impugned. The Company can never be certain that it will have valid title to its mineral properties. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify, and transfers are often complex.

Environmental Risk

Environmental regulations, among other things, mandate the maintenance of air and water quality standards, land reclamation, transportation, storage and disposal of hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties, more stringent environmental assessments and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation will not adversely affect the Company's operations or inhibit the Company's ability to successfully act to develop its mineral resources.

Dilution to the Company's existing shareholders

The Company will likely require additional equity financing to be raised in the future. The Company may issue securities at terms more favourable than those at which existing shareholders acquired common shares of the Company to raise sufficient capital to fund the Company's business plan. Any transaction involving the issuance of equity securities or securities convertible into common shares would result in dilution, possibly substantial dilution, to present and prospective holders of common shares.



Uninsured or Uninsurable

The Company may become subject to liability for pollution or hazards against which it cannot insure or against which it may elect not to insure where premium costs are disproportionate to the Company's perception of the relevant risks. The payment of such insurance premiums and of such liabilities would reduce the funds available for exploration and production activities. Related party loans are at fixed rates and loans payable are variable.

Commodity price risk

The value of the Company's exploration and evaluation assets are related to the price of gold, copper, and other mineral commodities. Adverse changes in the price of gold and copper can also significantly impair the economic viability of the Company's projects, along with the ability to obtain future financing.

Gold, copper, and other mineral commodities prices historically have fluctuated widely and are affected by numerous factors outside of the Company's control, including, but not limited to, industrial and retail demand, central bank reserves, management forward sales by producers and speculators, levels of worldwide production, short-term changes in supply and demand due to speculative hedging activities, macro-economic variables and certain other factors related specifically to gold, copper, and other mineral commodities.

COVID 19 Pandemic

During March 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian governments regarding travel, business operations and isolation/quarantine orders. At this time, the extent of the impact the COVID-19 outbreak may have on the Company is unknown as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

While the extent of the impact is unknown, we anticipate this outbreak may cause investment market volatility, supply chain disruptions, and increased government regulations, all of which may negatively impact the Company's business and financial condition. Exploration drilling operations were suspended during these restrictions.

Additional Information

Additional information regarding the Company and its business and operations is available on the Company's profile at www.sedar.com and on the Company's website at www.braveheartresources.com