



**SABRE GOLD MINES CORP**  
**(formerly “ARIZONA GOLD CORP”)**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2022**  
**EXPRESSED IN CANADIAN DOLLARS**

**Suite 250 – 200 Burrard Street**  
**Vancouver, British Columbia, Canada**  
**V6C 3L6**

**Sabre Gold Mines Corp (formerly “Arizona Gold Corp”)  
Management’s Discussion & Analysis  
For The Three Months Ended March 31, 2022**

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**Introduction**

The following management’s discussion and analysis (“MD&A”) of the financial condition and results of the operations of Sabre Gold Mines Corp (formerly Arizona Gold Corp), (“Sabre Gold” or the “Company”) constitute management’s review of the factors that affected the Company’s financial and operating performance for the three months ended March 31, 2022. This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited annual consolidated financial statements of the Company for the six months ended December 31, 2021, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results for the three months ended March 31, 2022 are not necessarily indicative of the results that may be expected for any future period. Information contained herein is presented as of May 11, 2022, unless otherwise indicated.

The Company’s consolidated financial statements and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the IFRS Interpretations Committee (“IFRIC”).

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, (the “Board”) considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Sabre Gold common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Further information about the Company and its operations is available on Sabre Gold’s website at [www.sabre.gold](http://www.sabre.gold) or on the System for Electronic Documents Analysis and Retrieval (SEDAR) at [www.sedar.com](http://www.sedar.com).

Michael Maslowski, Certified Professional Geologist (CPG) with American Institute of Professional Geologist (AIPG), CPG-10890 is the Qualified Person, as the term is defined in National Instrument 43-101 (“NI 43-101”). He has reviewed and approved the technical information disclosed in this MD&A.

**Cautionary Notes and Forward-Looking Statements**

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as “forward-looking statements”). These statements relate to future events or the Company’s future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “continues”, “forecasts”, “projects”, “predicts”, “intends”, “anticipates” or “believes”, or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results “may”, “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement.

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Forward-looking statements and forward-looking information in this MD&A relate to; among other things: the Company’s ability to successfully advance and achieve production at the Copperstone Mine; the strategic vision for the Company and expectations regarding exploration potential and the Company’s ability to raise additional capital.

Inherent in forward-looking statements are risks, uncertainties, and other factors beyond Sabre Gold’s ability to predict or control. Please refer to those risk factors included in the “Risk Factors” section below. 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.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Sabre Gold’s actual results, performance, or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements.

All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward- looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

**Highlights**

**A. Copperstone Mine Project Development**

Further engineering and refinement were completed in 2021 on the processing facility that will incorporate a Whole Ore Leach process followed by Merrill-Crowe recovery and onsite refining. Plant lay-out and flowsheets with associated capital and operating cost estimates were completed. Engineering is estimated at 60% completion with flowsheets and plant lay-out complete. Concurrently, metallurgical testing is in final stages, indicating excellent gold recovery. Final metallurgical tests will provide data to confirm the equipment sizing and operating costs.

**B. Financing And Corporate**

On July 27, 2020, the Company announced it had entered into an agreement to acquire a 3% Gross Production Royalty (“Royalty”) from Trans Oceanic Mineral Company Ltd. (“TOMCL”), which will reduce the aggregate Royalty on the Copperstone Gold Mine from 6% to 3%. The Copperstone Gold Mine is currently subject to an aggregate 6% Royalty held by TOMCL (4.5%) and the Angie Patch Survivor’s Trust (1.5%). The purchase agreement entered into between the Company’s subsidiary, Bonanza Explorations Inc. (“Bonanza”), and TOMCL provides for the buyback of a 3% Royalty held by TOMCL for US\$2,500,000 which expired January 31, 2022. The Company and TOMCL are currently in discussions regarding a further extension.

On August 10, 2020, the Company closed a bought deal financing for aggregate gross proceeds of \$5,000,800 (the “Offering”). Pursuant to the Offering, the Company issued a total of 35,720,000 units of the Company (the “Units”) at a price of C\$0.14 per Unit. Each Unit consists of one common share in the capital of the Company (a “Common Share”) and one half of one Common Share purchase warrant (a “Warrant”). Each whole Warrant entitles the holder thereof to purchase one Common Share at a price of C\$0.22 for a period of 24 months. Haywood Securities Inc. acted as sole underwriter for the Offering.

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On November 12, 2020, the Company and Star Royalties Ltd. ("Star Royalties") announced the execution of a definitive US\$18 million gold streaming agreement (Streaming Agreement") to finance the restart of operations and gold production at the Copperstone in Arizona, USA.

The key transaction terms are as follows:

- Star Royalties will purchase from Sabre Gold 9.9% of gold produced until a cumulative 21,000 ounces are delivered, then 3.3% of gold produced until a cumulative 27,200 ounces are delivered, then 1.2% of gold produced thereafter for the life of mine;
- Star Royalties will provide a cash payment to Sabre Gold for each ounce of gold delivered equal to 25% of the average gold spot price for the five consecutive trading days prior to delivery.
- The advance of the first tranche of US\$6 million was subject to Sabre Gold repaying the outstanding US\$2 million convertible promissory note held by Sprott and customary closing conditions, including completion of the requisite security package.
- Additionally, it was agreed with Sprott that US\$500,000 with a conversion price of CAD\$0.13 and US\$1,500,000 with conversion price of CAD\$0.16 would not be exercised.

The US\$18 million prepayment under the Streaming Agreement will be provided in three equal installments, with the first installment advanced on November 20, 2020 and the second installment advanced on February 24, 2021. The remaining tranche of US\$6 million will be advanced subject to certain closing conditions inclusive of the acquiring of the 3% gross production royalty from TOMCL and ensuring sufficient capital to complete the restart of production in accordance with the updated development and mine plan.

In connection with the Streaming Agreement, the Company amended the promissory notes payable and the Kerr debentures I and II (combined the "Notes") as follows:

- The maturity dates of outstanding Notes held by Braydon and TOMCL will each be extended from August 22, 2021 to December 31, 2023;
- The rate of interest payable on the principal of the Notes will be increased from 8% to 10%, with interest payable quarterly starting on the commencement of commercial production;
- The two \$1,000,000 unconvertible promissory notes, one held by each of Braydon and TOMCL, will be amended to include a conversion feature providing that the principal amount of the notes can be converted into common shares of Sabre Gold at any time prior to maturity at a price of CAD\$0.16 per share, subject to early conversion in the event the volume-weighted average trading price of the common shares exceeds CAD\$0.30 for twenty consecutive trading days.

Sabre Gold has also agreed to make prepayments against the principal of the Notes by way of preferential payments, in certain circumstances.

The Company appointed Dale Found as Chief Financial Officer in January, 2021.

On June 28, 2021 the Company announced its intention to merge with Golden Predator Mining Corp, both companies subsequently held shareholder meetings on August 25, 2021 which approved the merger. Under the terms of the merger all existing Golden Predator Mining Corp shares were exchanged for Sabre Gold shares at an exchange ratio of 1.65 Sabre shares per Golden Predator share.

Immediately after the merger the Company announced a name change to Sabre Gold Mines Corp.

The Company appointed Mike Maslowski as Chief Operating Officer in May, 2022.

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**Outlook**

The Company is focused on delivering shareholder value in the following ways:

- Continue to execute on its Resource Expansion and Mine Life Extension Program consisting of exploration drilling with the goal of adding new resources and in-fill drilling for the purposes of converting existing resources to higher classification and inclusion into Proven and Probable Reserves.

**Copperstone Project**

Continue to advance the Copperstone Project with the goal of achieving commercial production with a development plan for production of up to approximately 35,000 to 40,000 ounces of gold per annum with a current mine life of 4-5 years, which will include:

- Final Engineering - Secured several key Engineering Groups to advance backfill design, geotechnical, ventilation, water management and electrical infrastructure.
- Backfill & Ground Control – Geotechnical studies have indicated wider mining widths and strength of backfill using mine development materials which will further enhance previously estimated production efficiencies.
- Mineral Processing Plant – Engineering well advanced for final layout and design of WOL gold processing plant. Final costing for crush and grind circuit and receipt of quotations for longer lead equipment. Final metallurgical testing nearing completion to optimize grind size, leach kinetics and reagent consumption.
- Mine Engineering – Final mine design and schedules are underway. Considerations in the design and schedule include optimizing workflows and implementing newly identified advantages related to ore sequencing, production efficiencies and haul profiles.
- Mine operations – Initiated pre-production mine ground support rehabilitation and commenced stope definition drilling for detailed final gold ore stope designs.

**Brewery Creek Project**

- Released a Preliminary Economic Assessment (“PEA”) in January of 2022. The PEA is being used as the basis for writing a new project proposal for submission to the Yukon Environmental Socio-economic Assessment Board (YESAB), the first step in obtaining new mining and water licenses in Yukon Territory. The project proposal is expected to be submitted in early 2022.
- Continue to review existing mineral resource models and geologic data will continue in order to define in-fill drill programs to elevate inferred resources to measured and indicated and refine targets for future exploration and resource expansion.
- Continue to advance Brewery Creek through the permitting process with the goal of achieving commercial production in the next 5 years.
- Continue to maintain and monitor with water quality sampling of both surface and ground waters.

### **COVID 19 Global Health Emergency**

The global outbreak of the novel coronavirus (“COVID-19”) in 2020 has had a significant impact on businesses through restrictions put in place by governments around the world, including the jurisdictions in which we conduct our business. As of the date of this MD&A, it is not possible to determine the extent of the impact that this global health emergency will have on our activities as the impacts will depend on future developments which themselves are highly uncertain and cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, its extent and intensity, the duration of the outbreak, and possible government, societal and individual responses to the situation.

Due to the reaction to the worldwide COVID-19 pandemic, material uncertainties may arise that could influence management’s going concern assumption. Management cannot accurately predict the future impact policies related to COVID-19 may have on:

- Global gold prices;
- Demand for gold and the ability to explore for gold;
- The severity and the length of potential measures taken by governments to manage the spread of the virus, and their effect on labor availability and supply lines;
- Availability of government supplies, such as water and electricity;
- The ability to complete a transaction;
- Purchasing power of the Canadian dollar and United States Dollar; and
- Ability to obtain funding.

The Canadian Federal government, the Provincial government of British Columbia and the government of the United States of American have not introduced measures that have directly impeded the operational activities of the Company. Management believes the business will continue and, accordingly, the current situation has not impacted management’s going concern assumption. However, it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

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**Change in year end**

In an effort to bring the Company’s financial reporting cycle in line with common practice for the mining industry, the Company changed its year end to December 31 commencing December 31, 2021. As a result, the Company’s current reporting period is a three-month period ending March 31, 2022.

The length of the ending date of the periods, including comparative periods, of the interim and annual financial statements to be filed for the transition year and the new financial year are:

<b>Transition Year</b>	<b>Comparative Annual Financial Statements to Transition Year</b>	<b>New Financial Year</b>	<b>Comparative Annual Financial Statements</b>	<b>Interim Periods for Transition Year</b>	<b>Comparative Interim Periods to Interim Periods in Transition Year</b>	<b>Interim Periods for New Financial Year</b>	<b>Comparative Interim Periods to Interim Periods in New Financial Year</b>
6 months ended 31/12/2021	12 months ended 30/6/2021	12 months ended 31/12/2022	6 months ended 31/12/2021 12 months ended 30/6/2021	3 months ended 30/9/2021	3 months ended 30/9/2020	3 months ended 31/3/2022	3 months ended 31/3/2021
						6 months ended 30/6/2022	6 months ended 30/6/2021
						9 months ended 30/9/2022	9 months ended 30/9/2021

**Description of Business**

Sabre Gold Mines Corp is a TSX listed emerging American gold producer advancing the re-start of its fully permitted past-producing Copperstone gold project located in mining-friendly Arizona and the fully permitted past-producing Brewery Creek project in the Yukon, Canada.

**Copperstone Project**

The Company has a 100% leasehold interest in the exploration and development stage Copperstone project which encompasses approximately 12,258 acres of surface area and mineral rights in La Paz County, Arizona, within a 50 square km land package. Sabre Gold controls 546 federal unpatented mining claims and two Arizona state mineral leases which together comprise the Copperstone Project area. The federal claims cover approximately 10,920 acres. Copperstone lies in the 350-mile long Arizona-centered Detachment Fault Terrane, stretching from southern Nevada to southeastern Arizona, and along the Colorado River between Arizona and California. The terrane includes the Mesquite Mine in California, with historic production and resources of over 10 million troy ounces of gold.

Within the Copperstone project is the Copperstone Mine. The Copperstone Mine, previously operated by Cyprus Minerals Corporation, produced nearly half a million ounces of gold between 1987 and 1993 by way of open pit mining. Ackerman (1998) reported production by Cyprus at Copperstone of 514,000 oz of gold from 5,600,000 Mt of ore grading 2.8 g/tonne (0.089 oz/t) of gold.

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Considerable infrastructure constructed by the Company’s predecessor company, American Bonanza Gold Corp remains and will serve to substantially reduce the current capital requirements for the re-start of mining operations. Existing infrastructure includes a power line, substation, three water wells, 4,300ft of underground development, supporting infrastructure, offices, maintenance shops, a laboratory building, permitted tailings facility, 600 ton per day ball mill, all sufficient, with modest refurbishment, for the currently contemplated restart of operations at the Copperstone Mine.

In addition, the Copperstone Mine is fully permitted for immediate re-start subject to project funding with all modified permits received in 2019 and 2020.

On September 21, 2021, the Corporation announced an updated mineral resource estimate on its Copperstone Project and filed the technical report on Sedar. The updated resource estimate included a 23% increase in gold ounces in all categories, 53% increase in Measured Resources to 196,000 gold ounces at 7.6 g/t and a 45% increase in Inferred Resources to 212,000 gold ounces at 5.9 g/t.

### **Brewery Creek Project**

The Company owns 100% of the claims that cover the Brewery Creek Mine a brownfields heap leach gold mine that was operated by Viceroy Minerals Corporation from 1996 to 2002. Brewery Creek was put into temporary closure in 2002 following a collapse of the gold price to below \$300 US per ounce. Sabre (Golden Predator) commenced work on the project starting in 2009.

The 180 km<sup>2</sup> property is located 55 km east of Dawson City and is accessible year-round by paved and improved gravel roads. Significant infrastructure remains in place, allowing for a timely restart schedule for renewed mine operation. Existing infrastructure includes heap leach pad, solution ponds, haul roads, 100-person camp, permitted and functioning septic system and exploration office.

Since 2009 the Company has drilled over 115,000 meters of combined core and reverse circulation drilling in over 900 holes. Included in the drilling are hole dedicated to geotechnical assessment, groundwater monitoring holes and holes to obtain metallurgical samples.

The updated Gustavson & Associates Mineral Resource Estimate, included in the January 2022 PEA, reports Measured and Indicated Mineral Resources totaling 34.5 million tonnes at 1.03 g/t, containing 1.14 million ounces of gold. Inferred resources total 36.0 million tonnes at 0.88 g/t containing 1.02 million ounces of gold.

The Brewery Creek Project considers Mining from several open pits, crushing and heap leaching. Mineralized material will be crushed to 80% passing 19 mm by a three-stage closed mobile crushing circuit, and conveyor stacked onto the existing heap leach pad; a majority of the material on the existing heap leach pad will be removed prior to stacking fresh material. Pebble lime will be added for pH control. Stacked material will be leached using a low concentration sodium cyanide solution. Pregnant solution from the heap leach will be processed in an adsorption, desorption, recovery (ADR) plant where gold will be adsorbed onto activated carbon, stripped, and recovered by electrowinning using a modified Zadra process. The resulting precious metal sludge will be filtered and treated in a mercury retort before being mixed with fluxes and smelted to produce the final doré product.

On December 14, 2021 the Corporation announced a resource update for Brewery Creek Gold Project. The improved classification of measured and indicated mineral resources increased by 355,000 ounces gold (32%) in all categories.



## **Current and Future Plans Related to Exploration and Development Activities**

### **Copperstone Project**

In 2020 the Company completed 7,657 metres of its mine life extension and resource expansion drilling program. In Q4 2021, the Company completed 2,893 metres of close spaced underground panel drilling. This drilling will be used for designing initial stoping areas when mining re-commences.

The Company is continuing efforts to improve and optimize project economics and extend the current mine life through drilling. The Company anticipates an increase in the estimated initial project capital from what has been reflected in the Copperstone prefeasibility study. These capital cost increases are a result of the overall market experiencing upward cost pressures and competition for limited resources. Also, advancement of the detailed engineering of the mine and mineral processing identified additional scope with the capital project. These CAPEX increases are expected to improve project delivery and minimize operational risk as a result of improved production assurance. A mineral processing strategy that focuses on refurbishment and construction of a WOL gold recovery circuit will provide high plant availability.

Mineral processing optimization studies continue to be performed primarily with Resource Development Inc. and Hanlon Engineering. These results of the new studies and historic metallurgical test work provide the basis of the new WOL facility. Feasibility level engineering of a new processing facility has been completed and a final round of metallurgical testing is being conducted in order to optimize the plant flow sheet and operating costs. Final detailed engineering will incorporate the final metallurgical testing and ancillary studies. Commencement of WOL plant construction and infrastructure modifications begin upon completion of mine design and financing.

The Company has engaged Mine Development Associates of Reno, Nevada to conduct detailed underground mine planning and stope by stope production analysis. This information will finalize mine capital requirements for development, infrastructure, and mine operating costs. Several mining contractors have been engaged and will provide firm quotes for initial and long-term mine production services.

### **Brewery Creek Project**

The Company completed an update Preliminary Economic Assessment (“PEA”) in January 2022 and is working with Tr’ondëk Hwëch’in First Nation to develop the project description for submission to Yukon Environmental-socioeconomic Assessment Board (YESAB) for environmental assessment followed by obtaining Quartz Mining and Water Use Licenses from Yukon Government for the expand mining area to include unmined deposits that were outside the previous license boundaries.

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On-Going Activities at Brewery Creek include.

- Continue compliance and baseline monitoring of surface and ground waters
- Project planning and permit application writing with submittal to YESAB in Q2 2022 for project assessment.
- Planning for in-fill drilling within current mine plan footprint to elevate Inferred resources to Measured or Indicated.
- Planning for expansion and exploration drilling at existing targets for growth of the overall mineral resource inventory at Brewery Creek.

As at March 31, 2022, the Company had assets of \$56,890,904 (December 31, 2021 - \$61,393,445) and a net equity position of \$21,667,735 (December 31, 2021 - \$23,718,738). As at March 31, 2022, the Company had current liabilities of \$2,339,109 (December 31, 2021 - \$5,093,934). The Company had net exploration and evaluation expenditures of \$262,241 during the three months ended March 31, 2022 (three months ended March 31, 2021 - \$nil) on its gold interests.

**Quarterly Information**

A summary of selected financial information of Sabre Gold for each of the eight most recently completed quarters is as follows:

Three Months Ended	Total Revenue (\$)	Loss (Income)		Total Assets (\$)
		Total (\$)	Per Share (\$)	
March 31, 2022	-	1,636,328	0.00	56,890,904
December 31, 2021	-	57,603	0.00	61,393,445
September 30, 2021	-	4,300,866	0.00	61,330,446
June 30, 2021	-	244,921	0.00	31,629,190
March 31, 2021	-	576,967	0.00	32,564,696
December 31, 2020	-	1,901,382	0.01	24,976,127
September 30, 2020	-	2,155,735	0.01	20,490,464
June 30, 2020	-	4,099,398	0.01	18,277,460
March 31, 2020	-	160,483	0.00	20,182,136

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**Discussion of Operations**

Three months ended March 31, 2022, compared with the three months ended March 31, 2021

Sabre Gold’s net loss totaled \$1,636,328 for the three months ended March 31, 2022, with basic and diluted loss per share of \$0.00. This compares with a net loss of \$576,967 with basic and diluted loss per share of \$0.00 for the three months ended March 31, 2021. The increase in the net loss of \$1,059,361, was principally because:

- For the three months ended March 31, 2022, the Company expensed exploration and evaluation expenditures of \$262,241 related to the Brewery Creek project through the statement of loss and all project related expenditure related to the Copperstone project is currently being capitalized as part of mineral properties. For the three months ended March 31, 2021 the Company recorded \$nil as all expenditure was capitalized.
- During the three months ended March 31, 2022 there was a depreciation expense recorded of \$81,102 in relation to the Brewery Creek fixed assets, the depreciation related to the fixed assets at Copperstone is capitalized to mineral properties. The depreciation expense for the three months ended March 31, 2021 was \$nil.
- During the three months ended March 31, 2022 professional fees incurred amounted to \$96,839 mainly related to audit, accounting and tax matters including the change of the financial year end whereas in the three months ended March 31, 2021 professional fees amounted to \$11,887.
- During the three months ended March 31, 2022 there was a Fair Market valuation adjustment in regards to the marketable securities held which resulted in a loss of \$669,190 compared to \$nil in the three months ended March 31, 2021 as no marketable securities were held at that time.
- There was a foreign exchange loss of \$75,755 recorded during the three months ended March 31, 2022, compared to a foreign exchange loss of \$165,695 for the three months ended March 31, 2021 due to the impact of changes in the exchange rate between the US dollar and the Canadian dollar.

**Liquidity and Capital Resources**

The activities of the Company, principally the exploration and development of its flagship asset, the Copperstone project was financed through the completion of equity transactions such as equity offerings and the exercise of stock options and warrants. The acquisition of Golden Predator was achieved by issuing shares, options and warrants.

The Company had cash of \$2,880,716 as at March 31, 2022 (December 31, 2021 - \$3,111,475). The decrease in cash of \$230,759 during the three months ended December 31, 2021 was primarily due to the amount spent on developing the Copperstone mine site and the Brewery Creek project, the increase in the surety bond offset by the receipts due to liquidating some of the marketable securities.

Cash used by operating activities for the three months ended March 31, 2022 was \$3,035,098 and was affected by changes in non-cash working capital balances because of decreases in accounts receivable of \$43,149 and prepaid expenditures and other assets of \$75,782 and a decrease in accounts payable and accrued liabilities of \$2,551,301. The Company recorded a net loss of \$1,636,328 which included accrued interest charges of \$340,583.

Cash provided by investing activities for the three months ended March 31, 2022, was \$3,130,460 due to the development costs related to the Copperstone project of \$1,127,347 offset by receipts of \$4,257,807 due to liquidating marketable securities.

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See “Risk Factors” below.

**Outstanding Share Data**

As at the date of this MD&A, the Company had the following number of common shares and issuable shares outstanding.

<b>Securities</b>	
Common shares	632,916,250
Issuable under options	38,783,000
Issuable under warrants	31,635,700
<b>Total Securities</b>	<b>703,334,950</b>

**Disclosure Controls and Procedures and Internal Controls over Financial Reporting**

Management is responsible for establishing and maintaining adequate disclosure controls and procedures (“DCP”) as well as internal controls over financial reporting (“ICFR”) as defined in the rules of the Canadian Securities Administrators.

The Company’s Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”), with the participation of management last completed an evaluation of the design and operating effectiveness of the Company’s DCP’s and ICFR’s as at December 31, 2021. Based on that assessment, management concluded that the Company’s ICFR were operating effectively based upon the criteria set forth in the Committee of Sponsoring Organizations of the Treadway Commission’s (COSO) Internal Control – Integrated Framework (2013) as at March 31, 2022.

During the three months ended March 31, 2022, the CEO and CFO have evaluated whether there were any changes to the ICFR that have materially affected, or are reasonably likely to materially affect, the ICFR. No such significant changes were identified through their evaluation which was based on the COSO Model.

### **Critical Accounting Judgements, Estimates and Assumptions**

The Company makes estimates about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates.

#### *Judgments:*

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the consolidated financial statements within the next year are discussed below:

#### Mineral properties

##### *Operating levels intended by management for the Copperstone mine*

Prior to a mine being capable of operating at levels intended by management, costs incurred are either expensed or capitalized based on the type of costs incurred. Costs related to developing the property are generally capitalized, while care and maintenance costs and costs related to exploration and evaluating new ore bodies are expensed. Management considers the Copperstone mine is capable of operating at levels intended by management once it has reached consistent production of no less than 60% of planned volume for a period of 30 consecutive days. As at March 31, 2022 the Copperstone mine had not met this target.

#### Functional currency

The functional currency for the Company’s subsidiaries is the currency of the primary economic environment in which the entity operates. Determination of functional currency may involve certain judgments to determine the primary economic environment and the Company reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.

#### Impairment of property, plant and equipment

Assets or cash generating units are evaluated at each reporting date to determine whether there are any indications of impairment. If any such indication exists, a formal estimate of recoverable amount is performed and an impairment loss recognized to the extent that carrying amount exceeds recoverable amount. The recoverable amount of an asset or cash-generating group of assets is measured at the higher of fair value less costs to sell and value in use.

Fair value is determined as the amount that would be obtained from the sale of the asset in an arm’s-length transaction between knowledgeable and willing parties and is generally determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset, including any expansion prospects, and its eventual disposal.

Present values are determined using a risk-adjusted pre-tax discount rate appropriate for the risks inherent to the asset. Future cash flow estimates are based on expected production and sales volumes, commodity prices (considering current and historical prices, price trends and related factors), reserves, operating costs, restoration and rehabilitation costs and future capital expenditure. The Company’s management is required to make these estimates and assumptions which are subject to risk and uncertainty; hence, there is a possibility that changes in circumstances will alter these projections, which may impact the recoverable amount of the assets. In such circumstances, some or all of the carrying value of the asset may be impaired and the impairment would be charged against profit or loss.

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*Estimates:*

The following are some of the more significant estimates made in the preparation of these unaudited condensed interim consolidated financial statements:

Provisions

Provisions are recognized for liabilities of uncertain timing or amount that have arisen as a result of past transactions, including legal or constructive obligations. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

The Company’s mining activities are subject to various laws and regulations governing the protection of the environment. The Company recognizes management’s best estimate for asset retirement obligations in the period in which they occur. Actual costs incurred in future periods could differ materially from the estimates. The ultimate cost of environmental remediation can vary in response to many factors including future changes to environmental laws and regulations, the emergence of new restoration techniques, changes in the life of mine estimates and in discount rates, which could affect the carrying amount of this provision.

Derivatives and Debt Valuation

The valuation of debt and embedded derivatives for convertible instruments is based on the application of a recognized option valuation formula, which is highly dependent on, amongst other things, the expected volatility of the Company’s registered shares and the expected life of the options. The Company uses an expected volatility rate for its shares based on past stock trading data, adjusted for future expectations, and actual volatility may be significantly different.

The resulting value calculated is not necessarily the value that the holder of the instrument could receive in an arm’s length transaction. It is management’s view that the value derived is highly subjective and dependent entirely upon the input assumptions made.

Share-based payments

The fair value of share-based payments is estimated using the Black-Scholes option pricing model and rely on a number of estimates, such as the expected life of the option, the volatility of the underlying share price, the risk free rate of return, and the estimated rate of forfeiture of options granted.

Allowance for expected credit losses

IFRS 9 Financial instruments introduces an expected credit loss (“ECL”) impairment model applicable to all debt instruments within financial assets classified as amortized cost or at fair value through other comprehensive income (“FVTOCI”), as well as certain off-balance sheet loan commitments. The general principle of the ECL model is to reflect the pattern of deterioration or improvement in the credit quality of the associated financial instruments. The calculated allowance is designed to be an unbiased and probability-weighted amount that has been determined by evaluating possible outcomes; the time value of money; reasonable and supportable information about past events; and current and forecasted economic conditions.

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The IFRS 9 ECL approach has three stages:

Stage 1 – includes financial instruments that have not had a significant increase in credit risk since initial recognition, or that have low credit risk at the reporting date. An ECL equal to expected credit losses resulting from default events over the next 12 months is recognized and interest revenue is calculated on the assets’ gross carrying amounts;

Stage 2 – includes financial instruments that have had significant increase in credit risk since initial recognition, but for which there is no objective evidence of impairment at the reporting date. An ECL equal

to expected credit losses resulting from default events over the assets’ lifetime (“lifetime ECL”) is recognized and interest revenue is calculated on the assets’ gross carrying amounts. In general, an asset’s lifetime is considered to be its remaining contractual lifetime;

Stage 3 – includes financial instruments that have objective evidence of impairment at the reporting date. The lifetime ECL is recognized and interest revenue is calculated on the assets’ net carrying amounts, which are determined as the asset amount net of their lifetime ECL.

### **Capital Management**

The Company manages its capital with the following objectives:

- to safeguard the Company's ability to continue as a going concern,
- to raise sufficient proceeds from share issues to meet general, administrative and exploration and development expenditures to advance the Copperstone project,
- to provide an adequate return to shareholders by advancing the Company’s projects to production while ensuring it meets the listing requirements of the Toronto Stock Exchange, and
- to maintain the royalty prepayments within the limits allowed by the agreement.

The Company has promissory notes payable, convertible promissory notes payable, accounts payable and accrued liabilities and equity, and consequently defines capital as all of the components of debt and equity which as at March 31, 2022 amount to \$54,711,233 (December 31, 2021 - \$59,051,344). The Company’s capital structure is adjusted based on the funds available to the Company such that it may continue exploration and development of its properties for the mining of minerals that are economically recoverable. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

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The Company’s properties are in the exploration and development stage and, as a result, the Company currently has no source of operating cash flow. The Company intends to raise such funds as and when required to complete its projects. There is no assurance that the Company will be able to raise additional funds on reasonable terms. The only sources of future funds presently available to the Company are through the exercise of outstanding stock options or warrants, the sale of equity capital of the Company, funds received from Streaming Agreement, or the sale by the Company of an interest in any of its properties in whole or in part. The ability of the Company to arrange such financing in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Company. There can be no assurance that the Company will be successful in its efforts to arrange additional financing, if needed, on terms satisfactory to the Company.

The directors of the Company review the capital structure from time to time. As part of this review, the directors considered the cost of capital and the risks associated with each class of capital. The Company will balance its overall capital structure through issue of new shares, new debt or the redemption or extension of existing debt. There were no changes in the Company’s approach to capital management during the three months ended March 31, 2022.

**Financial Instruments**

Fair value hierarchy - IFRS 7, Financial instruments: Disclosures, establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

Level 1: Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3: Valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The classification of a financial instrument in the fair value hierarchy is based upon the lowest level of input that is significant to the measurement of fair value. There was no movement between different levels for the three months ended March 31, 2022 and the six months ended December 31, 2021.

Marketable securities are marked-to-market at each period end and so the carrying amount also represents the fair value and were classified as level 1 financial instruments.

The fair value of the derivative financial liability (conversion feature) was estimated by using Black-Scholes pricing model with the assumptions and was classified as level 2 financial instruments.



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In these consolidate financial statements, classification of financial assets and liabilities measure at fair value is as follows:

	Level 1 \$	Level 2 \$	Level 2 \$
<b>March 31, 2022</b>			
Marketable securities	3,375,179	-	-
Restricted cash	1,365,680	-	-
Accounts receivable	377,619	-	-
Long-term receivable	279,018	-	-
Derivative in convertible promissory notes payable	-	(85,288)	-
Decommissioning liabilities	-	-	(2,036,723)
	<b>5,397,496</b>	<b>(85,288)</b>	<b>(2,036,723)</b>

	Level 1 \$	Level 2 \$	Level 2 \$
<b>December 31, 2021</b>			
Marketable securities	8,126,670	-	-
Restricted cash	1,078,595	-	-
Accounts receivable	496,550	-	-
Long-term receivable	279,018	-	-
Derivative in convertible promissory notes payable	-	(50,698)	-
Decommissioning liabilities	-	-	(2,221,965)
	<b>9,980,833</b>	<b>(50,698)</b>	<b>(2,221,965)</b>

During the three months ended March 31, 2022 and 2021 there were no transfers of amounts between fair value levels.

**Credit risk**

The Company's maximum exposure to credit risk, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties, totals the carrying amount of these assets as stated in the audited consolidated statements of financial position.

The Company's principal financial assets are cash, restricted investments and accounts receivable, which represent the Company's exposure to credit risk in relation to financial assets.

The credit risk on cash and restricted investments is mitigated by transacting with banks with high credit ratings assigned by international credit-rating agencies.

An allowance for expected credit losses is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information when necessary. As at March 31, 2022 and 2021, there were no receivables past due.

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Interest rate risk

The interest rate risk is the risk that fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk arising from fluctuations in interest rates on its promissory notes payable and convertible promissory notes payables.

Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2022, the Company had cash of \$2,880,716 (December 31, 2021 - \$3,111,475) to settle current financial liabilities of \$2,339,109 (December 31, 2021 - \$5,093,934). There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company.

The following table details the Company's contractual maturities for its financial liabilities as at March 31, 2022 and December 31, 2021, due by year:

<b>March 31, 2022</b>	<b>Carrying amount \$</b>	<b>Contractual cash flow \$</b>	<b>0 to 12 months \$</b>	<b>12 to 24 months \$</b>	<b>After 24 months \$</b>
Accounts payable	2,326,690	2,326,690	2,326,690	-	-
Deferred revenue	16,948,638	16,948,638	-	10,015,000	6,933,638
Promissory notes payable	5,347,276	5,347,276	-	5,347,276	-
Conv promissory notes payable	8,420,894	8,420,894	-	8,420,894	-
Lease liability	27,396	30,737	12,419	5,480	9,497
Provisions	2,036,723	2,402,979	-	-	2,036,723
	<b>35,107,617</b>	<b>35,477,214</b>	<b>2,339,109</b>	<b>23,788,650</b>	<b>8,979,858</b>

<b>December 31, 2021</b>	<b>Carrying amount \$</b>	<b>Contractual cash flow \$</b>	<b>0 to 12 months \$</b>	<b>12 to 24 months \$</b>	<b>After 24 months \$</b>
Accounts payable	4,877,990	4,877,990	4,877,990	-	-
Deferred revenue	16,778,370	16,778,370	-	10,015,000	6,763,370
Promissory notes payable	5,217,565	5,217,565	-	-	5,217,565
Conv promissory notes payable	8,264,078	8,264,078	-	-	8,264,078
Lease liability	35,746	39,804	21,250	4,309	10,187
Other loan	198,030	198,030	198,030	-	-
Provisions	2,221,965	2,402,979	-	-	2,221,965
	<b>37,593,744</b>	<b>37,778,816</b>	<b>5,097,270</b>	<b>10,019,309</b>	<b>22,477,165</b>

**Sabre Gold Mines Corp (formerly “Arizona Gold Corp”)****Management’s Discussion & Analysis****For The Three Months Ended March 31, 2022**Currency Risk

The Company's exploration and development activities are conducted in Arizona, United States. Major purchases, development and exploration expenditures are transacted in US dollars. Administrative expenditures and cash and cash equivalent balances are primarily transacted in Canadian dollars. The Company has exposure to foreign currency risk on its cash held in US bank, convertible promissory notes payable and lease obligations. As at March 31, 2022, the Company held US\$1,580,458 of monetary assets and held US\$30,024,098 in monetary liabilities. A \$0.05 fluctuation in the value of the Canadian dollar would result in an increase or decrease to profit or loss of approximately \$371,864. The Company mitigates the risk of foreign currency fluctuations by converting Canadian dollars to US currency when required to fund expenditures. The Company does not currently hedge its foreign exchange risk.

**Related Party Balances and Transactions**

Related parties include the Board, officers, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

The noted transactions below are in the normal course of business and are measured at the exchange amount, as agreed to by the parties, and approved by the Board of Directors in strict adherence to conflict of interest laws and regulations.

**(a) Loans from related parties**

	<b>As at March 31, 2022 \$</b>	<b>As at December 31, 2021 \$</b>
Deferred revenue	16,948,638	16,778,370
Promissory note payables	5,347,276	5,127,565
Convertible promissory note payables	8,420,894	8,264,078
Derivative financial liabilities	58,288	50,698
<b>Total</b>	<b>30,775,096</b>	<b>30,220,711</b>

**(b) The Company entered into the following transactions with related parties:**

<b>Name</b>	<b>Three Months Ended March 31, 2022 \$</b>	<b>Three Months Ended March 31, 2021 \$</b>
Braydon Capital Corporation <sup>(i)</sup>	165,644	149,925
Trans Oceanic Minerals Corporation <sup>(ii)</sup>	174,939	157,474
Star Royalties <sup>(iii)</sup>	411,131	-
CopperBank Resources Corp	13,129	-
NevGold Corp	13,129	-
Individuals related to a director of the Company	20,250	-
A Director <sup>(v)</sup>	-	7,044
<b>Total</b>	<b>798,222</b>	<b>314,443</b>

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- i) During the three months ended March 31, 2022, the Company accrued interest to Braydon Capital Corporation for the promissory notes payables
  - ii) During the three months ended March 31, 2022, the Company accrued interest to Trans Oceanic Minerals Corporation Ltd for the convertible promissory notes payable.
  - iii) During the three months ended March 31, 2022, the Company accrued interest to Star Royalties for deferred income.
  - iv) A Director is a partner in a legal firm that provided legal services to the Company, the individual concerned ceased to be a Director as of September 2, 2021.
- (c) Key management of the Company comprises executive and non-executive directors and members of executive management. The remuneration of the Company’s directors and other key personnel during the three months ended March 31, 2022 and 2021 was as follows:

	<b>Three Months Ended March 31, 2022 \$</b>	<b>Three Months Ended March 31, 2021 \$</b>
Salaries and benefits	-	51,923
Consulting fees	198,255	154,512
Share based payments	-	153,400
<b>Total</b>	<b>198,255</b>	<b>359,835</b>

The non-executive directors do not have employment or service contracts with the Company. Directors are entitled to director fees and stock options for their services.

**Conflicts of Interest**

The Company’s directors and officers may serve as directors or officers, or may be associated with, other reporting companies, or have significant shareholdings in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding terms respecting the transaction. If a conflict of interest arises, the Company will follow the provisions of the Business Corporations Act (BC) (“Corporations Act”) dealing with any conflict of interest. These provisions state that where a director has such a conflict, that director must, at a meeting of the Company’s directors, disclose his or her interest and refrain from voting on the matter unless otherwise permitted by the Corporations Act. In accordance with the laws of the Province of British Columbia, the directors and officers of the Company are required to act honestly, in good faith and in the best interests of the Company.

**Off-Balance-Sheet Arrangements**

As of the date of this filing, the Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the financial performance or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

**Proposed Transactions**

The Company routinely evaluates various business opportunities which could entail direct acquisitions, trades and/or divestitures. In this regard, the Company is currently in discussions with various parties, but no definitive agreements which with respect to any proposed transactions have been entered into as of the date of this MD&A. There can be no assurances that any such transactions will be concluded in the future.

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**Commitments and Contingencies**

- The Company has placed a surety bond of an insurance company in connection with the Copperstone Property as required by the US Bureau of Land Management. Cash collateral of \$1,051,777 (US\$841,690) is held with the Bank of New York in the name of the Company in a short-term cashable account. In the period ending March 31, 2022 an additional amount of \$302,403 (US\$242,000) was added to the cash collateral for the surety bond.
- The activities of the Company are subject to environmental laws and regulations promulgated by government agencies from time to time. Environmental legislation generally provides for restrictions and prohibitions on spills, releases or emissions into air, discharges into water, management of waste, management of hazardous substances, protection of natural resources, endangered species and reclamation of lands disturbed by mining operations. The Company believes it complies with all laws and regulations which currently apply to its activities.
- On January 28, 2013, the Company entered into an Exploration Memorandum of Understanding (the “MOU”) with Kaska Nation represented by the Ross River Dena Council and Liard First Nation regarding exploration activity in their traditional territory. Under the MOU, the Company will pay an annual Community Development fee of 2% for “on the ground” exploration expenditures incurred at the 3 Aces project. The total community fee owed to the Kaska Nation of \$341,455 from prior years will remain the responsibility of the Company.
- An Amended and Restated Socio-Economic Accord for the Brewery Creek Project was entered into with the Tr’ondëk Hwëch’in First Nation in September 2012. Key aspects of the Socio-Economic Accord include the Company’s commitment in respect of training and scholarships, and the annual community legacy project grant, amounting to \$60,000 per annum while the mine is operating.

**Risk Factors**

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment.

Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. Please refer to the section entitled "Risk Factors" in the Company's Annual Information Form dated March 28, 2022 (available on SEDAR at [www.sedar.com](http://www.sedar.com)).

Covid-19 Risks

The worldwide emergency measures taken to combat the COVID-19 pandemic may continue, could be expanded, and could also be reintroduced in the future following relaxation. As governments implement monetary and fiscal policy changes aimed to help stabilize economies and capital markets, we cannot predict legal and regulatory responses to concerns about the COVID-19 pandemic and related public health issues and how these responses may impact our business. The COVID-19 pandemic, actions taken globally in response to it, and the ensuing economic downturn has caused significant disruption to business activities and economies. The depth, breadth and duration of these disruptions remain highly uncertain at this time. Furthermore, governments are developing frameworks for the staged resumption of business activities. As a result, it is difficult to predict how significant the impact of the COVID-19 pandemic, including any responses to it, will be on the global economy and our business.

**Subsequent Events**

Subsequent to the quarter end 1,500,000 stock options were granted to officers of the Company.