

**TOMBILL MINES LIMITED.**  
(Formerly Bluerock Ventures Corp.)

MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE NINE MONTHS ENDED JULY 31, 2021 AND 2020

# **TOMBILL MINES LIMITED**

(Formerly Bluerock Ventures Corp.)

Management Discussion & Analysis

For the nine months ended July 31, 2021 and 2020

---

## **1.1 Date**

This Management Discussion and Analysis (“MD&A”) of Tombill Mines Limited (Formerly Bluerock Ventures Corp. or the “Company”) has been prepared by management as of September 28, 2021 and should be read in conjunction with the condensed consolidated interim financial statements and related notes thereto of the Company for the nine months ended July 31, 2021 and 2020, which were prepared in accordance with International Accounting Standards using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and International Financial Reporting Interpretations Committee (“IFRIC”).

This MD&A contains forward-looking information which reflects management's expectations regarding the Company's growth, results of operation, performance and business prospects and opportunities. The use of words such as “anticipate”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “should”, “believe”, “outlook”, “forecast” and similar expressions are intended to identify forward-looking statements.

Forward-looking statements in this MD&A include, but not limited to, the Company's expectation of future activities and results, of its working capital needs and its ability to identify, evaluate and pursue suitable business opportunity. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results of events to differ materially from those anticipated in these forward-looking statements. Readers should not put undue reliance on forward-looking information.

Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations.

## **1.2 Over-all Performance**

The Company was incorporated by a Certificate of Incorporation issued pursuant to the provisions of the Business Corporations Act (British Columbia) on February 3, 2011.

On December 9, 2020, the Company completed a reverse takeover (RTO) transaction (the “Transaction”) with Tombill Mines Ltd. The Company acquired 100% of the issued and outstanding common shares of Tombill Mines Ltd. in exchange for the issuance of common shares of the Company pursuant to an Amalgamation Agreement (the “Agreement”) dated December 4, 2020. The Company completed a name change from “Bluerock Ventures Corp.” to “Tombill Mines Limited” and will continue the business which was previously conducted by Tombill Mines Ltd. (the “Resulting Issuer”). Tombill commenced trading on the TSX Venture Exchange (the “TSXV”) under the trading symbol “TBLL” on December 15, 2020, the Resulting Issuer is a Tier 2 resource Issuer.

Upon completion of the Transaction, the Company owns various mineral exploration and past-producing gold properties in the Geraldton and Beardmore region, Ontario. Tombill Mines' primary business is mineral exploration, primarily gold. It has 74 claims; of which 60 are owned and patented; 5 leased; and 9 where it owns the mineral rights. Of these, Tombill Mines Main Group (the “Property”) comprises 54 owned patents, and 4 mineral rights.

The Company's RTO Transaction was done by way of a three-cornered amalgamation among the Company, Tombill Mines Ltd, and Tombill Exploration Ltd. (“Subco”), which had been incorporated as a wholly-owned subsidiary of the Company for purposes of facilitating the Transaction. Pursuant to the Agreement, each shareholder of the Tombill Mines Ltd. received 1 Resulting Issuer share for each share of Tombill Mines Ltd. held. Accordingly, an aggregate of 93,220,000 Resulting Issuer shares were issued to the shareholders of

# **TOMBILL MINES LIMITED**

(Formerly Bluerock Ventures Corp.)

Management Discussion & Analysis

For the nine months ended July 31, 2021 and 2020

---

Tombill Mines Ltd. Pursuant to the Agreement, the shareholders of the Tombill Mines Ltd. owned 64% of the Company and, as a result, the Transaction is considered a reverse acquisition of the Company by Tombill Mines Ltd. Following the Transaction, the Reporting Issuer will continue Tombill Mines Ltd's business whose name was changed to "Tombill Mines Limited", with the Amalco operating under the name "Tombill Exploration Ltd."

On July 28, 2021 the Company announced the appointment of Tom Rowcliffe as its new chief financial officer, replacing John Alexander.

## **Overall performance**

### **2021 Exploration Program**

On January 11, 2021, the Company started its drilling program at the Property, following the appointment of Forage M3 Drilling Services Inc. ("Forage M3") and Nordmin Engineering Ltd. ("Nordmin") to undertake drilling and exploration. The program focuses on defining extension and continuity and additional zones that may continue onto the Tombill Main group property. The initial drill holes are directly adjacent to the Hardrock Project claim border.

In May, 2021, the drilling contractor Forage M3 were replaced by Rodren Drilling Ltd. ("Rodren") and Nordmin have been replaced by an in-house exploration management team based in Geraldton.

The drilling program consists of 2 phases:

Phase 1 plan comprises: 15 drill holes (5 hub-holes + 10 daughter holes) campaign over ~16,000 m and Phase 2 plan comprises: 63 drill holes campaign over ~70,000 m

### **Exploration and Drilling Highlights**

- Fully funded Phase 1 exploration and drilling program at Tombill MainGroup started early January
  - Phase One drilling is ongoing with a total of more than 11 km completed on 7 parent holes and 7 daughter wedge holes;
  - Hole TB21-005A, a wedge hole drilled from mother hole TB21-005, returned 6.23 grams per tonne (gpt) gold over 13.3 metres (m) confirming Hardrock's robust F-Zone extends onto its flagship property;
  - This intercept is situated approximately 250m west of the eastern property boundary with the neighboring Hardrock mine;
  - The Company believes this intercept cuts the lower third of the 150m tall F-Zone target, and therefore commenced wedge holes to better test the full breadth and height of this mineralized zone;
  - TB21-005B was drilled to test the F-Zone 50m above the TB21-005A intercept. The drill hole intersected the F-Zone with 4.1m of 8.15 gpt Au with multiple VG specks.
  - TB21-005C was wedged from TB21-005. The drill hole was abandoned due to excessive deviation from plan.
  - TB21-005D was wedged from TB21-005. The drill hole was abandoned due to excessive deviation from plan.
  - Hole TB21-005E, a wedge hole drilled from mother hole TB21-005, returned 5.29 grams per tonne (gpt) gold over 8.0m (metres) from the targeted F-Zone. A second interval of 13.88 gpt gold over 2.0m was encountered somewhat deeper in a new mineralized structure deemed the F2-Zone.

# TOMBILL MINES LIMITED

(Formerly Bluerock Ventures Corp.)

Management Discussion & Analysis

For the nine months ended July 31, 2021 and 2020

- F-Zone remains wide open down-plunge to the west and will soon be tested by hole TB21- 006, a 150m step-out to the west of TB21-005; and
- The F-Zone intercepts encountered indicate this body of mineralization is back in its original trajectory and should remain so further to the west.
- Unmanned Aerial Vehicle-Magnetometer Survey ("UAV-MAG Survey") carried out in February to cover high priority targets on the Tombill MainGroup
  - Utilized to create new near-surface targets, based on refolded lithologies and east-west structures oblique to regional foliation.
- Surface exploration program
  - Surface stripping and sampling program is underway and 7 target areas have been stripped;
  - Multiple new targets identified from recently collected airborne magnetics data; and
  - Grab samples from the East Porphyry Zone returned 24.3 and 14.9 grams per tonne (gpt).
- Near surface drilling program
  - A near-surface drill program started in September 2021 on Tombill Main Group's Talmora target located in the northeast corner of the property in areas surrounding a past producing Talmora gold mine. To date, two holes have been completed in the 300 to 450 metre range, and a third hole is currently in progress. The target is a broad zone believed to have potential for disseminated mineralization. The following table summarizes the Company's exploration and evaluation expenditures with respect to its projects.

---

## Acquisition costs:

|   |           |                  |
|---|-----------|------------------|
| <b>Balance, October 31, 2019 and 2020</b> | <b>\$</b> | <b>1</b>         |
| <b>Deferred exploration costs:</b>        |           |                  |
| Camp and site costs                       | \$        | 51,731           |
| Drilling                                  |           | 2,329,794        |
| Geochemical                               |           | 59,066           |
| Geological                                |           | 489,192          |
| Geophysical                               |           | 80,932           |
| Other consultation costs                  |           | 59,552           |
| Travel                                    |           | 61,308           |
| <b>Balance, July 31, 2021</b>             | <b>\$</b> | <b>3,131,574</b> |
| <b>Total:</b>                             |           |                  |
| <b>Total, October 31, 2020</b>            | <b>\$</b> | <b>1</b>         |
| <b>Total, July 31, 2021</b>               | <b>\$</b> | <b>3,131,575</b> |

The outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in a widespread health crisis that has affected economies and financial markets around the world resulting in an economic downturn. This outbreak may also cause resource shortages, increased difficulty in raising capital, increased government regulations or interventions, all of which may negatively impact the business, financial condition or results of operations of the Company. The duration and impact of the COVID-19 outbreak is unknown at this time and it is not possible to reliably estimate the length and severity of these developments.

**TOMBILL MINES LIMITED**  
(Formerly Bluerock Ventures Corp.)  
Management Discussion & Analysis  
For the nine months ended July 31, 2021 and 2020

---

### 1.3 Selected Annual Information

|   | October 31, 2020 | October 31, 2019 | October 31, 2018 |
|---|------------------|------------------|------------------|
| Net Loss*   | \$ (253,505)     | \$ (53,517)      | \$ (65,522)      |
| Loss per share  | \$ (0.00)        | \$ (0.00)        | \$ (0.00)        |
| Total assets  | \$ 58,346        | \$ 50,924        | \$ 38,096        |
| Total long term liabilities                               | \$ Nil           | \$ Nil           | \$ Nil           |
| Cash dividends declared per share for each class of share | \$ Nil           | \$ Nil           | \$ Nil           |

\* The increase in net loss for fiscal year 2020 was due to increased professional fees in connection to the Company's financings and the Transaction

### 1.4 Results of Operations

*Nine months ended July 31, 2021 and 2020*

During the nine months ended July 31, 2021, the Company reported a net loss of \$5,425,280 or \$0.039 per share as compared to a net loss of \$46,126 or \$0.00 per share during the same quarter in fiscal 2020, an increase in net loss of \$5,379,154.

The increase in net loss was primarily due to share-based payments valued at \$3,305,075 issued to management and directors for service rendered. In addition, a listing expense of \$1,775,134 was recorded in connection to the Transaction.

During the nine months ended July 31, 2021, the Company reported accrued interest income earned on the Company's cash deposits and short-term investment of \$6,469 (2020 - \$Nil), a recovery on its exploration and evaluation assets relating to an easement granted to an arm's length party of \$750,000, and a recovery of deferred income tax of \$239,750 (2020 - \$Nil).

During the nine months ended July 31, 2020, the Company was inactive until the completion of the Transaction.

In addition to the above, the Company recorded an increase in net loss due to increases in:

- share-based compensation of \$411,371 recorded on the vested portion of options granted to certain directors, officers, and consultants of the Company. No options were granted in the comparative period last year;
- marketing expense of \$244,406 incurred in connection to the Company's marketing campaign for investor awareness;
- regulatory and transfer agent fee of \$31,322 for listing and filing fees and transfer agent services to maintain the Company's share registry;
- administrative expense of \$100,142 in connection to an administrative agreement;
- rent expense of \$25,773 for the Company's UK office;
- consulting fee of \$366,269 for management salaries and other consulting services; and

**TOMBILL MINES LIMITED**  
(Formerly Bluerock Ventures Corp.)  
Management Discussion & Analysis  
For the nine months ended July 31, 2021 and 2020

- professional fees of \$90,784 for prior year audit fees billed in the current period and legal services for securities matters, exploration contract matters and general corporate matters.

*Three months ended July 31, 2021 and 2020*

During the three months ended July 31, 2021, the Company reported a net loss of \$393,061 or \$0.00 per share as compared to a net loss of \$7,691 or \$0.00 per share during the same quarter in fiscal 2020, an increase in net loss of \$356,638.

The increase in net loss was primarily due to increase in operating expenses by \$507,197 as the Company was inactive during the comparative period in July 31, 2020 until the completion of the Transaction.

General and administration expenses

The following expense categories contributed to the increase in operating expense by \$507,197 in the three months ended July 31, 2021:

- share-based compensation of \$142,533 recorded on the vested portion of options granted to certain directors, officers, and consultants of the Company. No options were granted in the comparative period last year;
- marketing expense of \$120,857 incurred in connection to the Company's marketing campaign for investor awareness;
- regulatory and transfer agent fee of \$5,899 for listing and filing fees and transfer agent services to maintain the Company's share registry;
- administrative expense of \$55,803 in connection to an administrative agreement;
- rent expense of \$15,124 for the Company's UK office;
- consulting fee of \$138,167 for management salaries and other consulting services; and
- professional fees of \$17,158 for legal services for exploration contract matters.

During the three months ended July 31, 2021, the Company reported accrued interest income earned on the Company's cash deposits and short-term investment of \$2,448 (2020 - \$Nil) and income related to the write off of an over accrual of listing expense in a prior quarter of \$8,275 (2020 - \$Nil).

**1.5 Summary of Quarterly Results**

The following is a summary of financial information concerning the Company for each of the eight last reported quarters.

| Quarter ended    | Interest and other Income | Loss         | Loss per share |
|------------------|---------------------------|--------------|----------------|
| July 31, 2021    | \$ 2,448                  | \$ (393,061) | \$ (0.00)      |
| April 30, 2021   | 2,622                     | (395,751)    | (0.00)         |
| January 31, 2021 | 751,399                   | (4,636,468)  | (0.04)         |
| October 31, 2020 | Nil                       | (207,652)    | (0.00)         |
| July 31, 2020    | Nil                       | (7,418)      | (0.00)         |
| April 30, 2020   | Nil                       | (28,733)     | (0.00)         |
| January 31, 2020 | Nil                       | (9,703)      | (0.00)         |
| October 31, 2019 | Nil                       | (21,379)     | (0.00)         |

**TOMBILL MINES LIMITED**  
(Formerly Bluerock Ventures Corp.)  
Management Discussion & Analysis  
For the nine months ended July 31, 2021 and 2020

---

Over the past eight fiscal quarters, the significant variances were as follows:

| <b>Quarter Ended</b> | <b>Summary of Results</b>   |
|----------------------|---|
| July 31, 2021        | Loss included share-based compensation for vested portion of stock options granted and operating expenses.                              |
| April 30, 2021       | Loss included share-based compensation for vested portion of stock options granted and operating expenses subsequent to the Transaction |
| January 31, 2021     | Loss included share-based payment in connection to service rendered and listing expenses in connection to the RTO                       |
| October 31,2020      | Loss included expenses in connection to RTO and private placement   |

### 1.6/1.7 Liquidity and Capital Resources

The Company reported a working capital of \$3,973,638 at July 31, 2021 compared to a working capital deficiency of \$278,436 at October 31, 2020, representing an increase in working capital of \$4,252,074 as a result of funds raised from its flow-through and non-flow-through private placements. As at July 31, 2021, the Company had cash on hand of \$3,126,829 compared to \$47,670 as at October 31, 2020. Management believes that the Company has sufficient funds to meet its current obligations as they become due but additional funds will be required to complete the second phase of the exploration program and management intends to raise further capital towards the end of 2021.

During the nine months ended July 31, 2021, the Company utilized its cash and cash equivalents as follows:

- (a) the Company used \$1,297,040 (2020 - \$43,181) of its cash in operating activities;
- (b) exploration expenditures during the period were \$1,519,692 compared to \$Nil during the same period of the previous fiscal year, the increase was a result of the Company's exploration program at patented property within Ontario's Geraldton Gold Camp which commenced in the current period;
- (c) the Company purchased equipment for \$16,827 during the current period compared to \$Nil for the comparative period last year;
- (d) the Company received net proceeds of \$7,831,628 from its flow-through and non flow-through private placements;
- (e) the Company invested \$2,000,000 (October 31, 2020 - \$Nil) into short term GIC investments; and
- (f) the Company acquired net cash of \$81,090 on the Transaction.

The Company's current assets excluding cash consisted of the following:

|                                     | July 31, 2021 | October 31, 2020 |
|-------------------------------------|---------------|------------------|
| GIC investments                     | \$ 2,000,000  | \$ -             |
| Government sales tax credits        | 424,630       | 10,675           |
| Accrued interest on GIC investments | 5,604         | -                |
| Prepaid expenses                    | 112,406       | -                |

# TOMBILL MINES LIMITED

(Formerly Bluerock Ventures Corp.)

Management Discussion & Analysis

For the nine months ended July 31, 2021 and 2020

---

As of July 31, 2021, the Company held GIC investments totaling \$2,000,000 (October 31, 2020 - \$Nil) with accrued interest of \$5,604 (October 31, 2020 - \$Nil). The GIC investments yield a fixed interest rates of 0.45% (October 31, 2020 – Nil) and are fully redeemable.

Current liabilities as at July 31, 2021 consisted of the following:

- (a) trade payables and accrued liabilities of \$1,695,831 (October 31, 2020 - \$196,780);
- (b) amounts due to related parties of \$Nil (October 31, 2020 - \$140,001); and

The other sources of funds potentially available to the Company are through the exercise of outstanding convertible securities as discussed in *1.15 – Other Requirements – Summary of Outstanding Share Data*. There can be no assurance, whatsoever, that any or all these outstanding exercisable securities will be exercised.

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure.

These risks include liquidity risk, credit risk, currency risk, and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors.

## a) Liquidity Risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash and cash equivalents. As at July 31, 2021, the Company was holding cash deposits of \$3,126,829 (October 31, 2020 - \$47,670) to settle current liabilities of \$1,695,831 (October 31, 2020 - \$336,781). Management believes it has sufficient funds to meet its current obligations as they become due and to fund its exploration projects and administrative costs.

## b) Credit Risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to cash and investments. The Company maintains its cash with high-credit quality financial institutions, thus limiting its exposure to credit risk on such financial assets.

The Company's secondary exposure to credit risk is on its receivables. This risk is minimal as receivables consist primarily of refundable government sales taxes and interest accrued on GIC investments.

## *Market risk*

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant and the Company, has exposure to these risks.

## i) Interest Rate Risk

# TOMBILL MINES LIMITED

(Formerly Bluerock Ventures Corp.)

Management Discussion & Analysis

For the nine months ended July 31, 2021 and 2020

The Company's exposure to interest rate risk arises from the interest rate impact on its cash and investments. The Company's practice has been to invest cash at floating rates of interest, in cash equivalents, in order to maintain liquidity, while achieving a satisfactory return for shareholders. There is minimal risk that the Company would recognize any loss as a result of a decrease in the fair value of any guaranteed bank investment certificates and cash as they are generally held with large financial institutions.

## ii) Currency Risk

The Company operates in Canada and is therefore not exposed to significant foreign exchange risk arising from transactions denominated in a foreign currency.

## iii) Price Risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors certain commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

## 1.8 Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet arrangements.

## 1.9 Transactions with Related Parties

Key management personnel includes persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. Key management personnel comprise of the directors of the Company, executive and non-executive, and officers.

The remuneration of the key management personnel during the nine months ended July 31, 2021 and 2020 were as follows:

| July 31,                        | 2021       | 2020 |
|---------------------------------|------------|------|
| Chief Executive Officer         | \$ 107,444 | \$ - |
| Former Chief Financial Officer* | 99,238     | -    |
| Total                           | \$ 206,682 | \$ - |

\*John Alexander stepped down as Chief Financial Officer on July 28, 2021.

During the nine months ended July 31, 2021, the Company:

- (i) Paid or accrued \$42,400 (2020 - \$Nil) for consulting services provided by Ian Stalker, a former director and officer of the Company.
- (ii) Prior to the completion of the Transaction, 7,236,001 common shares were issued for consulting services at a fair value of \$1,085,400 to a Trust in which Adam Horne, a director and officer of the Company, is a beneficiary of.

(iii) Prior to the completion of the Transaction, 4,932,610 common shares were issued for consulting services at a fair value of \$739,892 to a company controlled by Ian Stalker, a former director and officer of the Company.

(iv) Recognized an aggregate of \$346,839 (2020 - \$Nil) in share-based compensation on the vested portion of stock options granted to directors and officers of the Company.

During the six months ended July 31, 2020, the Company was inactive until the completion of the Transaction.

As at July 31, 2021, \$Nil (October 31, 2020 - \$140,001) is owed to shareholders of the Company. These balances are non-interest bearing with no specific terms of repayment and are unsecured.

As at July 31, 2021, \$13,333 (October 31, 2020 - \$Nil) in consulting fees was advanced to a director and officer of the Company. This amount is included under prepaid expenses.

### **1.10 Subsequent Events**

Subsequent to July 31 2021, the Company:

- (i) granted a total of 300,000 stock options to an employee of the Company at an exercise price of \$0.165 expiring between August 26, 2023 and August 26, 2026; and
- (ii) appointed Mr David Laudrum as the new Exploration Manager.

### **1.11 Proposed Transactions**

None.

### **1.12 Critical Accounting Estimates**

Significant estimates are used when accounting for items and matters such as accrued liabilities, deferred income taxes, fair value of share-based compensation expense or other amounts pursuant to the Company's significant accounting policies that are disclosed in Note 2 of the condensed consolidated interim financial statements for the nine months ended July 31, 2021 and 2020.

### **1.13 Changes in Accounting Policies including Initial Adoption**

The financial information presented in this MD&A has been prepared in accordance with International Financial Reporting Standards. Our significant account policies are set out in Note 2 of the condensed consolidated interim financial statements for the nine months ended July 31, 2021 and 2020.

# TOMBILL MINES LIMITED

(Formerly Bluerock Ventures Corp.)

Management Discussion & Analysis

For the nine months ended July 31, 2021 and 2020

---

## 1.14 Financial Instruments and Other Instruments

The Company's financial instruments at July 31, 2021 were as follows:

|                              | FVTPL        | Amortized cost |
|------------------------------|--------------|----------------|
| <b>Financial assets</b>      |              |                |
| Cash and cash equivalents    | \$ 3,126,829 | -              |
| Investment                   | 2,000,000    | -              |
| <b>Financial Liabilities</b> |              |                |
| Trade payables               | -            | 1,635,270      |
|                              | \$ 5,126,829 | \$ 1,635,270   |

## 1.15 Other Requirements

Summary of Outstanding Share Data as of September 28, 2021:

Authorized: Unlimited number of common shares without par value.

Issued and outstanding: 153,762,919 (including 70,500,000 held in escrow);

Stock options: 10,150,803

Warrants: 29,562,619

Agents' warrants: 3,338,714

Additional disclosures pertaining to the Company's material change reports, press releases and other information are available on the SEDAR website at [www.sedar.com](http://www.sedar.com).

On behalf of the Board of Directors, thank you for your continued support.

*"Tom Rowcliffe"*

**Tom Rowcliffe**

CFO