North Peak Resources Ltd.
Management's Discussion and Analysis
For the Three Months Ended March 31, 2022
Expressed in Canadian Dollars
Dated: May 30, 2022

The following management's discussion and analysis ("**MD&A**") of the financial condition and results of operations of North Peak Resources Ltd. ("**North Peak**", or the "**Company**") constitutes management's review of the factors that affected the Company's financial and operating performance for the three months ended March 31st, 2022. This MD&A has been prepared in compliance 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 year ended December 31, 2021, as well as the unaudited interim consolidated financial statements for the three months ended March 31, 2022. Results are reported in Canadian dollars, unless otherwise noted. Information contained herein is presented as at May 30, 2022 unless otherwise indicated.

Description of Business

The Company was incorporated on March 28, 2011 and organized under the laws of Alberta, Canada. The registered office of the Company is located at 1600, 421 - 7 Avenue SW, Calgary, Alberta T2P 4K9. The Company's original business was as an enterprise technology Company named BTL Group Ltd and was dedicated to building blockchain technologies . The Company later changed its name to Interbit Ltd.

On March 20, 2020 the Company proposed to complete a "Change of Business" transaction (the "**COB Transaction**") to become a Tier 2 mining issuer listed on the Exchange engaged in the exploration and development of mineral properties. The Company also proposed to change its name to "North Peak Resources Ltd." and to complete a consolidation of the issued and outstanding common shares of the Company (the "**Common Shares**") on the basis of one (1) post-consolidation Common Share for each two (2) pre-consolidation Common Shares (the "**Consolidation**").

Pursuant to this COB Transaction the Company signed on March 20, 2020 an option (the "**Kenogami Option**") to acquire 100% interest in and to the Kenogami Lake Project (formerly referred to as the Mike Leahy Property) located 15 kilometres southwest of Kirkland Lake, Ontario consisting of twenty-seven (27) mineral claims totaling approximately 500.3 hectares (the "**Kenogami Property**").

The terms of the Kenogami Option require the Company is to make total cash payments of $35,000, issue Common Shares and incur exploration expenditures of no less than $250,000. Further to its exploration expenditure obligations under the Kenogami Option, the Company commenced a limited drilling program on the Kenogami Property after year end 2020, however this was delayed due to local ground conditions. Drilling was completed in Q3 2021 and this campaign completed the requirement of incurring $100,000 of exploration expenditures before the second anniversary and thus a further 50,000 Common Shares were issued to the optioner on November 10, 2021.

On June 24, 2020 obtained shareholder approval for the proposed COB Transaction, the Consolidation, the proposed name change, and annual meeting matters. On June 29, 2020, the Company announced it had completed the COB Transaction, the Consolidation and the name change to "North Peak Resources Ltd.". Current and comparative disclosure has been amended to reflect this Consolidation. In addition, during 2020, the Company's wholly owned subsidiaries Blockchain Tech Ltd. and BTL Dev Ltd. were wound down and dissolved.

During its fiscal year 2021 the Company continued its search for mineral properties and on October 7, 2021 signed a non-binding Letter of Intent on the Black Horse gold property in Nevada and on December 6, 2021 signed the formal option agreement (the "**Black Horse Option**"). Thereafter North Peak acquired the necessary permits for contemplated exploration work programs and began core and reverse circulation (RC) drilling in the first quarter of this fiscal year.

The Black Horse property is located 50 miles east of Ely Nevada in White Pine County Nevada (the "**Black Horse Property**") and was acquired by Minex LLC ("**Minex**") in 1997. The Black Horse Property had previously hosted at least two underground mining operations that were mined from 1905 to circa 1913. Minex carried out exploration programs in 1997 and 1998 where it completed 316 RC percussion holes aggregating 70,470 feet of drilling and that were carried out on grid spacing of between 50 and 150 feet. These drilling efforts identified a mineralization trend that strikes North and East between 50 and 60 degrees and dips between 10 and 45 degrees. The mineralization discovered by this exploration drilling has a strike length that appears to be two miles. The results of these historic exploration drill programs from 1997 and 1998 were the basis of a 43-101 based report assembled on behalf of Minex in November 2016.

The commercial terms of the Black Horse Option include an initial payment valued at US$1.5 million consisting of US$1 million in cash ($1,281,200 - paid) and US$500,000 worth of Common Shares which equated to 1,250,000 Common Shares based on a share price of approximately US$0.40 per share when this term was negotiated (note, as these Common Shares were issued on December 13, 2021, they are ascribed a fair value of $2,250,000 as the price of the shares had increased by such time of issuance).

The commercial terms also call for two option payments and a production royalty schedule. The first option payment is for USD$10 million due for payment June 6, 2023, 18 months after the December 6, 2021 signing of the Black Horse Option agreement. The second is for an additional USD$10 million due June 2024 upon payment of which the Company will acquire 50% of the Black Horse Property. The Company can acquire the remaining 50% upon obtaining the critical permits required for production. The Company has five (5) years from the date that it acquires the first 50% of the Black Horse Property, to acquire the remaining 50% interest.

Today the Company is a Canadian based gold exploration and development company that is listed on the TSX Venture Exchange (the "**Exchange**") under the symbol "NPR". The Company's business development goals are to acquire mineral properties that have the potential to host low cost, long life gold production in politically safe jurisdictions.

The Company can give no assurances at this time that either the Kenogami Property or the Black Horse Property will fulfill the Company's business development goals described above.

Highlights and Outlook

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The Company's management team and Directors have experience in identifying and acquiring low cost and long-life mining projects in politically safe jurisdictions and then building those assets into successful companies. Similar search criteria will guide North Peak management as it evaluates opportunities with a particular emphasis on "brownfield" projects, which are former operating mines or exploration properties ceased operation either recently or well in the past.

The Company signed the Black Horse Option agreement on December 6, 2021 and the focus of its work programs for the first quarter of this fiscal year were focused on the Black Horse Property. In December 2021 the Company applied for permits to carry out a its exploration efforts at the Black Horse Property and highlights for the months January through March 2022 were as follows

- Following application to the Bureau of Land Management (BLM), permission has been received from the BLM to carry out its initial exploration drilling programs of up to 46 holes on the Black Horse Property. The Company posted the necessary bond obligations and then proceeded with the targeted core and reverse circulation drilling programs.

- The Company announced the first stages of building its operating team with the appointment of Mr. Jerod Eastman as Chief Operating Officer. Mr. Eastman has worked with gold mining

Companies, amongst them Kinross Gold, Goldcorp, Pershing Gold and Nevada Copper, alongside his own successful mining consulting business.

- The Company added geologists to the team and opened an office to support its work programs in Ely, Nevada. Working with the historic database that Minex had compiled, the Company's geologist developed a pattern of up to 38 holes to be drilled between RC and core drilling methods.

- Core and RC drilling commenced in Q1 2022. More than 2,000 feet was drilled prior to the end of March. The Company worked with two different drilling companies during Q1 and has experienced operational challenges (which included mechanical issues with the drills themselves) which have impacted the drilling programs, as lower acceptable core recovery may mean certain target holes may be required.

- A total of $1,079,109 was incurred in exploration activity during this period, of which $691,342 was directly attributable to drilling and an additional $263,935 to project management and camp support, which ranged from road building through to provision of supporting technical assistance.

- On March 11, 2022, the Company completed a non-brokered private placement, pursuant to which it issued 2,499,996 equity units of the Company ("**Units**") at a price of $2.30 per Unit for gross proceeds of $5.75 million. Each Unit was comprised of one Common Share and one half of one Common Share purchase warrant. Each whole warrant entitles the holder to acquire one Common Share for a period of 12 months from the date of issue at a price of $3.50 per Common Share.

As at March 31, 2022, the Company reported a cash position of $9,362,998 and working capital of $9,330,687.

<u>Events Occurring After the Reporting Period</u>

As announced May 16, 2022, in addition to the ongoing core and RC drill program, the Company has now sampled the San Pedro underground mine, located within Area B on the Black Horse Property.

On May 13, 2022, Ms. Leni Keough was appointed to the Company's Board of Directors. Ms. Keough brings over 35 years' experience in the mining industry, focused on mineral exploration, and combined with expertise in project management, public company management, finance and capital markets, communications, and business development. Ms. Keough has also been appointed to the Audit Committee of the Company, which members now consist of John Thomson (Chair), Ms. Keough and Robert Suttie.

In addition, the Company appointed current director Chelsea Hayes, as an officer of the Company effective May 13, 2022, taking on the role of Director of Business Development.

The Company continues to evaluate further mining properties, which fulfil its key criteria of targeting historic mining assets with strategic exploration potential at an appropriate acquisition price.

Expressed in Canadian Dollars

Summary of Quarterly Results

For the Period Ended	Revenue ($)	Net (Loss) Income		Total assets ($)
		Total ($)	Basic and diluted earnings per share ($)	
2022 – March 31	Nil	(1,633,259)	(0.07)	13,265,448
2021 – December 31	Nil	(765,727)	(0.04)	8,982,068
2021 – September 30	Nil	(348,612)	(0.02)	6,983,024
2021 – June 30	Nil	(265,532)	(0.01)	7,294,293
2021 – March 31	Nil	(187,604)	(0.01)	7,521,168
2020 – December 31	Nil	(468,082)	(0.03)	7,065,059
2020 – September 30	Nil	(750,854)	(0.04)	6,855,530
2020 – June 30	Nil	(401,724)	(0.03)	7,178,571

<u>Three Months Ended March 31, 2022 vs Three Months Ended March 31, 2021</u>

The Company reported a net loss of $1,633,259 for the three months ended March 31, 2022, compared with a loss for the three months ended March 31, 2021 of $187,604 as it commenced required exploration programs on a newly optioned Black Horse Property.

The reported loss consists primarily of the following as the Company is expensing its expenditures on the exploration programs on its optioned mineral properties:

- During the three months ended March 31, 2022, the Company incurred drilling and exploration expenses of $1,079,109 at the Black Horse Property contrasted with $96,840 for the three months ended March 31, 2021. See note 9 in the Company's March 31, 2022 condensed interim consolidated financial statements for a detailed breakdown of the Company's period over period exploration expenses

- Contractor fees of $4,792 for the three months ended March 31, 2022, compared to $5,237 during the comparative three months ended March 31, 2021. During the current and comparative periods, the Company's contractor fees consisted of outsourced administrative support staff.

- Travel expenses increased to $37,685 during the three months ended March 31, 2022, up from $3,480 during the three months ended March 31, 2021. Travel expenses consisted of marketing and executive travel, which declined during the COVID19 global pandemic, recovering as travel restrictions eased. With the exploration program commencing in the Company's Black Horse Property, management oversight drove increased travel to site.

- Professional fees were $28,346 during the three months ended March 31, 2022, increasing from $23,009 for the comparative three months ended March 31, 2021, with costs associated with the incorporation of the Company's new subsidiary in February 2022 driving the increase.

- Stock-based compensation increased to $284,275 for the three months ended March 31, 2022 from $48,185 in the comparative period. The variance over the comparative period is primarily driven by graded vesting of option granted in current and prior periods, with the current period seeing a grant of 105,000 options whereas the comparative period saw none granted.

- Office and general expenses increased to $204,925 for the three months ended March 31, 2022, from $168,091 for the three months ended March 31, 2021. Significant variances are as follows:

  - Directors fees declined to $86,784, for the three months ended December 31, 2021 from $90,647 primarily due to $12,000 paid in director compensation for Mr. Gordon Chmilar during the three months ended 2021 whereas no director fees were paid to Mr. Chmilar in fiscal 2022.

  - Directors health insurance for the three months ended March 31, 2022 rose to $12,032 from $10,558 for the comparative three months ended March 31, 2021 as the company continues to face market driven premium increases.

  - Directors and officers liability insurance increased marginally to $16,846 from $15,984 in the comparative period. The increase is market driven.

  - During the three months ended March 31, 2022, the Company incurred a foreign exchange gain of $649 over a $945 loss for the comparative three months ended March 31, 2021, driven by a volatility in realized foreign exchange as the Company engages US vendors for its Black Horse Property as well as settling the fees of two directors with one in UK pounds and the other in US dollars.

  - During the three months ended March 31, 2022, the Company has experienced increases in office supplies, computer support and postage as the costs of servicing the Black Horse operations increases.

  - During the three months ended March 31, 2022, the Company saw a decline in software subscription expenses to $985 from $6,095 in the comparative period, as the Company rationalized its software subscriptions in 2021.

  - During the three months ended March 31, 2022, the Company received a credit from its transfer agent arising from a billing error. Accordingly, the Company recognized a net recovery of $4,204 in transfer agent fees for three months ended March 31, 2022 compared with an expense of $3,221 in the comparative period.

  - Office supplies increased to $8,302 during the current period from $nil in the comparative period, as the Company began supporting operations in Nevada for its Black Horse exploration project, resulting in additional administrative costs being borne for consumable supplies.

  - Phones, internet and computer support increased to $19,831 during the three months ended March 31, 2022 from $3,136 in the comparative period, driven by the costs of communicating with and supporting the Nevada operations began as the Company commenced operations at the Black Horse Property.

  - Exchange fees increased to $12,728 during the three months ended March 31, 2022 from $5,800 during the comparative three months ended March 31, 2021. With the fee fundamentally based upon the market capitalization of the Company, the rise in share price of the Company's common shares increased the Company's market capitalization and in turn, the annual sustaining fees paid to the Exchange.

- Interest income declined to $5,873 for the three months ended March 31, 2022 from $7,738 for the three months ended March 31, 2021, representing interest earned from static interest rates and invested balances on the Company's cash accounts. The decline was primarily driven by a decline in the average daily balance in the Company's interest bearing accounts.

- On February 24, 2021, the Company sold four (4) United States issued patents, ongoing related patent applications in China and related development work to Helix Applications Inc. ("**Helix**"). The Company prepared and applied for these patents prior to its current status as a mining exploration company, as part of a broader application for the technology it was developing at the time within the blockchain sector. As part of the transaction, North Peak received $150,000 and a 5% royalty on any profits generated by Helix and its affiliates from any commercial applications derived from the patents that Helix may develop as it seeks to evaluate the growing interest in the networks of digital token economics. Accordingly, the Company recognized a gain discontinued operations of $150,000 on its consolidated statement of loss and comprehensive loss for the three months ended March 31, 2021. There were no such dispositions in the current period.

Liquidity and Capital Resources

The Company reported working capital as at March 31, 2022 of $9,330,687 (December 31, 2021 - $5,182,580), and cash of $9,362,998 (December 31, 2021 - $5,115,374).

The cash on hand as at March 31, 2022 is expected to be sufficient to meet the Company's liquidity requirements for the next twelve months.

The Company completed a non-brokered private placement on March 11, 2022, pursuant to which it issued 2,499,996 Units of the Company at a price of $2.30 per Unit for gross proceeds of $5.75 million. Each Unit was comprised of one Common Share and one half of one Common Share purchase warrant. Each whole warrant entitles the holder to acquire one Common Share for a period of 12 months from the date of issue at a price of $3.50 per Common Share.

Critical Accounting Estimates

Application of the Company's accounting policies in compliance with IFRS requires the Company's management to make certain judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. These estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the 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:

<u>Share-based Payments</u>

Management is required to make certain estimates when determining the fair value of stock options awards, and the number of awards that are expected to vest. These estimates affect the amount recognized as stock-based compensation in the statement of operations based on estimates of forfeiture and expected lives of the underlying stock options.

Several variables are used when determining the value of stock options using the Black-Scholes valuation model:

- The expected term: the Company used the expected term of the stock of five years, which is the maximum term ascribed to these stock options, for the purposes of calculating their value. The Company chose the maximum term because it is difficult to determine with any reasonable degree of accuracy when these stock options will be exercised.
- Volatility: the Company used historical information of the Company on the market price of its common shares to determine the degree of volatility at the date the stock options were granted. Therefore, depending on when the stock options were granted and the period of historical information examined, the degree of volatility can be different when calculating the value of different stock options.
- Risk-free interest rate: the Company used the interest rate available for government securities of an equivalent expected term as at the date of the grant of the stock options. The risk-free interest rate would vary depending on the date of the grant of the stock options and their expected term.
- Dividend yield: the Company has not paid dividends in the past because it is in the development stage and has not yet earned any sufficient operating income. Therefore, a dividend rate of 0% was used for the purposes of the valuation of the stock options.

Critical Judgments Used in Applying Accounting Policies

In the preparation of the financial statements management has made judgments, aside from those that involve estimates, in the process of applying the accounting policies. These judgments can have an effect on the amounts recognized in the financial statements.

Income taxes and recovery of deferred tax assets

The measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the financial statements.

The determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgments or assessments made by management.

Estimation uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year:

(a) Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such determination is made.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, an effect on the results of operations or financial condition of the Company.

Financial Risk Factors

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, market risk (including interest rate risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligations. The Company's credit risk is primarily attributable to cash. The Company has no significant concentration of credit risk arising from operations. Cash consists of cash at banks and on hand. The cash has been invested and held with reputable financial institutions, from which management believes the risk of loss to be remote.

Liquidity Risk

Liquidity risk refers to the risk that the Company will not be able to meet its financial obligations as they become due, or can only do so at excessive cost. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in market conditions generally or as a result of conditions specific to the Company. As at March 31, 2022, the Company had a cash balance of $9,362,998, to settle current liabilities of $282,968. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity.

Most of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Market volatility and stressed conditions resulting from COVID-19 and the measures implemented to control its spread could limit our access to capital markets and our ability to generate funds to meet out capital requirements. Sustained global economic uncertainty could result in more costly or limited access to funding sources. In addition, while the company currently has sources of liquidity, such as cash balances, there can be no assurance that these sources will provide us with sufficient liquidity on commercially reasonable terms in the future. Extreme market volatility may leave the Company unable to react in a manner consistent with our historical practices.

Market Risk

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company has cash balances no debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institution. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its banks.

COVID-19

The pandemic and resulting economic downturn have created significant volatility and declines in financial and commodity markets. Central banks have announced emergency interest rate cuts, while governments are implementing unprecedented fiscal stimulus packages to support economic stability.

The pandemic could result in a global recessionary environment with continued market volatility, which may continue to impact the Company's financial condition.

Capital Management

The Company manages its capital with the following objectives:

(a) to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and

(b) to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

The Company considers its capital to be equity, comprising share capital, contributed surplus and deficit, which at March 31, 2022, totaled $12,982,480 (December 31, 2021 - $8,834,373). The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. Information is provided to the Board of Directors of the Company. The Company's capital management objectives, policies and processes have remained unchanged during the three months ended March 31, 2022.

Related Party Transactions

As at March 31, 2022, amounts due to related parties totaled $25,155 (December 31, 2021 - $23,882) pertaining to amounts payable for key management remuneration, and reimbursement of expenses paid on behalf of the Company included in accounts payable.

During the three months ended March 31, 2022, three directors were paid fees as follows:, Mr. Brian Hinchcliffe: $37,964 (three months ended March 31, 2021 - $37,993); Ms. Chelsea Hayes: $48,819 (three months ended March 31, 2021 - $40,665), Mr. Gordon Chmilar: $nil (three months ended March 31, 2021- $12,000). As at March 31, 2022, $nil (December 31, 2021 - $nil) was included in accounts payable and accrued liabilities in relation to these fees.

During the three months ended March 31, 2022, the Company expensed $10,917 (three months ended March 31, 2021 - $9,852) to Marrelli Support Services Inc. ("**Marrelli Support**") and DSA Corporate Services Inc. ("**DSA**"), collectively known as the "**Marrelli Group**" for:

(i) Robert D.B. Suttie, President of Marrelli Support, to act as Chief Financial Officer of the Company;
(ii) bookkeeping and office support services; and
(iii) regulatory filing services.

The Marrelli Group is also reimbursed for out of pocket expenses.

As of March 31, 2022, the Marrelli Group was owed $10,345 (December 31, 2021 - $8,661). These amounts are included in accounts payable and accrued liabilities.

For the three months ended March 31, 2022, legal fees of $14,438, (three months ended March 31, 2021 - $15,509) were paid to a law firm for which a director was a partner. The legal fees incurred pertained to general corporate matters. As at December 31, 2021, $nil (December 31, 2021 - $15,221) was included in accounts payable and accrued liabilities in relation to these fees.

Expressed in Canadian Dollars

The above noted transactions 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.

Additional Disclosure for Venture Issuers Without Significant Revenue

Office and General expenses** for the three months ended March 31, 2022 and 2021 are comprised of the following:

Three Months Ended March 31,	2022	2021
	($)	($)
Directors fees	86,784	90,647
Accounting fees	6,417	6,290
Chief Financial Officer fees	4,500	4,500
Transfer Agent expense (recovery)	(4,204)	3,221
Insurance	28,878	26,542
Software subscriptions	985	6,095
Rent and utilities	10,275	6,762
Phones, internet and computer support	19,831	3,136
Office supplies	8,302	nil
Investor relations	10,500	10,500
Stock exchange fees	12,728	5,800
Meals and entertainment	2,045	179
Foreign exchange (gain)/loss	(649)	943
Other	18,533	3,476
	204,925	168,091

*** see page 5 for variance narrative*

Risks and Uncertainties

The success of the Company is dependent, among other things, on obtaining sufficient funding to enable the Company to develop or exploit its mining properties and assets. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further development. The Company will require new capital to continue to operate and there is no assurance that capital will be available when needed, if at all. It is likely such additional capital will be raised through the issuance of additional equity, which will result in dilution to the Company's shareholders.

The Company does not have a historical track record of operating upon which investors may rely. Consequently, investors will have to rely on the expertise of the Company's management. The Company does not have a history of earnings or the provision of return on investment, and there is no assurance that it will produce revenue, operate profitably or provide a return on investment in the future.

Dependence on Key Employees

The Company's business and operations are dependent on retaining the services of a small number of key employees. The success of the Company is, and will continue to be, to a significant extent, dependent on the expertise and experience of these employees. The loss of one or more of these employees could have a materially adverse effect on the Company. The Company does not maintain insurance on any of its key employees.

Potential Dilution

The issue of Common Shares upon the exercise of the options will dilute the ownership interest of the Company's current shareholders. The Company may also issue additional option and warrants or additional Common Shares from time to time in the future. If it does so, the ownership interest of the Company's then current shareholders could also be diluted.

Current Global Financial Conditions and Trends

Securities of mining companies in public markets have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include metals prices, macroeconomic developments in Canada and globally, and market perceptions of the attractiveness of particular industries. The price of the securities of companies in the mining sector are also significantly affected by proposed and newly enacted laws and regulations, currency exchange fluctuation and the political environment in the local, provincial and federal jurisdictions in which the Company does business.

The outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat its spread. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. 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 and its operating subsidiaries in future periods.

Due to the worldwide COVID-l9 outbreak, material uncertainties may come into existence that could influence management's going concern assumption. Management cannot accurately predict the future impact COVID-19 may have on:

- global metals prices;
- the severity and the length of potential measures taken by governments to manage the spread of the virus and their effect on labour availability and supply lines;
- availability of essential supplies;
- purchasing power of the Canadian dollar; and
- ability to obtain funding.

At the date of the approval of the MD&A, the Canadian government has not introduced measures which directly impede the activities of the Company. Management believes the business will continue and accordingly, the current situation bears no impact on 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. To date, he impact on the Company by the Covid-19 pandemic has been nominal.

Critical Accounting Estimates

Significant assumptions about the future that management has made 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:
Stock-Based Compensation

Management is required to make certain estimates when determining the fair value of stock options awards, and the number of awards that are expected to vest. These estimates affect the amount recognized as stock-based compensation in the statements of loss based on estimates of forfeiture and expected lives of the underlying stock options.

Critical Accounting Estimates and Judgments

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the 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 that management has made 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:

Impairment of Resource Property Costs

Management reviews the carrying values of exploration and evaluation assets whenever events or changes in circumstances indicate that their carrying values may not be recoverable. The recoverable amount of cash-generating units for an exploration stage company requires various subjective assumptions. These assumptions may change significantly over time when new information becomes available and may cause original estimates to change.

Income Taxes and Recovery of Deferred Tax Assets

The measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the financial statements. Judgment exists in relation to the eligibility of qualifying exploration and evaluation expenditures on properties in relation to flow-through share financing. Deferred tax assets require management to assess the likelihood that the Company will generate taxable income in future periods in order to utilize recognized deferred tax assets. As at March 31, 2022 and March 31, 2021, no deferred tax assets were recognized, as the Company is still in the exploration stage, and management is uncertain when sufficient taxable income will be available to realize the deferred tax assets.

Management's Responsibility for Financial Information

The Company's financial statements are the responsibility of the Company's management and have been approved by the Board of Directors. The financial statements were prepared by the Company's management in accordance with Canadian generally accepted accounting principles. The financial statements include certain amounts based on the use of estimates and assumptions. Management has established these amounts in a reasonable manner, in order to ensure that the financial statements are presented fairly in all material respects.

Disclosure of Outstanding Share Data

As of the date of this MD&A, the Company had 23,834,451 Common Shares, 2,132,500 options, and 1,249,994 warrants (at $3.50 per share).

Forward Looking Statements

Except for the historical statements contained herein, this MD&A presents "forward-looking statements" within the meaning of Canadian securities legislation that involve inherent risks and uncertainties. Forward-looking statements include, but are not limited to, statements with respect to requirements for additional capital, government regulation of its operations, environmental risks, or claims and limitations on insurance coverage. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "proposed" "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements, including but not limited to: (i) limited operating history; (ii) the impact of the coronavirus (COVID-19) pandemic may significantly impact the Company; (iii) exploration, development and operating risks; (iv) substantial capital requirements and liquidity; (v) fluctuating mineral prices and marketability of minerals, the uncertainty in commodity prices and market volatility; (vi) regulatory, permit and license requirements; (vii) financing risks and dilution to shareholders; (viii) title to properties; (ix) competition; (x) reliance on management and key personnel; (xi) environmental risks; (xii) local resident concerns; (xiii) conflicts of interest; (xiv) uninsurable risks; (xv) litigation; and (xvi) other factors beyond the control of the Company. Although the management and officers of the Company believe that the expectations reflected in such forward-looking statements are based upon reasonable assumptions and have attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not undertake to update any forward-looking statements that are incorporated by reference herein, except in accordance with applicable securities laws.

Additional Information

Additional information relating to the Company is available on the SEDAR website www.sedar.com