



ST-GEORGES ECO-MINING CORP.

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE FINANCIAL CONDITION
AND RESULTS OF OPERATIONS**

For the Twelve Months Ended December 31, 2021

INTRODUCTION

The following Management's Discussion and Analysis of the financial condition and results of operations ("MD&A") for St-Georges Eco-Mining Corp. ("Company") should be read in conjunction with the Company's condensed consolidated interim financial statements for the period ended December 31, 2021, and the audited financial statements for the year ended December 31, 2020. Those financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All currency amounts are in Canadian dollars, unless otherwise stated.

Additional information relating to the Company can be found on SEDAR (www.sedar.com) under St-Georges Eco-Mining Corp. or on the Company's website (<https://www.st-georgescorp.com/>).

This MD&A is dated February 28, 2022.

FORWARD-LOOKING STATEMENTS

This MD&A contains certain forward-looking statements with respect to the Company. These forward-looking statements, by their very nature, involve risks and uncertainties that could cause actual results to differ materially from those contemplated. The Company considers the assumptions upon which these forward-looking statements are based to be reasonable, but cautions the reader that these assumptions regarding future events, many of which are beyond the Company's control, may ultimately prove to be incorrect.

COMPANY DESCRIPTION

St-Georges Eco-Mining Corp. was incorporated under the Canada Business Corporations Act on June 21, 2002. The Company is listed on the Canadian Securities Exchange, having the symbol SX; on US OTCQB, having the symbol SXOOF; and on the Deutsche Börse in Frankfurt (FSE) under the symbol 85G1. The address of the Company's corporate office and principal place of business is 2700-1000 Rue Sherbrooke West, Montreal, QC H3A 3G4, Canada. The Company's principal activities are the development of eco-mining metallurgical processes and the exploration and evaluation of mineral properties in Canada and Iceland. The Company, which is in the

process of exploring its mineral properties, has two reportable segments, and all of the assets are located in Canada and Iceland.

During the period ended December 31, 2021, the Company changed its fiscal year end from December 31 to March 31. The change in fiscal year end is effective December 31, 2021, and this MD&A is prepared for the transitional fiscal period for the twelve months ended December 31, 2021, with comparative information for the year ended December 31, 2020.

OVERVIEW

The Company is engaged in the exploration of certain properties in Canada and Iceland, summarized as follows.

JULIE PROJECT

The Julie Project is located via a 90-minute drive from the deep seaport city of Baie-Comeau on the Quebec North Shore. It is contained on NTS sheets 22F13 and 22F14. The project is prospective for Nickel, Copper, Cobalt, Palladium, Platinum, Silver & Magnesium. There is a camp near the project, and the claims are accessible by gravel road and logging roads nine months a year and by winter road three months a year.

In **July 2020**, around six metric tons of material from the Julie surface DTH drilling campaign was shipped to the metallurgical partnering laboratories. The material is used as feed for the current nickel green-processing technology development conducted by the Company's subsidiary St-Georges Metallurgy Inc.

In **February 2021**, the Company completed a surface geophysics campaign. A contracted independent third party has received the preliminary geophysical report. The initial interpretation of the results coupled with results from bulk sampling from a destructive percussive drilling campaign, alongside the reinterpretation of historical work program results, led the Company to add 65 new mining claims through electronic map staking to the existing 54 mining claims.

In **June 2021**, the Company further increased the size of the Julie Project by acquiring 147 new claims through electronic map staking.

In **July 2021**, the Company conducted an extensive mapping, trenching, and sampling effort and the first of a series of 500 meters length drill holes was initiated. The Company reconditioned and repaired approximately 30 km of logging roads on the Julie Project.

On **August 11, 2021**, the Company entered into a purchase agreement for 28 mineral claims adjacent to the Julie Project. These new mineral claims represent an increase of approximately 1,512 hectares of the Julie Project footprint. On August 13, 2021, pursuant to the agreement, the Company issued 100,000 common shares at a fair value of \$27,000 to the vendor and a cash payment of \$50,000.

The project now comprises 266 claims for an area of 14,676 hectares.

In **September 2021**, the Company completed phase 1 of its drilling campaign on the Julie Project for a total of 2,710 meters.

In **November 2021**, the drilling and exploration team returned to Julie to start Phase 2 of its drilling campaign, based on results from a borehole geophysics analysis. A total of 4,200 meters over 11 holes were completed, and the team left the Julie Project for the winter.

MANICOUAGAN PROJECT

In **January 2020**, the Company entered into an agreement to acquire 100% of the Manicouagan Project, comprised of 77 mining claims on NTS sheets 22C03 and 22C04 and located 165km north of its 100% owned Julie Project on the Quebec North Shore. This project was co-owned by Exploration J. F. Inc and Frank Dumas, director of the Company.

On **February 6, 2020**, pursuant to the agreement, the Company issued 5,000,000 shares to the vendors, including 2,000,000 shares to Exploration JF Inc. subject to a 2-year escrow period; and 3,000,000 shares to Frank Dumas subject to a 60 months escrow period. The Company also paid Exploration JF Inc. cash of \$25,000 upon signing the agreement and cash of \$25,000 at the anniversary date of the agreement. A 2% NSR will be granted to the vendors, as well as a zone of influence covering the two NTS sheets where the project is located. The board of directors chose to acquire this project as it is in line with the commodities sought by the Company and provides synergies with Julie Project.

In **August 2020**, the Company secured two additional mining claims strategically located within the boundaries of the Manicouagan Project from two arms-length vendors. The Company issued 600,000 common shares and made a payment of \$10,000 at signature of the agreement. An additional payment of \$35,000 was subscribed into units of the Company at a price of \$0.10 per unit in a private placement closed on November 25, 2020.

In **April 2021**, the Company added 37 new mining claims to the project through electronic map staking. The project now comprises 116 claims for an area of 6069 hectares.

The Company operates a forward base along the 389 National Road, accessible year long and located 5 hours north of Baie-Comeau; material and personnel can be brought on the project via floatplane (or ski in the winter) and helicopter under an hour. The project has a camp and a floatplane base.

In **July 2021**, the Company repatriated the historical drill cores that were stored at the Hélène camp to its warehousing facilities in southern Québec. The cores are being split or re-split and systematically sampled. The samples will be tested for PGEs.

On **November 17, 2021**, the Company entered into a 1% royalty buy-back agreement to acquire the production royalty from one of the two royalty holders on its fully owned Manicouagan Project. On **November 22, 2021**, pursuant to the agreement, the Company issued 1,000,000 common shares to Exploration J. F. Inc. with a deemed value of \$500,000.

During the year 2021, the driller added 2,639 meters of fresh drill core out of 19 holes to the already 4,367 meters of drill core available from past drilling campaigns. Most of the cores from past campaigns have been recovered and brought to the Company's contracted facilities (Magnor Exploration) in the town of La Baie in order to be cut, logged and sampled or resampled. Two bulk samples were conducted on the Manicouagan Project using material from the vicinity of the Bob Showing.

SUBSEQUENT EVENTS:

In **February 2022**, the Company announced that representative samples obtained from the approximately one metric ton bulk sample, collected in the fall of 2021, returned nickel grades between 2.36% and 2.92% and Palladium grades between 1.4 and 9.5 g/t.

VILLEBON PROJECT

The project is comprised of 27 mining claims (1182 hectares) which include the Céré-Villebon showing. It is located within the Abitibi Greenstone Belt of northwestern Quebec on NTS sheet 31N14. Access is possible through a 30-minute drive year-long via national road 117 from the city of Val d'Or.

In a prior year, the Company concluded that there were indications that certain of the claims comprising the asset may be impaired. As a result, the Company recorded an impairment charge and wrote off the property in 2019.

LE ROYAL PROJECT

The project, comprised of 5 mining claims, is located in the lithium mining camp of LaCorne, in the Abitibi region of Quebec. The acquisition was done jointly with Lepidico Ltd. (ASX: LPD) (formerly known as Platypus Minerals Ltd.) ("Lepidco"). St-Georges currently owns 90% of the project, and Lepidico owns 10%. Lepidico obligations have all been met. The only ongoing obligation of Lepidico moving forward is to provide access to its lepidolite-lithium extraction technology (L-Max®) for the Le Royal Project.

NIOBIUM CLAIMS

On December 20, 2021, the Company acquired, through electronic map staking, 35 mining claims located near the municipality of Notre-Dame de Lorette on the northern flank of the Lac St-Jean in Québec. Lab analysis results for chosen surface samples collected by the Company's contracted prospecting team have returned noticeable grades of niobium from a previously untested carbonatite showing. Exploration work is expected to be conducted in 2022.

ICELAND RESOURCES EHF / ST-GEORGES ICELAND LTD.

In March 2019, the Company, via its wholly-owned subsidiary, St-Georges Iceland Ltd, completed the acquisition of 100% of Iceland Resources EHF, an Icelandic corporation with gold/silver/copper/cobalt/zinc projects. Its flagship project is the Thormodsdalur (Thor) Gold Project, located approximately 10km from the city limits of Reykjavik.

THORMODSDALUR (THOR) GOLD PROJECT

Studies between 1996 and 2013 identified the project mineralization as a low sulphidation system. Historically, 32 drill holes totaling 2,439 meters were drilled within the area.

In **August 2020**, the Company released the initial fire assays results from the preliminary surface exploration campaign conducted on Thor. All grab samples showed the presence of gold, with results ranging from 0.001 g/t to 37.4 g/t.

In **September 2020**, the Company completed a 124m reverse circulation drill hole at the Thor project. The hole was positioned to test a previous surface sample that assayed 37.4 g/t gold and 69.3 g/t silver. At a depth of 41.5m, the team intersected and confirmed with preliminary assays the existence of a thick interval that contained gold mineralization averaging 0.24 g/t over 80 meters with gold grades ranging from 0.01g/t up to 6.21 g/t.

In **May 2021**, a resampling effort was conducted on 2020 RC drill hole. The samples were sent to Ireland to be assayed at ALS Laboratories' facilities. Sampling was conducted on higher grade portions of TH 20-01 to determine the presence or absence of free gold within the higher-grade intervals. Although the sampling indicated significant discrepancies between individual sample results of up to 50%, the average grade of the entire interval increased by a relatively nominal amount of 15% over a 12-meter length.

In **June 2021**, the Company completed the configuration of its new research facilities in Reykjavik, which will allow a streamlined sampling process for ongoing and future campaigns in Iceland.

During the year **2021**, the drilling campaign started on the Thor Gold project. A total of 1,542 meters of the proposed 4,060 meters program was completed by mid-December 2021. Although ten holes were drilled, the first 2 holes were abandoned well short of the planned depth due to poor recovery. Assay results are still pending from the ALS laboratory for several of the holes.

TRÖLLASKAGI (TROLL) GOLD PROJECT

Troll license covers an area of 1,018 km² in Northern Iceland near the town of Akureyri. The project is located in an underexplored area mapped with a felsic central volcano. In 2006, the previous holder of the mineral exploration right, Melmi, undertook a program of stream sediment sampling in most of the major valleys. Seven holes have been completed for a total of 1,222.7 meters drilled. Rock samples have been submitted to the ALS assay laboratory in Ireland.

VOPNAFJÖRÐUR (VOPNA) GOLD PROJECT

Vopna license covers 598.5 km² and is located in the northeastern corner of Iceland, and is accessible by highway. Vein sampling carried out previously has highlighted a number of veins with gold enrichment. The surface vein mineralization found at the Haugsá showing produced sample analyses with grades up to 447ppb of Gold (0.447 g/t) with 90% of the samples returning gold values above 10ppb (0.01 g/t).

In **May 2020**, the Company received the permits for seasonal work programs for the Vopnafjörður and Tröllaskagi gold and polymetallic licenses.

In **October 2020**, mineralization-bearing outcrops were identified, sampled and brought to the Company's secure facilities in Reykjavik for petrographic analysis.

In **July 2021** a week of field work was carried out by three geologists. Geologic mapping and follow-up geochemical sampling were carried out on portions of the project area prior to start of drilling at Thor.

ICELAND HYDRO POWER PLANT

In October 2018, the Company executed a share purchase and subscription agreement with Spá EHF and Íslensk Vatnsorka EHF to acquire the 15% interest in the 10-20 MW hydropower plant located just south of Langjokull in Iceland. The environmental impact assessment and permitting process is advancing positively.

MELMI EHF

In **June 2020**, the Company signed a binding letter of intent to acquire all of the issued and outstanding shares of Melmi ehf ("Melmi"), which owned a 100% interest in the Thor Gold Property. Until then, the Company only had a 41% farm-in option. In **October 2020**, Iceland Resources entered into a Securities Purchase Agreement with Melmi ehf to acquire 100% of the issued share capital of Melmi ehf, whereby Melmi ehf becomes a wholly-owned subsidiary of Iceland Resources.

LITHIUM EXTRACTION TECHNOLOGIES

ICONIC MINERALS LTD.

On December 7, 2017, St-Georges and Iconic Minerals Ltd. ("Iconic") entered into a definitive exclusive technology licensing agreement for all sites to be operated by Iconic and/or its affiliates in the state of Nevada.

In return for a perpetual license for the technologies and its future improvements, Iconic will provide the following to St-Georges:

- Invest \$100,000 by way of private placement in St-Georges (Done on January 14, 2019, \$0.10 per units)
- 2,000,000 shares at Stage 1 Benchmark defined by the delivery of an independent laboratory report (Done on August 29, 2019, Fair value \$118,293 and escrowed for 36 months)
- 1,500,000 shares at Stage 2 Benchmark defined by independent report describing results of initial pilot mining operations and the processing of one metric ton (minimum) in a simulated industrial environment
- 1,500,000 shares at Stage 3 Benchmark defined by the reception of a Preliminary Economical Assessment Report (PEA) or at commercialization decision or the third-year anniversary mark of this agreement assuming other issuances have all been done.

A perpetual Net Revenue Interest Royalty (NRI) of 5% on all minerals produced on sites licensed with the Company's technologies.

In September 2018, the Company received bulk material from the Iconic Bonnie Claire lithium project. In October 2018, the Company successfully separated all particles under 5 microns, where most of the lithium resides. In December 2018, successful selective leaching to remove Magnesium Oxide (MgO) and Calcium Oxide (CaO) was achieved. The Company found 100% of the initial lithium in solution post-leaching. In January 2019, the Company filed a provisional patent under the title "Method of Mineral Recovery" in regard to the lithium-from-clay extraction technology.

On March 31, 2019, the Company achieved complete and total recovery in leach of lithium from the bulk material provided by its partner Iconic originating from their Bonnie Claire Lithium project in Nevada.

On **April 27, 2021**, the Company received the latest shipment of bulk material from Iconic's Bonnie Claire Lithium project in Nevada.

On **October 6, 2021**, the Company produced its first batch of lithium carbonate from spodumene in its contracted laboratories as part of the preparation and configuration process for the incoming industrial pilot production.

On **November 9, 2021**, the Company successfully advanced its metallurgical process allowing the production of lithium carbonate and hydroxide alongside the production of fertilizer by-products and now high-grade alumina by-production. Alumina or Al₂O₃ was present in most hard rock and clay resources reviewed by the Company. The Company has already received initial shows of interest regarding commercial collaboration from two major aluminum producers for the aluminum recovered from battery recycling. The Company will be sharing this development for high purity alumina with the industry.

ALTAIR INTERNATIONAL CORP.

On **December 1, 2020**, the Company signed a Binding Letter of Intent with Altair International Corp. ("Altair") (US-OTC: ATAO) pursuant to which the Company has agreed to provide access to its patent-pending lithium processing technology for lithium-in-clay mineral deposits and also agreed to jointly develop a patentable electric vehicle battery recycling industrial process.

In January 2021, the Company received 2,000,000 common shares of Altair at a fair value of \$557,920 upon signing the Binding Letter of Intent.

On **February 12, 2021**, the Company and its subsidiary St-Georges Metallurgy Corp. ("St-Georges Metallurgy"), and Altair entered into a License and Royalty Agreement for Altair to license St-Georges Metallurgy's patent-pending extraction methods and technology in separation, recovery, and purification of lithium and to act as an agent of the Company's developing technology in battery recycling. Pursuant to the License and Royalty

Agreement, St-Georges Metallurgy will grant Altair a non-exclusive license to use the lithium extraction technology for any of Altair's lithium-bearing prospects in the United States. In exchange for the license, Altair has agreed to grant the Company a 5% net revenue royalty on all metals and minerals extracted and processed using any of the Company's methods or technologies. This royalty will apply to all current and future properties in the United States in which Altair has claims.

SUBSIDIARIES

ST-GEORGES METALLURGY CORP.

On **February 27, 2020**, the Company incorporated a new wholly-owned subsidiary, St-Georges Metallurgy Corp., to handle all metallurgical research and development, laboratory partnerships, metallurgical joint ventures, and related intellectual property.

On **July 9, 2020**, St-Georges Metallurgy entered a pilot-plant service agreement with Carrefour innovation sur les matériaux de la MRC des Sources ("CIMMS"), a Quebec-based, publicly funded laboratory. This agreement covers bench testing of different facets of the process development. The agreement has an 18-month duration which can be extended. St-Georges Metallurgy committed to spending a minimum of \$120,000.

CIMMS contracted infrastructure and resources allow St-Georges Metallurgy to scale up quickly without the lag time usually experienced when research teams integrate new members and train on new equipment.

In **December 2021**, The Company received its precipitation units and expected to complete its configuration in December at the CIMMS contracted pilot-plant facilities. These will allow for the pilot operation of a full processing circuit for material requiring further front-end concentration.

EVSX CORP.

On **January 20, 2021**, EVSX Corp. ("EVSX") was incorporated as a wholly-owned subsidiary of the Company.

On **February 22, 2021**, the Company's initial test conducted on an array of lithium-ion batteries were successful in confirming that the selective leach, conducted with its proprietary blend of acids, allows for the recovery of the lithium, nickel, and cobalt that are found as a coating on aluminium foil in the core of the batteries.

On **April 12, 2021**, the Company disclosed the results of its initial electric vehicle cathode material battery recycling tests aimed at specific car makers and OEM battery specifications. 100% of the targeted metals were recycled in situ or selectively leached in solution.

On **November 26, 2021**, EVSX entered into a binding term sheet with Wintech Energy Co Ltd. of Seoul, South Korea and ZeeOne Corporation from Canada. The executed agreement covers technological development and licensing for the production of what is referred to as the greenest hydrogen on the market. The parties agreed to put in place, on or around February 5, 2022, a series of long form agreements that will cover technological licensing, operations, the set-up of a pilot plant, and further research & development.

SUBSEQUENT EVENT:

In **January 2022**, the Company disclosed that it processed 20 tons of batteries supplied by a potential partner under a non-disclosure agreement at its pilot plant. The Company did not disclose the value brought by these metals being recuperated due to a confidentiality and first refusal agreement that restricts what information can be specifically disseminated. Recent work on a large array of Nickel-Cadmium-type batteries indicates that the Company can obtain a relatively clean black mass that contains on average 18.65% Nickel, 27.88% Cadmium, and 1.36% Cobalt.

Feasibility Study

On **February 16, 2021**, the Company received a formal offer to enter into a partnership to complete a feasibility study on a proposed site and plant in Baie-Comeau, where the Company could start its EV battery recycling operations.

On **March 12, 2021**, the Company executed a definitive agreement with its new partner ID Manic. The agreement defines the mutual obligations and contributions of the partners related to the Electric Vehicle & domestic batteries recycling feasibility study with a total estimated and projected allocation of \$600,000, of which \$300,000 is expected to be contributed from the Company's funds on hand.

The Company retained WSP Canada Inc. services to develop a work program that will define its involvement in the areas of the environmental assessment of the proposed installations, the environmental permitting, independent engineering, and the chemical review of the Company's patent-pending proprietary process it expects to use in the proposed EV batteries recycling plant.

On **June 23, 2021**, the Company announced that it received a preliminary report from Globberpro International. The preliminary report allowed the Company to accelerate permitting and grants requests and convinced management to design the plant as a scalable operation with the aim to deliver the lowest possible CAPEX costs.

On **July 26, 2021**, the Company received a grant from the Natural Sciences and Engineering Research Council of Canada ("NSERC") to initiate a partnership between St-Georges academic institutions within a new initiative called "A circular economy initiative to develop a Quebec based production of fertilizer from the recycled products of lithium-ion batteries". The current grant of \$25,000 will initiate the program. The Company expects that the initiative will proliferate with additional partnerships from large chemical and agricultural industrial operators already confidentially involved.

Battery Recycling Plant

On **April 16, 2021**, the Company entered a binding term sheet to secure the site and building for its proposed battery recycling plant in the deep seaport of Baie-Comeau on the Quebec North Shore.

On **June 28, 2021**, the Company announced that it executed a final option agreement that allows the Company to secure the land and building for its proposed battery recycling plant. Early design and engineering reviews of the industrial plant being secured have not identified the need for a major overhaul. The Company will have 45 days following the reception of its final feasibility study report to decide to enter into a lease agreement for the building. St-Georges will issue to Roberge Industries Inc. a total of 250,000 common share warrants with an execution price of \$0.75 for two years. A clause allows the Company to accelerate the expiration of these warrants if the share price of St-Georges exceeds \$1.05 at any time after the 4-month regulatory hold period.

In **August 2021**, the Company commissioned equipment vendors for the delivery of all equipment needed for two full pilot industrial circuits in order to put in place a fully functional industrial size operation at the CIMMS contracted pilot plant facilities. The Company expects to be able to process a few thousand tons per year at this site that will allow for the configuration of the Baie-Comeau proposed site and other potential partners/royalties sites. The Company expect to use this operation as a training center.

Aluminium

On **October 19, 2021**, the Company successfully advanced its metallurgical process. It allows an ecological recovery of all material contained in batteries, either from electric or legacy vehicles that have any lead components. St-Georges' metallurgical team can now safely recycle all components of legacy internal combustion engines (ICE) car batteries as well as lead-containing and difficult-to-recycle elements and black mass from

pluggable electric and hybrid car batteries.

In **November 2021**, EVSX entered into a confidential agreement with two aluminium producers. The agreement establishes a right of first refusal to buy all the recycled aluminium from EVSX's proposed battery recycling operations in Baie-Comeau. It also establishes the terms of collaboration between the parties that involves access to the partners' aluminium testing facilities.

KINGS OF THE NORTH CORP. (“KOTN”)

Sale of Kings of the North Corp.

On May 29, 2019, the Company and the minority shareholders of KOTN entered into a share purchase agreement with BWA Group PLC. Pursuant to the agreement, BWA acquired all of the issued and outstanding shares of KOTN. On September 30, 2019, BWA's shareholders approved the acquisition of KOTN; the Company received £2,451,409 of convertible loan notes with a fair value of \$2,698,575 on the completion of the sale and recognized a gain on the disposal of \$1,445,974. On October 31, 2019, the Company converted £300,000 of the convertible debenture investment into 60,000,000 ordinary shares of BWA.

As at **December 31, 2020**, the Company holds 60,000,000 shares, representing 19.55% of the outstanding BWA shares. The Company remains a significant shareholder of BWA but it has no representation as either an officer or a director. As such, it has some influence over BWA, but can't appoint a member to the board of BWA. Management has concluded that it is extremely unlikely that any reasonable value can be established for the shares as at December 31, 2020, and impaired them to a \$nil value. The Company recognized its shares of BWA's net loss of \$402,451 in the consolidated statement of loss and comprehensive loss for the year ended December 31, 2020.

During the year ended December 31, 2020, the remaining principal amount of the convertible loan of £2,151,409 with a fair value of \$2,238,797 has been written off.

SUBSEQUENT EVENT

In **January 2022**, the Company served a statement of claims to BWA Group PLC, “BWA”, and its subsidiary, Kings of the North Corp. The claims seek damages of \$277,640 for breach of contract and various other causes of action.

BWA has commenced a civil action against the Corporation in relation to the KOTN transactions. The BWA claim seeks, among other things, damages of \$1,500,000 against the Corporation and its former CEO, alleging breach of contract, conspiracy and various other causes of action (the “BWA Claims”). The Corporation believes the BWA claims are entirely without merit and frivolous. The Corporation will vigorously defend the BWA Claims and will prosecute its own claims against BWA and KOTN.

BOREALIS DERIVATIVES DEX EHF

The Company's wholly-owned subsidiary Borealis Derivatives DEX ehf. (“Borealis”), is developing a Decentralized, Distributed, Digital Derivative marketplace. Platform core development is completed. Government(s) license(s) to operate the exchange are now required to move forward.

ZEU TECHNOLOGIES INC.

ZeU Technologies Inc. (“ZeU”) began in January 2018 as a wholly-owned subsidiary of St-Georges Eco-Mining Corp and was spun off in December 2019. As of December 31, 2021, St-Georges owned 10,136,191 (2020 - 8,750,175) common shares of ZeU.

MANAGEMENT CHANGES

On **March 30, 2021**, the board of directors received the resignation of Mr. Vilhjalmur Thor Vilhjalmsson from his position as President and CEO of the Company and from his directorships in Iceland and EVSX. Mr. Vilhjalmsson stays with the Company in a consulting capacity. Herb Duerr took over the positions of interim CEO and President. Kristín Ólafsdóttir, the previous CEO of Iceland Resources, joined the Company's board of directors. On August 2, 2021, Keturah Nathe joined the Company's board of directors. On September 13, 2021, the Company announced the Gary Johnson had resigned from his position on the board of directors. Herb Duerr was subsequently confirmed as CEO and President at the Company's 2021 Annual General Meeting

QUALIFIED PERSON

The technical information disclosed in this MD&A has been reviewed and approved by Herb Duerr, P.Geo., St-Georges' President and a Qualified Person, as defined by National Instrument 43-101 for the *Standards of Disclosure for Mineral Projects*.

EQUITY TRANSACTIONS

On January 21, 2021, the Company issued 500,000 stock options to a manager at an execution price of \$0.20 until January 22, 2026, and 300,000 stock options to certain consultants at an execution price of \$0.20 until January 22, 2024.

On February 5, 2021, the Company closed a private placement of 1,428,571 units at a price of \$0.14 per unit, for an aggregate gross proceed of \$200,000. Each unit is comprised of one common share and one share purchase warrant, entitling the holder to purchase one share an exercise price of \$0.21 per share until February 5, 2023.

On February 10, 2021, the Company issued 1,137,589 shares for the conversion of convertible debentures issued in 2018 of the principal amount of \$200,000 plus interest accrued of \$27,518 at a price of \$0.20 per share. The carrying value of the debt component and the derivative liability of the debentures converted at the conversion date was \$352,653.

On February 26, 2021, the Company issued 2,805,000 shares for the conversion of convertible debentures issued in 2020 of the principal amount of \$100,000 plus accrued interest of \$2,000 at a price of \$0.10 per share, principal amount of \$150,000 plus accrued interest of \$3,000 at a price of \$0.15 per share, and principal amount of \$150,000 plus accrued interest of \$3,000 at a price of \$0.20 per share.

On March 3, 2021, the Company closed its first tranche non-brokered private placement of 10,000,000 units at a price of \$0.50 and 8,831,632 flow-through units at a price of \$0.60 for total gross proceeds of \$9,698,979. Each unit is comprised of one common share and one share purchase warrant, entitling the holder to purchase one share at an exercise price of \$0.65 until first 18 months from the issuance, and \$1.05 for the 18 months thereafter, together 36 months expiry period. Each flow-through unit is comprised of one common share of the Company on a flow-through basis, and one flow-through share purchase warrant. Each flow-through warrant entitles the holder to purchase one share at an exercise price of \$0.75 until first 18 months from the issuance, and \$1.25 for the 18 months thereafter, together 36 months expiry period. The Company paid cash finder fee of \$201,034, issued 140,000 non-transferable Finders warrants at an exercise price of \$0.65 until March 3, 2024, and 169,890 non-transferable finders warrants at an exercise price of \$0.75 until March 3, 2024.

On March 3, 2021, the Company elected to exercise its right to accelerate the expiry date of all outstanding warrants of the Company issued on or before November 1, 2020:

<u>Number of Warrants</u>	<u>Current Expiry Date</u>	<u>Revised Expiry Date</u>
3,700,000	November 29, 2021	April 5, 2021
413,000	November 29, 2021	April 5, 2021
250,000	December 18, 2021	April 5, 2021
204,800	December 18, 2021	April 5, 2021
600,000	January 17, 2022	April 5, 2021
50,000	January 17, 2022	April 5, 2021

On March 11, 2021, the Company closed a second tranche of 1,083,333 flow-through units at a price of \$0.60 for gross proceeds of \$650,000. Each flow-through unit is comprised of one common share of the Company on a flow-through basis, and one flow-through share purchase warrant. Each flow-through warrant entitles the holder thereof to purchase one share at an exercise price of \$0.75 until first 18 months from the issuance, and \$1.25 for the 18 months thereafter, together 36 months expiry period. The Company paid cash finder fee of \$39,000 and issued 65,000 non-transferable finders warrants at an exercise price of \$0.75 until March 12, 2024.

On April 19, 2021, the Company issued 375,000 common shares to settle \$60,000 of accounts payable for its subsidiary EVSX.

On May 10, 2021, the Company issued 17,669 common shares for the conversion of convertible debentures issued in 2018 of the principal amount of \$5,656 plus accrued interest of \$864 at a price of \$0.369 per share.

On May 18, 2021, the Company granted stock options to certain consultants to purchase a total of 1,025,000 common shares. The stock options vest immediately and exercisable at a price of \$0.45 per share on or before May 18, 2023.

On June 14, 2021, the Company issued 2,620 common shares for the conversion of convertible debentures issued in 2018 of the principal amount of \$870 plus accrued interest of \$139 at a price of \$0.385 per share.

On July 23, 2021, the Company granted a total of 300,000 stock options to certain consultants at an execution price of \$0.45 until July 23, 2023.

On August 12, 2021, the Company issued 100,000 common shares at a fair value of \$27,000 to the vendor for the purchase agreement of 28 mineral claims adjacent to the Julie project.

On October 26, 2021, the Company granted a total of 700,000 stock options to certain consultants at an execution price of \$0.60 per share until October 26, 2023, and granted a total of 5,500,000 stock options to management and directors at an execution price of \$0.60 per share until October 26, 2026.

On November 22, 2021, the Company issued 1,000,000 shares to Exploration J. F. Inc. with a deemed value of \$500,000 for acquisition of the production royalty in Manicouagan Project.

On November 30, 2021, the Company closed its non-brokered private placement of 10,127,273 flow-through units at a price of \$0.55 for gross proceeds of \$5,570,000. Each flow-through unit is comprised of one common share of the Company on a flow-through basis, and one-half flow-through share purchase warrant. Each flow-through warrant entitles the holder thereof to purchase one share at an exercise price of \$0.65 until November 30, 2023. The Company paid finder fee of \$302,700 in cash and issued 557,273 non-transferable finders warrants at an exercise price of \$0.65 until November 30, 2023. The Company will use the flow-through proceeds to further advance the exploration effort on the Manicouagan Project.

On December 21, 2021, the Company closed its non-brokered private placement of 4,185,714 units at a price of \$0.35 for gross proceeds of \$1,465,000. Each unit is comprised of one common share of the Company, and one share purchase warrant. Each warrant entitles the holder thereof to purchase one share at an exercise price of

\$0.40 until June 21, 2023. The Company paid finder fee of \$98,000 in cash and issued 280,000 non-transferable finders warrants at an exercise price of \$0.40 until June 21, 2023. The Company will use the proceeds to advance its green hydrogen initiative.

During the period ended December 31, 2021, the Company issued 3,670,000 common shares for stock options exercised for proceeds of \$396,500, and issued 14,858,608 common shares for warrants exercised for proceeds of \$2,811,397.

Subsequent to the period ended December 31, 2021, the Company received \$140,000 of the subscription receivable from prior year private placement. The balance of subscription receivable as at the report date is \$530,000.

SUBSEQUENT EQUITY TRANSACTIONS

Subsequent to the period ended December 31, 2021, 200,972 warrants were exercised for proceeds of \$37,180.

RESULTS OF OPERATIONS

For the period ended December 31, 2021, the Company recorded a net loss of \$11,447,540 (2020 - \$14,096,033), had a cumulative deficit of \$35,247,347 (2020 - \$28,030,430), and deficit non-controlling interest of \$5,475,151 (2020 - \$6,190,442). The Company had no source of operating revenues or any related operating expenditures.

SELECTED ANNUAL INFORMATION

For the years ended December 31	2020	2019
	\$	\$
Revenues	-	-
Operating expenses	(4,243,923)	(4,346,553)
Net loss and comprehensive loss for the year	(14,096,033)	(2,892,869)
Basic and diluted loss per share	(0.10)	(0.02)
As at December 31	2020	2019
	\$	\$
Cash and cash equivalents	325,619	377,449
Digital assets	-	6,884,765
Working capital deficiency	(5,016,989)	(920,070)
Exploration and evaluation assets	3,300,938	2,341,747
Total assets	4,621,822	12,750,732
Shareholders' equity (deficiency)	(6,170,114)	3,950,104

For the year ended December 31, 2020, the Company had no revenues.

The Company incurred a net loss and comprehensive loss for the year of \$14,096,033 for the year ended December 31, 2020, compared to \$2,892,869 for the year ended December 31, 2019. The increase in the loss is primarily due to increases in stock-based compensation payments of \$1,187,352 (2019 - \$nil), unrealized loss on digital assets of \$6,881,396 (2019 - \$392,865 gain), impaired equity accounted investment of \$402,451 (2019 - \$nil), and write-off \$2,238,797 (2019 - \$nil) on receivable loan. Further details are available in the analysis below.

For the year ended December 31, 2019, the Company had no revenues.

The Company incurred a net loss and comprehensive loss for the year of \$2,892,869 for the year ended December 31, 2019, compared to a net loss of \$7,883,553 for the year ended December 31, 2018. The decrease in the loss is primarily due to an unrealized gain of digital assets to \$392,865 (2018 - \$3,003,302 loss), and the Company recorded a gain on extinguishment of debt of \$14,900 (2018 - \$nil), a gain on disposal of properties of \$1,445,974 (2018 - \$nil). Further details are available in the analysis below.

EXPENSES

For the period ended **December 31, 2021**, and year ended **December 31, 2020**.

	2021	2020
	\$	\$
Accretion and interest expenses	1,948,997	430,865
Consulting fees	869,244	350,225
Foreign exchange expenses	3,299	(34,225)
Management fees	1,627,667	814,875
Office expenses	718,555	539,390
Professional fees	494,775	166,367
Publicity and promotions	229,697	82,198
Research and development fees	1,138,928	588,030
Stock-based compensation	3,676,182	1,187,352
Transfer agent and listing fees	152,356	97,792
Travel expenses	121,887	21,054
Gain on sale and payments of digital assets	-	(332)
Unrealized loss on marketable digital assets	-	6,881,396
Gain (loss) on sale of marketable securities	23,755	(143,677)
Unrealized loss on marketable securities	174,881	138
Loss (gain) on fair market value change in convertible debentures	1,569,024	-
Loss on fair market value change in derivative liability	-	479,242
Impairment loss on property	-	398
Gain on extinguishment of debt	-	(26,303)
Gain on debt settlement	(1,099,818)	-
Gain on Lithium recovery technology	(557,920)	-
Write down of BWA shares	-	402,451
Write-off on receivable loan	-	2,238,797
Write-off on receivable	359,500	-
Write-off accounts payable	(3,469)	-
Allowance for doubtful account	-	20,000
Loss and comprehensive loss	11,447,540	14,096,033

SUMMARY OF QUARTERLY RESULTS

The following table outlines selected unaudited financial information of the Company for the last eight quarters.

	<i>Dec. 31,</i> <i>2021</i>	<i>Sept. 30,</i> <i>2021</i>	<i>Jun. 30,</i> <i>2021</i>	<i>Mar. 31,</i> <i>2021</i>
Total assets	35,867,510	31,696,856	32,454,999	32,597,114
Working capital (deficiency)	(668,073)	540,624	6,316,222	10,332,023
Shareholders' equity (deficiency)	20,225,331	14,418,804	16,607,385	18,543,583
Revenue	-	-	-	-
Net income (loss)	(4,788,683)	(2,180,060)	(3,525,866)	(952,931)
Net income (loss) per share	(0.02)	(0.01)	(0.02)	(0.01)
	<i>Dec. 31,</i> <i>2020</i>	<i>Sept. 30,</i> <i>2020</i>	<i>Jun. 30,</i> <i>2020</i>	<i>Mar. 31,</i> <i>2020</i>
Total assets	4,621,822	12,212,235	12,087,874	27,550,700
Working capital (deficiency)	(5,016,989)	(481,076)	(938,794)	6,720,081
Shareholders' equity (deficiency)	(6,170,114)	3,946,984	3,981,105	9,725,200
Revenue	-	-	-	-
Net income (loss)	3,817,969	(569,452)	(15,837,606)	(1,506,944)
Net income (loss) per share	0.02	(0.00)	(0.11)	(0.01)

THREE MONTHS ENDED DECEMBER 31, 2021, AND 2020

For the three months ended December 31, 2021, and 2020, the Company had no revenues.

The Company incurred net loss for the period of \$4,788,683 (2020 - \$3,817,969 net income). Operating expenses for the three months ended December 31, 2021 were \$4,468,445 (2020 - \$2,059,238). The increase in operating expense is primarily due to increase in accretion and interest expenses of \$537,031 (2020 - \$431,663) on debentures as the Company has more convertible debentures in the current period. The decreases in office expenses to \$43,147 (2020 - \$421,619) as the Company decreased fees to maintain the ongoing operations in the current period. The increases in stock-based compensations to \$2,558,934 (2020 - \$1,187,352) as the Company granted stock options to officers and consultants in the current period. The increases in management fees to \$426,809 (2020 - \$344,443) as the Company increased corporate structures and subsidiaries.

During the three months ended December 31, 2021, the Company recorded an unrealized gain on digital assets of \$nil (2020 - \$9,062,829) as a result of Kamari tokens not having an active market and recording a \$nil value in the Kamari tokens held in the current period. The Company recognized an unrealized gain of \$39,262 (2020 - \$114,044) on marketable securities.

TWELVE MONTHS ENDED DECEMBER 31, 2021, AND YEAR ENDED DECEMBER 31, 2020

For the twelve months ended December 31, 2021, and year ended December 31, 2020, the Company had no revenues.

The Company incurred net loss for the period of \$11,447,540 (2020 - \$14,096,033). Operating expenses for the period ended December 31, 2021 were \$10,981,587 (2020 - \$4,243,923). The increase in operating expense is primarily due to increase in accretion and interest expenses of \$1,948,997 (2020 - \$430,865) on debentures as the Company has more convertible debentures in the current period. The increase in office expenses to \$718,555 (2020 - \$539,390) as the Company increased fees to maintain the ongoing operations in the current period. The increases in stock-based compensations to \$3,676,182 (2020 - \$1,187,352) as the Company granted stock options to officers and consultants in the current period. The increases in consulting fees to \$869,244 (2020 -

\$350,225), and management fees to \$1,627,667 (2020 - \$814,875) as the Company increased corporate structures and subsidiaries. The increase in professional fees to \$494,775 (2020 - \$166,367) and transfer agent and listing fees to \$152,356 (2020 - \$97,792) as the Company completed private placement and acquisition in the current period.

During the period ended December 31, 2021, the Company recognized a gain of \$nil (2020 - \$332) on payments with Ether coins, and the Company recorded an unrealized loss on digital assets of \$nil (2020 - \$6,881,396) as a result of Kamari tokens not having an active market and recording a \$nil value in the Kamari tokens held in the current period. The Company recognized a loss of \$23,755 (2020 - \$143,677 gain) upon sale of certain marketable securities and an unrealized loss of \$174,881 (2020 - \$138) on marketable securities. The Company recognized a gain of \$1,099,818 on the repayment of \$500,000 Kamari convertible debentures plus accrued interest by transferring 3,366,564 Kamari tokens to the debenture holder. The Company recognized a loss of \$nil (2020 - \$479,242) on change in fair value in derivative liability, a loss of \$nil (2020 - \$402,451) on the impairment of equity accounted investment, and a loss of \$nil (2020 - \$2,238,797) on write-off the receivable loan. The Company recognized a loss of \$359,500 (2020 - \$nil) on write-off receivable subject to more than three years settlement.

LIQUIDITY AND CASH FLOW

At **December 31, 2021**, the Company had cash of \$5,587,142 (2020 - \$325,619) and working capital deficiency of \$668,073 (2020 - \$5,016,989).

For the period ended December 31, 2021, significant cash flows were as follows:

Net cash used in operating activities for the period was \$8,768,181. Net loss for the period of \$11,447,540 included non-cash accretion and interest expenses of \$1,948,997 on convertible debentures; stock-based compensation of \$3,676,182; loss on unrealized marketable securities of \$174,881; loss on sale of marketable securities of \$23,755; gain on lithium recovery technology of \$557,920; and gain on debt settlement of \$1,099,818. Net changes in working capital items were \$1,486,718, primarily including decrease in prepaid expenses of \$402,031, increase in accounts receivable of \$1,354,458, and decrease in accounts payable and accrued liabilities of \$534,291.

Net cash used in investing activities for the period was \$10,960,000. During the period ended December 31, 2021, the Company exercised 1,386,016 warrants of ZeU of \$415,805, and received 185,185 shares of ThreeD Capital inc. at a deemed value of \$150,000 for acquisition of 600,000 units of ZeU at a price of \$0.25 per unit. The Company sold marketable securities for proceeds of \$126,245. The Company expensed 10,520,441 in the exploration and evaluation costs.

Net cash provided by financing activities for the period was \$24,989,704. The Company received net funds of \$24,769,704, and subscription receipts of \$140,000 from share issuances for the completed private placement, warrants exercise and stock options exercise, and debentures converted into shares, and issued shares to settle \$60,000 debt, and \$20,000 from funds advanced from related parties during the period ended December 31, 2021.

FINANCIAL RISK MANAGEMENT AND FINANCIAL ESTIMATES

FINANCIAL RISK

The primary goals of the Company's financial risk management are to ensure that the outcomes of activities involving elements of risk are consistent with the Company's objectives and risk tolerance, and to maintain an appropriate risk/reward balance while protecting the Company's balance sheet from events that have the potential to materially impair its financial strength. Balancing risk and reward is achieved through aligning risk appetite with

business strategy, diversifying risk, pricing appropriately for risk, mitigating risks through preventive controls and transferring risk to third parties.

The Company's exposure to potential loss from financial instruments is primarily due to various market risks, including interest rate, liquidity and credit risk. There has been no change in the financial risk of the Company during the period.

MARKET RISK

Market risk is the risk of loss arising from adverse changes to market rates and prices, such as interest rates, equity market fluctuations, foreign currency exchanges rates, and other relevant market rate or price changes. Market risk is directly influenced by the volatility and liquidity in the markets in which the related underlying assets are traded. Below is a discussion of the Company's primary market risk exposures and how those exposures are currently managed.

LIQUIDITY RISK

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet cash flow commitments associated with financial instruments. The purpose of liquidity management is to ensure that there is sufficient cash to meet all financial commitments and obligations as they fall due. To manage cash flow requirements, the Company may have to issue additional common shares or conclude private investments.

As at **December 31, 2021**, the Company has current liabilities and accrued liabilities of \$10,357,349 (2020 - \$6,142,515) due within 12 months and has cash of \$5,587,142 (2020 - \$325,619) to meet its current obligations. As a result, the Company faces liquidity risk as it expends funds towards its projects.

CREDIT RISK

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes financial loss to another party. Financial instruments that potentially subject the Company to credit risk consist primarily of cash. The Company limits its exposure to credit risk by placing its cash with a high credit quality financial institution in Canada. This amount best represents the Company's maximum exposure to any potential credit risk. The risk is assessed as low.

INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market-interest rates. The Company's convertible debentures have fixed interest rates and accordingly is not subject to cash flow interest rate risk due to changes in the market rate of interest. The Company does not use financial derivatives to reduce its exposure to risk. The management of the Company considers its interest rate risk to be minimal.

FOREIGN EXCHANGE RISK

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company does not hedge its exposure to fluctuations in foreign exchange rates. The Company is not exposed to significant foreign exchange risk.

FAIR VALUE MEASUREMENT

Fair value is the amount at which a financial instrument could be exchanged between willing parties, based on current markets for instruments with the same risk, principal and remaining maturity. Fair value estimates are based on present value and other valuation techniques using rates that reflect those that the Company could currently obtain, on the market, for financial instruments with similar terms, conditions and maturities.

The carrying amount and fair value of financial instruments, with the exception of the secured debenture, are considered to be a reasonable approximation of fair value because of their short-term maturities.

The carrying values of the convertible debentures approximate its fair value at the reporting date because the convertible debentures were calculated by discounting future cash flows using rates that the Company would otherwise use for such debt with similar terms, conditions and maturity dates, adjusted for the Company's credit risk. Management believes that no significant change occurred in the risk of these instruments.

CAPITAL MANAGEMENT

Capital is comprised of the Company's shareholders' equity and any debt that it may issue. As at December 31, 2021, the Company's shareholders' equity was \$20,225,331 (2020 – \$6,170,114 deficiency). The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its ongoing liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels. To meet these objectives, management monitors the Company's capital requirements against unrestricted net working capital and assesses additional capital requirements on specific business opportunities on a case-by-case basis.

Capital for expansion comes mostly from proceeds from the issuance of common shares. The net proceeds raised will only be sufficient for a certain amount of exploration and development work on its properties, and for working capital purposes. Additional funds are required to finance the Company's corporate objectives. There was no change in the Company's capital management policy for the period ended December 31, 2021.

The Company is not currently exposed to any externally imposed capital requirements.

RELATED PARTY TRANSACTIONS

a) Related party transactions

During the period, the Company incurred the following transactions with related parties not disclosed elsewhere in the financial statements:

	Dec.31, 2021	Dec.31, 2020
	\$	\$
Management or Administration fees paid or accrued to directors or companies controlled by directors or officers ^{1, 2,3,4,5,6,7,8,9,10}	1,282,417	847,829
Bonus paid or accrued to directors or companies controlled by directors or officers ^{1, 2,3,4,5,6,8}	345,250	-

¹ Herb Duerr, President, CEO and Director

² Mark Billings, Chairman and Director

³ Frank Dumas, COO and Director

⁴ Enrico Di Cesare, Director and VP Research & Development

⁵ Richard Barnett, CFO

⁶ Neha Tally, Corporate Secretary

⁷ Kristín Ólafsdóttir, Director (appointed in March 2021)

⁸ Gary Johnson, Director (resigned in September 2021)

⁹ Keturah Nathe, Director (appointed in August 2021)

¹⁰ Vilhjalmur Vilhjalmsón, Director (resigned in March 2021)

These amounts will be settled by either cash payments or issuing securities.

In addition, the Company incurred consulting fees of \$436,096 (2020 - \$321,478), which were expensed as research and development costs, and other consulting fees of \$60,191 (2020 - \$141,243) during the period. 50% of the CEO's time was devoted to research and development. The Board of directors and officers of the Company did not receive any compensation in the second quarter of 2020 to mitigate the financial impacts of the pandemic.

b) Due to Related Parties

As at December 31, 2021, included in accounts payable and accrued liabilities is \$463,074 (2020 - \$1,180,274) owing to related parties. These amounts are non-interest bearing, unsecured and have no fixed terms of repayment.

As December 31, 2021, the balance of \$20,000 (2020 - \$nil) is due to a director of the Company and is included as a loan from related party. This amount is unsecured, non-interest bearing and has no fixed terms for repayment.

On January 7, 2021, ZeU issued 1,354,000 common shares at a deemed price of \$0.25 per share to settle an aggregate of \$338,500 of indebtedness owed to certain core management and directors.

c) Stock Options Granted

During the period ended December 31, 2021, a total of 5,500,000 stock options were granted to the key management to purchase common shares of the Company at an exercise price of \$0.60 per share on or before October 26, 2026. The Company also incurred stock-based compensation of \$2,121,335 with related parties during the period ended December 31, 2021.

During the year ended December 31, 2020, a total of 5,200,000 stock options were granted to the key management to purchase common shares of the Company at an exercise price of \$0.20 per share on or before December 7, 2025. The Company also incurred stock-based compensation of \$480,015 with related parties during the year ended December 31, 2020.

OUTSTANDING SHARE DATA

As at December 31, 2021, the Company has 224,811,945 common shares outstanding of which 4,500,000 of the issued shares are held in escrow. Subsequent to the period ended December 31, 2021, the Company issued 200,972 shares for warrants exercised.

As of the current date, the Company has 225,012,917 common shares outstanding.

STOCK OPTIONS

As at December 31, 2021, and at the current date, the Company has 18,605,000 stock options outstanding.

WARRANTS

As at December 31, 2021, the Company has 35,466,741 warrants outstanding. Subsequent to the period ended December 31, 2021, 200,972 warrants were exercised.

As of the current date, the Company has 35,265,769 warrants outstanding.

RISK FACTORS

EXPLORATION

Exploration and mining involve a high degree of risk. Few exploration properties end up going into production. Other risks related to exploration and mining activities include unusual or unforeseen formations, fire, power failures, labour disputes, flooding, explosions, cave-ins, landslides and shortages of adequate or appropriate manpower, machinery or equipment.

The development of a resource property is subject to many factors, including the cost of mining, variations in the quality of the material mined, fluctuations in the commodity and currency markets, the cost of processing equipment and others, such as aboriginal claims and government regulations, including regulations regarding royalties, authorized production, import and export of natural resources and environmental protection. Depending on the price of the natural resource produced, the Company may decide not to undertake or continue commercial production.

There can be no assurance that the expenses incurred by the Company to explore its properties will result in the discovery of a commercial quantity of ore. Most exploration projects do not result in the discovery of commercially viable mineral deposits.

ENVIRONMENTAL AND OTHER REGULATIONS

Current and future environmental laws, regulations and measures could entail unforeseeable additional costs, capital expenditures, restrictions or delays in the Company's activities. Environmental regulations and standards are subject to constant revision and could be substantially tightened, which could have a serious impact on the Company and its ability to develop its properties economically. Before it commences mining a property, the Company must obtain environmental permits and the approval of the regulatory authorities. There is no assurance that these permits and approvals will be obtained or that they will be obtained in a timely manner. The cost of complying with government regulations may also impact the viability of an operation or altogether prevent the economic development of a property.

FINANCING AND DEVELOPMENT

The Company does not presently have sufficient financial resources to undertake its planned exploration and development programs. Development of the Company's properties, therefore, depends on its ability to raise the additional funds required. There can be no assurance that the Company will succeed in obtaining the funding required. The Company also has limited experience in developing resource properties, and its ability to do so depends on the use of appropriately skilled personnel or signature of agreements with other large resource companies that can provide the required expertise.

COMMODITY PRICES

The factors that influence the market value of platinum, palladium, rhodium, copper, cobalt, nickel, carbon graphite, and any other mineral discovered are outside the Company's control. The impact of these factors cannot be accurately predicted. Resource prices can fluctuate widely and have done so in recent years.

RISKS NOT COVERED BY INSURANCE

The Company may become subject to claims arising from cave-ins, pollution or other risks against which it cannot insure itself due to the high cost of premiums or other reasons. Payment of such claims would decrease and could eliminate the funds available for exploration and mining activities.

COVID-19 DISCLOSURE

Since **December 31, 2019**, the outbreak of the novel strain of coronavirus, specifically identified as “COVID-19”, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. 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 operations in future periods

signed “Herb Duerr”

President and Chief Executive Officer

signed “Richard Barnett”

Chief Financial Officer