

CRUZ BATTERY METALS CORP.

For the six months ended January 31, 2022

Management's Discussion and Analysis ("MD&A")

Date of Report: March 22, 2022

The following discussion and analysis of the Company's financial condition and results of operations for the six months ended January 31, 2022 should be read in conjunction with its condensed consolidated interim financial statements and related notes. The requisite financial data presented for the relevant periods has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

All dollar figures included therein and in the following MD&A are quoted in Canadian dollars. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com.

Disclaimer for Forward-Looking Information

Certain statements in this report are forward-looking statements, which reflect management's expectations regarding the Company's future growth, results of operations, performance, business prospects and opportunities such as the intended work programs on its existing property interests, the ability to meet financial commitments and the ability to raise funds when required. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits the Company will obtain from them. These forward-looking statements reflect management's current views and are based on certain assumptions and speak only as of the date of this Management's Discussion and Analysis. These assumptions, which include management's current expectations, estimates and assumptions about its current property interests, the global economic environment, the market price and demand for mineral commodities and its ability to manage the property interests and operating costs, may prove to be incorrect. A number of risks and uncertainties could cause the actual results to differ materially from those expressed or implied by the forward-looking statements, including: (1) a downturn in general economic conditions, (2) a decreased demand or price for mineral commodities, (3) delays in the start of projects with respect to its property interests, (4) inability to locate and acquire additional property interests, (5) the uncertainty of government regulation and politics in North America regarding mineral exploration and mining, (6) potential negative financial impact from regulatory investigations, claims, lawsuits and other legal proceedings and challenges, and (7) other factors beyond its control.

There is a significant risk that such forward-looking statements will not prove to be accurate. Investors are cautioned not to place undue reliance on these forward-looking statements. No forward-looking statement is a guarantee of future results. Except as required by law, the Company disclaims any intention or obligation to update or revise any forward-looking statements. Additional information about these and other assumptions, risks and uncertainties are set out in the section entitled "Risk Factors" below.

Nature of Business

Cruz Battery Metals Corp. (the "Company") is involved in the identification, acquisition and exploration of mineral properties that management deems as potentially viable to assist in the growth of the Company. At January 31, 2022, the Company had mineral property interests located in Canada and in the USA.

Mineral Properties

Ontario Cobalt Prospects

In July 2016, the Company entered into a share purchase agreement (the “Cobalt Locaters SPA”) with four arm’s length vendors to purchase all of the issued and outstanding shares of Cobalt Locaters Inc., which holds a 100% interest in two cobalt prospects in B.C. and a 50% interest in four cobalt prospects in Ontario consisting of the Coleman Cobalt Prospect, the Bucke Cobalt Prospect, the Hector Cobalt Prospect, and the Johnson Cobalt Prospect. In March 2019, the Company acquired the remaining 50% interest in the above four Ontario cobalt prospects from an arm's length vendor at no costs. As of today, the Company holds a 100% interest in the above four cobalt prospects in Ontario and two in B.C.

In September 2016, the Company acquired a 100% interest in: 22 additional claim units for staking costs of \$2,200 to increase the acreage of the Johnson Cobalt Prospect to approximately 988 acres; 36 claim units for staking costs of \$3,600 to increase the acreage of Bucke Cobalt Prospect to approximately 1,458 acres; and 137 claim units for staking costs of \$13,700 to increase the acreage of the Hector Cobalt Prospect to approximately 6,146 acres.

In June 2017, the Company acquired a 100% interest in additional mineral claims in Ontario to increase the holdings in its Coleman Cobalt Prospect to approximately 1,525 acres for staking costs of \$1,268. In November 2021, the Company decided to drop certain mineral claims for the Coleman Cobalt Prospect and fully wrote off prior acquisition and exploration costs on the Coleman Cobalt Prospect totaling \$151,065 as of July 31, 2021.

In January 2018, the Company acquired a 100% interest in certain mineral claims in Ontario referred to as the Lorraine Cobalt Prospect for staking costs of \$5,600. On November 6, 2019, the Company entered into an agreement with RJK Explorations Ltd. (“RJK”), an arm’s length party. Pursuant to the agreement, RJK paid \$5,000 to the Company in exchange for the exclusive right for a period of 30 days from the date of such payment, at RJK’s own risk and expense, to enter on the Lorraine claims to conduct mineral sampling activities and geophysical surveys. Accordingly, \$5,000 were used to offset prior acquisition costs of the Lorraine claims. The agreement had been mutually terminated by the Company and RJK on December 21, 2020 with no liability or remaining obligation of any of the parties to the other except for the confidentiality obligations. In December 2021, the Company decided to drop the entire Lorraine Cobalt Prospect and fully wrote off prior carrying costs in the amount of \$600.

The Company engaged Apex Geoscience Ltd., based out of Edmonton, Alberta, to assist in the 2021 drill/work programs and hired Vital Drilling Services of Val Caron, Ontario, to conduct the drill program. As disclosed in a news release dated June 24, 2021, the Company announced that it has received a drill permit from the Ministry of Energy, Northern Development & Mines (MNDM). As disclosed in a news release dated July 20, 2021, the drill program was completed. On September 13, 2021, the Company announced that the 2021 drilling targeted the prospective lower contact of Nipissing diabase sills and Archean volcanic basement rocks at depth.

Drill holes 21HC01 and 21HC02 drilled from the same collar intersected the base of the Nipissing diabase at 248 and 231 metres downhole respectively. Hole 21HC01 cut a broad zone of anomalous silver-copper mineralized mafic volcanic rocks returning assays of 0.87 gram per tonne silver and 0.01 per cent copper over 32.3 metres from a depth of 279.7 metres, including a higher-grade interval of 1.06 g/t Ag over 19.5 metres from a depth of 286.5 metres yielding individual assays of up to 3.2 g/t Ag. The silver-copper zone within 21HC021 is characterized by the presence of moderate chlorite alteration and silica flooding accompanied by fine-grained disseminated chalcopyrite-pyrite mineralization.

In addition to the volcanic hosted silver-copper zone, several cobalt-copper intervals occur within drill holes 21HC01 and 21HC02 that are comparable with values returned during Cruz's initial 2018 drill campaign including: 0.03 per cent cobalt and 0.088 per cent Cu over one metre at a depth of 143 metres; 0.01 per cent

Co and 0.12 per cent Cu over one metre at 74 metres downhole within 21HC02; and 0.012 per cent Co and 0.07 per cent copper over one metre at 153.5 metres downhole within 21HC01.

The true width of mineralization is estimated to be 80 to 90 per cent of the drilled interval.

Drill hole 21HC03 targeting a north-northwest-striking fault structure that juxtaposes Nipissing diabase and Archean basement rocks to the north remained in diabase to an end-of-hole at a depth of 249 metres. Textural variation within Nipissing diabase, and variation in the observed mineralization and magnetic susceptibility, confirm the presence of a west-dipping, multiphase sill complex.

Management is currently evaluating possible follow-up work programs, however a final decision has not been made at this time.

As at January 31, 2022, the Company had spent a total of \$791,724 in exploration expenditures on the Ontario cobalt prospects.

BC War Eagle Cobalt Prospect

In June 2016, the Company acquired a 100% interest in certain mineral claims in British Columbia for staking costs of \$3,496.

During the year ended July 31, 2019, the Company decided to reduce the size of certain War Eagle claims from 4,936 acres to 1,542 acres. Accordingly, prior acquisition costs of \$2,404 and exploration costs of \$18,705 were written off.

Management is currently evaluating possible follow-up work programs, however a final decision has not been made at this time.

As at January 31, 2022, the Company had spent a total of \$30,988 in exploration expenditures on this prospect.

BC Diamond Projects

On September 1, 2020, the Company entered into a share purchase agreement (the “SPA”) with two arm’s length vendors to purchase 100% of the issued and outstanding shares of 1205011 B.C. Ltd. (“1205011”), which through its wholly-owned subsidiary, Idaho Cobalt Discoveries Corp., holds a 100% interest in one cobalt prospect in Idaho, U.S.A. (the “Idaho Cobalt Belt Project”) and three diamond projects in B.C. (the “BC Diamond Projects”). The acquisition has been accounted for as an asset acquisition. In September 2020, the Company issued 9,000,000 shares (issued at a value of \$495,000) to the vendors pursuant to the SPA. 1205011 became a wholly-owned subsidiary of the Company. The acquisition costs had been split evenly between the BC and the Idaho properties.

As of January 31, 2022, the Company had incurred a total of \$14,165 in claim maintenance fees on this project.

Management is currently evaluating possible work programs, however a final decision has not been made at this time.

Yukon Quartz Claims

During the year ended July 31, 2010, the Company acquired a 100% interest in ninety-five load quartz mineral claims covering an area of approximately 4,836 acres, located in the Yukon Territory.

During the years ended July 31, 2013, 2015 and 2016, the Company decided not to continue with certain claims and allowed these claims to lapse when they became due. Accordingly, prior acquisition costs of \$670,862 and exploration costs of \$34,838 associated with these lapsed claims were written off.

As at January 31, 2022, the Company had spent a total of \$2,337 in exploration expenditures on the remaining Yukon quartz claims.

Idaho Cobalt Belt Project

On September 1, 2020, under the SPA, the Company indirectly acquired a 100% interest in one cobalt prospect in Idaho, U.S.A.

Management is currently evaluating possible work programs, however a final decision has not been made at this time.

As of January 31, 2022, the Company had incurred a total of \$51,441 in claim maintenance fees on the Idaho Cobalt Belt project.

Idaho Star Cobalt Prospect

In October 2016, the Company acquired a 100% interest in the Idaho Star Cobalt Prospect in Idaho, U.S.A. for staking costs of \$39,964. This prospect is located approximately 9 miles southwest of Saltese, Montana and 19 miles southeast of Wallace, Idaho. This prospect consists of 44 contiguous claims within the Idaho Cobalt Belt.

In August 2018, the Company decided to drop certain Idaho claims and allowed them to lapse when they became due. Prior acquisition costs of \$36,330 and exploration costs of \$32,122 were written down as of July 31, 2018.

The Company is considering a follow up program. However, a final decision has not been concluded at this time.

As at January 31, 2022, the Company had spent a total of \$6,697 in exploration expenditures on this prospect.

Nevada Clayton Valley West Lithium Prospect

During the year ended July 31, 2016, the Company entered into an agreement with an arm's-length vendor to acquire a 100% interest in six claim blocks in the Clayton Valley in Nevada, USA prospective for lithium.

As of January 31, 2022, the Company had incurred a total of \$16,560 in claim maintenance fees on this prospect.

Management is currently evaluating possible work programs, however a final decision has not been made at this time.

Nevada Solar Lithium Project

On July 16, 2021, the Company entered into a share purchase agreement (the “Solar SPA”) with two arm’s length vendors to purchase 100% of the issued and outstanding shares of Cruz Solar Lithium Corp. (“Cruz Solar”), which through its wholly-owned subsidiary, Las Vegas Lithium Locators Corp., holds a 100% interest in one lithium prospect in Nevada, U.S.A. (the “Solar Lithium Project”). The acquisition has been accounted for as an asset acquisition. In July 2021, the Company issued 7,000,000 shares (issued at a value

of \$630,000) to the vendors pursuant to the Solar SPA. Cruz Solar became a wholly-owned subsidiary of the Company.

During the six months ended January 31, 2022, the Company acquired a 100% interest in certain mineral claims (the “Helios Claims”, the “Sun Claims” and the “Solar South Claims”) for staking costs of \$99,427 to expand the size of its Solar Lithium Project to a total of 8,135 acres; the Company also provided a security deposit of \$10,615 in relation to its Solar Lithium Project.

As disclosed in a news release dated October 8, 2021, the Company announced it has encountered multiple separate sample results returning values higher than 1,059 parts per million (ppm) lithium (Li), including values as high as 1,610 ppm Li.

As disclosed in a news release dated October 29, 2021, the Company announced it has secured a drill permit from the Bureau of Land Management (BLM) for the Solar Lithium Project. The Company also announced on October 25, 2021, it has contracted Harris Exploration Drilling and Associates Inc. to conduct the drill program which began on November 19, 2021.

As disclosed in a news release dated December 17, 2021, the Company announced it has now completed the first phase of drilling. Significant intercepts of the targeted potential lithium-bearing claystone formation were encountered in all the holes drilled in this phase. Hole 2 encountered a very substantial 345 feet of the targeted potential lithium-bearing claystone. Hole 1 intercepted approximately 180 feet of claystone formation starting from 10 feet below surface and hole 3 was halted due to excessive snow in Nevada; however, a solid 100-foot claystone formation was intercepted, and the hole was stopped while still in this claystone formation.

As disclosed in a news release dated January 17, 2022, the Company announced it has received assays for the first phase of drilling. Multiple intercepts of the targeted potential lithium-bearing claystone formation were encountered in all the holes drilled in this initial phase of drilling. Values in hole 1 were as high as 1,300 parts per million lithium and the hole encountered lithium-bearing clays from 10 feet to 200 feet with a 60-foot intercept averaging 968.33 ppm Li. Hole 2 had a high value of 1,120 ppm Li including a 60-foot interval averaging 768 ppm Li. Hole 3 was stopped while still drilling the targeted claystone due to a blizzard that made drilling impossible.

As disclosed in a news release dated March 18, 2022, the Company announced it has now commenced its phase II drill campaign on the Solar Lithium Project.

As at January 31, 2022, the Company had spent a total of \$340,056 in exploration expenditures on this project.

The Company will continue exploration activities on its properties. In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business or ability to raise funds. While the Company has been successful in securing financings in the past, there is no assurance that the Company will be able to do so in the future, and/or that the Company will be able to raise sufficient funds to meet its work commitments for all of its properties.

Overall Performance

The Company is a mineral exploration company engaged in the business of acquisition, exploration and, if warranted, development of mineral properties. The Company does not expect to generate any revenues in

the foreseeable future or until a mineable reserve is defined and economically recoverable. The Company expects to continue to incur expenses as it works to further explore and develop its mineral properties.

The Company has conducted limited exploration on some of its properties, due to, among other things, the availability of sufficient funds for the purposes of mineral exploration and development, access to the property due to climate conditions, the uncertainties associated with the prices of precious and base metals and other minerals, and the global economic climate. The Company is in the process of exploring its mineral properties and has not yet determined whether the properties contain reserves that are economically recoverable.

The Company's future performance is largely tied to the outcome of future exploration and the overall financial markets. The recoverability of minerals from the Company's properties is dependent upon, among other things, the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to continue to explore and develop its properties and upon future profitable production. In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds. Uncertainty in credit markets, fluctuation in commodity prices and general economic downturns has led to increased difficulties in raising and borrowing funds. As a result, the Company may have difficulty raising equity financing for the purposes of exploration and development of the Company's properties, without diluting the interests of current shareholders of the Company. See "Liquidity and Capital Resources" and "Risk and Uncertainties" for a discussion of risk factors that may impact the Company's ability to raise funds.

Information about the Company's commitments relating to its mineral properties is discussed above under "Nature of Business – Mineral Properties".

The Company did not generate any revenue during the six months ended January 31, 2022 and 2021. The Company's net comprehensive loss increased by \$831,756 from \$422,223 for the six months ended January 31, 2021 to \$1,253,979 for the six months ended January 31, 2022, mainly due to an increase in share-based payments as well as an increase in corporate branding expenses. The Company's cash and cash equivalents decreased from \$1,359,131 as at July 31, 2021 to \$754,510 as at January 31, 2022. The Company had a working capital of \$511,180 as at January 31, 2022 as compared to \$1,093,052 as at July 31, 2021.

The Company's current assets have decreased to \$782,002 as at January 31, 2022 from \$1,387,217 as at July 31, 2021, due mainly to a decrease in cash and cash equivalents. The Company's current liabilities have slightly decreased from \$294,165 as at July 31, 2021 to \$270,822 as at January 31, 2022 due to a decrease in accounts payable and accrued liabilities. The value ascribed to the Company's exploration and evaluation assets has increased from \$2,456,138 as at July 31, 2021 to \$2,967,257 as at January 31, 2022, due mainly to the acquisition and exploration activities in B.C., Ontario and Nevada, as set described above.

Additional information about the risks and uncertainties relating to the Company's business and financial performance is discussed below under "Risks and Uncertainties".

Summary of Quarterly Results

The following table sets out selected quarterly financial data for the eight most recently completed interim quarters:

	2022 Second	2022 First	2021 Fourth	2021 Third	2021 Second	2021 First	2020 Fourth	2020 Third
Revenues	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil
Operating expenses	\$(1,106,620)	\$(148,012)	\$(171,649)	\$(136,166)	\$(322,014)	\$(110,590)	\$(122,400)	\$(132,838)
Loss before other items	\$(1,106,620)	\$(148,012)	\$(171,649)	\$(136,166)	\$(322,014)	\$(110,590)	\$(122,400)	\$(132,838)
Loss per share (Basic and diluted)	\$(0.01)	\$(0.001)	\$(0.002)	\$(0.001)	\$(0.003)	\$(0.001)	\$(0.003)	\$(0.002)
Other items:								
Interest income	\$532	\$721	\$1,221	\$1,076	\$5,185	\$5,196	\$5,418	\$6,178
Interest expense	\$Nil	\$Nil	\$(8,350)	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil
Flow-through indemnification provision	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$(135,000)	\$Nil
Part XII.6 tax	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$(32,000)	\$Nil
Write-down of mineral properties	\$Nil	\$(600)	\$(151,065)	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil
Net comprehensive loss	\$(1,106,088)	\$(147,891)	\$(329,843)	\$(135,090)	\$(316,829)	\$(105,394)	\$(283,982)	\$(126,660)
Basic and diluted loss per share	\$(0.01)	\$(0.001)	\$(0.003)	\$(0.001)	\$(0.003)	\$(0.001)	\$(0.001)	\$(0.002)

Summary of Results During Prior Eight Quarters

Net comprehensive loss increased by \$157,322 from the third to the fourth quarter of 2020 mainly due to an increase in flow-through indemnification provision. Net comprehensive loss decreased by \$178,588 from the fourth quarter of 2020 to the first quarter of 2021 mainly due to a decrease in flow-through indemnification provision. Net comprehensive loss increased by \$211,435 from the first to the second quarter of 2021 mainly due to an increase in share-based payments and an increase in management fees. Net comprehensive loss decreased by \$181,739 from the second to the third quarter of 2021 mainly due to a decrease in share-based payments. Net comprehensive loss increased by \$194,753 from the third to the fourth quarter of 2021 mainly due to an increase in the write-down of exploration and evaluation assets and an increase in professional fees. Net comprehensive loss decreased by \$81,952 from the fourth quarter of 2021 to the first quarter of 2022 mainly due to a decrease in the write-down of exploration and evaluation assets as well as a decrease in professional fees. Net comprehensive loss increased by \$958,197 from the first to the second quarter of 2022 mainly due to an increase in share-based payments.

Three months ended January 31, 2022 Compared to the Three months ended January 31, 2021

The Company did not generate any revenue for the three months ended January 31, 2022 and 2021. Net comprehensive loss increased by \$789,259 from \$316,829 for the three months ended January 31, 2021 to \$1,106,088 for the three months ended January 31, 2022 due mainly to an increase in operating expenses.

Operating expenses increased by \$784,606 from \$322,014 for the three months ended January 31, 2021 to \$1,106,620 for the three months ended January 31, 2022 due mainly to an increase in share-based payments.

Increased share-based payments (three months ended January 31, 2022: \$969,145; three months ended January 31, 2021: \$167,709) were due to the Company granted 7,000,000 stock options to its directors and

consultants at a price of \$0.30 per share for a one-year term (expiring on November 2, 2022) during the three months ended January 31, 2022 as compared to 4,000,000 stock options were granted at a price of \$0.075 per share for a one-year term (expiring on January 14, 2022) during the three months ended January 31, 2021. The Company may grant options that are available under the approved stock option plan in the next 12 months period.

Six months ended January 31, 2022 Compared to the Six months ended January 31, 2021

The Company did not generate any revenue for the six months ended January 31, 2022 and 2021. Net comprehensive loss increased by \$831,756 from \$422,223 for the six months ended January 31, 2021 to \$1,253,979 for the six months ended January 31, 2022 due mainly to an increase in operating expenses. Operating expenses increased by \$822,028 from \$432,604 for the six months ended January 31, 2021 to \$1,254,632 for the six months ended January 31, 2022 due mainly to an increase in corporate branding expenses and in share-based payments.

Corporate branding expenses increased during the six months ended January 31, 2022 to \$71,163 (six months ended January 31, 2021: \$9,913) which included the following:

- \$39,824 (six months ended January 31, 2021: \$7,413) for online branding;
- \$3,000 (six months ended January 31, 2021: \$2,500) for social media services related to the corporate twitter;
- \$6,507 (six months ended January 31, 2021: \$Nil) for expenses incurred in relation to the MINE Expo International in Las Vegas; and
- \$21,832 (six months ended January 31, 2021: \$Nil) for other expenses.

The corporate branding expenses were incurred to increase the awareness of the Company and the mining industry in general. Management anticipates such expenses may be similar or higher in the next 12-month period due to management's decision regarding overall branding expenses, including a decision to increase online branding, or other such future services.

Increased share-based payments (six months ended January 31, 2022: \$969,145; six months ended January 31, 2021: \$167,709) were due to the Company granted 7,000,000 stock options to its directors and consultants at a price of \$0.30 per share for a one-year term (expiring on November 2, 2022) during the six months ended January 31, 2022 as compared to 4,000,000 stock options were granted at a price of \$0.075 per share for a one-year term (expiring on January 14, 2022) during the six months ended January 31, 2021. The Company may grant options that are available under the approved stock option plan in the next 12 months period.

See "Nature of Business – Mineral Properties" for a discussion of the Company's mineral properties on a property by property basis, including its plans for the mineral properties, the status of its plans, expenditures made and the anticipated timing and costs to take its mineral properties to the next stage of the project plan.

See "Overall Performance" for a discussion of the commitments, events, risks and uncertainties that the Company believe will materially affect its future performance and "Risks and Uncertainties" for a discussion of risk factors affecting the Company.

Discussion of Operations

Liquidity

At January 31, 2022, the Company had \$754,510 in cash and cash equivalents and a working capital of \$511,180 as compared to \$1,359,131 in cash and cash equivalents and a working capital of \$1,093,052 at July 31, 2021.

The Company's current assets have decreased to \$782,002 as at January 31, 2022 from \$1,387,217 as at July 31, 2021, due mainly to a decrease in cash and cash equivalents. The Company's current liabilities have slightly decreased from \$294,165 as at July 31, 2021 to \$270,822 as at January 31, 2022 due to a decrease in accounts payable and accrued liabilities. The value ascribed to the Company's exploration and evaluation assets has increased from \$2,456,138 as at July 31, 2021 to \$2,967,257 as at January 31, 2022, due mainly to the acquisition and exploration activities in B.C., Ontario and Nevada, as set described above.

During the six months ended January 31, 2022, the following occurred:

- 3,006,452 share purchase warrants were exercised into common shares at \$0.05 per share for gross proceeds of \$150,323; and
- 900,000 stock options were exercised at \$0.075 per share for gross proceeds of \$67,500.

Subsequent to January 31, 2022, the following occurred:

- 2,200,000 stock options were exercised at \$0.075 per share for gross proceeds of \$165,000.

Management believes that the Company's cash and cash equivalents may not be sufficient to meet the current working capital requirements, including the existing commitments relating to the Company's mineral properties. The Company expects to raise additional capital as the needs arise. See "Nature of Business – Mineral Properties" and "Overall Performance" for a discussion of the Company's commitments relating to its mineral properties. As a mineral exploration company, its expenses are expected to increase as the Company explores its mineral properties further. Management does not expect the Company to generate sustained revenues from mineral production in the foreseeable future.

The Company's ability to conduct the planned work programs on its mineral properties, meet ongoing levels of corporate overhead and discharge its liabilities as they become due is dependent, in large part, on the ability of management to raise additional funds as necessary. Management anticipates that additional equity financings will need to be conducted to raise additional funds which, if successful, will result in dilution in the equity interests of the Company's current shareholders. Obtaining commercial loans, assuming those loans would be available, will increase the Company's liabilities and future cash commitments. Although the Company have secured financings in the past, there is no assurance that the Company will be able to do so in the future on terms that is favourable to the Company or at all. The Company's ability to raise additional funds in the future and its liquidity may be negatively impacted by a number of factors, including changes in commodity prices, market volatility and general economic downturns.

There is substantial doubt about its ability to continue as a going concern as the continuation of its business is dependent upon obtaining further long-term financing, successful exploration of its mineral property interests, the identification of reserves sufficient to warrant development, successful development of its property interests and achieving a profitable level of operations. Due to the uncertainty of its ability to meet its current operating and capital expenses, in their notes to its audited financial statements for the year ended July 31, 2021, the Company's independent auditors included an explanatory paragraph regarding their substantial doubt about its ability to continue as a going concern.

Capital Resources

The Company has the following commitments for capital expenditures with respect to its mineral properties as of January 31, 2022. The expenditures are optional, and the Company may decide not to incur such payments in the event the Company does not decide to pursue further exploration with respect to such properties.

- *BC War Eagle Cobalt Prospects:*
 - The Company owns a 100% interest in one mineral claim, which is in good standing until February 28, 2023. In order to keep this claim in good standing, the Company is required to incur a minimum of \$9,362 in exploration expenditures on this claim by February 28, 2023 or pay cash-in-lieu of \$18,724.
- *BC Diamond Projects:*
 - The Company owns a 100% interest in four mineral claims, which are in good standing until June 12, 2022. In order to keep these claims in good standing, the Company is required to incur a minimum of \$7,083 in exploration expenditures on these claims by June 12, 2022 or pay cash-in-lieu of \$14,165.
- *Yukon Quartz Claims:*
 - Two Yukon Quartz claims are in good standing until October 3, 2022. In order to renew these claims for another year, the Company is required to pay an annual rent of \$210 to the Government of Yukon by October 3, 2022 for the Yukon Quartz claims, unless the Company spends an amount greater than that in exploration beforehand.
- *Ontario Bucke Cobalt Prospects:*
 - These mineral claims are in good standing until July 19, 2022 or later. In order to keep these claims in good standing, the Company is required to incur a minimum of \$14,400 in exploration expenditures on these claims by July 19, 2022.
- *Ontario Coleman Cobalt Prospects:*
 - 11 claim units are in good standing until July 19, 2022. In order to keep these claims in good standing, the Company is required to incur a minimum of \$3,000 in exploration expenditures on these claims by July 19, 2022.
 - 8 claim units are in good standing until June 26, 2022 or later. In order to keep these claims in good standing, the Company is required to incur a minimum of \$1,800 in exploration expenditures on these claims by June 26, 2022.
- *Ontario Hector Cobalt Prospects:*
 - All Hector claims are in good standing until September 26, 2026 or later.
- *Ontario Johnson Cobalt Prospects:*
 - 25 mineral claims are in good standing until July 19, 2022 or later. In order to keep these claims in good standing, the Company is required to incur a minimum of \$6,000 in exploration expenditures on these claims by July 19, 2022.
- *Nevada Clayton Valley West Lithium Prospect:*
 - These mineral claims are in good standing until September 1, 2022. In order to keep these claims in good standing, the Company is required to pay BLM fees of USD\$1,980.

- *Nevada Solar Lithium Project:*
 - These mineral claims are in good standing until September 1, 2022. In order to keep these claims in good standing, the Company is required to pay BLM fees of USD\$65,340.
- *Idaho Star Cobalt Prospect:*
 - These mineral claims are in good standing until September 1, 2022. In order to keep these claims in good standing, the Company is required to pay maintenance fees of USD\$660 by September 1, 2022.
- *Idaho Cobalt Belt Project:*
 - These mineral claims are in good standing until September 1, 2022. In order to keep these claims in good standing, the Company is required to pay maintenance fees of USD\$19,470 by September 1, 2022.

See “Nature of Business – Mineral Properties” for a discussion of the Company’s capital expenditure commitments with respect to its mineral properties.

On March 12, 2020, the Company entered into a lease agreement for office premises for a seven-year period beginning October 1, 2020 and ending September 30, 2027. The Company is required to pay monthly office rent (net of taxes) as follows: pay a total of \$33,043 by July 31, 2022; pay a total of \$66,781 by July 31, 2023; pay a total of \$67,615 by July 31, 2024; pay a total of \$68,449 by July 31, 2025; pay a total of \$69,283 by July 31, 2026; pay a total of \$70,117 by July 31, 2027; and pay a total of \$11,709 by September 30, 2027. However, the Company shares its office space with two related public companies and one non-related company. The Company invoices these companies for their share of the office rent on a monthly basis.

Operating Activities

During the six months ended January 31, 2022 and, 2021, operating activities used cash of \$272,254 and \$169,520, respectively. The use of cash for the six months ended January 31, 2022 was mainly attributable to its loss for the period of \$1,253,979 offset by share-based payments of \$969,145. The use of cash for the six months ended January 31, 2021 was mainly attributable to its loss for the period of \$422,223 offset by share-based payments of \$167,709.

Investing Activities

During the six months ended January 31, 2022, the Company used cash of \$514,521 in investing activities due to investments in exploration and evaluation assets in the amount of \$503,906 and a security deposit in relation to the Solar Lithium Project in the amount of \$10,615.

During the six months ended January 31, 2021, the Company used cash of \$70,901 in investing activities due to investments in exploration and evaluation assets in the amount of \$30,008 and acquisition of property and equipment in the amount of \$40,893.

Financing Activities

During the six months ended January 31, 2022, the Company was provided cash of \$182,154 by financing activities, of which \$217,823 was proceeds from issuance of share capital, offset by \$2,765 in share issue costs and \$32,904 in repayment of lease liability.

During the six months ended January 31, 2021, the Company was provided \$117,718 by financing activities, of which \$139,468 was proceeds from issuance of share capital, offset by \$21,750 in repayment of lease liability.

Changes in Accounting Policies including Initial Adoption

During the six months ended January 31, 2022, the Company has not adopted any new accounting policies.

Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet arrangements.

Related Parties Transactions

During the six months ended January 31, 2022, the Company incurred aggregate management fees of \$52,800 to two directors, James Nelson and Seth Kay. There are no management agreements in place and the Company has no contractual requirement to continue paying management fees. Management fees, directors' fees and share-based payments are intended to compensate such persons for their time and dedication to the Company.

During the six months ended January 31, 2022, the Company paid \$29,400 to an officer in consideration for accounting services provided to the Company. Such payments were made in lieu of management fees to its Chief Financial Officer, Cindy Cai.

During the six months ended January 31, 2022, the Company incurred share-based payments of \$553,798 to three directors and one officer, being \$193,829 to each of James Nelson and Seth Kay; and \$83,070 to each of George Franklin Bain and Cindy Cai. As a mineral exploration issuer, the Company partially relies on the issuance of stock options to compensate its directors and officers for their time and dedication to the Company.

As at January 31, 2022, amount due to related parties were \$Nil (July 31, 2021: \$10,000).

At January 31, 2022, related party receivables include \$Nil (July 31, 2021: \$2,295) due from related parties.

All transactions with related parties have occurred and are measured at the amount of consideration established and agreed to by the related parties.

Financial Instruments and Other Instruments

The Company's financial instruments consist of cash and cash equivalents, receivables, and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company's current financial instruments will not be affected foreign exchange risk, credit risk, interest rate risk and price risk. The fair value of these financial instruments approximates their carrying value, unless otherwise noted.

Proposed Transactions

Other than as disclosed herein, the Company does not have any proposed transactions as of the date of this report.

Additional Disclosure for Venture Issuers without Significant Revenue

During the six months ended January 31, 2022 and 2021, the Company incurred expenses including the following:

	<u>2022</u>	<u>2021</u>
Operating expenses	\$1,254,632	\$432,604
Capitalized exploration costs	\$412,292	\$30,008
Acquisition of exploration and evaluation assets	\$99,427	\$495,000
Write-down of exploration and evaluation assets	\$600	\$Nil

Please refer to Note 7 *Exploration and Evaluation Assets* in the condensed consolidated interim financial statements for the six months ended January 31, 2022 for a description of the capitalized acquisition and exploration costs presented on a property-by-property basis.

Disclosure of Outstanding Share Data

Common Shares

The Company has authorized an unlimited number of common shares without par value.

As at January 31, 2022, the Company had 110,548,504 common shares issued and outstanding. Subsequent to January 31, 2022, the Company issued a total of 2,200,000 common shares for stock option exercise. As at March 22, 2022, the Company had 112,748,504 common shares issued and outstanding.

Stock options

As at January 31, 2022, the Company had 9,200,000 stock options outstanding entitling the holders thereof the right to purchase one common share for each option held as follows:

Number		
Outstanding	Exercise Price	Expiry Date
2,200,000	\$0.075	February 1, 2022
7,000,000	\$0.30	November 2, 2022
<u>9,200,000</u>		

Subsequent to January 31, 2022, 2,200,000 stock options were exercised into common shares at a price of \$0.075 per share. As at March 22, 2022, the Company had 7,000,000 stock options outstanding.

Warrants

As at January 31, 2022 and March 22, 2022, the Company did not have any share purchase warrants outstanding.

Risks and Uncertainties

Because of the unique difficulties and uncertainties inherent in mineral exploration ventures, the Company faces a high risk of business failure.

Potential investors should be aware of the difficulties normally encountered by mineral exploration companies and the high rate of failure of such enterprises. The likelihood of success must be considered in

light of the problems, expenses, difficulties, complications and delays encountered in connection with the exploration program that the Company intend to undertake on its properties and any additional properties that the Company may acquire. These potential problems include unanticipated problems relating to exploration, and additional costs and expenses that may exceed current estimates. The expenditures to be made by the Company in the exploration of the properties may not result in the discovery of any mineral deposits. Any expenditure that the Company may make in the exploration of any other mineral property that the Company may acquire may not result in the discovery of any commercially exploitable mineral deposits. Problems such as unusual or unexpected geological formations and other conditions are involved in all mineral exploration and often result in unsuccessful and/or expensive exploration efforts. If the results of the exploration do not reveal viable commercial mineralization, the Company may decide to abandon or sell some or all the property interests.

Because of the speculative nature of the exploration of mineral properties, there is no assurance that the exploration activities will result in the discovery of any quantities of mineral deposits on the current properties or any other additional properties the Company may acquire.

The Company intend to continue exploration on the current properties and the Company may or may not acquire additional interests in other mineral properties. The search for mineral deposits as a business is extremely risky. The Company can provide investors with no assurance that exploration on the current properties, or any other property that the Company may acquire, will establish that any commercially exploitable quantities of mineral deposits exist. Additional potential problems may prevent the Company from discovering any mineral deposits. These potential problems include unanticipated problems relating to exploration and additional costs and expenses that may exceed current estimates. If the Company is unable to establish the presence of mineral deposits on the properties, the Company's ability to fund future exploration activities will be impeded, the Company will not be able to operate profitably, and investors may lose all their investment in the Company.

Because of the inherent dangers involved in mineral exploration and exploitation, there is a risk that the Company may incur liability or damages as the Company conducts business.

The search for mineral deposits involves numerous hazards. As a result, the Company may become subject to liability for such hazards, including pollution, cave-ins and other hazards against which the Company cannot insure or against which the Company may elect not to insure. At the present time the Company have no coverage to insure against these hazards. The payment of such liabilities may have a material adverse effect on the Company's financial position.

The potential profitability of mineral ventures depends in part upon factors beyond the control of the Company and even if the Company discovers and exploits mineral deposits, the Company may never become commercially viable and the Company may be forced to cease operations.

The commercial feasibility of an exploration program on a mineral property is dependent upon many factors beyond the Company's control, including the existence and size of mineral deposits in the properties the Company explore, the proximity and capacity of processing equipment, market fluctuations of prices, taxes, royalties, land tenure, allowable production and environmental regulation. These factors cannot be accurately predicted and any one or a combination of these factors may result in the Company not receiving any return on invested capital. These factors may have material and negative effects on financial performance and the Company's ability to continue operations.

Exploration and exploitation activities are subject to comprehensive regulation which may cause substantial delays or require capital outlays in excess of those anticipated causing an adverse effect on the Company.

Exploration and exploitation activities are subject to foreign, federal, provincial, and local laws, regulations and policies, including laws regulating the removal of natural resources from the ground and the discharge

of materials into the environment. Exploration and exploitation activities are also subject to foreign, federal, provincial, and local laws and regulations which seek to maintain health and safety standards by regulating the design and use of drilling methods and equipment. Properties may also be subject to complex Aboriginal claims.

Environmental and other legal standards imposed by foreign, federal, provincial, or local authorities may be changed, and any such changes may prevent the Company from conducting planned activities or may increase costs of doing so, which would have material adverse effects on the Company's business. Moreover, compliance with such laws may cause substantial delays or require capital outlays in excess of those anticipated, thus causing an adverse effect on the Company, especially, foreign laws and regulations. Additionally, the Company may be subject to liability for pollution or other environmental damages that the Company may not be able to or elect not to insure against due to prohibitive premium costs and other reasons. Any laws, regulations or policies of any government body or regulatory agency may be changed, applied or interpreted in a manner which will alter and negatively affect the Company's ability to carry on business.

Because the Company's property interests may not contain any mineral deposits and because the Company has never made a profit from operations, the Company's securities are highly speculative, and investors may lose all their investment in the Company.

The Company's securities must be considered highly speculative, generally because of the nature of its business and the stage of exploration. The Company currently has exploration stage property interests which may not contain mineral deposits. The Company may or may not acquire additional interests in other mineral properties, but the Company does not have plans to acquire rights in any specific mineral properties as of the date of this Management's Discussion and Analysis. Accordingly, the Company have not generated any revenues nor have the Company realized a profit from operations to date and there is little likelihood that the Company will generate any revenues or realize any profits in the short term. Any profitability in the future from the Company's business will be dependent upon locating and exploiting mineral deposits on current properties or mineral deposits on any additional properties that the Company may acquire and subsequent development. The likelihood that any mineral properties that the Company may acquire or have an interest in will contain commercially exploitable mineral deposits is extremely remote. The Company may never discover mineral deposits in respect to current properties or any other area, or the Company may do so and still not be commercially successful if the Company is unable to exploit those mineral deposits profitably. The Company may not be able to operate profitably and may have to cease operations, the price of the Company's securities may decline, and investors may lose all their investment in the Company.

As the Company face intense competition in the mineral exploration and exploitation industry, the Company will have to compete with competitors for financing and for qualified managerial and technical employees.

Competition includes large established mining companies with substantial capabilities and with greater financial and technical resources than the Company have. As a result of this competition, the Company may have to compete for financing and be unable to conduct any financing on terms the Company consider acceptable. The Company may also have to compete with the other mining companies for the recruitment and retention of qualified managerial and technical employees. If the Company is unable to successfully compete for financing or for qualified employees, the exploration programs may be slowed down or suspended, which may cause operations to cease as a company.

The Company have a history of losses and have a deficit, which raises substantial doubt about its ability to continue as a going concern.

The Company has not generated any revenues during the six months ended January 31, 2022 and 2021. The Company will continue to incur operating expenses without revenues if and until the Company engages in commercial operations. Accumulated loss as of January 31, 2022 was \$20,187,775 since inception. The

Company had cash and cash equivalents in the amount of \$754,510 as at January 31, 2022. The Company estimates the average monthly operating expenses to be approximately \$40,000 each month. This estimate depends on whether the Company is active or inactive with the work programs. The Company cannot provide assurances that the Company will be able to successfully explore and develop its property interests. These circumstances raise substantial doubt about its ability to continue as a going concern, which was also described in an explanatory paragraph to the independent auditors' report on the Company's audited financial statements, July 31, 2021. If the Company is unable to continue as a going concern, investors will likely lose all their investments in the Company.

The Company's future is dependent upon its ability to obtain financing and if the Company does not obtain such financing, the Company may have to cease its exploration activities and investors could lose their entire investment.

There is no assurance that the Company will operate profitably or will generate any positive cash flow in the future. The Company will require additional financing in order to proceed with the exploration and, if warranted, development of its properties. The Company will also require additional financing for fees the Company must pay to maintain its status in relation to the rights to the properties and to pay the fees and expenses necessary to operate as a public company. The Company will also need more funds if the costs of the exploration of its mineral claims are greater than the Company has anticipated. The Company will require additional financing to sustain its business operations if the Company is not successful in earning revenues. The Company will also need further financing if the Company decides to obtain additional mineral properties. The Company currently does not have any arrangements for further financing as the Company believes that it is sufficiently funded for the current operations but in future the Company expects to raise additional capital as the needs arise. The Company's future is dependent upon its ability to obtain financing. If the Company does not obtain such financing, its business could fail, and investors could lose their entire investment.

The Company's directors and officers are engaged in other business activities and accordingly may not devote sufficient time to the Company's business affairs, which may affect its ability to conduct operations and generate revenues.

The Company's directors and officers are involved in other business activities. As a result of their other business endeavours, the Company's directors and officers will exercise their fiduciary duties and duty of care but nonetheless may not be able to devote sufficient time to the Company's business affairs, which may negatively affect the Company's ability to conduct ongoing operations and its ability to generate revenues. In addition, the management of the Company may be periodically interrupted or delayed as a result of the Company's officers' other business interests.

RISKS RELATING TO THE COMPANY'S COMMON STOCK

A decline in the price of the Company's common stock could affect its ability to raise further working capital and adversely impact ability to continue operations.

A prolonged decline in the price of the Company's common stock could result in a reduction in the liquidity of its common stock and a reduction in its ability to raise capital. Because a significant portion of operations have been and will be financed through the continued sale of equity securities, a decline in the price of the common stock could be especially detrimental to liquidity and operations. Such reductions may force the Company to reallocate funds from other planned uses and may have a significant negative effect on business plans and operations, including the ability to continue current operations. If the Company's stock price declines, the Company can offer no assurance that it will be able to raise additional capital or generate funds from operations sufficient to meet its obligations. If the Company is unable to raise sufficient capital in the future, the Company may not be able to have the resources to continue normal operations or become insolvent.

The market price for the Company's common stock may also be affected by its ability to meet or exceed expectations of analysts or investors. Any failure to meet these expectations, even if minor, may have a material adverse effect on the market price of its common stock and its operations as a result.

Additional Information

The Company files annual and interim reports, information circulars and other information with certain Canadian securities regulatory authorities. The documents filed with the Canadian securities regulatory authorities are available at <http://www.sedar.com>.