



**TANTALEX RESOURCES CORPORATION**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FOR THE THREE AND NINE MONTHS ENDED NOVEMBER 30, 2021**

## ***Management's Discussion and Analysis***

Dated as of January 29, 2022

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of Tantalex Resources Corporation (the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the three and nine months ended November 30, 2021 and November 30, 2020. This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations.

The discussion should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three and nine months ended November 30, 2021 and November 30, 2020, and the audited consolidated financial statements for the years ended February 28, 2021 and February 29, 2020, and related notes thereto. The Company's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All monetary amounts are reported in Canadian dollars unless otherwise noted. These documents, as well as additional information on the Company, are filed electronically through the System for Electronic Document Analysis and Retrieval (SEDAR) and are available online at [www.sedar.com](http://www.sedar.com).

The results presented are not necessarily indicative of the results that may be expected for any future period. The financial statements and the financial information contained in this MD&A were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

### **Cautionary Note Regarding Forward-Looking Information**

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. Please also refer to those risk factors referenced in the "Risk Factors" section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

## **Overview of Company and Highlights**

The Company was incorporated on September 28, 2009, under the *Business Corporations Act* (British Columbia) under the name Lynnwood Capital Inc. The Company was classified as a Capital Pool Company as defined in Policy 2.4 – *Capital Pool Companies* (“**Policy 2.4**”) of the TSX Venture Exchange (the “**TSXV**”). On October 21, 2013 the Company completed its Qualifying Transaction, as defined by the Exchange’s policy 2.4 and changed its name to Tantalex Resources Corporation. In connection with the qualifying transaction the Company delisted its common shares from the TSXV. The Company received approval to list its common shares on the Canadian Securities Exchange (herein the “**CSE**”) and commenced trading on the CSE under the trading symbol “**TTX**” at market open on October 22, 2013.

Tantalex is a mining company focused on the acquiring, exploring, developing and distributing Lithium, Tin, Tantalum, Cobalt and other high-tech mineral properties in Africa. The Company’s main project is the tailings of the historical Manono-Kitotolo mine.

## **Manono Kitotolo Tailings (PER 13698)**

### **LOI with Minor SARL (“Minor”)**

On July 7, 2021, the Company announced that it entered into a binding LOI with Minor to expand its land package in the prolific Manono lithium, tin and tantalum hub with an earn-in option agreement to acquire the entirety of the dumps that are located on PER 13698.

The earn-in Agreement allows for TTX SAU, a wholly owned subsidiary of Tantalex in the DRC, to acquire up to a minimum of 52% of the shares in Minocom Mining SAS. Minocom Mining SAS (“Minocom”), the title owner of PER 13698 and PR13348 is a Joint Venture between Minor (70%) and Cominiere (30%). In the initial phase of the earn-in agreement, TTX SAU acquired 25% of the shares in Minocom for a payment of \$2m USD (\$1m USD of which has been paid) and 20,000,000 shares of Tantalex additional to the \$3,000,000 USD that have previously been paid. TTX SAU also holds the firm option to buy an additional 27% of the shares in Minocom for either \$10,000,000 USD or 20,000,000 shares to be decided by Minor after the completion of the initial resource estimate. Once the option exercised, TTX SAU will become 52% shareholder of Minocom with Minor holding 18% and Cominiere having 30%. TTX SAU will have a Right of First Refusal on any sale of the remaining 18% held by Minor.

On October 13, 2021, the Company announced that it completed the Deed of Agreement with Minor SARL to acquire 25% of the shares in MINOCOM SAS.

This LOI and subsequent Definitive Agreement signed by both Parties replaces the initial agreement of August 2018, whereby the Company (through its 90% held subsidiary Buckell SAS) had entered into an assignment agreement (the “Agreement”) to acquire Mines d’Or Resources (“Minor”) 65% participation in a corporation which owns PER 13698 (Permis Exploitation Rejets) (“PER 13698”), at a cost of USD\$3,000,000 for 8 of the 11 tailings dumps included on PER 13698. PER 13698 grants exclusive rights to mine the tailings of the historical Manono-Kitotolo mine for lithium, tin and tantalum.

The license has a surface area of 53 square kilometers and is located directly on the site of the former mining operation and world-class LCT-pegmatite of Manono-Kitotolo (MK) mine, which has been historically defined as the largest pegmatitic deposit of tin and coltan ever worked (Bassot, Mario & Levesque, 1980).

The Manono Kitotolo Tailings consist of material mined and crushed to an average 3.2mm granulometry from the numerous open pit mines which were exploited from 1919 to the mid 80’s, producing 140,000-185,000 tonnes of tin and 4,500 tonnes of coltan concentrate (Zairetain 1981). Spodumene (Li ore mineral) was not recovered by the historical processing and was part of the reject material comprising the tailings. A study performed by BRGM of France in 1980 on 2 grab samples of 180 kg each taken from two quarries of the Mine confirmed spodumene concentrations of 26,7% and 31% respectively (1,7 and 2% Li<sub>2</sub>O). The authors of the study (Bassot, Mario & Levesque, 1980) conclude that the facies from where these samples originate appear to be similar in spodumene concentration to all the other faces observed along the entire pegmatite body (pits, Roches Dure, M’Pete, quarry 5, quarry 6, East Quarry, Hopital, Tempete, Kahungwe). This shows the potential for high grade spodumene rich tailings in the Manono-Kitotolo area. There are 11 dumps spread throughout the 12km strike along the various

quarries that have been exploited. A preliminary estimate completed by Tantalex estimates the total tonnage of the tailings to be between 60Mt to 80Mt, grading conservatively between 0.5 % and 1% Li<sub>2</sub>O.

Mineralisation encountered on the Manono tailings varied from spodumene and lepidolite, to traces of cassiterite. The tailings dumps are composed of coarser material averaging 3-5 mm particle size (40 to 60 m in vertical height), while the terraces are composed of finer grained materials and average approximately 5 m in thickness.

The following is a summary of the work completed from March 1, 2021 to the date of this MDA:

The Company completed a Drone/UAV Photogrammetry Topographical Survey for volumes estimation of the dumps and terraces on the lithium and tin tailings concession PER 13698. The survey was completed using a Phantom 4 RTK drone combined with a D-RTK 2 High Precision GNSS Mobile Base Station which allowed the drone to fly at centimeter level accuracy and provide highly accurate data. The total volume of all the dumps and associated terraces on PER 13698 is reported at 70,457,047 cubic meters. Actual density of the dumps is variable due to nature and granulometry of the tailings but using a conservative average density of 1,5g/cm<sup>3</sup>, this represents a total tonnage of approximately 105,000,000 metric tons. This compares highly favorably to the initial exploration target of 60-80M tons that the Company had prior to the Agreement with MINOR for acquisition of additional dumps.

In August 2021, the Company commenced an aircore/reverse circulation (RC) drilling on the stacked dumps and shallow Cobra percussion gouge (auger) drilling on the terraced tailings dumps, as well as a drone topographical survey.

A contract for an initial 5,000 metres of aircore/RC drilling was signed with Equity Drilling who are already very familiar with the area of Manono. A total of 5,000 metres was planned in 139 holes on three dumps in Phase 1 (Table 1). The thickness of the dumps ranges from 10m at the B dump to 72m at the G dump. The average dump thickness is 46m. Drill holes are being sampled at 1 metre intervals and composited to three metres for geochemical analysis at ALS Laboratory in South Africa.

On October 19, the initial planned 5,000m of aircore drilling on 4 of the 11 historic waste dumps aimed at defining an initial Li-Sn-Ta Mineral Resource Estimate was completed and extended for an additional 3,000m.

A total of 4,978m was drilled in 104 aircore drillholes on the G, H, I and K dumps in the southern Kitotolo Sector within PER 13698. These four dumps represent nearly 50% of the total measured 105,000,000 metric tons\* volume of the 11 dumps within the project. Drilling on the coarse stacked dumps was on a nominal 40m x 40m grid spacing and on the fine terrace dumps at 80m centres along 160m spaced lines.

On December 3, 2021 drilling was completed with a total of 9,279m of aircore drilling and 980m of Cobra drilling. Samples were sent to the ALS laboratory in Ireland for assaying. Results are still pending due to extended delays in customs clearance.

### **Joint Venture with United Cominiere - PR12447 & PR12448**

United Cominiere SAS, a joint venture between Tantalex (70%) and COMINIÈRE SA (30%), holds 2 adjacent permits PR12447 and PR12448, each encompassing about 390 km<sup>2</sup>. . Manono-Kitotolo is a very large rare-metal pegmatite that extends over an area 800m wide and over 15 km long that has mainly been exploited for cassiterite and columbite– tantalite. Tantalex controls 25km of a 70km long geologic trend (“pegmatite corridor”) which extends from the AVZ Manono Lithium Tin Project, located immediately east of PR12448 in the north, to Force Commodities Kitotolo-Katamba Lithium Project, located immediately to the west of PR12447 in the south. The “pegmatite corridor”, is highly prospective for further discoveries and to this day remains highly unexplored.

### **Overview Of Previous Exploration Activities Performed On United Cominiere Concessions Pr12447 & Pr12448**

Aeromagnetic and Radiometric Survey - A 200m line spaced aeromagnetic/radiometric geophysical survey was completed in 2017 over the entire 780km<sup>2</sup> PR12447 and PR12448. Tantalex’s interpretations, summarized below,

are contained in two press releases, one made on 05/10/2017 and the second on 09/11/2017, which can be downloaded from the SEDAR website (<https://sedar.com/>). Summary interpretation of aeromagnetic/radiometric survey:

- The South-West trend of the adjoining property's formations containing the major spodumene (Li, Sn, Ta) pegmatites known as Manono and Kitotolo, to the east side of the Buckell property, extends on strike through the Buckell Property.
- A granite body, which was found to assay lithium, tantalum and tin, outcrops in the central southern border area of the Property. This strongly suggests parent granite to lithium pegmatites. This is defined in detail by the aeromagnetic map.
- The potassium radiometric map shows evidence of granite dykes on strike with the main pegmatite body, 22 km to the SW within the western half of the Buckell Property and underscores that there is exposed outcrop or weathered remains of outcrop in this area.
- Northwest trending faults extending from the interior of the granite cut across the sedimentary trend and show some offsets in formation boundaries. What appear to be South-West trending shearing following the main geological trend, crosses the top third of the Property, suggesting a target area for extension of bodies similar to the Manono and Kitotolo Li, Sn, Ta pegmatites onto Buckell. Thorium, potassium and uranium maps faithfully trace out the rivers and tributaries, indicating alluvial heavy minerals and the feldspar and mica in the alluvial gravels and sands.
- Coincident strong anomalies of all three radiometric maps indicate outcrop is very close to the surface, particularly in the western half of the Property

In 2018, Tantalex drilled six diamond drill holes for 1,456 metres which tested the extension of the Kitotolo-Manono Li-Sn-Ta bearing pegmatite under cover in the northwest corner of PR12448. Shallow pitting and diamond drilling performed by Tantalex in 2018 had confirmed the Manono-Kitotolo pegmatite continues into PR 12448 below the soil cover where diamond hole BMDD001, intercepted multiple, parallel spodumene-bearing pegmatite bodies totalling 99.5 metres in apparent thickness

#### **Current and planned work**

Recent airborne geophysical studies suggest the Manono-Kitotolo pegmatite extends undercover to the southwest into PR12448. Tantalex drilled 6 holes in 2018 confirming the presence of pegmatite in the northeast corner of PR 12448 where diamond hole BMDD001 intercepted multiple, parallel spodumene-bearing pegmatite bodies totalling 99.5 metres in apparent thickness. In the south, east of PR12447 on Force Commodities Kitotolo-Katamba Lithium Project shallow reverse circulation drilling intersected a number of low-grade lithium bearing pegmatite veins with widths of between 7m and 16m with many holes ending in mineralisation indicating deeper drilling is required. The pegmatite corridor is highly prospective for hard rock lithium and alluvial tin-tantalum production.

The current exploration program will consist in additional field mapping and approximately 1,250m of diamond drilling to test the pegmatite intersections identified on surface. Preliminary exploration on the Lubule Prospect has provided promising indications that the area could sustain a multiyear alluvial Sn-Ta semi-industrial production. Preliminary sampling, mapping and a Tromino passive seismic survey successfully identified the location of the existing buried paleochannels which have the potential to host cassiterite and coltan mineralisation over a 1,000m strike south. A 750m program of shallow PQ diamond core drilling is planned at 40m centres along 6 200m spaced lines to further define the grade, thickness, and spatial continuity of the mineralised G2 gravels along the 1,000 metres of prospective paleo channel. Detailed topography and aeromagnetics will be done with the in-house drone equipment

#### **MOU Agreement with Ximei Resources**

On February 18, 2021, the Company announce that it entered into a non-binding MOU Agreement with Ximei Resources (Hong Kong) Limited ("**Ximei**") to enter into a cooperation model for establishing a Tantalum refining plant in the Manono region, Tanganyika, in the Democratic Republic of the Congo ("**DRC**"). On June 11<sup>th</sup>, 2021, this MOU was extended to November 9<sup>th</sup>, 2021.

The Manono area is endowed with cassiterite and coltan which are the primary minerals for for the production of tin and tantalum, respectively. A tantalum refining plant (the "**Plant**") would create added value for the Great Lakes region, the communities and the DRC. Such a Plant would be the first on the African continent.

The terms of the cooperation between Tantalex and Ximei are based on the following premises:

- Tantalex will conduct a feasibility study to establish the Plant (the “**Study**”).
- Ximei will provide technical expertise in process and plant design as well as technical support with regards to requirement for the Plant,
- Upon favorable outcome of the Study, Ximei and Tantalex will engage in commercial and investment decisions whereby Tantalex will be responsible to provide the tantalum concentrates and Ximei will obtain up to fifty percent (50%) of its manufactured product, the whole in accordance with an offtake agreement to be negotiated between Ximei and Tantalex in due time.

On December 3, 2021 the Company announced that it is currently in ongoing discussions with Ximei to enter into a definitive agreement that will replace and supersede the MOU previously announced on February 18, 2021. Completion of such negotiation shall be subject to XIMEI's formal confirmation and public announcement. The definitive agreement will provide the framework for a strategic partnership between Tantalex and Ximei, whereby the parties will collaborate in conducting a feasibility study and ultimately establish a tantalum refining plant in the Manono region, Tangyanika Province, in the Democratic Republic of Congo (the “Region”) should all underlying requirements set forth in the definitive agreement be fulfilled. The refining plant will be intended to treat the tantalum concentrate produced by Tantalex and other local cooperatives in the Region with whom Tantalex has established business partnerships.

#### **LOI for Niotaz Properties**

On February 18, 2021 the Company announced Tantalex it has signed a binding Letter of intent (“LOI”) with a prospector for an option to earn up to one hundred percent (100%) of the Niotaz Properties which holds eleven (11) claims in the Lac St-Jean region, province of Quebec, Canada. These claims are contiguous to the well-known Crevier property, held by Niobay Metals Inc, which has measured and indicated resources of 25.4M tons of Nb<sub>2</sub>O<sub>5</sub> grading 0,2% and Ta<sub>2</sub>O<sub>5</sub> grading 234 ppm. (*NI 43-101 Resources update on Crevier Property, Claude Duplessis, SGS Geostat, July 2010*).

The Niotaz showing was only discovered on the claims of Bernard Sénéchal, a prospector, in 2009, when several samples returned anomalous values, including 2,050 ppm Nb and 469 ppm Ta in a grab sample. This showing was resampled in 2012 and returned 1,890 ppm Nb and 508 ppm Ta in a grab sample.

Under the terms of this LOI, Tantalex paid five thousand dollars (\$5,000) to the prospector on signing of the LOI. Upon completion of Phase 1 of the work program to be completed by prospector on the NioTaz Properties for a minimum amount of five hundred thousand dollars (\$500,000) worth of explorations expenditures to be spent on or before September 30th, 2021, Tantalex shall be entitled to earn fifty percent (50%) of the NioTaz Properties in exchange for the issuance by Tantalex of one million (1,000,000) common shares in the share capital of Tantalex in favor of the prospector.

Tantalex has also reserved the right to acquire the remaining fifty percent (50%) of the NioTaz Properties (the “Option”) following the completion of Phase 1 in exchange: (1) Tantalex will issue one million (1,000,000) common shares in the share capital of Tantalex in favor of the prospector; (2) Tantalex will spend an additional five hundred thousand dollars in exploration expenditures on the NioTaz Properties within twelve (12) months of the of Tantalex exercising its Option; (3) the prospector shall receive a one and a half percent (1.5%) Net Smelter Royalty (“NSR”) on the NioTaz Properties, being agreed that it could be repurchased by Tantalex for an amount of one million dollars (\$1,000,000) at any time after start of production.

On October 13, 2021, the Company announced that further to the binding LOI signed on February 18th with a prospector regarding an earn-in option on the NioTaz property in the province of Quebec, the Phase 1 work program that was scheduled to be performed prior to September 30th did not proceed as planned. It has therefore been mutually agreed with the prospector to amend the binding LOI and that Tantalex will now hold 51% ownership of the property in exchange for future consideration to be negotiated with the prospector. The properties have now been renewed and are valid for the next two years. Tantalex will inform in due time of exploration activities to be performed on the property.

## **COVID-19**

The Company's operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations. This outbreak may increase difficulties in financing, access to properties and increased government regulations, all of which may adversely impact the Company's business and financial condition.

## **Change in Accounting Policy**

During the year ended February 28, 2021, the Company changed its accounting policy of capitalizing exploration and evaluation expenditures. The Company believes that expensing such costs as incurred provides more reliable and relevant financial information. Cost of exploration properties, including the cost of acquiring prospective properties and exploration rights and exploration and evaluation costs are expensed until it has been established that a mineral property is technically feasible and commercially viable. Previously, the Company capitalized these amounts. The financial statements for the three and nine months ended November 30, 2020 have been restated to reflect adjustments made as a result of this change in accounting policy.

## **Financing highlights**

During the nine month ended November 30, 2021, the Company received \$150,000 on the exercised of stock options and \$2,750,000 on the exercise of warrants.

In January 2022, the Company closed a private placement for \$500,000 through the issuance of 5,000,000 common shares.

## **Results of Operations**

As at November 30, 2021, the Company had a cash and cash equivalent balance of \$670,045 (February 28 2021 - \$400,970) and total current assets of \$772,539 (February 28, 2021 - \$495,165).

Long term assets comprised of equipment \$12,790 (February 28, 2021 - \$nil).

Total liabilities amounted to \$13,728,753 (February 28, 2021 - \$9,235,023). The increase is largely attributed to (i) the change in the fair value of the derivative liabilities to \$7,248,504. This is a non-cash item representing the conversion feature of the convertible debentures. (ii) a USD\$1,000,000 loan which was converted to shares subsequent to the end of the quarter. During the nine months ended November 30, 2021, the Company was able to reduce its trade payables and accrued liabilities by to \$313,435 from \$2,012,120 at February 28, 2021.

For the three and nine months ended November 30, 2021, the Company recorded a net loss of \$10,261,525 and \$10,629,248 compared to a net loss of \$284,887 and \$1,048,853 for the three and nine months ended November 30, 2020 and detailed as follows:

(expressed in Canadian dollars)

	Three months ended November 30,		Nine months ended November 30,	
	2021	2020	2021	2020
<b>EXPENSES</b>				
General and administrative (a)	\$ 170,782	\$283,032	\$ 471,440	\$ 355,064
Exploration expenses (b)	3,376,490	-	3,579,415	-
Stock based compensation (c)	1,298,500	-	1,526,660	160,200
<b>LOSS BEFORE OTHER ITEMS</b>	<b>(4,845,772)</b>	<b>(283,032)</b>	<b>(5,577,515)</b>	<b>(515,264)</b>
Gain on disposal of subsidiaries (d)	-	-	-	(205,544)
Gain on settlement of debt	-	64,145	-	82,235
Change in fair value of derivative liability (e)	(5,178,517)	-	(4,571,023)	-
Gain (loss) on foreign exchange	(23,800)	-	139,819	-
Interest and accretion	(213,437)	(66,000)	(620,530)	(410,280)
<b>NET (LOSS) FOR THE PERIOD</b>	<b>\$(10,261,525)</b>	<b>\$(284,887)</b>	<b>\$(10,629,248)</b>	<b>\$(1,048,853)</b>

(a) A breakdown of the general and administrative expenses is as follows:

	Three months ended November 30,		Nine months ended November 30,	
	2021	2020	2021	2020
Legal and audit (i)	<b>\$38,761</b>	\$ 14,177	<b>\$ 195,205</b>	\$46,964
Consulting fees (ii)	<b>56,577</b>	195,000	<b>252,022</b>	115,900
Management fees (iii)	<b>39,000</b>	39,000	<b>117,000</b>	117,000
Office and general	<b>25,844</b>	26,234	<b>107,413</b>	66,579
Travel and costs of working abroad	<b>10,600</b>	8,621	<b>10,600</b>	8,621
Reversal of over accrued consulting fees	-	-	<b>(210,800)</b>	-
	<b>\$ 170,782</b>	\$ 283,032	<b>\$ 471,440</b>	\$ 355,064

There was an overall increase in most expenses categories since the Company was not very active during the prior period, as it was unable to access its projects due to the COVID-19 restrictions.

- (i) Increase in legal and audit due to addition legal required on the various agreements the Company entered into (as noted earlier, LOI with Minor SARL, LOI on Niotaz project, MOU Agreement with Ximei Resources), as well as for reinstating the joint venture with United Cominiere.
  - (ii) Increase in consulting was due an increase in current period business development consulting fees.
  - (iii) See related party section.
  - (iv) Office and general include public company costs (such as transfer agent, press releases, regulatory fees, insurance and other), maintaining offices in North American and Africa and salaries for employees based in Africa. Costs increased as the Company was more active compared to the prior period where COVID-19 negatively impacted activity.
- (b) As noted earlier, the Company changed its accounting policy to expense all related property expenditures. In the current period, the Company paid USD\$1,000,000 in accordance with the LOI with Minor SARL (which had been accrued in a prior year), acquired its 25% interest in Minocom Mining SAS (see Manono Kitotolo Tailings (PER 13698) project description) for USD\$1,000,000 and the issuance of 20,000,000 shares,



commenced a drill program and conducted some field sampling programs. The Company was not active on its properties in the comparable period due to COVID restrictions.

- (c) Represents the value of the stock options expensed during the period. This is a non-cash expense.
- (d) Represented the loss on the disposal of subsidiaries United Cominiere and United Materials Congo.
- (e) The conversion feature of the convertible debentures issued were required to be recorded as a derivative liability recorded at fair value and marked-to-market each period with the changes in fair value each period being charged or credited to income. This is a non-cash item and represents the conversion feature of the debentures.

### Summary of Quarterly Results

Three Months Ended	November 30, 2021 \$	August 31, 2021 \$	May 31, 2021 \$	February 28, 2021 \$
Total Revenue	-	-	-	-
Net income (loss)	(10,261,525)	(590,221)	222,499	(2,645,284)
Basic and diluted income (loss) per share	(0.01)	(0.01)	0.00	(0.00)

Three Months Ended	November 30, 2020 \$	August 31, 2020 \$	May 31, 2020 \$	February 29, 2020 \$
Total Revenue	-	-	-	-
Net Loss	(284,886)	(221,635)	(542,333)	(3,601,703)
Basic and diluted (loss) per share	(0.00)	(0.00)	(0.00)	(0.02)

All the above quarterly results presented are prepared in accordance with IFRS.

### Liquidity and Capital Resources

The Company's cash increased to \$670,045 at November 30, 2021, from \$400,970 at February 28, 2021. The Company's working capital deficit was \$12,956,214 compared to a working capital deficit of \$8,739,858 at February 28, 2021. Cash used in operating activities was \$3,883,288 compared to \$98,769 in the prior year. The increase in cash used is attributed to the Company being active on its exploration projects spending approximately \$3.5m compared to \$nil in the prior period.

Investing activities for the nine months ended November 30, 2021 reflected cash used of \$12,790 for the purchase of equipment compared to \$nil for the nine months ended November 30, 2020.

For the nine months ended November 30, 2021, the Company had cash from financing activities of \$4,165,153, being proceeds of \$1,265,153 from convertible loans, \$150,000 from the exercise of stock options and \$2,750,000 from the exercise of warrants.

Currently the Company does not have the required working capital to maintain corporate operations and conduct exploration programs on its property. The Company is working diligently to restructure its debt, and raise funds. However, since inception, the Company's capital resources have been limited to amounts raised from the private sale of common shares in the Company as well as loans and advances. The Company will rely on its ability to obtain equity, or other sources of financing, for growth. The ability of the Company to continue operations and carry out further desired activities over the course of the next 12 months is dependent upon obtaining additional financing. The timing and ability to do so will depend on the liquidity of the financial markets as well as the acceptance of investors to finance resource based junior companies, in addition to the results of the Company's exploration programs and the acquisition of additional projects. There can be no guarantee that the Company will be able to secure any required financing.

There were no changes in the Company's approach to capital management during the period.

Total principal debt outstanding as of the date of this MD&A was as follows:

<b>Amount</b>	<b>Currency</b>	<b>Maturity Date</b>
\$750,000	USD	May 2022
\$100,000	CAD	May 2022
\$1,350,000	USD	May 2022
\$700,000	CAD	May 2022
\$150,000	USD	May 2022
\$50,000	USD	May 2022

Further information regarding the Company's convertible notes, is included in Note 10 of the unaudited condensed consolidate financial statements for the three and nine months ended November 30, 2021.

### **Off-Balance Sheet Arrangements**

There are no off-balance sheet arrangements.

### **Transactions with Related Parties**

Remuneration of key management personnel of the Company.

The remuneration awarded to key management personnel, including directors, the Chief Executive Officer and the Chief Financial Officer, is as follows for the nine months ended November 30, 2021 and November 30, 2020:

	<b>2021</b>	<b>2020</b>
Management and consulting fees	<b>\$ 117,000</b>	\$ 117,000
Share-based payments	<b>708,300</b>	108,000
	<b>\$ 825,300</b>	\$ 225,000

During the nine months ended November 30, 2021, \$54,000 (nine months ended November 30, 2020 - \$54,000) of fees were charged by CFO Advantage Inc., a company owned by the Chief Financial Officer of the Company. As at November 30, 2021, \$15,820 of the fees are outstanding (February 28, 2021 - \$51,980) and are included in trade payables and accrued liabilities on the statement of financial position. On December 16, 2020, the Company settled \$129,736 of debt with CFO Advantage Inc. with the issuance of 6,486,815 common shares. On October 15, 2021, the Company settled \$72,320 of debt with CFO Advantage Inc. with the issuance of 1,033,143 common shares.

During the nine months ended November 30, 2021, \$63,000 (nine months ended November 30, 2020 - \$63,000) of fees were charged by 3IM Technologies, a Company owned by the CEO (and former VP) of the Company. As at November 30, 2021, \$20,212 of the fees and expenses are outstanding (February 28, 2021- \$4,842) and are included in trade payables and accrued liabilities on the statement of financial position. On December 16, 2020, the Company settled \$152,912 of debt with 3IM Technologies Inc. with the issuance of 7,645,575 common shares.

During the nine months ended November 30, 2021, the Company was charged \$39,110 (nine months ended November 30, 2020 - \$38,900) by Dunton Rainville LLP for legal services and disbursements. Michel Lebeuf is a partner of Dunton Rainville LLP, and former Interim CEO, former director and the current corporate secretary of the Company. As at November 30, 2021, \$29,074 (February 28, 2021 - \$49,047) was payable to Dunton Rainville and are included in trade payables and accrued liabilities on the statement of financial position. During the year ended February 28, 2021, \$25,000 of debt owing to Michel Lebeuf, was settled through the issuance of 1,250,000 common shares of the Company.

Amounts included in trade payable are accrued liabilities are unsecured, non-interest bearing and have no fixed terms of repayment.

The Company had the following transaction with Afrimet Resources (“Afrimet”), a Company controlled by Hadley Nautus, a director of the Company.

- On October 12, 2021, Afrimet loan the Company USD\$1,000,000 through the issuance of an unsecured convertible debenture (see notes 8 & 19).
- On December 8, 2020, Afrimet loaned the Company \$220,000. The loan was non-interest bearing is due and payable on or before December 3, 2021. On December 16, 2020, the loan was settled with the issuance of 9,366,667 common shares. In return for structuring the loan, Afrimet received 6,100,000 common shares of the Company at \$0.03 per share.
- In November 2020, Afrimet acquired 50,000,000 shares of the Company at \$0.01 per share, for proceeds of \$500,000.
- On December 4, 2020, the Company settled face value \$300,000 of convertible debt (which was acquired by Afrimet in November 2020) with the issuance of 10,000,000 common shares.

Unless otherwise stated, none of the transactions provided for special terms and conditions.

### **Critical Accounting Estimates**

The preparation of the financial statements requires management to make estimate and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the unaudited interim financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

Significant assumptions about the future that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

#### **Estimation of uncertainty**

Information about the significant estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses are discussed below.

#### **Share-based payments and warrants**

The fair value of share-based payments and warrants is determined using the Black-Scholes valuation model taking into account the features of the plan and market data as at the grant date and on the basis of the Company management assumptions. Estimates are made as to the volatility of its own share price, the probable life of share options and warrants granted and the time of exercise of those share options and warrants.

#### **Significant management judgment**

The following are significant management judgments in applying the accounting policies of the Company that have the most significant effect on the consolidated financial statements.

#### **Recognition of deferred income tax assets and measurement of income tax expense**

Management continually evaluates the likelihood that its deferred tax assets could be realized. This requires management to assess whether it is probable that sufficient taxable income will exist in the future to utilize these losses within the carry-forward period. By its nature, this assessment requires significant judgment. To date, management has not recognized any deferred tax assets in excess of existing taxable temporary differences expected to reverse within the carry-forward period.

#### **Going concern**

The assessment of the Company’s ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund planned and contractual exploration programs, involves significant judgment based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances (Note 2).

**Functional currency**

In concluding on the functional currency of the parent and its subsidiary companies, management considered the currency that mainly influences costs of operating in each jurisdiction in which the Company operates. The Company also considered secondary indicators including the currency in which funds from financing activities are denominated, the currency in which funds are retained and whether the activities of the subsidiaries are carried out as an extension of the Company or if they are carried out with a degree of autonomy.

**Estimation of decommissioning and reclamation costs and the timing of expenditure**

Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities. Cost estimates are updated annually to reflect known developments and are subject to review at regular intervals.

**Income, value added, withholding and other taxes**

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

**Contingencies**

Refer to Note 18 of the unaudited condensed interim consolidated financial statements for the three and nine months ended November 30, 2021.

The amounts recognized in the consolidated financial statements are derived from the Company's best estimation and judgement as described above. However, the inherent uncertainty regarding the outcome of these items means that eventual resolution could differ from the accounting estimates and therefore impact the Company's financial position and its financial performance and cash flows.

**Derivative Liabilities**

The Company values derivative liabilities by reference to their fair value at the date at which the instrument is granted and each reporting period. Estimating fair value requires determining the most appropriate valuation model. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life and volatility and making assumptions about them. Changes in the input assumptions can materially affect the fair value estimate.

**Financial Instruments and Risk**

Objectives and policies concerning financial risk management

The Company is exposed to different financial risks resulting from its operations as well as investing and financing activities. The following analysis enables users to evaluate the nature and extent of the risks at the end of the year.

*Financial risks*

The principal financial risks to which the Company is exposed as well as its policies concerning the management of the financial risks are detailed as follow:

*Interest rate risk*

The convertible debentures provide for a fixed annual interest rate and therefore expose the Company to the risk of fair value variation due to interest rate variation because this financial asset is recognized at amortized cost. The

other financial assets and liabilities of the Company do not represent interest risk because they do not bear interest or are at a fixed interest rate. The Company does not use financial derivatives to decrease its exposure to interest risk.

#### *Liquidity risk*

Management's objective is to maintain sufficient levels of cash and to ensure that the Company has at its disposal sufficient sources of financing, such as private financing and capital markets. Obtaining additional funds make it possible for the Company to continue its operations.

As at November 30, 2021, management estimates that funds available will not be sufficient to meet the Company's obligations through the next twelve months. The Company is evaluating different financing options to continue the exploration and development of its projects, which may include the issuance of securities, entering into partnership, joint venture or other arrangements. There can be no assurance that additional funds will be available or available on terms acceptable to the Company. If management is unable to obtain new funding, the Company may be required to delay, reduce the scope of, or eliminate its current or future exploration activities or relinquish rights to certain of its interests.

#### *Foreign Currency Risk*

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and United States dollar will affect the Company's operations and financial results. At November 30, 2021, the Company has assets of \$157,350 (February 28, 2021 – \$24,024) denominated in a foreign currency. The impact to equity of a 10% increase or decrease in foreign currencies to the Canadian dollar exchange rate at November 30, 2021 would be \$15,700 (February 28, 2021 - \$2,400).

#### *Credit risk*

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets at the reporting date. The Company has no trade accounts. The credit risk for cash is considered negligible since the counter parties are reputable banks with high quality external credit ratings and that cash held in Congo is not subject to any restrictions.

### **Share Capital**

As of the date of this MD&A, the Company had 483,151,758 issued and outstanding common shares, 12,500,000 of warrants outstanding and 38,000,000 options outstanding.

### **Risk Factors**

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. Please refer to the section entitled "Risk Factors" in the Company's listing statement (Form 2A) dated October 18, 2013, available on SEDAR at [www.sedar.com](http://www.sedar.com).

In addition to the risks outlined in the Company's listing statement (Form 2A) dated October 18, 2010, the Company has identified the extreme volatility occurring in the financial markets as a significant risk for the Company. As a result of the market turmoil, investors are moving away from assets they perceive as risky to those they perceive as less so. Companies like the Company are considered risk assets and as mentioned above are highly speculative. The volatility in the markets and investor sentiment may make it difficult for the Company to access the capital markets in order to raise the capital it will need to fund its current level of expenditures.