

**CANADIAN GOLDCAMPS CORP.  
(AN EXPLORATION STAGE COMPANY)**

**MANAGEMENT DISCUSSION AND ANALYSIS**

**FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021**

**(EXPRESSED IN CANADIAN DOLLARS)**

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**Canadian GoldCamps Corp.**  
**(An Exploration Stage Company)**  
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**FOR THE PERIODS ENDED MARCH 31, 2022 AND 2021**

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*This management discussion and analysis (“MD&A”) is prepared as at May 30, 2022 and provides an analysis of our financial situation which will enable the reader to evaluate important variations in our financial situation for the three month period ended March 31, 2022, compared to the three month period ended March 31, 2021. The financial statements of subsidiaries are included in the condensed interim consolidated financial statements from the date that control commences until the date that control ceases.*

*This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 F1– Continuous Disclosure Obligations. This MD&A should be read in conjunction with our audited consolidated financial statements and related notes for the year ended December 31, 2021 and our condensed interim consolidated financial statements for the three month period ended March 31, 2022, prepared in accordance with International Financial Reporting Standards (the “financial Statements”). All figures are in Canadian dollars unless stated otherwise. The financial statements and additional information, including the Company’s Certifications of Interim Filings and press releases, are available on the System for Electronic Document Analysis and Retrieval (SEDAR) at [www.sedar.com](http://www.sedar.com).*

*Where we say “we”, “us”, “our”, the “Company” or “Canadian GoldCamps”, we mean Canadian GoldCamps Corp. and/or its subsidiaries, as it may apply.*

## **DESCRIPTION OF BUSINESS**

Canadian GoldCamps Corp., the (“Company”), was incorporated pursuant to the Business Corporation Act (British Columbia) The Company’s shares are listed on the Canadian Securities Exchange (“CSE”) under the symbol “CAMP”, the XETRA (R) trading platform Frankfurt Stock Exchange under the symbol “A68”, and the OTC, under the symbol “SMATF”.

The Company’s head office and registered records office is located at Suite 810 - 789 West Pender Street, Vancouver, BC, V6C 1H2. Effective August 12, 2020, the Company changed its name from Supreme Metals Corp. to Canadian GoldCamps Corp.

The Company is engaged in the acquisition, exploration and development of natural resource properties with a focus on making new gold discoveries in established gold camps in Canada, and exploration of lithium properties in Peru. The Company is considered to be in the exploration stage and has not placed any mineral properties into production.

Effective September 15, 2021, the Company completed a consolidation of its share capital on a one new for twenty old basis. The share and per share amounts have been adjusted within these financial statements to reflect the share consolidation.

In March 2020, the World Health Organization declared the outbreak of COVID-19 a global pandemic. Government measures to limit the spread of COVID-19, including the closure of non-essential businesses, did not materially disrupt the Company’s operations during the period ending March 31, 2022. The mining industry has not been recognized as essential services across Canada. As at March 31, 2022, we have also not observed any material impairments of our assets or a significant change in the fair value of assets due to the COVID-19 pandemic.

Due to the rapid developments and uncertainty surrounding COVID-19, it is not possible to predict the impact that COVID-19 will have on our business, financial position and operating results in the future. In addition, it is possible that estimates in the Company’s financial statements will change in the near term as a result of COVID-19 and the effect of any such changes could be material, which could result in, among other things, impairment of long-lived assets including intangibles and goodwill. The Company is closely monitoring the impact of the pandemic on all aspects of its business.

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**(An Exploration Stage Company)**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**FOR THE PERIODS ENDED MARCH 31, 2022 AND 2021**

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**CORPORATE DEVELOPMENTS, SIGNIFICANT TRANSACTIONS AND FACTORS AFFECTING RESULT OF OPERATIONS**

As at the date of this MD&A, the Company completed the following transactions:

*Share purchase and sale agreement for Sol Sureno*

On October 24, 2021, the Company entered into a Share Purchase and Sale Agreement with Salt Cay Horizon Ltd. providing for the sale of all of the issued and outstanding shares of Sol Sureno, in consideration for the payment of \$200,000 and the assumption of all liabilities of Sol Sureno. Sol Sureno is the owner of the Macusani Project located in the Macusani Plateau area, Peru. The Company has not received the \$200,000 for the sale of Sol Sureno, hence completion of the sale is pending as at March 31, 2022.

*Share subscriptions received*

In February 2022, the Company received \$236,000 to settle share subscriptions receivable for the second tranche private placement completed on December 16, 2021.

*Sale of Mt. Thom Project*

On February 9, 2022, the Company entered into an Asset Purchase Agreement with Mongoose Mining Ltd. for the sale of the Company's Mt Thom project, in consideration for 200,000 common shares of Mongoose. This transaction closed on February 11, 2022.

**OVERALL PERFORMANCE AND RESULTS OF OPERATIONS**

**EXPLORATION AND EVALUATION EXPENDITURES**

The Company's exploration and evaluation expenditures are mainly related to the acquisition of various property rights and finder's fees. Many of these property rights were either sold, terminated or returned to the original claim holders as the Company decided against further expenditures on these properties. The exploration and evaluation expenditures are summarized as follows:

	<b>March 31, 2022</b>	<b>March 31, 2021</b>
	<b>\$</b>	<b>\$</b>
Acquisitions costs	-	-
General exploration expenditures	-	45,521
	<b>-</b>	<b>45,521</b>

During the period ended March 31, 2022, the Company paid a total of \$Nil (2021 - \$45,521) for exploration and evaluation expenditures. The 2021 exploration and evaluation expenditures of \$45,521 is comprised of \$22,080 for staking and geology and \$23,441 for geological consulting related to the Elm Project.

**PROJECTS:**

**The Bloom Lake East Project**

On February 3, 2017, the Company entered into an agreement of purchase and sale (the "Bloom Lake East Purchase Agreement") with Thomas Poupore and Ryan Kalt (the "BL Vendors") providing for the acquisition of a one hundred percent (100%) undivided interest in and to the Bloom Lake East Project located in Newfoundland and Labrador. Pursuant to the Bloom Lake East Purchase Agreement, the Company earned 100% of the Project by paying \$100,000 and issuing 12,500 common shares to the BL Vendors. The Bloom Lake East Project is subject to a 1.5% gross royalty payable to the BL Vendors.

**PROJECTS (CONTINUED):**

**The Bloom Lake East Project (continued)**

On March 19, 2020, a purchase and sale agreement (“Purchase & Sale Agreement”) of the Bloom Lake East Property was made with Champion Iron Limited’s subsidiary Quebec Iron Ore Inc. (“Quebec Iron”). The Purchase & Sale Agreement consisted of a cash payment of \$61,400 paid to the Company. On May 6, 2020, the Board of Directors approved the Purchase & Sale Agreement.

A gross royalty of 1.25% is held by the Company, and an additional 1% gross royalty will be held by the original claimholder. The 1.25% gross royalty held by the Company can be purchased at the discretion of Champion Iron Limited at a rate of \$100,000 for each 0.1%.

**Mt. Thom Project**

On February 3, 2017, the Company entered into a purchase and sale agreement with arm’s length parties (the “Vendors”) for the acquisition of a 100% undivided interest in the Mt. Thom Project. The Mt. Thom property is believed to be an “IOCG-type” copper-cobalt-gold prospect located in central Nova Scotia, Canada, approximately 22km east of Truro. The project consists of 39 mineral claims over five contiguous licenses and covers approximately 1,560 acres located in the Province of Nova Scotia. In consideration for the acquisition of the Mt. Thom Project, the Company paid \$20,000 and issued 125,000 common shares to the Vendors. The Mt. Thom Project is subject to a 1.5% gross royalty payable to the Vendors.

On May 25, 2018, the Company reported that anomalous cobalt had been confirmed on the Mt. Thom Property (the “Property”) on 3 drill cores selectively analyzed using an XRF (X-Ray Fluorescent) unit. The Property is now believed to be a Cu-Co-Au variant of an IOCG mineralization event and further investigation of the Property is ongoing.

On April 13, 2018, the Company entered into an option agreement (the “Option Agreement”) with American Cobalt Corp (Formerly 1156010 BC Ltd.) (the “Purchaser”), a wholly owned subsidiary of International Cobalt Corp (CSE:CO) for its Mt. Thom Project. On August 20, 2019, the Option Agreement with American Cobalt Corp. was terminated and the Property was returned to the Company.

During the period ended March 31, 2022, the Company sold the Mt.Thom Project to Mongoose Mining Limited and received 200,000 common shares with a fair value of \$49,000.

**The Foster Marshall Property**

On February 13, 2017, the Company entered into a mineral purchase and acquisition agreement with Gino Chitaroni, Elmer B. Stewart, and Robert Peel (the “FM Vendors”) providing for the acquisition of a one hundred percent (100%) undivided interest in and to seven mineral claims located in the Ingram and Ingram Townships of the Province of Ontario (the “FM Project”). The FM Project is located in the Larder Lake Mining Division, more specifically in the historic mining area of Cobalt, Ontario. The property is located approximately 25 kilometres north of the former producing Langis Mine project, once held by Agnico Eagle Mines Limited.

On February 25, 2019, American Cobalt Corp. withdrew from the Foster Marshall Property and the main claims of interest on the Foster Marshall Project expired.

**The Fraserdale Conductor**

On April 10 and 19, 2018, fourteen 25ha single unit claims in Pinard townships were acquired by the Company using Ontario’s MNDMF’s MLAS online claim acquisition service. No additional fees or royalties to other parties were involved in this acquisition. The property was acquired due to the presence of 2 moderate to strong continuous nonmagnetic east-west linear conductors occurring over a length of at least 1.5 kilometres on crown land available for acquisition. Limited information is known of the geology on this property and surrounding area. The prolific Detour Lake Gold mine is located approximately 132 kilometres to the east.

**Canadian GoldCamps Corp.**  
**(An Exploration Stage Company)**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**FOR THE PERIODS ENDED MARCH 31, 2022 AND 2021**

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**Macusani Project**

On July 9, 2020, the Company acquired 100% of Sol Sureno Canada Inc. (“Sol Sureno”), an Ontario based exploration corporation focused on the acquisition and development of lithium properties in Peru, which includes the Macusani Project, via its wholly-owned subsidiary, Sol Sureño Sociedad Anonima Cerrada (Sol Sureño S.A.C.) (“Sol Sureno Peru”) a corporation formed under the laws of Peru.

Pursuant to the acquisition, the Company issued 750,000 common shares with a fair value of \$2,250,000 to the shareholders of Sol Sureno in exchange for all of the issued and outstanding shares of Sol Sureno.

The Company issued 75,000 common shares with a fair value of \$225,000 to arm’s length parties as finder’s fees for the acquisition of Sol Sureno.

The Macusani Project is located in two areas, comprised of several registered mining concessions and several mining concessions still pending registration. The concessions in the Macusani area are adjacent to or within the Macusani Concessions of Plateau Energy Metals Inc.

The geology of the Macusani Crucero-Picotani Plateau and surrounding area is unique in that it contains some of the world’s most highly evolved rhyolitic peralkaline rocks, both intrusive and extrusive. Such rocks have anomalous accumulation of tin, tungsten, beryllium, rubidium and lithium. At this time lithium exploration has been focused on several flat lying horizons within the Chacaconiza member of the Quenamari Formation of rhyolitic tuff but the presence of lithium in both rhyolitic intrusive and pegmatite rocks has not been thoroughly examined. Most of Sol Sureno’s concessions overlie the outcropping Chacsconiza member.

On October 24, 2021, the Company entered into a Share Purchase and Sale Agreement with Salt Cay Horizon Ltd. providing for the sale of all of the issued and outstanding shares of Sol Sureno, in consideration for the payment of \$200,000 and the assumption of all liabilities of Sol Sureno. Sol Sureno is the owner of the Macusani Project located in the Macusani Plateau area, Peru. The Company has not received the \$200,000 for the sale of Sol Sureno, hence completion of the sale is pending as at March 31, 2022.

**QUALIFIED PERSON**

Mr. Bob Komarechka, a Qualified Person within the meaning of National Instrument 43-101, and a former director of the Company, has reviewed the technical information in this MD&A.

**SUMMARY OF QUARTERLY RESULTS**

The table below presents selected financial data for the Company’s eight most recently completed quarters, all prepared in accordance with IFRS.

	Mar 31 2022	Dec 31 2021	Sep 30 2021	June 30 2021	Mar 31 2021	Dec 31 2020	Sep 30, 2020	Jun 30, 2020
	\$	\$	\$	\$	\$	\$	\$	\$
Deficit and Cash Flow								
Net income (loss)	(123,283)	(35,522)	(29,802)	(129,012)	6,842,722	(6,281,871)	(4,985,679)	(48,034)
Basic and diluted income (loss) per share	(0.01)	(0.01)	(0.01)	(0.03)	1.75	(3.19)	(1.80)	(0.60)
Total Assets	3,109,915	3,212,838	141,421	184,336	308,515	1,757,981	2,425,891	202,081

**Canadian GoldCamps Corp.**  
**(An Exploration Stage Company)**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**FOR THE PERIODS ENDED MARCH 31, 2022 AND 2021**

**CONSOLIDATED RESULTS OF OPERATIONS**

All of the balances set out in this and following sections, including the Summary of results conform to IFRS standards.

For the periods ended	Three months ended	
	March 31, 2022	March 31, 2021
	\$	\$
<b>Expenses</b>		
Bank charges and interest	(1,511)	(266)
Consulting fees	(131,000)	(46,356)
Exploration and evaluation expenditures	-	(45,521)
Insurance	(2,104)	(1,931)
Marketing	-	(13,547)
Office and general	(10,968)	(5,925)
Professional fees	(16,135)	(9,000)
Transfer agent and filing fees	(2,930)	(6,864)
<b>Total expenses</b>	<b>(164,648)</b>	<b>(129,410)</b>
<b>Other Items</b>		
Gain on sale of exploration and evaluation properties	49,000	6,972,132
Interest income	1,365	-
Unrealized loss on marketable securities	(9,000)	-
<b>Total other items</b>	<b>41,365</b>	<b>6,972,132</b>
Net income (loss) and comprehensive income (loss) for the period	<b>(123,283)</b>	6,842,722

**For the three months ended March 31, 2022 and 2021**

During the period ended March 31, 2022 ("2022"), net loss was \$123,283 compared to net income of \$6,972,132 in the period ended March 31, 2021 ("2021"). In the comparative period, the Company sold a subsidiary and recorded a gain of \$6,972,132. The 2022 loss is mainly comprised of the following items:

- A gain on sale of exploration and evaluation properties of \$49,000 (2021 - \$6,972,132). The 2022 gain was in connection to the transaction whereby the Company sold its Mt. Thom project to Mongoose for 200,000 Mongoose common shares with a value of \$49,000. The 2021 gain was in connection to the transaction whereby the Company sold some of its Canadian assets and the associated working capital to MegumaGold for a purchase price of \$8,296,680.
- Exploration and evaluation expenditures in 2022 decreased by \$45,521 as per section exploration and evaluation expenditures.
- Consulting fees increased by \$84,644 in 2022 to \$131,000 (2021 - \$46,356). Consulting fees are comprised of \$23,500 (2021 - \$18,000) for management fees, \$100,000 (2021 - \$20,856) for consulting services, \$7,500 (2021 - \$7,500) for directors fees.
- Professional fees increased by \$7,135 in 2022, to \$16,135 (2021 - \$9,000). Professional fees are comprised of \$14,000 (2021 - \$9,000) for accounting services, \$2,135 (2021 - \$Nil) for legal services.
- Transfer agent and filing fees decreased \$3,934 in 2022 to \$2,930 (2021 - \$6,864). Transfer agent and filing fees in 2021 were higher due to the annual and general special meeting held in connection with the MegumaGold Transaction.
- Office and admin increased 5,043 in 2022 to \$10,968 (2021 - 5,925). The increase relates to various administrative fees, travel, internet and bank charges.
- Marketing expense of \$Nil (2021 - \$13,547) decreased as a result of a European marketing awareness program in 2021. No such marketing awareness program occurred during the three month period ended March 31, 2022.

**Canadian GoldCamps Corp.**  
**(An Exploration Stage Company)**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**FOR THE PERIODS ENDED MARCH 31, 2022 AND 2021**

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**LIQUIDITY AND CAPITAL RESOURCES**

The financial statements have been prepared on a going-concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of business. Continuing operations, as intended, are dependent on management's ability to raise required funding through future equity issuances, its ability to acquire resource property or business interests and develop profitable operations or a combination thereof, which is not assured, given today's volatile and uncertain financial markets. During the period ended March 31, 2022, the Company's working capital position increased a result the Company receiving \$236,000 to settle share subscriptions receivable.

As at March 31, 2022, the Company had working capital of \$2,646,185 (December 31, 2021 - \$2,769,468) which primarily consisted of cash of \$2,554,080 (2021 - \$2,462,982), amounts receivable of \$54,885 (2021 - \$287,242), prepaid expenses of \$10,791 (2021 - \$13,820) and a promissory note receivable of \$450,159 (2021 - \$448,794). Current liabilities, being accounts payable and accrued liabilities as at March 31, 2022, amounted to \$117,594 (2021 - \$97,234), and promissory notes payable of \$346,136 (2021 - \$346,136). Refer to the Operating Activities below for more information on the use of cash in operating, investing and financing activities for the period ended March 31, 2022 and 2021.

Other than the current liabilities outlined above, the Company has no short-term capital spending requirements and future plans and expectations are based on the assumption that the Company will realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. There can be no assurance that the Company will be able to obtain adequate financing in the future or if available that such financing will be on acceptable terms. If adequate financing is not available when required, the Company may be required to delay, scale back or eliminate various programs and may be unable to continue in operation. The Company may seek such additional financing through debt or equity offerings. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests.

The Company's future revenues, if any, are expected to be from the mining and sale of mineral products or interests related thereto. The economics of developing and producing mineral products are affected by many factors including the cost of operations, variations in the grade of ore mined, and the price of metals. Depending on the price of metals, the Company may determine that it is impractical to continue commercial production. The price of metals has fluctuated widely in recent years and is affected by many factors beyond the Company's control including changes in international investment patterns and monetary systems, economic growth rates, political developments, the extent of sales or accumulation of reserves by governments, and shifts in private supplies of and demands for metals. The supply of metals consists of a combination of mine production, recycled material, and existing stocks held by governments, producers, financial institutions and consumers. If the market price for metals falls below the Company's full production costs and remains at such levels for any sustained period of time, the Company will experience losses and may decide to discontinue operations or development of other projects or mining at one or more of its properties at that time.

**OPERATING ACTIVITIES:**

Cash used in operating activities for the period ended March 31, 2022, was \$144,902 compared to \$127,980 in the comparative period. Cash used in operating activities was primarily used to ensure the Company is compliant with the regulatory requirements.

**INVESTING ACTIVITIES:**

Cash used in investing activities for the period ended March 31, 2022 was \$Nil (2021 - \$1,325,000). Cash used in investing activities during 2021 was comprised of \$1,325,000 in connection with the disposal of assets to MegumaGold.

**FINANCING ACTIVITIES:**

Cash provided by financing activities for the period ended March 31, 2022 was \$236,000 (2021 - \$Nil) in connection with the settlement of share subscriptions receivable.

**Canadian GoldCamps Corp.**  
**(An Exploration Stage Company)**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**FOR THE PERIODS ENDED MARCH 31, 2022 AND 2021**

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**RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION**

The Directors and Executive Officers of the Company as of the date of this MD&A are as follows:

Brendan Purdy                      Director, Interim CEO, Interim CFO and Corporate Secretary  
 Maciej Lis                              Director

The Company incurred the following related party transactions, with associated persons or corporations, which were measured at the exchange amount as follows:

Key management includes directors, executive officers and officers which constitutes the management team. The Company paid or accrued compensation in the form of consulting fees and the granting of share options to companies controlled by directors and executive officers as follows:

	<b>March 31, 2022</b>	<b>March 31, 2021</b>
	\$	\$
Company controlled by a director for director fees	7,500	7,500
	7,500	7,500

Due to related parties

	<b>March 31, 2022</b>	<b>December 31, 2021</b>
	\$	\$
Company controlled by a director for legal fees	2,500	2,500
Company controlled by a director for director fees	40,000	32,500
	42,500	35,000

**OUTSTANDING SHARE DATA**

The following summarizes the outstanding common shares, options and warrants as of the date of this MD&A.

	<b>Number</b>
Common shares, issued and outstanding	12,697,667
Warrants	8,926,515

*Share consolidation*

On September 15, 2021, the Company completed a consolidation of its share capital on a one new for twenty old basis. The share and per share amounts have been adjusted within this MD&A to reflect the share consolidation.



## **FINANCIAL INSTRUMENTS AND RISK FACTORS**

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

### *Credit risk*

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash, amounts receivable and promissory note receivable. Cash is held with a Canadian chartered bank, from which management believes the risk of loss to be minimal.

Amounts receivable consists of sales tax receivable from government authorities in Canada, share subscriptions receivable and amounts due from an arms-length party in relation to exploration and evaluation expenditures. Amounts receivable are in good standing as of March 31, 2022. Management believes that the credit risk with respect to these amounts receivable is minimal.

### *Liquidity risk*

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at March 31, 2022, the Company had cash of \$2,554,080 (December 31, 2021 - \$2,462,982) to settle trade accounts payable and accrued liabilities of \$117,594 (December 31, 2021 - \$97,234), the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity. The Company's ability to continually meet its obligations and carry out its planned exploration activities is uncertain and dependent upon the continued financial support of its shareholders and securing additional financing. Management is continuing in its efforts to secure financing and believes it will be successful.

### *Market risk*

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates.

### *Interest rate risk*

The Company has cash and cash equivalent balances and no variable interest-bearing debt. The Company's current policy is to invest excess cash in guaranteed investment certificates issued by a Canadian chartered bank with which it keeps its bank accounts. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its Canadian chartered bank. As at March 31, 2022 and December 31, 2021, the Company has loans that are non- interest bearing and due on demand. The interest rate risk associated with these loans are low.

### *Price risk*

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company's marketable securities amounting to \$40,000 are subject to fair value fluctuations. As at March 31, 2022, if the fair value of the Company's marketable securities had decreased/increased by 10% with all other variables held constant, loss and comprehensive loss for the period ended March 31, 2022 would have been approximately \$4,000 higher/lower. Similarly, as at March 31, 2022, reported equity would have been approximately \$4,000 lower/higher as a result of a 10% decrease/increase in the fair value of the Company's marketable securities.

**Canadian GoldCamps Corp.**  
**(An Exploration Stage Company)**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**FOR THE PERIODS ENDED MARCH 31, 2022 AND 2021**

**FINANCIAL INSTRUMENTS AND RISK FACTORS (CONTINUED)**

*Foreign currency risk*

The Company has operations in Canada and Peru which are subject to foreign currency fluctuations. The Company's operating expenses are incurred in Canadian dollars and Peruvian New Soles and the fluctuations of the Canadian dollar in relation to other currencies will have an impact upon the profitability of the Company and may also affect the value of the Company's assets and the amount of shareholder's equity. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks.

Balances at March 31, 2022 are as follows:

	<b>Peruvian New Soles</b>	<b>US dollars</b>	<b>CAD dollars</b>
Cash	30,036	-	10,128
Amounts receivable	3,108	-	1,048
Accounts payable and accrued liabilities	(138,582)	-	(46,730)
Promissory note payable	-	(185,466)	(236,136)
	<b>(105,439)</b>	<b>(185,466)</b>	<b>(271,690)</b>

Balances at December 31, 2021 are as follows:

	<b>Peruvian New Soles</b>	<b>US dollars</b>	<b>CAD dollars</b>
Cash	2,424	-	770
Amounts receivable	1,077	-	342
Accounts payable and accrued liabilities	(102,324)	-	(32,498)
Promissory note payable	-	(185,466)	(236,136)
	<b>(98,823)</b>	<b>(185,466)</b>	<b>(267,522)</b>

Based on the net exposures as of March 31, 2022, respectively, assuming that all other variables remain constant, a 10% fluctuation on the Canadian dollar against the Peruvian New Soles and US dollar would result in the Company's net loss being approximately \$27,000 (December 31, 2021 - \$27,000) higher or lower.

*Sensitivity analysis*

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are reasonably possible over a twelve-month period:

Cash is subject to floating interest rates. The Company has no variable debt and receives low interest rates on its cash and cash equivalents balances. As such, the Company does not have significant interest rate risk.

The Company's financial instruments consist of cash, amounts receivables, promissory note receivable, market securities, accounts payable and accrued liabilities, and promissory notes payable.

The Company has classified fair value measurements of its financial instruments using a fair value hierarchy that reflects the significance of inputs used in making the measurements as follows:

- Level 1: Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates; and
- Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

The fair value of the Company's cash is classified as a Level 1 fair value measurement. The Company does not have any Level 2 or 3 fair value measurements.

### **OFF-BALANCE SHEET ARRANGEMENTS**

None are applicable at this time, however with mineral exploration, obligations for environmental, First Nation compliance and health and safety issues can create non reportable concerns. The Company hopes to minimize such situations by maintaining adequate insurance coverage, establishing honest and open communications and operating in a safe and responsible manner compliant with current standards as per the most recent applicable acts and regulations.

### **ENVIRONMENTAL LIABILITIES**

The Company is not aware of any environmental liabilities, obligations or responsibilities associated with the Company's mining interests.

### **CAPITAL RISK MANAGEMENT**

The Company includes equity, comprising issued share capital and deficit, in the definition of capital, which as at March 31, 2022 was a share capital of \$2,769,468 (December 31, 2021 – \$2,769,468).

The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund its exploration commitments. To secure the additional capital necessary to continue with the exploration of mineral properties, the Company may attempt to raise additional funds through the issuance of debt or equity. The Company is not subject to any capital requirements imposed by a lending institution.

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

There were no changes in the Company's process, policies and approach to capital management during the period ended March 31, 2022 and the year ended December 31, 2021.

### **RISKS AND UNCERTAINTIES**

Risk is inherent in all business activities and cannot be entirely eliminated. Our goal is to enable the Company's business processes and opportunities by ensuring that the risks arising from our business activities, the markets and political environments in which we operate are mitigated. The risks and uncertainties described in the MD&A for the year ended December 31, 2021 are considered by management to be the most important in the context of the Company's business and are substantially unchanged as of the Report Date. Those risks and uncertainties are not inclusive of all the risks and uncertainties the Company may be subject to and other risks may apply.

### **Proposed Transactions**

Confidentiality agreements and non-binding agreements may be entered into from time to time, with independent entities to allow for discussions of the potential acquisition and/or development of certain properties.

### **Approval**

The Board of Directors oversees management's responsibility for financial reporting and internal control systems through an Audit Committee. This Committee meets periodically with management and annually with the independent auditors to review the scope and results of the annual audit and to review the financial statements and related financial reporting and internal control matters before the financial statements are approved by the Board of Directors and submitted to the shareholders of the Company. The Board of Directors of the Company has approved the financial statements and the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.

### **Management's Responsibility for Financial Statements**

The information provided in this report, including the consolidated financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying financial statements. In contrast to the certificate required under National Instrument 52-109 Certificate of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109, in particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

- (i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- (ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the Company's GAAP.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

### **Nature of the Securities**

The purchase of the Company's securities involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks. The Company's securities should not be purchased by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in the Company's securities should not constitute a major portion of an investor's portfolio.

### **Caution regarding forward-looking information**

This document is required by securities legislation to contain and does contain forward-looking statements, opinions about future events and comments regarding risks and opportunities, which reflect the Company's current expectations regarding future events. To the extent that any statements in this document contain information that is not historic, the statements are essentially forward-looking and are often identified by words such as, but not limited to, "anticipate", "expect", "estimate", "intend", "project", "plan", "might", "could" and "believe". In the interest of providing shareholders and potential investors with information regarding SMC, including management's assessment of future plans and future operations, certain statements in this MD&A are forward-looking and are subject to the risks, uncertainties and other important factors that could cause the Company's actual performance to differ materially from that expressed in or implied by such statements. Such factors include, but are not limited to volatility and sensitivity to market metal prices, impact of change in foreign currency exchange rates and interest rates, imprecision in reserve estimates, environmental risks including increased regulatory burdens, unexpected geological conditions, adverse mining conditions, changes in government regulations and policies, including laws and policies; and failure to obtain necessary permits and approvals from government authorities, and other development and operating risks.

Although the Company believes that the expectations conveyed by the forward-looking statements are based upon information available on the date that such statements were made, there can be no assurance that such expectations will prove to be correct. The reader is cautioned not to rely on these forward-looking statements. The Company disclaims any obligation to update these forward-looking statements unless required to do so by applicable Securities laws. All subsequent forward-looking statements, whether written or orally attributable to the Corporation or persons acting on its behalf, are expressly qualified in their entirety by these cautionary statements.