

**EMP Metals Corp.**  
**Management's Discussion and Analysis**  
**For the six months ended October 31, 2021**

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**INTRODUCTION**

The following management's discussion and analysis of financial condition and results of operations ("MD&A") for the six months ended October 31, 2021 prepared as of December 24, 2021, should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three and six months ended October 31, 2021 and the related notes thereto of EMP Metals Corp. ("the Company" or "EMP") and together with the audited consolidated financial statements of the Company for the year ended April 30, 2021. The MD&A is the responsibility of management and has been reviewed and approved by the Board of Directors of the Company.

The referenced financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board and as applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*. All dollar amounts are expressed in Canadian dollars unless otherwise indicated.

**CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

The following discussion and analysis may contain forward-looking statements which are subject to known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those implied by the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks as set forth in the following discussion.

**COMPANY OVERVIEW**

The Company was incorporated under the Business Corporations Act of British Columbia on August 3, 2018. The Company is engaged in the exploration and development of mineral properties. The Company's head office is located at 204 - 998 Harbourside Drive, North Vancouver, BC V7P 3T2. Effective November 16, 2021, the Company changed its name from Sentinel Resources Corp. to EMP Metals Corp. The Company's common shares are listed for trading on the Canadian Securities Exchange (the "Exchange") under the trading symbol "EMPS" and on the OTC under the symbol "SNLRF".

**SHARE CONSOLIDATION**

On May 13, 2021, the Company consolidated its issued and outstanding common shares at a ratio of 3 pre-consolidated shares to one post-consolidation share (the "Consolidation"). All references to share and per share amounts in the consolidated financial statements and in this MD&A have been retroactively restated to reflect the Consolidation.

**ACQUISITION OF HUB CITY MINERALS CORP.**

On August 27, 2021, the Company entered into a share purchase agreement (the "Acquisition Agreement") with Hub City Minerals Corp. ("HCM"), whereby the Company has acquired 67% of the issued and outstanding shares and share purchase warrants of HCM (the "Transaction").

Under the terms of the Acquisition Agreement, the Company acquired 14,070,000 Hub City Units (the "Hub City Units") in exchange for the issuance of 14,070,000 EMP units (each, "EMP Unit") to the shareholders of the Hub City Units. Each EMP Unit consists of one common share of EMP and one share purchase warrant, with each share purchase warrant entitling the holder to acquire one additional common share of EMP under the existing terms of the outstanding share purchase warrants of HCM.

The Transaction closed on September 2, 2021, at which time EMP became the ultimate parent company of HCM.

The Transaction did not meet the definition of a business combination and therefore, has been accounted for as an asset purchase of exploration and evaluation assets with the Company acquiring 67% of HCM on September 2, 2021. The consideration for the acquisition of HCM has been allocated at fair value of the assets acquired and liabilities assumed, based on management's best estimate and taking into account all

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available information at the time of acquisition. The following table summarizes the fair value of the total consideration paid and the aggregate fair value of identified assets acquired and liabilities assumed:

<b>Purchase price</b>	<b>\$</b>
14,070,000 common shares of the Company at \$0.39 per share	5,416,950
Fair value of 14,070,000 warrants	4,738,376
	<b>10,155,326</b>
<b>Net assets acquired</b>	<b>\$</b>
Cash	518,973
Receivables	2,689
Exploration and evaluation assets	14,951,213
Accounts payable and accrued liabilities	(5,011)
Funds from the Company prior to the acquisition	(150,000)
Loans payable	(600,000)
Non-controlling interest	(4,562,538)
	<b>10,155,326</b>

The fair value of the 14,070,000 warrants (\$4,738,376) was estimated using the Black-Scholes option-pricing model. Weighted average assumptions used in the pricing model were as follows: risk-free rate – 0.52%; expected life – 3 years; expected volatility – 100%; expected forfeitures – nil%; and expected dividends – \$nil.

**EXPLORATION PROGRAMS AND EXPENDITURES**

During the year ended April 30, 2021 and the six months ended October 31, 2021, the Company incurred the following acquisition and exploration expenditures:

	<b>Pass</b>	<b>Litter Bear</b>	<b>Waterloo</b>	<b>Salama</b>	<b>Gold and Silver Projects</b>	<b>Li-Brine Properties</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>April 30, 2020</b>	<b>310,000</b>	-	-	-	-	-	<b>310,000</b>
Acquisition costs – cash	15,000	25,000	30,000	26,200	-	-	96,200
Acquisition costs – shares issued	7,500	-	155,250	1,470,000	-	-	1,632,750
Assaying and sampling	9,675	-	4,645	-	-	-	14,320
Claim fees	-	-	-	3,512	18,979	-	22,491
Consulting	9,281	-	21,620	-	74,473	-	105,374
Equipment	4,173	-	-	-	-	-	4,173
Geologists	27,019	-	-	-	480	-	27,499
Travel	9,753	-	-	-	-	-	9,753
Foreign exchange	-	-	-	-	(2,250)	-	(2,250)
	82,401	25,000	211,515	1,499,712	91,682	-	1,910,310
Write-down	(392,401)	(25,000)	(211,515)	(1,499,712)	-	-	(2,128,628)
<b>April 30, 2021</b>	-	-	-	-	<b>91,682</b>	-	<b>91,682</b>
HCM asset acquisition	-	-	-	-	-	14,951,213	14,951,213
Acquisition costs – cash	-	-	-	-	-	23,408	23,408
Foreign exchange	-	-	-	-	(1,787)	-	(3,188)
<b>October 31, 2021</b>	-	-	-	-	<b>89,895</b>	<b>14,974,621</b>	<b>15,064,516</b>

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**Pass Property**

On September 30, 2018, the Company entered into an assignment agreement (the "Assignment Agreement") with Madjak Management Ltd. ("Madjak"), which was amended and restated on August 28, 2019 (the "Amended and Restated Assignment Agreement"), to acquire a 100% interest in the North Pass and Anjuli Rose Claims as well as an option (the "Option Agreement") to acquire a 100% interest in the Pass Claim (collectively the "Pass Property"). The Pass Property is located in the Nelson Mining Division in the Province of British Columbia.

Under the terms of the Assignment Agreement, the Company paid \$100,000 and issued 1,666,667 units (at fair value of \$100,000) of the Company during the year ended April 30, 2019. Each unit consisted of one common share of the Company and one share purchase warrant, with each warrant entitling the holder to purchase an additional share of the Company at a price of \$0.30 per share for a period of three years from the date of issue. On August 28, 2019, the Company cancelled the 1,666,667 units previously issued under the Assignment Agreement. In addition, the Company paid a total of \$200,000 during the year ended April 30, 2020.

As a result of closing the Amended and Restated Assignment Agreement, the Company assumed all of Madjak's rights and obligations under the Option Agreement. In order to exercise the option, the Company was required to:

- (a) pay the Optionor \$5,000 and issue 16,666 common shares upon acceptance by the Exchange of the Pass Claim being acquired or optioned by the Company (paid and issued during the year ended April 30, 2020);
- (b) pay the Optionor \$15,000 and issue 16,667 common shares, no later than three months after the date of the Exchange acceptance of the Pass Claim being acquired or optioned by the Company (paid \$15,000 and issued shares at fair value of \$7,500 during the year ended April 30, 2021);
- (c) pay the Optionor \$15,000, no later than one year after the date of the Exchange acceptance of the Pass Claim being acquired or optioned by the Company; and
- (d) pay the Optionor \$35,000, no later than two years after the date of the Exchange acceptance of the Pass Claim being acquired or optioned by the Company.

The Optionor would also retain a 2% net smelter return royalty (the "NSR"). The Company had the option to purchase 1% of the NSR by paying the Optionor a total of \$500,000.

*Exploration Update*

Phase One of the 2020 work program at the Pass Property was completed. The first phase of the 2020 field season's efforts were focused on further investigation of the geophysical anomalies through collection of detailed soil geochemistry over the anomalous locations along with detailed geological mapping, prospecting and rock sampling in the main mineralized area, known as the Granite Creek skarn. In addition, the field crews also followed up anomalous copper-gold mineralization in rock samples discovered due to recent logging activity on the property and located in a previously unexplored area. A total of 229 soils and 9 rock samples were collected. Several soil samples returned elevated values for gold in areas noted in the 2011 work as containing elevated gold soil values. The Company's geologists considered gold soil values that were between 4 – 10 times greater than background values as being anomalous.

During the year ended April 30, 2021, the Company decided to drop the Pass Property, as the Company had determined that the claims were no longer a good fit in the Company's portfolio of properties. As a result, the Company wrote down the capitalized balance of the project to \$nil and recognized an impairment charge of \$392,401 for the year ended April 30, 2021.

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**Little Bear Property**

The Company entered into an option agreement (the "Little Bear Option Agreement") to acquire a mineral exploration project in British Columbia. Pursuant to the Little Bear Option Agreement, the Company could earn a 100% interest in two mineral claims, known as the Little Bear 1 and Little Bear 2 claims, located on Vancouver Island, British Columbia, by making a one-time cash payment of \$25,000 (paid in May 2020) and completing a \$50,000 work program.

The Company acquired the Little Bear 1 and Little Bear 2 claims on north Vancouver Island after technical review of the geophysical data and summary report collected by Geoscience BC for their 'Vancouver Island North Regional Project, Airborne Magnetic and Radiometric Survey' (Geoscience BC Report 2020-05). The Little Bear claims are centered on the occurrence of an early to middle Jurassic granodiorite intruding the middle to upper Triassic Vancouver Group volcanics and equivalents. The claim area is prospective for gold bearing copper-iron skarns (similar to mineralization present on the Pass property), gold bearing copper porphyry systems and copper, silver, gold bearing quartz veins.

During the year ended April 30, 2021, the Company decided to drop the Little Bear Property just before the claims were about to expire. As a result, the Company wrote down the capitalized balance of the project to \$nil and recognized an impairment charge of \$25,000 for the year ended April 30, 2021.

**Waterloo Property**

In September 2020, the Company entered into an option agreement with RebelEX Resources Corp. ("RebelEX"), to acquire up to a 100% interest in the historic Waterloo silver-gold property, located near Vernon, BC.

Terms of the option agreement are as follows:

1. Making cash payments to RebelEX of an aggregate of \$200,000, including: (i) \$30,000 within 10 business days of the effective date of the agreement ("Effective Date") (paid during the year ended April 30, 2021); (ii) \$30,000 on or before the date that is 12 months following the Effective Date; (iii) \$40,000 on or before the date that is 24 months following the Effective Date; (iv) \$40,000 on or before the date that is 36 months following the Effective Date; and (v) \$60,000 on or before the date that is 48 months following the Effective Date;
2. Issuing to RebelEX the aggregate amount of 1,333,333 common shares of the Company as follows: (i) 100,000 common shares within 10 business days following the Effective Date (issued at fair value of \$126,000 during the year ended April 30, 2021); (ii) 200,000 common shares on or before the date that is 12 months following the Effective Date; (iii) 233,333 common shares on or before the date that is 24 months following the Effective Date; (iv) 266,667 common shares on or before the date that is 36 months following the Effective Date; (v) 533,333 common shares on or before the date that is 48 months following the Effective Date;
3. Funding aggregate expenditures on the property of \$1,200,000 as follows: (i) \$200,000 on or before the date that is 12 months following the Effective Date; (ii) \$250,000 on or before the date that is 24 months following the Effective Date; (iii) \$250,000 on or before the date that is 36 months following the Effective Date; and (iv) \$500,000 on or before the date that is 48 months following the Effective Date.

After the Company had earned the 100% Interest, the Company would pay to RebelEX a royalty being equal to 2% of NSR. The Company could purchase 1% of the NSR for \$1,000,000.

In connection with the transaction, the Company was to pay an arm's length finder of 145,000 common shares over the term of the option agreement. On October 7, 2020, 15,000 of these finder's shares were issued at a fair value of \$29,250.

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*Exploration Update*

The Waterloo Property consists of 3,130 hectares located in the historic Lightning Peak silver and gold camp in the Vernon Mining District. The property is host to numerous high-grade silver and gold showings exposed over an area of 3.5 by 0.7 kilometers. Central to the property is the historic Waterloo Mine that has seen sporadic production of high-grade silver with gold since 1903, resulting in numerous shipments of ore to the Trail, BC smelter in 1954, 1967 and 1983. The Waterloo Mine is centered on a structurally controlled easterly striking zone (Waterloo structure) of high grade silver, lead and zinc mineralization associated with quartz and carbonate vein material. This zone is apparently mineralized along its mined length (550 meters in the #4 adit) including numerous higher grade sections. Previous operators on the property speculate that this structure extends below thick cover, with a total strike length of up to 2 kilometers. The structure has never been systematically drill tested over its proposed length or at depth. Gold dominant showings (e.g., the AU showing located 550 meters north of Waterloo Mine) are hosted in north trending sulphide and quartz veins with associated iron carbonate wallrock alteration.

In September 2020, the Company began the first work program at the Waterloo Property. On November 19, 2020, the Company reported significant results from assay reports from the 2020 confirmation sampling program on the Waterloo Property. Management was very encouraged with these initial results and was underway with planning a follow up work program at Waterloo.

During the six months ended October 31, 2021, the Company decided to relinquish the Company's option to acquire the Waterloo Property. As a result, the Company wrote down the capitalized balance of the project to \$nil and recognized an impairment charge of \$211,515 for the year ended April 30, 2021.

**Salama Gold Project**

In October 2020, the Company acquired the Salama Gold Project, consisting of four gold focused mining concessions totaling approximately 2,700 hectares, located in western Peru. The Company entered into an assignment agreement with a third party whereby it assumed all of the right, title and interest in and to a purchase agreement with the holders of the Salama Gold Project. Under the terms of the various agreements, the Company acquired a 100% interest in the Salama Gold Project, royalty free, by making a cash payment of \$26,200 (US\$20,000) and issuing a total of 700,000 common shares (issued at a fair value of \$1,470,000 during the year ended April 30, 2021).

The Salama Gold Project is situated within the prolific gold-polymetallic Miocene skarn and porphyry belt — one of several coast-parallel metallogenic belts that host the larger and more significant deposits of Peru, and has potential for high and low sulfidation epithermal gold mineralization and breccia pipe stock-work style gold-silver deposits. Preliminary review indicated extensive areas of quartz veins with localized silicified breccias, that had been the focus of historic production by artisanal and small-scale miners. Preliminary review of regional satellite imagery indicated that two major structures intersect in the northeast of the concession, in a similar geological setting to La Virgin gold mine 20 km to the north. Historic production at La Virgin was reported as 120,000 oz Au/annum.

During the year ended April 30, 2021, the Company decided to drop the Salama Gold Project. As a result, the Company wrote down the capitalized balance of the project to \$nil and recognized an impairment charge of \$1,499,712 for the year ended April 30, 2021.

**Gold Projects**

In October 2020, the Company acquired, by staking, 8 gold-focused exploration concessions totaling approximately 94,500 hectares located in New South Wales, Australia. The concessions are known as Star of Hope, Golden Bar, Alliance Reef, Stanleys, Lady Mary, Waddery West, Wittagoona Reef and Toolom South (collectively, the "Gold Projects"). At least 198 historic gold mines and gold exploration prospects are present across the Gold Projects. Historic production records indicate that gold grades were often multi-ounce. The licences are strategically located within the prolifically mineralized Lachlan and New England orogenic terranes. The Company is required to post a refundable performance bond of \$9,723 (AUD\$10,000) per concession and spend exploration and associated expenses on each concession of \$24,308 (AUD\$25,000) in Year One and \$48,615 (AUD\$50,000) in Year Two.

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*Exploration Update*

On October 26, 2020, the Company announced that its exploration team of Dr. Peter Pollard, director and Chief Geologist, and Dr. Christopher Wilson, senior advisor, has provided its initial review of the Gold Projects. A first pass review of available historic data for the Gold Projects indicates that Alliance Reef and Wittagoona Reef on the Peel-Manning fault system, and Toolom South in the Mount Carrington gold camp, host extremely robust exploration targets. The licenses are located within the New England Orogenic Terrane. Golden Bar, also within the New England Orogenic Terrane, and Stanleys in the Lachlan Fold Belt, also host significantly gold endowed, high priority targets. The Company is planning a field program initially focused on the 4 highest priority targets outlined above. Field work would be concentrated on rapid reconnaissance mapping and geochemical sampling of historic workings and showings, in order to ground truth the tenor and styles of mineralization present. Review of regional geophysical and topographic datasets is ongoing, which in conjunction with the results of first pass field mapping, will allow deposit models and key controls on mineralization to be developed, and high value drill targets to be identified.

On May 7, 2021, the Company announced that all of its exploration licenses in New South Wales, Australia have now been granted. The Company has commenced contacting landholders in high priority areas in order to negotiate the access agreements required prior to conducting field visits on private property. The Hill End South property lies along the southern extension of the Hill End Anticline which hosts quartz vein mineralization of the Hill End Goldfield where approximately 50 tons of gold have been produced from hard-rock and alluvial sources. Once land access arrangements have been completed, the focus will be on assessing the likelihood that the mapped anticline hosts saddle reef-style gold mineralization similar to that at Hill End and at Ballarat and Bendigo in Victoria.

The exploration team has completed field inspection of historic gold workings within the Golden Bar exploration license which occur within Wild Cattle Creek State Forest. Historic reports of wide zones of mineralization at the Bobo King and Black Bull mines were the prime focus of investigation. However, these could not be substantiated on the ground and in both cases gold mineralization occurs in narrow zones of quartz veining. Samples of quartz vein material collected from the mine dumps at Bobo King, Black Bull and nearby unnamed workings returned very low gold grades. The potential of the property has been significantly downgraded by the field inspection and assay data.

**Silver Projects**

In October 2020, the Company acquired, by staking, 7 silver-focused exploration concessions totaling approximately 38,600 hectares located in New South Wales, Australia. The concessions are known as; Wallah Wallah, Stony Creek, Carrington, Dartmoor, Glens Skarn, Broken Hill West and Goongong (collectively, the "Silver Projects"). At least 23 historic silver and 3 historic gold mines and exploration prospects are present across the Silver Projects. Historic production records indicate that silver grades were generally high-grade and exceeded 1 kg/t Ag in some instances. The Company is required to post a refundable performance bond of \$9,723 (AUD\$10,000) per concession and spend exploration and associated expenses on each concession of \$24,308 (AUD\$25,000) in Year One and \$48,615 (AUD\$50,000) in Year Two.

*Exploration Update*

On October 28, 2020, the Company announced that its seasoned exploration team has provided an initial review of the Silver Projects. First-pass review of the extensive historic data for the Silver Projects indicates that Wallah Wallah, Stony Creek and Carrington are high priority projects. All are located in a significantly silver-mineralized part of the southern Lachlan Orogenic Belt.

On May 7, 2021, the Company announced that all of its exploration licenses in New South Wales, Australia have now been granted. The Company has commenced contacting landholders in high priority areas in order to negotiate the access agreements required prior to conducting field visits on private property.

At the Carrington property, interpretation of previous soil sampling results by the Company's geologists has defined two high priority gold-bismuth-antimony anomalies along a zone of historic workings. These may

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be upgraded to drill targets after field confirmation. Initial contact has been made with the landholders to discuss access arrangements.

**Li-Brine Properties**

On September 2, 2021, the Company acquired the Li-Brine Properties as a result of the acquisition of HCM.

HCM holds 48,457 hectares (119,739 acres) of Subsurface Crown Mineral Dispositions in Saskatchewan, with the focus on potential lithium resource prospects, including:

- 21 lithium brine focused permits in four main distinct geographical locations in Saskatchewan representing 48,457 hectares
  - Greater Mansur Permit Area consisting of five main blocks totaling 13,093 hectares, located between 10 to 50 km east of Weyburn, Saskatchewan.
  - Greater Tyvan Permit Area consisting of four permit blocks totaling 5,683 hectares, located 85 km south of Regina, Saskatchewan.
  - Greater Huntoon East Permit area consisting of seven permit blocks totaling 20,923 hectares.
  - Coleville Permit consisting of four permit blocks totaling 8,496 hectares, located 30km northwest of Kindersley, Saskatchewan.

**RESULTS OF OPERATIONS**

*Six months ended October 31, 2021*

The Company recorded a net loss of \$1,159,515 (\$0.05 per share) for the six months ended October 31, 2021 (2020 - \$1,180,368 and \$0.18 per share). The Company had no revenue, paid no dividends and had no long-term liabilities during the six months ended October 31, 2021. Variances of note in the operational expenses are:

Consulting fees of \$204,113 (2020 - \$167,731) consist of fees paid to consultants for advisory services. The consulting fees during the six months ended October 31, 2021 were higher due to increased business activities.

Interest and bank charges of \$400,000 (2020 - \$77,727) were higher during the six months ended October 31, 2021 as a result of the financing costs incurred for the loans payable assumed from the acquisition of HCM.

Marketing of \$70,000 (2020 - \$675,381) consist of promotional expenses incurred to increase investor awareness.

Professional fees of \$102,158 (2020 - \$64,124) consist of fees paid to accountants and lawyers. The professional fees during the six months ended October 31, 2021 were higher due to increased business activities.

*Three months ended October 31, 2021*

The Company recorded a net loss of \$998,655 (\$0.03 per share) for the three months ended October 31, 2021 (2020 - \$1,139,356 and \$0.16 per share). The Company had no revenue, paid no dividends and had no long-term liabilities during the three months ended October 31, 2021. Variances of note in the operational expenses are:

Interest and bank charges of \$400,000 (2020 - \$77,727) were higher during the three months ended October 31, 2021 as a result of the financing costs incurred for the loans payable assumed from the acquisition of HCM.

Marketing of \$15,500 (2020 - \$675,381) consist of promotional expenses incurred to increase investor awareness.

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Professional fees of \$73,921 (2020 - \$45,641) consist of fees paid to accountants and lawyers. The professional fees during the three months ended October 31, 2021 were higher due to increased business activities.

**SUMMARY OF SELECTED QUARTERLY RESULTS (UNAUDITED)**

The following table sets forth selected financial information from the Company's unaudited quarterly consolidated financial statements for the eight most recently completed quarters.

	THREE MONTHS ENDED			
	October 31,	July 31,	April 30,	January 31,
	2021	2021	2021	2021
	\$	\$	\$	\$
Total assets	16,823,017	447,865	589,943	2,482,398
Working capital	1,627,472	234,572	377,199	648,212
Net loss	(998,655)	(160,860)	(1,810,533)	(682,197)
Net loss per share <sup>(1)</sup>	(0.03)	(0.02)	(0.19)	(0.07)

	THREE MONTHS ENDED			
	October 31,	July 31,	April 30,	January 31,
	2020	2020	2020	2020
	\$	\$	\$	\$
Total assets	3,176,271	623,151	634,860	156,605
Working capital	896,174	164,119	305,197	15,330
Net loss	(1,139,356)	(41,012)	(49,794)	(21,585)
Net loss per share <sup>(1)</sup>	(0.16)	(0.01)	(0.01)	(0.01)

<sup>(1)</sup>The basic and fully diluted calculations result in the same value due to the anti-dilutive effect of outstanding stock options and warrants if any.

Total assets and working capital increased during the quarter ended October 31, 2021 as a result of net proceeds received from financings completed during the quarter and the acquisition of Hub City Minerals.

Total assets and working capital decreased during the quarter ended July 31, 2021 as a result of the cash spent on consulting fees, marketing expenses and professional fees incurred during the quarter.

Total assets and working capital decreased during the quarter ended April 30, 2021 as a result of the cash spent on consulting fees, marketing expenses and professional fees incurred during the quarter, and the write-down of the capitalized costs of the Waterloo Property and the Salama Gold Project. The Company decided to drop these claims as they were no longer a good fit in the Company's portfolio of properties.

Total assets decreased during the quarter ended January 31, 2021 as a result of the write-down of the capitalized costs of the Pass Property and Little Bear Property. The Company decided to drop these claims as they were no longer a good fit in the Company's portfolio of properties.

Total working capital increased during the quarter ended October 31, 2020 as a result of the net proceeds received from the financings completed during the quarter. Total assets increased during the quarter ended October 31, 2020 as a result of the acquisitions of the Waterloo Property, Salama Gold Project, Gold Projects and Silver Projects.

Total assets and working capital increased during the quarter ended April 30, 2020 as a result of the net proceeds received from the financings completed during the quarter.



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The net loss for the quarter ended October 31, 2021 increased significantly as a result of increased business activities and consulting fees incurred with respect to the prospecting and acquisitions of mineral projects, the financing costs related to the loans assumed from the acquisition of HCM, and share based payment pursuant to stock options granted during the quarter.

The net loss for the quarter ended April 30, 2021 increased as a result of the write-down of the capitalized costs of the Waterloo Property and the Salama Gold Project. The Company decided to drop these claims as they were no longer a good fit in the Company's portfolio of properties.

The net loss for the quarter ended January 31, 2021 increased as a result of the write-down of the capitalized costs of the Pass Property and Little Bear Property. The Company decided to drop these claims as they were no longer a good fit in the Company's portfolio of properties.

The net loss for the quarter ended October 31, 2020 increased significantly as a result of increased business activities and consulting fees and marketing expenses incurred with respect to the prospecting and acquisitions of mineral projects and to increase investor awareness.

The net losses for the first three of the eight quarters are mostly attributed to the operating costs incurred in order to identify and evaluate assets and to complete the Company's initial public offering (the "IPO") and listing on the Exchange.

**FINANCING ACTIVITIES**

On June 2, 2020, the Company issued 16,667 shares at a fair value of \$7,500 for the acquisition of the Pass Property.

On August 26, 2020, the Company issued 70,176 shares at a fair value of \$73,684 to the lenders of the loan agreements.

On September 3, 2020, the Company issued 100,000 shares at a fair value of \$126,000 for the acquisition of the Waterloo Property.

On September 21, 2020, the Company closed a non-brokered private placement financing of 666,667 units at a price of \$0.75 per unit for gross proceeds of \$500,000. Each unit comprises one common share of the Company and one share purchase warrant. Each warrant entitles the holder thereof to purchase one common share for \$1.20 for a period of one year from the date of issuance. The Company assigned \$nil to the warrants. The Company paid finders fees totalling \$15,750.

On October 6, 2020, the Company issued 700,000 shares at a fair value of \$1,470,000 for the acquisition of the Salama Gold Project.

On October 7, 2020, the Company issued 15,000 finders shares at a fair value of \$29,250 for the acquisition of the Waterloo Property.

On October 22, 2020, the Company closed a non-brokered private placement financing of 666,666 units at a price of \$1.65 per unit for gross proceeds of \$1,000,000. Each unit comprises one common share of the Company and one share purchase warrant. Each warrant entitles the holder thereof to purchase one common share for \$3.00 for a period of one year from the date of issuance. The Company assigned \$nil to the warrants. The Company paid finders fees totalling \$57,000.

During the year ended April 30, 2021, the Company issued 903,333 common shares pursuant to exercise of warrants for total gross proceeds of \$271,000. The weighted average share price at dates the warrants were exercised was \$2.03.

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During the year ended April 30, 2021, the Company issued 8,333 common shares pursuant to exercise of stock options for total gross proceeds of \$2,500. The weighted average share price at dates the stock options were exercised was \$1.20.

During the year ended April 30, 2021, the Company issued 28,246 common shares pursuant to exercise of agent's options for total gross proceeds of \$8,474. The weighted average share price at dates the agent's options were exercised was \$1.50.

On August 5, 2021, the Company closed a non-brokered private placement financing by issuing 11,764,705 units at a price of \$0.17 per unit for proceeds of \$2,000,000. Each unit comprises one common share and one share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of \$0.23 per share for a period of one year from the date of issue. The Company paid finders fees totaling \$89,238 and issued 512,262 brokers warrants. The Company has the right to accelerate the expiry date of the warrants if, at any time, the average closing price of the Company's common shares is equal to or greater than \$0.50 for 10 consecutive trading days. In the event of acceleration, the expiry date will be accelerated to a date that is 10 business days after the Company issues a news release announcing that it has elected to exercise this acceleration right.

On September 2, 2021, the Company issued 14,070,000 units pursuant to the acquisition of HCM. Each unit comprises one common share of the Company and one share purchase warrant, with each share purchase warrant entitling the holder to acquire one common share under the existing terms of the outstanding share purchase warrants of HCM.

On October 2, 2021, in consideration for the loans assumed as a result of the acquisition of HCM, the Company has issued 500,000 common shares to each of the lenders for a total of 1,000,000 common shares at a fair value of \$400,000.

**LIQUIDITY AND CAPITAL RESOURCES**

As at October 31, 2021, the Company had cash of \$1,545,898 and working capital of \$1,627,472. During the six months ended October 31, 2021, net cash used in operating activities was \$380,418, net cash provided by investing activities consisted of cash acquired on acquisition of HCM of \$518,973, offset by exploration costs on exploration and evaluation assets of \$23,408, and financing activities consisted of net proceeds received from private placement of \$1,910,762, offset by loans repayment of \$600,000 and advances of \$150,000 provided to HCM prior to the acquisition.

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and to maintain a flexible capital structure that optimizes the costs of capital within a framework of acceptable risk. In the management of capital, the Company includes the components of shareholders' equity as well as cash. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash. The Company is dependent on the capital markets as its primary source of operating working capital and the Company's capital resources are largely determined by its ability to compete for investor support of its projects.

The Company's financial statements have been prepared assuming the Company will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. At October 31, 2021, the Company had accumulated losses of \$4,974,388 since its inception and expects to incur further losses in the development of its business. The continuation of the Company is dependent upon obtaining necessary financing to meet its ongoing operational levels of exploration and corporate overhead. In March 2020, there was a global pandemic outbreak of COVID-19. The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and specifically, the regional economies in which the Company operates. The pandemic could result in delays in the course of business and could have a negative impact on the stock market, including trading prices of the Company's shares and its ability to raise new capital. It is not possible for the Company to predict the

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duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time. These factors indicate material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern.

Additional funds will be required to enable the Company to continue its operations and there can be no assurance that financing will be available on terms which are acceptable to the Company. The Company's financial statements do not give effect to any adjustments to the amounts and classifications of assets and liabilities which might be necessary should the Company be unable to continue its operations as a going concern.

**CAPITAL EXPENDITURES**

The Company incurred cash exploration and evaluation expenditures of \$23,408 during the six months ended October 31, 2021 (2020 - \$164,814).

**RELATED PARTY TRANSACTIONS**

The Company incurred charges from directors and officers, or to companies associated with these individuals during the three and six months ended October 31, 2021 and 2020 as follows:

	Three months ended		Six months ended	
	October 31,		October 31,	
	2021	2020	2021	2020
	\$	\$	\$	\$
Accounting fees <sup>(1)</sup>	18,848	4,498	25,791	8,656
Consulting fees <sup>(2)</sup>	22,500	20,000	54,229	20,000
Share-based payment	122,917	74,224	122,917	74,224
	164,265	98,722	202,937	102,880

<sup>(1)</sup> Accounting fees include fees paid to Malaspina Consultants Inc., a company in which, Natasha Tsai, CFO, is an owner.

<sup>(2)</sup> Consulting fees include fees paid to Rob Gamley, CEO and Pollard Geological Services Pty Ltd., a company controlled, by Peter Pollard, a director of the Company.

Accounts payable and accrued liabilities at October 31, 2021 includes \$27,220 (April 30, 2021 – \$13,640) due to Rob Gamley and Malaspina Consultants Inc. Related party transactions are conducted in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the parties.

Key management of the Company includes the CEO, the CFO and the Directors. During the three and six months ended October 31 2021, compensation paid to key management consisted of accounting fees of \$18,848 and \$25,791 (2020 – \$4,498 and 8,656) paid to Malaspina Consultants Inc., consulting fees of \$22,500 and \$45,000 (2020 – \$20,000 and \$20,000) paid to Rob Gamley, CEO, consulting fees of \$nil and \$9,229 (2020 – \$nil and \$nil) paid to Pollard Geological Services Pty Ltd.

**CRITICAL JUDGMENTS AND ESTIMATES**

*Going concern assumption*

The condensed interim consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The assessment of the Company's ability to fund future operations and continue as a going concern involves judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. If the going concern assumption were not appropriate for the condensed interim consolidated financial statements, then adjustments may be necessary to the carrying value of assets and liabilities, the reported revenue and expenses and the consolidated statement of financial position classifications used.

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*Impairment of exploration and evaluation assets*

The carrying value and recoverability of exploration and evaluation assets requires management to make certain estimates, judgments and assumptions about each project. Management considers the economics of the project, including the latest resource prices and the long-term forecasts, and the overall economic viability of the project.

*Shares issued for exploration and evaluation assets*

Management makes judgments in determining the share price attributed to issuances of shares for exploration and evaluation assets. Management considers market conditions, recent or pending private placements of the Company, and or contracted terms of the issuance. Should management's judgment as to an appropriate share price be incorrect, the value attributed to properties could be materially different.

*Share-based payments*

The Company uses the fair-value method of accounting for share-based payments related to incentive stock options and compensation warrants granted, modified or settled. Under this method, compensation cost attributable to options granted is measured at fair value, using the Black-Scholes option pricing model, at the grant date and expensed over the vesting period. In determining the fair value, the Company makes estimates of the expected volatility of the stock, the expected life of the options, and an estimated risk-free interest rate.

*Asset acquisition*

The assessment of whether an acquisition meets the definition of a business or an asset is an area of key judgment. In the acquisition of HCM, judgment was required to determine if the acquisition represented a business combination or an asset acquisition. More specifically, management concluded that HCM did not represent a business as the assets acquired were not an integrated set of activities with inputs, processes and outputs. Since it was concluded that the transaction (Note 4) represented the acquisition of assets, there was no goodwill recognized and the transactions costs were capitalized to the assets purchased rather than expensed.

**ADOPTION OF NEW ACCOUNTING STANDARD**

*Future accounting standards issued but not yet effective*

In January 2020, the IASB issued amendments to IAS 1, Presentation of Financial Statements to clarify the requirements for classifying liabilities as current or non-current. The amendments are effective for annual periods beginning on or after January 1, 2022. Adoption thereof is not expected to have a material impact on the presentation of the Company's financial statements.

**OFF-BALANCE SHEET ARRANGEMENTS**

The Company does not have any off-balance sheet arrangements.

**CURRENT SHARE DATA**

As at the date of this MD&A, the Company has 38,262,126 common shares issued and outstanding and the following options and warrants outstanding:

Type of security	Number	Exercise Price	Expiry date
Stock options	74,999	\$ 0.30	January 14, 2025
Stock options	100,000	\$ 0.84	August 21, 2025
Stock options	83,333	\$ 2.01	October 1, 2025
Stock options	1,800,000	\$ 0.37	August 13, 2025
Stock options	500,000	\$ 0.35	September 28, 2025
Warrants	2,113,333	\$ 0.30	December 31, 2021
Warrants	11,705,705	\$ 0.23	August 5, 2022
Warrants	12,060,000	\$ 0.067	September 2, 2024
Agent's options	123,421	\$ 0.30	February 28, 2022
Agent's options	512,262	\$ 0.23	August 5, 2022

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**DISCLOSURE CONTROLS AND PROCEDURES**

In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited condensed interim financial statements for the six months ended October 31, 2021 and this accompanying MD&A.

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information the reader should refer to the Venture Issuer Basic Certificates filed by the Company with the Annual Filings on SEDAR at [www.sedar.com](http://www.sedar.com).

**RISKS AND UNCERTAINTIES**

The Company is currently subject to financial and regulatory risks. The financial risk is derived from the uncertainty pertaining to the Company's ability to raise capital to continue operations. Regulatory risks include the possible delays in getting regulatory approval for the transactions that the Board of Directors believe to be in the best interest of the Company, and include increased fees for filings and the introduction of ever more complex reporting requirements, the cost of which the Company must meet in order to maintain its exchange listing.

There is no assurance that the exploration of the Company's properties will be successful in its quest to find a commercially viable quantity of mineral resources. The Company's exploration and development activities may be affected by changes in government, political instability and the nature of various government regulations relating to the mining industry. The Company cannot predict the government's positions on mining concessions, land tenure, environmental regulation or taxation. A change in government positions on these issues could adversely affect the Company's business and/or its holdings, assets and operations. Any changes in regulations or shifts in political conditions are beyond the control of the Company.

In March 2020, there was a global pandemic outbreak of COVID-19. The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and specifically, the regional economies in which the Company operates. The pandemic could result in delays in the course of business and could have a negative impact on the stock market, including trading prices of the Company's shares and its ability to raise new capital. 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 results of operations at this time.

**OTHER INFORMATION**

Additional information relating to the Company can be found on SEDAR at [www.sedar.com](http://www.sedar.com).