LIDA RESOURCES INC.

Management's Discussion and Analysis

For the three months ended November 30, 2021 and 2020

Dated: March 3, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("MD&A") reviews the financial condition and results of operations of Lida Resources Inc. (the "Company" or "Lida") for the three months ended November 30, 2021. This MD&A should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements and the notes thereto for the three months ended November 30, 2021 and 2020 (collectively referred to hereafter as the "interim financial statements") and with the audited consolidated financial statements for the years ended August 31, 2021 and 2020 and the notes thereto (collectively referred to hereafter as the "consolidated financial statements"), which have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and with the interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

This discussion provides management's analysis of the Company's historical financial and operating results and provides estimates of the Company's future financial and operating performance based on information that is currently available. This discussion contains forward-looking statements that involve certain risks and uncertainties. See also "Forward-Looking Statements and Cautionary Factors That May Affect Future Results".

Additional information relating to the Company is available on SEDAR at www.sedar.com.

This MD&A is current as at March 3, 2022.

OVERVIEW

This MD&A has been prepared by management and reviewed by the audit committee of the Board. For the purposes of preparing this MD&A, management, in conjunction with the Board, considers the materiality of information and evaluates materiality with reference to all relevant circumstances, including potential market sensitivity. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Common Shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) if it would significantly alter the total mix of information available to investors. All financial information in this MD&A has been prepared in accordance with IFRS and all dollar amounts are quoted in Canadian dollars, the reporting currency of the Company, unless specifically noted.

DESCRIPTION OF BUSINESS

The Company is an exploration stage company and is in the process of exploring its mineral properties in Peru. The Company has not yet determined whether these properties contain ore reserves that are economically recoverable. The recoverability of amounts spent to purchase, explore, and develop mineral interests is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties, and the future profitable production or proceeds from disposition of the properties.

The Company will need additional funding in the near future through either equity or debt financing to acquire new projects and further develop its existing assets. Many factors influence the Company's ability to raise funds, including the health of the capital market, the climate for mineral exploration investment, and the Company's track record. Actual funding requirements may vary from those planned due to several factors, including the funding of new projects. Management is approaching all identifiable sources of equity capital, but there is no guarantee that the Company will be able to secure additional financings in the future at terms that are favourable.

The Company's Common Shares commenced trading on the Canadian Securities Exchange ("CSE") on May 22, 2020 under the symbol "LIDA".

SHARE CONSOLIDATION

On August 16, 2021, the Company filed articles of amendment to complete an approved share consolidation of the Company's issued and outstanding common shares on the basis of 20 pre-consolidated common shares for one post-consolidated common share. All information relating to basic and diluted loss per share, issued and outstanding common shares, and per share amounts in this MD&A have been adjusted retroactively to reflect the share consolidation.

HIGHLIGHTS

During the three months ended November 30, 2021, the Company:

- Entered into a promissory note payable agreement for $80,000 with an arm's length party. The promissory note accrues interest at 15% per annum and is payable upon completion of a future financing.

During the three months ended November 30, 2020, the Company did not have any share capital transactions.

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in a widespread health crisis that has affected economies and financial markets around the world, resulting in an economic downturn. As at the date of these interim financial statements, COVID-19 has had no impact on the Company's ability to access and explore its current properties but may impact the Company's ability to raise funding or explore its properties should travel restrictions related to COVID-19 be extended or expanded in scope.

OVERALL PERFORMANCE

There was minimal exploration activity during the three months ended November 30, 2021. Due to the COVID-19 pandemic, exploration work on the Company's mineral interests was delayed while the focus was on permitting and acquiring surrounding properties for San Vincente in Peru. As at November 30, 2021, the Company had a working capital deficit of $626,941 (August 31, 2021 - $543,190). The Company has not generated any revenues from operations and has an accumulated deficit of $3,573,683 (August 31, 2021 - $3,492,403).

MINERAL EXPLORATION PROJECTS

The San Vicente Property

The Company, through its wholly owned Peruvian subsidiary, Imperium Mining S.A.C. ("Imperium"), is the holder of the San Vicente property (the "Property" or "San Vicente"). The Property is located approximately 120 kilometres east of the coastal city of Trujillo, Peru in the District of Agallpampa, Province of Otuzco, region of La Libertad. Peru is well known for its copper, silver, zinc, and gold deposits and has an active mineral exploration industry. The area near San Vicente boasts several other exploration and production sites.

Access to the Property is 70 kilometres by paved road to the community of Otuzco and then a combination of gravel and clay roads to Chota where the property is located. Otuzco and the community of San Vicente Bajo La Union, which is in close proximity to the Property, are capable of providing basic services and amenities in the support of mineral exploration activities. The Property is located in the occidental area of the Tertiary Volcanic Belt of the western Cordillera and is underlaid by rocks of the Calipuy Formation, a precious and base metals metallotects formation found in Peru.

The Calipuy Formation is the product of post-tectonic volcanism in the Cordillera region. It represents the effusive magmatism that followed the final emplacement of the Costal Batholith. At the San Vicente Property, the Calipuy Formation consists of andesite as a massive greenish-grey fine to intermediate grained rock with local millimetric sized feldspathic phenocrystals and Andesite tuff, which is greenish-grey to purple in colour with a fine-grained matrix.

The Property consists of one concession for metallic minerals, giving the title holder the right to explore and exploit metallic minerals within the bounds of the concession, subject to the payment of the annual fees established by Peruvian Mining Law.

Concession	Area (Hectare)	District	Province	Region	Record
El Otro Lado	200.00	Agallpampa	Otuzco	La Libertad	10014602

The Company has a formal contract with the local community (San Vicente Bajo La Union) for surface rights to 2,500 metres surrounding the mine opening that gives the Company a permit for surface use for a period of 20 years. The remainder of the surface rights are held by the communities of San Vicente Bajo La Union and San Vicente Alto La Union. The Company is in discussions to obtain further surface rights from the community of San Vicente Bajo La Union so that a new mine access can be forged approximately 80 metres below the current level.

According to records of the Ministerio de Energia Y Minas of Peru, the concession is in good standing.

Royalties

Peru established a sliding scale mining royalty in 2004. Calculation of the royalty payable per month is made monthly and is based on the value of the concentrate sold (or its equivalent) using international metal prices as the base for establishing the value of metal. The sliding scale is applied as follows:

(a) First stage: up to $60 million annual value; 1.0%.
(b) Second stage: in excess of $60 million up to $120 million annual value; 2.0%.
(c) Third stage: in excess of $120 million annual value; 3.0%.

Fees, indirect taxes, insurance, transportation costs, warehousing, port fees as well as other costs for exportation and general agreements along international commerce are deducted from the calculation of the royalty.

Environmental Affairs

The Company has applied for a license to operate as a small mining company in November 2017. This license is currently in application and is awaiting approval. An Environmental Impact Statement was written for the San Vicente Property and was originally submitted to the Direccion Regional De Energia y Minas La Libertad on May 26, 2010 and renewed in 2017. Recent meetings with the Direccion Regional De Energia y Minas La Libertad revealed that approval of the Environmental Impact Statement is still pending approval, pending one final study to be carried out showing the approval of the local community (San Vicente la Union parte Baja) in respect of the project. This study is in progress and should be completed shortly.

Aboriginal Affairs

The Company entered a notarized contract with the surface owner for the use of the land and therefore does not have an issue related to the use of land. In addition, property is located in an area where there are no communities as such there would be no issues or possible contingencies related to the use of land.

Geological Setting and Mineralization

Regional Geology

The Property is located within the Cordillera Occidental part of the Tertiary Volcanic Belt of the western Cordillera morpho-structural and tectonic units of northern Peru. It is underlain by volcanic rocks of the Calipuy Formation (one of the most important precious and base metals metallotects in Peru). The volcanic rocks of the Calipuy Formation are the product of a post-tectonic volcanism and represent the effusive part related to the definite emplacement of the Coastal Batholith. The volcanics of the Calipuy Formation are flanked to the southwest by the Costal Batholith and to the northeast by a thick series of sedimentary rocks.

The Calipuy Volcanics are comprised of more than 1.2 kilometres of intercalations of rhyolitic to andesitic flows, fine grained to lapillus-blocky tuff, volcanic derived sediments, and sub-volcanic hypabyssal intrusive with pervasive hydrothermal alteration. The volcanics are deposited in sub-horizontal layers gently folded in a series of weakly dipping (10-20°) synclines and anticlines.

The dominant structural feature affecting the rocks of the region is one associated to the Andean trend, which is characterized by a complex network of northwest to southeast and northeast to southwest trending lineaments and major northeastern trending structures.

Property Geology

The San Vicente Property is located within an area of extensive regional sub-aerial volcanic cover. The local geology is dominated by sub-horizontal Tertiary Calipuy Group volcanic rocks. The Calipuy Group is the product of post-tectonic volcanism in the Cordillera region and is host to several metallic mineral deposits. It represents the effusive magmatism that followed the final emplacement of the Costa Batholith. The rocks are mostly of andesitic composition consisting of thick andesite flows interbedded with andesitic breccias, andesitic tuffs, conglomerates, and other associated pyroclastic deposits.

Several small stocks, sills and dykes intrude the Cretaceous sedimentary rocks and Tertiary volcanic rocks. The deep-seated intrusions are usually diorites, tonalities, and granodiorites that are correlated to the northern extension of the Costal Batholith. Several porphyritic dacitic and andesitic hypabyssal bodies outcrop in the area, especially within zones of structural weaknesses such as fold hinges and regional scale faults. These intrusions are commonly associated with metallic mineralization. These rocks commonly intrude the Calipuy volcaniclastic rocks.

The Property is located within a mineralised belt extending from the Cordillera Negra. Mineralisation occurs as fracture filling quartz carbonate veins that contain elevated concentrations of lead, silver, copper, and zinc but can also be characterized with anomalous gold and antimony values. Surface mapping found intermittent veining on surface. The continuation of the veins on surface could not be seen as the only areas that the veins cropped out were streams that had cut into the underlying rocks. Sub surface exploration drifts did cut the structures and have been followed to a distance of 75 metres in some cases.

Mineralization

Various areas of mineralization exist within the Concession. The main mineralized areas identified to date comprise a series of closely spaced narrow veins that strike northeast-southwest. These veins have been mined along the strike for approximately 75 metres on the 100 level of the mine. The veins can be traced intermittently on surface over a total distance of 825 metres.

Of all the mineralized structures identified at the San Vicente Property to date, only four are described in detail within the Gateway Resources Technical Report. These are the mineralized structures that have been cut with exploration drives in the mine. Three of these structures, referred to as Mineralized Zone 1 ("MZ1"), Mineralized Zone 2 ("MZ2"), and Mineralized Zone 3 ("MZ3"), are hosted within plagioclase porphyritic subvolcanic andesite member of the Tertiary Lower Calipuy Group volcanic rocks. A fourth mineralized structure ("MZ4") encountered in January 2011 appears gold bearing, unlike the other base metal veins.

Mineralized Zone 1

When Carbajal & Whitty S.A.C. visited the mine, it was found that the tunnel mined along the strike of the structure was full of broken mineral from the MZ2 and MZ3 structures. This meant that this structure could not be evaluated by Carbajal & Whitty S.A.C. and that the majority of information used to describe the MZ1 structure is that as described from the sampling and mapping undertaken by Luc Pigeon of Gateway Resource in June 2009. The MZ1 structure is only observed in the exploration drift within the mine and not observed on surface. In the mine, the gallery 100 was driven northeast and southwest from the main access. In total, the gallery 100 has been driven 80 metres along the MZ1 structure.

The only areas of the MZ1 structure that was accessible to Carbajal & Whitty S.A.C. were along the western extents of the strike of the structure. In this area, it was found that the width of the mineralized structure was between 30 to 70 centimetres and contained gouge and sulphides (galena, sphalerite and pyrite). No channel samples were taken by El Otro in this area as the roof was too high to sample safely. From the Technical Report, the MZ1 structure was described where it cut the main access as having a 15 to 20 centimetres wide massive black sphalerite surrounded by a 0.80 to 1.10 metres wide mineralized in-situ clast supported breccia zone characterized by sub angular to angular andesite clasts.

From mapping, it was observed that the country rock (andesite) of the MZ1 structure had undergone moderate propylitic alteration and contained up to 10% very fine-grained pyrite crystals that did not appear to be related to the silver, zinc and lead mineralization.

Mineralized Zone 2

The MZ2 structure is observed in exploration drifts and on surface. On surface, the MZ2 structure has a width of between 0.9 to 1.10 metres and consists of a structure similar to MZ1. The surface is oxidized and consists of secondary iron carbonates and oxides. Bright yellow jarosite is present with the secondary iron carbonates and oxides.

In the mine, the 120 gallery was driven along the MZ2 structure to the northeast and southwest from the main access for a distance of 78 metres. Above the 120 gallery, a sublevel was driven along the MZ2 structure for a distance of 41 metres. The mineralization within the MZ2 structure can be described as having a 15 to 20 centimetres wide massive black sphalerite surrounded by a 0.80 to 1.20 metres wide mineralized (galena, sphalerite, pyrite) in-situ clast supported breccia zone characterized by sub angular to angular andesite clasts. On the main level, twelve channel samples were taken in the southeast part of the vein and eight channel samples were taken on the sublevel above the main 120 gallery. Not all of the main drive along the 120 gallery could be sampled as parts of the drive were mined into the roof.

Mineralized Zone 3

The MZ3 structure is only observed in exploration drifts. It is the only structure that could be sampled along its entire length on the main level (gallery 130) and two sub levels above. In the mine, the 130 gallery was driven along the MZ3 structure to the northeast and southwest from the main access for a distance of 60 metres. Above the 130 gallery, the first sublevel was driven along the MZ3 structure for a total of 55 metres and the second sublevel has been driven for a distance of 36 metres.

On the main level, the vein had an average width of 0.26 metres. On the first sublevel, the average width of the vein was 0.17 metres. The vein width for the second sublevel was not calculated as the vein could not be followed as a continuous structure. Unlike MZ1 and MZ2, only 30% of the MZ3 structure had a mineralized in-situ clast supported breccia zone and it contained much less gouge.

Mineralized Zone 4

The owner of the land on which this structure is located would not allow access to Carbajal & Whitty S.A.C. during their visit, but they have indicated that the structure was gold bearing. Photos taken and contained in the Technical Report show that this structure has being worked on surface. Currently, it is the Company's intention to make arrangements with the current surface rights holders to obtain permission to access the areas to be explored in the initial programs (Stages 0 and 1) and to acquire permits to carry on the more advanced work (Stage 2) when and as required.

Deposit Types

The Property is located within a well-known Miocene Oligocene epithermal silver and gold metallogenic belt in northern Peru. The Yanacocha, Lagunas Norte, and Quiruyilca mines are world class deposits located within this belt. Based on the current geological knowledge of the San Vicente Property, the mineralization fits the igneous hosted poly metallic veins silver, lead, zinc, and gold deposit type.

The San Vicente Property host rocks are also characterized by widespread disseminated pyrite mineralization, which the Technical Report describes as having appeared to form earlier in the paragenetic sequence. The Technical Report goes on to note that the occurrence of a diorite dyke a few metres from the polymetallic mineralization may explain this pyrite dissemination and also opens the potential of other types of mineralization such as porphyry type mineralization at depth. The Cretaceous sedimentary rocks of the area are also hosts to skarn and manto type deposits. Further research is needed to fully appreciate the property potential and pinpoint the exact deposit type.

RESULTS OF OPERATIONS AND SELECTED QUARTERLY FINANCIAL DATA

The following financial data has been derived from the Company's interim financial statements for the three months ended November 30, 2021 and consolidated financial statements for the year ended August 31, 2021.

	Three months ended November 30, 2021	Three months ended November 30, 2020
	$	$
Financial results		
Net loss	**(81,280)**	(412,222)
Basic and diluted loss per share	**(0.03)**	(0.15)

	November 30, 2021	August 31, 2021
	$	$
Financial position		
Total assets	**1,173,160**	1,157,681
Total liabilities	**684,083**	584,421
Working capital deficiency	**(626,941)**	(543,190)

The three months ended November 30, 2021 compared to the three months ended November 30, 2020

During the three months ended November 30, 2021, the Company incurred a net loss of $81,280 (2020 - $412,222), a change of $330,942, and incurred operating expenses of $76,333 (2020 - $413,915), a decrease of $337,582. Changes in operations are mainly attributed to the following:

- Consulting fees decreased by $303,305 to $30,000 (2020 - $333,305), due to reduced market advisory and promotion costs compared to the three months ended November 30, 2020 following the Company's initial public offering.
- Exploration and evaluation costs decreased by $28,461 to $25,207 (2020 - $53,668), primarily due to less exploration activities carried out during the three months ended November 30, 2021.
- Professional fees decreased by $5,095 to $4,480 (2020 - $9,575), primarily due to reduced legal, audit, and accounting fees compared to the three months ended November 30, 2020 following the completion of the Company's initial public offering.

SUMMARY OF QUARTERLY RESULTS

The following table summarizes selected financial information for the last eight quarters:

	Q1 2022	Q4 2021	Q3 2021	Q2 2021
	$	$	$	$
Revenue	**-**	-	-	-
Net loss for the quarter	**(81,280)**	(137,343)	(110,411)	(198,056)
Basic and diluted loss per share	**(0.03)**	(0.05)	(0.04)	(0.07)

	Q1 2021	Q4 2020	Q3 2020	Q2 2020
	$	$	$	$
Revenue	-	-	-	-
Net loss for the quarter	(412,222)	(727,585)	(35,082)	(45,373)
Basic and diluted loss per share	(0.15)	(0.37)	(0.02)	(0.03)

LIQUIDITY AND CAPITAL RESOURCES

The Company does not have sufficient working capital to continue operations in the normal course of business for the foreseeable future and will require additional financing to remain financially solvent.

As at November 30, 2021, the Company had cash and cash equivalents of $14,763 (August 31, 2021 - $4,186) and a working capital deficit of $626,941 (August 31, 2021 - $543,190). Whether and when the Company can obtain profitability and positive cash flows from operations is uncertain. The Company intends to finance its future requirements through a combination of debt and/or equity issuance. There is no assurance that the Company will be able to obtain such financings or obtain them on favorable terms. These uncertainties cast doubt on the Company's ability to continue as a going concern.

The Company's ability to continue its operations is dependent on its success in raising equity through share issuances, including the Company's prospectus, suitable debt financing and/or other financing arrangements. While the Company's management has been successful in raising equity in the past, there can be no guarantee that it will be able to raise sufficient funds to fund its activities and general and administrative costs in the next twelve months and in the future.

RELATED PARTY TRANSACTIONS

During the three months ended November 30, 2021, the Company incurred $nil (2020 - $20,400) of consulting fees to the Chief Executive Officer ("CEO"). As at November 30, 2021, the Company is indebted to the CEO for $66,830 (August 31, 2021 - $64,580) related to a promissory note.

During the three months ended November 30, 2021, the Company incurred $7,500 (2020 - $7,500) of consulting fees, recorded as general and administrative expenses, to a company controlled by the Chief Financial Officer ("CFO"). As at November 30, 2021, the Company had amounts due to the CFO of $18,375 (August 31, 2021 - $10,500) recorded in accounts payable.

As at November 30, 2021, the Company had amounts due to the former CFO of $nil (August 31, 2021 - $4,148).

As at November 30, 2021, the Company had amounts due to related parties totaling $10,000 (August 31, 2021 - $10,000).

All amounts due to related parties are non-interest-bearing with no specific terms of repayment, with the exception of the promissory note owing to the CEO. The Company's total amount of related party transactions that occurred during the three months ended November 30, 2021 and 2020 are as follows:

	2021	2020
	$	$
Consulting fees	**-**	20,400
General and administrative	**7,500**	7,500
Total	**7,500**	27,900

SUBSEQUENT EVENT

On January 26, 2022, the Company entered a promissory note payable agreement for $40,000 with an arm's length party. The promissory note accrues interest at 15% per annum and is payable upon the completion of a future financing.

OUTSTANDING SHARE DATA

As at the date of this MD&A, the Company had:

- 2,769,155 (November 30, 2021 - 2,769,155) common voting shares issued and outstanding;
- 471,925 (November 30, 2021 - 471,925) warrants; and
- 82,732 (November 30, 2021 - 82,732) agent warrants

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the current and next fiscal financial years:

Critical accounting estimates

i. Share-based compensation and valuation of stock options

The fair value pricing of stock options issued are subject to the limitations of the Black-Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in its assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

ii. Deferred income tax assets and liabilities

Valuation of deferred tax assets requires the Company to estimate the expected manner and timing of the realization or settlement of the carrying value of its assets and liabilities. The Company applies the tax rates that are enacted or substantively enacted on the estimated dates of realization or settlement.

Critical accounting judgements

i. Going concern presentation

Management has determined that the going concern presentation of the interim financial statements, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due, as discussed in Note 1 of the interim financial statements, is appropriate.

ii. Carrying value and recoverability of mineral interests

The application of the Company's accounting policy for mineral interests and exploration and evaluation expenditures requires management to make certain estimates and assumptions about future events or circumstances, in particular, whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in profit or loss in the period when the information becomes available.

iii. Functional currency

Determination of functional currency may involve certain judgments regarding the primary economic environment. The Company reconsiders the functional currency of the group if there is a change in events and conditions that contributed to the initial assessment of the primary economic environment. Management has determined that the functional currency for the Company is the Canadian dollar, and the functional currency of the Company's Peruvian subsidiary is the Sol.

PROPOSED TRANSACTIONS

There are no proposed transactions that have not been disclosed herein.

FINANCIAL INSTRUMENTS

Fair values

	Level	**November 30, 2021**	August 31, 2021
		$	$
Cash and cash equivalents	1	**14,763**	4,186
Accounts payable and accrued liabilities	2	**462,270**	447,555
Promissory notes payable	2	**211,813**	126,866
Due to related party	2	**10,000**	10,000

The Company has determined the estimated fair values of its financial instruments based on appropriate valuation methodologies; however, judgment is required to develop these estimates. The fair values of the Company's financial instruments are not materially different from their carrying values.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs for the asset or liability that are not based on observable market data.

The fair values of other financial instruments, which include cash and cash equivalents, accounts payable and accrued liabilities, promissory notes payable, and due to related parties approximate their carrying values due to the relatively short-term maturity of these instruments.

Credit risk

Credit risk is the risk of an unexpected loss if an exploration partner, counterparty, or third party to a financial instrument fails to meet its contractual obligations. To reduce credit risk, cash is on deposit at major financial institutions. The Company is not aware of any counterparty risk that could have an impact on the fair value of such investments. The carrying value of the financial assets represents the maximum credit exposure.

The Company minimizes credit risk by reviewing the credit risk of the counterparties to its arrangements on a periodic basis. The Company's concentration of credit risk and maximum exposure thereto relates to its cash and cash equivalents held in the amount of $14,763 and goods and services tax receivable in the amount of $30,536.

Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they fall due. All of the Company's financial liabilities have contractual maturities of less than 90 days. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. As at November 30, 2021, the Company's cash and cash equivalents balance of $14,763 (August 31, 2021 - $4,186) will not be sufficient to meet its obligations related to its accounts payable and accrued liabilities balance of $462,270 (August 31, 2021 - $447,555), amounts due to related party balance of $10,000 (August 31, 2021 - $10,000), promissory notes payable balance of $211,813 (August 31, 2021 - $126,866), and required administrative and exploration and evaluation expenditures over the next twelve months. Therefore, the Company is exposed to liquidity risk and will be required to raise additional capital in the future to fund its operations.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return.

(a) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company manages its interest rate risk by maximizing the interest earned on excess funds while maintaining the liquidity necessary to fund daily operations. Fluctuations in market interest rates do not have a significant impact on the Company's results of operations due to the short term to maturity of the investments held.

(b) Foreign currency risk

The Company is exposed to foreign currency risk, as certain monetary financial instruments are denominated in US dollars ("US$") and Peruvian soles ("S/"). The carrying amounts of the Company's foreign currency denominated monetary assets are as follows:

	November 30, 2021		August 31, 2021	
	S/	**US$**	S/	US$
Cash and cash equivalents	**315**	**135**	1,261	147
Prepaid expenses	**879**	**8,956**	863	8,794
Accounts payable and accrued liabilities	**(109,548)**	**(43,470)**	(82,922)	(42,924)
Net assets	**(108,354)**	**(34,379)**	(80,798)	(33,983)

The Company has not entered into any foreign currency contracts to mitigate this risk. A 5% increase or decrease in the US dollars and Peruvian soles exchange rates would not result in a material impact to the Company's loss or comprehensive loss for the three months ended November 30, 2021.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to such risk.

CAPITAL DISCLOSURES

The Company manages its capital, consisting of shareholders' equity, in a manner consistent with the risk characteristics of the assets it holds. All sources of financing are analyzed by management and approved by the Board of Directors.

The Company's objectives when managing capital are:

(a) to safeguard the Company's ability to continue as a going concern; and
(b) to ensure the Company has complied with resource property expenditure requirements in respect to issuances of flow-through shares.

The Company is meeting its objective of managing capital through its detailed review and performance of due diligence on all potential acquisitions, preparing short-term and long-term cash flow analysis to ensure adequate amount of liquidity and review of financial results.

SIGNIFICANT ACCOUNTING POLICIES

The Company's significant accounting policies and methods of computation are disclosed in Note 3 of the consolidated financial statements for the years ended August 31, 2021 and 2020.

RISKS AND UNCERTAINTIES

The Company is in the mineral exploration and development business and is exposed to a number of operational, financial, regulatory, and other risks and uncertainties that are typical in the natural resource industry and common to other companies in the exploration and development stage. These risks may not be the only risks faced by the Company. Additional risks and uncertainties not presently known by the Company, or which are presently considered immaterial could adversely impact the Company's business, results of operations, and financial performance in future periods.

Limited operating history

The Company has not yet commenced operations and therefore has no history of earnings or of a return on investment, and there is no assurance that certain of its royalty or streaming interests or other assets will generate earnings, operate profitably, or provide a return on investment in the future. The likelihood of success of the Company must also be considered in light of the problems, expenses, difficulties, complications, and delays frequently encountered in connection with the establishment of any business. The Company's proposed business strategies incorporate its management's best analysis of potential markets, opportunities, and difficulties that it may face. No assurance can be given that the underlying assumptions will be achieved.

The Company has never paid a dividend and, while it currently intends to seek to pay dividends in the future, has no current plans to pay dividends. The future dividend policy of the Company will be determined by the Company's Board. The ability of the Company to raise capital, satisfy its obligations, and provide a return to its shareholders will be dependent on future performance.

Disclosure controls and internal controls over financial reporting

Disclosure controls and procedures are designed to provide reasonable assurance that material information is gathered and reported to senior management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to permit timely decisions regarding public disclosure.

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

The Canadian Securities Administrators do not require any certification on the effectiveness of these controls at this time.

NI 43-101 compliance requirements

Under National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101"), if an issuer discloses in writing scientific or technical information about a mineral project on a property material to the issuer, the issuer must include in the written disclosure the name and the relationship to the issuer of the qualified person who: (a) prepared or supervised the preparation of the information that forms the basis for the written disclosure or (b) approved the written disclosure. For the purposes of this MD&A, William Feyerabend, PGeo, a geologist with more than 30 years of experience, is the Qualified Person for the purposes of NI 43-101 and has approved the written disclosure in this MD&A. This MD&A references a number of previous new releases in respect of disclosure of technical matters relating to mineral properties and reference should be made to these news releases to fully understand these references.

Government laws, regulation & permitting

Mining and exploration activities of the Company are subject to both domestic and foreign laws and regulations governing prospecting, development, production, taxes, labour standards, occupational health, mine safety, waste disposal, toxic substances, the environment, and other matters. Although the Company believes that all exploration activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing the operations and activities of the Company or more stringent implementation thereof could have a substantial adverse impact on the Company.

The operations of the Company will require licenses and permits from various governmental authorities to carry out exploration and development at its projects. There can be no assurance that the Company will be able to obtain the necessary licenses and permits on acceptable terms, in a timely manner or at all. Any failure to comply with permits and applicable laws and regulations, even if inadvertent, could result in the interruption or closure of operations or material fines, penalties, or other liabilities.

Additional financings

The Company expects to be substantially dependent upon the equity and debt capital markets or alternative sources of funding to pursue additional investments. There can be no assurance that such financing will be available to the Company on acceptable terms or at all.

Additional equity or debt financings may significantly dilute shareholders, increase the Company's leverage, or require the Company to grant security over its assets. If the Company is unable to obtain such financing, it may not be able to expand its portfolio of royalty or streaming assets and may not be able to execute on its business strategy. If the Company is unable to obtain financing for additional investments, it may determine to allocate income, if any, from other investments to finance additional investments.

There is no assurance that the Company will be successful in raising sufficient funds to meet its obligations or to complete all of the currently proposed exploration programs. If the Company does not raise the necessary capital to meet its obligations under current contractual obligations, the Company may have to forfeit its interest in properties or prospects earned or assumed under such contracts.

Key management and competition

The success of the Company will be largely dependent upon the performance of its key officers, consultants, and employees. Locating mineral deposits depend on several factors, not the least of which is the technical skill of the exploration personnel involved. Failure to retain key individuals or to attract or retain additional key individuals with necessary skills could have a materially adverse impact upon the Company's success.

While employment agreements are customarily used as a primary method of retaining the services of key employees, these agreements cannot assure the continued services of such employees. Any loss of the services of such individuals could have a material adverse effect on the Company's business, operating results, or financial condition.

The mining industry is intensely competitive in all of its phases, and the Company competes with many companies possessing greater financial resources and technical facilities than itself with respect to the discovery and acquisition of interests in mineral properties and the recruitment and retention of qualified employees and other persons to carry out its mineral exploration activities. Competition in the mining industry could adversely affect the Company's prospects for mineral exploration in the future.

Title to properties

Acquisition of rights to the mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. Although the Company has investigated the title to all of the properties for which it holds concessions or other mineral leases or licenses or in respect of which it has a right to earn an interest, the Company cannot give any assurance that title to such properties will not be challenged or impugned.

Commodity prices

Mineral prices fluctuate widely and are affected by numerous factors beyond the control of the Company. The prices of mineral commodities have fluctuated widely in recent years. Current and future price declines could cause commercial production to be impracticable.

Conflicts of interest

The Company's directors and officers may serve as directors or officers of other companies or have significant shareholdings in other resource companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with the laws of British Columbia, the directors of the Company are required to act honestly, in good faith, and in the best interests of the Company. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Market price

An investment in the Company's securities is highly speculative, due to the high-risk nature of its business, lack of diversification, and the present stage of its development. Shareholders of the Company may lose their entire investment.

If the Common Shares are publicly traded, the market price of the Common Shares may be affected by many variables not directly related to the corporate performance of the Company, including the market in which it is traded, the strength of the economy generally, the availability and attractiveness of alternative investments, and the breadth of the public market for its shares. The effect of these and other factors on the market price of the Common Shares in the future cannot be predicted. The lack of an active public market could have a material adverse effect on the price of the Common Shares.

Global financial conditions may be volatile

Market events and conditions, including the disruptions in the international credit markets and other financial systems, in China, Japan, and Europe, along with political instability in the Middle East and Russia and falling currency prices expressed in US dollars have resulted in commodity prices remaining volatile. These conditions have also caused a loss of confidence in global credit markets, excluding the United States, resulting in the collapse of, and government intervention in, major banks, financial institutions, and insurers and creating a climate of greater volatility, tighter regulations, less liquidity, widening credit spreads, less price transparency, increased credit losses, and tighter credit conditions. Notwithstanding various actions by governments, concerns about the general condition of the capital markets, financial instruments, banks and investment banks, insurers, and other financial institutions caused the broader credit markets to be volatile and interest rates to remain at historical lows. These events are illustrative of the effect that events beyond the Company's control may have on commodity prices, demand for metals, including gold and silver, availability of credit, investor confidence, and general financial market liquidity, all of which may adversely affect the Company's business. Global financial conditions have always been subject to volatility. Access to public financing has been negatively impacted by sovereign debt concerns in Europe and emerging markets, as well as concerns over global growth rates and conditions. These and other factors may impact the ability of the Company to obtain equity or debt financing in the future and, if obtained, the favourability of the terms of such financing to the Company. Increased levels of volatility and market turmoil can adversely impact the Company's operations and the price of the Common Shares.

The company will be reliant on third party reporting

The Company relies, and will rely, on public disclosure and other information regarding the properties in which it has an interest that it receives from the owners, operators and independent experts of such operations. Such information is necessarily imprecise because it depends upon the judgment of the individuals who operate the properties, as well as those who review and assess the geological and engineering information. In addition, the Company must rely on the accuracy and timeliness of the public disclosure and other information it receives from the owners and operators of the properties, and uses such information in its analyses, forecasts, and assessments relating to its own business and to prepare its disclosure with respect to its streams and royalties. If the information provided by such third parties to the Company contains material inaccuracies or omissions, the Company's disclosure may be inaccurate and its ability to accurately forecast or achieve its stated objectives may be materially impaired, which may have a material adverse effect on the Company.

FORWARD-LOOKING STATEMENTS AND CAUTIONARY FACTORS THAT MAY AFFECT FUTURE RESULTS

Certain statements contained in the following MD&A constitute forward-looking statements (within the meaning of the Canadian securities legislation and the U.S. Private Securities Litigation Reform Act of 1995) that involve risks and uncertainties. Forward-looking statements are frequently, but not always, identified by words such as "expects", "anticipates", "believes", "intends", "estimates", "potential", "possible" and similar expressions, or statements that events, conditions or results "will", "may", "could" or "should" occur or be achieved. The forward-looking statements may include statements regarding work programs, capital expenditures, timelines, strategic plans, market price of commodities, or other statements that are not statement of fact. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company may differ materially from those reflected in forward-looking statements due to a variety of risks, uncertainties, and other factors. For the reasons set forth above, investors should not place undue reliance on forward-looking statements.

It is the Company's policies that all forward-looking statements are based on the Company's beliefs and assumptions which are based on information available at the time these assumptions are made. The forward-looking statements contained herein are as at March 3, 2022 and are subject to change after this date, and the Company assumes no obligation to publicly update or revise the statements to reflect new events or circumstances, except as may be required pursuant to applicable laws.

Information concerning the interpretation of drill results also may be considered forward-looking statements, as such information constitutes a prediction of what mineralization might be found to be present if and when a project is actually developed. The estimates, risks, and uncertainties described in this MD&A are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in the Company's forward-looking statements. In addition, any forward-looking statements represent the Company's estimates only as at the date of this MD&A and should not be relied upon as representing the Company's estimates as at any subsequent date. The material factors and assumptions that were applied in making the forward-looking statements in this MD&A include: (a) execution of the Company's existing plans or exploration programs for each of its properties, either of which may change due to changes in the views of the Company, or if new information arises which makes it prudent to change such plans or programs; and (b) the accuracy of current interpretation of drill and other exploration results, since new information or new interpretation of existing information may result in changes in the Company's expectations. Readers should not place undue reliance on the Company's forward- looking statements, as the Company's actual results, performance, or achievements may differ materially from any future results, performance, or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Company's business, or if the Company's estimates or assumptions prove inaccurate. Therefore, the Company cannot provide any assurance that forward-looking statements will materialize.

Actual results or events could differ materially from the plans, intentions, and expectations expressed or implied in any forward-looking information or statements, including the underlying assumptions thereto, as a result of numerous risks, uncertainties, and factors including: the possibility that opportunities will arise that require more cash than the Company has or can reasonably obtain; dependence on key personnel; dependence on corporate collaborations; potential delays; uncertainties related to eventual realization of value from a mineral property; uncertainties as to fluctuation of the stock market; uncertainty of estimates of capital and operating costs; the need to obtain additional financing and uncertainty as to the availability and terms of future financing; uncertainties as to fluctuations in currency exchange rates and the possibility of unanticipated costs or expenses or cost overruns; and other risks and uncertainties which may not be described herein. The Company has no policy for updating forward looking information beyond the procedures required under applicable securities laws.