

Annual Management's Discussion and Analysis – Year Ended December 31, 2021

SCOPE OF THIS MANAGEMENT'S DISCUSSION AND ANALYSIS AND NOTICE TO INVESTORS

This management's discussion and analysis of financial position and results of operations ("**MD&A**"), is prepared as of May 2, 2022, and complements the audited financial statements of Dominion Water Reserves Corp ("**DWR**" or the "**Company**"), for the year ended December 31, 2021 (the "**Consolidated Financial Statements**").

All financial information has been prepared in accordance with International Financial Reporting Standards ("**IFRS**") and all amounts are in Canadian dollars unless otherwise indicated. Additional information is provided in the Consolidated Financial Statements.

The audited financial statements and the MD&A have been reviewed and approved by the Company's Board of Directors on May 2, 2022.

Unless otherwise indicated, the reporting currency for figures in this document is the Canadian dollar.

Forward-Looking Statements and Use of Estimates

Any statement contained in this report that does not constitute a historical fact may be deemed a forward-looking statement. Verbs such as "believe," "expect," "estimate" and other similar expressions, in addition to the negative forms of these terms or any variations thereof, appearing in this report generally indicate forward-looking statements. These forward-looking statements do not provide guarantees as to the future performance of Dominion Water Reserves Corp. and are subject to risks, both known and unknown, as well as uncertainties that may cause the outlook, profitability and actual results of Dominion Water Reserves Corp. to differ significantly from the profitability or future results stated or implied by these statements. Detailed information on risks and uncertainties is provided in the "Uncertainties and Principal Risk Factors" section of this MD&A.

In preparing Consolidated Financial Statements in accordance with IFRS, management must exercise judgment when applying accounting policies and use assumptions and estimates that have an impact on the amounts of assets, liabilities, revenues and expenses reported and on the contingent liabilities and contingent assets information provided.

The main accounting judgments and estimates used by management and are described in Note 4 of the audited financial statements are as follows:

- Going concern
- Impairment of Water Rights
- Share-Based Compensation
- Warrants
- Recovery of deferred tax assets
- Classification of financial instruments

Because the use of assumptions and estimates is inherent to the financial reporting process, the actual results of items subject to assumptions and estimates may differ from these assumptions and estimates.

CORPORATE PROFILE

DWR STORY

DWR was formed in October 2015 under the laws of Canada, by environment conscious entrepreneurs aiming at consolidating the natural spring water market in the Province of Quebec, while preserving and respecting this resource by taking a leadership role in this industry.

The initial primary objective of DWR was to establish contact with well owners and permit developers to secure initial water rights that would serve as a cornerstone to the overall value proposition of DWR.

Over the past year, DWR has developed a unique business model that allows the group to develop and take a leading stand in consolidating the spring water market in Quebec and beyond. The DWR team is working to develop innovative solutions, products and partnerships to promote and create value for this resource today and mainly for the future.

DWR has six wholly-owned subsidiaries: 6305768 Canada Inc., Centre Piscicole Duhamel Inc., 11973002 Canada Inc., Source Sainte-Cécile Inc., 3932095 Canada Inc. and Société Alto 2000 Inc.

CORE BUSINESS

DWR's core business is the acquisition and management of natural spring water sources in North America, with an initial focus in the Province of Quebec. By combining, an acquisition program targeting long-term asset play with a recurring cash flow to reach a critical mass in terms of capacity and geography, and developing, with a focus on prioritizing sustainability and environmental consciousness, groundwater collection, water withdrawal and water pumping for the purpose of selling or distributing spring water, the Company goal is planning to secure a leadership role in North America's spring water market. DWR's water rights represent access to over 3 billion litres of spring water per year.

VISION

DWR will acquire more freshwater assets at a critical mass in terms of capacity and geography securing a leadership role in North America's spring water market. By consolidating the spring water market in Quebec, the company eventually seeks to provide solutions to problems arising from the considerable imbalance between supply and demand of fresh water. Through acquisitions in operations, DWR will ensure the profitability of its operations.

DWR will prioritize sustainability and environmental consciousness.

PROPERTIES

DWR water rights comprise six primary water sources: (i) Duhamel; (ii) Notre-Dame-du- Laus; (iii) Coloraine; (iv) Sainte-Cécile-de-Whitton; (v) Saint-Élie-de-Caxton; and (vi) St-Siméon.

The following table contains certain technical information pertaining to each source:

Water Rights	Volume (in litres/ year)	Production Capacity (litres) (m ³ *1000*36 5)	Land Acres	% Volume under Permit in QC	Ownership
Duhamel	2,007,500,000	5500*1000*365	45	19%	100%
Notre-Dame- du-Laus	993,530,000	2722*1000*365	204	9.5%	100%
St-Joseph de Coloraine	71,481,000	195*1000*365	5	0.7%	100%
Sainte-Cécile-de- Whitton	76,285,000	209*1000*365	7	0.7%	100%
Saint-Élie-de-Caxton	71,481,000	195*1000*365	5	0.7%	100%
Source St-Siméon	131,400,000	360*1000*365	25	1.3%	100%
TOTAL:	3,351,677,000		291	31.9%	

Duhamel

Duhamel constitutes the largest volume spring in in Province of Quebec with over 2B litres per year of overflow. The Company is pursuing its development pursuant to the authorization from the MDDELCC under the Environment Quality Act (CQLR c Q-2), dated December 15, 2006 (renewed January 9, 2017), authorizing Centre Piscicole Duhamel Inc. to withdraw groundwater intended for sale or distribution as bottled water, subject to compliance with the following obligations:

- withdrawing a maximum daily volume of water of 5,500 m³; and
- bottling water in containers of 20 litres or less.

Notre-Dame-du-Laus

Notre-Dame-du-Laus is a rare esker (1 of only 2 in Province of Quebec), a glacial formation that provides a unique water quality. The Company is pursuing its development pursuant to the authorization from the MDDELCC under the *Environment Quality Act* (CQLR c Q-2), dated July 25, 2018, authorizing 6305768 Canada Inc. to:

- withdraw groundwater intended for sale or distribution as spring water, for use as such in the manufacture, preservation or treatment of products within the meaning of the Food Products Act (CQLR c P-29);
- Withdraw groundwater daily volume of water of 2,722 m³; and
- withdraw groundwater from the withdrawal site PP-01-03 on lot 38 of Range II in the township of Bigelow, Municipality of Notre-Dame-du-Laus, Regional County Municipality of Antoine-Labelle.

St-Joseph-de-Coloraine

St-Joseph-de-Coloraine holds a spring in Province of Quebec with over 71 M litres per year of overflow. The Company is pursuing its development pursuant to the authorization from the MDDELCC under the Environment Quality Act (CQLR c Q-2), dated March 5, 2014, authorizing Ivan Bouffard to withdraw groundwater intended for sale or distribution as bottled water, subject to compliance with the following obligations:

- withdrawing a maximum daily volume of water of 195,8 m³; and
- bottling water in containers of 20 litres or less.

The authorization initially granted to Ivan Bouffard was transferred to 11973002 Canada Inc on April 20, 2020.

Sainte-Cécile

Authorization was granted from the Ministère de l'Environnement (now the MDDELCC) under the Environment Quality Act (CQLR c Q-2), dated November 29, 2001, authorizing Sainte-Cécile Inc. to establish a well for intake of untreated water prior to its commercial distribution for human consumption and to connect such well to a bottled water plant or plant for the preparation of other food by way of an aqueduct; and the daily maximum pump is 209 m³;

The Sainte-Cécile-de-Witton Spring is located on five acres in the south eastern part of the Province of Quebec. The Saint-Cecille Spring has a permitted volume of 76,285,000 litres per year and the Spring does not currently have any bottling facilities.

Saint-Élie-de-Caxton

Authorization was granted of the Ministère du Développement Durable, de l'Environnement et des Parcs dated (now the MDDELCC) under the Groundwater Catchment Regulations (CQLR c Q-2, r 6) (replaced by the Water Withdrawal and Protection Regulation (CQLR c Q-2, r 35.2) in 2014), and the Environment Quality Act (CQLR c Q-2), dated October 7, 2008, authorizing 3932095 Canada Inc. to:

Les Sources St-Élie Inc., subject to an obligation to pump a maximum volume of 195 m³ of water per day from these wells.

Source St-Siméon

On April 8, 2021 the Company has acquired a 100% interest in the Saint-Siméon Water Rights, through acquisition of a volume of 131,400,000 litres to accumulate 3,351,677 litres per year.

OVERALL PERFORMANCE

- Acquisition of sources

All the sources are strategically located for efficiency and low transportation costs. Our portfolio shows acquisitions at a very low cost per litre. However, additional CapEx will be required to put these assets into production.

- Management of the Property Portfolio

The objective for 2022 continues to be to advance and enhance the quality and quantity of the Company's portfolio properties. The Company will require significant capital in order to fund its operating commitments as the Company has no revenues and is reliant upon equity financing to fund all of its requirements.

- Corporate Developments

In February 2019, Jean Gosselin assumed the position of interim President / CEO until July 2019, following the resignation of Michel Pelletier as President / CEO.

In July 2019, Mrs. Marie-Claude Bourgie was appointed President/CEO and Mr. Gosselin, Secretary/Treasurer. DWR entered in an arm's length agreement in principal with Mr. Germain Turpin, a key player in the spring water industry in Quebec, to purchase the DWR Water Rights. DWR management then toured the province looking at potentially interesting springs for the DWR portfolio. In parallel, a consultant expert in the food marketing industry, carried a market study and supported DWR with the revision of its income generation model, leading to a new business plan.

On December 31, 2019, an amended and restated agreement was reached to acquire the DWR Water Rights owned through 6305768 Canada Inc and Centre Piscicole Duhamel Inc. The wells of Duhamel, Notre-Dame-du-Laus are now 100% owned by DWR.

On December 18, 2019 the Company appointed; Mr. Germain Turpin as chair and Mr. Robert Dunn and Mrs. Marie-Claude Bourgie as directors.

In February 2020, due diligence was performed on the portfolio of assets of DWR. The company continued discussions with owners of water rights and wells taking into consideration their geography, volume under license and their potential for generating income. These discussions provide an optimistic outlook that the Company can consolidate the market in the short term and cover its costs with revenues by the end of 2023.

In April 2020, the Company completed a consolidation of its share capital on the basis of three existing common shares of DWR for one new common share, thereby reducing the number of outstanding shares from 150,293,832 to 50,097,944.

On July 31, 2020, the Company completed an amalgamation with Tucker Acquisitions Inc. (“Tucker”), pursuant to an agreement signed on March 27, 2020. The Company and Tucker carried out a business combination by way of an amalgamation where the companies, both existing under the laws of Canada, amalgamated and formed one corporation under the provisions of the Canada Business Corporations Act and, upon the amalgamation taking effect, Company's shareholders and the Tucker's shareholders have received shares of the corporation continuing from the amalgamation. Immediately following the transaction, 84% of shares were owned by former shareholders of DWR and 16% were owned by the shareholders of Tucker. Under the terms of the Agreement, the shareholders of DWR Shares (the “DWR Shareholders”) will receive one (1) of a Tucker common share (each whole share, a “Tucker Share”) for every one (1) DWR Share (the “Exchange Ratio”).

On October 16, 2020 the Company completed a non-brokered private placement offering of units of DWR (the “**Financing**”) for gross proceeds of \$650,000, and (iii) settled an aggregate of \$104,455 in trade payables to two arm's length parties through the issuance of common shares of DWR (the “**Debt Settlement**”).

On December 14, 2020, the Company acquired 100% of the shares of 11973002 Canada Inc. pursuant to an arm's length acquisition offer dated October 26, 2020. Pursuant to this acquisition the Company agreed to a fair value of consideration of \$446,429, comprising of cash of \$400,000 and the balance paid by the issuance of 714,286 shares at a fair value of \$0.065 per share. The fair value of the shares was determined by the stock market price per share at the date of the transaction.

On February 26, 2021 the Company completed a non-brokered private placement offering of units of DWR (the “Financing”) for gross proceeds of \$1,175,000.

On March 1st, 2021, Mr. Michael Pesner has been appointed as a Director of the Corporation.

On April 1, 2021 the Company has exercised its option to acquire a 100% interest in the Sources Sainte-Cécile and Saint-Élie de Caxton Water Rights, through the acquisition of all the issued and outstanding shares of 3932095 Canada Inc. and Source Sainte- Cécile Inc. (the “Target Companies”) in consideration of the issuance of 4,720,000 common shares.

On April 8, 2021 the Company acquired 100% of the shares of 100% interest in the Source Saint-Siméon water rights located in the Province of Québec, through the acquisition (the “Acquisition”) of all the issued and outstanding shares of Société Alto 2000 Inc. in consideration of the issuance of 3,000,000 common shares (each a “Share”) of the Corporation at a deemed price of \$0.105 per share.

SELECTED FINANCIAL INFORMATION

- Financial Condition Review

	As at December 31, 2021	As at December 31, 2020
Cash	197,078	124,579
Property and equipment	382,206	240,616
Water rights	5,657,862	4,910,029
Total Assets	6,319,964	5,363,109
Total liabilities	115,788	303,545
Total Equity	6,204,176	5,059,564

- Assets

The Company ended fiscal year 2021 with cash of \$197,078 compared to \$124,579 as at December 31, 2020, an increase of \$72,499 principally because of the private placement closed on February 26, 2021 of 11,750,000 units for gross proceeds of \$1,175,000 which was partially offset by cash spent on operating activities of \$848,316.

The Company also ended the fiscal year 2021 with Water rights of \$5,657,862 compared to \$4,910,029 as at December 31, 2020 an increase of \$747,833 principally because of the two acquisitions closed in April 2021.

- Short term liabilities and Equity

Total liabilities for the year ended December 31, 2021 were \$115,788 compared to \$303,545, a decrease of \$187,757 mainly attributable to the repayment of a \$175,000 liability and a reduction in accounts payable and accrued liabilities of \$26,390.

- Discussion and Results of Operations

	As at December 31, 2021	As at December 31, 2020
Operating Loss	(1,556,565)	(2,210,958)
Interest charges on lease liability	(2,807)	(152)
Interest charges on short-term convertible loan	-	(1,435)
Net gain on settlement of debt	-	38,504
Listing expense	-	(3,251,244)
Net loss	(1,559,372)	(5,425,285)
Loss per share		
Basic and diluted loss per share	(0.0169)	(0.0910)
Weighted average number of common shares outstanding	92,156,781	59,641,713

The net loss for the year ended December 31, 2021 was \$1,559,372 or \$0.0169 loss per share compared to \$5,425,285 or \$0.0910 loss per share for the same period in 2020.

Operating expenses for the year ended December 31, 2021 are higher compared to the year ended December 31, 2020 mainly due to the fact that during the first six months of 2020, mainly resulting from professional fees arising because the Company is listed. The Company has no revenues and is reliant upon equity financing to fund all of the requirements.

- Summary of quarterly results *(quarterly financial information post going public available only)*

	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020
	\$	\$	\$	\$	\$	\$
Revenue	-	-	-	-	-	-
Operating expenses	222,665	215,442	314,992	803,466	485,409	1,373,287
Net loss and comprehensive loss	(223,710)	(216,355)	(315,416)	(803,891)	(617,261)	(4,454,387)
Basic and diluted loss per share	(0.0782)	(0.0023)	(0.0033)	(0.0030)	(0.0604)	(0.0700)

- Cash Flow review

	As at December 31, 2021	As at December 31, 2020
Cash provided by (used for) the following activities		
Operating activities		
Net loss and comprehensive loss for the period	(1,559,372)	(5,425,285)
Share-based payment	691,759	1,143,633
Amortization of property and equipment	710	304
Depreciation of Right-to-Use asset	20,084	1,266
Interest charge on short term convertible debt	-	1,435
Interest charge on lease liability	2,806	152
Net gain on debt settlement	-	(38,504)
Consultancy expenses settles through shares	4,375	-
Listing expense	-	3,251,244
	(839,638)	(1,065,755)
Changes in working capital accounts		
Other receivable	1,980	-
Sales tax receivable	(22,957)	66,651
Prepaid expenses and deposits	38,756	(46,667)
Accounts payable and accrued liabilities	(26,457)	(105,244)
	(848,316)	(1,151,015)

As explained previously, during the year the Company raised financing of \$1,175,000 through the issuance of shares. The cash raised was used for operating activities.

- Financing Activities

	As at December 31, 2021	As at December 31, 2020
Proceeds from issuance of share capital	1,175,000	555,344
Proceeds on exercise of stock options	14,983	-
Proceeds on exercise of warrants	12,215	-
Payment of share issuance costs	(5,000)	-
Repayment of lease liability	(21,850)	(1,375)
	1,175,348	553,969

Investing activities included a \$254,533 cash outflow for the purchase of water rights (2020 - \$225,000). For the year ended Dec 31, 2020, there was a cash inflow of \$835,819 for the proceeds from reverse acquisition accounting.

- Liquidity, Capital Resources and Sources of Financing

At December 31, 2021, Dominion Water Reserves Corp. has not yet achieved profitable operations, has significant losses from operations over the years and an accumulated deficit of \$8,205,140 since inception and expects to incur further losses in the development of its business. Additionally, the Company incurred a net loss and comprehensive loss of \$1,559,372 during the year.

The Company will need to raise additional funds to continue its operations. Although, the Company has been successful in attracting new investors and partners to fund the ongoing business, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be available on advantageous terms to the Company.

However, given the current cash position and foreseen cash inflows and outflows in the next 12 months, management believes that insufficient cash is available to fund the Company's operating expenses at least for the next 12 months. As a result, the continuity of the Company depends to a significant extent on the willingness of (new or existing) shareholders and partners to invest in Dominion Water Reserves Corp. As such, there is a material uncertainty related to these events and conditions that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business.

- Off Balance Sheet Arrangements

The Company has no off-balance sheet arrangements as at December 31, 2021 or as at the date of this MD&A.

- Commitments

On November 20, 2020, the company entered into a 25-year water sales contract with Acquanor with an obligation to supply water at a price of \$0.005 per litre of water for the first five years, \$0.010 from year 6 to 10, \$0.015 from year 11 to 15 and \$0.02 from year 16 to 25, not exceeding 71 million litres for each year with no significant consequences in the event of breach.

The Company have also entered into a lease for its office expiring on January 31, 2023. The future minimum lease payments related to this lease are \$27,358 for 2022 and \$2,782 for 2023.

- Critical Accounting estimates

The critical accounting estimates are disclosed in Note 4 of Company's annual audited financial statements for the year ended December 31, 2021.

- Changes in accounting policies including Initial adoption.
None

The following table sets out the number of common shares as of the date hereof:

	As at December 31 2021
Common shares outstanding	96,155,658
Stock option exercisable	9,321,066
Warrants outstanding	18,637,857

- i. On April 23, 2020, the Company completed a share consolidation on the basis of 1 post-consolidation common share for every 3 pre-consolidation shares.
- ii. On April 29, 2020, a debt of DWR in the aggregate amount of \$115,952 was be settled in consideration of a cash payment of \$60,000 and an aggregate of 100,000 common shares, resulting in a gain on settlement of debt of \$48,452 as the fair value of the common Shares was determined to be \$0.075 per share.
- iii. On July 8, 2020, DWR settled the balance of its short-term convertible debt for an amount of \$505,000 into 6,733,333 DWR common shares at a deemed price of \$0.075 per common share. The equity component of short-term convertible debt of \$45,565 was de-recognized to deficit.
- iv. On July 31, 2020, in connection with the reverse takeover, DWR issued 10,775,286 common shares in consideration of Tucker's net assets.
- v. On October 16, 2020, the Company issued 6,500,000 units which comprise one common share and one warrant at an agreed price of \$0.10 per units for gross proceeds of \$650,000. As part of the non-brokered private placement, DWR issued 325,000 common shares as finder's fees.
- vi. On October 16, 2020, two trade payables of DWR in the aggregate amount of \$104,455 were settled in consideration of 994,809 common shares, at a deemed price of \$0.115 per share, resulting in a loss on debt settlement of 9,948.
- vii. As at December 14, 2020, 714,286 common shares at a price of \$0.065 per share were approved and issued by the Company for a total amount of \$46,429.
- viii. On February 26, 2021, the Company issued 11,750,000 units which comprise one common share and one warrant at an agreed price of \$0.10 per units for gross proceeds of \$1,175,000.
- ix. On March 12, 2021, a shareholder exercised 150,000 options at an agreed price of \$0.10 per share

for gross proceeds of \$15,000.

x. On April 1, 2021, 4,720,000 common shares at a price of \$0.105 per share were approved and issued by the Company for a total amount of \$495,600, related to the acquisition of all the issued and outstanding shares of 3932095 Canada Inc and Source Sainte-Cécile Inc. This acquisition was done with a related party of the Company.

xi. On April 8, 2021, 3,000,000 common shares at a price of \$0.105 per share were approved and issued by the Company for a total amount of \$315,000, related to the acquisition of all the issued and outstanding shares of Société Alto 2000 Inc.

xii. On July 1, 2021 and September 1, 2021, 25,000 common shares at a price of \$0.09 per share and 25,000 common shares at a price of \$0.085 were approved and issued by the Company for a total amount of \$4,375 in consideration of consulting fees.

xiii. On September 21, 2021 and September 23, 2021, a total of 245,000 common shares were issued by the Company upon warrants exercised at an exercise price of \$0.05, for a gross amount of \$12,250.

- Related Party Transactions

	As at December 31, 2021	As at December 31, 2020
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Consulting fees paid to a company controlled by a shareholder	-	33,000
Consulting fees paid to President and CEO	196,000	176,152
Issue of Stock options to President and CEO	326,992	219,534
Issue of Stock options to directors	318,774	84,436
Consulting fees paid to CFO	120,000	120,000
Issue of stock options to CFO	13,593	44,555

- Risks and Uncertainties

An investment in the common shares of the Company involves a high degree of risk and must be considered highly speculative due to the financial and operational risks inherent to the nature of the Company's business and the present stage of development of its properties. These risks may affect the Company's eventual profitability and level of operating cash flow. Prospective buyers of the common shares of the Company should consider the following risk factors:

CLIMATE CHANGE

The Company has its own properties and properties under option agreements in various regions and jurisdictions where environmental laws are evolving and are not consistent. A number of governments or governmental bodies have introduced or are contemplating regulatory changes in response to the potential impact of climate change, such as regulation relating to emission levels.

ADDITIONAL FINANCING

Future development activities will require additional equity and debt financing. Failure to obtain such additional financing could result in delay or indefinite postponement of acquisition and development of the property interests of the Company.

STRESS IN THE GLOBAL ECONOMY AND FINANCIAL CONDITION

The adverse effects on the capital markets generally make the raising of capital by equity or debt financing much more difficult and the Company is dependent upon the capital markets to raise financing. Adverse effects of coronavirus developments (COVID-19) on consumer confidence, market stability and public health creates uncertainties on macroeconomic conditions and may also result in closures, cancellations of, or reductions in operations or production on properties where the Company holds investments.

DEPENDENCE ON KEY INDIVIDUALS

The Company is dependent on a relatively small number of key personnel, the loss of any one of whom could have an adverse effect on the Company.

POLITICAL REGULATORY RISKS

Any changes in government policy may result in changes to laws affecting the Company's ability to undertake development activities in respect of present and future properties.

CONFLICTS OF INTEREST

Some of the directors and officers of the Company are also directors and officers of other companies, some of which are in the same business as the Company. This situation may result in conflicting legal obligations which may expose the Company to liability to others and impair its ability to achieve its business objectives.

INSURANCE

The Company will remain at risk and will be potentially subject to liability for hazards associated with commodity exploitation which it cannot insure against or which it has elected not to insure against because of premium costs, market uncertainty and inability to raise capital.