

**MOSAIC MINERALS CORP.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021**

## **1. BACKGROUND**

This management's discussion and analysis of the financial condition and results of operations ("MD&A") of Mosaic Minerals Corp. (the "Company" or "Mosaic"), is dated November 29, 2021 and provides an analysis of the Company's financial results and progress which will enable the reader to evaluate important variations in our financial situation for the nine-months periods ended September 30, 2021 and 2020. This MD&A should be read together with the Company's unaudited financial statements for the nine-months periods ended September 30, 2021, and 2020 and related notes thereto, prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee ("IFRIC"). All amounts are expressed in Canadian dollars unless otherwise noted.

Mosaic was incorporated on June 21, 2018.

This discussion includes certain statements that may be deemed "forward-looking statements". All statements in this discussion, other than statements of historical fact, that address exploration drilling, exploitation activities and events or developments that the Company expects, are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration results, continued availability of capital and financing and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. The information contained herein is subject to change and the Company does not assume the obligation to revise or update these forward-looking statements, except as may be required under applicable securities laws.

## **2. OVERVIEW AND DESCRIPTION OF BUSINESS**

Mosaic was incorporated under the British Columbia *Business Corporations Act*. Mosaic is a junior mineral exploration company engaged in the business of acquiring, exploring and evaluating natural resource properties in Canada, primarily in Quebec, and either joint venturing or exploring and developing these properties further or disposing of them when the evaluation has been completed.

The exploration and development of mineral deposits involves significant financial risks. The Company's success will depend on several factors, including, risks related to the exploration and extraction issues, regarding environmental and other regulations. As at the date of this MD&A, the Company has not earned any production revenue, its Quebec properties are at the exploration stage.

## **3. COMPANY HIGHLIGHTS FOR THE PERIOD**

### *General Corporate*

- On January 6, 2021, the Company announced the acquisition of the Chrisafy Property comprised of 22 mineral claims in the Chibougamau area of Quebec for 300,000 shares and \$ 15,000 cash paid over 12 months.
- On January 13, 2021, the Company announced the assembly by staking of the Canalask Property, a poly metallic mineral property comprised of 16 mineral claims near Lake Dunphy in Northern Quebec.
- On January 21, 2021, the Company expanded the Chrisafy Property by adding five claims to bring the total landholding to 27 claims
- On February 22, 2021, the Company closed its strategic acquisition of the Crisafy Gold Property. The transfer of all mineral titles was completed, and 300,000 shares were issued and the initial \$ 5,000 paid to the vendor. Two additional payments of \$ 5,000 each will be made at three months and 12 months after the closing date. The Vendor retained a 1.5% Net Smelter Return royalty which may be purchased by Mosaic for Five Hundred Thousand (\$ 500,000) dollars at any time. This transaction is arm's length. The securities issued are subject to a hold period until June 22, 2021.
- On March 18, 2021 Michel Lebeuf resigned as a director of the Company.
- On April 7, 2021, M. Luc Gervais and Eric Beauchesne were appointed directors of the Company.
- On April 27, 2021, M. Tim Johnson resigned as director of the Company.
- On May 7, 2021, M. Guy Morissette was appointed President, Chief Executive Officer and director of the Company.
- On May 14, 2021, the Company concluded an option agreement with Fokus Mining Corporation for an earning of up to 80% interest in the Gaboury property by issuing 3,000,000 common shares and incurring \$ 3,500,000 of exploration expenses by June 29, 2029.
- On May 24, 2021, the Company acquired a 100% interest in the Lichen property by issuing 3,000,000 common shares to Mosaic Minerals Corp. and incurring \$ 450,000 in exploration expense by May 31, 2024.
- On June 14, 2021, the Company concluded an option agreement with Fokus Mining Corporation for an earning of up to 50% interest in the 113 North property by issuing 2,000,000 common shares and incurring \$ 500,000 of exploration expenses by June 14, 2025.
- On August 2, 2021, M. John Cumming resigned as President, Chief Executive Officer and director of the Company and M. Maurice Giroux resigned as director of the Company.
- On August 2, 2021, M. Martin Nicoletti was appointed Chief Financial Officer of the Company and Jonathan Hamel was appointed vice-president corporate development and corporate secretary of the Company.
- On September 15, 2021, the Company concluded a transaction to sell 4 mining claims of the Opawica property to Iamgold Corporation for a total aggregate selling price of \$ 150,000.

### **3. COMPANY HIGHLIGHTS FOR THE PERIOD (continued)**

#### *Financing Activities*

- On February 23, 2021, Mosaic closed a non-brokered private placement issuing 3,575,000 units for gross proceeds of \$ 286,000. Finder's fees of \$ 18,440 were paid and 321,000 finder's warrants were issued to three arm's length parties in respect of the financing. The finder's warrants are exercisable at \$ 0.15 per share for two years. All securities issued are subject to an investment hold period expiring June 23, 2021.
- On August 23, 2021, the Company completed a private placement of 7,095,000 units at a price of \$ 0.07 per unit for total proceeds of \$ 496,650. Each unit consists of one common share of the Company and one-half common share purchase warrant. Each full warrant entitles its holder to acquire one common share of the Company at a price of \$ 0.10 at any time before February 23, 2023.
- On October 7, 2021, the Company concluded a non-brokered private placement of 3,000,000 shares on a flow-through basis at a price of \$ 0.10 per share for aggregate gross proceeds of \$ 300,000.

### **4. OUTLOOK**

#### *General*

The Company's assets include its 100% owned Opawica gold exploration property, the 100% owned Chrisafy Gold Project, the 100% owned Canalask gold project and its 80% earn-in option on the Gaboury Nickel Copper Gold Property, all in Quebec, Canada. The Company intends to obtain additional mineral property interests by staking, option, purchase or joint venture. On May 24, 2021, the Company acquired a 100% interest in the Lichen property by issuing 3,000,000 common shares to Mosaic Minerals Corp. and incurring \$ 450,000 in exploration expense by May 31, 2024. On June 14, 2021, the Company concluded an option agreement with Fokus Mining Corporation for an earning of up to 50% interest in the 113 North property by issuing 2,000,000 common shares and incurring \$ 500,000 of exploration expenses by June 14, 2025.

Mosaic Minerals Corp. is now focusing on the exploration for future strategic Copper-Nickel-Zinc deposits primarily within Quebec Province territory which has a long and successful history of base metal production principally in the Rouyn-Noranda, Matagami, Val d'Or and Chibougamau mining camps. Exploring for base metals was put on hold several decades ago in favour of exploring for gold but the potential for discovering large Cu, Zn, Ni deposits in those regions is still very promising. The company does not intend to keep its gold properties too, it is considering selling them away to potential partners or to drop those one.

For the Nine-month period ended September 30, 2021, the Company recorded a net loss of \$ 645,591 (net loss of \$ 13,620 in 2020). Besides the usual requirements of working capital, the Company must obtain funds for any exploration programs it elects to undertake and to pay its general and administrative costs for the next twelve months. To date management has obtained financing through the issuance of equity securities. However, notwithstanding that management has been successful in the past, there is no guarantee of future financing success. If management is unable to secure ongoing funding, the Company may be unable to continue operations and the proceeds realized from the sale of the Company's assets may be less than the amounts reflected in these financial statements.

### **5. RESOURCE PROPERTIES**

*The following properties are owned or optioned by the Company.*

#### **Opawica Gold Project, Québec**

The Opawica Gold Project consists of 2 claim blocks totalling 17 claims covering 952 hectares. It is divided into two discrete claim blocks which are: the Philibert 1 block of 4 claims totalling 223.9 hectares and the Opawica North block of 13 claims totalling 728.1 hectares. The Opawica Gold Project is located in the Gamache and Rohault townships at 55 kilometers south of Chibougamau city and 10 kilometers south-west of the Joe Mann mine.

Pursuant to a June 28, 2018 Purchase Agreement and a July 27, 2018 Modification Agreement the Company acquired the Opawica gold project, Quebec from Stellar for 7,200,000 shares. Stellar retained a 2% net smelter returns royalty ("NSR") from production and sale of all minerals from the Opawica gold project. One-half of the NSR may be purchased by Mosaic for \$ 1,000,000.

Recent historical exploration work by Stellar include an airborne magnetic/VLF survey (2014), geological compilation and interpretation (2015, 2016) and ground reconnaissance (2017). Several areas were identified as warranting further exploration including six channels that were sampled on Philibert 1 block with best assay results being: 2.58 g/t Au over 1.65 m and 7.84 g/t Au over 1 m. Aggregate exploration expenditures by Stellar were \$ 364,513.

During the period ended December 31, 2018, the Company commissioned a NI43-101 geological report on the Opawica gold project and conducted a comprehensive data compilation and a limited data validation sampling program. The NI43-101 geological report, prepared by GoldMinds Geoservices Inc. and Laurentia Exploration Inc. and dated October 16, 2018, recommended a two-phase exploration program as follows:

Total exploration costs incurred by the Company during the following years were December 31, 2018, \$ 143,312, December 31, 2019, \$ 107,238 and December 31, 2020, \$ 35,557. The Phase 1 program is complete.

During Q2 2021, the Company started a VLF confirmation survey on the Philibert Claim Block located along strike to the east of the Nelligan gold deposit. The VLF survey is a confirmation survey over the most prominent Resistivity IP anomalies defining the Philibert-1 surface gold showing. The VLF survey will be performed on 4 lines, each one cutting across resistive IP anomalies, to better define the positions of the shear zones hosting mineralised quartz veins.

During Q3-2021, the Company concluded a transaction to sell 4 mining claims of the Opawica property to Iamgold Corporation for a total aggregate selling price of \$ 150,000.

#### **Canalask Property**

During Q1 2021, the Company staked the Canalask Gold Project, a multi-metallic property in Northern Quebec is complete. The Canalask property is made up of 16 mining claims covering 770 hectares to the North West shore of Lake Dunphy located 150 km NNW of Shefferville in SNRC 24B04. The claims are 100% owned by Mosaic Minerals. No exploration work was undertaken.

## **5. RESOURCE PROPERTIES (continued)**

### ***Chrisafy Property***

During Q2 2021, the Company acquired the Chrisafy Gold Project. The Chrisafy Gold Property located in Chrisafy Township, SNRC 32G07 in the Chibougamau area of Quebec comprises 27 mineral claims covering 1,515 hectares located in the Obatogamau neo-archean volcanic formation. No exploration work was undertaken.

### ***Gaboury Property***

During Q2 2021, the Company entered into a earn-in option agreement to acquire up to 80% of the Gaboury Nickel Copper Gold Property from Fokus Mining Corporation ("Fokus").

Pursuant to the May 12, 2021 Earn-in Option Agreement the Company may earn up to an 80% interest in the Gaboury Property in two tranches.

To earn the first 60% interest Mosaic will issue 3,000,000 shares from treasury by May 19, 2021, complete \$ 150,000 of exploration expenditures within 12 months of the share issue date and complete a further \$ 850,000 within thirty-six months of the share issue date.

To earn an additional 20% interest the Company must:

- a) notify Fokus of its intention to do so by June 30, 2024,
- b) incur \$ 500,000 of Expenditures per year for the next five years until June 30, 2029.
- c) complete a NI43-101 Resource Estimate including Indicated Resources.

The Company will be the operator during the earn-in periods. If the Company elects to complete the option at the 60% level, then Fokus shall be the project Operator.

The Gaboury property is composed of 82 mining claim cells totalling 4,282 hectares located approximately 150 km SW of the Rouyn Noranda mining camp and easily accessible by paved and gravel roads and 11 km East of former Loraine Mine that produced 600,000 tonnes of ore grading 0.47% Ni and 1.08% Cu (Source: SIGEOM GM 43679). The Loraine deposit was of magmatic mineralisation of Ni-Cu dominant associated to mafic and ultramafic intrusions.

In recent months, the company has carried out a high resolution magnetic survey covering an area of approximately 1920 km with a spacing of 25 meters. This survey allowed us to locate the structures surrounding the Pike Nickel showing, allowing us to better prepare a drilling campaign scheduled for the coming weeks, as soon as we obtain the necessary permits for this work. This survey also made it possible to target other interesting sectors on the property.

**On November 15, 2021**, the Company announced that it has intersected by drilling an anomalous nickel zone located nearly 1.8 km in western extension of the original discovery of the Pike Nickel zone. The favorable lithology containing the Pike Nickel showing is now have a potential length of over 2.1 kilometers. Further drilling is currently underway to test the eastern lateral extension and at depth of that same showing.

According to preliminary tests made with a portable XRF sampler, hole GA-21-07 would show a significant presence of nickel over a thickness of approximately 170 meters along the hole, while hole GA-21-08, located 300 meters West of GA-21-07, would have intersected this same area over a thickness of about 130 meters. It should be recalled that drilling GA-10-01, drilling of the original discovery carried out in 2010-2011 and located approximately 1.8 km east of recent holes, had intersected a nickel zone over a width of up to 87 meters along the hole.

**On November 22, 2021**, the Company announced that it has intersected with hole GA-21-06, located 1.4 km east of the Pike Nickel showing, an anomalous nickel zone over 70 meters along the hole. This new showing, called Pike Nickel East, is associated with a large, high-intensity magnetic anomaly traced by an aerial magnetic survey during the summer of 2021.

In addition, hole GA-21-01 installed on the Pike Nickel showing also intersected the nickeliferous zone sought to a thickness of nearly 80 meters along the hole. This drilling was used to verify the continuity at depth of the nickel mineralization intersected in hole GA-11-06.

The portable XRF sampler was able to trace these anomalous nickel areas. Cobalt, zinc, and chromium anomalies were also identified in some places.

### ***Lichen Property***

In Q2 2021, the Company entered into a earn-in option agreement to acquire up to 100% of the Lichen Base Metals Property located in the Chapais-Chibougamau area of northern Quebec from Bullion Gold Resources Corporation ("Bullion").

To earn the 100% interest the Company issued 3,000,000 shares from treasury (issued), complete \$ 100,000 of exploration expenditures by May 31, 2022 and complete a further \$ 350,000 by May 31, 2023.

Bullion has retained a 2% NSR royalty of which Mosaic can buy back 50% any time for \$ 500,000. Mosaic has a first right of refusal to acquire Bullion's remaining 1% NSR.

The Lichen property, comprised of 178 cells totaling approximately 9,968 hectares, is accessible year-round by a set of forest roads maintained by forestry companies working in the sector.

The property is underlain by the volcanic rocks of the Obatogamau formation intruded by stocks and plutons of intermediate composition. The volcanic belt is parallel to two known gold bearing volcanic belt, the Bachelor Lake gold area to the west and the Osisko-Windfall gold area to the south. The Nelligan Gold project and The Monster Lake Gold project are located at the eastern extremity of the volcanic belt. Numerous gold and copper showings are also found to the east and to the west of the property.

A similar geological environment to the Doré Lake Anorthosite Complex is also present within the property. In the Chibougamau mining camp, many of the copper-gold mines are in close proximity with the Doré Lake Anorthosite Complex. The volcanic belt is in direct contact with the Opawica River Anorthosite Complex and copper showing are present just to the northwest of the property. Many copper intercepts up 900 ppm Cu and up to 2.05 m were reported in close proximity with the contact the anorthosite complex.

## 5. RESOURCE PROPERTIES (continued)

### *Lichen Property (continued)*

On September 21, 2021, the Company announced that it has obtained all the necessary permits to undertake a first drilling program on the Property. A first prospecting survey made it possible to trace in the western extension of the Pike Nickel showing, a few significant nickel anomalies as well as copper, zinc, and silver anomalies in the eastern extension of the same showing.

### **113 North Project**

In Q2 2021, the Company concluded an agreement to acquire a 50% interest in the property, located north of the Val d'or mining district in Abitibi, Quebec and it's composed of 59 claims totaling 3010 ha.

In order to acquire a 50% interest in the property, the Company must meet the following requirements:

- issue 2,000,000 common shares;
- Invest \$ 500,000 in exploration and evaluation expenditures in the following 4 years;
- Formation of a joint venture when the Company will be vested of 50% interest

In recent months, the company has conducted a high resolution magnetic survey covering an area of approximately 1,482 km with a spacing of 25 meters. Several structures associated with folds and faults were detected by this magnetic survey. A drilling program planned for the next few weeks will also test some magnetic targets located in the southern part of the property. The company also intends to take a maxmin survey north of the project in order to better define the potential drilling targets.

## 6. SELECTED ANNUAL INFORMATION

The following table sets out selected annual financial information from the Company's annual audited consolidated financial statements for the years ended:

	December 31, 2020	December 31, 2019	December 31, 2018*
<b>From Statement of Financial Position</b>		\$	\$
Total assets	543,332	724,914	520,859
Total liabilities	129,590	178,019	102,068
Working capital	53,742	186,895	58,791
<b>From Statement of loss and comprehensive loss</b>			
Net loss for the year	(133,153)	(143,096)	(235,219)
Total comprehensive loss for the year	(133,153)	(143,096)	(235,219)
Basic and diluted loss per share	(0.01)	(0.01)	(0.03)

\* The Company was incorporated on June 21, 2018. Therefore, the year ending December 31, 2018 is only a partial year.

## 7. RESULTS OF OPERATIONS

The following information has been extracted from the Company's unaudited financial statements for the nine-month period ended September 30, 2021.

The Company had net loss of \$ 645,591 (2020 – net loss of \$ 13,620) for the nine-month period ended September 30, 2020.

(Expressed in Canadian Dollars) (Unaudited)

	For the nine-month period ended	
	September 30, 2021	September 30, 2020
	\$	\$
<b>Expenses</b>		
Filing fees	7,309	-
Exploration and evaluation expenditures	102,572	-
Share-based payments	367,008	-
Investor relations	2,363	-
Office and administration	93,716	7,918
Professional fees	195,684	5,702
<b>Loss from operations</b>	(768,652)	(13,620)
<b>Other items</b>		
Gain on disposal of exploration and evaluation assets	(65,294)	-
Amortization of flow-through premium	(57,767)	-
<b>Loss and comprehensive loss for the period</b>	(645,591)	(13,620)
<b>Basic and diluted Loss Per Share</b>	(0,02)	(0,00)
<b>Weighted average number of shares outstanding</b>	31,607,893	23,708,500

The Company's Q3 loss of (\$ 188,805) (2020 \$ 3,647) was up due primarily to increased administrative fees, post listing marketing fees, property location fees and property acquisition payments.

## 8. SUMMARY OF QUATERLY RESULTS

The following table presents selected financial information for the quarters ended:

	Sept 30	June 30	Mar 31	Dec 31	Sept 30	June 30	Mar 31	Dec31
	2021	2021	2021	2020	2020	2020	2020	2019
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenue</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Net Income (loss)</b>	(188,805)	(353,767)	(103,019)	(119,533)	(3,647)	(28,637)	18,664	(22,094)
<b>Basic and diluted loss per share</b>	(0,00)	(0,01)	(0,01)	(0,01)	(0,00)	(0,001)	(0,00)	(0,002)

## 9. LIQUIDITY AND CAPITAL RESOURCES

	September 30, 2021	December 31, 2020
	\$	\$
<b>Working capital</b>	611,599	53,741
<b>Deficit</b>	(1,157,059)	(511,468)

As at September 30, 2021 the Company had a working capital of \$ 611,599 (2020 \$ 53,741).

Historically the Company has financed its acquisition and exploration of mineral properties and operating costs with proceeds from equity subscriptions. The Company is dependent on receiving additional funding through the issuance of equity securities to fund future exploration programs and to meet its ongoing general and administrative requirements and while management has been successful in obtaining funding in the past there can be no assurance that it will be able to do so in the future. The reader should refer to the "Going Concern" disclosure in the Risks and Uncertainties section of this MD&A.

**On February 24, 2021**, Mosaic closed a non-brokered private placement issuing 3,575,000 units for gross proceeds of \$ 286,000. Finder's fees of \$ 18,440 were paid and 321,000 finder's warrants were issued to three arm's length parties in respect of the financing. The finder's warrants are exercisable at \$ 0.15 per share for two years. All securities issued are subject to an investment hold period expiring June 23, 2021. The net proceeds of the financing will be used to advance the exploration of the Company's properties and for general working capital purposes.

**On August 23, 2021**, the Company completed a private placement of 7,095,000 units at a price of \$ 0.07 per unit for total proceeds of \$ 496,650. Each unit consists of one common share of the Company and one-half common share purchase warrant. Each full warrant entitles its holder to acquire one common share of the Company at a price of \$ 0.10 at any time before February 23, 2023.

**On October 7, 2021**, the Company closed a non-brokered private placement of 3,000,000 shares on a flow-through basis at a price of \$ 0.10 per share for aggregate gross proceeds of \$ 300,000.

## 10. RELATED PARTY TRANSACTIONS

The related parties of the Company include related companies and key management personnel.

Unless otherwise stated, none of the transactions incorporated special terms and conditions and no guarantees were given or received. Outstanding balances are generally settled in cash.

The key management personnel compensation includes the following expenses:

	September 30, 2021	September 30, 2020
	\$	\$
Short-term management benefits		
Management fees	67,500	-
Professional fees	23,542	-
	91,042	-
Share-based payments	255,975	-
Total Remuneration	347,017	-
Recognized in exploration and evaluation assets	(12,042)	-
Total remuneration expenses	334,975	-

The Company's related parties include Company directors, officers, key management and companies held by key management, and companies related by common directors.

Related party transactions include executive remuneration, shareholder loans to the Company, incentive stock options, interest paid or accrued on shareholder loans, unpaid remuneration, and reimbursement of legal fees from a related company.

During the nine-month period ended September 30, 2021, the Company paid management fees to 12137523 Canada Inc. a company controlled by Jonathan Hamel, President and Chief Executive Officer of the Company \$ 7,500 (\$ nil in 2020) and granted options worth \$ 49,955 and to John Cumming, former president and chief executive officer of the Company in the amount of \$ 60,000 (\$ nil in 2020) and granted options worth \$ 38,259.

During the nine-month period ended September 30, 2021, the Company paid \$ 12,042 in geology services and granted options worth \$ 38,259 to 2429-7327 Quebec Inc. a company controlled by Maurice Giroux, a former director of the Company.

During the nine-month period ended September 30, 2021, the Company paid consulting fees to Corporation Financière SKTM Ltd. a company controlled by the former Chief Financial Officer by the Company \$ 11,500 (\$ nil in 2020) and granted options worth \$ 40,870.

The Company granted options worth \$ 69,503 to directors of the Company.

## **12. FINANCIAL INSTRUMENTS**

The Company's financial instruments consist of cash, accounts payable and accrued liabilities. The recorded values of the Company's financial instruments approximate their current fair values because of their nature and respective maturity dates or durations.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below.

The Company has no significant credit risk arising from operations. The Company is not exposed to major credit risks attributable to customers and does not engage in any sales activities. The Company's credit risk is primarily attributable to cash. The Company holds its cash with a Canadian chartered bank and the risk of default is considered remote. Management believes the risk of loss from the related party receivable is limited based on historical experience.

Liquidity risk is the risk that the Company will be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure it will have sufficient liquidity to meet liabilities when due. The Company's accounts payable to trade creditors are due within one year. The Company needs to raise financing to settle accounts payable and is relying on vendor credit until financing has been arranged.

Interest rate risk is the risk that the value of the Company's assets and liabilities can change due to a change in interest rates. The Company considers interest rate risk related to cash and cash equivalents to be low because of their short-term nature.

The Company's functional currency is the Canadian dollar. The Company has no foreign currency risk.

## **13. CONTRACTUAL OBLIGATIONS**

The Company has no continuing contractual obligations.

## **14. OFF-BALANCE SHEET ARRANGEMENTS**

At September 30, 2021 the Company had no off-balance sheet arrangements.

## **15. CHANGES IN ACCOUNTING POLICIES**

### **New Standards not yet adopted**

The Company is not aware of any upcoming accounting pronouncements or standards which are expected to have a material impact on its financial statements.

## **16. OUTSTANDING SHARE INFORMATION**

	November 29, 2021
	\$
Common shares	42,828,500
Warrants	9,909,500
Broker warrants#	321,000
Stock options	4,050,000
Total common shares fully diluted	<u>60,109,000</u>

## **17. RISK AND UNCERTAINTIES**

The Company is in the business of acquiring and exploring mineral properties, a business with numerous inherent risks and uncertainties common to other junior mineral exploration companies. Management has identified the following potentially significant inherent risks and uncertainties specific to its operations and plans in the coming years.

### *Funding Requirements*

The Company and its mineral exploration programs are at an early stage and the Company is not profitable and has no source of revenues. The Company relies upon the placement of equity and the exercise of stock options for its financing. Whilst it has been successful at raising equity in the past, there can be no assurance that it will be able to do so in the future.

### *Exploration and Development*

There can be no assurance that the activities of the Company will result in the discovery of a mineral deposit or that any such discovery will be of sufficient size and grade to warrant production. Each of the mineral claims and exploration permits which the Company holds or has a right to acquire an interest in is the exploration stage only and without a known body of commercial ore. After discovery of mineralization, significant stages of exploration and assessment are required before economic viability can be determined and development is dependent upon success at every stage. Very few precious or base metal properties that are explored are ultimately developed into production.

### *Exploration Risks*

Mineral resource exploration activities involve risks which even a combination of experience, knowledge and prudence may not be able to overcome. The activities in which the Company is directly or indirectly involved will be subject to the hazards normally incidental to exploration activities which could result in injury and damage to life and property, possible adverse environmental impacts and possible legal liability for some or all of such injury, damage or impact. The Company maintains some liability insurance; however, any exposure may be outside the coverage of or exceed the limit of the insurance policy in which case the Company could be exposed to significant defence costs and ultimate financial liability.



## **17. RISK AND UNCERTAINTIES (continued)**

### *Reliance on Personnel*

The Company is highly dependent on its key executive and operating officers, the loss of any of which could have an adverse effect on the Company. Recent increases in resource exploration activity worldwide have resulted in increased demand for and a resulting shortage of experienced technical field personnel and in increased costs of field personnel and related goods and services. The inability of the Company to secure such personnel when required or at affordable prices could have an adverse effect on the Company's performance.

### *Title Risks*

The Company's exploration properties are in Canada which is generally considered politically stable with respect to the laws governing mining tenure and mining activities. Nevertheless, the possibility of political instability or changes to mining regulations could result in the impairment or loss of mining title or impairment of the value of interests held. The Company exercises usual due diligence with respect to determining title to properties in which it has a material interest. However, the Company's property interests may be subject to prior unregistered agreements, or transfers or native land claims and title may be affected by undetected defects. There is no guarantee that property titles will not be challenged or impugned.

### *Foreign Currency Exchange Rate Risk*

The Company does not have any foreign currency exposure.

### *Political Instability*

The Company does not operate in any jurisdictions considered to be politically unstable.

### *COVID-19*

The Covid-19 pandemic has created a slowdown in the global economy and uncertainty in the global financial markets which may adversely impact the Issuer's equity financing capability in turn slowing down or stopping altogether the Issuer's exploration activity. Travel and business operation restrictions imposed as COVID-19 pandemic remediation measures may restrict access by key management personnel to exploration sites until vaccine programs are well-advanced and restrictions are moderated or lifted.

## **18. SUBSEQUENT EVENTS**

On October 7, 2021, the Company closed a non-brokered private placement of 3,000,000 shares on a flow-through basis at a price of \$ 0.10 per share for aggregate gross proceeds of \$ 300,000.

## **19. ADDITIONAL DISCLOSURE FOR ISSUERS WITHOUT SIGNIFICANT REVENUE**

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

The information provided in this report, including the Financial Statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying Financial Statements.

In contrast to the certificate required under National Instrument 52-109 Certificate of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109, in particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of :

(i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

(ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with the Company's GAAP.

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

### *Nature of the Securities*

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

### *Proposed Transactions*

There are currently no significant proposed transactions except as otherwise disclosed in this MD&A.

### *Approval*

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

**MOSAIC MINERALS CORP.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the nine months ended September 30, 2021**

**19. ADDITIONAL DISCLOSURE FOR ISSUERS WITHOUT SIGNIFICANT REVENUE (continued)**

This MD&A was prepared as of November 29, 2021. The Company regularly discloses additional information by filing press releases and quarterly financial statements on SEDAR ([www.sedar.com](http://www.sedar.com)). More information about the Company can be also found on SEDAR ([www.sedar.com](http://www.sedar.com)).

(signed) Jonathan Hamel  
Jonathan Hamel  
President and Chief Executive  
Officer

(signed) Jonathan Hamel  
Jonathan Hamel  
Interim Chief Financial Officer