

The following Management's Discussion and Analysis ("MD&A") is prepared as at November 29, 2021 in accordance with National Instrument 51-102F1, and should be read together the unaudited condensed interim financial statements for the nine months ended September 30, 2021 and related notes and the audited financial statements for the year ended December 31, 2020 and related notes, which are prepared in accordance with International Financial Reporting Standards ("IFRS"). Additional information regarding the Company will be available through the SEDAR website at www.sedar.com.

Certain information included in this MD&A may constitute forward-looking statements. Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements.

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. The Company's forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made, and the Company does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change except as required by law. For the reasons set forth above, investors should not place undue reliance on forward-looking statements.

The Company's 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 of the date of the MD&A, 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. Although management believes that the expectations represented by such forward-looking information or statements are reasonable, there is significant risk that the forward-looking information, or statements, may not be achieved and that the assumptions underlying such information or statements will not prove to be accurate.

Actual results or events could differ materially from the plans, intentions and expectations expressed or implied in any forward-looking information or statements, as a result of numerous risks, uncertainties and other factors such as those described above and in "Risks and Uncertainties" below. The Company has no policy for updating forward-looking information beyond the procedures required under applicable securities laws.

All dollar figures are stated in Canadian dollars unless otherwise indicated.

The Company's Business

The Company is a mineral property exploration company whose common shares trade on the Canadian Securities Exchange ("CSE"). On April 28, 2020, the Company received a receipt from the British Columbia Securities Commission for its long -form prospectus dated April 27, 2020 and commenced trading on the CSE on May 4, 2020 under the trading symbol "MAKA".

The Company was incorporated on September 17, 2019 in British Columbia. The head office of the Company is located at 409 Granville Street, Suite 1000, Vancouver, British Columbia, Canada, V6C 1T2 and its registered and records office is located at 6th Floor, 905 West Pender Street, Vancouver, British Columbia, Canada, V6C 1L6.

Makara Mining Corp.
Management Discussion's and Analysis
For the nine months ended September 30, 2021
Dated: November 29, 2021

Mineral properties

	Kenora Gold Property	Rude Creek Property	Win Property	Idaho Property	Davis and Paradise Properties	Total
<u>Deferred costs</u>						
Balance, December 31, 2019	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ 40,000
Cash payment	-	50,000	-	5,000	98,101	153,101
Shares issued	-	-	-	38,000	107,000	145,000
Staking cost	-	-	36,000	-	-	36,000
Impairment	(40,000)	-	-	-	-	(40,000)
Balance, December 31, 2020	\$ -	\$ 50,000	\$ 36,000	\$ 43,000	\$ 205,101	\$ 334,101
Cash payment	-	25,000	-	10,000	30,402	65,402
Shares issued	-	495,000	-	20,500	-	515,500
Staking cost	-	1,950	-	-	-	1,950
Impairment	-	-	-	-	(235,503)	(235,503)
Balance, September 30, 2021	\$ -	\$ 571,950	\$ 36,000	\$ 73,500	\$ -	\$ 681,450

Summary of exploration expenditures for the nine months ended September 30, 2021.

	Total cumulative expenditure to December 31, 2019	Exploration Expenditures to December 31, 2020	Total cumulative expenditure to December 31, 2020	Exploration Expenditures to September 30, 2021	Total cumulative expenditure to September 30, 2021
<u>Kenora Gold Property</u>					
Exploration expenditures					
Geological	\$ 15,000	\$ 97,345	\$ 112,345	\$ -	\$ 112,345
	15,000	97,345	112,345	-	112,345
<u>Rude Creek and Win Properties</u>					
Exploration expenditures					
Assays	-	123,895	123,895	-	123,895
Drilling	-	374,585	374,585	-	374,585
Field and miscellaneous	-	15,514	15,514	67,755	83,269
Geological	-	142,296	142,296	-	142,296
Geological report	-	16,000	16,000	3,513	19,513
Maintenance payments	-	-	-	17,745	17,745
	-	672,290	672,290	89,013	761,303
<u>Idaho Property</u>					
Exploration expenditures					
Assays	-	4,168	4,168	-	4,168
Contractors and suppliers	-	32,171	32,171	-	32,171
Field and miscellaneous	-	3,966	3,966	7,566	11,532
Labour	-	15,981	15,981	-	15,981
Supervision fees	-	3,388	3,388	-	3,388
	-	59,674	59,674	7,566	67,240
<u>Davis and Paradise Claims</u>					
Exploration expenditures					
Assays	-	347	347	-	347
Drilling	-	7,991	7,991	89,394	97,385
Field and miscellaneous	-	9,458	9,458	-	9,458
Geological	-	22,814	22,814	-	22,814

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Reclamation cost	-	-	-	11,021	11,021					
Supervision	-	6,468	6,468	-	6,468					
Surveying	-	24,146	24,146	-	24,146					
	-	71,224	71,224	100,415	171,639					
Total	\$	15,000	\$	900,533	\$	915,533	\$	196,994	\$	1,112,527

Kenora Gold Property

By a mineral property option agreement dated November 24, 2019, the Company may acquire up to a 100% interest in the Kenora Gold Property. This property consists of 40 mineral claims (the "Claims") and is located in the Kenora Mining Region, Ontario. As consideration, the Company will pay cash of \$110,000, issue 700,000 common shares of the Company and incur \$360,000 in exploration expenditures as follows:

- Cash payment of \$40,000 within seven days of signing of the Agreement (paid);
- Incur a minimum of \$110,000 in exploration expenditures within the first year from the agreement date (November 24, 2020) (incurred);
- Cash payment of \$30,000 and issuance of 300,000 common shares of the Company on the first anniversary of the listing of the Company on the CSE (May 4, 2021); and
- Cash payment of \$40,000, issuance of 400,000 common shares of the Company and incur a minimum of \$250,000 in exploration expenditures on or before the second anniversary date of the agreement (November 24, 2021).

Should the Company acquire 100% of the property, the optionor will retain a 1% net smelter returns royalty, one half of which may be purchased by the Company for \$500,000. The property is also subject to an aggregate of 4.5% in net smelter returns royalties in favour of previous owners of the property.

The Property consists of the Claims totalling approximately 800 hectares land in Jaffray, Haycock, and Pettypiece townships in Kenora Mining District of Northwestern Ontario, Canada. It is located about 488 kilometers to the west of Thunder Bay and 209 kilometres to the east of Winnipeg, near the eastern city limits of Kenora to Black Sturgeon Lake in the northeast and Haycock Lake in the east. The Claims were originally staked on ground by erecting physical posts as required by claim staking regulations in Ontario. The Claims were originally staked on ground by erecting physical posts as required by claim staking regulations in Ontario. As part of the process to update the provincial Mining Act, Ontario has launched a new online, self-service claim staking system in 2018. The new electronic Mining Lands Administration System (MLAS) replaces the province's century-old traditional ground staking methods. All the mining claims in Ontario, which existed prior to the modernization (legacy claims in the new parlance), have been converted to what are now known as cell claims or boundary claims. A cell claim is a mining claim that relates to all the land included in one or more cells on the provincial grid. A boundary claim is a claim that is made up of only a part or parts of one or more cells.

In October 2020, the Company postponed the drilling proposed for the Kenora property located in Ontario. The Kenora property is more suited for fall-winter exploration than the Rude Creek property, which is best suited for spring-summer exploration. Although the company intends to raise more capital in the future, it currently maintains sufficient cash to carry out its phase 1 exploration programs on the Kenora and Rude Creek properties.

Management determined there is uncertainty with respect to whether the Company will continue exploring the property, and as a result, an impairment charge of \$40,000 was recognized for the year ended December 31, 2020.

Rude Creek Gold Property

By a mineral property option agreement dated May 11, 2020, the Company may acquire up to a 70% interest in the Rude Creek Gold Property. This property consists of 204 mineral claims covering 4,157 hectares in the Whitehorse Mining District in the Yukon Territory. As consideration, the Company will pay cash of \$125,000, issue 3,750,000 common shares of the Company and fund aggregate expenditures of \$3,175,000 as follows:

- a) Cash payment of \$50,000 on the effective date (paid);
- b) Complete a going public transaction and fund expenditures on the property of at least \$175,000 (incurred) on or before September 30, 2020;
- c) Cash payment of \$25,000 and issue 1,000,000 common shares on or before March 1, 2021 (paid and shares issued);
- d) Fund expenditures on the property of at least \$500,000 on or before September 30, 2021 (incurred);
- e) Cash payment of \$25,000 and issue 1,250,000 common shares on or before March 1, 2022;
- f) Fund expenditures on the property of at least \$1,000,000 on or before September 30, 2022;
- g) Cash payment of \$25,000 and issue 1,500,000 common shares on or before March 1, 2023; and
- h) Fund expenditures on the property of \$1,500,000 on or before September 30, 2023.

Should the Company acquire 70% of the property, the optionor will retain a 3% net smelter returns royalty, 1% of which may be purchased by the Company for \$2,000,000.

The property consists of claims totaling 4,157 hectares located in west-central Yukon which lies approximately 160 km south of Dawson City and 135 km northwest of Carmacks.

The project, which comprises 204 Royal, Ann and Poker claims within the Whitehorse Mining district, is bisected by Rude Creek within the Dawson Range of the unglaciated portion of the Yukon Plateau.

Regionally the project is located within the Dawson Range gold district, 45 km southeast of Goldcorp Inc.'s Coffee orogenic type gold deposit and 80 km south southeast of the recent Vertigo discovery and 72 km southeast of the Golden Saddle deposit, both orogenic type gold systems owned by White Gold Corp.

On July 7, 2020, the Company announced that it has completed its phase one exploration program. Field crews were mobilized to the Rude Creek project area on June 19. Work included the collection of 171 soil samples (in the C-horizon) over a close-spaced grid measuring 750 metres by 250 metres (along five lines 750 metres long, spaced 50 metres apart and sampled every 25 metres along each line; plus a sixth line 750 metres long and sampled every 50 metres).

After soil sampling was completed, a ground geophysical survey consisting of induced polarization and resistivity (IP/resistivity) was conducted over the same grid. IP/resistivity is a tool commonly used in mineral exploration to detect electrical chargeability and conductivity in the subsurface.

At the Northeast anomaly, it is hoped that anomalous levels of gold in the soil will be detected and those anomalies will coincide with areas of conductivity or resistivity, suggesting the presence of gold-related faults.

A drone-based lidar (a laser-based tool used for generating very detailed topographic maps) survey may also be conducted later this summer. This tool could also greatly aid in the detection of potentially gold-bearing fault structures.

On August 4, 2020, the Company announced plans to conduct a 2,000 meter reverse circulation ("RC") drill program. Rude Creek hosts an orogenic gold occurrence that has strong geological similarities to Newmont's nearby Coffee Creek gold deposit. This year's fieldwork at Rude Creek will focus on the large northeast prospect, consisting of a 1,000 m by 1,600 m gold-in-soil anomaly. As announced on July 27,

2020, recent close-spaced, follow-up soil sampling at the northeast prospect returned a strong 150 m by 300 m gold-in-soil anomaly (open to the south) with values up to 1,167 ppb Au.

RC drilling will total 2,000 metres within up to 20 holes (ranging in depth from 100 m to 150 m). The focus of the drilling will be to test the northwest trend identified by recent soil sampling. The northern end of this trend was initially drilled in 2019, returning 9.15 m of 1.42 grams per tonne gold and 20 g/t silver (ROY-RC-19-09); however, the rest of the trend remains untested.

Midnight Sun has been retained for the 2,000-metre RC drilling program at Rude Creek. Midnight Sun is an experienced, Yukon-based drill contractor with expertise in fly-in, reverse circulation drilling.

Geological logging of the Rude Creek reverse circulation (RC) drill holes has been completed. The alteration of the granodiorite host rock first seen in the limited 2019 RC drilling program continues to be observed in the 2020 drilling. The Company is waiting for the assay information from the laboratory in Vancouver and initial results from the large number of samples submitted are expected near the end of November, 2020. Although the assay results will be correlated directly with the drill logs, the company will be seeking additional detail on the geology and widespread alteration and will engage Corescan Pty. Ltd. for further detailed mineralogical mapping of the RC chips. Corescan's expertise is in (i) data acquisition, core photography, 3-D laser profiling and hyperspectral imaging, (ii) data processing, mineral identification, mineral mapping and spectral parameters through hyperspectral measurements covering a spectral range of 450 nanometre to 2,500 nm at a spectral resolution of four nm.

Integration of the Company's contiguous Idaho property data and the Company's newly staked Win claims with Rude Creek data is under way as the company plans the 2021 Yukon projects program.

Win Property

On September 21, 2020, the Company staked an additional 127 claims (Win Claims) which is contiguous with the southern boundary to the Rude Creek Property for a total of \$36,000.

Idaho Property

By a property option agreement dated August 19, 2020 and as amended on October 13, 2021, the Company may earn a 100% interest in the Idaho property. The property consists of 58 mineral tenures located in the Whitehorse Mining District in the Yukon Territory. As consideration, the Company will pay of \$150,000, issue 750,000 common shares of the Company and incur aggregate expenditures of \$2,000,000 as follows:

- a) Cash payment of \$5,000 (paid) and issuance of 25,000 common shares (issued) of the Company upon execution of this agreement;
- b) Incur \$50,000 in exploration expenditures on or before December 1, 2020 (incurred);
- c) Cash payment of \$10,000 and issuance of 50,000 common shares of the Company on or before May 1, 2021 (paid and shares issued);
- d) Incur an additional \$25,000 in exploration expenditures on or before December 1, 2021;
- e) Cash payment of \$20,000 and issuance of 100,000 common shares of the Company on or before May 1, 2022;
- f) Incur an additional \$225,000 in exploration expenditures on or before December 1, 2022;
- g) Cash payment of \$25,000 and issuance of 250,000 common shares of the Company on or before May 1, 2023;
- h) Incur an additional \$500,000 in exploration expenditures on or before December 1, 2023;
- i) Cash payment of \$90,000 and issuance of 325,000 common shares of the Company on or before May 1, 2024; and
- j) Incur an additional \$1,200,000 in exploration expenditures on or before December 1, 2024.

The Company hereby agreed that if it has not incurred aggregated expenditures equal to or greater than \$300,000 on or before December 1, 2022, the Company will pay the difference to the optionor on or before December 15, 2022.

Should the Company acquire 100% of the property, the optionor will retain a 2% net smelter returns royalty, 1% of which may be purchased by the Company for \$1,000,000.

Davis and Paradise Properties

By an option agreement dated September 10, 2020, the Company may earn a 60% interest in the Davis and Paradise Valley claim blocks located in Nye county, Nevada from Almadex Minerals Ltd. ("Almadex") The property encompasses 900 hectares consisting of two contiguous parcels of land comprising of 34 Davis claims and 79 Paradise Valley claims. As consideration, the Company will pay US\$25,000 and reimburse annual claim fees, issue 3,500,000 common shares of the Company and incur aggregate expenditures of US\$3,500,000 as follows:

- a) Pay to the Optionor US\$25,000 (paid) on the effective date and satisfy all underlying obligations, including payment of annual claim fees due in September 2020 (paid) and issue 100,000 common shares of the Company on the effective date (issued);
- b) Issuance of 400,000 common shares of the Company on or before the 1st anniversary date;
- c) Issuance of 500,000 common shares of the Company on or before the 2nd anniversary date;
- d) Issuance of 500,000 common shares of the Company on or before the 3rd anniversary date;
- e) Issuance of 500,000 common shares of the Company on or before the 4th anniversary date;
- f) Issuance of 1,500,000 common shares of the Company on or before the 5th anniversary date.
- g) Incur exploration expenditures of not less than an aggregate of US\$250,000 in exploration expenditures on or before the 1st anniversary date and must incur not less than an aggregate US\$250,000 in exploration expenditures on or before each successive anniversary date and not less than an aggregate US\$3,500,000 in exploration expenditures on or before the 5th anniversary date.

Fieldwork at near Gabbs, Nevada, is under way. Preliminary geological mapping has begun, and senior consultants have been chosen by Almadex Minerals Ltd., the company's partner. The plan is to have the northern Davis mine area ready for drilling. This work will involve compiling all past mapping with new mapping and integration of the previous drilling results. The major ground mapping effort of 2021 will be at the contiguous Paradise Valley project. Significant hydrothermal alteration of the geology has been noted at several locations at Paradise Peak, so the company has chosen to use the new Worldview 3 satellite alteration mapping system to map the project. The Worldview 3 system operates at an altitude of 770 kilometres and provides 46-centimetre panchromatic resolution and 1.85-metre multispectral resolution. Results from the Worldview 3 system are expected later this month and will be a great help to the company's geologists in defining all zones on the property of significant hydrothermal alteration where gold mineralization may also be expected.

Management decided that it cannot continue with the Davis and Paradis Properties and as a result, an impairment charge of \$235,503 was recognized during the period ended June 30, 2021.

Selected Annual Financial Information

The table below sets out certain selected financial information regarding the operations of the Company for the period indicated. The selected financial information has been prepared in accordance with IFRS and should be read in conjunction with the Company's financial statements and related notes.

	For the year ended December 31, 2020	Period from September 17, 2019 to December 31, 2019
Revenue	\$ -	\$ -
Net loss and comprehensive loss	\$ 5,053,145	\$ 54,256
Loss per share	\$ 0.20	\$ 0.01
Total assets	\$ 862,468	\$ 380,236

The Company was incorporated on September 17, 2019 and December 31, 2019 was the Company's first fiscal year end. The Company did not record any revenues in the period ended December 31, 2019 and incurred a net loss of \$54,256. The net loss of \$54,256 in the period is largely attributed to consulting fees, general exploration cost and share-based compensation which was recorded in conjunction with the October 4, 2019 private placement. The Company's total assets for the period ended December 31, 2019 were \$380,236, which is mainly comprised of cash and cash equivalents and exploration and evaluation assets.

During the year ended December 31, 2020, the Company recorded a net loss of \$5,043,145 which is mainly comprised of \$3,597,095 in consulting fees and \$900,533 in exploration expenditures. The Company's total assets for the year ended December 31, 2020 were \$862,468, which mainly comprised of cash and cash equivalents of \$447,352 and exploration and evaluation assets of \$334,101.

The Company has not declared any dividends since its incorporation and does not anticipate paying cash dividends in the foreseeable future on its common shares and intends to retain any future earnings to finance internal growth, acquisitions and development of its business. Any future determination to pay cash dividends will be at the discretion of the board of directors of the Company and will depend upon the Company's financial condition, results of operations, capital requirements and such other factors as the board of directors deems relevant.

Selected Quarterly Financial Information

A summary of results for the eight quarter since incorporation follows:

	Sep. 30, 2021 Qtr 3	June 30, 2021 Qtr 2	Mar 31, 2021 Qtr 1	Dec 31, 2020 Qtr 4
Revenue	\$ -	\$ -	\$ -	\$ -
Net loss	\$ 105,535	\$ 793,753	\$ 409,142	\$ 441,044
Comprehensive loss	\$ 105,535	\$ 793,753	\$ 409,142	\$ 441,044
Loss per share	\$ 0.00	\$ 0.02	\$ 0.01	\$ 0.01

	Sep.30, 2020 Qtr 3	Jun 30, 2020 Qtr 2	Mar 31, 2020 Qtr 1	Dec 31, 2019 Qtr 4
Revenue	\$ -	\$ -	\$ -	\$ -
Net loss	\$ 3,019,224	\$ 1,541,592	\$ 51,285	\$ 52,644
Comprehensive loss	\$ 3,019,224	\$ 1,541,592	\$ 51,285	\$ 52,644
Loss per share	\$ 0.11	\$ 0.08	\$ 0.00	\$ 0.01

During the three months ended December 31, 2019, the Company recorded a net loss of \$52,644 as compared to a net loss of \$1,612 for the previous quarter. The increase can be attributed to consulting fees, general exploration cost, and share-based compensation, which was recorded in conjunction with the October 4, 2019 private placement. During the three months ended March 31, 2020, the Company recorded a net loss of \$51,285 which is comparable to the previous quarter of \$52,644. During the three months ended June 30, 2020, the Company recorded a net loss of \$1,541,592 as compared to \$51,285 for the previous quarter. The increase can be attributed to the Company incurring a significant amount of cost associated with media relations and \$175,000 in exploration cost on the Rude Creek Property. During the three months ended September 30, 2020, the Company recorded a net loss of \$3,019,224 as compared to \$1,541,592 for the previous quarter. The increase can be attributed to the Company incurring additional marketing and media related costs and exploration expenditures. During the three months ended December 31, 2020, the Company recorded a net loss of \$441,044 as compared to \$3,019,224 for the previous quarter. The decrease can be attributed to a reduction in consulting fees for marketing and media related cost. During the three months ended March 31, 2021, the Company recorded a net loss of \$409,142 as compared to \$441,044 for the previous quarter. The decrease can be attributed to the recording of the impairment of \$40,000 on Kenora property and the recording of the share-based payment on stock options granted in the previous quarter. During the three months ended June 30, 2021, the Company recorded a net loss of \$793,753 as compared to \$409,142 for the previous quarter. The increase can be attributed to the recording of share-based payments and the recording of an impairment on the Davis and Paradise claims. During the three months ended September 30, 2021, the Company recorded a net loss of \$105,535 as compared to \$793,753 for the previous quarter. The decrease can be attributed to the recording of an impairment on Davis and Paradise claims and the recognition of share-based payments in the previous quarter.

Results of Operations

During the three months ended September 30, 2021:

During the three months ended September 30, 2021, the Company recorded a net loss of \$105,535 as compared to \$3,019,224 for the comparable quarter ended September 30, 2020. The decrease in the net loss can be attributed to the decline in consulting fees from \$2,303,489 to \$23,000 and the decline in general exploration cost from \$622,392 to \$22,539 in the current quarter due to cash constraints. Management has reduced the number of external parties for investor relations and marketing programs. The decrease was offset by an increase in share-based payments to \$38,258 from \$Nil in the comparable quarter. The share-based payments represented vesting of stock options and RSUs. Share-based payments is a non-cash transaction. All other cost were consistent with that of maintaining its reporting issuer status.

During the nine months ended September 30, 2021:

During the nine months ended September 30, 2021, the Company recorded a net loss of \$1,308,430 as compared to a net loss of \$4,612,101 for the comparable period to date. The decrease in the net loss can be attributed to the decrease in consulting fees from \$3,551,738 to \$205,581 due to the reduction in the number of external parties engaged in investor relations and marketing programs for the current period. Professional fees have declined from \$132,235 to \$41,457 due to the decline in the number of private

placements in the current period. The decrease was offset by an increase in share-based payments of \$540,703 compared to \$nil for the comparable period. During the current period, the Company granted stock options and RSU to its officers, directors and consultants. Share based payments is a non-cash transaction.

During the nine months ended September 30, 2021, the Company incurred \$196,994 (2020 - \$797,392) in exploration expenditures on its mineral properties. Majority of the exploration was incurred on the Rude Creek property and Davis and Paradise Claims. The Company also recorded an impairment of \$235,503 on the Davis and Paradise claims as the Company decided to terminate the agreement.

Fourth Quarter

N/A

Liquidity and Capital Resources

The Company's cash position as at September 30, 2021 was \$18,243 with a working capital deficiency of \$109,644. Total assets as at September 30, 2021 was \$749,860.

The Company's budget is its working capital and believes that the current capital resources is not sufficient to pay overhead expenses and exploration program for the next twelve months and continues to raise additional funding to fund its future exploration program, marketing and general working capital and towards potential mineral projects, if such opportunities arise. The Company will continue to monitor the current economic and financial market conditions and evaluate their impact on the Company's liquidity and future prospects.

Since the Company may not be able to generate cash from its operations in the foreseeable future, the Company will have to rely on loans and the issuance of shares or the exercise of options and warrants to fund ongoing operations and investment. The ability of the Company to raise capital will depend on market conditions and it may not be possible for the Company to issue shares on acceptable terms or at all.

The Company manages its capital structure in order to ensure sufficient resources are available to meet operational requirements and safeguard its ability to continue as a going concern. There are no externally imposed capital requirements on the Company. Management considers the items included in shareholders' equity (deficit) and working capital as capital. The Company manages the capital structure and makes adjustments in response to changes in economic conditions, including the risk characteristics of the underlying assets. The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the operation of the Company. To secure additional capital necessary to pursue these plans, the Company intends to raise additional funds through equity or debt financing.

During the nine months ended September 30, 2021, a director of the Company advanced \$12,500 to the Company as working capital. The amount is non-interest bearing, unsecured and payable on demand.

There were no changes to the Company's approach to capital management during the period ended September 30, 2021.

Going Concern

The financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company was not expected to continue operations for the foreseeable future. At September 30, 2021, the Company has not achieved profitable operations, has accumulated losses of \$6,415,831 since inception and expects to incur further losses in the development of its business. The above material uncertainties cast significant doubt about the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent upon successful results from its operations, its ability to attain profitable operations to generate funds, and/or its ability to raise equity capital or borrowings sufficient to meet its current and future obligations. Although the Company has been successful in the past in raising funds to continue operations, there is no assurance it will be able to do so in the future.

There was a global pandemic outbreak of COVID-19. To date, there have been a large number of temporary business closures, quarantines and a general reduction in consumer activity in Canada. The outbreak has caused companies and various governmental bodies to impose travel, gathering and other public health restrictions. While these effects are expected to be temporary, the duration of the various disruptions to businesses locally and internationally and the related financial impact cannot be reasonably estimated at this time. Similarly, the Company cannot estimate whether or to what extent this outbreak and the potential financial impact may extend. At this point, the extent to which COVID-19 will or may impact the Company is uncertain and these factors are beyond the Company's control; however, it is possible that

COVID-19 may have a material adverse effect on the Company's business, results of operations and financial condition.

The above material uncertainties cast significant doubt about the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent upon successful results from its exploration and evaluation activities, its ability to attain profitable operations to generate funds and/or its ability to raise equity capital or borrowings sufficient to meet its current and future obligations. Although the Company has been successful in the past in raising funds to continue operations, there is no assurance it will be able to do so in the future.

Off Balance Sheet Arrangements

The Company does not have any off balance sheet arrangements.

Financial Instruments

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

Credit risk

Financial instruments that potentially expose the Company to credit risk is cash. To minimize the credit risk on cash the Company places the instrument with a high credit quality financial institution. The maximum exposure to loss arising from these advances is equal to their total carrying amounts.

Interest rate risk

The Company is exposed to interest rate risk to the extent that the cash maintained at the financial institutions is subject to floating rate of interest. The interest rate risks on cash and on the Company's obligations are not considered significant.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The key to success in managing liquidity is the degree of certainty in the cash flow projections.

The Company monitors its cash flows to meet the Company's normal operating requirements on an ongoing basis and its planned capital expenditures. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. As at September 30, 2021, the Company had a working capital deficiency of \$109,643.

Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold and other precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, investment fluctuations, and commodity and equity prices. The Company's ability to raise capital to fund mineral resource exploration is subject to risks associated with fluctuations in mineral resource prices. Management closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Related Party Transactions

Related party transactions are comprised of services rendered by directors and/or officers of the Company or by a company with a director and/or officer in common. Related party transactions are in the ordinary course of business and are measured at the exchange amount.

Key Management Compensation

Key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, and include the Company's executive officers and members of the Board of Directors. Key management compensation consisted of the following:

Makara Mining Corp.
Management Discussion's and Analysis
For the nine months ended September 30, 2021
Dated: November 29, 2021

		For the nine months ended September 30,	
		2021	2020
Consulting fees	Andrew H. von Kursell, CFO and	\$ 20,000	\$ 18,000
	Grant Hendrickson, CEO and Director	49,000	12,000
	Stefan Szary, Director	4,500	-
	Hugh Maddin, Director	6,000	1,500
	John Arthur Fidick, former Director	-	14,000
	Peter Espig, former Director	-	10,000
		79,500	55,500
Share-based payments	Andrew H. von Kursell, CFO and	93,071	-
	Grant Hendrickson, CEO and Director	337,493	-
	Hugh Maddin, Director	30,825	-
	Stefan Szary, Director	30,787	-
		492,176	-
		\$ 571,676	\$ 55,500

On November 1, 2019, the Company entered into a consulting agreement with Andrew von Kursell for consulting services for a period of one year at a monthly rate of \$2,000 per month which shall automatically be renewed on the same terms and conditions from month to month until terminated.

Included in prepaid expenses is \$2,254 (December 31, 2020 - \$20,189) paid to directors of the Company for advances on expenses and consulting fees. Included in accounts payable is \$14,467 (December 31, 2020 - \$2,443) owed to a director of the Company for field visits.

Included in due to related party is \$12,500 (December 31, 2020 - \$Nil) owing to a director of the Company for advances on working capital. The amount is non-interest bearing, unsecured and payable on demand.

On December 9, 2020, the Company agreed to grant 600,000 Restricted Share units ("RSU") to Grant Hendrickson to purchase up to 600,000 common shares. These RSU vest at 200,000 on February 9, 2021, 200,000 on April 9, 2021 and 200,000 on June 9, 2021. During the nine months ended September 30, 2021, the Company issued 600,000 common shares and recognized \$245,000 as share-based payment.

On March 17, 2021, the Company agreed to grant 487,500 RSU to directors and officers of the Company and to consultants. The granted RSU shall vest at 50% immediately, and 50% will vest in 6 months. During the nine months ended September 30, 2021, the Company issued the 487,500 RSU and recorded \$185,250 as share-based payments of which \$156,250 are to the following related parties:

	Vested	Total share- based payments
Andrew H. von Kursell, CFO	\$ 56,250	\$ 56,250
Grant A. Hendrickson, President and	50,000	50,000
Hugh Maddin, Director	25,000	25,000
Stefan Szary, Director	25,000	25,000

\$ 156,250 \$ 156,250

Proposed Transaction

N/A

Events Subsequent to September 30, 2021

N/A

Outstanding Share Data

Below is the summary of the Company's share capital as at September 30, 2021 and as of the date of this report:

Security description	As at	
	September 30, 2021	November 29, 2021
Common shares – issued and outstanding	37,311,343	37,311,343
Warrants issued in private placements	1,913,000	1,913,000
Share purchase options	997,500	997,500
Common shares – fully diluted	40,221,843	40,221,843

Critical Accounting Estimates and Judgments

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed in note 4 to the financial statements.

Business and Industry Risks

There are a number of risk factors that could cause future results to differ materially from those described herein. The following sets out the principal risks faced by the Company. Additional risks and uncertainties, including those that the Company does not know about or that it currently deems immaterial, could also adversely impact the Company's business and results of operations.

Limited Operating History

The Company has no history of earnings. There are no known commercial quantities of mineral reserves on any properties in which the Company has an interest. The purpose of the Special Warrants private placement was to raise funds to carry out exploration and, if thought appropriate, development with the objective of establishing economic quantities of mineral reserves. There is no guarantee that economic quantities of mineral reserves will be discovered on any properties in which the Company has an interest in

the near future or at all. If the Company does not generate revenue or is unable to raise further funds, it may be unable to sustain its operations in which case it may become insolvent and investors may lose their investment.

Speculative Nature of Mineral Exploration

Resource exploration is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection, the combination of which factors may result in the Company not receiving an adequate return of investment capital. There is no assurance that the Company's mineral exploration activities will result in any discoveries of commercial bodies of ore. The long-term profitability of the Company's operations will in part be directly related to the costs and success of its exploration programs, which may be affected by a number of factors. Substantial expenditures are required to establish reserves through drilling and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis.

Financing Risks

The Company has no history of earnings and, due to the nature of its business, there can be no assurance that the Company will be profitable. The Company has paid no dividends on its shares since incorporation and does not anticipate doing so in the foreseeable future. The only present source of funds available to the Company is through the sale of its securities. Even if the results of exploration are encouraging, the Company may not have sufficient funds to conduct the further exploration that may be necessary to determine whether or not a commercially mineable deposit exists on the properties owned by the Company. The Company's unallocated working capital is not sufficient to fund its recommended work program and there is no assurance that the Company can successfully obtain additional financing to fund such program.

While the Company may generate additional working capital through further equity offerings or through the sale or possible syndication of the Property, there is no assurance that any such funds will be available. If available, future equity financing may result in substantial dilution to purchasers under the Special Warrants Private Placement. At present it is impossible to determine what amounts of additional funds, if any, may be required.

COVID-19 Public Health Crisis

The Company's business, operations and financial condition could be materially and adversely affected by the outbreak of epidemics or pandemics or other health crises, including the recent outbreak of COVID-19. To date, there have been a large number of temporary business closures, quarantines and a general reduction in consumer activity in Canada. The outbreak has caused companies and various governmental bodies to impose travel, gathering and other public health restrictions. While these effects are expected to be temporary, the duration of the various disruptions to businesses locally and internationally and the related financial impact cannot be reasonably estimated at this time. Similarly, the Company cannot estimate whether or to what extent this outbreak and the potential financial impact may extend. Such public health crises can result in volatility and disruptions in the supply and demand for gold and other metals and minerals, global supply chains and financial markets, as well as declining trade and market sentiment and

reduced mobility of people, all of which could affect mineral prices, interest rates, credit ratings, credit risk, share prices and inflation. The risks to the Company of such public health crises also include slowdowns or temporary suspensions of operations in locations impacted by an outbreak, interruptions to supply chains and supplies upon which the Company relies, restrictions that the Company and its contractors and subcontractors impose to ensure the safety of employees and others, increased labor costs, regulatory changes, political or economic instabilities or civil unrest.

The Company has and will continue to take measures recommended by Health Canada and applicable regulatory bodies, as appropriate. To date, the Company has introduced a "work from home policy" affecting its two executive officers and has reduced travel and transitioned to virtual meetings where feasible. At this point, the extent to which COVID-19 will or may impact the Company is uncertain and these factors are beyond the Company's control; however, it is possible that COVID-19 may have a material adverse effect on the Company's business, results of operations and financial condition.

Property Interests

If the Company loses or abandons its interest in the Property, there is no assurance that it will be able to acquire another mineral property of merit or that such an acquisition would be approved by the Exchange. There is also no guarantee that the Exchange will approve the acquisition of any additional properties by the Company, whether by way of option or otherwise, should the Company wish to acquire any additional properties. Unless the Company acquires additional property interests, any adverse developments affecting the Property could have a material adverse effect upon the Company and would materially and adversely affect any profitability, financial performance and results of operations of the Company.

If the Company cannot raise additional equity financing, then it may lose some or all of its interest in the Property

The Company is required to make cash payments to the optionor of the Property, and to incur work expenditures in order to maintain its interest in the Property. The Company's ability to maintain an interest in the Property may be dependent on its ability to raise additional funds by equity financing. Failure to obtain additional financing may result in the Company being unable to make periodic payments or expenditures required for the maintenance of the Company's interest in the Property and could result in a delay or postponement of further exploration and the partial or total loss of the Company's interest in the Property.

Commercial Ore Deposits

The Property is in the exploration stage only and is without a known body of commercial ore. Development of the Property would follow only if favourable exploration results are obtained. The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines.

Uninsurable Risks

In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. It is not always possible to fully insure against such risks and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Company.