

The following Management's Discussion and Analysis ("MD&A") is prepared as at January 28, 2022 in accordance with National Instrument 51-102F1, and should be read together with the unaudited condensed interim consolidated financial statements for the six months ended November 30, 2021 and related notes, and the audited consolidated financial statements for the year ended May 31, 2021 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](http://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.

It is the Company's policies that all forward-looking statements are based on the Company's beliefs and assumptions which are based on information available at the time these assumptions are made. The forward looking statements contained herein are as of January 28, 2022, and are subject to change after this date, and the Company assumes no obligation to publicly update or revise the statements to reflect new events or circumstances, except as may be required pursuant to applicable laws. 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 the underlying assumptions thereto 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, including the underlying assumptions thereto, 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**

AMMPOWER Corp. (formerly SOLDERA MINING CORP.) (the "Company" or "AmmPower") is a resource exploration company with an increasing focus on clean energy. It was incorporated on December 3, 2019 in British Columbia. The head office and principal address of the Company are located at 1000 – 409 Granville Street, Vancouver, British Columbia, Canada, V6C 1T2. The Company's registered and records office is located at 2200 HSBC Building, 885 West Georgia Street, Vancouver, BC, V6C 3E8.

The Company has an option agreement to earn an interest in a mineral property located in the Klotz Lake Area located in Northwestern Ontario and has not yet determined whether this property contains reserves that are economically recoverable. The recoverability of the carrying amount from the property is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying property, the ability of the Company to obtain necessary financing to satisfy the expenditure requirements under the property option agreement and to complete the development of the property and upon future profitable production or proceeds for the sale thereof.

On September 18, 2020, the Company received conditional approval from the Canadian Securities Exchange ("CSE") for the listing of its common shares on the CSE, subject to the completion of customary requirements, including the receipt of all required documentation. The Company's shares commenced trading on the CSE under the symbol "SOLD" on October 6, 2020 which was subsequently changed to

“AMMP”. The Company is also listed on the Frankfurt stock exchange under “601A” and OTC under “AMMPF”.

On October 21, 2020, the Company announced a forward stock split on the basis of 2 new for 1 old effective October 26, 2020. The forward stock split has been retroactively presented in the consolidated financial statements and MD&A.

On March 31, 2021, the Company completed the acquisition of all of the outstanding common shares of AmTek Inc. (“AmTek”). As consideration, the Company issued 12,000,000 common shares of the Company. AmTek is the owner of the Whabouchi South lithium exploration property located in the James Bay/Eeyou Istche region of Quebec and is working on the development of a proprietary technology to produce green ammonia, a potential carbon-free energy source. The Company also issued 960,000 common shares as finders fee. Subsequent to the year end, the Company reorganized its business and assets into two distinct corporate divisions Ammpower Lithium & Mineral Resources and Ammpower Ammonia & Alternative Energy. The new corporate structure will allow it to better focus on and present the entirety of its asset portfolio.

On April 28, 2021, the Company entered into an agreement with Process Research ORTECH Inc. (“Ortech”) to develop proprietary scientific solutions, methodologies, and technologies (collectively, the “Technologies”) for the production of green ammonia. The Company will pay for all mutually agreed upon reasonable costs, and have the sole right to use, and market and sell, the Technologies. The Company agreed to grant Ortech a 1% royalty of revenues derived from the Technologies, which may be reduced to 0% by the Company by making a payment of \$1,000,000 at any time.

#### Property description

##### **Klotz Lake Property (Titan Gold Property)**

The Property consists of 34 mining claims totalling approximately 2,312.25 hectares land in Klotz Lake / Bicknell Lake Area, Thunder Bay Mining District of Northwestern Ontario, Canada. It is located about 365 kilometers to the northeast of Thunder Bay. The nearest town to the property is Longlac situated 55 km west of the Property.

Pursuant to the Property Agreement between the Optionor and AmmPower, dated May 7, 2020, AmmPower holds an option to acquire a 100% interest in the Property by making cash payments, Common Shares issuances and exploration expenditures as follows:

- a) Cash payment of \$40,000 within seven days of signing of the Agreement (Paid);
- b) Incur a minimum of \$110,000 in exploration expenditures within the first year from the agreement date (Incurred);
- c) Cash payment of \$40,000 and issuance of 600,000 (300,000 pre-forward split) common shares of the Company on or before the first anniversary of the listing of the Company on a Canadian securities exchange (due on October 6, 2021); and
- d) Cash payment of \$60,000, issuance of 1,200,000 (600,000 pre-forward split) common shares of the company and incur a minimum of \$250,000 of exploration expenditures on or before the second anniversary date of the agreement.

The Purchase Agreement also provides for a royalty in the Optionor's favour equal to a 2% Net Smelter Return (“NSR”) on the Property. The royalty will be payable to the Optionor for as long as AmmPower and/or its successors and assigns hold any interest in the Property. AmmPower will have the right to purchase from the Optionor 1% of the NSR for \$500,000, thereby reducing the NSR to 1%.

Twenty-six of the Property claims were originally staked on ground by erecting physical posts as required by earlier 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. Due to current COVID 19 situation, Ontario Ministry of Mines has extended claims expiry dates and their status is defined as "Hold Special Circumstances Apply" on claim abstracts shown on MLAS). The remaining claims covering 1,640.25 hectares were staked in 2020 using online staking system and are active until May 2022.

During the year ended May 31, 2021, the Company advanced \$118,041 for the phase 1 work program on the Titan property.

During the six months ended November 30, 2021, the Company has decided to not proceed with the Titan Gold Property and has recorded an impairment of \$40,000.

#### Tuscarora Property

On November 3, 2020, the Company entered into an assignment agreement with Elko Sun Mining Corp ("Elko" or "Assignor") whereby Elko and American Pacific Mining (US) Inc. are parties to an earn-in option to form joint venture agreement (the "Option Agreement") dated July 31, 2020, which provides for the grant to the Assignor of an option (the "Option") to acquire an 80% interest in and to 24 unpatented mining claims located Elkco County, state of Nevada comprising the Tuscarora property. The Company wishes to assume the Assignor's rights and obligations under the Option Agreement.

Pursuant to the terms of the July 31, 2020 Option Agreement, the Company has agreed to assume the following: to earn the initial 51%, the Company is required on or before January 31, 2021, make a cash payment of \$200,000 (paid), issue 2,000,000 common shares of the Company and fund exploration expenditures of \$1,350,000 in within 24 months from the date of the Option Agreement. On November 5, 2020, the Company issued the 2,000,000 common shares which were fair valued at \$920,000 or \$0.46 per share.

After completion of the 51%, the Company has the option to earn another 14% interest by issuing an additional 1,000,000 common shares of the Company and fund a further minimum \$3,000,000 in exploration expenditures on the property and earn the final 15% interest by completing a pre-feasibility study on the property before the end of the Option period.

In addition, the Company will also be responsible for making the payments to the Tuscarora property holders and paying the claim fees. As at May 31, 2021, the Company has paid \$21,220 in claim fees and \$5,258 in anniversary payment.

In connection with the assignment agreement the Company issued 1,000,000 common shares as finders fee. These were fair valued at \$460,000 or \$0.46 per share.

On January 28, 2021, the Company entered into a share purchase agreement with American Pacific Mining (US) Inc. to buy back its 2,000,000 common shares for \$100,000 in cash (paid). On May 19, 2021, these shares have been returned to treasury for cancellation. In addition, the Company has decided not to pursue with the Tuscarora Property and recorded an impairment on the property of \$1,580,000 at May 31, 2021.

#### Whabouchi Property

On March 31, 2021, the Company completed the acquisition of all of the outstanding common shares of AmTek. As consideration, the Company issued 12,000,000 common shares of the Company fair valued at \$0.95 per share and discounted using the average strike put-option model, which resulted in a present value of \$8,753,000 on acquisition date. AmTek is the owner of the Whabouchi South lithium exploration property located in the James Bay/Eeyou Istche region of Quebec and is working on the development of a

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proprietary technology to produce green ammonia, a potential carbon-free energy source. The transaction has been accounted for as an asset acquisition on the basis that AmTek does not meet the definition of a business as it had no ongoing business operations. Accordingly, the acquisition is accounted for in accordance with IFRS 2 Share-based payment whereby the Company issued shares in exchange for the net assets of AmTek. The Company also issued 960,000 common shares as finders fee which was valued at \$912,000.

The following table summarizes the allocation of the purchase price to the fair value of the assets acquired and liabilities assumed at the date of acquisition as follows:

	Total
<b>Consideration paid:</b>	
Fair value of shares issued	\$ 8,753,000
960,000 common shares issued as Finders fee at a value of \$0.95 per share	912,000
	<u>\$ 9,665,000</u>
<b>Net assets acquired (liabilities)</b>	
Exploration and evaluation assets	8,707
Due to related parties	(6,707)
	<u>\$ 2,000</u>
Seed research, development and technology expense	9,663,000
	<u>\$ 9,665,000</u>

The Company has determined that the consideration paid on the development of the proprietary technology to produce green ammonia, does not qualify as development costs for capitalization, accordingly, the amount have been expensed to seed research, development and technology cost.

### **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.

	Year ended May 31, 2021	Period ended May 31, 2020
Revenue	\$ -	\$ -
Net loss and comprehensive loss	\$ 16,431,965	\$ 75,850
Loss per share *	\$ 0.42	\$ 0.00
Total assets	\$ 2,779,110	\$ 573,850

\*The loss per share have been adjusted to reflect the 2 for 1 forward stock split effective October 26, 2020.

The Company was incorporated on December 3, 2019 and May 31, 2020 was the Company's first fiscal year end. The Company did not record any revenues in the period ended May 31, 2020 and incurred a net loss of \$75,850. The net loss of \$75,850 in the period is largely attributed to consulting and professional fees and share-based compensation which was recorded in conjunction with the December 16, 2019 private placement. During the year ended May 31, 2021, recorded a net loss of \$16,431,965 which included an impairment of \$1,580,000 on the Tuscarora property, \$9,663,000 in seed research, development and technology expense. The Company also recognized \$2,795,369 in share-based payments.

The Company's total assets for the year ended May 31, 2021 were \$2,779,110 (2020 - \$531,516) which is mainly made up of cash.

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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, but 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 of deems relevant.

**Selected Quarterly Financial Information**

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

	November 30, 2021 Qtr 2	August 31, 2021 Qtr 1	May 31, 2021 Qtr 4	February 28, 2021 Qtr 3
Revenue	\$ -	\$ -	\$ -	\$ -
Net loss	\$ 4,541,781	\$ 8,236,781	\$ 14,298,507	\$ 1,821,283
Comprehensive loss	\$ 4,543,992	\$ 8,227,125	\$ 14,299,644	\$ 1,821,283
Loss per share (1)	\$ 0.05	\$ 0.11	\$ 0.30	\$ 0.05

	November 30, 2020 Qtr 2	August 31, 2020 Qtr 1	May 31, 2020 Qtr 4	February 29, 2020 Qtr 3
Revenue	\$ -	\$ -	\$ -	\$ -
Net loss	\$ 216,206	\$ 95,969	\$ 46,512	\$ 29,338
Comprehensive loss	\$ 216,206	\$ 95,969	\$ 46,512	\$ 29,338
Loss per share (1)	\$ 0.01	\$ 0.00	\$ 0.00	\$ 0.00

(1) The loss per share have been adjusted to reflect the 2 for 1 forward stock split effective October 26, 2020.

The Company was incorporated on December 3, 2019 and February 29, 2020 was the Company's first fiscal quarter reported. During the three months ended February 29, 2020, the Company recorded a net loss of \$29,338 which can be attributed to consulting and professional fees and share-based compensation which was recorded in conjunction with the December 16, 2019 private placement. During the quarter ended May 31, 2020, the Company recorded a net loss of \$46,512 as compared to \$29,338 for the previous quarter. The increase can be attributed to the \$12,000 in exploration cost associated with the preparation of the 43-101 report and year end audit fee accrual. During the quarter ended August 31, 2020, the Company recorded a net loss of \$95,969 as compared to \$46,512 for the previous quarter. The increase can be attributed to the Company incurring marketing cost of \$36,000 in this quarter. During the quarter ended November 30, 2020, the Company recorded a net loss of \$216,206 as compared to \$95,969 for the previous quarter. The increase can be attributed to an increase in consulting and professional fees paid or accrued. During the quarter ended February 28, 2021, the Company recorded a net loss of \$1,821,283 as compared to the net loss of \$216,206 for the previous quarter. The increase can be attributed to the \$1,580,000 impairment on Tuscarora Property as the Company decided not to pursue this property. During the quarter ended May 31, 2021, the Company recorded a net loss of \$14,298,507 as compared to the net loss of \$1,821,283. The increase can be attributed to the recognition of \$9,663,000 in seed, research, development and technology expense recognized on the acquisition of Amtek and \$2,795,369 in share-based payments on stock options and RSU granted during the fourth quarter. During the three months ended August 31, 2021, the Company recorded a net loss of \$8,236,781 as compared to the net loss of \$14,298,507 for the previous quarter. The main expenses in the current quarter were consulting fees, marketing and share-based payments. During the three months ended November 30, 2021, the Company recorded a net loss of \$4,541,782 as compared to the net loss of \$8,236,781. The main decrease can be attributed to a decline in marketing and share-based payments.

## **Results of Operations**

For the three months ended November 30, 2021:

The Company did not record any revenues in the three months ended November 30, 2021 and incurred a net loss of \$4,541,781 as compared to \$216,206 for the comparable period ended November 30, 2020. An increase of approximately \$3,598,000.

Consulting fees have increased to \$343,049 as compared to \$72,000 for the previous quarter ended November 30, 2020, that consisted of payments to numerous third parties for business and financial advisory; and administrative services as the Company continues to expand its operations.

Share-based payments have increased to \$1,774,853 for the current period as compared to \$Nil for the previous quarter ended November 30, 2020. During the period the Company granted 75,000 stock options to a consultant of the Company. During the three months ended November 30, 2021, the Company recognized \$511,194 share-based payments vested and accrued to November 30, 2021. The remaining \$1,263,659 in share-based payments are for the granting of restricted share units ("RSU"). Share-based payments is a non-cash transaction.

Marketing have increased to \$1,510,821 from \$Nil for the previous quarter ended November 30, 2020. The marketing expenses represents cost associated to Investor relations contracts that was entered into in previous quarters.

Wages and benefits have increased to \$251,299 from \$Nil from November 30, 2020. The Company has four employees at its Michigan plant.

Research, development and technology expenses of \$295,988 represents cost incurred on its ammonia business.

For the six months ended November 30, 2021:

The Company did not record any revenues in the six months ended November 30, 2021 and incurred a net loss of \$12,779,562 as compared to \$312,175 for the comparable period ended November 30, 2020. An increase of approximately \$12,467,000.

Consulting fees have increased to \$802,406 as compared to \$79,500 for the previous period ended November 30, 2020. Included in consulting fees was \$677,906 paid to numerous third parties for business and financial advisory; and administrative services as the Company continues to expand its operations. \$124,500 in fees were paid to directors and officers of the Company, see related party section for details.

Share-based payments have increased to \$5,178,907 for the current period as compared to \$Nil for the previous period ended November 30, 2020. During the period the Company granted 1,050,000 stock options to directors, officers and to consultants of the Company with exercise prices between \$0.57 to \$2.07, various vesting terms and for a period of five years. During the six months ended November 30, 2021, the Company recognized \$1,224,550 share-based payments vested and accrued to November 30, 2021. The remaining \$3,954,357 in share-based payments are for the granting of restricted share units ("RSU"). During the six months ended November 30, 2021, the Company granted 3,925,000 RSU to directors, officers and consultants of the Company with various vesting terms. Share-based payments is a non-cash transaction.

Marketing have increased to \$5,561,994 from \$36,000 for the previous period ended November 30, 2020. The majority of marketing was provided by seven consultants that provided investor relations services. They are:

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Financial Star News will as appropriate, create campaigns, ad groups, text ads, display ads, perform detailed keyword research, set up and manage remarketing campaigns, optimize keyword options, coordinate on-line advertiser and marketers corresponding to the customers on-line marketing targets, create landing pages for ad campaigns and bring attention to the business of the company;

MGM Marketing Medium GmbH & Co will utilize its on-line programs with the aim of generating a greater following, increasing investor awareness and attracting potential new investors through various on-line platforms and methods of engagement. The promotional activity shall occur on the Marketbrief website, by e-mail, Facebook and Google.

Digitonic Ltd. will utilize their on-line programs with the aim of generating a greater following, increasing investor awareness and attracting potential new investors through various on-line platforms and methods of engagement.

Advanced Media utilize their online programs to generate a greater following, increase investor awareness and attract new investors through various online platforms and methods of engagement.

BLK SWN Inc. will utilize their on-line programs with the aim of generating a greater following, increasing investor awareness and attracting potential new investors through various on-line platforms and methods of engagement.

The above noted marketing Campaign have been disclosed to the public.

Wages and benefits have increased to \$465,275 from \$Nil from November 30, 2020. The Company has four employees at its Michigan plant.

#### **Fourth Quarter**

N/A

#### **Liquidity and Capital Resources**

The Company's cash position as at November 30, 2021 was \$1,207,088 with a working capital of \$1,765,929 (May 31, 2021 – \$2,611,943). Total assets as at November 30, 2021 was \$3,905,495 (May 31, 2021 - \$2,779,110).

The Company believes that the current capital resources are not sufficient to pay overhead expenses, and its research and development of its proprietary technology for the next twelve months and is in the process of raising additional funding. 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 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 to it in response to changes in economic conditions and 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 the additional capital necessary to pursue these plans, the Company intends to raise additional funds through equity or debt financing.

On June 4, 2021, the Company completed its private placement of 5,877,384 units at a price of \$0.72 per unit for gross proceeds of \$4,231,716 of which \$301,536 was included in commitment to issue shares at May 31, 2021. Each unit consists of one common share and one-half share purchase warrant. Each whole warrant is exercisable into one common share at a price of \$1.00 per share expiring two years from issuance. In connection with the private placement, the Company paid a cash finders' fee of \$145,303 and issued 189,560 agents' warrants exercisable at \$1.00 per share for a period of two years from the date of issuance. These agent's warrants were fair valued at \$60,659 using the Black-Scholes Option Pricing Model with the following assumptions: risk-free interest rate of 0.45%; dividend yield of 0%; volatility of 100% and expected life of two years and a stock price of \$0.72.

On July 16, 2021, the Company issued 215,547 common shares to settle debt of \$318,024 resulting in a gain on debt settlement of \$169,296.

On September 16, 2021, the Company issued 363,090 common shares for total proceeds of \$217,854 pursuant to the exercise of agent's warrants. The transferred \$79,880 from contributed surplus.

During the six months ended November 30, 2021, the Company issued 6,932,742 common shares for total proceeds of \$2,762,903 pursuant to the exercise share purchase warrants with exercise prices between \$0.05 to \$0.60.

During the six months ended November 30, 2021, the Company issued 2,741,666 RSU valued at \$3,113,249.

### **Going Concern**

The condensed interim consolidated 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 November 30, 2021, the Company has not achieved profitable operations, has accumulated losses of \$29,386,377 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.

### **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 condensed interim consolidated 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 not exposed to significant interest rate risk.

#### *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 November 30, 2021, the Company had a working capital of \$1,765,929 (May 31, 2021 – working capital of \$2,611,943).

#### *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 lithium 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.

### **Fair Values**

The Company's financial instruments include cash, accounts payable and accrued liabilities and due to related parties. The carrying amounts of these financial instruments are a reasonable estimate of their fair values because of their current nature.

### **Fair Value Hierarchy**

The Company classifies its fair value measurements in accordance with the three-level fair value hierarchy as follows:

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities; and

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

### **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:

		For the six months ended November	
		2021	2020
<b>Relationship</b>			
Consulting fees			
695809 B.C. Ltd.	Robert Krause, Director	6,000	-
Arthur Brown	Director	6,000	-
1196016 B.C. Ltd.	Faizaan, Lalani, CFO	60,000	-
Soumi Holdings Inc.	Rene Bharti, President	52,500	-
		124,500	-
Wages and benefits			
Gary Benninger	CEO	75,012	-
Share-based payments			
Faizaan Lalani	CFO	184,465	-
Gary Benninger	CEO	992,959	-
Arthur Brown	Director	76,753	-
Robert Krause	Director	76,753	-
		1,330,930	-
		\$ 1,530,442	\$ -

Included in accounts payable and accrued liabilities as at November 30, 2021, was \$4,518 (May 31, 2021 - \$19,250) in unpaid consulting fees to directors and officers of the Company and to companies controlled by directors or officers of the Company and expense reimbursements.

Included in due to related parties at November 30, 2021 was \$6,707 (May 31, 2021 - \$6,707) to former directors of AmTek. The amount is unsecured, non-interest bearing and payable on demand.

### **Proposed Transaction**

N/A

### **Subsequent Events**

Subsequent to November 30, 2021:

The Company granted 5,675,000 stock options to directors, officers, and consultants of the Company exercisable at \$0.49 per share expiring on December 10, 2026. These stock options vest at 1/6 every three months with the first vesting on March 10, 2022 and the last vesting on June 10, 2023.

The Company granted 3,516,320 RSU to a director and to consultants of the Company of which 16,320 vest on April 11, 2022 and 3,500,000 vest on May 12, 2022.

### **Outstanding Share Data**

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

Security description	As at	
	November 30, 2021	MD&A
Common shares – issued and outstanding	84,098,719	84,098,719
Warrants issued in private placements	8,252,543	8,252,543
Agent's warrants	196,588	196,588
Share purchase options granted	5,200,000	10,875,000
Restricted shares	1,583,334	5,099,654
Common shares – fully diluted	99,331,184	108,522,504

### **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 consolidated financial statements.

### **Business and Industry Risks**

#### **Speculative Nature of Investment Risk**

An investment in securities of the Company involves a high degree of risk and must be considered highly speculative due to the nature of the Company's business and the present stage of exploration and development of its mineral properties. In addition to information set out or incorporated by reference in this MD&A, prospective investors should carefully consider the risk factors set out below. Any one risk factor could materially affect the Company's financial condition and future operating results and could cause actual events to differ materially from those described in forward looking statements relating to the Company.

#### **No Operating History**

The Company was incorporated on December 3, 2019 and has not commenced commercial operations. The Company has no history of earnings or paid any cash dividends, and it is unlikely to produce earnings or pay dividends in the immediate or foreseeable future.

#### **Reliance on Independent Contractors**

The Company's success depends to an extent on the performance and continued service of certain independent contractors. The Company has contracted the services of professional drillers and others for exploration, environmental, engineering, and other services. Poor performance by such contractors or the

loss of such services could have a material and adverse effect on the Company, its business and results of operations and result in the Company failing to meet its business objectives.

### **Additional Funding Required**

Further exploration on, and development of, the Company's properties may require significant additional financing. Accordingly, the continuing development of the Company's properties will depend upon the Company's ability to obtain financing through equity financing, debt financing, the joint venturing of projects or other external sources. Failure to obtain sufficient financing may result in a delay or an indefinite postponement of exploration, development, or production on any or all of the Company's properties, or even a loss of property interest, or have a material adverse impact on the Company's future cash flows, earnings, results of operations and financial condition or result in the substantial dilution of its interests in its properties. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favorable to the Company. If the Company was required to arrange for debt financing it could be exposed to the risk of leverage, while equity financing may cause existing shareholders to suffer dilution. There can be no assurance that the Company will be successful in overcoming these risks or any other problems encountered in connection with such financings. Failure to raise capital when needed would have a material adverse effect on the Company's business, financial condition, and results of operations.

The Company has and will continue to have negative operating cash flow until its mineral property commence commercial production should exploration and development efforts demonstrate that commercial production from such mineral properties is feasible.

### **Market Price of Common Shares**

The trading price of the common shares is likely to be significantly affected by short term changes in mineral prices or in its financial condition or results of operations as reflected in its quarterly earnings reports. Other factors unrelated to the Company's performance that may have an effect on the price of the common shares include the following: the extent of analytical coverage available to investors concerning the Company's business; the lessening in trading volume and general market interest in the Company's securities may affect an investor's ability to trade significant numbers of common shares; and the price of the common shares and size of the Company's public float may limit the ability of some institutions to invest in the Company's securities.

As a result of any of these factors, the market price of the common shares at any given point in time may not accurately reflect the Company's long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

### **Increased Costs of Being a Publicly Traded Company**

As the Company will have publicly-traded securities, significant legal, accounting and filing fees will be incurred. Securities legislation and the rules and policies of the Exchange require publicly listed companies to, among other things, adopt corporate governance policies and related practices and to continuously prepare and disclose material information, all of which will significantly increase legal, financial and securities regulatory compliance costs.

### **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 Ontario provincial government has designated businesses engaged in mineral exploration and development as an "essential service". Provided the Company's exploration activities continue to be so designated and the current availability of labour and supplies is not materially affected by new developments respecting COVID-19 or responses thereto, the Company expects that its personnel will be able to carry out surveying and drilling activities and complete the Phase 1 work program without significant delays or increases in cost.

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.

### **Resale of Common Shares**

The continued operation of the Company will be dependent upon its ability to generate operating revenues and to procure additional financing. There can be no assurance that any such revenues can be generated or that other financing can be obtained. If the Company is unable to generate such revenues or obtain such additional financing, any investment in the Company may be lost. In such event, the probability of resale of the Common Shares by any investor of the Company would be diminished.

### **Price Volatility of Publicly Traded Securities**

In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Common Shares will be subject to market trends generally, notwithstanding any potential success of the Company in executing on its business plan, creating revenues, cash flows or earnings. The value of the Common Shares will be affected by such volatility.