

ARCHER EXPLORATION CORP.

**MANAGEMENT'S DISCUSSION AND
ANALYSIS**

For the three months ended December 31, 2020

Dated March 1, 2021

ARCHER EXPLORATION CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

MD&A of the Company for the three months ended December 31, 2020 and 2019

This Management's Discussion and Analysis ("MD&A") of the financial position and results of operations of Archer Exploration Corp. (the "**Company**" or "**Archer**") should be read in conjunction with the condensed financial statements of the Company for the three months ended December 31, 2020 and the related notes contained therein. The financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") using policies consistent with IFRS as issued by the IASB. All dollar figures included therein and in the following MD&A are quoted in Canadian dollars. Additional information relevant to the Company and its activities can be found on SEDAR at www.sedar.com.

This MD&A is current as at March 1, 2021.

This MD&A contains forward-looking statements and forward-looking information as further described under "Forward-Looking Statements and Forward-Looking Information" at the end of this MD&A. Please also refer to those risk factors identified or otherwise indirectly referenced in the "Risks and Uncertainties" section below.

General

The Company was incorporated on October 26, 2018 and focuses on the exploration of mineral claims located in Quebec, Canada. The Company has selected September 30 as its fiscal year end.

Costs relating to the acquisition and claim maintenance of exploration and evaluation assets (including option payments and annual fees to maintain the property in good standing) are capitalized and deferred by property until the project to which they relate is sold, abandoned, impaired or placed into production.

The Company expenses all exploration, evaluation and development expenditures until management concludes that a future economic benefit is more likely than not to be realized.

The Company has no operating cash flow and its level of expenditures is dependent on the sale of debt and equity capital to finance its exploration operations. Therefore, it is difficult to identify any meaningful trends or develop an analysis from cash flows.

Liquidity and Capital Resources

The Company is in the exploration stage and therefore has no cash flow from operations. Its only source of funds since incorporation has been from the sale of common shares and special warrants. From the date of incorporation on October 26, 2018 to December 31, 2020, it has raised \$217,500 from the sale of shares and units that consist of common shares and warrants and \$120,000 from the sale of special warrants that consist of common shares and warrants.

As at December 31, 2020, current assets were \$286,921 and current liabilities were \$24,638, resulting in working capital of \$262,283 at that time. As at September 30, 2020, current assets were \$217,486 and current liabilities were \$8,392, resulting in working capital of \$209,094 at that time. The increase in working capital during the three months ended December 31, 2020 was attributed to an increase in cash and cash equivalents.

As at December 31, 2020, the Company had total assets of \$488,834 which is comprised of \$286,921 of cash and cash equivalents, exploration and evaluation property of \$37,500 and right to option agreement of \$164,413.

The Company is in the process of exploring mineral claims. The Company has not yet determined whether or when the claims could be economically viable.

While the information in this financial statements has been prepared in accordance with IFRS on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future, there are conditions and events that cast significant doubt on the validity of this presumption. The Company's ability to continue as a going concern is dependent upon achieving profitable operations and upon obtaining additional financing. While the Company is making its best efforts in this regard, the outcome of these matters cannot be predicted at this time.

Results of Operations

The net loss for the three months ended December 31, 2020, was \$31,311. Total expenses for the three months ended December 31, 2020 were \$31,311, comprised of general and administrative costs of \$64, share-based payments of \$2,000 and professional fees of \$29,262. Professional fees consist of legal, audit, accounting and filing fees.

The net loss for the period three months ended December 31, 2019 was \$0.

Disclosure of Outstanding Security Data

As of December 31, 2020, the Company had: 1,2588,250 common shares issued and outstanding, 7,800,000 warrants exercisable at \$0.10 with a weighted average remaining life of 1.27 years outstanding, 1,200,000 special warrants to be converted to 1,200,000 common shares and 1,200,000 share purchase warrants exercisable at \$0.15 and 40,000 stock options to acquire 40,000 common shares exercisable at \$0.10 with an expected life of 2 years.

As of the date of this financial statements, the Company has: 13,788,250 common shares issued and outstanding, and 9,000,000 warrants outstanding, of which 7,800,000 are exercisable at \$0.10 and 1,200,000 are exercisable at \$0.15 and 45,000 stock options to acquire 45,000 common shares exercisable at \$0.10 with an expected life of 2 years.

Financial Instruments and Other Instruments

The carrying values of cash and accounts payable approximate their fair values because of the short-term maturity of these financial instruments. The Company has no exposure to Asset Backed Commercial Paper.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements and does not contemplate having them in the foreseeable future.

Use of Estimates

Preparing financial statements requires management to make estimates and assumptions that affect the reported results. The estimates are based on historical experience and other assumptions believed to be reasonable under the circumstances. Critical accounting policies are disclosed in the annual audited financial statements and the condensed financial statements for the three months ended December 31, 2020.

Transactions between Related Parties

Refer to Note 7 of the financial statements for an overview of all transactions between related parties for the three months ended December 31, 2020 and 2019.

Accounting Policies

A detailed summary of all of the Company's significant accounting policies is included in Note 3 to the financial statements for the three months ended December 31, 2020 and 2019. The Company, in consultation with its Auditor, periodically reviews accounting policy changes implemented within its industry.

Forward-Looking Statements and Forward-Looking Information

The information provided in this MD&A may contain forward-looking statements and forward-looking information about the Company within the meaning of applicable securities laws. In addition, the Company may make or approve certain statements or information in future filings with Canadian securities regulatory authorities, in news releases, or in oral or written presentations by representatives of the Company that are not statements of historical fact and may also constitute forward-looking statements or forward-looking information. All statements and information, other than statements of historical fact, made by the Company that address activities, events, or developments that the Company expect or anticipate will or may occur in the future are forward-looking statements and information, including, but not limited to, statements and information preceded by, followed by, or that include words such as “may”, “would”, “could”, “will”, “likely”, “expect”, “anticipate”, “believe”, “intends”, “plan”, “forecast”, “budget”, “schedule”, “project”, “estimate”, “outlook”, or the negative of those words or other similar or comparable words. This forward-looking information and forward-looking statements include, without limitation, information about the Company’s opportunities, strategies, competition, expected activities and expenditures as the Company pursues its business plan, the adequacy of the Company’s available cash resources and other statements about future events or results.

Forward-looking statements and information involve significant risks, assumptions, uncertainties and other factors that may cause actual future performance, achievement or other realities to differ materially from those expressed or implied in any forward-looking statements or information and, accordingly, should not be read as guarantees of future performance, achievement or realities.

Actual performance, achievement or other realities could differ materially from those expressed in, or implied by, any forward-looking statements or information in this MD&A and, accordingly, investors should not place undue reliance on any such forward-looking statements or information. Further, any forward-looking statement or information speaks only as of the date on which such statement is made, and the Company does not intend, and expressly disclaims any intention or obligation to, update or revise any forward-looking statements or information whether as a result of new information, future events or otherwise, except as required by applicable law. All forward-looking statements and information contained in this MD&A and other documents of the Company are qualified by such cautionary statements.

In addition, forward-looking statements and information herein, including financial information, is based on certain assumptions relating to the business and operations of the Company. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements and forward-looking information in this MD&A, and the documents incorporated by reference herein, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There is no assurance that such statements and information will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements or information. Accordingly, readers should not place undue reliance on forward-looking statements and forward-looking information contained in this MD&A.