

**JAYDEN RESOURCES INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND
RESULTS OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2021**

The following Management's Discussion and Analysis ("MD&A") is intended to assist the reader to assess material changes in financial condition and results of operations of Jayden Resources Inc. ("Jayden" or the "Company") as at December 31, 2021 and 2020 and for the years then ended.

This MD&A should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2021 and supporting notes. These consolidated financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

All monetary amounts are in Canadian dollars unless otherwise specified. The effective date of this MD&A is April 28, 2022. Additional information relating to the Company is available on SEDAR at www.sedar.com.

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1. Overview

The Company is principally engaged in the business of acquiring, exploring and developing interests in mining projects. To date, the Company has not generated revenues from its principal activities and is considered to be in the exploration stage.

On September 4, 2020, Jayden announced that it had entered into a property option agreement with Teuton Resources Corp. (TSXV:TUO) to acquire up to a 75% interest in the Harry and Outland Silver Bar properties (the "Property") which are located in the Skeena Mining Division approximately 30km northwest of Stewart, BC.

The Property consists of 3 contiguous claims that cover a gross area of approximately 1,333 hectares. As per an April 2019 National Instrument 43-101 Technical Report on the property, the majority of the Property including the Outlander claim lies along the NW portion of a geological corridor prospective for gold-silver mineralization that is up to 3 kilometers wide. It is at least 15 kilometers long extending from south of the Premier Mine, possibly in the US, north to the Scottie Gold Mine and beyond. Within this mineralized corridor, there are a number of gold/silver deposits as well as numerous prospects. Deposits within this corridor include the Premier, Big Missouri, Silver Coin, Martha Ellen and Mt Dilworth.

On December 9, 2020, Teuton announced that it had discovered a new zone of mineralization on the Harry Property containing 7.86 ozs/ton over 2 metres

On September 2, 2021, the Company completed the continuation from the Companies Law (2021 Revision) of the Cayman Islands into the jurisdiction of British Columbia under the Business Corporations Act (British Columbia) with the intention to increase flexibility, and to reduce administrative costs.

On September 13, 2021, the Company entered into a termination agreement with Teuton and a quitclaim agreement (the "Quitclaim Agreement") with Optimum Ventures Ltd. ("Optimum") whereby the Company agreed with Teuton to terminate its Harry Property option agreement dated September 4, 2020, and simultaneously enter into the Quitclaim Agreement with Optimum allowing Teuton and Optimum to enter into a new option/sale agreement on the property. Under the terms of the Quitclaim Agreement, Optimum issued the Company 750,000 Optimum common shares and paid the Company's existing costs on the project which were \$27,000. On November 10, 2021, the transaction was closed.

On February 17, 2021, the Company entered into a property option agreement with three arm's length vendors (the "Optionors") to acquire a 100% interest in the Storm Lake Gold Property located in the Frotet-Evans Greenstone Belt in central Quebec. Under the terms of the agreement, the Company can acquire a 100% interest in the Storm Lake Gold Property by making cash and share payments to the Optionors totaling \$750,000 and 6,600,000 post-consolidation common shares respectively. On July 5, 2021, the Company paid \$200,000 and issued 2,200,000 shares to the Optionors.

As per the recommendations contained in a 43-101F1 Technical Report written for the Company on the Storm Lake property dated August 25, 2021, the Company completed its 2021 phase one exploration program which included sampling/trenching and IP surveys to prepare for the drill program and based on the findings advanced the phase two drill program from 5,000 to 6,000 meters.

2. Overall performance for the year ended December 31, 2021

The Company's performance for the year ended December 31, 2021 was a net loss of \$353,064 compared to a net loss of \$218,964 in 2020. The change is primarily due to the increase in administration expenses related to the active drilling campaign in Storm Lake property in 2021 offset by the realized gain of \$341,050 on disposal of the Company's Harry and Outland Silver Bar properties.

3. Selected annual information

For the years ended December 31, 2021, 2020, and 2019, the consolidated financial statements have been prepared in accordance with IFRS.

| Statement of Operations Data | Year Ended December 31, 2021 | Year Ended December 31, 2020 | Year Ended December 31, 2019 |
|---|---|---|---|
| Total revenue | \$Nil | \$Nil | \$Nil |
| Net income (loss) from continuing operations | (\$353,064) | (\$218,964) | \$817,605 |
| Net income (loss) from continuing operations per common share outstanding – basic and diluted | (\$0.01) | (\$0.01) | \$0.03 |
| Net income (loss) | (\$353,064) | (\$218,964) | \$817,605 |
| Net income (loss) per common share outstanding - basic and diluted | (\$0.01) | (\$0.01) | \$0.03 |
| Dividend per common share outstanding | \$Nil | \$Nil | \$0.51 |
| | Year Ended December 31, 2021 | Year Ended December 31, 2020 | Year Ended December 31, 2019 |
| Balance Sheet Data | | | |
| Total assets | 9,665,079 | 350,069 | 57,407 |
| Non-current financial liabilities | \$Nil | \$Nil | \$Nil |
| Shareholders' equity (deficit) | 7,443,208 | 272,852 | (52,384) |

Net Income (Loss)

The Company incurred a net loss of \$353,064 in the fiscal year ended December 31, 2021, a net loss of \$218,964 in the fiscal year ended December 31, 2020, and a net income of \$817,605 in the fiscal year ended December 31, 2019. The variance was mainly attributable to realized gain on disposal of marketable securities (2021 - \$nil; 2020 - \$nil; 2019 – \$1,879,737), and realized gain on disposal of mineral properties (2021 - \$341,050; 2020 - \$nil; 2019 - \$nil).

As of December 31, 2021, the company was focusing on the active drilling campaign in the Storm Lake property.

Gain on Disposal of Marketable Securities

For fiscal 2021, a realized gain of \$nil was recorded compared to \$nil in fiscal 2020 and \$1,879,737 in fiscal 2019.

During the year ended December 31, 2021, the Company received 750,000 Optimum common shares as part of the considerations to settle the sale of Harry and Outland Silver Bar properties with a fair value of \$360,000 as of December 31, 2021.

During the year ended December 31, 2020, the Company had no marketable securities transactions.

During the year ended December 31, 2019, the Company distributed 14,797,234 shares of Ascot Resources Ltd. as non-cash dividend and \$398,098 cash dividend to its shareholders. The fair value of the non-cash dividends was \$15,241,151 at the date of distribution. A realized gain of \$1,923,640 was recorded. The distribution was based on 90,995,746 issued and common shares of the Company and each shareholder is entitled to \$0.17 non-cash dividend or cash dividend.

During the year ended December 31, 2019, the Company's disposal of 382,263 shares of Ascot Resources Ltd. for gross proceeds of \$300,056, these shares had a carrying value of \$343,959. A realized loss of \$43,903 was recorded.

Gain on Disposal of Mineral Properties

During fiscal 2021, gain on disposal of mineral properties of \$341,050 was recorded compared to \$nil in both fiscal years 2020 and 2019. The gain on disposal of mineral properties arose from the termination agreement with Teuton and the Quitclaim Agreement with Optimum on September 13, 2021. The Company agreed with Teuton to terminate its Harry Property option agreement dated September 4, 2020, and simultaneously enter into the Quitclaim Agreement with Optimum allowing Teuton and Optimum to enter into a new option/sale agreement on the property. On November 10, 2021, under the terms of the Quitclaim Agreement, Optimum issued the Company 750,000 Optimum common shares and paid the Company's existing costs on the project which were \$27,000. A realized gain of \$341,050 was recorded.

Total Assets

Total assets increased to \$9,665,079 as at December 31, 2021 compared to \$350,069 as at December 31, 2020 and \$57,407 as at December 31, 2019. Total assets consist mainly of cash and cash equivalents of \$4,065,226 and exploration and evaluation assets of \$4,831,516 in fiscal year 2021 while only cash and cash equivalents of \$344,820 and \$51,193 in fiscal years 2020 and 2019, respectively.

Shareholders' Equity

Total shareholder's equity increased to \$7,443,208 as at December 31, 2021 from \$272,852 as at December 31, 2020 compared to a deficit of \$52,384 as at December 31, 2019. Total shareholders' equity consisted mainly of share capital and deficit. Equity increased mainly due to capital raised from private placements during the years ended December 2021 and 2020 compared to an equity deficit in 2019 mainly due to the dividend paid out during the year ended December 31, 2019.

4. Results of operations for the year ended December 31, 2021

The following table sets forth selected information for the years ended December 31, 2021, and 2020.

| | Year Ended December 31, | |
|---|--------------------------------|------------------|
| | 2021 | 2020 |
| Other income | 359,800 | (13,683) |
| Administrative expenses | <u>(712,864)</u> | <u>(205,281)</u> |
| Net income (loss) from continuing operations | (353,064) | (218,964) |
| Income tax (expense) recovery | <u>-</u> | <u>-</u> |
| Net income (loss) for the year | (353,064) | (218,964) |
| | | |
| Earnings (loss) per share continuing operations | | |
| Basic and diluted | (0.01) | (0.01) |

As the Company is an exploration company, it has no revenue from mining operations.

During the year ended December 31, 2021, the Company incurred a net loss of \$353,064 compared to a net loss of \$218,964 for the year ended December 31, 2020. The net loss in the year ended December 31, 2021 relates primarily to the administrative expenses for the year ended December 31, 2021 totalled \$712,864 (2019: \$205,281) due to the increase in activities in administration and capital fundraising for the drilling campaign in the Storm Lake property. This increase was mainly due to the following:

- Consulting fees of \$237,000 (2020 – \$126,000) in relation to consultants providing corporate communication, administrative and corporate development services to the Company;
- Corporate administration of \$154,186 (2020 – \$16,510) in relation to the Company's management fees, general office expenses, meals and entertainment, insurance and travel;
- Professional fees of \$135,591 (2020 – \$31,514) in relation to the previous year's financial statement audit, tax return services, and legal services requested throughout the year; and
- Regulatory and shareholder services of \$185,999 (2020 – \$30,622) in relation to the Company's regulatory filing fees, shareholder correspondence and investor relations services.

During the year ended December 31, 2021, the Company had a \$360,000 marketable securities balance which was composed of the 750,000 Optimum shares received from the sale of Harry and Outland Silver Bar properties.

During the year ended December 31, 2020, the Company had no marketable securities activities.

Use of Proceeds

Reconciliation of Use of Proceeds from a Private Placement in Fiscal Year 2021

The Company raised net proceeds of \$125,000 in January 2021, \$893,940 in June 2021, and \$4,393,480 in November 2021 via an equity financing. The table below summaries the expected use of proceeds and actual use of proceeds as of December 31, 2021:

| Intended Use of Proceeds | Actual Use of Proceeds |
|---|--|
| <p>January 2021 private placement:</p> <ul style="list-style-type: none"> • \$100,000 of the proceeds would be allocated to the Company's first year exploration expenditures on the Harry property, and the remaining \$25,000 would be paid to Teuton Resources Corp. to fulfill the Company's first year cash commitment as per the agreement with Teuton. <p>June 2021 private placement:</p> <ul style="list-style-type: none"> • To advance both the Company's Harry and Storm Lake gold properties and for general working capital purposes. <p>November 2021 private placement:</p> <ul style="list-style-type: none"> • To advance the Company's Storm Lake property and for general and administrative purposes. | <p>As at December 31, 2021, the Company had dropped its Harry property and spent \$4.83M on the Storm Lake property of which \$2.29M was on property acquisition while \$2.54M was on exploration activities. The funds raised were used for drilling on the Storm Lake property and some additional amounts reserved for G&A, exploration and marketing going forward.</p> |
| <p>Explanation of variances and the impact of variances on the ability of the Company to achieve its business objectives and milestones.</p> | <p>As per the recommendations contained in a 43-101F1 Technical Report written for the Company on the Storm Lake property dated August 25, 2021, the Company completed its 2021 phase one exploration program which included sampling/trenching and IP surveys to prepare for the drill program and based on the findings advanced the phase two drill program from 5,000 to 6,000 meters. The remaining funds will be put towards G&A and further development of the Storm Lake property.</p> |

5. Summary of quarterly results

The following table sets out selected unaudited quarterly financial information of the Company for the eight most recent quarters of operation. This information is derived from unaudited quarterly financial statements prepared by management. The financial data for the eight quarters ended December 31, 2021, are prepared in accordance with IFRS.

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| | 4 th Quarter 2021 31-Dec-21 | 3 rd Quarter 2021 30-Sep-21 | 2 nd Quarter 2021 30-Jun-21 | 1 st Quarter 2021 31-Mar-21 | 4 th Quarter 2020 31-Dec-20 | 3 rd Quarter 2020 30-Sep-20 | 2 nd Quarter 2020 30-Jun-20 | 1 st Quarter 2020 31-Mar-20 |
|---|---|---|---|---|---|---|---|---|
| Total revenue | \$Nil |
| Net income (loss) from continuing operations | \$43,220 | (\$158,104) | (\$135,717) | (\$102,463) | (\$67,311) | (\$50,770) | (\$74,892) | (\$25,991) |
| Net income (loss) from continuing operations per common share outstanding - basic | \$0.00 | (\$0.00) | (\$0.00) | (\$0.00) | (\$0.00) | (\$0.00) | (\$0.00) | (\$0.00) |
| Net income (loss) from continuing operations per common share outstanding - diluted | \$0.00 | (\$0.00) | (\$0.00) | (\$0.00) | (\$0.00) | (\$0.00) | (\$0.00) | (\$0.00) |
| Net income (loss) | \$43,220 | (\$158,104) | (\$135,717) | (\$102,463) | (\$67,311) | (\$50,770) | (\$74,892) | (\$25,991) |
| Net income (loss) per common share outstanding - basic | \$0.00 | (\$0.00) | (\$0.00) | (\$0.00) | (\$0.00) | (\$0.00) | (\$0.00) | (\$0.00) |
| Net income (loss) per common share outstanding - diluted | \$0.00 | (\$0.00) | (\$0.00) | (\$0.00) | (\$0.00) | (\$0.00) | (\$0.00) | (\$0.00) |

Overall, consulting fees, corporate administration, professional fees, regulatory and shareholder services were the major components that caused variances in net income (losses) from quarter to quarter while realized gain associated with the Company's disposal of mineral properties was the major component that caused variances in the net gain in the last quarter of fiscal year 2021.

Fourth Quarter

During the quarter ended December 31, 2021, the Company incurred a net income of \$43,220 compared to a net loss of \$67,311 for the quarter ended December 31, 2020. The change is mainly due to the \$341,050 realized gain from the Company's disposal of the Harry and Outland Silver Bar properties in the last quarter of 2021. During the quarter ended December 31, 2021, the company incurred administrative expenses of \$316,580 compared to \$53,463 for the quarter ended December 31, 2020. The change is mainly due to the company incurred more expenses due to the increase in activities.

6. Exploration and evaluation assets

Harry and Outland Silver Bar Properties

The Company has entered into a property option agreement (the "Agreement") with Teuton Resources Corp. ("Teuton") for the acquisition of the Harry and Outland Silver Bar properties (the "Property") on September 4, 2020. Pursuant to the terms of the Agreement, the Company may acquire an initial 55% interest in the Property.

An additional 20% interest in the Property can be acquired by Jayden taking the Property into commercial production on or before January 12, 2036. Teuton will retain a 2% net smelter royalty on the Property. The Company has received final acceptance from the TSX Venture Exchange on January 18, 2021 and the first payment of \$25,000 was paid on January 15, 2021.

On September 13, 2021, the Company entered into a termination agreement with Teuton and a quitclaim agreement (the "Quitclaim Agreement") with Optimum Ventures Ltd. ("Optimum") whereby the Company agreed with Teuton to terminate its Harry Property option agreement dated September 4, 2020, and simultaneously enter into the Quitclaim Agreement with Optimum allowing Teuton and Optimum to enter into a new option/sale agreement on the property. Under the terms of the Quitclaim Agreement, Optimum issued the Company 750,000

Optimum common shares and paid the Company's existing costs on the project which were \$27,000. On November 10, 2021, the transaction was closed. A realized gain of \$341,050 was recorded.

Storm Lake Gold Property

On February 17, 2021, the Company entered into a property option agreement with three arm's length vendors (the "Optionors") to acquire a 100% interest in the Storm Lake Gold Property located in the Frotet-Evans Greenstone Belt in central Quebec. Under the terms of the agreement, the Company can acquire a 100% interest in the Storm Lake Gold Property by making cash and share payments to the Optionors totaling \$750,000 and 6,600,000 post-consolidation common shares respectively.

Upon TSXV approval of the transaction (the "Effective Date"), the Company will pay \$200,000 and issue 2,200,000 shares to the Optionors. On the nine (9) month anniversary of the Effective Date an additional 2,200,000 shares will be issued. On the fifteen (15) month anniversary of the Effective Date an additional \$300,000 and 2,200,000 shares; and on the thirty (30) month anniversary of the Effective Date a further \$250,000.

On July 5, 2021, the Company paid \$200,000 and issued 2,200,000 shares to the Optionors. The Company subsequently issued 2,200,000 shares to the Optionors at the nine-month anniversary on April 5, 2022.

Pursuant to the terms of the option agreement, the Company may acquire a 100% interest in the Property by making the following:

| Date | Cash | Shares | Expenditures |
|---|-------------------|------------------|---------------------|
| Effective Date (paid and issued) | \$ 200,000 | 2,200,000 | \$ - |
| Nine month anniversary of the Effective Date | - | 2,200,000 | - |
| One year anniversary of the Effective Date | - | - | 150,000 |
| Fifteen month anniversary of the Effective Date | 300,000 | 2,200,000 | - |
| Two year anniversary of the Effective Date | - | - | 1,350,000 |
| Thirty month anniversary of the Effective Date | 250,000 | - | - |
| Three year anniversary of the Effective Date | - | - | 1,500,000 |
| | <u>\$ 750,000</u> | <u>6,600,000</u> | <u>\$ 3,000,000</u> |

The schedule below outlines the costs incurred on the Property as at December 31, 2021:

| | As at December 31 2020 | Additions/ (Writedowns) | As at December 31 2021 |
|--------------------|-----------------------------------|------------------------------------|-----------------------------------|
| | \$ | \$ | \$ |
| Acquisition | | | |
| Cash payment | - | 200,300 | 200,300 |
| Share issuance | - | 2,090,000 | 2,090,000 |
| | - | 2,290,300 | 2,290,300 |

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| | Cumulative to December 31, 2020 | Expenditures during the period | Cumulative to December 31, 2021 |
|--|------------------------------------|-----------------------------------|------------------------------------|
| | \$ | \$ | \$ |
| Exploration and evaluation expenditures | | | |
| Camp construction | - | 242,507 | 242,507 |
| Drilling | - | 1,835,094 | 1,835,094 |
| Equipment and supplies | - | 184,651 | 184,651 |
| Field expenses | - | 24,771 | 24,771 |
| General administration | - | 171,876 | 171,876 |
| Geological consulting | - | 53,206 | 53,206 |
| Permitting | - | 3,142 | 3,142 |
| Surveys and geophysics | - | 24,278 | 24,278 |
| Travel and accommodation | - | 1,691 | 1,691 |
| Total exploration and evaluation expenditures | - | 2,541,216 | 2,541,216 |
| Total acquisition and exploration and evaluation expenditures | | | 4,831,516 |

7. Liquidity and capital resources

The following table summarizes the Company's cash on hand, working capital and cash flow:

| As at December 31, | 2021 | 2020 |
|---|--------------|-------------|
| Cash and cash equivalents | \$ 4,065,226 | 344,820 |
| Working capital (deficit) | 2,611,692 | 272,852 |
| Year ended December 31, | 2021 | 2020 |
| Net cash provided by (used in) operating activities | 1,049,702 | (171,373) |
| Net cash provided by (used in) investing activities | (2,741,716) | - |
| Net cash provided by (used in) financing activities | 5,412,420 | 465,000 |
| Net change in cash | \$ 3,720,406 | 293,627 |

The Company is dependent on the sale of common shares and financings through future private placements to finance its exploration activities, property acquisition payments and general and administrative costs.

The Company's working capital increased from \$272,852 to \$2,611,692 in 2021. The difference was mainly due to the proceeds raised from the multiple private placements during the year ended December 31, 2021.

Total current assets increase from \$350,069 to \$4,833,563 was mainly due to the increase in cash balance arising from the cash proceeds raised from the private placements during the year 2021.

The Company's cash provided by operating activities was \$1,049,702 compared to cash used in operating activities of \$171,373 in fiscal year 2020. The increase in 2021 was primarily due to the increase in accrued liabilities arising from the drilling and legal costs at the year end 2021.

The Company's cash used in investing activities was \$2,741,716 (2020: \$nil). During the year ended December 31, 2021, the Company spent \$2,543,416 in the exploration and evaluation assets, \$225,300 in acquisition of

exploration and evaluation assets, and received proceeds of \$27,000 from disposal of the Harry and Outland Silver Bar properties with 750,000 Optimum shares as payment considerations.

The Company's cash provided by financing activities was \$5,412,420 (2020: \$465,000). The cash provided in 2021 and 2020 financing activities was due to the proceeds from various private placements outlined below.

On January 12, 2021, the Company had closed the second tranche of the Offering (as defined below) for gross proceeds of \$125,000 by issuing 833,334 units of the Company at a price of \$0.15 per unit. Each unit consisted of one common share of the Company and one transferable common share purchase warrant. Each warrant entitles the holder to purchase one additional share of the Company at a price of \$0.21 per warrant share until January 12, 2023. No finder's fees or commissions were paid in relation to the Offering.

On June 3, 2021, the Company closed a private placement by issuing 2,483,164 units at a price of \$0.36 per unit for total proceeds of \$893,940 ("Offering"). Each unit consisted of one common share of the Company and one half of a transferable common share purchase warrant. Each whole warrant entitles the holder to purchase one additional share of the Company at a price of \$0.66 per warrant share until June 3, 2023. No finder's fees or commissions were paid in relation to the Offering.

On November 26, 2021, the Company issued a total of 9,072,000 units at a price of \$0.50 per unit, for gross proceeds of \$4,536,000. Each unit consists of one common share of the Company and one-half of a transferable common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share at a price of \$0.80 per warrant share until November 26, 2023.

The Company also paid finder's fees totaling \$142,520 in cash equal to 7% of the proceeds raised by the finders and issued a total of 142,520 whole finder's warrants equal to 3.5% of the number of units sold by the finders. The finder's warrants are exercisable on the same terms as above and are subject to the acceleration clause.

8. Disclosure of outstanding share data

(a) Share capital

The authorized share capital of the Company is 5,000,000,000 common shares without par value.

During the year ended December 31, 2020, 3,539,999 common shares were issued.

As at December 31, 2020, the Company has 33,871,904 issued and outstanding common shares.

Outstanding share data as at December 31, 2021:

During the year ended December 31, 2021, 14,688,498 common shares were issued.

As at December 31, 2021, the Company has 48,560,402 issued and outstanding common shares.

Outstanding share data as at the date of this MD&A:

Subsequent to the year end, the Company issued 2,200,000 shares to the Optionors (Please refer to the section titled "Exploration and evaluation assets").

As at the date of this MD&A, the Company has 50,760,402 issued and outstanding common shares.

(b) Stock options

The Company has a stock option plan whereby the maximum number of shares subject to the plan, in the aggregate, shall not exceed 10% of the Company's issued and outstanding shares. The maximum term of any option will be

ten years and the vesting is at the direction of the board, however, options granted to consultants performing "investor relations' activities" must at a minimum vest in stages over a period of not less than twelve months, with no more than ¼ of the options vesting in any three month period or such longer period as the board determines. The exercise price shall be no less than the discount market price as determined in accordance with TSE policies.

There were no stock option transactions for the year ended December 31, 2021.

There were no stock option transactions for the year ended December 31, 2020

The Company had no stock options outstanding as at the date of this MD&A, December 31, 2021 and December 31, 2020.

(c) Share purchase warrants

On January 12, 2021, as part of the second tranche of the Offering, the Company issued 833,334 warrants which were valued at \$nil. Each warrant entitles the holder to purchase one additional share of the Company at a price of \$0.21 per warrant share until January 12, 2023.

On June 3, 2021, as part of the private placement, the Company issued 1,241,584 warrants which were valued at \$nil. Each whole warrant entitles the holder to purchase one additional share of the Company at a price of \$0.66 per warrant share until June 3, 2023.

On November 26, 2021, as part of the private placement, the Company issued 4,536,000 warrants which were valued at \$90,720. Each whole warrant entitles the holder to purchase one additional share of the Company at a price of \$0.80 per warrant share until November 26, 2023. The Company also paid finder's fees by issuing a total of 142,520 whole finder's warrants. The finder's warrants are exercisable on the same terms as above. The Company used the Black-Scholes to estimate the fair value of the finder's warrants for \$51,079 using the following assumptions: share price of \$0.49; risk free interest rate of 0.93%; dividend yield of 0%; expected volatility of 175.64%; and expected life of 2 years.

During the year ended December 31, 2021, 6,753,438 warrants were granted and 100,000 warrants were exercised.

During the year ended December 31, 2020, 3,099,999 warrants were granted at an exercise price of \$0.21 per warrant share until November 5, 2022. These warrants were valued at \$nil.

Share purchase warrant transactions during the years ended December 31, 2021 and 2020 are summarized as follows:

| | Number of Warrants | Weighted Average Exercise Price |
|-----------------------------------|-----------------------|------------------------------------|
| Balance, December 31, 2019 | - | \$ - |
| Granted During the Year | 3,099,999 | \$ 0.21 |
| Balance, December 31, 2020 | 3,099,999 | \$ 0.21 |
| Granted During the Year | 6,753,438 | \$ 0.70 |
| Exercised | (100,000) | \$ 0.21 |
| Balance, December 31, 2021 | 9,753,437 | \$ 0.55 |

The outstanding warrants as at the date of this MD&A and December 31, 2021 are as follows:

| Number Outstanding | Expiry Date | Exercise Price | Remaining Life (in years) |
|--------------------|-------------------|----------------|---------------------------|
| | | \$ | |
| 2,999,999 | November 5, 2022 | 0.21 | 0.85 |
| 833,334 | January 12, 2023 | 0.21 | 1.03 |
| 1,241,584 | June 3, 2023 | 0.66 | 1.42 |
| 4,678,520 | November 26, 2023 | 0.80 | 1.90 |

9. Related party transactions

The Company entered into the following material related party transactions during the following periods:

| | Notes | As at | |
|--|-------|-------------------|-------------------|
| | | December 31, 2021 | December 31, 2020 |
| | | \$ | \$ |
| Amounts due to related companies/ directors | | | |
| - David Eaton | (2) | 228,525 | 75,600 |

| | Notes | Year Ended | |
|--|-------|-------------------|-------------------|
| | | December 31, 2021 | December 31, 2020 |
| | | \$ | \$ |
| Management services provided by | | | |
| - Baron Global Financial Canada Ltd. | (1) | 120,000 | - |
| - David Eaton | (2) | 138,000 | 72,000 |

(1) Baron Global Financial Canada Ltd provided CFO and corporate advisory services.

(2) Mr. David Eaton, officer of the Company, provided CEO services.

10. Commitments

Refer to Note 6 of audited consolidated financial statements.

11. Additional disclosure for junior issuers

The Company has incurred the following material cost components:

| | Year Ended December 31, | |
|-------------------------------------|----------------------------|---------|
| | 2021 | 2020 |
| | \$ | \$ |
| Consulting fees | 237,000 | 126,000 |
| Corporate administration | 154,186 | 16,510 |
| Net foreign exchange gain loss | 88 | 635 |
| Professional fees | 135,591 | 31,514 |
| Regulatory and shareholder services | 185,999 | 30,622 |
| | 712,864 | 205,281 |

During the year ended December 31, 2021, \$237,000 (2020 - \$126,000) in consulting fees was paid in relation to consultants providing corporate communication, administrative and corporate development services to the Company.

During the year ended December 31, 2021, \$154,186 (2020 - \$16,510) in corporate administration fees was paid in relation to the Company's management fees, general office expenses, meals and entertainment, insurance and travel.

During the year ended December 31, 2021, \$135,591 (2020 - \$31,514) in professional fees was paid in relation to the previous year's financial statement audit, tax return services, and legal services requested throughout the year.

During the year ended December 31, 2021, \$185,999 (2020 - \$30,622) in regulatory and shareholder services fees was paid in relation to the Company's regulatory filing fees, shareholder correspondence and investor relations services.

12. Adoption of accounting standards and pronouncements under IFRS

There were no other new accounting standards or amendments to standards that were applicable to the Company for the year ended December 31, 2021 nor does the Company expect any that have not yet become effective to have a significant impact on its financial statements.

13. Financial instruments

The Company is exposed to financial risks through its use of financial instruments in its ordinary course of operations. The financial risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company does not have any written risk management policies and guidelines. However, the board of directors meets regularly and co-operates closely with key management to identify and evaluate risks and to formulate strategies to manage financial risks. The Company has not used any derivatives or other instruments for hedging purposes and does not hold or issue derivative financial instruments for trading purposes. The most significant risks to which the Company is exposed to are described below.

(i) Currency risk

Some of the operating expenses and cash and cash equivalents held are denominated in foreign currencies and as such are subject to currency risk. The Company does not enter into derivative financial instruments to mitigate

this risk but the Company does not believe its net exposure to foreign exchange risk is significant as most funds are held by the Company in Canadian dollars.

(ii) Credit risk

Credit risk arises from the non-performance by counterparties of contractual financial obligations. The Company's credit risk arises primarily with respect to subscription receivables.

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has interest-bearing assets in relation to cash at banks and cash equivalents carried at floating interest rates with reference to the market and non-interest bearing director's loans. The Company's operating cash flows are substantially independent of changes in market interest rates. The Company has not used any financial instrument to hedge potential fluctuations in interest rates. The exposure to interest rates for the Company is considered minimal. The Company has no interest bearing borrowings.

The policies to manage interest rate risk have been followed by the Company since prior years and are considered to be effective.

(iv) Liquidity risk

The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company has a working capital as at December 31, 2021 of \$2,611,692 (2020: \$272,852). The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the board of directors are actively involved in the review, planning and approval of significant expenditures and commitments.

The liquidity policies have been followed by the Company since prior years and are considered to have been effective in managing liquidity risk.

(v) Fair value measurements

The following table presents financial assets and liabilities measured at fair value in the statement of financial position in accordance with the fair value hierarchy. The hierarchy groups financial assets into three levels based on the relative reliability of significant inputs used in measuring the fair value of these financial assets. The fair value hierarchy has the following three levels:

Level 1 – quoted prices (unadjusted) in active markets for identical assets;

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

Level 3 – inputs for the asset that are not based on observable market data (unobservable inputs).

The level in the fair value hierarchy within which the financial asset is categorized in its entirety is based on the lowest level of input that is significant to the fair value measurement.

The marketable securities are grouped into level 1 as at December 31, 2021 and 2020.

There have been no significant transfers between levels 1 and 2 in the respective reporting periods. The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting periods.

Financial instruments that are not measured at fair value on the balance sheet are represented by cash and cash equivalents, subscription receivables and accounts payable and accrued liabilities. The fair value of these financial instruments approximates their carrying value due to their short-term nature.

14. Capital risk management

The Company's capital management objectives are to ensure the Company's ability to continue as a going concern so as to benefit from its operations to provide an adequate return for its shareholders.

The Company manages its capital structure and makes adjustments to it based on the funds available to the Company in order to support the acquisition, exploration and development of mineral properties. The Company defines capital that it manages as its shareholders' equity. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company has historically relied on the equity markets to fund the acquisition, exploration and development of mineral properties. In addition, the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company is not subject to externally imposed capital requirements.

15. Proposed transactions

The Company does not currently have any proposed transactions approved by the Board of Directors. All current transactions are fully disclosed in the financial statements for the year ended December 31, 2021.

16. Off balance sheet transactions

There are currently no off balance sheet arrangements which could have a material effect on current or future results of operations, or the financial condition of the Company.

17. Internal control over financial reporting

The Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") of the Company, together with the Company's management, are responsible for the information disclosed in this MD&A and in the Company's other external disclosure documents. For the year ended December 31, 2021, the CEO and the CFO have designed, or caused to be designed under their supervision, the Company's disclosure controls and procedures ("DCP") to provide reasonable assurance that material information relating to the Company has been disclosed in accordance with regulatory requirements and good business practices and that the Company's DCP will enable the Company to meet its ongoing disclosure requirements.

The CEO and CFO have evaluated the effectiveness of the Company's DCP and have concluded that the design and operation of the Company's DCP were effective as of December 31, 2021 and that the Company has the appropriate DCP to ensure that information used internally by management and disclosed externally is, in all material respects, complete and reliable.

The CEO and the CFO are also responsible for the design of the internal controls over financial reporting ("ICFR") within the Company in order to provide reasonable assurance regarding the reliability of financial reporting and the

preparation of financial statements for external purposes in accordance with International Financial Reporting Standards ("IFRS"). During the year ended December 31, 2012, the Company engaged an international business advisory firm to assess the effectiveness of the Company's ICFR.

During the design and evaluation of the Company's ICFR, management identified certain non-material deficiencies, a number of which have been addressed or are in the process of being addressed in order to enhance the Company's processes and controls. The Company employs entity level and compensating controls to mitigate any deficiencies that may exist in its process controls. Management intends to continue to further enhance the Company's ICFR. Management concluded that the Company's ICFR were effective as of December 31, 2012, 2011 and 2010.

The Company's management, including its CEO and CFO, believe that any DCP and ICFR, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override to the future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected.

There have been no changes in the Company's ICFR during the year ended December 31, 2021 that have materially affected, or are reasonably likely to materially affect, the Company's ICFR.

18. Critical accounting estimates and judgements

The following is the critical judgment, apart from those involving estimations that management have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the financial statements.

Going concern

Management has applied judgments in the assessment of the Company's ability to continue as a going concern when preparing its financial statements for the year ended December 31, 2021. Management prepares the consolidated financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative but to do so. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Management considered a wide range of factors relating to current and expected profitability, debt repayment schedules and potential sources of replacement financing. As a result of the assessment, management concluded the ultimate appropriateness of the use of accounting principles applicable to a going concern.

19. Cautionary statement on forward-looking information

This MD&A, which contains certain forward-looking statements, are intended to provide readers with a reasonable basis for assessing the financial performance of the Company. All statements, other than statements of historical fact, are forward-looking statements. The words "believe", "expect", "anticipate", "contemplate", "target", "plan", "intends", "continue", "budget", "estimate", "may", "will", "schedule" and similar expressions identify forward looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant business, economic and competitive uncertainties and contingencies.

Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to, fluctuations in the currency markets such as Canadian dollar, and U.S. dollar, fluctuations in the prices of commodities, changes in government legislation, taxation, controls, regulations and political or economic developments in Canada, the United States, or other countries in which the Company carries or may carry on business in the future, risks associated with mining or development activities, the speculative nature of exploration and development, including the risk of obtaining necessary licenses and permits, and quantities or grades of reserves. Many of these uncertainties and contingencies can affect the Company's actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Company.

Readers are cautioned that forward-looking statements are not guarantees of future performance. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those acknowledged in such statements. Specific reference is made to the Company's most recent Annual Information Form on file with Canadian provincial securities regulatory authorities for a discussion of some of the factors underlying forward-looking statements. The Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except to the extent required by applicable laws.

20. Subsequent event

Refer to Note 6. As per the property option agreement with three arm's length vendors (the "Optionors") to acquire a 100% interest in the Storm Lake Gold Property located in the Frotet-Evans Greenstone Belt in central Quebec, the Company subsequently issued 2,200,000 shares to the Optionors at the nine-month anniversary on April 5, 2022.