

MANAGEMENT'S DISCUSSION AND ANALYSIS

THREE MONTHS ENDED SEPTEMBER 30, 2021

SUITE 408 - 1199 WEST PENDER STREET
VANCOUVER, BC V6E 2R1

TELEPHONE: 604-331-9326
EMAIL: INFO@SEARCHLIGHTRESOURCES.COM

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SEARCHLIGHT RESOURCES INC.

Management's Discussion and Analysis
Three Months Ended September 30, 2021

The following is management's discussion and analysis ("MD&A") of Searchlight Resources Inc. ("Searchlight" or the "Company"), prepared as of November 25, 2021. This MD&A is intended to assist the reader to assess material changes in the financial condition and results of operations of Searchlight as of September 30, 2021 and for the three months then ended. This MD&A should be read together with the unaudited condensed interim financial statements for the period ended September 30, 2021 and related notes. Financial amounts are expressed in Canadian dollars unless otherwise indicated. United States dollar amounts are denoted by "US\$".

This MD&A contains "forward-looking information" which may include, but is not limited to, statements with respect to the future financial or operating performance of the Company. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

Forward-looking information involves known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors include, among others, general business, economic, competitive, political and social uncertainties; limited operating history; the actual results of current exploration activities; ability to obtain sufficient financing to meet ongoing operating costs; changes in project parameters as plans continue to be refined; changes in labour costs or other costs of operation; future mineral prices; equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry, including but not limited to environmental hazards, cave-ins, pit-wall failures, flooding, rock bursts and other acts of God or unfavourable operating conditions and losses; delays in obtaining governmental approvals or financing or in the completion of exploration activities. See "Risks and Uncertainties" below.

Forward looking information is based on a number of material factors and assumptions, including the results of exploration and drilling activities, the availability and final receipt of required approvals, licenses and permits, that sufficient working capital is available to complete proposed exploration and drilling activities, that contracted parties provide goods and/or services on the agreed time frames, the equipment necessary for exploration is available as scheduled and does not incur unforeseen break downs, that no labour shortages or delays are incurred and that no unusual geological or technical problems occur. While the Company considers these assumptions may be reasonable based on information currently available to it, they may prove to be incorrect. Actual results may vary from such forward-looking information for a variety of reasons, including but not limited to risks and uncertainties discussed in this MD&A.

The Company intends to discuss in its quarterly and annual reports referred to as the Company's MD&A documents, any events and circumstances that occurred during the period to which such document relates that are reasonably likely to cause actual events or circumstances to differ materially from those disclosed in this MD&A. New factors emerge from time to time, and it is not possible for management to predict all such factors and to assess in advance the impact of each such factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking information.

Additional information relating to the Company is available on SEDAR at www.sedar.com.

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Overview

Searchlight Resources Inc. (formerly Canyon Copper Corp.) was incorporated on January 21, 2000 under the laws of the State of Nevada. On May 31, 2013, the Company changed its incorporation jurisdiction to the Province of British Columbia, Canada. The continuation was approved by the Company's shareholders at a special meeting of shareholders held on May 21, 2013. The Company has one wholly owned subsidiary, Canyon Copper (USA) Ltd. ("Canyon USA"), a company incorporated in the state of Nevada. Searchlight is listed on the TSX Venture Exchange ("TSX-V") under the trading symbol "SCLT".

The Company is an exploration stage company engaged in the acquisition, exploration and development of mineral properties.

In May 2017, the Company optioned a 75% interest in the Bootleg Lake Gold Property from New Moon Minerals Corp. ("New Moon").

In July 2017, the Company optioned a 100% interest in the Munro Warden cobalt property from 2333382 Ontario Inc.

In November 2017, the Company acquired a 100% interest in the Cameron Cobalt Project.

In December 2018, the Company acquired the Duddridge Cobalt-Vanadium-Uranium Property

In February 2019, the Company optioned a 100% interest in the English Bay Gold Property.

In June 2019, the Company staked the Kulyk Lake Rare Earth Project.

In July 2019, the Company optioned a 100% interest in the Flin Flon North Project.

In September 2020, the Company staked the Reef Lake Nickel Project

In September 2020, the Company staked the Wapawekka Greenstone Project.

In May 2021, the Company optioned the Robinson Creek Gold Project.

The Company has not earned any revenues to date and does not anticipate earning revenues until such time as it enters into commercial production of its mineral properties. The Company is presently in the exploration stage of its business and can provide no assurance that commercially viable mineral deposits exist on its properties or that it will discover commercially exploitable levels of mineral resources on its properties, or if such deposits are discovered, that the Company will enter into further substantial exploration programs.

The technical information in this MD&A has been reviewed on behalf of the Company by Stephen Wallace P.Geo, who is a Qualified Person as defined in National Instrument 43-101 ("NI 43-101").

Corporate Highlights

- In September 2020 the Company staked 347.2 sq. km of new claims covering a 60-km long, almost completely contiguous, section of the western section of Wapawekka Greenstone Belt.
- In October 2020 the Company completed a UAV Magnetic Survey at Bootleg Lake Gold Project, outlining multiple structurally complex zones.
- In December 2020 Searchlight completed a financing of flow through and non-flow through shares. The Company issued 752,900 common shares at a price of \$0.07 per share for aggregate proceeds of \$52,703. The Company also issued 987,500 flow-through common shares at a price of \$0.08 per flow through share for aggregate proceeds of \$79,000.

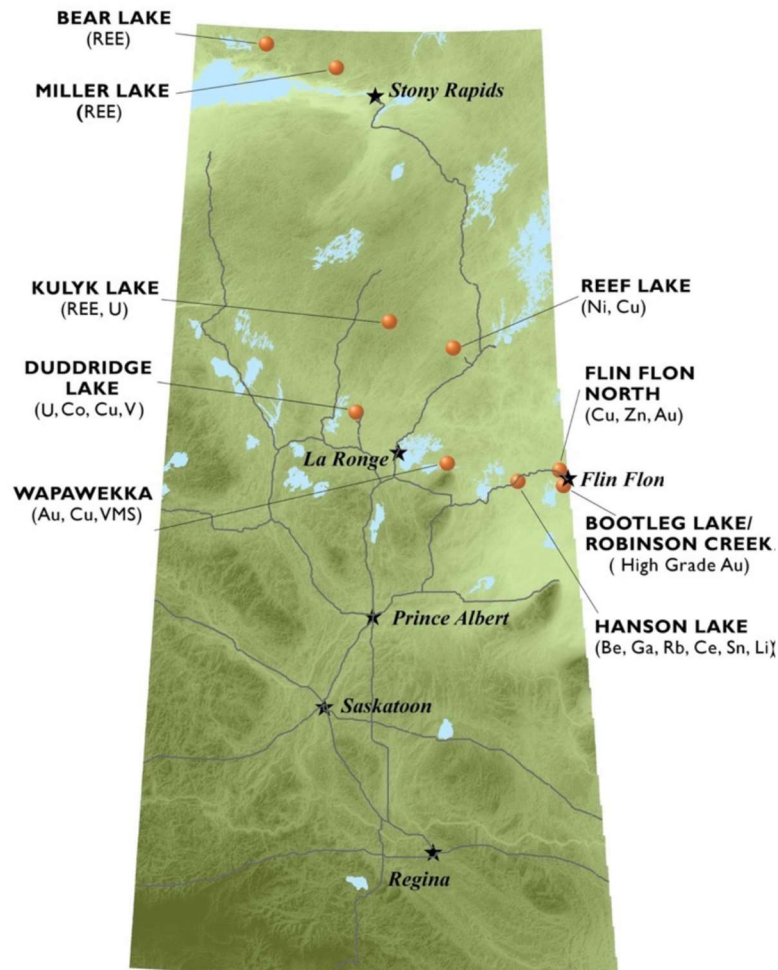
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- In March 2021, the Company completed a financing consisting of units and flow-through shares. The Company issued 12,213,750 units and 100,000 flow through shares for gross proceeds of \$987,100.
- In April 2021, the Company issued 1,083,333 common shares in lieu of cash to settle \$97,500 in outstanding liabilities with arms' length creditors. The common shares were issued at \$0.09 per share.
- In May 2021, the Company executed a formal option agreement to acquire 100% interest in the Robinson Creek Gold Project located approximately 15 kilometres west of Creighton, Saskatchewan, in the historic Flin Flon mining camp. Pursuant to the option agreement, the Company issued 500,000 shares and made cash payments of \$25,000.
- In June 2021, Searchlight made a cash payment of \$100,000 and issued 166,667 shares to New Moon Minerals the vendors of the Bootleg Lake project. In September 2021 the Company completed the required \$750,000 exploration expenditures on the project and has now earned a 75% interest in the project.
- In July 2021 Searchlight staked 19.1 sq km of new claims on the Miller Lake Rare Earth Element ("REE") project.
- In July 2021 the Company expanded the Bear Lake REE project from 12.6 sq km to 21.8 sq km by staking.
- In July 2021 Searchlight expanded the Kulyk Lake REE project from 61.1 sq km to 105.4 sq km by staking.
- In September 2021 the company completed an initial site visit to the Robinson Creek project, plus completed concurrent airborne magnetic and Lidar surveys at Robinson Creek and Bootleg.
- In September 2021 Searchlight completed airborne and radiometric survey at Kulyk Lake REE project.
- In September 2021 Searchlight completed airborne and radiometric survey at Duddridge Lake U, Co, Cu, and V project.
- In September 2021 the Company completed the required payments and work commitments to earn a 75% interest in the Bootleg Lake Gold project

Exploration and Development



Map 1 – Location of Searchlight Resources Projects in Saskatchewan

Miller Lake

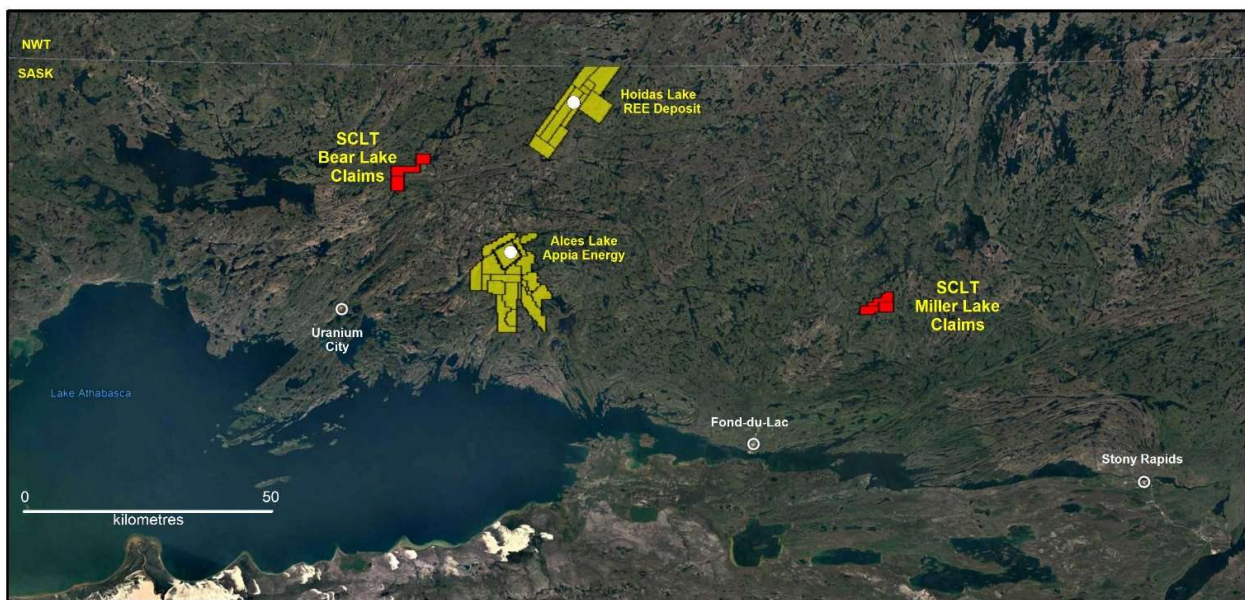
The Miller Lake project covers a total area of 19.1 sq km of newly staked claims, based on a lake sediment sample collected as part of the Geological Survey of Canada's National Geochemical Reconnaissance (NGR) lake sediment-sampling program. Assays for the Miller Lake sample yielded 2,792 ppm Total Rare Earth Elements (TREE), 221 ppm Uranium, and 169 ppm Thorium. This is the second highest TREE value amongst 35,842 NGR analyses for which TREE data are available for all of Canada.

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Bear Lake

During recent staking, the Bear Lake claim block was expanded from 12.6 sq km to 21.8 sq km to cover additional rare earth showings. The claims now include a total of 6 REE showings. The Bear Lake claims are located within 30 kilometers of the Hoidas Lake Rare Earth deposit, and 25 km of the Appia Energy Alces Lake Rare Earth project. (map 2) Previous work by the Saskatchewan Geological Survey located outcrops with samples that assayed up to 19.94 %TREO and 3.53 % CREO. The claims also include significant NGR lake sediment samples, including one sample of 2,372 ppm TREE. This is the sixth highest TREE value amongst 35,842 analyses for which REE data are available for all of Canada.



Map 2 – Location of Bear Lake and Miller Lake Rare earth project

Robinson Creek High Grade Gold Project

In May 2021 executed a formal option agreement to acquire 100% interest in the Robinson Creek Gold Project located approximately 15 kilometres west of Creighton, Saskatchewan, in the historic Flin Flon mining camp.

The Robinson Creek Gold Project consists of 7 claim blocks covering 1.84 square kilometres located approximately 15 kilometres northwest of Searchlight's Bootleg Lake claims (Map 1). The Robinson Creek target area lies within a structurally controlled mesothermal lode gold system, with considerable historical exploration which includes geologic mapping, trenching, soil surveys, airborne and ground geophysical surveys, and over 75 diamond drill holes.

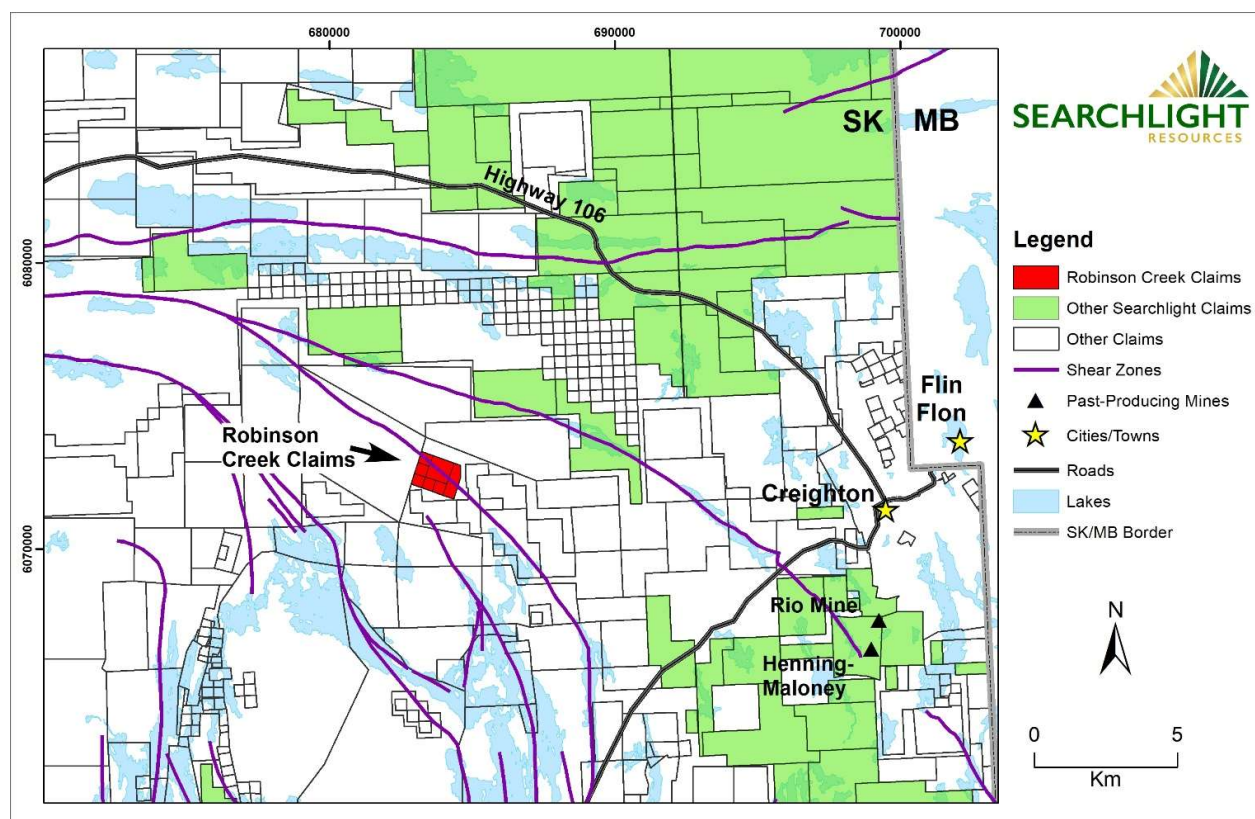
The Robinson Creek target comprises three gold zones - the Vein, Bleiler, and Quartz Zones - over a strike length of approximately 1 km. Exploration in the area began in 1915. In 1946,

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Hudson Bay Exploration carried out initial drilling of 15 holes in the Vein and Quartz zones. From 1970 to 1978, additional trenching in the Quartz Zone was completed, with trench samples returning gold assays ranging from 0.01 to 1.5 oz/ton.

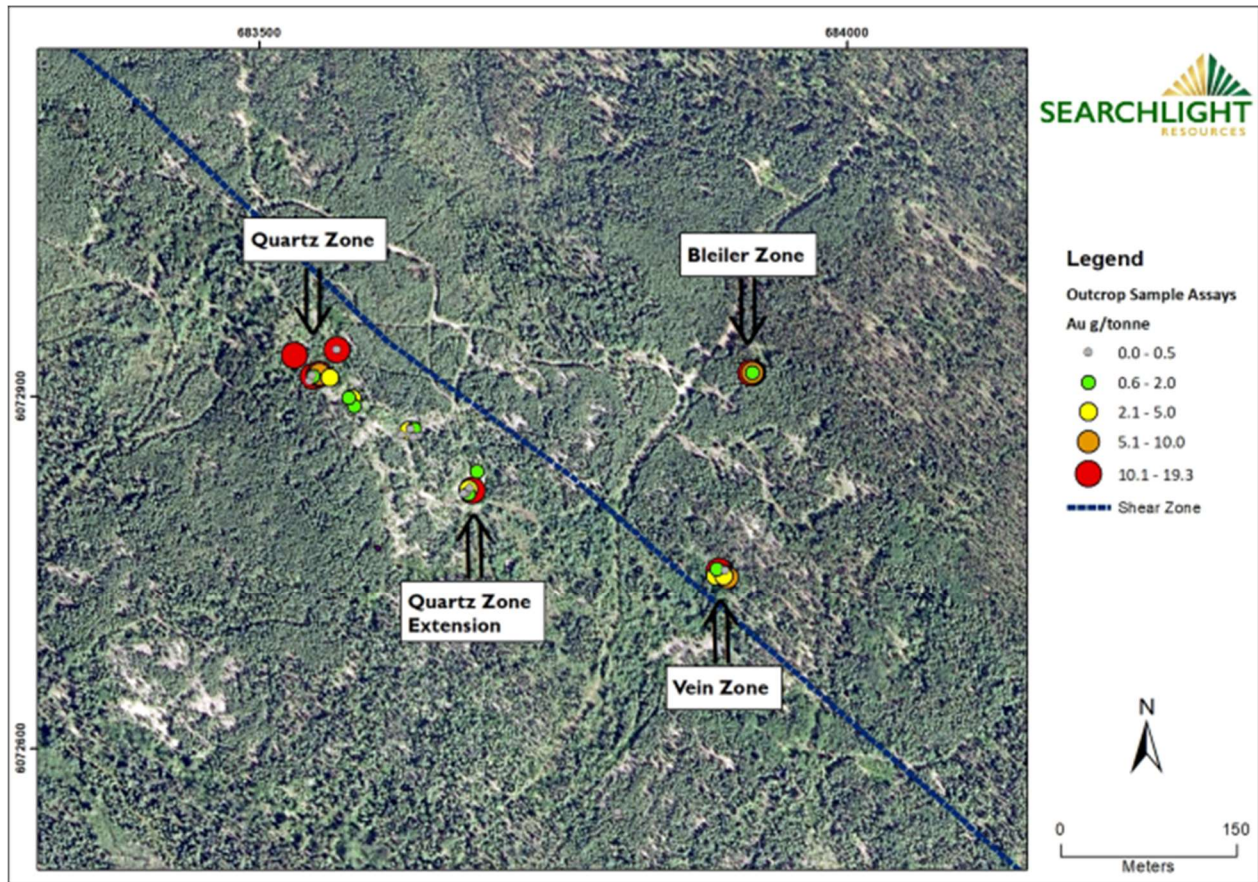
In the 1980s, Suneva and the Saskatchewan Mineral Development Corporation ("SMDC") joint venture completed over 60 drill holes, with exploration ending in 1989 during a period of low gold prices. Selected highlights of the drilling are presented in Table 1. Mineralization is open to depth, and there is limited drill testing on multiple additional gold showings. No drilling or surface exploration has been recorded on the claims since 1990, though St. Eugene Mining completed a regional heliborne VTEM geophysical survey in 2011.



Map 3 – Location of Robinson Creek claims

In August 2021, Searchlight completed airborne magnetic and lidar surveys of Robinson Creek, with results pending. In conjunction with survey the Company a team of geologist spend 3 days on the property to sample and confirm the surface locations of the Vein, Bleiler, and Quartz Zones.

During the program, a total of 60 outcrop samples and 12 soil samples were collected. Selected outcrop samples are shown in Table 1. Results show multiple samples with greater than 10 g/t Au from all three zones, and over 40% of outcrop samples with greater than 0.5 g/t



Map 4. Gold Assays (g/t) from Outcrop Samples from the Robinson Creek Mineralized Zones

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Sample Number	Sample Type	Zone	Description	Gold g/t
124251	Grab	Quartz	Hematized quartz vein	12.21
124252	Grab	Quartz	Weathered quartz vein	5.45
124253	Grab	Quartz	Hematized quartz vein	1.92
124254	Grab	Quartz	Quartz vein	14.30
124258	Grab	Quartz	Quartz vein	2.13
124259	Grab	Quartz	Quartz vein hosting disseminated, cubic and weathered pyrite	17.17
124261	Grab	Quartz	Quartz vein	12.48
124262	Grab	Quartz	Quartz vein hosted in hematite altered mafic volcanic	1.44
124263	Grab	Quartz	Blebbpy pyrite in chlorite schist	0.07
124264	Grab	Quartz	Folded and sheared mafic volcanic with cm-scale quartz stringers	2.06
124265	Grab	Quartz	Disseminated and foliation-controlled pyrite in chlorite schist	0.31
124313	Grab	Quartz	Pyrrhotite disseminations in chlorite schist	3.02
124316	Grab	Quartz	Chlorite schist hosting disseminated pyrite, cpy, arsenopyrite	1.65
124319	Grab	Quartz	Chlorite schist hosting disseminated pyrite; quartz vein; heavy alt	0.69
124322	Grab	Quartz	Quartz vein + hematite-limonite altered mafic volcanic	14.53
124324	Grab	Quartz	Quartz vein with lenses of mafic volcanic	0.48
124326	Grab	Quartz	Pyrite and disseminated chalcopryite in wall rock next to qtz vein	0.27
124266	Grab	Quartz	Disseminated pyrite	0.41
124269	Grab	Quartz	Weathered pyrite disseminations within quartz vein and wall rock	0.38
124271	Grab	Quartz	Wall rock and quartz vein hosting disseminated pyrite	0.34
124272	Grab	Quartz	Hematite-Limonite altered wall rock hosting disseminated pyrite	3.43
124273	Grab	Quartz	Trace disseminated pyrite in granodiorite	0.58
124278	Grab	Bleiler	Disseminated arsenopyrite	19.31
124279	Grab	Bleiler	Disseminated pyrite and arsenopyrite	7.68
124297	Grab	Bleiler	Wall rock with mm-scale quartz veining	12.96
124298	Grab	Bleiler	Mafic volcanic with chlorite-mica schist	1.53
124299	Grab	Bleiler	Disseminated pyrite and arsenopyrite in chlorite schist	11.83
124274	Grab	Vein	Hematite altered quartz-carbonate vein	0.45
124275	Grab	Vein	Quartz-carbonate vein hosting cubic pyrite	2.19
124276	Grab	Vein	Disseminated pyrite in and quartz veining in mafic volcanic	3.88
124277	Grab	Vein	Vug-hosted pyrite in quartz vein	5.56
124291	Grab	Vein	Hematite altered quartz vein	6.86
124292	Grab	Vein	Quartz veins in mafic volcanic hosting disseminated pyrite	2.78
124293	Grab	Vein	Disseminated and blebby pyrite in quartz-carbonate vein	3.02
124294	Grab	Vein	Disseminated and blebby pyrite in quartz-carbonate vein	13.98
124295	Grab	Vein	Quartz vein in basalt	3.05
124296	Grab	Vein	Quartz vein	0.93

Table 1. Gold Assays from Selected Outcrop Samples from the Robinson Creek Mineralized Zones

Option Agreement Terms

Timing	Cash (C\$)	Shares ⁽²⁾	Exploration Expenditures (C\$)
Execution of the Agreement	\$5,000 (Paid)	-	-
On or before 10 business days after receipt of Exchange approval	\$20,000 (Paid)	500,000 (Issued)	-
On or before the Year 1 anniversary of Exchange Approval	\$25,000	500,000	\$25,000
On or before the Year 2 anniversary of Exchange Approval	\$25,000	500,000	An additional \$50,000
On or before the Year 3 anniversary of Exchange Approval	\$25,000	500,000	-
On or before the Year 4 anniversary of Exchange Approval	-	-	An additional \$425,000
TOTAL	\$100,000	2,000,000	\$500,000

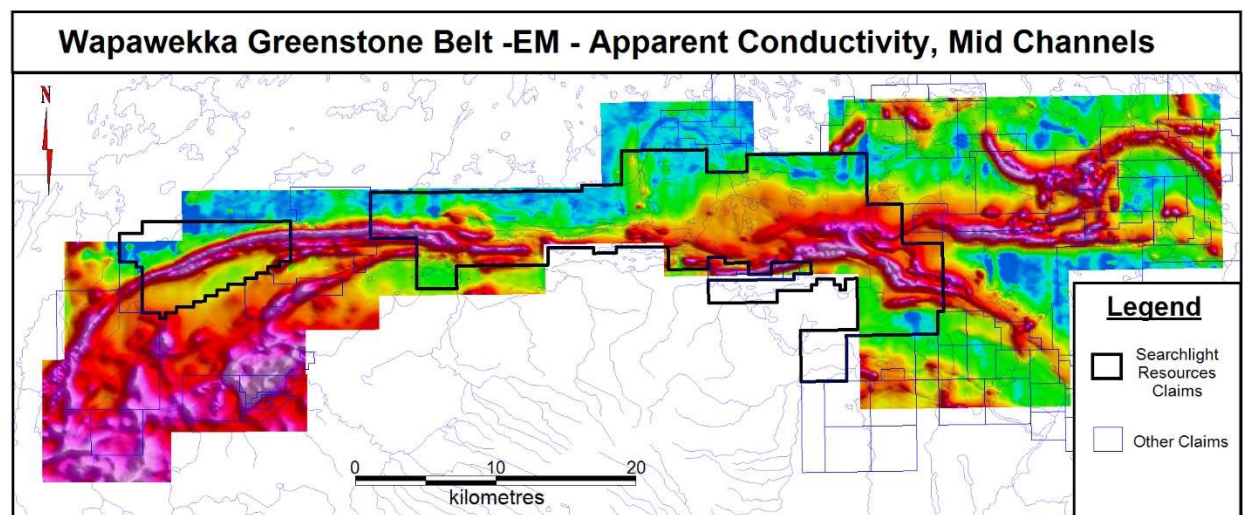
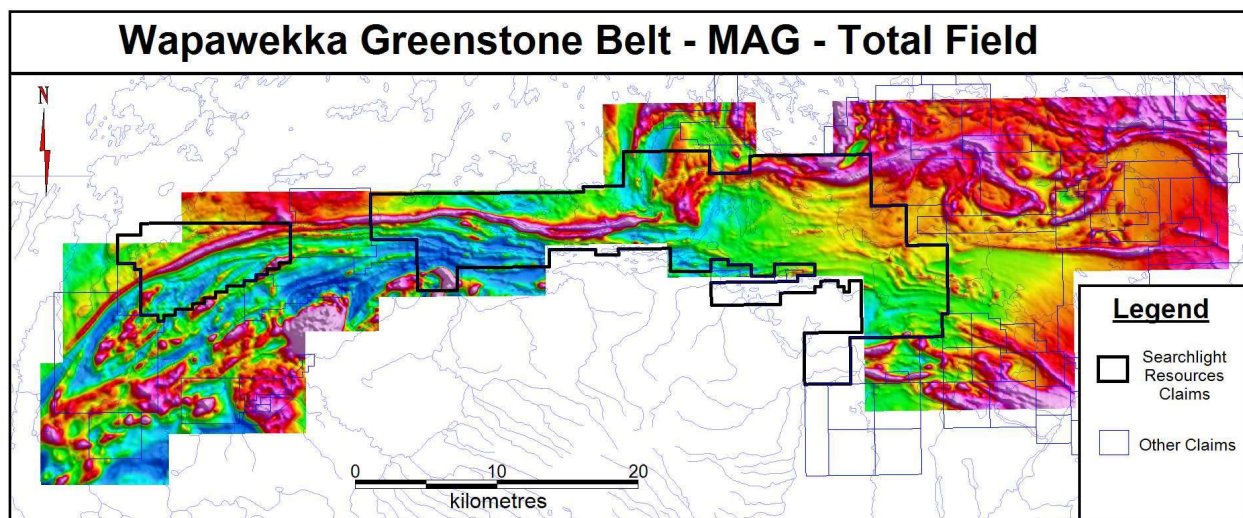
Under the terms of the Option Agreement, Searchlight will pay a 2.0 % Net Smelter Return royalty (the "NSR") to the vendor. The Company will have the right, at any time, to purchase 1.5 % of the 2.0% NSR for \$2,250,000.

Wapawekka Greenstone Belt

In September 2020 Searchlight completed the staking of 347.2 sq. km of new claims covering a 60-km long, almost completely contiguous, section of the western section of Wapawekka Greenstone Belt. The staking was based on newly published Airborne Geophysics released by the Government of Saskatchewan and Natural Resources Canada ("NRCan").

On September 17th, 2020, the Government of Saskatchewan released a set of maps and raw data from the Southern Glennie airborne electromagnetic and magnetic surveys flown over an area 40 kilometres southeast of Lac La Ronge, Saskatchewan in early 2020. The helicopter-borne geophysical survey by Geotech Ltd. included Electromagnetics using the versatile time-domain electromagnetic (VTEM™ Max) system, and Aeromagnetics using a caesium magnetometer. The survey covers an area of 1,110 sq. km, with a total of 6,595 line-kilometres of data at 200-metre line spacing. (See maps below)

This an early stage grass roots project, based on the new geophysical surveys. Searchlight will complete compilation of previous work during early 2021 with a site visit in spring 2021.



Reef Lake Nickel Copper Project

In September 2020 Searchlight completed the staking of a 29.7 square kilometre claim covering the Reef Lake Nickel Copper target in north central Saskatchewan, located less than 20 km from the all weather road at the Komis gold deposit and approximately 5 km from the major power line from Island Falls Hydroelectric facility.

In 1956 and 1957 a total of 27 drill holes were completed on the project, totaling 10,193 feet (3,103.7 meters) with selected drill results shown in the table below. Since the 1950's drilling at Reef Lake, the project has seen limited work including prospecting and an MMI survey in 2008. The Reef Lake nickel copper mineralization occurs as disseminated nickeliferous pyrrhotite, chalcopyrite and minor pyrite throughout a Mafic-Ultramafic Intrusion that outcrops on surface over an area of approximately 60 m x 150 m. Two 1956 drill holes were collared in surface mineralization including the first hole (DDH#1) which resulted in 37.8 m averaging 0.37% Ni,

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including a 9.8m interval assaying 0.66% Ni and 0.28% Cu. Drill DDH#5 also collared in mineralization averaged 0.43% Ni over 10.7m from surface.

Highlights from 1957 drilling includes DDH#12 with assays of 0.41% Ni and 0.15% Cu over 28.7 m which includes 1.19% Ni and 0.37% Cu over 1.0 m and 1.1% Ni and 0.27% Cu over 4.7 m. Additionally, DDH#20 had assays of 0.33% Ni and 0.18% Cu over 17.5 m which includes 0.55% Ni and 0.25% Cu over 5.8 m.

Flin Flon North Project

Searchlight has optioned 2 mineral claims totaling 5,644.7 hectares located 10 kilometers north of the Company's existing Bootleg Lake claims, building the Company's core land position in the Flin Flon Greenstone Belt. (See map below) The optioned claims cover historical gold and volcanogenic massive sulphide ("VMS") base metal showings, along the Annabelle Lake shear zone

Terms of the Option Agreement

- To earn 100% interest in the Claims, subject to a 2% NSR, Searchlight must maintain the claims in good standing and complete 12 years of assessment expenditures on the claims.
- Once the 100% interest is earned, GEM OIL will retain a 2% NSR.
- Further if any Claims optioned by Searchlight from Diamond Projects are sold or optioned by Searchlight to a third party, GEM OIL is to receive 25% of all cash and share payments.
- The agreement allows Searchlight to modify the size of optioned claims by adding or removing claim units during the life of the Option.

Any claims or claim units returned to Diamond Project will have a least one year remaining before Good Standing Date.

Kulyk Lake Rare Earth project

In June 2019 Searchlight announced the staking of Kulyk Lake Rare Earth project located approximately 165 kilometres north of La Ronge, Saskatchewan and 65 km south of the Key Lake Mine.

Searchlight has staked two claims totaling 1,348.6 hectares covering the Kulyk Lake Rare Earth target in north central Saskatchewan. Historically the Kulyk Lake area had been explored for uranium, followed by preliminary rare earth exploration in 2009 and 2010 when rare earth prices spiked. In addition to the Kulyk Lake Rare Earth target, the claim block also covers 7 additional rare earth, uranium and thorium showings and sample locations.

In 2009 grab and channel samples were collected and analyzed with a rare earth analytical package at the Saskatchewan Research Council Laboratory. The results included 56.18% Total Rare Earth Oxides ("TREO"), including 12.49% Critical Rare Earth Oxides ("CREO") in selected grab sample AGKJR001; 30.6% TREO including 6.82% CREO in selected grab sample AGKJR002 and 19.04% TREO including 4.21% CREO in channel sample AGKJR003. A full list of all rare earth oxide results is presented in Table below. Note: Critical Rare Earth Oxides (CREO) is the sum of $\text{Pr}_6\text{O}_{11} + \text{Nd}_2\text{O}_3 + \text{Tb}_4\text{O}_7 + \text{Dy}_2\text{O}_3$.

This work was followed up in 2010 with a series of trench samples, with some of the samples analyzed with the same rare earth analytical package at the Saskatchewan Research Council

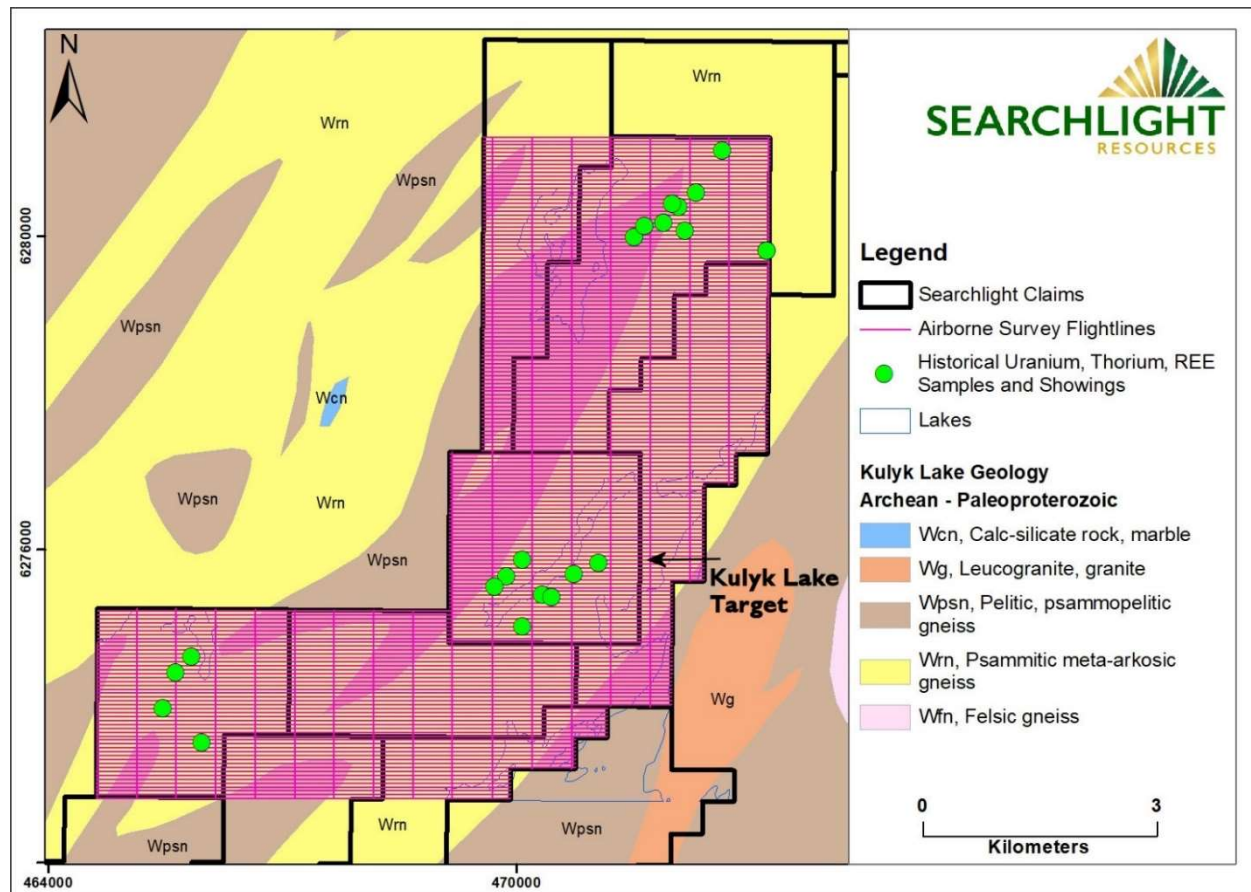
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Laboratory. Selected results include trench samples DFKJR026 with 45.1% TREO and 10.08% CREO over 0.6 metres, DFKJR025 with 24.44% TREO and 5.49% CREO over 0.7 metres and DFKJR013 with 19.75% TREO and 4.41% CREO over 0.7 metres.

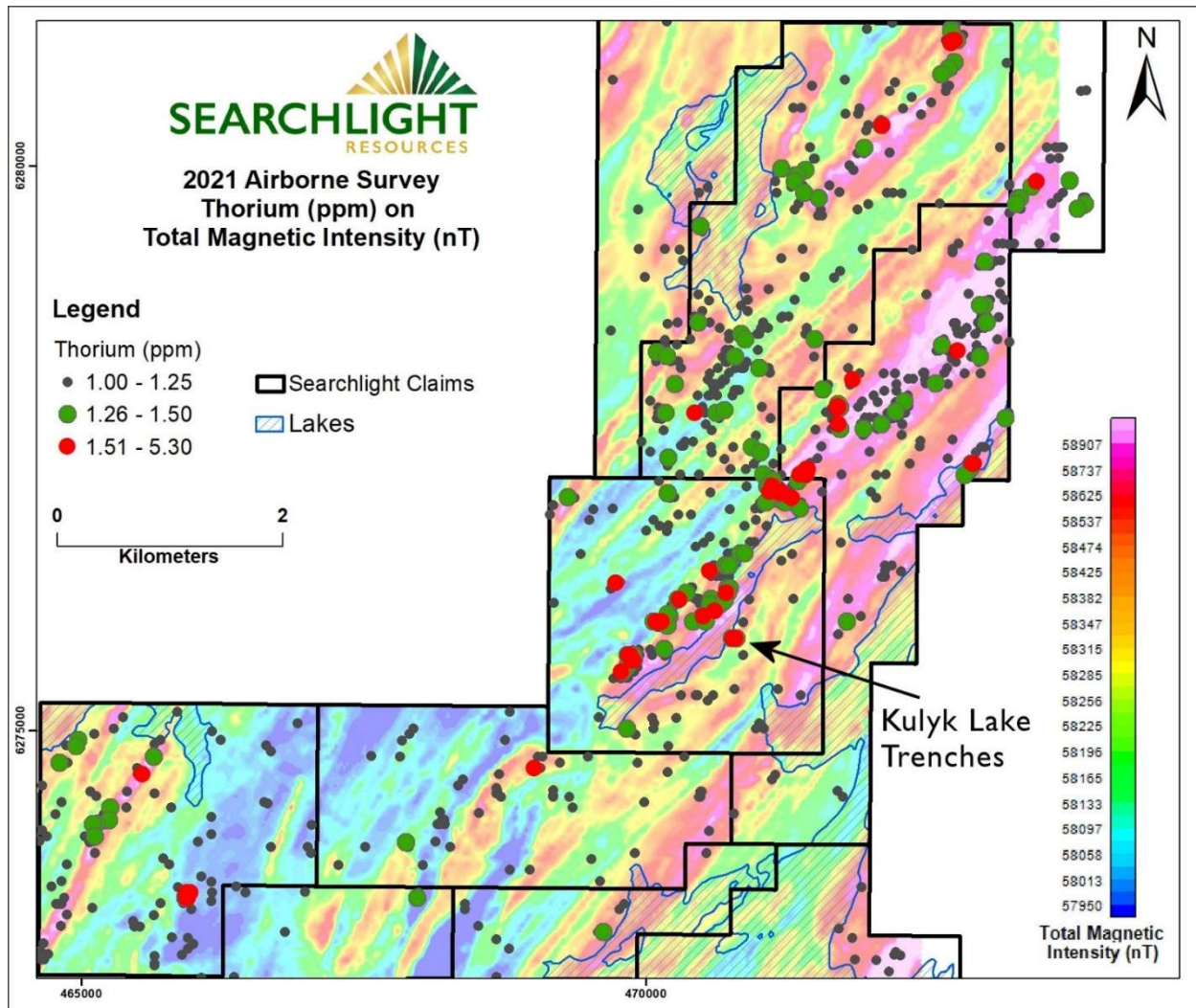
Searchlight has staked an additional 36.4 square kilometres of claims, increasing the total claim area of the Kulyk Lake project to 61.1 sq km.

In September 2021, the Company completed initial field work and airborne radiometric and magnetic surveys on the Kulyk Lake Project. Special Projects Inc. of Calgary, Alberta, completed high-resolution aeromagnetic and radiometric surveys covering approximately 39 sq km of the Kulyk Lake claims (Map 5). Preliminary radiometric results have outlined significant new thorium and uranium targets, in addition to several historical REE, uranium and thorium showings.



Map 5. Flightlines for 2021 Airborne Magnetic and Radiometric Surveys, Kulyk Lake Project, with Historical Showings

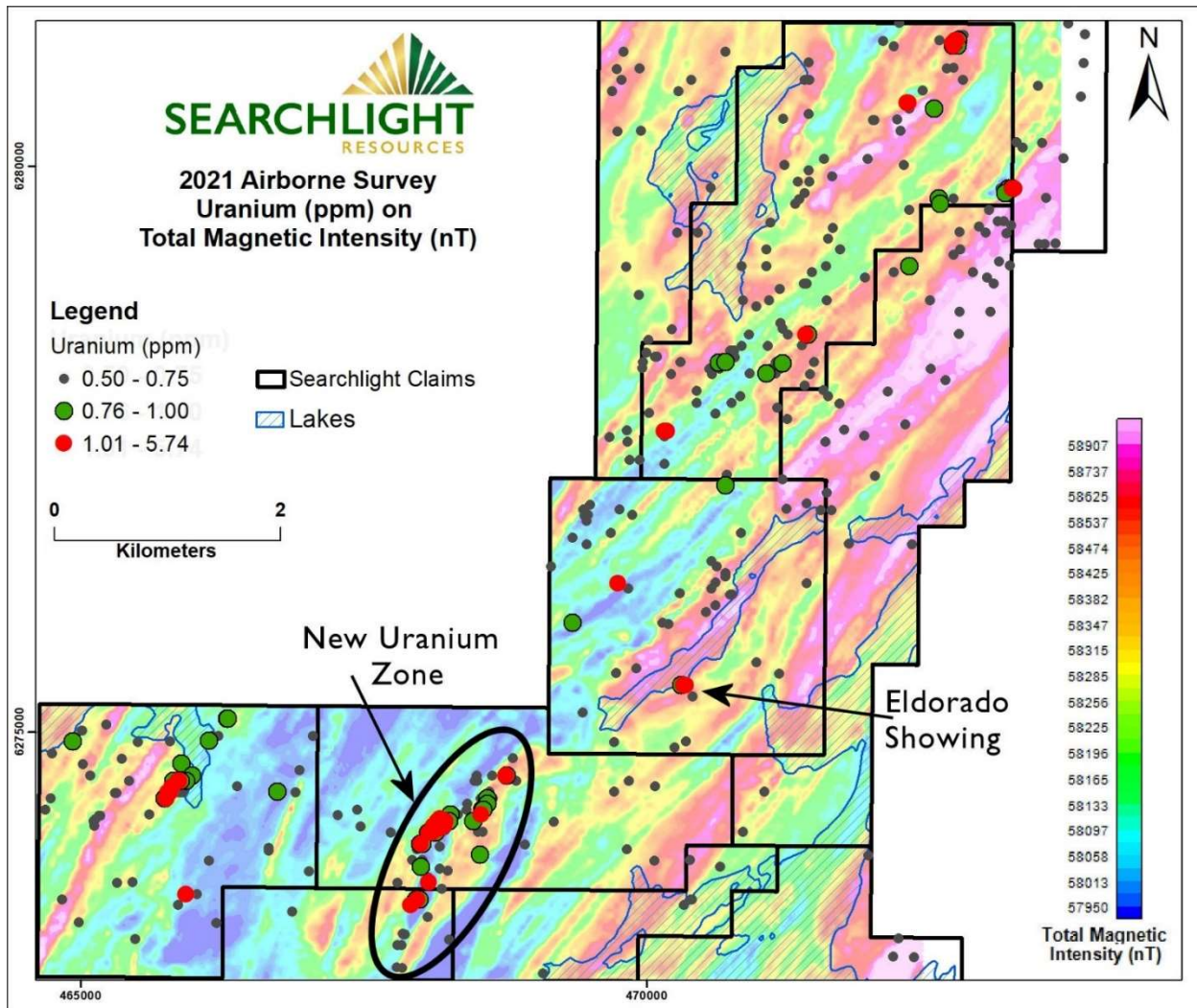
Searchlight uses thorium as a pathfinder for rare earth elements in the mineral monazite, which is the principal mineral in the known Kulyk Lake REE showing (Map 6). The highest thorium value from the radiometric survey (5.3 ppm) was located over the known Kulyk Lake REE trenches which yielded historical assays of 56.18% Total Rare Earth Oxides ("TREO"). Additionally, the radiometric survey identified the Kulyk Lake target as part of a larger anomalous thorium zone, at least 3 kilometres in length.



Map 6. Thorium (ppm) overlaid on Total Magnetic Intensity (nT), 2021 Airborne Survey, Kulyk Lake Project

Uranium results from the radiometric survey were equally positive, identifying a significant new, previously unknown uranium target (Maps 3 and 5), as well as pinpointing known uranium showings, including the Eldorado showing with historical assays of 0.785 % U_3O_8 . The newly identified anomalous uranium zone has multiple high values, ranging up to 5.74 ppm, the highest uranium value of this survey (Map 7).

Follow up field work is being planned for spring 2021.



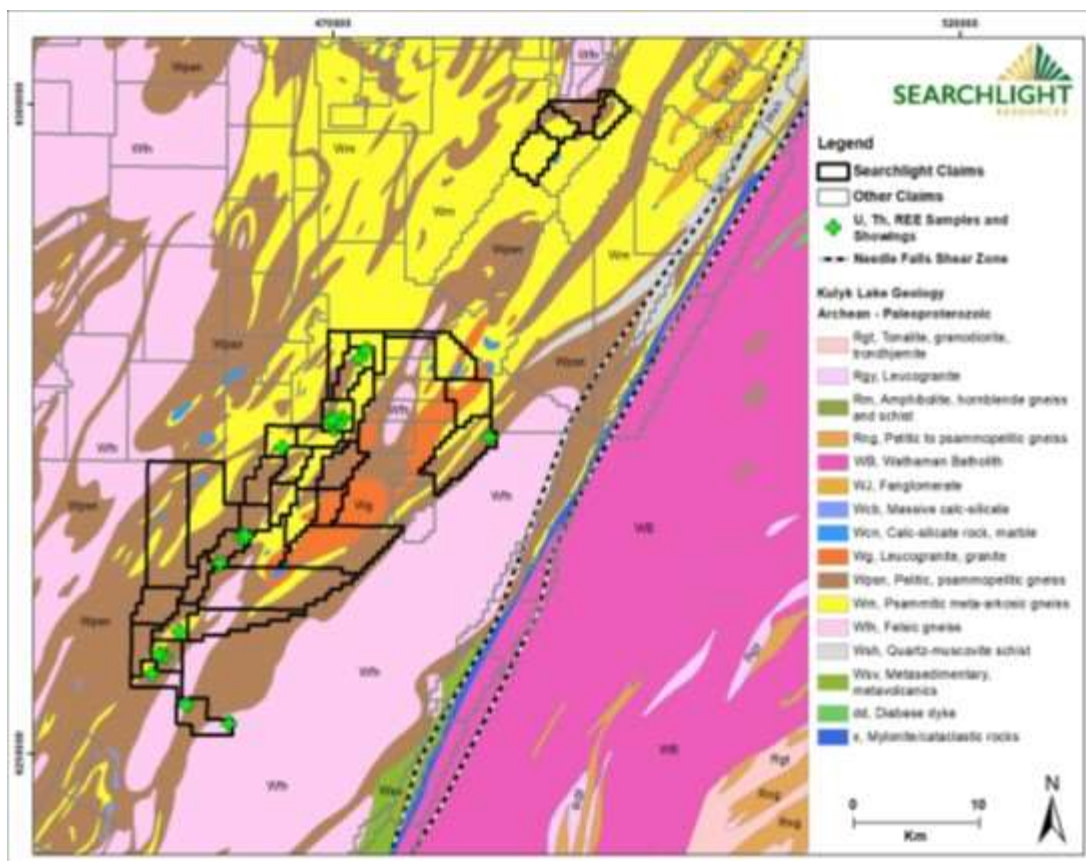
Map 7. Uranium (ppm) overlaid on Total Magnetic Intensity (nT), 2021 Airborne Survey, Kulyk Lake Project

During July and October Searchlight completed additional staking at Kulyk Lake, expanding the claim block from 61.1 sq km to 317.1 sq km. See map 8

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Map 8. Searchlight Resources Expanded Kulyk Lake Property Claims

Duddridge Cobalt-Vanadium-Uranium Project

In December 2019, the Company acquired the Duddridge Cobalt-Vanadium-Uranium Project which consists of 4 mineral claims totaling 3,051.6 hectares accessible by an all-season gravel road (Highway 910) to within 12 km of the project and with direct access to the project by winter road and ATV trail in summer.

To date, no exploration has ever focused on the cobalt or vanadium in this region of Saskatchewan. In 2007, Fission Energy Corporation ("Fission") announced a historical inferred resource estimate of 227,880 tonnes with a grade of 2.14 lbs/tonne U₃O₈ (see details below). Subsequently, during uranium exploration by Fission in 2012, a total of 39 boulder samples were collected and analyzed for a wide package of elements.

The results of boulder analysis showed highly anomalous results for cobalt and vanadium, two elements that were not of widespread exploration interest in 2012. In addition, the sample results show anomalous copper, lead and uranium levels. At that time of exploration, the focus was primarily for uranium. Of note, sample DD12-HW-029 assayed 1,310 ppm Co and 1,560 V; sample DD12-SH-012 assayed 1,460 Co and 746 ppm V; sample DD12-WM-002 assayed 567 ppm Co and 5,550 ppm V plus 4,440 ppm Pb and 15,100 ppm U.

The data was derived from Appendix 3 of the Saskatchewan Mineral Assessment report MAW00145 submitted on March 29th, 2013 by Fission, titled "2012 AIRBORNE GEOPHYSICAL SURVEYING and OUTCROP, BOULDER & SOIL SAMPLING ON THE DUDDRIDGE LAKE PROPERTY".

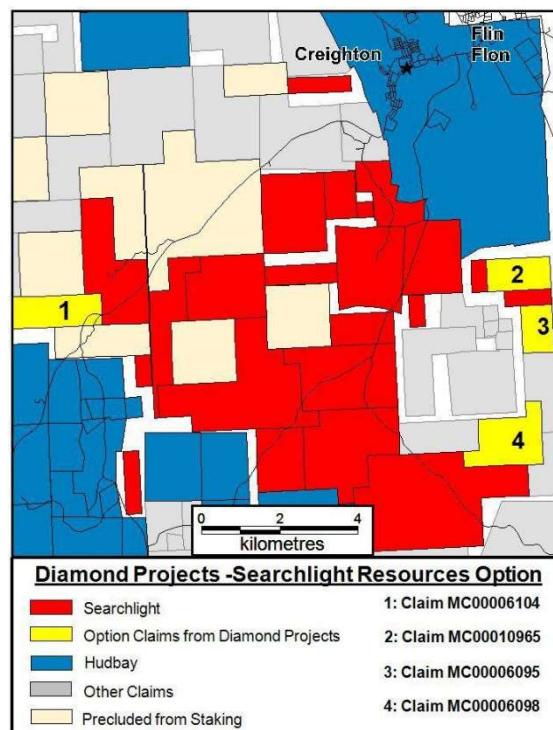
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Searchlight holds these claims 100% subject to a 1.0 % Net Smelter Return royalty (the "NSR") to the Vendors on commencement of commercial production. Searchlight has the right, at any time prior to six months after completion of a feasibility study to purchase the first 0.5 % of the 1.0% NSR for \$1,000,000 and the second 0.5 % of the 1.0% NSR for \$1,500,000 for a total buyout of \$2,500,000.

Diamond Projects Option

Searchlight has optioned 4 mineral claims totaling 654 hectares that adjoin the Company's existing Bootleg Lake claims, building the Company's core land position. (See map below) The optioned claims cover historical gold and volcanogenic massive sulphide ("VMS") base metal showings, including the Curved Lake VMS and Phantom Ledge Lake Gold targets.



Figures 2: Map showing location of Diamond Projects optioned claims

Terms of the Option Agreement

- To earn 100% interest in the Claims, subject to a 1% NSR, Searchlight must maintain the claims in good standing and complete 12 years of assessment expenditures on the claims. The assessment expenditure requirements are outlined in the Saskatchewan regulation document "The Mineral Tenure Registry Regulations"
- Once the 100% interest is earned, Diamond Projects will retain a 1% NSR.
- Further if any Claims optioned by Searchlight from Diamond Projects are sold or optioned by Searchlight to a third party, Diamond Projects is to receive 25% of all cash and share payments.
- The agreement allows Searchlight to modify the size of optioned claims by adding or removing claim units during the life of the Option.

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- Any claims or claim units returned to Diamond Project will have a least one year remaining before Good Standing Date.

Cameron Cobalt Project, Ontario, Canada

In November 2017, the Company acquired a 100% interest in the Cameron Cobalt Project located in Brigstocke Township approximately 20 kilometres southwest of Cobalt, Ontario and 120 kilometres north of North Bay, Ontario. The project was acquired from an Ontario prospecting group for a single payment of \$20,000 with no royalty payment.

In January 2018, the Company acquired additional claims surrounding the Cameron Cobalt Project, consisting of 60 claim units covering an area of 960 hectares, increasing the total project area to a total of 64 contiguous claims covering 1,024 hectares. The new claims surround the original claims and cover the same geology.

In October 2018 a team of prospectors spent 4 days prospecting and sampling the 100% owned Cameron cobalt target area at the north end of Brigstocke Lake. The team located and mapped the locations of 3 historic shafts, 4 pits and 7 trenches, with waste dumps near the workings. The area was largely overgrown, and it is likely more features exist.

A total of 40 grab samples were collected from the area, the majority from waste dumps and outcrop exposed in shafts and pits. The results included a number of anomalous samples which include 1.35% Co in sample R318936 and 0.63% Co, 0.864% Ni, 341 ppb Au and >2,000 ppm Bi in sample R318939.

In 2019, Searchlight allowed the initial claims to lapse and re-staked 16 claims over the October 2018 field work area.

Bootleg Lake Gold Property, Saskatchewan, Canada

In May 2017, Searchlight entered into an option agreement with New Moon, a private company, to earn a 75% interest in the Bootleg Lake Gold Property. The property is located near Creighton, Saskatchewan, Canada, five kilometres southwest of Flin Flon, Manitoba.

In August 2017, the Company staked a total of 13 claims blocks covering 2,851 hectares contiguous to the south and west side the Bootleg Lake Gold Property. With this staking, Searchlight increased its claim area by 867 hectares to a total area of 3,718 hectares.

In February and March 2018, the Company staked eight claim blocks covering 3,562 hectares, with two claim blocks contiguous to existing claims plus a large claim position located approximately five to 15 kilometres southwest of the Bootleg Lake claims.

The Company's Bootleg Lake area now covers a total area of 7,280 hectares south west of Flin Flon, Manitoba and Creighton, Saskatchewan, within the Flin Flon Greenstone Belt.

In March 2018, the Company completed a drill program of four NQ diamond drill holes, totaling 1,446 metres. Three drill holes were completed at the Rio (Bootleg) target and one at the Newcor target. The drilling at Rio (Bootleg) successfully demonstrated that gold mineralization extended below the known workings. Highlights of this drilling include

- 5.24 g/t gold over 4.0m including 12.24 g/t Au over 0.50m in drill hole BI-01
- 2.09 g/t gold over 19.0m including 3.23 g/t Au over 8.0m in drill hole BI-01

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- 2.45 g/t gold over 5.0m including 3.84 g/t Au over 2.0m in drill hole BI-02

In October 2018 the Company entered into an amendment agreement to complete the payments and work commitments to earn a 51% interest in the Bootleg Lake project. Under the amendment agreement, Searchlight has accelerated the 51% earn in with an all stock payment.

Searchlight completed the initial payments and the first phase of the 51% earn in, plus the \$250,000 required exploration expenditure. Originally a payment of \$50,000 and 166,667 shares due June 30th, 2019 has been replaced with a share payment of 1,425,000 shares which was paid within 5 days of TSXV approval. This completes the necessary requirements for Searchlight to earn 51%.

In June 2020, the Company entered into an amendment agreement with New Moon Minerals the vendors of the Bootleg Lake project to amend the scheduled June 30th, 2020 payment. The original payment was to have been a cash payment of \$50,000 and 166,667 common shares. This payment was amended to a cash payment of \$30,000 and 473,859 common shares of Searchlight.

In November 2020, Searchlight completed a UAV Magnetic survey of Rio and Henning-Maloney Mine areas. The company commissioned Axiom Geological Group to conduct a UAV Magnetometer survey targeting two priority areas within the 49.9 sq. km Bootleg Lake claims.

The survey covered a 1.53 square kilometre area surrounding Rio and Henning-Maloney past-producing gold mines with a total of 64-line kilometres of data, at 25 metre line spacing (Map 1). This work is in preparation for a 2021 drilling program at Henning-Maloney.

In March 2021, the Company completed a drill program of three NQ diamond drill holes, totaling 601 metres at the Henning Maloney past producing gold mine. The drilling at Henning Maloney successfully verified gold mineralization in the area and that gold mineralization extended below the historic shaft depth. Highlights of this drilling include.

- 4.15 g/t gold over 0.95 m in drill hole HM-21-01
- 7.91 g/t gold over 0.85 m in drill hole HM-21-02
- 8.4 g/t gold over 0.7 m in drill hole HM-21-02
- 31.59 g/t gold over 1.0 m in drill hole HM-21-03

In August 2021 the Company completed airborne magnetic and Lidar surveys covering the area of past producing gold mines Rio, Henning Maloney, Newcor and Wekach.

In September 2021 the Company completed the required payments and work commitments to earn a 75% interest in the Bootleg Lake Gold project.

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Financial***Summary of Quarterly Results***

The Company is an exploration stage company and has not generated any sales or revenues, nor has it had any extraordinary items or discontinued operations in the most recent eight fiscal quarters. The following is a summary of the Company's financial results for the eight most recent quarters:

Quarter ended:	Revenues \$	Net income (loss) \$	Basic and fully diluted income (loss) per share \$
December 31, 2019	-	(258,062)	(0.01)
March 31, 2020	-	30,550	0.00
June 30, 2020	-	(66,575)	(0.00)
September 30, 2020	-	(174,313)	(0.00)
December 31, 2020	-	(290,308)	(0.00)
March 31, 2021	-	(726,653)	(0.01)
June 30, 2021	-	(156,626)	(0.00)
September 30, 2021		(330,703)	(0.00)

To date, the Company has not yet realized profitable operations and has relied on equity financings and related party loans to fund its losses. The difference in the losses between the various quarters is mainly due to the amount of activity by the Company in each quarter, primarily on mineral exploration expenditures, general administration and regulatory requirements.

The loss for the quarter ended December 31, 2019 resulted from general operating costs and mineral exploration costs. The net income for the quarter ended March 31, 2020 resulted from option payments received for the sale of mineral properties. The loss for the quarter ended June 30, 2020 resulted from general operating expenses and mineral exploration costs. The loss for the quarters ended September 30, 2020, December 31, 2020, March 31, 2021, June 30, 2021, and September 30, 2021 resulted from operating expenses, mineral exploration costs, and unrealized losses on marketable securities.

Results of Operations

The review of the results of operations should be read in conjunction with the Company's September 30, 2021 unaudited interim condensed financial statements. For the period ended September 30, 2021, the Company incurred a loss of \$303,706 (2020-\$174,313).

The expenses and related costs that reflect changes in the Company's operations during the period ended September 30, 2021 include the following:

- Professional fees decreased from \$27,049 for the period ended September 30, 2020 to \$23,000 for the period ended September 30, 2021. Professional fees include \$15,000 (2020 - \$15,000) of accounting fees paid to a company controlled by the Company's CFO.

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- Management and consulting fees include fees paid to the Company's CEO, Vice President Business Development, and other consultants. The Company incurred management and consulting fees of \$33,000 (2020 - \$26,000) related to the CEO, Vice President Business Development, and other consultants.
- Investor relations expense increased from \$27,419 during the period ended September 30, 2020, to \$28,575 during the period ended September 30, 2021. Fees primarily relate to costs distribution of news releases and consulting fees for the preparation of investor and shareholder materials, and investor relations and marketing activities.
- Non-cash items of \$13,706 with respect to unrealized loss on marketable securities realized during the period ended September 30, 2021 with comparable amounts for 2020 of unrealized gain on marketable securities of \$27,4412.

Exploration Expenditures

During the period ended September 30, 2021, the Company recorded mineral property costs of \$213,006 (2020 - \$123,456). These expenses primarily consist of drilling and geophysics at Henning Maloney and Flin Flon North. Additional funds were used to stake new claims in the Wapawekka Greenstone Belt, Kulyk Lake and Reef Lake area.

Further particulars of exploration expenditures and commitments per project are provided in note 4 of the Company's September 30, 2021 unaudited condensed interim financial statements.

The Company has sufficient funds and working capital to meet operating expenditures and exploration plans for the next 12 months.

Liquidity and Capital Resources

At September 30, 2021, the Company had cash of \$911,052 (June 30, 2021 - \$1,196,294,717) and working capital of \$1,146,079 (June 30, 2021 - \$1,473,282). For the period ended September 30, 2021, the Company had negative cash flows from operations.

Some factors affecting the Company's liquidity include:

- During the period ended September 30, 2021, the Company received net proceeds of \$3,500 from the exercise of warrants.
- The Company's operational plan calls for significant expenses in connection with the exploration of its properties. The Company has sufficient funds to meet its annual claim payments and meet its ongoing reporting obligations including its exploration programs on the Bootleg Lake Gold Property and the Flin Flon North project.
- Obtaining financing is subject to a number of factors, including the market prices for the mineral properties and copper. These factors may make the timing, amount, terms or conditions of additional financing unavailable to the Company. Since inception, the Company has used its common shares to raise money for operations and for property acquisitions. The Company has not attained profitable operations and is dependent upon obtaining financing to pursue its plan of operation. For these reasons, the Company's independent auditors believe these factors indicate the existence of a material uncertainty that may cast substantial doubt about its ability to continue as a going concern.

Related Party Transactions

Particulars of transactions with related parties are disclosed in note 5 to the September 30, 2021 unaudited condensed interim financial statements. The Company does not have any contractual

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relationships with directors or officers other than employment contracts in the ordinary course of business.

- a) As at September 30, 2021, the Company was indebted to the CEO of the Company for \$20,934 (June 30, 2021 - \$8,243) which is included in accounts payable and accrued liabilities. The amount is non-interest bearing, unsecured and due on demand.
- b) During the period ended September 30, 2021, the Company incurred management fees of \$36,000 (2020 - \$30,000) to the CEO of the Company.
- c) During the period ended September 30, 2021, the Company incurred consulting fees of \$12,000 (2020 - \$15,000) to a Director of the Company.
- d) During the period ended September 30, 2021, the Company incurred professional fees of \$15,000 (2020-\$15,000) to a company controlled by the CFO of the Company.

Financial Instruments and Risk Management**(a) Fair Values**

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's statement of financial position as at September 30, 2021, as follows:

	Fair Value Measurements Using			Balance, September 30, 2021
	Quoted prices in active markets for identical instruments (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	\$	\$	\$	\$
Cash	911,052	-	-	911,052
Marketable securities	150,765	-	-	150,765
	1,061,817	-	-	1,061,817

The fair values of other financial instruments, which include amounts receivable, accounts payable and accrued liabilities, loans payable, approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and amounts receivable. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. Amounts receivable consists of GST refunds due from the Government of Canada. The carrying amount of financial assets represents the maximum credit exposure.

(c) Foreign Exchange Rate Risk

The Company operates in Canada only and has very little activity denominated in U.S. dollars. Foreign exchange risk arises from purchase transactions as well as financial assets and liabilities denominated in these foreign currencies.

The Company does not use derivative instruments to hedge exposure to foreign exchange rate risk. However, management of the Company believes there is no significant exposure to foreign currency fluctuations.

(d) Interest Rate Risk

The Company's cash may contain highly liquid investments that earn interest at market

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rates. The Company manages its interest rate risk by maximizing the interest earned on excess funds while maintaining the liquidity necessary to fund daily operations. Fluctuations in market interest rates do not have a significant impact on the Company's results of operations due to the short term to maturity of the investments held.

(e) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising debt or equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

(f) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities. The Company is exposed to price risk with the marketable securities held in publicly-traded companies. The Company's marketable securities are subject to risks associated with fluctuations in the market price of the marketable securities.

Accounting Standards Issued But Not Yet Effective

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended September 30, 2021, and have not been applied in preparing these financial statements.

Amendments to IAS 1, "*Presentation of Financial Statements*"

Amendments to IFRS 3 "*Business Combinations*"

The Company will adopt the amendments to the standards and does not expect they will have a material impact on the Company's financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

Risk and Uncertainties

The following are some significant risk factors that could affect the Company's financial performance or could cause actual results to differ materially from estimates contained in the Company's forward-looking statements. The Company may encounter risks in addition to those described below. Additional risks and uncertainties not currently known to the Company, or that it currently deems to be immaterial, may also impair or adversely affect the Company's business, financial condition or results of operation.

An investment in the Company's common shares involves a high degree of risk. Investors should carefully consider the risks described below and the other information in this report before investing in the Company's common shares. If any of the following risks occur, the Company's business, operating results and financial condition could be seriously harmed. The price of the Company's common shares could decline due to any of these risks, and investors may lose all or part of their investment.

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The Company lacks an operating history and has losses which it expects to continue into the future. As a result, the Company may have to suspend or cease exploration activities and if the Company does not obtain sufficient financing, its business will fail.

The Company was incorporated on January 21, 2000 as a Nevada corporation and migrated to Canada on May 31, 2013. To date has been involved primarily in the acquisition of its mineral properties and the exploration and development initially of its US based mineral properties and subsequently of its Canadian properties. The Company has no exploration history upon which an evaluation of its future success or failure can be made. The Company's ability to achieve and maintain profitability and positive cash flow is dependent upon the Company's ability to locate a profitable mineral property and the Company's ability to generate revenues.

The Company's plan of operation calls for significant expenses in connection with the exploration of the Bootleg Lake, Duddridge Lake, Kulyk Lake, Flin Flon North, Reef Lake, Wapawekka, and Cameron Cobalt properties, which may require the Company to obtain financing. The Company recorded a net loss of \$330,703 for the period ended September 30, 2021 and has an accumulated deficit of \$32,349,835 since inception. At September 30, 2021, the Company had cash of \$911,052. The Company has sufficient funds to meet its annual claim payments, planned exploration programs, and meet its ongoing reporting obligations for the next twelve months, however the Company may require additional financing to carry out additional exploration programs on the Bootleg Lake, Flin Flon North, Duddridge Lake, Kulyk Lake, Reef Lake, Wapawekka, and Cameron Cobalt properties. There is no assurance the Company will be successful in raising funds or on terms that are acceptable to it. Since inception, the Company has been dependent on investment capital and debt financing from third parties as its primary source of liquidity. The Company anticipates continuing to rely on sales of its common shares and loans in order to continue to fund its business operations. Issuances of additional shares will result in further dilution of the Company's existing shareholders.

Obtaining financing would be subject to a number of factors, including the market prices for the mineral property and base and precious metals. These factors may make the timing, amount, terms or conditions of additional financing unavailable to the Company. Since inception, the Company has used its common shares to raise money for its operations and for its property acquisitions. The Company has not attained profitable operations and is dependent upon obtaining financing to pursue its plan of operation.

Because the Company anticipates its operating expenses will increase prior to earning revenues, the Company may never achieve profitability.

Prior to completion of the Company's exploration stage, the Company anticipates that it will incur increased operating expenses without realizing any revenues. The Company therefore expects to incur significant losses into the foreseeable future. The Company recognizes that if it is unable to generate significant revenues from the exploration of its mineral claims and the production of minerals thereon, if any, the Company will not be able to earn profits or continue operations. There is no history upon which to base any assumption as to the likelihood that the Company will prove successful, and it may not be able to ever generate any operating revenues or achieve profitable operations. If the Company is unsuccessful in addressing these risks, its business will most likely fail.

Because the Company is an exploration stage company, its business has a high risk of failure.

The Company is an exploration stage company that has incurred net losses since inception, has not attained profitable operations and is dependent upon obtaining adequate financing to complete its exploration activities. The success of the Company's business operations will

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depend upon its ability to obtain further financing to complete its planned exploration program and to attain profitable operations. If the Company is not able to complete a successful exploration program and attain sustainable profitable operations, then the Company's business will fail.

Because the Company has not commenced business operations, it faces a high risk of business failure.

The Company has not earned any revenues as of the date of this MD&A. Potential investors should be aware of the difficulties normally encountered by new mineral exploration companies and the high rate of failure of such enterprises. The likelihood of success must be considered in light of the problems, expenses, difficulties, complications and delays encountered in connection with the exploration of the mineral properties that the Company plans to undertake. These potential problems include, but are not limited to, unanticipated problems relating to exploration, and additional costs and expenses that may exceed current estimates.

The Company has no known mineral reserves and if it cannot find any and cannot continue to finance, will have to cease operations.

The Company has no known mineral reserves. Mineral exploration is highly speculative. It involves many risks and is often non-productive. Even if the Company is able to find mineral reserves on its property, its production capability is subject to further risks including:

- Costs of bringing the property into production including exploration work, preparation of production feasibility studies, and construction of production facilities, all of which the Company has not budgeted for;
- Availability and costs of financing;
- Ongoing costs of production; and
- Environmental compliance regulations and restraints.

The marketability of any minerals acquired or discovered may be affected by numerous factors which are beyond the Company's control and which cannot be accurately predicted, such as market fluctuations, the lack of milling facilities and processing equipment near its properties and such other factors as government regulations, including regulations relating to allowable production, exporting of minerals and environmental protection. If the Company does not find a mineral reserve or define a mineral inventory containing gold, silver or copper or if it cannot explore the mineral reserve, either because it does not have the money to do it or because it will not be economically feasible to do it, the Company will have to cease operations and investors will lose their investment.

In order to maintain the Company's rights to its mineral properties, the Company will be required to make annual filings with federal and state regulatory agencies and/or be required to complete assessment work on its mineral properties.

In order to maintain the Company's rights to its mineral properties, the Company will be required to make annual filings with federal and state regulatory authorities. In addition, it may be required by federal and/or state legislation or regulations to complete minimum annual amounts of mineral exploration work on its mineral properties. A failure by the Company to meet the annual maintenance requirements under federal and state laws could cause its rights to the mineral properties to lapse.

Because of the inherent dangers involved in mineral exploration, there is a risk that the Company may incur liability or damages if and when the Company conducts mineral exploration activities.

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The search for valuable minerals involves numerous hazards. As a result, if and when the Company conducts exploration activities, it may become subject to liability for such hazards, including pollution, cave-ins and other hazards against which the Company cannot insure or against which it may elect not to insure. The payment of such liabilities may have a material adverse effect on the Company's financial position.

If the price of base and precious metals declines, the Company's financial condition and ability to obtain future financings will be impaired.

The price of base and precious metals is affected by numerous factors, all of which are beyond the Company's control. Factors that tend to cause the price of base and precious metals to decrease include the following:

- Sales or leasing of base and precious metals by governments and central banks;
- A low rate of inflation and a strong US dollar;
- Speculative trading;
- Decreased demand for base and precious metals industrial, jewelry and investment uses;
- High supply of base and precious metals from production, disinvestment, scrap and hedging;
- Sales by base and precious metals producers and foreign transactions and other hedging transactions; and
- Devaluing local currencies (relative to base and precious metals price in US dollars) leading to lower production costs and higher production in certain major base and precious metals producing regions.

The Company's business is dependent on the price of base and precious metals. The Company has not undertaken hedging transactions in order to protect it from a decline in the price of base and precious metals. A decline in the price of base and precious metals may also decrease the Company's ability to obtain future financings to fund its planned development and exploration programs.

If the Company is unable to hire and retain key personnel, it may not be able to implement its business plan.

The Company's success is dependent upon the performance of key personnel working full-time in management, supervisory and administrative capacities or as consultants. This is particularly true in highly technical businesses such as mineral exploration. These individuals are in high demand and the Company may not be able to attract the personnel it needs. The loss of the services of senior management or key personnel could have a material and adverse effect on the Company, its business and results of operations. Failing to hire key personnel when needed, or on acceptable terms, would have a significant negative effect on the Company's business.

As the Company undertakes exploration of its mineral properties, it will be subject to compliance with government regulation that may increase the anticipated cost of its exploration program.

There are several governmental regulations that materially restrict mineral exploration. The Company is required to obtain work permits, post bonds and perform remediation work for any physical disturbance to the land in order to comply with these laws. If the Company enters the production phase, the cost of complying with permit and regulatory environment laws will be greater because the impact on the project area is greater. Permits and regulations will control all aspects of the production program if the project continues to that stage. Examples of regulatory requirements include:

- Water discharge will have to meet drinking water standards;

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- Dust generation will have to be minimal or otherwise re-mediated;
- Dumping of material on the surface will have to be re-contoured and re-vegetated with natural vegetation;
- An assessment of all material to be left on the surface will need to be environmentally benign;
- Ground water will have to be monitored for any potential contaminants;
- The socio-economic impact of the project will have to be evaluated and if deemed negative, will have to be re-mediated; and
- There will have to be an impact report of the work on the local fauna and flora including a study of potentially endangered species.

There is a risk that new regulations could increase the Company's costs of doing business and prevent it from carrying out its exploration program. The Company will also have to sustain the cost of reclamation and environmental remediation for all exploration work undertaken. Both reclamation and environmental remediation refer to putting disturbed ground back as close to its original state as possible. Other potential pollution or damage must be cleaned-up and renewed along standard guidelines outlined in the usual permits. Reclamation is the process of bringing the land back to its natural state after completion of exploration activities. Environmental remediation refers to the physical activity of taking steps to remediate, or remedy, any environmental damage caused. The amount of these costs is not known at this time as the Company does not know the extent of the exploration program that will be undertaken beyond completion of the recommended work program. If remediation costs exceed the Company's cash reserves, it may be unable to complete its exploration program and have to abandon its operations.

If the Company becomes subject to increased environmental laws and regulation, its operating expenses may increase.

The Company's development and production operations are regulated by Canadian and US federal laws, and Ontario and Saskatchewan provincial and Nevada state environmental laws that relate to the protection of air and water quality, hazardous waste management and mine reclamation. These regulations will impose operating costs on the Company. If the regulatory environment for the Company's operations changes in a manner that increases costs of compliance and reclamation, then its operating expenses would increase with the result that its financial condition and operating results could be adversely affected.

There has been a very limited public trading market for the Company's securities, and the market for the Company's securities may continue to be limited and be sporadic and highly volatile.

There is currently a limited public market for the Company's common shares. The Company's common shares trade in Canada on the TSX-V and over the counter in the United States on the OTC Pink market place. The Company cannot assure investors that an active market for its shares will be established or maintained in the future. The OTC Pink is not a national securities exchange and many companies have experienced limited liquidity when traded through this quotation system. Holders of the Company's common shares may, therefore, have difficulty selling their shares, should they decide to do so. In addition, there can be no assurances that such markets will continue or that any shares, which may be purchased, may be sold without incurring a loss. The market price of the Company's shares, from time to time, may not necessarily bear any relationship to its book value, assets, past operating results, financial condition or any other established criteria of value, and may not be indicative of the market price for the shares in the future.

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In addition, the market price of the Company's common shares may be volatile, which could cause the value of its common shares to decline. Securities markets experience significant price and volume fluctuations. This market volatility, as well as general economic conditions, could cause the market price of the Company's common shares to fluctuate substantially. Many factors that are beyond the Company's control may significantly affect the market price of its shares. These factors include:

- price and volume fluctuations in stock markets;
- changes in the Company's operating results;
- any increase in losses from levels expected by securities analysts;
- changes in regulatory policies or law;
- operating performance of companies comparable to the Company; and
- general economic trends and other external factors.

Even if an active market for the Company's common shares is established, shareholders may have to sell their shares at prices substantially lower than the price they paid for the shares or might otherwise receive than if an active public market existed.

If the Company completes a financing through the sale of additional shares of its common shares, shareholders will experience dilution.

The most likely source of future financing presently available to the Company is through the issuance of its common shares. Any sale of share capital will result in dilution to existing shareholders. The only other anticipated alternative for the financing of further exploration would be the offering by the Company of an interest in its properties to be earned by another party or parties carrying out further exploration thereof, which is not presently contemplated.

Non-U.S. holders of the Company's common shares, in certain situations, could be subject to U.S. federal income tax upon the sale, exchange or disposition of the Company's common shares.

The Company believes that it is, and will remain for the foreseeable future, a "U.S. real property holding corporation" for U.S. federal income tax purposes. As a result, under the Foreign Investment in Real Property Tax Act ("FIRPTA") certain non-U.S. investors may be subject to U.S. federal income tax on gain from the disposition of shares of the Company's common shares, in which case they would also be required to file U.S. tax returns with respect to such gain, and may be subject to a withholding tax with respect to a disposition of the Company's shares. In general, whether these FIRPTA provisions apply depends on the amount of the Company's common shares that such non-U.S. investors hold and whether, at the time they dispose of their shares, the Company's common shares are regularly traded on an established securities market within the meaning of the applicable Treasury Regulations. So long as the Company's common shares continue to be regularly traded on an established securities market, only a non-U.S. investor who has held, actually or constructively, more than 5% of the Company's common shares at any time during the shorter of (i) the five-year period ending on the date of disposition, and (ii) the non-U.S. investor's holding period for its shares, may be subject to U.S. federal income tax on the disposition of the Company's common shares under FIRPTA.

Global uncertainty in connection with the COVID-19 pandemic

The Company's business could be adversely affected by the effects of health epidemics, including the global COVID-19 pandemic. In December 2019, a novel strain of COVID-19 was reported in China. Since then, the COVID-19 has spread globally, to include Canada, the United States and several European countries. The spread of COVID-19 from China to other countries has resulted in the World Health Organization (WHO) declaring the outbreak of COVID-19 as a

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"pandemic," or a worldwide spread of a new disease, on March 11, 2020. Many countries around the world, including Canada, have imposed quarantines and restrictions on travel and mass gatherings to slow the spread of the virus, and have closed non-essential businesses. The spread of COVID-19, which has caused a broad impact globally, may materially affect the Company economically. While the potential economic impact brought by, and the duration of, COVID-19 may be difficult to assess or predict, a widespread pandemic could result in significant disruption of global financial markets, reducing the Company's ability to access capital, which could in the future negatively affect the Company's liquidity. In addition, a recession or market correction resulting from the spread of COVID-19 could materially affect the Company's business and the value of the Company's common shares. The global outbreak of COVID-19 continues to rapidly evolve. The extent to which COVID-19 may impact the Company's business, operations and clinical trials will depend on future developments, including the duration of the outbreak, travel restrictions and social distancing in Canada and other countries, the effectiveness of actions taken in Canada, the United States and other countries to contain and treat the disease and whether Canada and other countries are required to move to complete lock-down status. The ultimate long-term impact of COVID-19 is highly uncertain and cannot be predicted with confidence.

Share Capital

The Company had 102,253,057 common shares issued and outstanding at September 30, 2021.

Shares Issuances***Fiscal 2022***

On September 17, 2021, 70,000 warrants were exercised resulting in the issuance of 70,000 common shares for gross proceeds of \$3,500.

Fiscal 2021

On June 25, 2021, the Company issued 166,667 common shares with a fair value of \$11,667 pursuant to the mineral property option agreement.

On May 27, 2021, the Company issued 500,000 common shares with a fair value of \$45,000 pursuant to the mineral property option agreement.

During the period April 23, 2021 to June 4, 2021, 4,158,500 flow-through warrants and 2,190,000 warrants were exercised resulting in the issue of 4,158,500 flow-through shares for gross proceeds of \$207,925 and the issue of 2,190,000 common shares for gross proceeds of \$109,500.

On April 9, 2021, the Company issued 1,083,333 common shares with a fair value of \$97,500 in exchange for reduction on debt.

On March 31, 2021, 190,000 warrants were exercised resulting in the issuance of 190,000 common shares for gross proceeds of \$9,500.

On March 17, 2021, 633,500 flow-through warrants were exercised resulting in the issuance of 633,500 flow-through shares for gross proceeds of \$31,675.

On March 10, 2021, 1,880,000 warrants were exercised resulting in the issuance of 1,880,000 common shares for gross proceeds of \$94,000.

On March 10, 2021, the Company issued 12,213,750 units and 100,000 flow-through shares at \$0.08 and \$0.10 respectively. The units consist of one common share and one-half share

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purchase warrant with each whole share purchase warrant exercisable at \$0.12 for a period of twenty-four months from the date of issue. Gross proceeds of \$987,100 was received.

On March 9, 2021, 3,525,000 flow-through warrants were exercised resulting in the issuance of 3,525,000 flow-through shares for gross proceeds of \$176,250.

On February 19, 2021, 120,000 warrants were exercised resulting in the issuance of 120,000 common shares for gross proceeds of \$6,000.

On December 17, 2020, 350,000 flow-through warrants were exercised resulting in the issuance of 350,000 flow-through shares for gross proceeds of \$17,500.

On December 29, 2020, the company issued 752,900 common shares and 987,500 flow-through shares at \$0.08 and \$0.07 respectively. Gross proceeds from the issue of shares and flow-through shares was \$131,703.

Share Purchase Warrants

In September 2019, 8,076,000 warrants exercisable at \$0.15 per share expired.

In September 2019, the Company issued 3,790,000 warrants exercisable at a price of \$0.05 per share in connection with a private placement.

In October 2019, the Company issued 1,340,000 exercisable at 0.05 per share in connection with a private placement.

In December 2019, 427,500 warrants exercisable at \$0.15 expired.

On May 26, 2020, the Company issued 7,292,000 flow-through warrants exercisable at a price of \$0.05 for one flow-through, and 22,860,000 warrants exercisable at a price of \$0.05 per share, in connection with a private placement.

On December 17, 2020, 350,000 flow-through warrants were exercised.

On February 19, 2021, 120,000 warrants were exercised.

On March 9, 2021, 3,525,000 flow-through warrants were exercised.

On March 10, 2021, the Company issued 6,106,875 warrants exercisable at a price of \$0.12 for one common share for a period of twenty-four months.

On March 10, 2021, 1,880,000 warrants were exercised.

On March 17, 2021, 633,500 flow-through warrants were exercised.

On March 31, 2021, 190,000 warrants were exercised.

During the period April 23, 2021 to June 4, 2021, 2,783,500 flow-through warrants and 1,534,880 warrants were exercised.

On September 17, 2021, 70,000 warrants were exercised.

On September 18, 2021, 1,530,000 warrants expired.

Subsequent to the period end, 200,000 warrants were exercised for cash proceeds of \$10,000 and 1,340,000 warrants exercisable at \$0.05 expired.

Stock Options

The Company has a rolling stock option plan that allows for the issuance of options equal to 10% of the number of issued and outstanding shares for a term of up to five years. The

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Company's shareholders re-approved the stock option plan at the annual general meeting held in February 2020.

In May 2020, the Company granted incentive stock options to officers, directors, and consultants, to purchase up to 5,150,000 common shares. The options have an exercise price of \$0.05 and are exercisable until May 2025.

In June 2020, 725,000 options were cancelled.

On March 4, 2021, the Company granted incentive stock options to a consultant to purchase 500,000 common shares. The options have an exercise price of \$0.09 and are exercisable until March 2023.

On March 15, 2021, the Company granted incentive stock options to officers, directors, and consultants to purchase 2,050,000 common shares. The options have an exercise price of \$0.10 and are exercisable until March 2026.

Additional Disclosure for Venture Issuers without Significant Revenue

An analysis of material components of the Company's exploration and evaluation assets and mineral property costs are disclosed in the unaudited interim condensed financial statements for the period ended September 30, 2021 to which this MD&A relates.

An analysis of material components of the Company's general and administrative expenses is disclosed in the unaudited interim condensed financial statements to which this MD&A relates.

Outstanding Share Information

As at the date of this MD&A, the Company has:

- 102,253,057 common shares issued and outstanding.
- 22,160,000 share purchase warrants exercisable at \$0.05 per share expiring on May 26, 2023, and
- 6,106,875 share purchase warrants exercisable at \$0.12 per share expiring March 10, 2023.
- In addition, there are 1,861,125 broker warrants outstanding exercisable at \$0.05 per share, with 1,166,200 expiring on May 26, 2023, and 694,925 expiring on March 10, 2023.
- 8,875,000 stock options expiring between September 2022 and March 2026.

On November 24, 2021, the Company announced a private placement financing. The Company will issue up to 10,000,000 flow-through units at \$0.10 per unit, with each unit consisting of one common share designated as a flow-through share and one-half share purchase warrant with each whole warrant exercisable for one common shares for a period of twenty-four months from the date of issue. In addition, the Company will issue up to 12,500,000 units at \$0.08 per unit. Each unit consists of one common share and one-half share purchase option, with each whole share purchase option exercisable at \$0.12 for a period of twenty-four months from the date of issue. The financing transaction is subject to regulatory approval and is expected to close during Q2 of fiscal 2022.

