

# **HANSA RESOURCES LIMITED**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2021**

This discussion and analysis of financial position and results of operation is prepared as at November 22, 2021 and should be read in conjunction with the unaudited condensed consolidated interim financial statements and the accompanying notes for the three months ended September 30, 2021 of Hansa Resources Limited (“Hansa” or “the Company”). The following disclosure and associated consolidated financial statements are presented in accordance with International Financial Reporting Standards (“IFRS”). Except as otherwise disclosed, all dollar figures included therein and in the following management’s discussion and analysis (“MD&A”) are quoted in Canadian dollars.

### **Forward Looking Statements**

This MD&A contains certain statements that may constitute “forward-looking statements”. Forward-looking statements include but are not limited to, statements regarding future anticipated exploration programs and the timing thereof, and business and financing plans. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or which by their nature refer to future events. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results may differ materially from those in forward looking statements as a result of various factors.

Historical results of operations and trends that may be inferred from this MD&A may not necessarily indicate future results from operations. In particular, the current state of the global securities markets may cause significant reductions in the price of the Company’s securities and render it difficult or impossible for the Company to raise the funds necessary to continue operations.

All of the Company’s public disclosure filings, including its most recent management information circular, material change reports, press releases and other information, may be accessed via [www.sedar.com](http://www.sedar.com) and readers are urged to review these materials.

### **COVID-19**

In March 2020 the World Health Organization (“WHO”) declared the outbreak of a novel coronavirus, identified as “COVID-19”, as a global pandemic. COVID-19 has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

### **Company Overview**

The Company is a reporting issuer in British Columbia and Alberta and trades on the TSX Venture Exchange (“TSXV”) under the symbol “HRL”. The Company is a junior resource company engaged in the acquisition, exploration and development of unproven mineral interests. The Company’s principal office is located at #1305 - 1090 West Georgia Street, Vancouver, British Columbia.

Since 2012 the Company has been conducting prospect generation activities. In early fiscal 2017 the Company finalized the acquisition of the Zhumba gold prospect (the “Zhumba Property”), which consisted of two claims located in the Kokepektinsky and Ulansky districts in eastern Kazakhstan. On June 23, 2017 the Company completed the farm-out of its 90% interest in the Zhumba Property to Kazzinc Limited (“Kazzinc”). The Company also received a

right to 1.9% net smelter return royalty (the “Royalty”) on the 90% interest from production at the Zhumba Property. The Royalty is not registered on the Zhumba Property and is a contractual right with Kazzinc, valid only while Kazzinc owns the Zhumba Property.

The Company was obligated to pay US \$100,000 to the former owner of the Zhumba Property of which US \$50,000 was paid in fiscal 2019. The Company had a remaining obligation of US \$50,000 (the “Remaining Zhumba Obligation”) to the vendor of the Zhumba Property. On January 28, 2021 the Company reached a settlement with the former owner of the Zhumba Property and paid US \$15,000 to retire the Remaining Zhumba Obligation in full. This resulted in a \$44,612 recovery on debt settlement recorded in fiscal 2021.

## **PROPOSED TRANSACTION**

On July 8, 2021 the Company entered into a letter agreement (the “Tribeca LOI”) with private parties (the “Tribeca Group”) at arms-length to the Company setting out the principal terms to a reorganization and acquisition of Tribeca Resources Ltd. (“Tribeca”), a Canadian private company. Under terms of the Tribeca LOI:

- (i) Tribeca and the Tribeca Group will complete a reorganization to organize and consolidate the ownership interests in 40 mining claims and two exploration licenses (the “La Higuera IOCG Property” or the “Property”) located in the Coquimbo Region of northern Chile, to be held within Tribeca;
- (ii) Tribeca will complete a private placement financing of US \$2,000,000;
- (iii) the Company will consolidate its issued and outstanding common shares on a basis of one post-consolidated share for every five pre-consolidated shares; and
- (iv) the Company will issue 37,200,000 post-consolidated shares to acquire 100% of the issued and outstanding common shares of Tribeca.

Upon closing (the “Closing”) of the proposed transactions under the Tribeca LOI the former shareholders of Tribeca will own approximately 72.68% of the common shares of the Company. For accounting purposes, the acquisition of Tribeca will be treated as a reverse takeover with the equity accounts being presented as a continuation of Tribeca and, accordingly the share shareholders’ equity of the Company will be eliminated.

Closing of the proposed transactions under the Tribeca LOI will be subject to completion of due diligence, execution of a definitive agreement, shareholder and regulatory approvals and other conditions precedent. On Closing it is anticipated that the Company will change its name to “Tribeca Resources Corporation”.

An arm’s length finders fee of 300,000 post-consolidated shares will be issued on Closing.

### ***About Tribeca***

Tribeca was incorporated under the laws of the Province of British Columbia for the purposes of completing the reorganization and the proposed transactions under the Tribeca LOI. Upon completion of the reorganization, Tribeca’s sole property will be the La Higuera IOCG Property, located in the Coquimbo Region, Chile and its principal business focus will be the exploration and development of the copper dominant mineral prospects.

### ***La Higuera IOCG Property***

The La Higuera IOCG Property consists of 40 mining and two exploration licences for 4,074 hectares, located in the Coquimbo Region of northern Chile, 40km north of the city of La Serena. A total of 2,827 hectares are owned 100% by Tribeca, with the remainder the subject of two separate purchase option agreements.

The La Higuera IOCG Property is located towards the southern end of the Chilean Coastal Iron-Oxide Copper- Gold (“IOCG”) Belt, one of the four major IOCG belts globally, and which hosts exploration by numerous junior to mid-tier copper explorers, developers and miners. Chile is the world’s largest copper producer, having produced 5.7 million metric tons of copper in 2020.

The Property is hosted within Jurassic to Cretaceous age intrusive and volcanic rocks that form part of the Coastal Cordillera. The Property is located within and adjacent to the Atacama Fault System, a long-lived system of faults that extends for approximately 1,000 km in northern Chile and is associated with the major copper-gold deposits of the Coastal IOCG Belt. Prominent examples of these deposits include the Candelaria, Mantos Blancos, Dominga and Santo Domingo deposits. As well as copper and gold, the development plans for the Dominga and Santo Domingo deposits also include production of iron ± cobalt.

The broader La Higuera district has a rich history of small-scale 19<sup>th</sup> century mining, with high grade copper and gold ores mined from underground workings and either smelted locally or exported to smelters abroad. The historic La Higuera mining center, which is surrounded by the Properties continues to support sporadic small scale open-pit mining.

Modern exploration efforts on the Property were completed between 2000 and 2013 by Latin American Copper (“LAC”), Peregrine Minerals (“Peregrine”) and Azul Ventures (“Azul”). Two key IOCG systems were discovered on the Property through 6,823m of drilling when i) in 2000 LAC targeted down-dip and strike extensions to near surface mineralization at the Chirsoipo prospect and intersected 82m @ 0.35% Cu and 19.2% Fe from 64m (CAB0006) under shallow gravel cover in 2000, and ii) in 2005 when Peregrine intersected 285m @ 0.40% Cu, 0.08 g/t Au and 23.5% Fe from 100m (LH-RC-07) within a 12-hole program at the Gaby Prospect.

Limited diamond drilling was further undertaken by Peregrine in 2008 at the Chirsoipo prospect and several regional targets, confirming the geometry of mineralization at Chirsoipo when intersecting 54m @ 0.38% Cu, 0.09 g/t Au and 14.8% Fe from 122m, 300m along strike from hole CAB0006.

Both the Chirsoipo and Gaby targets, as well as much of the surrounding licences, were covered with ground magnetic surveying (at 50-100m line spacing) and 100m pole-dipole Induced Polarization (“IP”) surveying at 400m line spacing by Peregrine and Azul, providing additional coincident magnetic-IP-chargeability drill targets, with several under interpreted thin gravel cover (<30m thickness).

Mineralization from the Chirsoipo and Gaby targets appears broadly similar and comprises a pyrite-chalcopyrite assemblage with associated quartz-magnetite-epidote alteration, overprinting intense amphibole-albite-magnetite-pyrite alteration. Mineralization may be present as veins, disseminated, or more rarely within thin breccia zones.

In 2006 Peregrine completed a short program of metallurgical test work on two iron-rich (between 40-48% Fe) composites of drill core from the Gaby target, to investigate the potential to recover copper, gold, iron and cobalt. The copper head grades of the composites were 0.75% Cu and 0.1% Cu. The work indicated a copper and gold recovery of 85% and 65%, respectively, at a K80 of 139µm, with recoveries improving to 90% and 75% at a K80 of 87µm. Magnetic separation test work on the rougher copper tailing at the fine grind produced a 69.4% Fe concentrate. In addition, a pyrite concentrate was floated from the rougher copper tailing, which had a 0.4% Co content with 50% recovery.

The La Higuera IOCG Property is considered by Tribeca to be prospective for the discovery and development of copper-gold (±iron ± cobalt) deposits of the IOCG style.

#### *Property Ownership*

Ownership of the La Higuera IOCG Property was consolidated by Tribeca over the period 2017 to 2020 by two outright acquisitions for 100% ownership, and two 100% purchase option agreements, as follows:

- (i) Caballo Blanco: Bluerock Resources SPA (“Bluerock”) acquired 100% ownership of the Caballo Blanco licences from a private Chilean entity in 2015, for a payment of US \$43,750 and a 1% NSR royalty. Tribeca acquired a majority interest in Bluerock in 2017.
- (ii) Gaby-Totito: Bluerock entered into a five-year purchase option for 100% of the Gaby-Totito licences in 2019 for consideration of a US \$100,000 upfront payment, staged exploration levy payments (5% of exploration expenditures during the option period up to a cumulative total of US \$500,000) and a US \$2,000,000 payment to exercise the option.
- (iii) Don Baucha: Bluerock entered into a three-year purchase option for 100% of the Don Baucha licences in 2019 for consideration of US \$225,000 over three years, \$30,000 of which has already been paid.

- (iv) Benja & Blanco: Bluerock acquired 100% ownership of the Benja & Blanco licences from a TSXV listed entity in 2020 in return for a 1% NSR royalty.

The only outstanding acquisition payments on the Property are a US \$195,000 payment to exercise the Don Baucha option required by February 2022, and a US \$2,000,000 payment required by March 2024 to exercise the Gaby-Totito option.

### ***The Resulting Issuer***

The Resulting Issuer will continue conducting the business of Tribeca, with a focus on mineral exploration activities on the La Higuera IOCG Property.

### ***Directors, Management and Insiders***

Upon completion of the proposed transactions under the Tribeca LOI, it is expected that the management of the Resulting Issuer will consist of Paul Gow as the CEO and Thomas Schmidt as President, with further appointments to be made. It is anticipated that the board of directors of the Resulting Issuer will initially consist of Robert G. Atkinson, Paul Gow and Thomas Schmidt as well as a nominee of Hansa, and a nominee of Tribeca. The remaining current directors and officers of Hansa will resign upon Closing.

The following individuals are expected to be directors or senior officers of the Resulting Issuer:

#### ***Dr. Paul Gow - Chief Executive Officer and Director***

Dr. Paul Gow, co-founder of Tribeca, is an industry-renowned geologist and manager whose career has spanned academia, mineral exploration, project evaluation and feasibility studies. He has global expertise with iron-oxide-copper-gold deposits, having led exploration and development programs in many of the world's major iron-oxide-copper-gold provinces. These include the Gawler craton, the Carajas district and the Mount Isa-Cloncurry belt. Dr. Gow was formerly the general manager of Xstrata's/Glencore's Frieda River copper-gold project and the director of Brazil exploration at Xstrata Copper, based in Belo Horizonte/Carajas. For the past 18 months, he has been acting group leader, total deposit knowledge, at the Sustainable Minerals Institute of the University of Queensland, Australia.

#### ***Thomas Schmidt - President and Director***

Thomas Schmidt, a co-founder of Tribeca, is an M&A (mergers and acquisitions) and finance professional with wide-ranging experience executing copper transactions across Latin America, including with Xstrata's/Glencore's Latin American copper business based in Santiago. Mr. Schmidt originally joined Xstrata in London in 2003 as a member of the corporate development team (from JP Morgan, where he was an investment banking associate). Prior to co-founding Tribeca, he gained investing experience during a spell with Barclays Natural Resource Investments in Doha, Qatar. Formerly, he was general manager of finance at Xstrata/Glencore, where he was responsible for the Collahuasi and Antamina joint ventures in Chile and Peru, respectively.

#### ***Robert G. Atkinson - Director***

Mr. Atkinson currently serves as a director of Hansa, and he has served as a director and audit committee member of the Company since 1999. He is the former president and chief executive officer of Loewen Ondaatje McCutcheon & Co. Ltd., a Canadian investment dealer, and a co-founder of Artemis Gold Inc. He has served as a director of several other public companies, including as vice-chairman of Atlantic Gold until its sale in 2019. Mr. Atkinson holds a Bachelor of Commerce degree from the University of British Columbia.

## Selected Financial Data

The following selected financial information is derived from the unaudited condensed interim consolidated financial statements of the Company.

	Fiscal 2022	Fiscal 2021				Fiscal 2020		
	Sep. 30 2021 \$	Jun. 30 2021 \$	Mar. 31 2021 \$	Dec. 31 2020 \$	Sep. 30 2020 \$	Jun. 30 2020 \$	Mar. 31 2020 \$	Dec. 31 2019 \$
<b>Operations:</b>								
Revenues	Nil							
Expenses	(65,712)	(21,451)	(16,313)	(32,234)	(12,276)	(13,087)	(11,604)	(90,889)
Other items	11,751	(4,888)	40,483	(16,571)	(7,911)	(16,296)	37,524	(4,933)
Net (loss) income	(53,961)	(26,339)	24,170	(48,805)	(20,187)	(29,383)	25,920	(95,822)
Basic and diluted income (loss) per share	(0.00)	(0.00)	0.00	(0.00)	(0.00)	(0.00)	0.00	(0.00)
Dividends per share	Nil							
<b>Balance Sheet:</b>								
Working capital	728,083	782,044	808,383	784,213	833,018	418,642	448,025	422,105
Total assets	744,989	787,723	810,338	854,859	908,256	490,654	522,585	561,808
Total long-term liabilities	Nil							

## Results of Operations

### *Three Months Ended September 30, 2021 Compared to Three Months Ended June 30, 2021*

During the three months ended September 30, 2021 (“Q1/2022”) the Company reported a net loss of \$53,961 compared to a net loss of \$26,339 during the three months ended June 30, 2021 (“Q4/2021”). The \$27,622 increase in loss is primarily attributed to an increase in legal expenses of \$25,739, from \$16,949 recorded in Q4/2021 to \$42,708 recorded in Q1/2022, for ongoing services pertaining to the Proposed Transaction.

### *Three Months Ended September 30, 2021 Compared to Three Months Ended September 30, 2020*

During the three months ended September 30, 2021 the Company reported a net loss of \$53,961 compared to a net loss of \$20,187 for the three months ended September 30, 2020, an increase in loss of \$33,774. The increase in loss was mainly attributed to a \$53,436 increase in general and administrative expenses, from \$12,276 during the three months ended September 30, 2020 to \$65,712 during the three months ended September 30, 2021 and partially offset by a \$19,340 fluctuation in foreign exchange, from a loss of \$8,452 in the three months ended September 30, 2020 compared to a gain of \$10,888 during the three months ended September 30, 2021. The significant fluctuations in general and administrative expenses are as follows:

- (i) during the three months ended September 30, 2021 the Company incurred audit expense of \$9,500 compared to \$nil for the three months ended September 30, 2020 due to the timing of the audit of the Company’s year-end financial statements; and
- (ii) legal expenses of \$42,708 were incurred during the three months ended September 30, 2021 for services pertaining to the Proposed Transaction, compared to legal fees of \$471 during the three months ended September 30, 2020;

## Financings Activities

During the three months ended September 30, 2021 no equity financings were conducted by the Company.

During the three months ended September 30, 2020 the Company completed a private placement of 12,500,000 units at \$0.035 per unit for proceeds of \$437,500.

## Financial Condition / Capital Resources

As at September 30, 2021 the Company had working capital of \$728,083. The Company has negotiated the Tribeca LOI. See also “Proposed Transaction”. The Company expects that upon Closing, the Resulting Issuer will require

additional funding to meet anticipated levels of corporate administration and budgeted exploration activities and make remaining options payments on the La Higuera IOCG Property. The ability of the Company or Resulting Issuer to complete the necessary funding is dependent upon many external factors and may be difficult to impossible to secure or raise when required. There can be no assurance that it will be able to do so in the future. See also “COVID-19”.

### **Contractual Commitments**

See “Proposed Transaction”.

### **Off-Balance Sheet Arrangements**

The Company has no off-balance sheet arrangements.

### **Proposed Transactions**

See “Proposed Transaction”. The Company has no other proposed transactions.

### **Changes in Accounting Principles**

A detailed summary of the Company’s significant accounting policies is included in Note 3 to the June 30, 2021 audited annual consolidated financial statements.

### **Related Party Disclosures**

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. Certain of these entities transacted with the Company during the reporting period. The Company has determined that key management personnel consists of members of the Company’s Board of Directors and Executive Officers.

- (a) Effective October 1, 2019 the Company’s officers and its directors voluntarily suspended their compensation.
- (b) During the three months ended September 30, 2021 the Company incurred a total of \$5,700 (2020 - \$5,600) with Chase Management Ltd. (“Chase”), a private corporation owned by Mr. DeMare, for accounting and administrative services provided by Chase personnel, excluding Mr. DeMare, and \$1,005 (2020 - \$1,005) for rent. As at September 30, 2021 \$3,000 (June 30, 2021 - \$2,335) remained unpaid.
- (c) During the three months ended September 30, 2020 certain directors of the Company and their family members purchased a total of 7,800,000 units of the private placement.

### **Outstanding Share Data**

The Company’s authorized share capital is unlimited common shares without par value and unlimited preferred shares without par value. As at November 22, 2021, there were 69,913,317 outstanding common shares, 6,250,000 warrants outstanding at an exercise price of \$0.05 per common share and 4,000,000 share options outstanding with an exercise price of \$0.05 per common share.