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**XANDER RESOURCES INC.  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED MARCH 31, 2022 AND 2021**

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Suite 400 – 1681 Chestnut Street  
Vancouver, BC V6J 4M6

July 26<sup>th</sup>, 2022

## **OVERVIEW**

The following management discussion and analysis (“MD&A”) is a review of the operations, current financial position and outlook for Xander Resources Inc. (the "Company"), and should be read in conjunction with the Company’s financial statements and the accompanying notes for the year ended March 31, 2022 and 2021 (the ‘Financial Statements’), a copy of which are filed on the SEDAR website: [www.sedar.com](http://www.sedar.com).

All dollar figures included herein and in the following discussion and analysis are quoted in Canadian dollars unless otherwise noted.

The financial information in this MD&A is derived from the Financial Statements prepared in accordance with IFRS. Information provided in this MD&A, including financial information extracted from the Financial Statements, is the responsibility of management. This MD&A may contain forward looking statements based on assumptions and judgments of management regarding events or results that may prove to be inaccurate as a result of risk factors beyond its control. Accordingly, actual results may differ materially from the expected results.

## **DESCRIPTION OF COMPANY’S BUSINESS**

Xander Resources Inc. is a junior mineral resource exploration company with its head office in Vancouver, British Columbia, Canada. The Company was incorporated pursuant to the Business Corporations Act of British Columbia on December 9, 2010. The Company is engaged in the exploration and development of mineral resources, currently focusing on projects in Ontario and Quebec. During the year ended March 31, 2022, and 2021, the Company entered into agreements to acquire interests in mineral properties in Quebec. The Company is assessing its mineral properties and has not yet determined whether these properties contain reserves that are economically recoverable.

The head office, principal address and records office of the Company are located at Suite 400 – 1681 Chestnut Street, Vancouver, BC V6J 4M6. The Company’s shares are listed on the TSX Venture Exchange (the “Exchange”) under the symbol “XND.V”, the OTQ Markets under the symbol XNDRF, and the Frankfurt Stock Exchange under the symbol “1X1”.

The Company’s continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. These unaudited interim condensed financial statements have been prepared with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The operations of the Company were primarily funded by the issuance of share capital and convertible debentures. The issuance of additional equity securities by the Company may result in significant dilution to the equity interests of current shareholders. The Company’s future capital requirements will depend on many factors, including operating costs, the current capital market environment and global market conditions.

## **OVERALL PERFORMANCE**

### **Flow Through Audit**

During the year ended March 31, 2022, the Company went through an audit for flow through tax credit for the year ended March 31, 2021. On May 17, 2022, the credit amount was settled at \$69,862. The amount was received by the Company on May 30, 2022.

### **Mineral Interests**

#### **Val-d'Or Senneville West Property (Block #1)**

On May 18, 2020, the Company entered into an agreement with North American Exploration Ltd. to acquire a 100% interest in the Val-d'Or Senneville West Property. Pursuant to the agreement, the Company will make a total cash payment of \$89,600 and issue 1,510,000 common shares of the Company in three years as follows:

- i. Issue 510,000 common shares (issued on July 7, 2020) of the Company and pay \$9,600 cash (paid on or before the closing date (May 18, 2020));
- ii. Pay \$8,000 cash (paid) within 90 days of the closing date (August 16, 2020);
- iii. Issue 660,000 common shares of the Company (issued on October 26, 2021) and pay \$24,000 cash (paid on October 22, 2021) on the date that is 18 months from the closing date (November 17, 2021);
- iv. Issue 340,000 common shares of the Company (issued on October 26, 2021) and pay \$48,000 cash (paid on October 22, 2021) on the date that is 30 months from the closing date (November 17, 2022);

The Company has fulfilled all the above-mentioned obligations and the title of the property has been transferred to the Company's name.

On July 6, 2021, the Company staked an additional claims contiguous to its Senneville Block #1 property.

On November 23rd, 2021, the Company entered into an agreement with QL Minerals Inc. ("QL Minerals") to sell 100% of the rights, title and interest to the additional mineral claims staked located in the Val-d'Or Senneville West Property (Block #1). Pursuant to the agreement, QL Minerals issued 400,000 common shares at a price of \$0.05 for an aggregate consideration of \$20,000, which represents the fair value at year end.

#### **Val-d'Or Senneville East Property (Block #2)**

On May 18, 2020, the Company entered into an agreement with Silverwater Capital Corp. to acquire a 100% interest in the Val-d'Or Senneville East Property. Pursuant to the agreement, the Company will make a total cash payment of \$45,400 and issue 1,090,000 common shares of the Company and incur \$625,000 of exploration expenditure in three years as follows:

- i. Issue 450,000 common shares (issued on July 7, 2020) of the Company and pay \$5,400 cash (paid on or before the closing date (May 18, 2020));
- ii. Pay \$4,000 cash (paid) within 90 days of the closing date (August 18, 2020);
- iii. Issue 410,000 common shares of the Company (issued on October 26, 2021) and pay \$12,000 cash (paid on October 22, 2021) on the date that is 18 months from the closing date (November 17, 2021);
- iv. Issue 230,000 common shares of the Company (issued on October 26, 2021) and pay \$24,000 cash (paid on October 22, 2021) on the date that is 30 months from the closing date (November 17, 2022);

The Company has been considered to have acquired 100% interest in the property since all the above-mentioned payments have been made subject to the grant of Net Smelter Royalty of 2% to the optionor.

On April 23, 2021, the Company entered into an agreement to acquire a 100% interest in mineral claims located contiguous to the Senneville East Property (Block #2) in exchange for \$1,340 cash (paid on May 20, 2021), 400,000 common shares (issued on May 18, 2021), and a 2% Net Smelter Royalty.

The Company was required to incur following exploration and evaluation expenditure together for Block #1 and Block #2:

- i. Incur \$175,000 of exploration expenditure on or before 18 months of the closing date (November 17, 2021); and
- ii. Incur \$450,000 of exploration expenditure on or before 36 months of the closing date (May 17, 2023)

Pursuant to this cash payment on October 22, 2021, and the share issuance on October 26, 2021, North American Exploration Ltd and Silverwater Capital Corp. agreed to relieve the Company of the obligation to spend \$625,000 in exploration in exchange for the above cash and shares. Accordingly, the Company has fulfilled all the obligations for the Val D'Or #1(Senneville West) property and Val D'Or #2 (Senneville East) property and the title of the properties is under the Company's name.

The Company has further agreed that in the event of abandonment of any of the claims, the Company will provide North American Exploration Ltd and Silverwater Capital Corp. six months' notice of the intended abandonment, and in the event of a third party sale of the claims that North American Exploration Ltd and Silverwater Capital Corp. will be entitled to receive 20% of the sale proceeds, such percentage reducing to 15% if the Company spends \$250,000 in qualified exploration expenditures on the property, and to 10% by the Company spending \$500,000 in qualified exploration expenditures on the property. The claims remain subject to a 2% NSR. The company had spent \$197,234 in qualified exploration expenditures till the year ending March 31, 2022.

#### **Val-d'Or Senneville South Property**

On May 27, 2020, the Company entered into an agreement with Terrance Coyle and 9093-6725 Quebec Inc. to acquire a 100% interest in the Val-d'Or Senneville South Property. Pursuant to the agreement, the Company will make a total cash payment of \$40,000, issue 165,000 common shares of the Company and incur \$75,000 of exploration expenditures in three years as follows:

- i. Issue 25,000 common shares (issued on September 17, 2020) of the Company and pay \$5,000 cash (paid) on or before the closing date (May 27, 2020);
- ii. Issue 60,000 common shares of the Company (issued on October 18, 2021) and pay \$15,000 cash (paid on October 18, 2021) on the date that is 18 months from the closing date (November 17, 2021);
- iii. Issue 80,000 common shares of the Company (issued on October 18, 2021) and pay \$20,000 cash (paid on October 18, 2021) on the date that is 30 months from the closing date (November 17, 2022);
- iv. Incur \$40,000 of exploration expenditure (incurred) on or before 18 months of the closing date (November 27, 2021); and
- v. Incur \$35,000 of exploration expenditure (incurred) on or before 36 months of the closing date (May 27, 2023)

The Company has been considered to have acquired 100% interest in the property since all the above-mentioned payments have been made subject to the grant of Net Smelter Royalty of 2% to the optionor.

#### **Blue Ribbon Property**

On May 15, 2020, the Company entered into an agreement with Silverwater Capital Corp. to acquire 100% interest in the Blue Ribbon Property. Pursuant to the agreement, the Company will issue 200,000 common shares (issued) of the Company and pay cash of \$2,652. The property is subject to a 2% net smelter return ("NSR") upon commencement of commercial production and the Company will have the right to purchase 0.50% of the Net Smelter Royalty at any time for the aggregate amount of \$500,000.

The Company has fulfilled all the above-mentioned obligations and the title of the property has been transferred to the Company's name.

In October 2021, the Company staked an additional claims contiguous to its Blue Ribbon Property.

### **Bachelor North Property**

On January 8, 2021, the Company entered into an agreement with Silverwater Capital Corp. to acquire a 100% interest in the Bachelor North Property. Pursuant to the agreement, the Company will issue 1,501,000 common shares and pay \$2,318 in one year as follows:

- i. Issue 100,000 common shares (issued on February 4, 2021) of the Company and pay \$2,319 cash (paid on February 8, 2021) on or before the date of agreement (January 8, 2021);
- ii. Issue 467,000 common shares of the Company (issued on May 3, 2021) on or before the date that is three months after the Closing (April 8, 2021);
- iii. Issue 467,000 common shares of the Company on or before the date that is six months after the Closing (July 8, 2021); and
- iv. Issue 467,000 common shares of the Company on or before the date that is twelve months after the Closing (January 8, 2022);

The Company will be considered to have acquired 100% interest in the property once all the above-mentioned payments have been made subject to the grant of Net Smelter Royalty of 2% to the optionor.

On August 20, 2021, the Company decided not to proceed with the option agreement for Bachelor North Property. Therefore, the Company is not pursuing the property and no further exploration activities will be conducted on this property.

### **CNC Timmins Property**

On October 19, 2021, the company entered into agreement with North American Exploration Ltd. and Jonathon Deluce to acquire 100% interest in CNC Timmins property (286 mineral claims). Pursuant to the agreement, the Company will issue 3,500,000 common shares and pay \$150,000 in 2 years as follows:

- i. Issue 600,000 common shares of the Company (issued on November 3, 2021) on or before the closing date (October 19, 2021);
- ii. Cash payment of \$50,000 (paid on April 29, 2022) payable within 90 days of closing date (January 17, 2022);
- iii. Issue 1,000,000 common shares (issued on April 29, 2022) of the Company within 90 days of closing date (January 17, 2022);
- iv. Issue 1,000,000 common shares of the Company and cash payment of \$50,000 (paid \$25,000 on April 29, 2022) on or before one year after the closing date (October 19, 2022);
- v. Issue 900,000 common shares of the Company and cash payment of \$50,000 on or before two years after the closing date (October 19, 2023);

The Company is required to incur a total of \$1,250,000 exploration and evaluation expenditures on the property within two years as follows:

- i. \$120,000 within six months after the Closing (April 19, 2022). As of March 31, 2022, the Company has incurred \$66,118 in exploration and evaluation expenditures;
- ii. \$500,000 and 1,500 meters of diamond drilling within one year after the Closing (October 19, 2022);
- iii. \$630,000 within two years after the closing date (October 19, 2023).

The Company will be considered to have acquired 100% interest in the property once all the above-mentioned payments have been made subject to the grant of Net Smelter Royalty of 3% to the optionor.

Pursuant to the terms of the agreement, the Company has agreed to pay North American Exploration Ltd. and Jonathon Deluce, 20% of the proceeds received on the sale of the property to a third party once the option is complete and 100% ownership is obtained.

Following is the summary of the exploration expenses incurred by the Company:

	Senneville Properties	Blue Ribbon Property	Bachelor North Property	CNC Property	Total
<b>Balance as at March 31, 2020</b>	\$ -	\$ -	\$ -	\$ -	\$ -
Acquisition cost:					
Shares issued	\$ 280,350	\$ 52,000	\$ 15,500	\$ -	\$ 347,850
Cash payment	32,000	-	2,318	-	34,318
	312,350	52,000	17,818	-	382,168
Exploration and evaluation expenditures:					
Consulting and labour	96,213	91,478	-	-	187,691
Staking and permits	3,717	2,984	-	-	6,701
Travel	1,116	44,050	-	-	45,166
Equipment rentals	1,750	28,619	-	-	30,369
Supplies and other	296	1,866	-	-	2,162
	103,092	168,997	-	-	272,089
<b>Balance March 31, 2021</b>	\$ <b>415,442</b>	\$ <b>220,997</b>	\$ <b>17,818</b>	\$ -	\$ <b>654,257</b>
Acquisition cost:					
Shares issued	\$ 348,600	\$ -	\$ 88,730	\$ 126,000	\$ 563,330
Cash payment	143,000	-	-	-	143,000
	491,600	-	88,730	126,000	706,330
Exploration and evaluation expenditures:					
Option payment received	(20,000)	-	-	-	(20,000)
Consulting and labour	392,269	255	-	63,125	455,649
Staking and permits	10,152	1,178	-	700	12,029
Travel	13,025	-	-	2,293	15,318
Supplies and other	871	-	-	-	871
	396,317	1,433	-	66,118	463,867
<b>Balance March 31, 2022</b>	\$ <b>1,303,359</b>	\$ <b>222,430</b>	\$ <b>106,548</b>	\$ <b>192,118</b>	\$ <b>1,824,455</b>

## **OUTLOOK AND PLANNED ACTIVITIES**

Due to the issues related to and around the COVID pandemic, the Company is in competition for drilling teams and exploration programs. The Company encountered delays due to the high demand for equipment and experienced labour in an unprecedented market. The level of drilling activity in Quebec combined with COVID related restrictions and a shortage of replacement drilling parts exacerbated an already highly competitive situation in Quebec. The Company has developed a \$1 million exploration program for all of the Company's mineral properties with plans for completion in 2022, subject to further financing.

### **Val D'Or Gold Camp**

The Company has completed the first three (3) holes of a planned nine (9) hole permitted drill program at its Senneville property. The three holes drilled confirmed that the gold mineralization extended over 361 meters along strike in favorable host structures that are historically known to host gold mineralization in Val-d'Or. Brecciation consistent with epithermal gold and sulfide mineralization were observed in the drill core.

Planned exploration work in 2022 includes completing geophysical studies to define additional targets for follow-up drilling.

### **Fenelon Gold Camp**

The Company has completed an initial exploration program at its Blue Ribbon property. Four trenches were excavated for channel sampling and 39 samples were taken for analysis in the 2020 Fall Program at the site of a historical gold showing. Fire assay results from Val-d'Or ALS Geochemistry Analytical Labs returned values of up to 1.42 g/t gold in quartz-ankerite.

Planned exploration work in 2022 will consist of additional ground exploration, channel sampling and UAV airborne geophysics to follow-up of its limited UAV airborne geophysics program and ground exploration work conducted in 2020.

### **Urban Barry Gold Camp**

During the year ended March 31, 2022, the Company decided not to proceed with the option agreement for Bachelor North Property. Therefore, no further exploration activities will be conducted on this property.

### **Timmins Nickel Project**

The Company intends on completing additional geophysical assessment at its Timmins Nickel Project to define existing historical targets. Following completion of inversion modelling, the Company plans to drill test the identified targets.

## **RESULTS OF OPERATIONS**

The Company had a comprehensive loss of \$2,183,737 for the year ended March 31, 2022, (2021 – \$1,644,276). The Company’s significant operating expenses included the following:

- Exploration and evaluation expenditures of \$1,170,198 (2021 – \$654,257)
- Consulting and management fees of \$393,289 (2021 – \$464,182)
- Business promotion of \$217,887 (2021 - \$38,645)
- Share-based payments of \$217,158 (2021 – \$288,397)
- Transfer agent and filing fees of \$66,932 (2021 – \$124,747)
- Professional fees of \$56,482 (2021 – \$52,442)
- Property investigation of \$50,404 (2021 – \$4,736)

Consulting and management fees of \$393,289 (2021 – \$464,182) relate to fees paid to consultants for the Company’s financing advisory, investor relations and corporate compliance services (see “Transaction with Related Parties”). These general consulting expenses cannot be directly attributed to any particular project and relate to the Company’s activity and shift to Canadian based mineral exploration; therefore, they have been expensed as general consulting. The consulting and management fee in the current period is lower in comparison to the previous period as the management and the consultants were actively engaged in the new property procurement and mineral property acquisitions during the year ended March 31, 2021. Further, during the year ended March 31, 2022, the management was able to work with more cost-effective consultants.

Business promotion of \$217,887 (2021 - \$38,645) consist of payments for corporate development and payments to consultants for various marketing and promotional activities of the Company and its projects. The Company has been more active during the fiscal year 2022 to build its market presence. Therefore, the management hired new consultants during 2022.

Share-based payments of \$217,158 (2021 - \$288,397) relates to the vested fair value of the share options issued to consultants, officers, and directors of the Company pursuant to the Company’s Share Option Plan. These share options were issued during the year ending March 31, 2022. The decrease in share-based payments expense during the current year was due to the reversal of share-based payments reserve after cancellation and expiry of some of the outstanding stock options.

Transfer agent and filing fees of \$66,932 (2021 - \$124,747) relates to expenditures in connection with share capital activities and reporting of the Company. Transfer agent and filing fees during the current period is comparatively low due to the lower number of capital activities in comparison to the year ended March 31, 2021.

Professional fees of \$56,482 (2021 - \$52,442) consist of the legal, financial reporting, and audit expenses. The professional fees during the current year were similar in comparison to the previous year.

Property investigation of \$50,404 (2021- \$4,736) relates to the payments made by the Company to investigate potential mineral property acquisitions. These expenses were incurred at the preliminary analysis stage, therefore, may or may not result in the development of exploration and evaluation asset. The Company has been exploring a mineral property during the year ended March 31, 2022, which is still under planning and investigation phase.

The overall expenses during the current year were higher than the comparative year. The increase is mostly attributable to higher exploration and evaluation expenditures (see “MINERAL INTERESTS”), property investigation expenses, business promotion, and unrealized loss on investment, partially offset by decrease in consulting and management fees and share based compensation expense. Higher exploration and evaluation expenditure depicts the engagement in exploration activities on the mineral properties acquired during the year ended March 31, 2021. During the year ended March 31, 2022, the Company accelerated the payments for Senneville group of properties which significantly increased the exploration and evaluation expenditures.

## **SUMMARY OF QUARTERLY RESULTS**

The Company's operating results from the last eight quarters are summarized as follows:

<i>Three months ended</i>				
	31-Mar-22	31-Dec-21	30-Sep-21	30-Jun-21
Net and comprehensive loss	\$ (380,949)	\$ (967,133)	\$ (280,461)	\$ (555,194)
Loss per share	(0.01)	(0.04)	(0.03)	(0.03)

  

<i>Three months ended</i>				
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20
Net and comprehensive loss	(94,361)	(462,875)	(856,135)	(256,216)
Loss per share	\$ (0.01)	\$ (0.02)	\$ (0.05)	\$ (0.02)

Over the past eight quarters comprehensive losses ranged from a high of \$967,133 in the third quarter of the fiscal year ending in 2022 to a low of \$94,361 in the fourth quarter of the fiscal year 2021. Expenses have fluctuated within a range of \$20,000 to \$40,000 per quarter prior to the acquisition of properties in Quebec and have vastly increased beginning in the first quarter to the fiscal year 2021. Since then, majority proportion of the total expenses belongs to the exploration and evaluation expenses. The significant increase in the net and comprehensive loss during the second quarter of 2021 due to the active engagement of the Company in exploring its newly acquired mineral properties. Similarly, the accelerated payments for Senneville East and West properties led to the high net loss during the third quarter of the fiscal year 2022.

As an exploration stage company, the Company has not generated revenue from its property interest and does not anticipate it will do so for the foreseeable future.

## **LIQUIDITY AND CAPITAL RESOURCES**

As the Company is a start-up and its mineral exploration activities are at its infancy stage, the Company has to depend on its ability to procure sufficient funding through share offerings and financial support from related parties to support current and future expenditures. As at March 31, 2022, the Company had net working capital deficit of \$172,334 (2021 – working capital of \$671,201) and a cumulative deficit of \$5,032,817 (2021 - \$2,939,211). The cash component of working capital as at March 31, 2022 was \$124,572 (2021 - \$638,176). As the Company will not generate funds from operations for the foreseeable future, the Company is primarily reliant upon the sale of equity securities and debt in order to fund operations. Since inception, the Company has funded its operations through the issuance of equity securities on a private placement basis and the issuance of debt. This has permitted the Company to carry out exploration activities, address costs associated with the equity offerings, and cover ongoing compliance expenses. During the year ended March 31, 2022, the inflow of cash was primarily from the private placement of shares and exercise of stock options of the Company. In order to fund its future exploration activities, the Company will have to look for further issuance of equity or debt.

## OUTSTANDING SHARES

As at March 31, 2022 and as of report date, there were 31,240,206 and 70,143,975 issued and fully paid common shares (March 31, 2021 – 23,443,206) outstanding respectively.

	<b>Number of shares</b>	<b>Share capital</b>
<b>Balance, March 31, 2020</b>	<b>11,342,541</b>	<b>\$ 1,106,112</b>
Shares issued for private placement	8,311,780	1,613,205
Cash - Share issuance costs	-	(77,698)
Non - Cash - Share issuance costs	-	(66,158)
Shares issued for exploration and evaluation properties	1,285,000	347,850
Shares issued for stock options exercised	475,000	41,497
Shares issued for conversion of debentures	1,333,443	67,831
Shares issued for debt settlement	236,842	41,447
Shares issued for exercise of share warrants	458,600	93,361
<b>Balance, March 31, 2021</b>	<b>23,443,206</b>	<b>\$ 3,167,447</b>
Shares issued for private placement	4,200,000	\$ 420,000
Cash - Share issuance costs	-	\$ (2,950)
Shares issued for exploration and evaluation properties	3,247,000	563,330
Shares issued for stock options exercised	350,000	47,500
Fair value of stock options exercised	-	37,557
Advance subscriptions received	-	\$ 104,655
<b>Balance, March 31, 2022</b>	<b>31,240,206</b>	<b>\$ 4,337,539</b>

### **Share transactions after the year ended March 31, 2022:**

#### ***April 29<sup>th</sup> private placement***

On April 29, 2022, the Company closed two non-brokered private placements issuing an aggregate of 37,403,769 units of the Company, comprising of 6,500,000 national flow-through units (the “FT Units”) issued at \$0.08 per unit and 30,903,769 units (the “Units”) at \$0.07 per unit for a gross proceeds of \$2,683,263.

Each Unit consists of one common share of the Company and one transferable common share purchase warrant exercisable at \$0.10 per share for a period of three (3) years from the date of closing of the private placement (the ‘Expiry Date’).

Each FT Unit consists of one flow-through common share of the Company and one transferable warrant exercisable at a price of \$0.10 per share for a period of three (3) years from the date of closing of the private placement.

In connection with the private placement, the Company paid a finder’s fees of \$207,914 in cash and issued a total of 269,945 finder’s warrants and 2,911,000 broker’s warrants.

Each finder’s warrant is exercisable into common shares of the Company at prices of \$0.07 per share until the Expiry Date. Each broker’s warrant is exercisable to purchase one unit (a “Broker Unit”) at an exercise price of \$0.07 per Broker Unit until the Expiry Date. Each Broker Unit consists of one share and one non-transferable warrant exercisable to purchase one share of the Company at \$0.10 per share until the Expiry Date.

#### ***Shares issued for property***

On April 29, 2022, the Company issued 1,500,000 common shares at a fair value of \$120,000 (\$0.08 per share), pursuant to its property option agreement on CNC Timmins Property.

## **Share transactions for the year ended March 31, 2022:**

### **October 13<sup>rd</sup> private placement**

On October 13, 2021, the Company closed a non-brokered private placement issuing an aggregate of 4,200,000 units of the Company at a price of \$0.10 per unit and received gross proceeds of \$420,000. Each unit consists of one common share and one transferable share purchase warrant of the Company exercisable at \$0.20 per share for a period of two years from the date of closing of the Private Placement. Pursuance to the private placement, the Company paid \$2,950 in cash as finder's fees.

### **Exercise of options**

During the year ended March 31, 2022, pursuant to the exercise of stock option, the Company issued 350,000 common shares for aggregate proceeds of \$47,500. In relation to the exercise, a fair value of \$37,557 was transferred from reserves to the share capital.

### **Shares issued for property**

On November 3, 2021, the Company issued 600,000 common shares at a fair value of \$126,000 (\$0.21 per share), pursuant to its property option agreement for CNC Timmins property.

On October 26, 2021, the Company issued 1,640,000 common shares at a fair value of \$254,200 (\$0.155 per share), pursuant to its property option agreement for Val-d'Or Senneville West Property (1,000,000 common shares) and Val-d'Or Senneville East Property (640,000 common shares).

On October 18, 2021, the Company issued 140,000 common shares at a fair value of at a price of \$22,400 (\$0.16 per share), pursuant to its property option agreement for Val-d'Or Senneville South Property.

On May 18, 2021, the Company issued 400,000 common shares at a fair value of \$60,000 (\$0.15 per share), pursuant to its property option agreement on the additional claims acquired located contiguous to the Senneville East Property.

On May 3, 2021, the Company issued 467,000 common shares at a fair value of \$93,400 (\$0.20 per share), pursuant to its property option agreement on the Bachelor North property.

## **Share transactions for the year ended March 31, 2021:**

### **December 22<sup>nd</sup>, 2020 private placement**

On December 22, 2020, the Company closed a non-brokered flow through private placement, issuing a total of 1,527,780 units at 18 cents per unit for total gross proceeds of \$275,000.

Each unit consists of one flow-through common share and one-half of one non-flow-through common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share at a price of 26 cents per share for a term of two years. Finders' fees totalling \$20,000 in cash and 111,111 finders' warrants exercisable for two years at 18 cents. The warrants were ascribed a fair value of \$13,295 which was valued using the Black-Scholes pricing model with the following assumptions: dividend yield 0%; risk free interest 1.07%; volatility 176% and an expected life of 24 months.

### **October 20<sup>th</sup>, 2020 private placement**

On October 20, 2020, the Company closed a non-brokered private placement, issuing a total of two million units at 20 cents per unit for total gross proceeds of \$400,000.

Each unit consists of one common share and one non-transferable common share purchase warrant, with each warrant exercisable for three years from the date of closing at an exercise price of 30 cents per warrant.

#### **August 24<sup>th</sup>, 2020 private placement**

On August 24, 2020, the Company closed its non-brokered private placement, issuing a total of 784,000 units at \$0.225 cents per unit for total gross proceeds of \$176,400.

Each unit consists of one common share and one non-transferable common share purchase warrant, with each warrant exercisable for one year from the date of closing at an exercise price of 26 cents per warrant.

The Company paid finders' fees of \$3,423 and 2,800 finder warrants to finders. The finder warrants are exercisable under the same terms as the private placement warrants. The warrants were ascribed a fair value of \$313 which was valued using the Black-Scholes pricing model with the following assumptions: dividend yield 0%; risk free interest 0.25%; volatility 172% and an expected life of 12 months.

#### **July 27<sup>th</sup>, 2020 private placement**

On July 27, 2020, the Company closed its non-brokered private placement, issuing a total of four million units at 20 cents per unit for total gross proceeds of \$800,000.

Each unit consists of one common share and one non-transferable common share purchase warrant, with each warrant exercisable for one year from the date of closing at an exercise price of 25 cents per warrant, provided that in the event that the closing price of the company's shares on the exchange (or such other exchange on which the company's shares may become traded) is 33 cents per share or greater during any 15-consecutive-trading-day period at any time subsequent to four months and one day after the closing date, the warrants will expire at 4 p.m. Vancouver time on the 30th day after the date on which the company provides notice of such accelerated expiry to the holders of the warrants.

The Company paid finders' fees of \$41,000 and 204,750 finder warrants to finders. The finder warrants are exercisable under the same terms as the private placement warrants. The warrants were ascribed a fair value of \$52,550 which was valued using the Black-Scholes pricing model with the following assumptions: dividend yield 0%; risk free interest 0.24%; volatility 166% and an expected life of 12 months.

#### **Exercise of options and warrants**

During the year ended March 31, 2021, the Company issued 475,000 common shares for total consideration received of \$23,750, pursuant to the exercise of the share options. The fair value of the options exercised was \$19,000 resulting in a transfer of \$19,000 from reserves to share capital.

During the year ended March 31, 2021, the Company issued 458,600 common shares for total consideration received of \$91,720, pursuant to the exercise of warrants. The fair value of the warrants exercised was \$1,641 resulting in a transfer of \$1,641 from reserves to share capital.

#### **Exercise of convertible debentures**

During the year ended March 31, 2021, the Company issued 1,333,443 common shares for total consideration received of \$65,000, pursuant to the exercise of the convertible debentures. Consequently, there was a transfer of 2,830 from liability to shareholder's equity.

#### **Settlement of debt**

On June 11, 2020, the Company issued 236,842 common shares at a fair value of \$41,447 (\$0.175 per share), to the former CEO of the Company as settlement for a portion of outstanding management fees owed totaling \$45,000. The Company recorded a gain of \$3,553 on the settlement of this debt.

#### **Shares issued for property**

On February 4, 2021, the Company issued 100,000 common shares at a fair value of \$15,500 (\$0.155 per share), pursuant to its property option agreement on Bachelor North Property.

On September 17, 2020, the Company issued 25,000 common shares at a fair value of \$6,750 (\$0.27 per share), pursuant to its property option agreement on Senneville South Property.

On July 7, 2020, the Company issued 960,000 common shares at a fair value of \$273,600 (\$0.285 per share), pursuant to its property option agreement on the Senneville East and West properties.

On June 16, 2020, the Company issued 200,000 common shares at a fair value of \$52,000 (\$0.26 per share), pursuant to its property option agreement on the Blue Ribbon Property.

## **STOCK OPTIONS**

A summary of share options outstanding is as follows:

	<b>Options outstanding</b>	<b>Weighted average exercise price</b>	<b>Weighted average years to expiry</b>
<b>Balance at March 31, 2020</b>	-	\$ -	-
Options granted <sup>(1)</sup>	2,925,000	0.14	3.40
Options exercised	(475,000)	0.05	4.64
Options cancelled	(475,000)	0.20	-
<b>Balance at March 31, 2021</b>	<b>1,975,000</b>	<b>\$ 0.15</b>	<b>3.75</b>
Options granted <sup>(1)</sup>	2,364,021	0.14	2.14
Options exercised	(350,000)	0.14	4.61
Options cancelled	(594,021)	0.15	-
Options expired	(590,000)	0.16	-
<b>Balance at March 31, 2022</b>	<b>2,805,000</b>	<b>\$ 0.14</b>	<b>2.91</b>

(1) On December 01, 2021, the expiry date of 225,000 stock options of Marsha Panar was extended by one year for expiry on November 30, 2022.

As of the date of this report, the Company has a total of 7,114,398 stock options outstanding and exercisable.

### **Stock option transactions after the year ended March 31, 2022:**

#### **Option grants:**

On July 20, 2022, the Company granted incentive stock options to purchase a total of 100,000 shares at an exercise price of \$0.06 per share for a period of 2 years to a consultant in accordance with the provisions of its stock option plan. The options vest immediately.

On May 9, 2022, the Company granted incentive stock options to purchase a total of 400,000 shares at an exercise price of \$0.07 per share for a period of 5 years to certain consultants in accordance with the provisions of its stock option plan. The options vest immediately.

On May 3, 2022, the Company granted 4,490,377 stock options to some consultants, officers, and former officers of the Company. Each stock options entitles its holder to buy one common shares of the Company at a price of \$0.075 for a period of 5 years. The options vest immediately.

On April 22, 2022, the Company granted 319,021 stock options to some consultants of the Company. Each stock options entitles its holder to buy one common shares of the Company at a price of \$0.065 for a period of 5 years. The options vest immediately.

#### **Option cancellations:**

On May 2, 2022, the Company cancelled 50,000 stock options earlier granted to a consultant of the Company.

On May 5, 2022, the Company cancelled an aggregate of 600,000 stock options earlier granted to some consultants and former CEO of the Company.

#### **Option expiries:**

Subsequent to the year ended March 31, 2022, 350,000 of the outstanding stock options expired unexercised.

## Stock option transactions for the year ended March 31, 2022:

### Option grants:

On December 1, 2021, the Company granted 10,000 stock options to a former director of the Company. Each stock option entitles its holder to buy one common share of the Company at a price of \$0.14 for a period of 5 years. The options vest immediately. The resulting fair value of \$807 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 145.53%; a risk-free interest rate of -0.060%, and an expected average life of 2 years.

On November 26, 2021, the Company granted 50,000 stock options to a consultant of the Company. Each stock option entitles its holder to buy one common share of the Company at a price of \$0.135 for a period of 2 years. The options vest immediately. The resulting fair value of \$5,134 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 145.70%; a risk-free interest rate of 0.080%, and an expected average life of 2 years.

On November 4, 2021, the Company granted 69,021 stock options to a consultant of the Company. Each stock option entitles its holder to buy one common share of the Company at a price of \$0.195 for a period of 2 years. The options vest immediately. The resulting fair value of \$6,527 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 130.15%; a risk-free interest rate of 0.060%, and an expected average life of 1 year.

On October 29, 2021, the Company granted 100,000 stock options to a consultant of the Company. Each stock option entitles its holder to buy one common share of the Company at a price of \$0.155 for a period of 2 years. The options vest immediately. The resulting fair value of \$9,818 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 130.12%; a risk-free interest rate of 0.260%, and an expected average life of 1 year.

On October 22, 2021, the Company granted 50,000 stock options to a consultant of the Company. Each stock option entitles its holder to buy one common share of the Company at a price of \$0.17 for a period of 2 years. The options vest immediately. The resulting fair value of \$4,118 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 130%; a risk-free interest rate of 0.060%, and an expected average life of 5 years.

On October 14, 2021, the Company granted 275,000 stock options to consultants of the Company. Each stock option entitles its holder to buy one common share of the Company at a price of \$0.135 for a period of 5 years. The options vest immediately. The resulting fair value of \$30,519 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 120.32%; a risk-free interest rate of 0.140%, and an expected average life of 5 years.

On October 13, 2021, the Company granted 470,000 incentive stock options to certain directors, officers and consultants of the Company. Each stock option entitles its holder to buy one common share of the Company at a price of \$0.13 for a period of 5 years. The options vest immediately. The resulting fair value of \$58,847 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 120.27%; a risk-free interest rate of 0.200%, and an expected average life of 5 years.

On October 1, 2021, the Company issues 200,000 stock options to consultants of the Company. Each stock option entitles its holder to buy one common share of the Company at a price of \$0.115. The 150,000 options will be exercisable for five years ending October 1, 2026. The 50,000 options will be exercisable for two years ending October 1, 2023. The options vest immediately. The resulting fair value of \$16,188 and \$4,073 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 119.42%; a risk-free interest rate of 0.220%, and an expected average life of 5 years and 2 years respectively.

On September 15, 2021, the Company issues 150,000 stock options to the Director (300,000) of the Company. Each stock option entitles its holder to buy one common share of the Company at a price of \$0.13 for a period of five-year ending September 15, 2026. The resulting fair value of \$15,894 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 118.51%; a risk-free interest rate of 0.030%, and an expected average life of 5 years.

On July 12, 2021, the Company granted 300,000 stock options to a consultant of the Company. Each stock option entitles its holder to buy one common share of the Company at a price of \$0.12 for a period of two years ending July 12, 2023. The options vested immediately. The resulting fair value of \$22,931 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 128.50%; a risk-free interest rate of 0.14%, and an expected average life of 2 years.

On June 1, 2021, the Company granted 100,000 stock options to a consultant of the Company. Each stock option entitles its holder to buy one common share of the Company at a price of \$0.17 for a period of one year ending June 1, 2022. The options vested quarterly in equal proportion. The resulting fair value of \$8,833 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 141%; a risk-free interest rate of 0.22%, and an expected average life of 1 year.

On April 14, 2021, the Company granted 590,000 stock options to the consultants of the Company. Each stock option entitles its holder to buy one common share of the Company at a price of \$0.155 for a period of six months ending on October 14, 2021. The options vested immediately. The resulting fair value of \$33,469 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 109%; a risk-free interest rate of 0.28%, and an expected average life of 0.50 year. On May 23, 2021, pursuant to the cancellation of one of the Consulting agreements, 275,000 of the granted and outstanding options were cancelled.

**Option exercises:**

During the year ended March 31, 2022, 350,000 of the outstanding stock options were exercised for total cash proceeds of \$47,500, and corresponding value of \$37,557 was transfer from share-based payments reserve to deficit.

**Option expiries:**

During the year ended March 31, 2022, 590,000 of the outstanding stock options expired unexercised. The corresponding amount of \$47,095 was transferred from share-based payments reserve to deficit.

**Option cancellations:**

During the year ended March 31, 2022, the Company cancelled 594,021 stock options earlier granted to some consultants of the Company. The corresponding amount of \$43,064 was transferred from share-based payments reserve to deficit.

**Stock option transactions for the year ended March 31, 2021:**

**Option grants:**

On December 29, 2020, the Company granted 600,000 stock options to officers, directors and consultants, at an exercise price of \$0.15 per common share for a period of 5 years and will expire on December 29, 2025. The resulting fair value of \$71,379 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 112%; a risk-free interest rate of 0.41%, and an expected average life of 5 years. The options vested immediately.

On November 23, 2020, the Company granted 425,000 stock options to officers and directors, at an exercise price of \$0.15 per common share for a period of 5 years and will expire on November 23, 2025. The resulting fair value of \$50,275 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 111%; a risk-free interest rate of 0.44%, and an expected average life of 5 years. The options vested immediately.

On September 28, 2020, the Company granted 375,000 stock options to officers, directors, and consultants, at an exercise price of \$0.26 per common share for a period ranging from 1 - 5 years expiring on September 28, 2021, to September 28, 2023. The resulting fair value of \$70,314 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 110%-151%; a risk-free interest rate of 0.23% - 0.35%, and an expected average life of 1 - 5 years. The options vested immediately.

On September 17, 2020, the Company granted 100,000 stock options to an investor relations consultant, at an exercise price of \$0.25 per common share for a period ranging from 1 year and will expiring on September 17, 2021. The resulting fair value of \$15,182 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 149%; a risk-free interest rate of 0.24% and an expected average life of 1 year. The options vest 50,000 immediately and 50,000 after 3 months. These options have been fully vested.

On June 19, 2020, the Company granted 150,000 incentive stock options to a consultant, at an exercise price of \$0.20 per common share for a period of 1 year and will expire on June 14, 2021. The resulting fair value of \$14,424 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 129%; a risk-free interest rate of 0.26%, and an expected average life of 1 year. The options vested immediately.

On June 15, 2020, the Company granted 200,000 incentive stock options to a consultant, at an exercise price of \$0.285 per common share for a period of 1 year and will expire on June 15, 2021. The resulting fair value of \$26,661 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 125%; a risk-free interest rate of 0.25%, and an expected average life of 1 year. The options vested immediately.

On May 4, 2020, the Company granted 1,075,000 stock options to officers, directors and consultants, at an exercise price of \$0.05 per common share for a period of 5 years and will expire on May 4, 2025. The resulting fair value of \$40,164 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 102%; a risk-free interest rate of 0.40%, and an expected average life of 5 years. The options vested immediately.

**Option exercises:**

During the year ended March 31, 2021, 475,000 of the outstanding stock options were exercised for total cash proceeds of \$23,750 and the corresponding value of \$17,747 was transferred from share-based payment reserve to deficit.

**WARRANTS**

A summary of changes in outstanding warrants is as follows:

	Warrants outstanding	Weighted Average Exercise Price	Weighted Average Years to Expiry <sup>(1)</sup>
Balance at March 31, 2020	583,600	\$ 0.20	0.42
Warrants issued	7,866,551	0.26	1.15
Warrants exercised	(458,600)	0.20	0.04
Warrants expired	(125,000)	0.20	-
Balance at March 31, 2021	7,866,551	\$ 0.26	1.15
Warrants issued	4,200,000	0.20	1.54
Warrants expired	(204,750)	0.25	-
<b>Balance at March 31, 2022</b>	<b>11,861,801</b>	<b>\$ 0.23</b>	<b>1.00</b>

(1) On July 16, 2021, the Company extended the expiration of the 4,000,000 warrants originally issued on July 27, 2020 pursuant to a non-brokered private placement by one year to July 24, 2022. All other terms and conditions of the Warrants, including the exercise price, remain the same.

On October 13, 2021, the company issued 4,200,000 warrants attached to non-brokered private placement with an expiry on October 13, 2022.

As of the date of this report, the Company has a total of 48,446,515 share warrants outstanding and exercisable.

On April 29, 2022, the Company issued 37,403,769 warrants attached to non-brokered private placement with an expiry on April 28, 2025. The Company also issued 169,945 Finder's warrants and 2,911,000 Broker units with an expiry on April 28, 2025.

## **DETAILED DISCUSSIONS RELATED TO THE COMPANY'S CASHFLOW**

### **Year ended March 31, 2022, and 2021**

Cash balances decreased by \$513,604 during the year ended March 31, 2022 (2021 – increased by \$637,724).

During the year ended March 31, 2022, cash used in the operating activities was \$1,082,809 compared to cash used in operating activities of \$1,125,706 during the year ended March 31, 2021. The Company was actively pursuing multiple mineral exploration projects during the year 2021, accordingly, the cash outflow was higher during 2021.

During the year ended March 31, 2022, cash provided by financing activities amounted to \$569,205 compared to \$1,763,430 during the year ended March 31, 2021. Cash provided by financing activities pertains to proceeds from the private placement, exercise of stock options, share warrants and convertible debentures. The Company closed three private placements during the year 2021 which resulted in higher cash inflow as compared to the year 2022.

### **OFF-BALANCE SHEET ARRANGEMENTS**

The Company has no material off-balance sheet arrangements as at March 31, 2022, nor as of the date of this report.

### **PROPOSED TRANSACTIONS**

The Company has no proposed transactions as at March 31, 2022, nor as of the date of this report.

### **TRANSACTIONS WITH RELATED PARTIES**

The amounts due to related parties are due to directors and officers of the Company. The balances are unsecured, non-interest bearing and have no specific terms for repayment.

#### **Related party balances**

As at March 31, 2022, \$146,483 (2021 - \$13,068) were due to related parties as follows:

	<b>March 31, 2022</b>	March 31, 2021
Company controlled by the CEO – Deepak Varshney	\$ <b>56,755</b>	\$ -
CFO – Zara Kanji	<b>16,800</b>	4,725
Director - Dwayne Yaretz	<b>12,067</b>	4,375
Former CEO – Jim Hirst	<b>15,861</b>	3,968
Party related to CEO of the Company – Navin Varshney	<b>45,000</b>	-
	<b>\$ 146,483</b>	<b>\$ 13,068</b>

## Related party transactions and key management compensation

During the year ended March 31, 2022, and 2021, the Company incurred the following amounts through transactions with the directors and officers of the Company:

	March 31, 2022	March 31, 2021
Management fees	\$ 204,500	\$ 99,500
Accounting fees	25,000	12,807
Consulting fees	45,000	-
Share based payments	99,016	143,813
	<b>\$ 373,516</b>	<b>\$ 256,120</b>

Management fees consist of the following:

	March 31, 2022	March 31, 2021
Company controlled by CEO - Deepak Varshney	\$ 71,000	\$ -
Company controlled by CFO - Zara Kanji	31,500	2,500
Director - Dwayne Yaretz	51,000	42,000
Former CEO - Jim Hirst	51,000	21,000
Former CEO - Rodney Ireland	-	12,500
Company controlled by former CFO - Jim Fairbairn	-	21,500
	<b>\$ 204,500</b>	<b>\$ 99,500</b>

During the year ended March 31, 2022, the Company paid \$25,000 towards accounting fee to a company controlled by CFO (2021 – \$12,807).

During the year ended March 31, 2022, the Company paid \$45,000 towards consulting fee to a party related to the CEO of the Company (2021 – \$Nil).

Share-based compensation consists of the following:

	March 31, 2022		March 31, 2021	
	Number of options	Share-based payment - \$ -	Number of options	Share-based payment - \$ -
CEO	420,000	37,955	-	-
Directors	400,000	44,603	400,000	34,335
Former CEO	100,000	12,521	525,000	62,738
Company controlled by Former CFO	-	-	125,000	1,868
Former Directors	35,000	3,937	525,000	41,872
	<b>955,000</b>	<b>99,016</b>	<b>1,575,000</b>	<b>143,813</b>

On May 5, 2022, the Company cancelled 400,000 of the outstanding stock options earlier issued to the former CEO and director of the Company.

On May 3, 2022, the Company granted 1,000,000 stock options to one of the directors (300,000) and the former CEO of the Company (700,000).

On December 1, 2021, the Company granted 10,000 stock options to former director of the company and recorded \$807 as share-based compensation expense.

On October 13, 2021, the company granted 345,000 stock options to the CEO, directors and former director of the Company and recorded \$43,197 as share-based compensation expense.

On October 1, 2021, the Company granted 150,000 stock options to the directors of the Company and recorded \$16,188 as share-based compensation expense.

On September 15, 2021, the Company issued 150,000 stock options to one of the directors of the Company and recorded \$15,894 as share-based compensation expense.

On July 12, 2021, the Company issued 300,000 stock options to the CEO of the Company and recorded \$22,391 as share-based compensation expense.

On December 29, 2020, the Company issued 400,000 stock options including 200,000 to the CEO and 200,000 to Dwayne Yaretz, director of the Company and recorded \$47,586 as share-based compensation expense. Out of these, 100,000 stock options were exercised by the former CEO of the Company for aggregate proceeds of 15,000.

On November 23, 2020, the Company issued 425,000 stock options including 75,000 to the CEO, 75,000 to Dwayne Yaretz, director, 75,000 to Marsha Panar, director and 200,000 to Benoit Chotard, director of the Company and recorded \$50,275 as share-based compensation expense.

On September 28, 2020, the Company issued 125,000 stock options to the CEO of the Company and recorded \$23,439 as share-based compensation expense.

On May 4, 2020, the Company issued 425,000 stock options including 125,000 to Dwayne Yaretz, director, 125,000 to Marsha Panar, director, 50,000 to 1282803 Ontario Inc., a company controlled by former CFO and 125,000 to John Ostler, former director of the Company and recorded \$15,878 as share-based compensation expense. Out of these, 50,000 stock options were exercised by the former CFO of the Company for aggregate proceeds of \$2,500, and 125,000 stock options issued to former director expired unexercised.

During the year ended March 31, 2022, 100,000 stock options were exercised by CEO of the Company and 50,000 stock options were exercised by a company controlled by former CFO of the Company for aggregate cash proceeds of \$17,500. The corresponding fair value of \$13,764 was transferred from reserves to the share capital.

## **CHANGES IN ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES**

For a detailed summary of the Company's significant accounting policies and critical accounting estimates, the readers are directed to Notes 2 and 3 of the Notes to the audited financial statements for the years ended March 31, 2022, and 2021 that are available on SEDAR at [www.sedar.com](http://www.sedar.com).

## **ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE**

Detailed listing of exploration expenditures and a breakdown of general and administrative expenses are provided in the audited financial statements for the years ended March 31, 2022, and 2021 which are available on SEDAR at [www.sedar.com](http://www.sedar.com).

## **FINANCIAL INSTRUMENTS**

### **Financial Instrument Risks**

The Company's financial instruments are exposed to certain financial risks, including credit risk, interest rate risk, market risk, liquidity risk and currency risk.

#### **Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk by holding cash. This risk is minimized by holding cash in large Canadian financial institutions. This risk is assessed as low.

### **Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to any interest rate risk.

### **Liquidity risk**

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due. The Company manages this risk by management of its working capital to ensure its expenditures will not exceed available resources. This risk is assessed as high.

### **Foreign exchange risk**

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company does not have foreign currency denominated financial instruments and is not exposed to foreign exchange risk.

### **Price risk**

Price risk is the risk that the risk of a decline in the value of the Company's financial instruments. Although price risk can be mitigated by hedging, the Company currently doesn't apply any hedging techniques as the Company doesn't have securities that are subject to price fluctuation.

## **RISKS AND UNCERTAINTIES**

The Company believes that the following risks and uncertainties may materially affect its success.

### **Limited Operating History**

The Company has no history of business or mining operations, revenue generation or production history. The Company is subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its growth objective. The Company anticipates that it may take several years to achieve positive cash flow from operations.

### **Exploration, Development and Operating Risks**

The exploration for and development of minerals involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. There can be no guarantee that the estimates of quantities and qualities of minerals disclosed will be economically recoverable. With all mining operations there is uncertainty and, therefore, risk associated with operating parameters and costs resulting from the scaling up of extraction methods tested in pilot conditions. Mineral exploration is speculative in nature and there can be no assurance that any minerals discovered would result in an increase in the Company's resource base.

The Company's operations are subject to all of the hazards and risks normally encountered in the exploration, development and production of minerals. These include unusual and unexpected geological formations, rock falls, seismic activity; flooding and other conditions involved in the extraction of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage, and possible legal liability. Although precautions to minimize risk will be taken, operations are subject to hazards that may result in environmental pollution and consequent liability that could have a material adverse impact on the business, operations and financial performance of the Company.

## **Fluctuating Mineral Prices**

The economics of mineral exploration is affected by many factors beyond the Company's control, including commodity prices, the cost of operations, variations in the grade of minerals explored and fluctuations in the market price of minerals. Depending on the price of minerals, it may be determined that it is impractical to continue the mineral exploration operation. Mineral prices are prone to fluctuations and the marketability of minerals is affected by government regulation relating to price, royalties, allowable production and the importing and exporting of minerals, the effect of which cannot be accurately predicted. There is no assurance that a profitable market will exist for the sale of any minerals found on the Property.

## **Substantial Capital Requirements and Liquidity**

Substantial additional funds for the establishment of the Company's current and planned mining operations will be required. No assurances can be given that the Company will be able to raise the additional funding that may be required for such activities, should such funding not be fully generated from operations. Mineral prices, environmental rehabilitation or restitution, revenues, taxes, transportation costs, capital expenditures, operating expenses and geological results are all factors which will have an impact on the amount of additional capital that may be required. To meet such funding requirements, the Company may be required to undertake additional equity financing, which would be dilutive to shareholders. Debt financing, if available, may also involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company or at all. If the

Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion and pursue only those development plans that can be funded through cash flows generated from its existing operations.

## **Financing Risks and Dilution to Shareholders**

The Company will have limited financial resources, no operations and no revenues. If the Company's exploration program on its properties is successful, additional funds will be required for the purposes of further exploration and development. There can be no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be available on favourable terms or at all. It is likely such additional capital will be raised through the issuance of additional equity, which will result in dilution to the Company's shareholders.

## **Title to Properties**

Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. The Company cannot give an assurance that title to the Property will not be challenged or impugned. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify. A successful claim that the Company, as the case may be, does not have title to the properties could cause the Company to lose any rights to explore, develop and mine any minerals on that property, without compensation for its prior expenditures relating to such property.

## **No Mineral Reserves or Mineral Resources**

The properties in which the Company holds an interest are considered to be an early exploration stage property, however no mineral reserve or mineral resource estimates have been prepared in respect of the properties. Mineral reserves are, in the large part, estimates and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. Reserve estimates for properties that have not yet commenced production may require revision based on actual production experience. Market price fluctuations of metals, as well as increased production costs or reduced recovery rates, may render mineral reserves containing relatively lower grades of mineralization uneconomic and may ultimately result in a restatement of reserves. Moreover, short-term operating factors relating to the mineral reserves, such as the need for orderly development of the ore bodies and the processing of new or different mineral grades may cause a mining operation to be unprofitable in any particular accounting period.

## **Environmental Risks**

The Company's exploration and appraisal programs will, in general, be subject to approval by regulatory bodies. Additionally, all phases of the mining business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and federal, provincial and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with mining operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs.

## **Novel Coronavirus ("COVID-19")**

The Company's operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations.

## **FORWARD-LOOKING STATEMENTS**

This MD&A may include certain "forward-looking statements" within the meaning of applicable securities legislation. All statements, other than statements of historical facts, included in this MD&A that address activities, events or developments that the Company expects or anticipates will or may occur in the future, including such things as future business strategy, competitive strengths, goals, expansion and growth of the Company's businesses, operations, plans and other such matters are forward-looking statements. When used in this MD&A, the words "estimate", "plan", "anticipate", "expect", "intend", "believe" and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors which 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 such forward-looking statements. Such factors include, among others, risks those actual results of current exploration activities will differ, changes in project parameters as plans continue to be refined, unavailability of financing, fluctuations in precious and/or base metals prices and other factors, as outlined in the Company's preliminary long form prospectus filed on SEDAR. Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will

prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

## **DIRECTORS**

Certain directors of the Company are also directors, officers and/or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploring natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required to act in good faith with a view to the best interests of the Company and to disclose any interest they may have in any project opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his/her interest and abstain from voting in the matter(s). In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at the time.

On August 5, 2021, the Company appointed Deepak Varshney, P. Geo as a director.

On September 1, 2021, James H Hirst resigned as CEO and president and the company appointed Deepak Varshney as the president and CEO.

On September 15, 2021, the Company appointed James Walker as independent director and member of the audit committee.

On November 30, 2021, the Company appointed Adrian Smith as an independent director and Marsha Panar resigned as a director and member of the audit committee.

On May 4, 2022, James H Hirst resigned as a director of the Company.

On May 4, 2022, the Company appointed Andreas Rompel as a director.

### **Current Directors and Officers of the Company are as follows:**

Deepak Varshney, President, CEO and Director

Zara Kanji, CFO

Dwayne Yaretz, Corporate Secretary and Director

James Walker, Director

Adrian Smith, Director

Andreas Rompel, Director

## **OUTLOOK**

The Company's primary focus for the foreseeable future will be on maintaining a healthy financial position, continuing exploration and development on its mineral properties in areas of active exploration, and ongoing evaluation of additional underexplored properties and projects in key areas.