



**EROS RESOURCES CORP.**

*(an exploration stage enterprise)*

**Management Discussion and Analysis**

**3 and 9 Months ended September 30, 2022 and 2021**

**EROS RESOURCES CORP.**  
**Management Discussion and Analysis**  
**September 30, 2022**

---

**INTRODUCTION**

This MD&A has been prepared by management as at November 24, 2022 and was reviewed and approved by the Board of Directors on that date. The following discussion of performance, financial condition and future prospects should be read in conjunction with the condensed consolidated financial statements for the three and nine-months ended September 30, 2022 and 2021 and should be read in conjunction with the audited consolidated financial statements of Eros Resources Corp. (“Eros”, or the “Company”) and the related notes thereto for the years ended December 31, 2021 and 2020, prepared in accordance with International Financial Reporting Standards (“IFRS”). The information provided herein supplements but does not form part of the financial statements. This discussion covers the three and nine-months ended September 30, 2022 and the subsequent period up to the date of issue of this MD&A. All monetary amounts are in Canadian dollars unless otherwise specified.

Additional information including financial statements and more detail on specific mineral properties and oil and gas projects discussed in this MD&A can be found on the Company’s website [www.erosresources.com](http://www.erosresources.com) and on the Company’s page at [www.sedar.com](http://www.sedar.com).

This MD&A contains Forward-Looking Information.  
Please read the Cautionary Statements on page 3 carefully.

## **FORWARD-LOOKING STATEMENTS AND INFORMATION**

*Certain information included in this MD&A contains forward-looking statements or forward-looking information within the meaning of applicable Canadian securities laws, including, without limitation, in respect of the Company's priorities, plans and strategies and the Company's anticipated financial and operating performance and prospects. All statements and information, other than statements of historical fact, included in or incorporated by reference into this MD&A are forward-looking statements and forward-looking information, including, without limitation, statements regarding activities, events or developments that we expect or anticipate may occur in the future. Such forward-looking statements and information can be identified by the use of forward-looking words such as "will", "expect", "intend", "plan", "estimate", "anticipate", "believe" or "continue" or similar words and expressions or the negative thereof. There can be no assurance that the plans, intentions or expectations upon which such forward-looking statements and information are based will occur or, even if they do occur, will result in the performance, events or results expected. This information speaks only as of the date of this MD&A. In particular, this MD&A contains forward-looking information pertaining to the following:*

- potential receipt of regulatory approvals, permits and licenses and treatment under governmental regulatory regimes;*
- the estimates of the Company's mineral resources or oil and gas reserves;*
- expectations of market prices and costs of production, reclamation, operation and otherwise; and*
- exploration, development and expansion plans, objectives and results.*

*We caution readers of this MD&A not to place undue reliance on forward-looking statements and information contained herein, which are not a guarantee of performance, events, outcomes or results and are subject to a number of risks, uncertainties and other factors that could cause actual performance, events, outcomes or results to differ materially from those expressed or implied by such forward-looking statements and information. These factors include: changes in priorities, plans, strategies and prospects; general economic, industry, business and market conditions; changes in law; the ability to implement business plans and strategies, and to pursue business opportunities; potential legal and regulatory claims, proceedings and investigations; disruptions or changes in the credit or securities markets; inflationary pressures; and various other events, conditions or circumstances that could disrupt Eros' priorities, plans, strategies and prospects.*

*Shareholders are cautioned that all forward-looking statements and information involve risks and uncertainties, including those risks and uncertainties set out above and as detailed in Eros's continuous disclosure and other filings with applicable Canadian securities regulatory authorities, copies of which are available on SEDAR at [www.sedar.com](http://www.sedar.com). The Company undertakes no obligation to publicly release the results of any revisions to forward-looking statements and information that may be made to reflect events or circumstances after the above-stated date or to reflect the occurrence of unanticipated event, except as otherwise required by applicable legislations.*

**EROS RESOURCES CORP.**  
**Management Discussion and Analysis**  
**September 30, 2022**

---

**THE COMPANY**

The Company's principal business activities include the acquisition, exploration and development of mineral and oil and gas resource properties in North America. The Company's corporate office is located at Suite 420, 789 West Pender Street, Vancouver, British Columbia. Eros is a Tier 1 company on the TSXV Exchange.

Eros has as its prime business objective the identification, acquisition and exploration of advanced projects with a North American focus. A secondary focus of the Company is to make strategic investments with a global focus and a diverse commodity base. The Board and management's expertise in the resource sector supports the selection of these strategic investments.

**BELL MOUNTAIN PROPERTY**

In August 2016, the Department of the Navy of the United States Department of Defense (the "Navy") issued a notice in the Federal Register to prepare an environmental impact statement ("EIS") regarding a proposed expansion of the Fallon Range Training Complex, including a proposed withdrawal and reservation for military use of public lands. The Company's Bell Mountain Project consists of unpatented mining claims that are located on federal lands within the proposed expansion area. For a period of two years the Company was restricted from conducting any new project advancement that required surface disturbance. This withdrawal notice has expired.

On August 31, 2018, the Bureau of Land Management ("BLM") of the Department of the Interior issued a Public Land Order in the Federal Register creating an additional four-year withdrawal of public lands to allow the Navy time to complete their EIS under the National Environmental Policy Act ("NEPA"). Owing to on-going negotiations between the Company and the Navy/BLM, the Bell Mountain mining claims were specifically exempted from the new four-year withdrawal. Furthermore, the Navy is proposing a Special Land Management Area ("SLMA") which would allow for continued mineral exploration and development at the Bell Mountain project. While not assured, the SLMA is the preferred "Alternative 3" in the Navy's present expansion proposal. The Company is actively working with the Navy and BLM to move the project forward.

The Company controls 100% ownership of the Bell Mountain gold-silver property. Advancement of the property towards production is no longer restricted by the BLM/Navy moratorium since the claims were specifically exempted from withdrawal in August 2018. A conceptual Plan of Operations has been submitted to the BLM and permitting and engineering work are in progress. An environmental Assessment ("EA") under NEPA is also in progress. Stantec Consulting Services Inc. of Reno, Nevada is handling the permitting work. Welsh Hagen Associates of Reno, Nevada is handling the engineering work and also the Water Pollution Control Permit. The Company is working with the Navy and NV Energy in an effort to acquire access to grid electrical power from an existing Navy powerline that runs directly to the Bell Mountain property. Geotechnical work at the proposed leach pad site is underway and condemnation drilling is planned. The Company is targeting 2021 for possible completion of the NEPA documents.

An advance royalty payment of \$20,000 is due annually on June 15 until such time as there is production from the property. Due to the Navy's moratorium on exploration activities, the advance royalty has been deferred for the years ending December 31, 2017, 2018 and 2019. The royalty payments recommenced in 2020 and the past and current payments were paid in full.

**BRITISH COLUMBIA PROJECTS**

***Golden Triangle***

In 2016, the Company purchased a 5% minor investment interest in certain properties in the Golden Triangle area of northwest BC, near the past producing Snip mine. The purchase of these rights included a minor share position in SnipGold Corp. These SnipGold Corp. shares were sold for more than the cost of the total acquisition. As there is no planned activity on the property, the value was impaired to \$nil in 2020.

**SASKATCHEWAN PROJECTS**

***Denison Joint Venture***

***Hatchet Lake and Murphy Lake*** - Eros holds 29.89% in the Hatchet Lake joint venture located in the shallow, eastern portion of the Athabasca basin of Saskatchewan. The target is unconformity-type uranium deposits similar to the nearby McClean Lake mine. Denison Mines Corp. ("Denison") is the operator of the joint ventures. Eros believes in the potential of the area and intends to defend its interest in the properties.

The **Hatchet Lake** property is located just 17 km north of the McClean Lake uranium mill owned by Orano-Denison-OURD. Access to the property is by winter road or aircraft.

The Hatchet Lake property is considered prospective for uranium as well as base and precious metals. Historic drill holes have reported U, Ni, Co, Cu, Au and Ag enrichment. The proposed ground geophysical program will cover areas prospective for the above metals. Historic holes on the property have reported:

4.9% Ni, 6.1% Co over 5 metres  
5.9% Cu over 2 metres  
21.5 g/t Au over 1 metre  
19.6 g/t Ag, 3.3% Pb, 0.27% Zn over 9.6 metres

On November 15, 2019, the Company entered into a purchase agreement with Denison, whereby Denison acquired the Company's interest in the Murphy Lake joint venture agreement for 32,262 common shares of Denison. The shares were valued at \$20,970 and a gain of \$18,765 was recorded during the year ended December 31, 2019. During the year ended December 31, 2019, the Company along with Denison decided to reduce the Murphy Lake property by three claims due to management's assessment of prospectively for future exploration work.

**EROS RESOURCES CORP.**  
**Management Discussion and Analysis**  
**September 30, 2022**

---

**La Ronge Gold Belt**

On December 20, 2021, MAS Gold Corp. and the Company signed an option agreement granting the Company an option for the exclusive right to earn a 17.5% interest in all of MAS 's current properties in the prospective La Ronge Gold Belt of north-eastern Saskatchewan by funding \$3,500,000 in exploration expenditures over a nine-month period, starting from January 2022. The Company is required to fund \$3,500,000 expenditure before the option deadline, which is nine months after the Exchange Approval Date. In the nine-months ended September 30, 2022, Eros met its funding commitment.

**OVERALL PERFORMANCE and OUTLOOK**

In the nine-months ended September 30, 2022, the Company continued to make progress on both of its primary business objectives. Development works continued at Bell Mountain and the LaRonge Gold Belt, as the Company drives toward the completion of permitting.

Within the trading portfolio, the Company continued having success in exiting positions and re-deploying that capital into Bell Mountain and the La Ronge Gold Belt. While this strategy may continue in the short-term, it remains the intention of the Company to build on its existing portfolio and trade it actively. Success in the trading activities depends to a great degree on the relative health in the junior resource market, a market which has struggled in the first nine-months of the year. The Company generated a realized loss on trading activities of \$124,079 in the nine-months ended September 30, 2022 (2021 – gain of \$318,357) and recorded unrealized losses of \$8,867,383 (2021 –\$3,496,211).

The Company's focus remains on mineral exploration and development with our lead project remaining the Bell Mountain project and is making continued strides towards permitting. Engineering and geotechnical work is ongoing at the Bell Mountain project. Funding this work has been accomplished through the successful trading of the Company's equity portfolio.

Management believes that the pull-back in the junior resource markets experienced in this year will continue throughout 2022. In the longer term, higher commodity prices will reverse the downward trend. This will allow the Company to continue capitalizing on its trading capabilities, generating additional development funds for Bell Mountain as well as for further investment within Canada, which will be focused principally on flow through share investing.

In fiscal 2014, there was an involuntary disposition of the Company's Canadian mineral property for which the Company received \$26,400,000 from the Government of British Columbia. In fiscal 2014, the Company elected to defer \$15,147,419 of the proceeds as income inclusion under s.59.1 election of the Income Tax Act. The elected amount can be offset by Canadian exploration expenses, Canadian development expenses and/or Canadian oil and gas property expenses (collectively referred to as "Mineral Property Expenses"). If the amount cannot be offset by 2024, the Company will have to include the remaining elected amount as income in the 2014 income tax return. As at December 31, 2021, the Company has a further \$7,500,000 to spend on qualified Mineral Property Expenses by 2024 in order to avoid the income inclusion under s.59.1 election.

**EROS RESOURCES CORP.**  
**Management Discussion and Analysis**  
**September 30, 2022**

**EXPLORATION AND EVALUATION ASSETS**

The exploration and evaluation asset spending to September 30, 2022 has been capitalized as follows:

	Saskatchewan	Saskatchewan	Nevada	Total
Commodity	Gold	Uranium	Gold-Silver	
Balance at December 31, 2020	\$ -	\$ 22,343	\$ 2,207,740	\$ 2,230,083
Additions				
Land cost	-	-	-	-
Staking and maintenance	-	-	42,203	42,203
Geology/ geophysics	-	-	107,821	107,821
Field support	-	-	13,779	13,779
Environmental and socio-economic	-	-	78,279	78,279
Total additions for the year:	-	-	240,082	240,082
Impairment during the year:	-	-	-	-
Balance at December 31, 2021	-	22,343	2,447,822	2,470,165
Additions				
Staking and maintenance	-	-	41,569	41,569
Geology/ geophysics	-	-	15,456	15,456
Drilling	3,870,000	-	-	3,870,000
Field support	-	-	10,592	10,592
Environmental and socio-economic	-	-	78,802	78,802
Total additions for the year:	3,870,000	-	146,419	4,016,419
Impairment during the year:	-	-	-	-
Balance at Sept. 30, 2022	\$ 3,870,000	\$ 22,343	\$ 2,594,241	\$ 6,486,584

**EROS RESOURCES CORP.**  
**Management Discussion and Analysis**  
**September 30, 2022**

**SUMMARY OF QUARTERLY RESULTS**

The following table reports selected financial information of the Company for the past eight quarters commencing with the reported financial information for the most recent quarter.

Quarter ended	30-Sep-22	30-Jun-21	31-Mar-21	31-Dec-21
Increase (decrease) in mineral property acquisition and exploration costs	\$ (69,269)	\$ 3,947,150	\$ 1,120,244	\$ 26,689
Revenue <sup>(1)</sup>	\$ -	\$ -	\$ -	\$ -
Net income (loss)	\$ (1,181,370) <sup>(1,2)</sup>	\$ (8,573,287) <sup>(1,3)</sup>	\$ (880,406) <sup>(1,4)</sup>	\$ 650,013 <sup>(1,5)</sup>
Net income (loss) per share	\$ (0.01)	\$ (0.08)	\$ (0.01)	\$ 0.00

Quarter ended	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20
Increase (decrease) in mineral property acquisition and exploration costs	\$ 82,221	\$ 59,873	\$ 71,299	\$ 134,753
Revenue <sup>(1)</sup>	\$ -	\$ -	\$ -	\$ -
Net income (loss)	\$ (1,577,432) <sup>(1,6)</sup>	\$ 1,862,452 <sup>(1,7)</sup>	\$ (149,649) <sup>(8)</sup>	\$ (940,192) <sup>(9)</sup>
Net income (loss) per share	\$ (0.02)	\$ 0.02	\$ 0.00	\$ (0.01)

(1) The Company had no material revenues from oil production as wells were offline throughout the quarter.

(2) Includes realized loss on marketable securities of \$8,867,383

(3) Includes realized loss on marketable securities of \$8,447,281

(4) Includes realized loss on marketable securities of \$647,269

(5) Includes unrealized gain on marketable securities of \$2,948,542

(6) Includes unrealized loss on marketable securities of \$1,577,432

(7) Includes unrealized loss on marketable securities of \$1,775,006

(8) Includes unrealized loss on marketable securities of \$164,194

(9) Includes unrealized loss on marketable securities of \$822,947

**Discussion of variation in quarterly results**

Primary factors influencing the fluctuation in quarterly capitalized property acquisition and exploration costs include whether a new property was acquired, or whether an existing property was written down. Write downs, when they occur, and gains or losses on marketable securities – whether realized on sale, or unrealized, also significantly impact net income (loss) and comprehensive income (loss).

**Net loss for the nine months ended September 30, 2022**

Net loss of \$9,335,530 (2021 –\$3,589,533) was recorded for the nine-months ended September 30, 2022 primarily due to the unrealized loss on marketable securities of \$8,867,383 (2021 – \$3,464,211). All other expense items remained consistent across the two periods.

**EROS RESOURCES CORP.**  
**Management Discussion and Analysis**  
**September 30, 2022**

---

***Cash flows for the nine-months ended September 30, 2022***

Cash from operating activities was \$1,127,727 for the nine-month period, as compared with the \$596,211 used in the nine-months ended September 30, 2021.

Eros continued to trade actively in marketable securities in the year, with acquisitions of \$377,575 (2021 - \$2,380,577). Eros offset these cash outflows by generating proceeds of \$2,917,367 from the sale of marketable securities, compared to \$715,681 in 2021. Additionally, Eros continued to heavily invest in the Bell Mountain project in Nevada as well as the La Ronge Gold Belt in Saskatchewan, with exploration expenditures of \$4,016,419 as compared to \$82,221 in 2021.

**LIQUIDITY AND CAPITAL RESOURCES**

At September 30, 2022, the Company had a working capital<sup>1</sup> deficiency of \$3,357,317 as compared to working capital deficiency of \$37,957 at December 31, 2021, representing a decrease in working capital, and in liquidity, of \$3,273,056.

The Company is budgeting administrative costs of approximately \$350,000 for 2022. This amount excludes any purchases or sales of investments that may be made, based on market conditions.

A deferred income tax liability of approximately \$3.10 million is a result of deferring income tax on the proceeds of the settlement with the Province of British Columbia relating to the government's implementation of the ban on uranium mining in the province and unrealized gains on marketable securities. This liability can be eliminated by spending approximately \$9 million on Canadian acquisitions and qualifying exploration expenditures within the next 2.1 years.

The Company's ability to continue as a going concern is dependent on the ability of the Company to raise additional equity financing or the attainment of profitable operations. There are no assurances that the Company will be successful in achieving either one of these goals. Although the Company has been successful in raising funds to date, there can be no assurance that adequate or sufficient funding will be available in the future, or under terms acceptable to the company. The Company's discretionary activities do have considerable scope for flexibility in terms of the amount and timing of expenditures, and expenditures have been adjusted accordingly.

**RELATED PARTY TRANSACTIONS**

**Key management compensation**

Key management personnel at the Company are the directors and officers of the Company. The remuneration of key management personnel during the periods ended September 30, 2022 and 2021 was as follows:

---

<sup>1</sup> Working capital is a non-GAAP measure and is defined as "current assets less current liabilities"

**EROS RESOURCES CORP.**  
**Management Discussion and Analysis**  
**September 30, 2022**

---

	Sept. 30, 2022	Sept. 30, 2021
Share-based compensation	\$ -	\$ -
Short-term benefits <sup>1</sup>	\$ 72,727	\$ 96,926

<sup>1</sup>Remuneration consists exclusively of salaries, bonuses, health benefits and consulting fees.

Other than the amounts disclosed above, there were no short-term employee benefits or share-based payments paid to key management personnel during the periods ended September 30, 2022 and 2021.

An amount of \$200,000 (2020 – \$200,000) was payable to other related parties at September 30, 2022.

During the period ended September 30, 2022, the Company had the following significant transactions with its related parties:

- Advanced \$3,870,000 as a part of its earn-in on the La Ronge gold belt projects in Saskatchewan.

During the year ended December 31, 2021, the Company had the following significant transactions with its related parties:

- Purchased 100,000 units of Southern Empire Resources Corp., a company with common management and a common director, at a price of \$0.10 per unit. Each unit consists of one common share and one common share purchase warrant exercisable into one common share at a price of \$0.15 for a period of 36 months.
- Exercised 7,823,810 common share purchase warrants in MAS, a company with a common director, receiving 7,823,810 common shares and 3,703,571 common share purchase warrants exercisable into one common share at a price of \$0.20 for a period of 24 months.

Both MAS Gold Corp. and Southern Empire Resources Corp. have a common director with Eros.

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

The Company has not entered into any off-balance sheet arrangements.

#### **PROPOSED TRANSACTIONS**

There are no proposed transactions.

#### **FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

##### *Market risk*

Market risk consists of interest rate risk, foreign currency risk and other price risk. Market risk to which the Company is exposed is as follows:

##### *Interest rate risk*

Interest rate risk consists of two components:

- (i) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.

**EROS RESOURCES CORP.**  
**Management Discussion and Analysis**  
**September 30, 2022**

---

- (ii) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

The Company is not exposed to significant interest rate risk.

*Foreign currency risk*

The Company is exposed to financial risk related to the fluctuation of foreign exchange rates. A significant change in the exchange rate between the Canadian dollar relative to the US dollar could have an effect on the Company's future results of operations, financial position or cash flows. The Company has not hedged its exposure to currency fluctuations. As at September 30, 2022 and December 31, 2021, the Company is exposed to currency risk through the following financial assets denominated in a currency other than the Canadian dollar:

	September 30, 2022		December 31, 2021	
	US \$	CDN \$	US \$	CDN \$
Accounts payable	7,434	10,807	11,995	15,651
	(47,884)	(66,204)	(21,363)	(26,990)

Based on the above, assuming all other variables remain constant, a 10% strengthening of the Canadian dollar against the US dollar would have increased the Company's comprehensive income/loss by \$5,540 (2021 - \$1,100). A weakening of the Canadian dollar would have had the opposite effect.

*Other price risk*

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company's marketable securities are carried at market value or fair value based on observable market values and are therefore directly affected by fluctuations in the market value of the underlying securities. Changes in market prices of securities in the portfolio have a material effect on net income (loss). A 20% increase in the market prices would have increased/decreased the Company's net income/loss by \$2,121,240 (2021 - \$4,133,000).

**RISKS AND UNCERTAINTY**

Success in the mining exploration business is measured by a company's ability to raise funds, secure properties of merit and, ideally, identify commercial deposits on one of its properties. The attainment of these objectives is influenced by many factors not necessarily within management's control.

Risk factors include political risks and government interference, the establishment of undisputed title to mineral properties, environmental concerns and obtaining governmental permits and licenses when required.

The resource industry is intensely competitive in all of its phases, and the Company competes with many companies possessing far greater financial resources and technical facilities. Competition could adversely affect the Company's ability to acquire, explore and develop properties in the future.

The ability to raise funds is in part dependent on the state of the junior resource stock market, which in turn is dependent on the economic climate, metal prices and perceptions as to market trends.

**EROS RESOURCES CORP.**  
**Management Discussion and Analysis**  
**September 30, 2022**

---

The investment in expenditures on exploration and evaluation assets comprises a significant portion of the Company's assets. Realization of the Company's investment in these assets is dependent upon the establishment of legal ownership, and either the attainment of successful production from the properties or from the proceeds of their disposal.

Mineral exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored ultimately develop into producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore. The amounts shown for acquisition costs and deferred exploration expenditures represent costs incurred to date and do not necessarily reflect present or future values. These costs will be depleted over the useful lives of the properties upon commencement of commercial production or will be written off if the properties are abandoned and the claims are allowed to lapse.

**CONFLICTS OF INTEREST**

Some of the directors of the Company are also directors of other companies that are similarly engaged in the business of acquiring, exploring and developing natural resource properties. Such associations may give rise to conflicts of interest. In particular, one of the consequences will be that corporate opportunities presented to a director of the Company may be offered to another company or companies with which the director is associated, and may not be presented or made available to the Company. The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company, to disclose any interest which they may have in any project or opportunity of the Company, and to abstain from voting on such matter. Conflicts of interest that arise will be subject to and governed by the Business Corporations Act (British Columbia), applicable securities law, and the procedures prescribed in the corporate governance guidelines published by the BCSC and TSX-V.

**OTHER MANAGEMENT'S DISCUSSION AND ANALYSIS**

Additional disclosure for venture issuers without significant revenue:

Capital Stock updated to Nov 24, 2022:

Issued:	97,893,741	common shares
Options:	2,400,000	at \$0.08 until July 30, 2024
Warrants:	24,223,444	at \$0.15 until August 12, 2025
	<u>500,000</u>	at \$0.15 until August 13, 2025
	24,723,444	
Fully diluted:	125,017,185	common shares