

**ICONIC MINERALS LTD.
MANAGEMENT DISCUSSION AND ANALYSIS
YEAR ENDED AUGUST 31, 2021**

Dated: December 23, 2021

OVERVIEW

The following management discussion and analysis (“MDA”) of the financial position of Iconic Minerals Ltd. (“Company”) and results of operations should be read in conjunction with the audited consolidated financial statements for the year ended August 31, 2021. All monetary amounts referred to herein are in Canadian dollars unless otherwise stated. The financial statements together with this MDA are intended to provide investors with a reasonable basis for assessing the financial performance of the Company.

Additional information related to the Company is available for view on SEDAR at www.sedar.com, on the Company’s website at www.iconicmineralsltd.com, or by requesting further information from the Company’s head office in Vancouver.

FORWARD LOOKING STATEMENTS

Information contained in this MDA that is not historical fact may be considered “forward looking statements”. These forward looking statements sometimes include words to the effect that management believes or expects a stated condition or result. All estimates and statements that describe the Company’s objectives, goals or plans are forward looking statements. Since forward looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors, including such variables as new information regarding recoverable reserves, changes in commodity demand and prices, legislative, environmental and other regulatory or political changes, competition in areas where the Company operates, and other factors discussed herein. Readers are cautioned not to place undue reliance on this forward looking information.

DESCRIPTION OF BUSINESS

Iconic Minerals Ltd. (TSX-V: ICM) is a mineral exploration company focused on acquiring and exploring gold and lithium properties in Nevada and Canada leading to NI43-101 compliant mineral resources in the near term. Although its Canadian properties were impaired in prior fiscal years, the Company continues to investigate new Canadian properties to acquire and explore.

In December 2015, the Company entered into a property option agreement with a related party to acquire a 100% interest in certain Lithium claims located in Nye County, Nevada. The Company has expanded its Bonnie Claire lithium project to 921 claims comprising 18,420 acres (28.75 mi²).

The Company holds highly prospective gold exploration properties in Nevada with the potential to host both Carlin-type and Round Mountain style gold/silver deposits. The Company, through option agreements, has acquired 50% interests in the New Pass and Midas South properties located in Nevada.

In September 2011 the Company entered into an earn-in agreement to acquire up to a 70% interest in a lease in the Hercules Project located in Lyon County, Nevada. During fiscal 2014, the Company amended the earn-in agreement to obtain an additional 30% interest in the lease of the property (for a total of 100%). In August 2019 the Company entered into an agreement with Great Basin Resources Inc., Eclipse Gold Mining Corporation and Hercules Gold USA, a subsidiary of Eclipse, on the Hercules project. The terms of the amended underlying lease agreement are disclosed in the consolidated financial statements.

In January 2018 the Company entered into an exclusive definitive licensing agreement with St-Georges Platinum and Base Metals Ltd. (“St-Georges”) to utilize its proprietary lithium extraction, purification and processing technology.

The Agreement grants the Company the exclusive right to a site license within the state Nevada, to use St-Georges’ proprietary and related technology, products, patents and future improvements for the purpose of extracting, processing and selling lithium. Pursuant to the Agreement, St-Georges has agreed to provide engineering and technical services on all licensed production sites.

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In consideration for the licensing rights, the Company has agreed to issue St-Georges a total of 5,000,000 common shares in its capital stock in stages over a 36 months period, subject to performance benchmarks outlined below:

- 2,000,000 common shares upon Stage 1 Benchmark completion: which is defined by the delivery of an independent laboratory report currently commissioned by St-Georges, indicating positive viable lithium recoveries; (On August 29, 2019, 2,000,000 common shares were issued to St-Georges)
- 1,500,000 shares upon Stage 2 Benchmark completion: which is defined by independent report describing results of initial pilot mining operations and the processing of a minimum of one metric ton in a simulated industrial environment; and
- 1,500,000 shares upon Stage 3 Benchmark completion: which is defined by the reception of a Preliminary Economical Assessment Report or at commercialization decision or the third-year anniversary mark of this Agreement assuming other issuance have been completed.

The Company has agreed to pay a Net Revenue Interest Royalty (NRI) of 5% on all minerals produced and sold on all production sites licensed with St-Georges' technologies. The Company is entitled to receive 20% of royalties received by SX from other operations within a specified area.

During the year ended August 31, 2019, the Company executed an option to invest \$100,000 into units of St-Georges at a price of \$0.10 per unit in a private placement. In addition, in July 2019, the Company received the Phase I independent report titled "Bonnie Claire Metallurgical Evaluation and Process Development" from St-Georges. St-Georges has developed Nitric Acid leaching methodology that puts between 99.97% and 100% of the lithium from the sediments into solution at room temperature within 1-4 hours. St-Georges completed a performance benchmark resulting in the Company issuing 2,000,000 common shares with a value of \$234,000 to St-Georges. The shares will remain in escrow for three years.

On February 28, 2019, the Company launched a "CEO Verified" discussion forum on AGORACOM. The forum will serve as the Company's primary social media platform to interact with both shareholders and the broader investment community in a fully moderated environment.

UNITED STATES

Overview

With the farm out of the Hercules Project the Company has brought in additional funding which will be used to develop the Bonnie Claire project. The New Pass and Midas South properties will be further explored once the property is advanced.

Lithium Project, Nevada

Bonnie Claire

In December 2015, the Company entered into a property option agreement with a related party (Richard Kern, CEO) ("Vendor") to acquire a 100% interest in certain Lithium claims located in Nye County, Nevada.

The Company may earn its 100% interest in the property by: (a) reimbursing expenses not to exceed US \$20,000 for the property (paid); (b) expending initial claim filing fees and expenses estimated to be US \$76,500 (paid); and (c) expending US \$100,000 (incurred) for the first-year exploration development program, and by thereafter completing additional work requirements for the second (US \$200,000-incurred), third (US \$400,000-incurred) and fourth (US \$600,000) year totaling US \$1,200,000.

The Vendor will retain a 4.5% NSR royalty, 1.5% of which the Company shall have the right to buy back within 90 days of the property going into production for US \$2,000,000, and an additional 1.5% of which the Company shall have the right to buy back within 180 days of the property going into production for US \$4,000,000; and (b) a cash payment of US \$1,000,000 to be made by the Company to the Vendor upon the property attaining commercial production.

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The Property is a lithium brine target. It is located within a valley that is over +20 miles (+30 km) long and 12 miles (20 km) wide into which streams from an +800 mi² (2,070 km²) drainage basin empty. The source rocks are quartz-rich volcanics that contain anomalous amounts of lithium. Sampling of salt flats within the basin indicates lithium values in salt samples ranging from 50 to 340 ppm. The deeper part of a gravity low within the valley is 12 miles (20 km) long, and initial estimates of the depth to bedrock ranges from 1,500 to 2,000 feet (460-610 m) within this low. The current claim block covers the gravity low and associated mud flats that could be used for evaporation ponds if significant lithium brines are discovered in drilling.

In the summer and fall of 2016 the Company drilled two exploration wells to test for lithium brine. Although the brines intersected contained marginal amounts of lithium, the sediments drilled were found to contain abundant lithium averaging over 1000 ppm. Initial leach tests of the sediments indicate recoveries of over 95% of the lithium using a dilute acid leach. Further metallurgical testing was initiated in late fall.

In May 2017, the Company completed one shallow drill hole of a lithium brine target. Both brine and sediment samples were collected continuously to a total depth of 300 feet (91.4 m). The sediments drilled consisted primarily of fine-grained sand and silt with occasional clay layers.

In June 2018, the Company completed its third deep drill hole. The hole was drilled to a depth of 567 meters (1860 feet) and intersected large thicknesses of green, clay-rich sediments, that contained high lithium content in the first two deep holes drilled. Assay and bulk metallurgical samples of the sediments were collected in 20 foot (6.1m) intervals. Samples for assay has been securely transported to the geochem labs for further analysis.

In October 2018, the Company completed a NI 43-101 technical resource study. The report defined inferred resources of 5,370 billion kilograms or 11.839 billion pounds of elemental lithium. The lithium carbonate equivalent consists of lithium carbonate and lithium chloride. The average grade of the current resources is 963 ppm lithium. Bulk sample metallurgy was conducted by St-Georges.

On April 1, 2019, St-Georges achieved complete and total recovery in leach of lithium from the bulk material and reported leaching 100% of the lithium while not affecting 88% of the remaining solids. The process uses Nitric and Citric acid at room temperature which reduces cost over other leaching methods. The sample tested which contained 963 ppm Li before processing contained 8,025 ppm lithium after processing, a gain of 833 percent, and because the leach process removes most of the salts from the sediment, the remaining material may be suitable for a nitrate-based fertilizer by-product. The Company plans to do more metallurgical testing in 2021.

At the end of 2019, the Company finalized plans for its 2020 drilling program at Bonnie Claire. Five drill holes averaging 300 feet (90 m) depth will be drilled in the southern portion of the project area in an area of anomalous surface lithium values and interpreted faults. The purpose of the drilling program is to define shallow lithium mineralization which the Company can utilize for bulk sampling and extend the resource to the south. The Shallow holes will be drilled using a tracked or buggy reverse circulation (RC) rig suitable for the salt flats being tested. Down-hole sediment samples will be collected continuously in 20 feet (6 m) intervals and sent to a geochem lab for analysis. Drilling will be initiated when the wet season has ended and the salt flats dry sufficiently to allow access.

In August 2020, the Company has mobilized a drill crew and drilling equipment to the Bonnie Claire. The drilling contract was signed with Harris Exploration Drilling of Fallon, Nevada, for both core and RC drilling. The exploration program will consist of 3-5 vertical reverse circulation (RC) holes 90-120meters (300-400 feet) in depth and 2 vertical core holes 90-120 meters (300-400 feet) in depth. The RC drilling will provide additional samples for metallurgical testing as well as expand the existing resource. The core holes will be the first drilled on the Bonnie Claire, and will be used in engineering studies for a Preliminary Economic Assessment (PEA). All of the planned drill holes are south of the previous deep drilling (BC1601-1801) in an area of linear lithium anomalies found by surface grid sampling. In past drilling the shallowest depth of lithium rich sediments that was intercepted was at 6 meters (20 feet) and contained +600 ppm Li, which increased at depth with Li values up to 2250 ppm. In addition to collecting the sediments for testing, because the surface anomalies may indicate near-surface lithium brine, preliminary semi-quantitative brine sample will also be taken from all holes during drilling.

In September 2020, the Company completed two core holes at Bonnie Claire. A total of 221 meters (726 feet) of drilling was completed in the two vertical holes. Both NQ (7.57 cm. or 3 inch diameter) core holes had excellent recovery except in rare sandy beds. Dark green claystone, indicative of lithium bearing sediments, were intersected

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from 2.4 meters (8 feet) to total depth in both holes. The claystone is overlain by thin alluvial cover. The core was quartered using a core saw and one quarter set to ALS Chemex in Reno, Nevada for multi-element analysis. The remaining core will be used in engineering studies for a Preliminary Economic Assessment (PEA).

In October 2020, the Company received geochemical results for sediments from two core holes at Bonnie Claire. Both drill holes contain intercepts of +1,000 ppm lithium and continue to show that results are consistent with those from prior drilling. Sediment geochemical analysis was done by ALS Chemex of Reno, Nevada. Core hole BC2001C intersected 67 meters (220 feet) averaging 1209 ppm Li and contained a high of 1710 ppm Li. Core hole BC2002C contained a high of 1070 ppm Li. Occasional lighter colored sediments seen in the core may indicate some leaching of soluble elements is occurring. Water samples, highly diluted by added drill water, were taken from each core hole. The water samples were analyzed for dissolved lithium by Western Environmental Testing of Sparks, Nevada. Of the four samples taken the high for dissolved lithium was 38 ppm. The highest water sample taken in all of the Company's previous drilling at Bonnie Claire, with the exception of one non-repeatable sample, was 4.1 ppm Li. As a result of these encouraging results the water sampling was also taken in the RC drilling program. These samples were taken at rod changes after clearing the hole of drill water.

In October 2020, the RC (reverse circulation) drilling has now been completed. A total of four holes ranging from 61 to 109 meters (200 to 358 feet) were drilled to expand the resource and collect samples for metallurgy. Samples have been sent for testing to ALS Chemex of Reno Nevada for assaying. The drilling extended the current resource approximately 2,500 meters (8,200 feet) to the south.

The next claims fees of approximately US\$123,025 are due to the Bureau of Land Management and Nye County in August 2022.

On November 30, 2020, the Company and its wholly owned subsidiary, Bonaventure, entered into an option agreement ("NL Option Agreement") with Nevada Lithium Corp. ("Nevada Lithium"), which provides for the earn-in by Nevada Lithium of an up to 50% interest in the Bonnie Claire lithium property and the subsequent formation of a joint venture among the Company, Bonaventure and Nevada Lithium ("NL Joint Venture").

On November 30, 2020, the Company entered into an agreement with the Vendor of the Bonnie Claire option agreement, a party related by virtue of a common director, so as to: (i) reduce the 4.5% Net Smelter Returns to 2.0% payable to Vendor or its designated assignees; and (ii) remove the right of the Company to buy back any portion of the Net Smelter Returns;

In connection with the NL Option Agreement, the Company, Bonaventure and Nevada Lithium acknowledged and agreed that the obligation to make a cash payment of \$1,000,000 to the Vendor upon the property attaining commercial production pursuant to the provision of the Bonnie Claire option agreement shall be payable by the parties to the NL Joint Venture in accordance with the parties' participating interest in the NL Joint Venture, all on the terms and subject to the conditions set out herein.

Pursuant to the NL Option Agreement, Nevada Lithium may exercise the Option in the three stages by funding US\$5,600,000 in cumulative exploration expenditures on the Bonnie Claire Property as follow:

- Phase I – acquire 20% interest by incurring exploration expenditures of US\$1,600,000 on or before March 8, 2021;
 - \$300,000 in Expenditures on or before December 31, 2020 (received);
 - \$180,000 in Expenditures on or before January 8, 2021 (received);
 - \$720,000 in Expenditures on or before February 8, 2021 (received); and
 - \$400,000 in Expenditures on or before March 8, 2021 (received).
- Phase II – acquire 15% interest in the property by incurring exploration expenditures totaling US\$2,000,000 on or before December 1, 2021 (received);
- Phase III – acquire 15% interest in the property by incurring exploration expenditures totaling US\$2,000,000 on or before December 15, 2021 (received).

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Upon the exercise of the Option in full, the Company and Nevada Lithium will form a joint venture for the development of Bonnie Claire property, with the initial joint venture interests of the parties being 50% as to the Company and 50% as to Nevada Lithium. The Company and Nevada Lithium will each fund approved NL Joint Venture work programs in proportion to their joint venture ownership percentage; provided that if a party contributes less than its proportionate interest to a work program, that party's interest in the NL Joint Venture will be reduced. If a party's interest is reduced to 10% or less, such party's ownership interest will automatically convert to a 0.5% net smelter returns ("NSR") royalty if the Option Phase II exploration expenditures have not been funded or a 1% NSR royalty if the Option Phase II exploration expenditures have been funded. The non-diluting party may repurchase at any time (i) the 0.5% NSR royalty for US\$1,000,000; or (ii) the 1% NSR royalty for US\$2,000,000, payable in cash.

Subject to the terms of the NL Option Agreement, prior to the formation of the NL Joint Venture, Bonaventure will be the operator of the Bonnie Claire Property.

As of the date of these statements, the Company has been sent USD\$5,600,000 from Nevada Lithium, and Nevada Lithium has now obtained a 50% interest in the joint venture on the Bonnie Claire property.

As at August 31, 2021, the Company has \$1,133,063 (2020 - \$nil) advances from operating partner, and recorded \$42,599 (2020 - \$nil) management fee income from the Bonnie Claire project.

The Company received an advance of finances toward the initial phase I exploration expenditures, which were used to acquire additional mining claims at the Bonnie Claire property. The acquisition ensures that the Company has sufficient land for major expansion of the exploration and development of the Bonnie Claire property. These additional claims include 220 placer claims totaling 4,400 acres, which increase the total claims held to 921 or 18,420 acres (74 square kilometers or 28.6 square miles). All of the claims are located on federal lands controlled by the Bureau of Land Management. Sediment-hosted lithium must be held by placer claims on federal lands in the United States.

On September 1, 2021, the Company released an updated NI 43-101 resource report for the Bonnie Claire project. The report used data collected from drilling results of three deep drill holes (average 550 meters) and seven shallow drill holes (average 90 meters) drilled to date.

A prefeasibility study or feasibility study is required to state mineral reserves. In October 2021, the Company and its JV partner also completed a Preliminary Economic Assessment ("PEA") also being done by Global Resource Engineering Ltd. This resource as reported in the PEA is as follows:

Class	Extraction Method Applied for Constraint	Mass (Million Tonnes)	Li Grade (ppm)	Li (Million kg)	Li Carbonate Equivalent (Million kg)
Inferred	Borehole	3,407.3	1,013.0	3,451.5	18,372.3

Bonnie Claire project economics shown in the PEA are favorable, providing positive NPV values at varying lithium carbonate prices, capital costs, and operating costs. The project has the potential to be a major supplier of lithium products in the world, and additional work is warranted.

Smith Creek

In October 2016, the Company entered into a lithium property option agreement with a company related via a common director (Richard Kern, CEO) to acquire a 100% interest in placer mining claims acres in Nevada. The Company may earn its 100% interest in the property by: (a) reimbursing the vendor for all documented expenses, not to exceed US \$40,000; (b) expending initial and annual claim filing fees and expenses being, US \$133,100, and (c) also expending for exploration in the first year US \$200,000 (Partially unexpended), second year US \$500,000, third year US \$500,000 and fourth year US \$1,000,000, totaling US \$2,000,000. The annual claims fees were paid by the optionor in August 2021, and billed to the Company. The next claims fees of approximately US\$245,908 are due in August 2022.

The Company is currently in default on its requirements, however, the optionor has filed no notice of default and the Company is in the process of finalizing the renegotiation of the terms of the agreement and anticipates preparing the

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agreement in the near future. The optionor agrees that the claims are in good standing. Further, the Company intends to raise funds through a private placement which will be used to address any outstanding requirements.

If the Company is unable to conclude the renegotiations or the financing in a satisfactory manner allowing it to cure its default, the Company would forfeit its right to the option agreement.

In the fall of 2016, the Company contracted Zonge Engineering of Reno, Nevada to do a MagnetoTelluric (MT) geophysical survey to test the property for potential conductors which indicate the presence of brine.

In March, 2017, the company completed an interpretation of the Magneto Telluric (MT) geophysical survey. The Survey was conducted along the long axes of the valley to determine the presence and the extent of the brine. The survey identified two probable brines. There is a thin, near surface anomaly that correlates with brine drilled by the USGS in a 1989 hydrology study of the basin. The USGS did not include an analysis of lithium within this study. The Survey also identified a deeper probable brine averaging 400 meters in interpreted thickness, which dips gently to the south and extends beyond the Survey to the north. The top layer of this brine anomaly occurs 200-500 meters below the surface. There were two major interpreted faults identified also.

In June 2021, the Company initiated permitting its Smith Creek Lithium project for drilling. The Notice of Intent will permit the drilling of 5 RC holes to a depth of 122 meters. These holes are designed to test the sediments and ground waters for lithium. All proposed holes are on a mud flat devoid of vegetation which should limit environmental concerns and provide easy access. In July 2021, the Company further increased the size of the Smith Creek project. The project now comprises 566 claims for an area of 11,320 acres.

Hercules Project, Nevada

The Company is a party to an earn in agreement, subsequently amended, with a company related by virtue of a common director, on certain claims in Lyon County, Nevada.

On August 9, 2019, the Company entered into an agreement (“Hercules Option Agreement”) with Great Basin Resources Inc., Eclipse Gold Mining Corporation (“Eclipse”) and Hercules Gold USA, LLC (“HGU”), a subsidiary of Eclipse, in respect of the Hercules project.

In consideration for the termination of the existing option and data transfer, Eclipse will:

- make a cash payment to Iconic in the sum of CAD \$325,000 within five business days of the execution of the Hercules Option Agreement (received); and
- issue up to an aggregate of 4,000,000 common shares in the capital of Eclipse to the Company as follows:
 - 1,000,000 Eclipse shares on the date which is 10 days immediately following the date on which Eclipse’s share become listed on a public stock exchange or stock quotation system (“Listing Date”); (received on February 28, 2020) and
 - 1,000,000 Eclipse shares on each of the first, second, and third anniversary dates of the Listing Date (Amending agreement on February 12, 2021).

Under the terms of the Hercules Option Agreement, Great Basin Resources Inc. has granted an option (“HGU Option”) to HGU, under which HGU must complete certain exploration expenditures over a three-year period and make cash payments to Great Basin Resources Inc. In the event that HGU fails to exercise the HGU Option in accordance with the Hercules Option Agreement, the Company may elect to receive an assignment of HGU’s rights and benefits under the Hercules Option Agreement and to assume certain of HGU’s remaining obligations under the Hercules Option Agreement as may be outstanding at such time. The term of the HGU Option is the earlier of the date of exercise of the HGU Options, the termination of the Hercules Option Agreement or 12 years from the Listing Date.

Pursuant to the Hercules Option Agreement, the Company terminated the existing option, and lease, and transferred the existing data to HGU. The Company has recorded the receipt of the \$325,000 paid by Eclipse as a recovery to the property. No value has been assigned to the Eclipse shares as they are contingently issuable by Eclipse pursuant to the option agreement without recourse. As the Company has terminated its option with Great Basin, the property has

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been written off by \$1,009,462 during the year ended August 31, 2019. As and if Eclipse shares are received, the value will be recorded as recovery to profit or loss upon receipt of the shares.

During the year ended August 31, 2020, the Company received 1,000,000 shares of Eclipse value of \$720,000, and is recorded as gain on disposal of Hercules property. Additionally, the Company received a refund of \$168,506 from the Bureau of Land Management for the Hercules project reclamation bond, and reversal of retirement obligation \$11,591. During the year ended August 31, 2020, the Company recorded a gain of \$900,098 on Hercules property.

On February 12, 2021, the Company entered into an amending agreement with Great Basin Resources Inc., Eclipse, and Hercules, and Northern Vertex Mining Corp. ("Northern Vertex") to add Northern Vertex as a party to the agreement and to agree that rather than Eclipse issuing to the Company the remaining 3,000,000 option shares, Northern Vertex will issue to the Company 3,270,000 common shares of Northern Vertex.

Northern Vertex and Eclipse entered into an arrangement agreement on December 4, 2020, as amended, pursuant to which, Northern Vertex acquired all of the issued and outstanding common shares of Eclipse and in exchange for each Eclipse Share held, Northern Vertex agreed to issue to a holder of Eclipse Shares 1.09 common shares of Northern Vertex.

Northern Vertex shall issue to the Company an aggregate of 3,270,000 pre-consolidation common shares of Northern Vertex as follows:

- 1,090,000 on February 28, 2021 (received on February 23, 2021);
- 1,090,000 on February 28, 2022; and
- 1,090,000 on February 28, 2023.

During the year ended August 31, 2021, the Company received 1,090,000 shares of Northern Vertex value of \$490,500, and is recorded as gain on disposal of Hercules property.

New Pass Property, Nevada

In April 2006 the Company received a mineral resource report on the New Pass project compiled by Sam S. Arentz III, P.E. of Sierra Environmental Engineers, Inc., Reno, Nevada. The report was prepared using NI 43-101 guidelines and standards and is identified as an addendum to the NI 43-101 report filed on SEDAR.

According to the Arentz report the New Pass project contains an Inferred Mineral Resource of 11.5 million tons (10.5 million tonnes) averaging 0.0226 oz/t (0.78 g/t) gold and 0.2214 oz/t (7.59 g/t) silver. This is equivalent to approximately 260,000 ounces of gold and 2.546 million ounces of silver. The shallow and largely oxidized nature of the resource indicates it may be amenable to open pit heap-leach mining methods.

On September 8, 2010, the Company filed an NI 43-101 technical report which included updated information on all of the drilling since the 2006 resource report. A Plan of Operation was granted in July, 2009 and bonded in November, 2009. In a news release dated June 11, 2013, the Company announced the results of the 11 holes exploration program completed during the period at the Company's New Pass property.

During fiscal 2016 the Company decided to concentrate its resources and efforts towards its Bonnie Claire and Hercules Project properties, and accordingly impaired the New Pass Property to a nominal value, but continues to hold the rights to further explore this property. The next claims fees of approximately US\$10,000 are due in August 2022.

Midas South Property, Nevada

The Midas South (previously Squaw Creek) property is located in the Ivanhoe Mining District, four miles northwest of the Hollister Deposit and is 15 miles southeast of the Ken Snyder Deposit in the Midas Mining District. Both the Ivanhoe Mining District and the Midas Mining District lie on the northwest strike projection of the Carlin Trend and within the Northern Nevada Rift. The Midas Mining District lies at the northwest end of a line of gold deposits, which extends to the southeast to the Rain deposit, south of Carlin. The property is a joint venture with McEwen Mining Inc. (Formerly White Knight Resources Ltd.).

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According to the NI 43-101 report on the property, strongly anomalous gold mineralization has been consistently intersected in drill holes over an area 3 miles long by 1 mile wide. The Company conducted a geophysics survey of the property and a 3 holes deep core drilling program. The primary target is a high-grade vein deposit like the Ken Snyder mine or the deeper part of the Ivanhoe (Hollister) mine.

During fiscal 2012 the Company decided to concentrate its resources and efforts towards its Hercules Project properties, and accordingly impaired the Midas South Property to a nominal value, but continues to hold the rights to further explore this property. The next claims fees of approximately US\$10,000 are due in August 2022.

As of August 31, 2021, the Company has advanced \$4,874 (2020 - \$114,113) to vendors for future exploration on its properties.

Proposed Transaction

On August 18, 2020, the Company announced a spin-out transaction. The Company will transfer its 50% interest in each of the New Pass and Midas South gold properties to a wholly-owned subsidiary of the Company, Goldnev Exploration Ltd. ("Goldnev"),

The Company intends to distribute the common shares in the capital of Goldnev to the shareholders of the Company on a pro rata basis and to apply to list the Goldnev shares on the TSX Venture Exchange ("TSX"). The number of Goldnev shares to be distributed to each shareholder of the Company under the spin-out has not yet been determined. There will be no change in the shareholdings of individual shareholders of the Company as a result of the spin-out. Further details of the spin-out will be announced in the near future. Shareholders of the Company are cautioned that the final details of the spin-out are still to be determined and there is no certainty that the spin-out or the listing will be completed on the terms currently proposed or at all. The spin-out and the listing are subject to certain conditions, including, but not limited to, the receipt of all necessary approvals, including the approval of the TSX and any applicable securities regulatory and authorities.

The New Pass and Midas South gold assets are not reflected in the Company's current share price and see the spin-out as a way to create additional value for the shareholders of the Company. The spin-out will allow the SpinCo to evaluate opportunities in the gold sector, while the Company retains its primary focus on its Bonnie Claire and Smith Valley Creek lithium properties.

The spin-out and the listing are subject to certain conditions, including, but not limited to, the receipt of all necessary approvals, including the approval of the TSX and any applicable securities regulatory authorities.

CANADA

In a prior year, the Company impaired its Canadian property, but continues to seek opportunities to acquire and explore new properties.

Richard Kern, CPG #11494 and President/CEO of the Company, is the QP responsible for the technical disclosure contained in this document.

SELECTED ANNUAL INFORMATION

The following table provides a brief summary of the Company's financial operations for the prior three fiscal years.

For more detailed information, refer to the Company's financial statements for the years then ended.

Years ended August 31,	2021	2020	2019
	- \$ -	- \$ -	- \$ -
Net income (loss)	(1,209,157)	586,489	(1,539,360)
Basic and diluted income (loss) per share	(0.01)	0.01	(0.02)
Total assets	7,043,168	4,581,207	3,463,419
Total long-term liabilities	1,740,848	1,972,860	2,064,855
Total equity (deficit)	2,465,420	437,983	(1,159,334)

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Year ended August 31, 2021

The Company recorded a net loss for the year of \$1,209,157 compared to a net income of \$586,489 in 2020. Significant variances in costs between the two years include impairment, business development, consulting fees, share-based compensation, and shareholder communication.

Business development increased to \$365,352 (2020 - \$57,921), and consulting fees increased to \$192,502 (2020 - \$73,000) commensurate with the increased level of activity relating to the business strategic development and media and marketing services in the current year. Share-based compensation increased to \$926,857 (2020 - \$nil) due to granting of stock options during the current year. Shareholder communications increased to \$96,867 (2020 - \$ 4,260) as a result of increased news release and marketing activities in the current year.

At year end, there was a working capital deficiency of \$147,211 (2020 - \$1,368,439). Net cash provided by operations was \$29,599 (2020 – \$768,593 used in), net cash provided by investing activities totaled \$579,734 (2020 - \$67,715), and net cash provided by financing activities was \$1,644,949 (2020 – \$812,201).

Year ended August 31, 2020

The Company recorded a net income for the year of \$586,489 compared to a net loss of \$1,539,360 in 2019. Significant variances in costs between the two years include consulting, foreign exchange, interest expenses, unrealized gain on marketable securities, gain on sale of previously impaired assets, and impairment of exploration and evaluation properties.

Consulting fees increased to \$73,000 in 2020 (2019 - \$49,400) as the Company increased the use of consultants to evaluate new potential acquisitions. Foreign exchange decreased to \$537 (2019 - \$31,051) due to the US dollar exchange rate changes over the current year. Unrealized gain on marketable securities increase to 24,972 (2019 - \$2,947) as the Company received shares upon the Hercules Option Agreement during the year, and general market changes in the shares during the year. Impairment costs decreased to \$33,178 (2019 - \$1,037,885) mainly due to the impairment recorded in connection to the Hercules Option Agreement, whereby the Company terminated the existing option, and lease on this property in the prior year. Gain of \$900,098 (2019 - \$nil) on sale of Hercules property as the Company received payment in the current year.

At year end, there was a working capital deficiency of \$1,368,439 (2019 - \$2,419,641). Net cash used in operations was \$768,593 (2019 – \$4,395), net cash provided by investing activities totaled \$67,715 (2019 - \$60,288 used in), and net cash provided by financing activities was \$812,201 (2019 – \$nil).

Summary of quarterly financial results: The following is a summary of selected financial information compiled from the quarterly interim unaudited financial statements for eight quarters ending August 31, 2021:

	<i>August 31, 2021</i>	<i>May 31, 2021</i>	<i>February 28, 2021</i>	<i>November 30, 2020</i>
<i>Three months ending</i>	<i>- \$ -</i>	<i>- \$ -</i>	<i>- \$ -</i>	<i>- \$ -</i>
Total assets	7,043,168	8,173,301	7,855,394	4,297,992
Exploration and evaluation assets	4,348,605	4,428,211	3,928,512	3,760,968
Working capital (deficiency)	(147,211)	(33,213)	1,123,219	(1,729,184)
Long term liabilities	1,740,848	1,644,468	1,997,887	1,985,657
Shareholders' equity	2,465,420	2,750,530	3,053,844	189,258
Net income (loss)	(418,718)	(428,556)	367,466	(729,349)
Income (loss) per share	(0.00)	(0.00)	0.00	(0.01)

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	August 31, 2020	May 31, 2020	February 29, 2020	November 30, 2019
<i>Three months ending</i>	-	-	-	-
Total assets	4,581,207	4,545,180	4,188,504	3,458,317
Exploration and evaluation assets	3,665,169	3,341,310	3,335,720	3,330,589
Working capital deficiency	(1,368,439)	(1,516,501)	(1,925,372)	(2,521,986)
Long term liabilities	1,972,860	2,107,156	2,098,834	2,081,468
Shareholders' equity (deficiency)	437,983	(282,347)	(688,486)	(1,272,865)
Net income (loss)	(275,769)	401,538	579,678	(118,958)
Income (loss) per share	(0.00)	0.00	0.01	(0.00)

In the quarter ending August 31, 2021, the Company's net loss decreased to \$418,718 due to the management fee income of \$42,599 on the Bonnie Claire project. In the quarter ending February 28, 2021, the Company's net income increased to \$367,466 due to gain on sale of a previously impaired asset recorded on the Hercules project as the Company received 1,090,000 shares of Northern Vertex at a fair value of \$490,500, and gain of \$314,008 on sale of marketable securities. In the quarter ending November 30, 2020, the Company's net loss increased to \$729,349 due to the share-based compensation of \$472,660. In the quarter ending August 31, 2020, the Company's net loss increased to \$275,769 due to the unrealized loss of \$165,528 on marketable securities, and impairment of exploration and evaluation assets of \$31,615. In the quarter ending May 31, 2020, the Company's net income increased to \$401,538 due to the unrealized gain of \$190,500 on marketable securities and a gain of \$194,138 on forgiveness of debt. In the quarter ending February 29, 2020, the Company's net income increased to \$579,678 due to gain on sale of a previously impaired asset recorded on the Hercules project as the Company received 1,000,000 shares of Eclipse at a fair value of \$720,000.

Total assets, working capital and shareholders' equity increased in the quarter ending February 28, 2021 as a result of a private placement with gross proceeds of \$1,000,000 in January 2021, and USD\$1,200,000 received from Nevada Lithium for the exploration expenditures on Bonnie Claire property on Bonnie Claire option agreement. Working capital and shareholder's equity increased in the quarter ending August 31, 2020 as a result of a completion of a private placement with gross proceeds of \$1,000,000 in June 2020, offset by operating costs.

In the year ended August 31, 2021 and 2020:

The Company had a net loss of \$1,209,157 in the year compared to a net income of \$586,489 in the prior comparable year. Most expenses were similar in both periods, with the most significant variances explained in the following table:

	Year ended	August 31, 2021	August 31, 2020
		-	-
Business development		365,352	57,921
<i>The increase in business development is due to the increased media and marketing services, and business strategic development services in the current year;</i>			
Consulting fees		192,502	73,000
<i>The increase in consulting fees is due to the increase in the financing services in the current year;</i>			
Foreign exchange loss (gain)		(100,318)	537
<i>The change was due directly to the US dollar exchange rate changes over the comparative years applied to the outstanding US dollar accounts payable;</i>			
Share-based compensation		926,857	-
<i>The increase in share-based payment is due to the granting of stock options in the current year;</i>			
Unrealized loss (gain) on marketable securities		118,194	(24,972)
<i>The change is due to a change in the market in the current year applied to the marketable securities;</i>			

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Gain on sale of marketable securities	(418,174)	(28,421)
<i>The Company recognized a gain of \$418,174 upon the sale certain shares in the current year, and a gain of \$28,421 upon the sale of 450,000 shares of Eclipse in the prior year;</i>		
Gain on forgiveness of debt	-	(194,139)
<i>The CEO forgave \$194,138 of accounts payable and accrued liabilities in the prior year;</i>		
Gain on sale of Hercules property	(490,500)	(900,098)
<i>The Company received shares of \$490,500 on the Hercules option agreement in the current year, and \$720,000 in the prior year. A refund of \$168,506 reclamation bond was also received on the Hercules Project in the prior year. The Company recorded a gain of \$900,098 on the disposal in the prior year;</i>		
Other Income	(42,599)	-
<i>The Company received \$42,599 income from administration services in the Bonnie Claire project in the current year.</i>		

In the three months ended August 31, 2021 and 2020:

The Company had a net loss of \$418,718 in the period compared to a net loss of \$275,769 in the prior comparable period. Most expenses were similar in both periods, with the most significant variances explained in the following table:

<i>Three months ended</i>	August 31, 2021 - \$ -	August 31, 2020 - \$ -
Business development	78,249	48,300
<i>The increase in business development is due to the increased media and marketing services, and business strategic development services in the current period;</i>		
Consulting fees	43,031	24,500
<i>The increase in consulting fees is due to the decrease in the financing services in the current period;</i>		
Foreign exchange gain	(24,654)	(52,125)
<i>The change was due directly to the US dollar exchange rate changes over the comparative periods applied to the outstanding US dollar accounts payable;</i>		
Unrealized loss on marketable securities	105,625	165,528
<i>The change is due to a change in the market value in the current period applied to the marketable securities;</i>		
Loss (gain) on sale of marketable securities	5,915	(28,421)
<i>The Company recognized a loss of \$5,915 upon the sale of certain shares in the current period, and a gain of \$28,421 in prior period;</i>		
Impairment of exploration and evaluation assets	20,221	31,615
<i>The Company recorded impairment of exploration and evaluation assets of \$20,221 on Midas South project in the current period, and \$31,615 on New Pass, Midas South and Hercules project in the comparative period.</i>		

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LIQUIDITY AND CAPITAL RESOURCES

The Company has financed its operations to date primarily through the issuance of common shares, exercise of stock options and related party advances. The Company continues to seek capital through various means including the issuance of equity and/or debt.

The financial statements have been prepared on a going concern basis which assumes that the Company will be able realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future.

As at August 31, 2021, the Company had a working capital deficit of \$147,211 and a cumulative deficit of \$47,986,790. Management considers its cash-on-hand is not sufficient to fund its recommended exploration work, planned acquisition program and corporate overhead through the next twelve months. Accordingly, the Company is continuing to seek additional funds from existing shareholders and potential investors.

The Company has several overdue payments required on its Smith Creek projects, as well as substantial expenditure requirements.

To address these issues, the Company has performed or is performing the following:

Pursuant to the Hercules Option Agreement, the Company terminated the existing option, and lease, and transferred the existing data to HGU. The Company recorded the receipt of the \$325,000 paid by Eclipse as a recovery to the property. As the Company has terminated its option with Great Basin, the property has been written off by \$1,009,462 during the year ended August 31, 2019.

During the year ended August 31, 2020, the Company received 1,000,000 shares of Eclipse valued at \$720,000, and the Company recorded it as recovery to profit or loss. The Company also received a refund of \$168,506 (US\$118,851) from the Bureau of Land Management for the Hercules Project reclamation bond.

During the year ended August 31, 2021, the Company received 1,090,000 shares of Northern Vertex value of \$490,500, and the Company recorded it as recovery to profit or loss.

With the farm out of the Hercules Project the Company has brought in additional funding which will be used to develop the Bonnie Claire project. The New Pass and Midas South properties will be further explored once this property is advanced.

On June 29, 2020, the Company closed its non-brokered private placement of 20,000,000 units at a price of \$0.05 per unit for gross proceeds of \$1,000,000. Each unit consisting of one common share and one share purchase warrant, each whole warrant entitling the holder thereof to purchase one additional common share, exercisable for a period of two years from the date of issuance, at a price of \$0.07 per share in the first year and \$0.10 per share in the second year. Proceeds raised will be used towards exploration, corporate development and general working capital purposes.

The Company paid finder's fees of \$3,000 in cash and issued 60,000 warrants with a fair of \$1,741 at an exercise price of \$0.07 per share for a period of one year. The fair value of the finder's warrants was estimated based on the following assumptions: share price at grant date of \$0.06; exercise price of \$0.07; expected life of 1 year; expected volatility of 132%; risk free interest rate of 0.25%; expected dividend yield rate of 0%; and forfeiture rate of 0%.

On September 2, 2020, the Company granted stock options to certain eligible directors, officers and consultants to purchase a total of 7,500,000 common shares. The stock options vest immediately and are exercisable, in whole or in part, at an exercise price of \$0.11 per share on or before September 2, 2022. The grant date fair values of the options granted above were based on the following assumptions: share price at grant date of \$0.10; exercise price of \$0.11; expected life of 2 years; expected volatility of 131%; risk free interest rate of 0.24%; expected dividend yield rate of 0%; and forfeiture rate of 0%.

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On January 26, 2021, the Company closed its non-brokered private placement of 10,000,000 units at a price of \$0.10 per unit for gross proceeds of \$1,000,000. Each Unit consists of one common share and one-half of one transferable common share purchase warrant, with each warrant entitling the holder thereof to purchase one share at an exercise price of \$0.15 per share for a period of 12 months from the date of issuance. The Company paid finder's fees of \$21,000 in cash and issued 105,000 warrants with a fair of \$13,176 at an exercise price of \$0.15 per share for a period of one year. The fair value of the finders warrants was estimated based on the following assumptions: share price at grant date of \$0.21; exercise price of \$0.15; expected life of 1 year; expected volatility of 141%; risk free interest rate of 0.17%; expected dividend yield rate of 0%; and forfeiture rate of 0%. The proceeds raised will be used towards general working capital purposes.

On February 4, 2021, the Company granted stock options to certain eligible directors, officers and consultants to purchase a total of 3,000,000 common shares. The stock options vest immediately and are exercisable, in whole or in part, at an exercise price of \$0.25 per share on or before February 4, 2023. The grant date fair values of the options granted above were based on the following assumptions: share price at grant date of \$0.24; exercise price of \$0.25; expected life of 2 years; expected volatility of 129%; risk free interest rate of 0.17%; expected dividend yield rate of 0%; and forfeiture rate of 0%.

During the year ended August 31, 2021, 16,560,000 warrants were exercised for proceeds of \$1,264,200, and 250,000 options were exercised for proceeds of \$27,500.

Subsequent to the year ended August 31, 2021, 250,000 warrants were exercised for proceeds of \$37,500.

If the Company is unable to raise sufficient funds through the above items or conclude satisfactory renegotiations with the optionors on the Smith Creek, it is likely that these projects may be impaired or lost. Management anticipates that these issues will be resolved in this fiscal year.

The Company's future capital requirements will depend on many factors, including costs of exploration and development of the properties, cash flow from operations, costs to complete additional exploration, and competition and global market conditions. The Company's recurring operating losses and growing working capital needs will require that it obtain additional capital to operate its business.

The Company will depend on outside capital to complete the exploration and development of the resource properties. Such outside capital will include the sale of additional common shares. There can be no assurance that capital will be available as necessary to meet these continuing exploration and development costs or, if the capital is available, that it will be on terms acceptable to the Company. The issuances of additional equity securities by the Company may result in a significant dilution in the equity interests of its current shareholders. If the Company is unable to obtain financing in the amounts and on terms deemed acceptable, the business and future success may be adversely affected.

RELATED PARTY TRANSACTIONS

During the year ended August 31, 2021 and 2020, transactions with key management were as follows:

	2021	2020
	- \$ -	- \$ -
Management fees paid or accrued to the CEO ⁽¹⁾ and CFO ⁽²⁾	100,196	104,659
Consulting fees paid or accrued to a company controlled by the corporate manager ⁽⁵⁾	48,000	48,000
Director fees ⁽⁴⁾	30,000	1,200
Fees paid or accrued to a company controlled by the corporate manager for office administration, accounting and reimbursement of out of pocket expenses ⁽⁵⁾	150,000	150,000
Fees paid or accrued to a company controlled by the corporate manager for business strategic development services ⁽⁵⁾	180,000	-
Forgiveness of debt by CEO	-	(194,139)
Share-based compensation	579,692	-
Total	1,087,888	109,720

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The amounts due to key management personnel as at August 31, 2021 and 2020 were as follows:

	2021	2020
	- \$ -	- \$ -
Included in accounts payable are amounts due to the corporate manager, or MLTK Management Inc., or Simco Services Inc., companies controlled by the corporate manager ⁽⁵⁾	655	375,834
Included in accounts payable are amounts due to Jenrich Operations Ltd., a company controlled by the CFO ⁽²⁾	-	4,200
Included in accounts payable are amounts due to Richard Kern, director, or Great Basin Resources Inc. or Great Basin Oil LLP, companies related to him ⁽¹⁾	736,041	679,268
Total	736,696	1,059,302

DIRECTORS AND OFFICERS

¹ Richard Kern, President, Director and CEO

² Richard Barnett, CFO & Secretary

³ Jurgen Wolf, Director

⁴ Huitt Tracey, Director

⁵ Joe DeVries, Corporate Manager

⁶ Keturah Nathe, Director

The remuneration of directors and other key management personnel, which include the amounts disclosed above for the year ended August 31, 2021 and 2020, were as follows:

	2021	2020
	- \$ -	- \$ -
Short-term employee benefits – management, administrative, and consulting fees ^{(1) (2) (4) (5)}	178,196	153,859
Share-based compensation ^{(1) (2) (3) (4) (5) (6)}	579,692	-

Management fees are charged by the CEO and the CFO for the overall management of the Company. Consulting fees are charged by the Corporate Manager to run the day to day operations as well as raising funds. Administration fees are charged as reimbursements for rent, accounting, securities administration, reception and other office services expended on behalf of the Company.

These transactions and the other related party transactions disclosed elsewhere in the financial statements were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

All of the above items are charged on a month-to-month basis and there are no long-term compensation agreements with any related parties.

OTHER MATTERS

Outstanding Share Data: As at August 31, 2021, the Company has 129,440,778 common shares outstanding. Subsequent to the year ended August 31, 2021, the Company issued 250,000 shares for warrant exercises. As of the current date, the Company has 129,690,778 common shares outstanding.

Stock options: As at August 31, 2021, and at the current date, the Company has 10,250,000 stock options outstanding.

Warrants: As at August 31, 2021, the Company had 8,605,000 warrants outstanding. Subsequent to the year ended August 31, 2021, 250,000 warrants were exercised. As of the current date, the Company has 8,355,000 warrants outstanding.

Off-Balance Sheet Arrangements: The Company has not entered into any off-balance sheet arrangements.

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Financial assets

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income (“FVOCI”); or (iii) fair value through profit or loss (“FVTPL”). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment’s fair value in other comprehensive income.

The classification determines the method by which the financial assets are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Receivables are measured at amortized cost with subsequent impairments recognized in profit or loss and cash, restricted cash, and marketable securities are classified as FVTPL.

Impairment

An ‘expected credit loss’ impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset’s original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial liabilities

Financial liabilities are designated as either: (i) fair value through profit or loss; or (ii) other financial liabilities. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Accounts payable, accrued liabilities and long-term liabilities (including current portion) are classified as other financial liabilities and carried on the statement of financial position at amortized cost.

MANAGEMENT’S RESPONSIBILITY FOR FINANCIAL INFORMATION

The Company’s financial statements and the other financial information included in this management report are the responsibility of the Company’s management, and have been examined and approved by the Board of Directors. The accompanying consolidated financial statements are prepared by management in accordance with International Financial Reporting Standards (“IFRS”) and include certain amounts based on management’s best estimates using careful judgment. The selection of accounting principles and methods is management’s responsibility.

Management recognizes its responsibility for conducting the Company’s affairs in a manner to comply with the requirements of applicable laws and established financial standards and principles, and for maintaining proper standards of conduct in its activities.

The Board of Directors supervises the financial statements and other financial information through its audit committee, which is comprised of a majority of non-management directors.

This committee’s role is to examine the financial statements and recommend that the Board of Directors approve them, to examine the internal control and information protection systems and all other matters relating to the

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Company's accounting and finances. In order to do so, the audit committee meets annually with the external auditors, with or without the Company's management, to review their respective audit plans and discuss the results of their examination. This committee is responsible for recommending the appointment of the external auditors or the renewal of their engagement.

RISKS

The Company is engaged in the exploration for and development of exploration and evaluation assets. These activities involve significant risks which careful evaluation, experience and knowledge may not, in some cases, eliminate. The commercial viability of any material deposit depends on many factors not all of which are within the control of management. Some of the factors that affect the financial viability of a given mineral deposit include its size, grade, proximity to infrastructure. Government regulation, taxes, royalties, land tenure, land use, environmental protection and reclamation and closure obligations, have an impact on the economic viability of a mineral deposit.

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts revenues and expenses during the reporting period. Actual results could differ from those estimates.

Annual losses are expected to continue until the Company has an interest in an exploration and evaluation asset that produces revenues. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon the continued support of its shareholders, obtaining additional financing and generating revenues sufficient to cover its operating costs. The accompanying consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying consolidated financial statements.

Any forward-looking information in the management discussion and analysis is based on the conclusions of management. The Company cautions that due to risks and uncertainties, actual events may differ materially from current expectations. With respect to the company's operations, actual events may differ from current expectations due to economic conditions, new opportunities, changing budget priorities of the Company and other factors.

COVID-19 DISCLOSURE

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operations in future periods

INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Chief Executive Officer and Chief Financial Officer of the Company are responsible for designing internal controls over financial reporting ("ICFR") or causing them to be designed under their supervision in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. We have designed controls for this process and have conducted an evaluation which has identified potential weaknesses in such controls. Due to the limited number of staff, it is not feasible to attain complete segregation of incompatible duties. Weaknesses in the Company's internal controls over financial reporting allow for a greater likelihood that a material misstatement would not be prevented or detected.

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The company is not required to certify the design and evaluation of its ICFR and has not completed such an evaluation, and inherent limitations on the ability of the certifying officers to design and implement, on a cost-effective basis, ICFR for the company may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

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 which 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.