

# **WALKER RIVER RESOURCES CORP.**

## **Management Discussion and Analysis**

**For the year ended November 30, 2021**

This Management Discussion and Analysis (“MD&A”), prepared March 30, 2022, should be read in conjunction with the consolidated financial statements and notes for the year ended November 30, 2021 which were prepared in accordance with International Financial Reporting Standards.

This management discussion and analysis may contain forward-looking statements in respect of various matters including upcoming events. The results or events predicted in these forward-looking statements may differ materially from the actual results or events. The Company disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

### **DESCRIPTION OF BUSINESS**

Walker River Resources Corp. (“the Company”) was incorporated pursuant to the British Columbia Business Corporations Act on December 16, 2010 as Rhino Exploration Inc. On March 4, 2013 the Company changed its name to Walker River Resources Corp. The principal business of the Company is the identification, evaluation and acquisition of mineral properties, as well as exploration of mineral properties once acquired. The Company’s shares are listed for trading on the TSX Venture Exchange under the symbol WRR.

The Company is an exploration stage company and is in the process of exploring its interest in the Lapon Gold Project (Nevada, USA) (“Lapon Gold Project”) that consists of, the Lapon Canyon Project, the Rattlesnake Project (“Rattlesnake”) and the Pikes Peak Project (“Pikes Peak”) and its interest in the Garfield Flats Project (Nevada, USA) (“Garfield Flats”). At November 30, 2021, the Company had not yet determined whether any of its projects contain ore reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and future profitable production from the properties or realizing proceeds from their disposition.

In March of 2017 the Company incorporated a subsidiary, Walker River Resources LLC, a Nevada company. The Company holds 100% of the issued and outstanding shares of the subsidiary.

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, leading to an economic downturn. The impact on the Company is not currently determinable, but management continues to monitor the situation.

## EXPLORATION PROJECT

Total costs incurred on exploration and evaluation assets are summarized as follows:

Year ended November 30, 2021:

	<b>Lapon Gold Project</b>	<b>Garfield Project</b>	<b>Total</b>
Acquisition costs:			
Balance, beginning of year	\$ 3,828,847	\$ 144,724	\$ 3,973,571
Additions	–	12,142	12,142
Balance, end of year	3,828,847	156,866	3,985,713
Deferred exploration expenditures:			
Balance, beginning of the year	2,494,321	5,100	2,499,421
Geologist fees and assays	1,086,824	–	1,086,824
Other expenses	–	14,398	14,398
Depreciation	27,748	–	27,748
Balance, end of year	3,608,893	19,498	3,628,391
	<b>\$ 7,437,740</b>	<b>\$ 176,364</b>	<b>\$ 7,614,014</b>

Year ended November 30, 2020:

	<b>Lapon Gold Project</b>	<b>Garfield Project</b>	<b>Total</b>
Acquisition costs:			
Balance, beginning of year	\$3,825,283	\$ 115,447	\$ 3,940,730
Additions	3,564	29,277	32,841
Balance, end of year	3,828,847	144,724	3,973,571
Deferred exploration expenditures:			
Balance, beginning of the year	2,095,737	5,100	2,100,837
Geologist fees and assays	378,443	–	378,443
Depreciation	20,141	–	20,141
Balance, end of year	2,494,321	5,100	2,499,421
	<b>\$6,323,168</b>	<b>\$ 149,824</b>	<b>\$ 6,472,992</b>

### **Lapon Gold Project, Nevada**

The Company owns 100% of the Lapon Canyon Project, which is comprised of 147 claims. The previous owner of the Lapon Canyon portion of the Project retains a 1% Net Smelter Return (“NSR”). The Company has an option to buy the NSR for \$300,000.

On July 3, 2019, the Company acquired a 100% interest in 15 unpatented lode claims south of the Lapon Canyon Project's range front zone. This was formerly known as the Rattlesnake Project and is now included as part of the Lapon Gold Project. Consideration of US\$10,000 (\$13,081) was paid and 900,000 common shares of the Company were issued for the Rattlesnake claims.

In 2019, the Company increased its landholdings approximately four kilometres north of the Lapon Canyon Project by acquiring, through staking, an additional 36 claims. This area is known as the Pikes Peak project.

Costs of the former Rattlesnake and Pikes Peak projects are now included in the Lapon Gold Project.

The Rattlesnake and Pikes Peak claims cover over eight kilometres of possible extensions of the range front zones to the west, north and south of the Lapon Canyon Project, adding several additional drill target areas to the Lapon Gold Project. Rattlesnake and Pikes Peak contain numerous historical workings that comprise milling facilities, several adits at different levels, underground workings with vertical shafts and a network of existing roads providing access to connect all the historical workings.

### **2019 Exploration Program**

The Company received a 2-year extension from the U.S. Bureau of Land Management (the“BLM”) for its Notice of Intent (the“NOI”) exploration permit to conduct further drilling on the Lapon Gold Project. The NOI exploration permit with the BLM covers the disturbance areas created to establish drill road access and drill sites within the Lapon Gold Project. The Company has secured the required bonding to cover reclamation on the areas of permitted disturbance for the 2019 drill program. The Company can amend the NOI exploration permit over the next 2 years to increase the permitted disturbance areas for additional drill sites and access roads at the Lapon Gold Project. The Company completed its interpretation, compilation and update of the Lapon Gold Project’s digital database with the 2018 drill results.

During the year ending November 30, 2019, the Company completed a prospecting and mapping program. Followed up with drill road and pad construction on the Rattlesnake range front project. An initial RC drill program was completed in November 2019.

During the year ending November 30, 2019, the Company expanded the Lapon Gold Project by acquiring the Rattlesnake and Pikes Peaks claims.

During the year ending November 30, 2019, the Company completed road access to the Pikes Peak claims and an initial prospecting and mapping program.

### **2020 Exploration Program**

The Company intended to build on the success of the 2019 exploration and drilling programs and continue with exploration at Lapon Canyon. In late 2020 the Company completed a ten- hole reverse circulation (“RC”) drill program which was halted at the New Year’ break. Resumption of the reverse circulation (“RC”) drill program was delayed in early 2020 by COVID-19 related problems. The exploration programs will be contingent on the potential impact from current worldwide COVID-19 pandemic and the safety of the Company’s personal and contractors. During the year ending November 30, 2020 the Company also completed regional geological surveys on some the remote portions of the Lapon Gold Project.

### **2021 Exploration Program**

During the year ending November 30, 2021 the Company announced additional drill results from the 2021 reverse circulation (“RC”) drill program on the Lapon Gold Project. Drill hole LC 21-65 returned 3.45 grams per tonne Au over 30.5 metres from a depth of 33.5 metres. This was a significant hole as it was drilled approximately 150 metres from the nearest intercept. It also includes a higher-grade intercept of 9.65 grams per tonne Au over 1.5 metres, which appears to be on strike with the high-grade corridor located approximately 500 metres to the west. Drill hole LC 21-61 returned 1.22 grams per tonne Au over 7.6 metres from surface. This hole is significant as it demonstrates mineralization in granite. Highlights from previous 2021 drill results from the Lapon Gold Project include Drill hole LC21-58 returned 9.45 g/t Au over 16.8 meters, at a depth of approximately 15 meters. LC21-57 returned 1.02 g/t Au over 24.4 meters, and 2.12 g/t Au over 9.2 meters, at depths starting at approximately 9 meters. LC20-53 returned 1.04 g/t Au over 59.5 meters, at a depth starting at 7.6 meters. LC20-50 returned 1.42 g/t Au over 13.7, at a depth of starting at 12 meters. Further results are pending, and will be released as they become available. Subsequent to the year ending November 30, 2021, the Company announced on December 16, 2021, a 14-hole (1750 meters) reverse circulation (“RC”) drill program on the Lapon Gold Project was completed. As of the date of this MD&A assays are pending and results will be released as they become available

### **Sampling Methodology, Chain of Custody, Quality Control and Quality Assurance**

All sampling was conducted under the supervision of the Company's project geologists and the chain of custody from the drill to the sample preparation facility was continuously monitored. A blank or certified reference material was inserted approximately every tenth sample. The Lapon Canyon Project samples were delivered to ALS Minerals certified laboratory facility in Reno, NV. The samples were crushed, pulverized and the sample pulps digested and analyzed for gold using fire assay fusion and a 50g gravimetric finish. Higher grade samples used a 1kg screen fire assay with screen to 100 microns and 50g gravimetric finish.

The scientific and technical content and interpretations contained in this MD&A have been reviewed, verified and approved by E. Gauthier, geol., Eng (OIQ) a Qualified Person as defined by NI 43-101, Standards of Disclosure for Mineral Projects.

### **Garfield Flats Project, Nevada**

On July 11, 2018, the Company signed an Exploration Lease with Option to Purchase Agreement (“Option”) with Nevada Canyon on the Garfield Flats Project, located in Mineral County, Nevada about 18 miles southeast of the town of Hawthorne, NV.

The Option gives the Company the exclusive purchase option and right to acquire 100% ownership of the Garfield Flats Project. Consideration for the acquisition of the Option is a cash payment of \$55,000 US. The Company cancelled its loan of \$55,000 US to Nevada Canyon as consideration for the acquisition cost of the Option.

The Garfield Flats Project consists of 59 unpatented mining claims.

The Nevada Canyon Option commenced on June 7, 2017 and continues for ten years, subject to the right to extend the Agreement for two additional terms of ten years each, and subject to an option to purchase the Property. Full consideration of the agreement consists of the following:

- \$15,000 US (paid) initial cash payment upon the execution of the agreement on June 7, 2017,
  - \$15,000 US (paid) on the first anniversary of the agreement,
  - \$20,000 US (paid by Smooth Rock in accordance with the exploration agreement) on the second anniversary of the agreement,
  - \$10,000 US (paid) on the third anniversary of the agreement, \*
  - \$10,000 US (paid) on the fourth anniversary of the agreement, \*
  - \$25,000 US to be paid on the fifth anniversary of the agreement,
  - \$40,000 US to be paid on the sixth and any succeeding anniversary of the agreement.
- \*On May 12, 2020, the Company renegotiated the third and fourth payments to \$10,000 with the property vendor.

The Company has an option to purchase the Garfield Flats Project for \$300,000 US.

On June 7, 2019 the Company signed a definitive exploration agreement with option to form a joint venture on the Garfield Flats property with Smooth Rock Ventures Corp (“Smooth Rock”). On May 25, 2020, and on June 2, 2021 the agreement was renegotiated to extend the funding requirements to within 2 years and 3 years respectively.

Smooth Rock can earn an undivided 50-per-cent interest in the Garfield Flats property by financing \$600,000 in exploration expenditures as follows:

- (a) for an initial 25-per-cent interest of the Garfield Flats project, \$300,000 in exploration expenditures within a two-year period,
- (b) for an additional 25-per-cent interest, \$300,000 in exploration expenditures on or before the third anniversary, and
- (c) upon earning a 50-per-cent interest, a 50/50 joint venture will be formed between Walker River and Smooth Rock.

Smooth Rock may accelerate any of the above earn-in periods at its option. Walker shall be the operator of the exploration during the earn-in period.

On June 14, Smooth Rock paid \$20,000 in accordance with the Walker River's purchase agreement with Nevada Canyon.

### **2019 Exploration Program**

Phase I of the Garfield Flats 2019 exploration program consisted of reconnaissance prospecting, geological mapping, surface trenching, relocating historical workings and ground based geophysical surveys. This reconnaissance program will provided accurate modern data to assist in the planning of the phase II drill program.

The Company and its JV partner Smooth Rock Ventures Corp, completed a ground based geophysical surveying portion of the Phase 1 exploration program on the Garfield Flats Project. A total of 282 kilometers (175 miles) of ground based geophysical surveying, has been completed. The results of which were compiled along with the results from the other components of the Phase I of the Garfield Flats exploration program that consisted of reconnaissance prospecting, geological mapping, surface trenching and relocation of historical workings on the property.

### **2020 Exploration Program**

The Company's JV partner, Smooth Rock Ventures Corp., completed the remainder of Phase I of the Garfield Flats 2020 exploration program. This initial reconnaissance program provided accurate modern data to assist in the planning of the 2021 phase II surface trenching and drill program. Phase II expected to begin later in 2021, contingent on the potential impact from the worldwide COVID-19 pandemic and the safety of Company personal and contractors.

### **2021 Exploration Program**

During the year ending November 30, 2021, the Company completed its geological interpretation at the Garfield Flats copper-gold project. The impacts from the worldwide COVID-19 pandemic has limited the Company's Canadian based management abilities for travelling to Nevada. Therefore the Company planned 2021 drill program of at least 10 holes at variously identified drill targets in 2021 has been moved to 2022, subject to reduced COVID-19 travel restrictions

## **SELECTED ANNUAL INFORMATION**

For the year ended November 30,

	2021	2020	2019
Revenue	–	–	–
Net Loss	(622,735)	(1,006,685)	(1,285,997)
Basic and Diluted Loss Per Share	(0.00)	(0.01)	(0.01)
Total Assets	9,235,384	9,928,168	6,761,725
Long-Term Debt	–	–	–
Dividends	–	–	–

## **OPERATIONS**

### **Three months ended November 30, 2021 and 2020**

During the three months ended November 30, 2021 the Company reported a net gain of \$296,424 (2020 - \$383,901 net loss). Included in the determination of operating gain was, consulting fees of \$137,997, (2020 - \$167,333), management fees of \$39,000 (2020 - \$82,095) and office and miscellaneous of \$8,324 (2020 -

\$22,286). The expenses for the three months ended November 30, 2021 were lower than the three months ended November 30, 2020 primarily due to a decrease in consulting fees and management fees. The net gain was a result of the Company reversing the flow-through premium and interest as it no longer expected to be paid. The impacts from the worldwide COVID-19 pandemic have limited the Company's Canadian based management abilities for cross-border travelling to the Company's mineral properties in Nevada. Including, the limiting of management travel with regards to marketing and financing activities with potential new and excising investors throughout North America and worldwide.

### **Year ended November 30, 2021 and 2020**

During the year ended November 30, 2021 the Company reported a net loss of \$622,735 (2020 - \$1,006,685). Included in the determination of operating loss was, consulting fees of \$566,164, (2020 - \$531,733), advertising and promotion fees of \$196,519 (2020 - \$84,131), management fees of \$189,000 (2020 - \$162,095) and office and miscellaneous of \$41,969 (2020 - \$59,959). The impacts from the worldwide COVID-19 pandemic limited the Company's Canadian based management travel abilities. Therefore, expenses for the year ended November 30, 2021 were higher than the year ended November 30, 2020 primarily due to an increase in outside consulting fees and advertising and promotion fees to increase investor awareness of our stock. The increase in expenses were offset when the Company reversed the flow-through premium and interest as it no longer expected to be paid.

### **SUMMARY OF QUARTERLY RESULTS**

	November 30, 2021	August 31, 2021	May 31, 2020	February 28, 2021
Revenue	–	–	–	–
Net gain (loss)	296,424	(221,709)	(353,790)	(343,660)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.00)

	November 30, 2020	August 31, 2020	May 31, 2020	February 29, 2020
Revenue	–	–	–	–
Net loss	(383,901)	(196,829)	(240,598)	(185,357)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.00)

### **LIQUIDITY AND CAPITAL RESOURCES**

The Company's cash and cash equivalents at November 30, 2021 were \$1,455,336 compared to \$3,166,693 at November 30, 2020.

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

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

### **TRANSACTIONS WITH RELATED PARTIES**

#### **a) Related party transactions and balances**

During the year ended November 30, 2021 and 2020 the following amounts were incurred or paid to officers and directors and/or their related companies:

- i) The Company incurred \$178,663 (2020: \$133,000) for deferred exploration expenses on the Lapon Gold Project to a company controlled by a director of the Company.
- ii) The Company incurred \$23,502 (2020: \$11,312) for deferred exploration expenses on the Lapon Gold Project to a director of the Company.
- iii) Amounts due to related parties includes a balance due to a company controlled by a director and

- officer of the Company for expenses of \$nil (November 30, 2020: \$2,142). These amounts are unsecured, non-interest bearing, with no fixed terms of repayment.
- iv) Amounts due to related parties includes a balance due to a company controlled by a director and officer of the Company for expenses of \$12,774 (November 30, 2020: \$13,095). These amounts are unsecured, non-interest bearing, with no fixed terms of repayment.
  - v) Amounts due to related parties includes a balance due to a director and officer of the Company for unpaid management fees and expenses of \$14,029 (November 30, 2020: \$26,140). These amounts are unsecured, non-interest bearing, with no fixed terms of repayment.
  - vi) Amounts due to related parties includes a balance due to a director of the Company for management fees of \$10,900 (November 30, 2020: \$5,000). These amounts are unsecured, non-interest bearing, with no fixed terms of repayment.
  - vii) The Company paid or accrued \$15,000 (November 30, 2020: \$nil) in consulting fees to a director and officer of the Company
- b) Key management compensation
- Key management includes directors and key officers of the Company, including the President, CEO and CFO. During the year ended November 30, 2021 and 2020:
- The Company paid or accrued \$129,000 (November 30, 2020: \$114,000) in management fees to a director and officer of the Company.
- The Company paid or accrued \$60,000 (November 30, 2020: \$48,095) in management fees to a director and officer of the Company.
- c) Share purchases
- On October 20, 2020, 400,000 common shares were issued to a director of the Company pursuant to the exercise of warrants at \$0.10 for consideration of \$40,000.

## **COMMITMENTS**

In relation to the flow-through private placements completed during the years ended November 30, 2013 and 2014, the Company was committed to incur and renounce \$613,500 in Canadian exploration expenditures by December 31, 2014. The Company was unable to incur \$520,116 of these expenditures. The flow-through share premium liability of \$139,059 represents the premium paid by investors on the portion of the required expenditures not incurred.

The Company agreed to indemnify the flow-through shareholders for certain costs they incurred as a result of not meeting its obligation to spend the flow-through share proceeds on qualifying Canadian exploration expenditures in compliance with the applicable tax rules and pursuant to the share subscription agreement entered into. The Company reversed the flow-through premium as it no longer expected to be paid. As at November 30, 2021, the Company has included a provision for the indemnification of flow-through shareholders of \$385,073 (November 30, 2020: \$372,052) in accounts payable. During the year ended November 30, 2021, the Company recorded interest in the amount of \$13,022 (2020 - \$11,776) related to the flow-through shares described above.

## **CONTINGENCY**

During the year ended November 30 2021, the Company received a legal claim against the Company arising in the normal course of operations. Management is of the opinion that the outcome of any potential litigation will not have a material adverse impact on the Company's financial position or results of operations. Accordingly, the accounts payable and accrued liabilities does not include any provisions for the settlement of the claim.

## **SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES**

All significant accounting policies and critical accounting estimates are fully disclosed in Note 3 of the audited consolidated financial statements for the year ended November 30, 2021.

## FINANCIAL INSTRUMENTS

The Company adopted all of the requirements of IFRS 9 Financial Instruments on December 1, 2018. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 utilizes a revised model for recognition and measurement of financial instruments in a single, forward-looking “expected loss” impairment model. The following is the Company’s new accounting policy for financial instruments under IFRS 9:

### (i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss (“FVTPL”), at fair value through other comprehensive income (loss) (“FVTOCI”) or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company’s business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The Company completed a detailed assessment of its financial assets and liabilities as at December 1, 2018. The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

Financial assets/liabilities	Original Classification IAS 39	New Classification IFRS 9
Cash	FVTPL	FVTPL
Sales tax receivable	Amortized cost	Amortized cost
Accounts payable	Amortized cost	Amortized cost
Due to related parties	Amortized cost	Amortized cost
Loan receivable	Amortized cost	Amortized cost

The adoption of IFRS 9 resulted in no impact to the opening accumulated deficit nor to the opening balance of accumulated comprehensive income on December 1, 2018.

### (ii) Measurement

#### Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

#### Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statement of comprehensive loss in the period in which they arise.

#### Debt investments at FVTOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss

#### Equity investments at FVTOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

(iii) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(iv) Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

*IFRS 15*

The Company adopted IFRS 15 Revenue from Contracts with Customers Financial Instruments on December 1, 2018 using the modified retrospective approach. As the Company has no revenue, there was no impact to the Company's consolidated financial statements.

Accounting Standards Issued but not yet in Effect

*IFRS 16 – Leases*

IFRS 16 specifies how an entity will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17 Leases. IFRS 16 is effective for years beginning after January 1, 2019. The Company does not anticipate the adoption of this standard to have a significant impact on the Company's consolidated financial statements.

**SHARE CAPITAL**

Issued

The company had 198,895,522 common shares issued and outstanding as at November 30, 2021 and at the date of this MD&A.

Share Purchase Options

The Company has 11,750,000 stock options outstanding at November 30, 2021 and at the date of this MD&A.

## Warrants

The Company had 44,746,056 share purchase warrants outstanding at November 30, 2021 and at the date of this MD&A.