

# **WALKER RIVER RESOURCES CORP.**

## **Management Discussion and Analysis**

**For the year ended November 30, 2022**

This Management Discussion and Analysis (“MD&A”), prepared March 28, 2023, should be read in conjunction with the consolidated financial statements and notes for the year ended November 30, 2022 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.

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

On July 25, 2022, the Company consolidated its capital by combining six existing common shares into one new common share. As a result, all shares, options, warrants and per share amounts were retroactively adjusted.

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”). At November 30, 2022, 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.

The Company decided to drop its interest in Garfield Flats Project (Nevada, USA) (“Garfield Flats”) in June of 2022. As a result, the Company wrote off the balance of the Garfield Flats Property.

## EXPLORATION PROJECTS

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

Year ended November 30, 2022:

	<b>Lapon Gold Project</b>	<b>Garfield Project</b>	<b>Total</b>
Acquisition costs:			
Balance, beginning	\$ 3,828,847	\$ 156,866	\$ 3,985,713
Additions	37,813	–	37,813
Write-off property	–	(156,866)	(156,866)
	<u>3,866,660</u>	<u>–</u>	<u>3,866,660</u>
Deferred exploration expenditures:			
Balance, beginning	3,608,893	19,498	3,628,391
Geologist fees and assays	561,061	–	561,061
Depreciation	19,423	–	19,423
Write-off property	–	(19,498)	(19,498)
	<u>4,189,378</u>	<u>–</u>	<u>4,189,378</u>
Balance, November 30, 2022	<b>\$ 8,056,037</b>	<b>\$ –</b>	<b>\$ 8,056,037</b>

The year ended November 30, 2021:

	<b>Lapon Gold Project</b>	<b>Garfield Project</b>	<b>Total</b>
Acquisition costs:			
Balance, beginning	\$ 3,828,847	\$ 144,724	\$ 3,973,571
Additions	–	12,142	12,142
	<u>3,828,847</u>	<u>156,866</u>	<u>3,985,713</u>
Deferred exploration expenditures:			
Balance, beginning	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
	<u>3,608,893</u>	<u>19,498</u>	<u>3,628,391</u>
Balance, November 30, 2021	<b>\$ 7,437,740</b>	<b>\$ 176,364</b>	<b>\$ 7,614,104</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 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 \$13,081 (US\$10,000) was paid and 150,000 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 Rattlesnake and Pikes Peak projects are included in the Lapon Gold Project.

The claims comprising the Rattlesnake and Pikes Peak Projects 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 Projects 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.

### **2020 Exploration Program**

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 RC drill program was delayed in early 2021 by COVID-19 related problems.

### **2021 Exploration Program**

During the month of December 2021, the Company completed regional geological surveys on some of the remote portions of the Lapon Gold Project.

During the first quarter of its 2021 fiscal year, the Company resumed the drill program, and announced drill results from the 2020/21 RC drill program in the second quarter of its 2021 fiscal year. Drill hole LC 21-65 returned 3.45 grams per tonne of gold (“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 included 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 was significant as it demonstrated 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.

### **2022 Exploration Program**

On March 31, 2022, the Company received drill results from the late 2021 RC drill program. Drill results confirm the discovery of a new high-grade gold-mineralized zone, now called the Hotspot area. LC 21-80 returned 7.62 grams per tonne gold over 48.8 metres, including 77.16 g/t Au over 4.5 metres. LC 21-81 returned 5.68 g/t Au over 60.9 metres, including 17.76 g/t Au over 18.3 metres, and 99.7 g/t Au over 1.5 metres. LC 21-82 returned 1.84 g/t Au over 122 metres, including 8.61 g/t Au over 9.2 metres, and 4.28 g/t Au over 47.3 metres, the latter two results being in granite. The hole ended in gold mineralization at 122 metres.

In September 2022, the Company restarted its RC drilling program at the Pikes Peak portion of the Lapon Project. A seven-to-ten-hole program is planned here. Following the Pikes Peak program, drilling will move to the Lapon Canyon portion of the Lapon Gold Project. Drilling will be centered on the Hotspot area, located 200 meters above and 250 meters on strike SE of the historic mine workings, and other high-grade drilling intercepts from the Company’s previous drilling in 2016 to 2021.

On November 3, 2022, the Company provided an update on its RC drill program at the Lapon Gold Project. A total of 17 drill holes were completed, and sample preparation of the drill holes has been finalized, with over 1300 samples submitted to certified laboratory facilities in Sparks, NV.

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

On July 11, 2018, the Company entered into a definitive agreement (the “Garfield Agreement”) with Nevada Canyon Gold Corp. (“Nevada Canyon”) to acquire all rights and interests in and to an Exploration Lease with

Option to Purchase Agreement on the Garfield Flats Project (the “Option Agreement”) for a one-time cash payment of \$55,000.

The Option Agreement is dated June 1, 2017, and was originally entered into by Nevada Canyon and Goodsprings Development LLC, (“Goodsprings”) a private Nevada company, which holds all rights, titles and 100% undivided interest in and to the Garfield Flats Property, consisting of 156 unpatented mining claims, located in Mineral County, Nevada. The Option Agreement commenced on June 7, 2017, and was to continue for 10 years, subject to the right to extend the Option for two additional terms of 10 years each, and subject to an option to purchase the Property.

On June 7, 2022, the Company decided not to renew its annual lease on the Garfield Flats Property. As a result, the Company wrote off the balance of the Garfield Flats Property.

## Exploration Programs

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 was 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.

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 initially planned 2021 drill program of at least 10 holes at variously identified drill targets was moved to 2022, subject to reduced COVID-19 travel restrictions

On June 7, 2022, the Company decided not to renew its annual lease on the Garfield Flats Property, and the Garfield Flats Project was dropped.

## 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.

## Qualified person

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.

## SELECTED ANNUAL INFORMATION

(\$)	For the year ended November 30,		
	2022	2021	2020
Revenue	-	-	-
Net Loss	(1,754,153)	(622,735)	(1,006,685)
Basic and Diluted Loss Per Share	(0.05)	(0.02)	(0.04)
Total Assets	8,894,489	9,235,384	9,928,168
Long-Term Debt	-	-	-
Dividends	-	-	-

## OPERATIONS

### Three months ended November 30, 2022 and 2021

During the three months ended November 30, 2022, the Company reported a net loss of \$863,054 (2021 – Net gain \$296,424). Included in the determination of operating expenses were consulting fees of \$147,000 (2021 - \$137,997), management fees of \$65,000 (2021 - \$39,000) and share based compensation of \$497,646 (2021 – \$Nil). The expenses for the three months ended November 30, 2022, were higher than the three months ended November 30, 2021, primarily due to the share-based compensation.

### Year ended November 30, 2022 and 2021

During the year ended November 30, 2022, the Company reported a net loss of \$1,754,153 (2021 - \$622,735). The operating expenses were mostly affected by consulting fees of \$518,503 (2021 - \$566,164), management fees of \$207,000 (2021 - \$189,000), travel expenses of \$84,200 (2021 – \$23,680) and share based compensation of \$497,646 (2021 - \$Nil). The expenses for the year ended November 30, 2022, were higher than the year ended November 30, 2021, primarily due to Share based compensation in 2022 and the net gain on write off of flow through premium and interest in 2021.

In 2021, impacts of the worldwide COVID-19 pandemic limited Canadian-based management’s ability to travel. However, in November 2021, the U.S. lifted the pandemic travel ban, and some additional travel restrictions were lifted in 2022, allowing the Company’s management to resume its business plans.

## SUMMARY OF QUARTERLY RESULTS

	November 30,	August 31,	May 31,	February 28,
(\$)	2022	2022	2022	2022
Revenue	-	-	-	-
Net gain (loss)	(863,054)	(427,682)	(273,201)	(190,216)
Basic and diluted loss per share	(0.02)	(0.01)	(0.01)	(0.01)

  

	November 30,	August 31,	May 31,	February 28,
(\$)	2021	2021	2021	2021
Revenue	-	-	-	-
Net gain (loss)	296,424	(221,709)	(353,790)	(343,660)
Basic and diluted loss per share	0.01	(0.01)	(0.01)	(0.01)

## LIQUIDITY AND CAPITAL RESOURCES

The Company’s cash at November 30, 2022, was \$690,620 as compared to \$1,455,336 at November 30, 2021.

## OFF-BALANCE SHEET ARRANGEMENTS

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

## RELATED PARTY TRANSACTIONS AND BALANCES

### a) Related party transactions

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. During the year ended November 30, 2022, the following amounts were incurred or paid to officers, directors and/or their related companies:

	November 30, 2022	November 30, 2021
Advertising fees (iv)	\$ 7,500	\$ -
Consulting fees (ii)	60,000	15,000
Deferred exploration expense (i)	149,608	202,165
Management fees (iii)	207,000	189,000
	<u>\$ 424,108</u>	<u>\$ 406,165</u>

- i) The Company incurred \$149,608 (November 30, 2021: \$202,165) for deferred exploration expenses on the Lapon Gold Project to related companies and directors of the Company.
- ii) The Company paid or accrued \$60,000 (November 30, 2021: \$15,000) in consulting fees to a director of the Company.
- iii) The Company paid or accrued \$207,000 (November 30, 2021: \$189,000) in key management compensation to two of its directors and officers. Key management includes directors and key officers of the Company, including the President, CEO and CFO.
- iv) The Company paid or accrued \$7,500 (November 30, 2021: \$Nil) in advertising to a related company. Advertising includes investor relation and promotional activities.
- v) The Company granted 1,400,000 stock options to directors of the Company at a price of \$0.20 per common share for a period of five years. The fair value of the options pertaining to related parties was estimated to be \$224,743 (November 30, 2021: \$Nil).

### b) Related party balances

The following amounts were due to related parties as at November 30, 2022 and 2021:

- i) Amounts due to related parties include a balance due from a director and officer of the Company for overpaid expense reimbursement of \$682 and a balance due to the same director and officer for management fees of \$13,318 (November 30, 2021: \$14,029). These amounts are unsecured, non-interest bearing, with no fixed terms of repayment.
- ii) Amounts due to related parties include a balance due to a director and officer of the Company for management fees of \$30,650 (November 30, 2021: \$10,900). This amount is unsecured, non-interest bearing, with no fixed terms of repayment.

## 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 do 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, 2022.

## 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 following table shows the classification of the Company’s financial assets/liabilities under IFRS 9:

<b>Financial assets/liabilities</b>	<b>Classification</b>
Cash	FVTPL
Receivables	Amortized cost
Accounts payable	Amortized cost
Due to related parties	Amortized cost
Loan receivable	Amortized cost

### (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.

*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.

**SHARE CAPITAL**

Issued

The company had 37,126,862 common shares issued and outstanding as at the date of this MD&A.

Share Purchase Options

The Company had 3,400,000 stock options outstanding as at the date of this MD&A.

Warrants

The Company had 8,638,395 share purchase warrants outstanding as at the date of this MD&A.

**SUBSEQUENT EVENT**

On February 9, 2023, the Company issued 300,000 common shares pursuant to exercise of 200,000 stock options and 100,000 warrants.