



Quantus Resources Corp.

Management's Discussion and Analysis

For the three months ended March 31, 2022 and 2021

(Expressed in Canadian Dollars, except where noted)

QUANTUS RESOURCES CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended March 31, 2022 and 2021

(Unaudited - Expressed in Canadian dollars – except where noted)

This Management's Discussion and Analysis ("MD&A") supplements, but does not form part of, the financial statements of Quantus Resources Corp. ("Quantus" or the "Company") and the notes thereto for the three months ended March 31, 2022 and 2021 (collectively referred to hereafter as the "interim financial statements").

The following MD&A of the financial condition and results of operations of the Company has been prepared by management and should be read in conjunction with the interim financial statements of the Company in addition to the audited annual financial statements and related notes for the years ended December 31, 2021 and 2020. Additional information relating to the Company is available on SEDAR at www.sedar.com under Kapa Gold Inc., as applicable (see subsequent event information below).

This MD&A is current as of May 27, 2022 and was reviewed and approved by the Company's Board of Directors.

The first, second, third, and fourth quarters of the Company's fiscal years are referred to as "Q1", "Q2", "Q3" and "Q4", respectively. The year ended December 31, 2022 and 2021 are referred to as "fiscal 2022" and "fiscal 2021". All amounts are presented in Canadian dollars, the Company's presentation currency unless otherwise stated.

Management is responsible for the preparation and integrity of the Company's financial statements, including the maintenance of appropriate information systems, procedures, and internal controls. Management is also responsible for ensuring that information disclosed externally, including the information contained within the Company's financial statements and MD&A, is complete and reliable.

Certain statements made may constitute forward-looking statements. Such statements involve a number of known and unknown risks, uncertainties and other factors. Actual results, performance and achievements may be materially different from those expressed or implied by these forward-looking statements. For additional information on forward-looking statements and material risks associated with them, please see the "Cautionary Note Regarding Forward-Looking Statements" section of this document.

DESCRIPTION OF BUSINESS

Quantus is a privately held mineral exploration company whose principal business activity is in the acquisition and exploration of mineral property interests in the United States. The Company was incorporated on June 16, 2010 under the laws of British Columbia. The head office, records office and registered office of the Company are located at Suite 1400 - 1125 Howe Street, Vancouver, British Columbia, Canada.

On September 22, 2020, the Company entered into binding acquisition and arrangement agreements (collectively, the "Arrangement Agreement") with KAPA Capital Inc ("KCI"), whereby KCI will acquire all of the Company's issued and outstanding common shares via an one-to-one share exchange.

On May 11, 2022, the Company enacted select amendments to the Arrangement Agreement and culminated the transaction with KCI on May 19, 2022(see Subsequent Events below).

Q1 2022 HIGHLIGHTS AND OVERALL PERFORMANCE

The Company reported a loss of \$13,567 during Q1 2022, compared to \$18,108 during Q1 2021. The decrease in loss in the period is primarily due to primarily to a foreign exchange gain in Q1 2022, noting that professional fees relating to the Arrangement Agreement were recorded to deferred transaction cost.

As at March 31, 2022, the Company had \$12,629 and \$1,426,180 in cash and restricted cash, respectively, compared to \$9,333 and \$1,356,180, respectively, at December 31, 2021. As at March 31, 2022, the Company had a working capital deficiency of \$269,620 compared to \$249,207 as at December 31, 2021.

SUBSEQUENT EVENTS

Subsequent to period end, the Company received gross proceeds of \$1,385,000 in subscription receipts relating to the unit financing concurrent with the closing of the Arrangement Agreement. The Company incurred \$21,000 in share issuance cost related to the cash finder's fee.

On April 8, 2022, the Company amended a marketing agreement in which the previous consideration will be removed and replaced with a fixed payment of \$50,000 and an additional payment of US\$120,000 for marketing services in multiple cities.

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On April 11, 2022, the Company received a \$10,000 in short-term loan from a director of the Company. The loan bears interest rate of 6% and is due on demand.

On April 25, 2022 and May 11, 2022, the Company entered into amending agreements to the Arrangement Agreement with KCI to extend the transaction date from April 30, 2022 to May 16, 2022, and May 23, 2022, respectively, noting that the transaction was able to close on the earlier May 16, 2022 date (see below).

On April 26, 2022, and May 11, 2022, the Company entered into amending agreements with Blackhawk Rising to extend the date to issue the 750,000 share options from April 30, 2022 to May 16, 2022, and May 23, 2022, respectively, noting that the transaction was able to close on the earlier May 16, 2022 date (see below).

On May 19, 2022, Quantus completed the Arrangement Agreement, pursuant to TSX Venture Exchange Policy 2.4 - *Capital Pool Companies*, whereby KCI acquires 100% of the Company's outstanding common shares by issuing to each shareholder of Quantus one common share of KCI for one common share of Quantus.

Prior to closing of the amended Arrangement Agreement, KCI had 5,113,271 common shares outstanding, and Quantus had 50,447,473 common shares outstanding including 750,000 common shares issued just prior to closing to BlackCali, 298,699 common shares issued just prior to closing related to the Special Warrants, and 11,245,200 common shares issued just prior to closing related to the concurrent unit financing. Quantus issued 5,622,600 share purchase warrants and 84,000 finder's warrants just prior to closing related to the concurrent unit financing. As a result of the amended Arrangement Agreement, KCI issued 50,447,473 common shares to Quantus' shareholders, where KCI has 55,560,744 common shares outstanding, of which 5,613,187 common shares were held in escrow, 5,622,600 share purchase warrants, 84,000 finder's warrants, and 2,700,000 incentive stock options.

Concurrent with the closing of the Arrangement Agreement, the name of Kapa Capital Inc. was changed to "Kapa Gold Inc."

SHARE CAPITAL HIGHLIGHTS

There were no share capital transactions during the three months ended March 31, 2022.

During the fiscal 2021:

On March 8, 2021, the Company issued 200,000 common shares at \$0.10 per common shares via a subscription receipt offering for gross proceeds of \$20,000.

OUTLOOK AND STRATEGIC OBJECTIVES

The Company will commence the recommended Phase One Exploration Program with the objective of further identifying and defining targets within the Blackhawk mineral property (the "Property"). The Phase One Exploration Program has the following budget:

Item	Estimated Cost
	\$
GIS Compilation	10,000
Road Access/Rehabilitation	25,000
IP Geophysics (60 line km)	60,000
Geology-Mapping, Logging, Sampling	125,000
Rock Sampling Assays @ \$85 each	75,000
Travel and Accommodation	20,000
Contingency	35,000
TOTAL COST	350,000

BLACK HAWK PROPERTY TRANSACTION

Timeline

On December 12, 2016, Blackcali Ventures Ltd ("Blackcali"), a private company wholly-owned by a director of the Company, entered into an arm's length letter of intent (the "Letter of Intent") with Blackhawk Rising, LLC (the "Vendor") pursuant to which the Vendor granted Blackcali an option to acquire a 100% interest in the Property.

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In order to fund Blackcali's due diligence of the Property, Blackcali received loans from various creditors, which were subsequently repaid along with the issuance of 600,000 special warrants as consideration for the loans advanced to Blackcali (the "Blackcali Special Warrants"). Each Blackcali Special Warrant entitles the registered holder (the "Blackcali Special Warrant Holders") to acquire a common share of Blackcali without the payment of any additional cash consideration and contains other provisions pertaining to the exchange for equivalent securities in the event of a reorganization. In the event of a reorganization, each Blackcali Special Warrant will be replaced with a new special warrant from the other company that will confer the right to acquire the same number of common shares of the other company (for no further consideration) as the number of common shares of Blackcali which the holder of Blackcali Special Warrants would have been entitled to immediately prior to the reorganization.

On December 12, 2016, the Company entered into an agreement with Blackcali, whereby Blackcali agreed to assign the Letter of Intent to the Company, which is to take place by way of an option agreement among the Company, Blackcali and the Vendor (the "Blackhawk Mineral Property Option Agreement") becoming effective under the proposed plan of arrangement and concurrently superseding the Letter of Intent.

On December 12, 2016, the Company, Blackcali and the Vendor entered into the Blackhawk Mineral Property Option Agreement. Under the Blackhawk Mineral Property Option Agreement, Blackhawk Rising agreed to grant to the Company an option to earn a 100% interest, subject to certain royalties, in the Property.

On November 6, 2017, shareholders of the Company unanimously approved a special resolution to implement an arrangement whereby the Company acquired an option to acquire a 100% interest in the Property.

Consideration to Blackcali for Letter of Intent Assignment

Blackcali entered into facilitation agreements (the "Facilitation Agreements") with and each of Bill Flowers ("Flowers") and Rock Canyon Resources, LLC ("Rock Canyon") whereby Blackcali agreed to pay US\$1,500 and allot and issue 16,250 common shares with a deemed value of \$1.00 per common share to Flowers and allot and issue 8,750 common shares with a deemed value of \$1.00 per common share to Rock Canyon as full and final consideration for services provided to Blackcali and the Vendor to facilitate the Letter of Intent.

The Facilitation Agreements provide that in the event that Blackcali enters into an arrangement, merger or reorganization with another issuer where the Letter of Intent is assigned to such other issuer, Blackcali may assign its obligations to pay US\$1,500 to Flowers and issue shares to Flowers and Rock Canyon, without the consent of either Flowers or Rock Canyon, and upon the assignment of the obligations when the agreement becomes effective, Blackcali will be deemed to have been released and discharged from all obligations under the Facilitation Agreements.

In consideration for the assignment by Blackcali of its rights and obligations under the Letter of Intent to the Company pursuant to the Blackhawk Mineral Property Option Agreement, the Company shall:

- a) pay US\$1,500 and allot and issue 25,000 common shares to certain creditors of Blackcali;
- b) allot and issue 150,000 common shares in the capital stock of the Company to settle pre-existing special warrants previously granted by Blackcali when Blackcali held the option to acquire a 100% interest in the Property;
- c) pay the amount of all expenses incurred by Blackcali under the Letter of Intent to Blackcali;
- d) extraction of 10,000 tons of bulk sample for metallurgical work, with royalty applicable to sales on sample, and no commercial activities allowed until all payments and issuances are settled;
- e) pay a royalty to Blackcali equal to 2% of net smelter returns in regard of any sales of minerals other than gravel, sand or rock derived from any mineral claims in the area of influence of three miles immediately surrounding the perimeter of the Blackhawk Property; and
- f) pay a royalty to Blackcali equal to 1% in regard of any sales of gravel, sand or rock derived from any mineral claims in the area of influence of three miles immediately surrounding the perimeter of the Blackhawk Property.

Consideration to Vendor for Option Exercise

The Company will pay to the vendor of the Blackhawk Property an aggregate US\$660,000 over several installments between the date of option exercise and October 15, 2019, of which \$304,357 (US\$185,000) was paid during the year ended December 31, 2017, and the issuance of 162,500 common shares of the Company, valued at \$65,000, which were issued on November 9, 2017. On February 21, 2020, the Blackhawk Mineral Property Option Agreement was amended and restated to consolidate the remaining option payments to a total of \$232,342 (US\$175,000) (paid) and issuance of 750,000 common shares.

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During the year ended December 31, 2021, the Company entered into an amending agreement with BlackCali, originally dated February 21, 2020, which extends the date of the 750,000 shares to be issued on or before December 31, 2021 (previously June 30, 2021). On December 15, 2021, the Company entered into a second amended agreement to extend the date of the 750,000 shares to be issued on or before February 28, 2022.

On February 25, 2022, the Company entered into an amendment agreement with Blackhawk Rising to extend the date to issue the 750,000 share options from February 28, 2022 to April 30, 2022.

During the three months ended March 31, 2022, the Company incurred \$6,846 in costs related to Blackhawk Property.

Title to mineral property interests involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristics of many mineral property interests. The Company has investigated title to its mineral property interests and, to the best of its knowledge, title to the mineral property interests remains in good standing.

Net Smelter Royalties

The Blackhawk Mineral Property Option Agreement provides that on commercial production of the Property, Quantus shall pay a royalty to the vendor equal to 2% of net smelter returns in regard of any sales of minerals other than gravel, sand or rock derived from the Property (the "Blackhawk Mineral Property NSR") and a royalty equal to 2% in regard of any sales of gravel, sand or rock derived from the Blackhawk Mineral Property (the "Blackhawk Mineral Property Gross Rock Royalty"). The Blackhawk Mineral Property Option Agreement also provides that Quantus shall pay a royalty to each of the Vendor and Blackcali equal to 1% of net smelter returns in regard of any sales of minerals other than gravel, sand or rock derived from the mineral claims in the area of influence three miles immediately surrounding the perimeter of the Property (the "Area of Influence NSR royalty"). The Blackhawk Mineral Property Option Agreement also provides that Quantus shall pay a royalty to each of the Vendor and Blackcali equal to 1% in regard of any sales of gravel, sand or rock derived from mineral claims in the area of influence of three miles immediately surrounding the perimeter of the Property (the "Area of Influence Gross Rock Royalty").

The Blackhawk Mineral Property Option Agreement provides that Quantus shall have the right, at any time, to purchase 1% of the Blackhawk Mineral Property NSR (that is, reducing the Blackhawk Mineral Property NSR royalty from 2% to 1%) by paying US\$750,000 to the vendor and to purchase 1% of the Area of Influence NSR (that is, reducing the total Area of Influence NSR royalty from 2% to 1%) by paying US\$375,000 to Blackcali and US\$375,000 to the Vendor. For greater certainty, if the Company purchases 1% of the Area of Influence NSR, the Vendor and Blackcali shall each sell 0.5% percent of their respective Area of Influence NSR to the Company.

BLACK HAWK PROPERTY

1. Property Description and Location

The Property comprises of eight patented claims in three non-contiguous groups and an additional BLM claim, separate and to the east. The Property is located in Sections 7, 8, 17, 18, 19, 20; Township 3 North; Range 2 East, in the historic Blackhawk Mining District, San Bernardino County, Big Bear City Quadrangle, State of California, U.S.A. The Property is in the south-eastern part of the State of California, approximately 60 km northwest of Palm Springs. The nearest community of size to the project is Lucerne Valley, California, 20 km to the northwest.

The center of the Property is located at approximately latitude 34° 21' North and longitude 116° 47' West (UTM Zone 11N; 519,500 E / 3,800,200 N; NAD 83). The property stretches roughly 5.3 km northwest to southeast by 2.6 to 3.3 km northeast to southwest, covering approximately 3,555.09 acres (1,438.7 hectares).

2. Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Property is in the south-eastern part of the State of California approximately 60 km northwest of Palm Springs. The Property, which totals about 1438.7 hectares, can be easily accessed from the town of Lucerne Valley, California which is located about 75 km northwest of the city of Palm Springs. The property is accessible from Lucerne Valley by traveling about 15 km to the east on State Highway 247, then southwards for 8 km via Santa Fe Fire Road. A network of narrow mountain roads and trails, many in disrepair, provide access throughout the property including the areas of historical drilling and underground development.

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The Property has a typical dry desert climate with hot summers and cool winters and is best described as semi-arid to arid. The climate is generally amenable to year-round exploration work with adequate preparation.

Depending on the ultimate extent of mineralization identified on the Property, the current claim base seems sufficient to contain all the aspects of a large modern mining operation, including adequate areas for plant, waste and tailings disposal, and other recovery designs.

Water would need to be obtained from privately owned and operated wells in the vicinity; however, expanded operations will likely require purpose-built access to subsurface waters. A 75-gallon-per-minute water well is located on the Cliff claim, but needs rehabilitation or re-drilling. An active power line runs along the junction of State Highway 247 and the Santa Fe Fire Road, approximately 8 km from the center of the area of known gold mineralization.

3. Property Geology

The Property is underlain by deformed basement gneisses which have been intruded by Mesozoic granitoids, Mississippian and Pennsylvanian carbonate strata and Miocene arkosic sediments. The deformed Mississippian and Pennsylvanian carbonates are the preferred host rocks for the gold-silver mineralization on the Property.

a) Cliff to Lookout zones

The Cliff Zone is exposed along the north-northwest wall of a major north to northeast-trending canyon and along the adjacent steep-north facing slope of the Northern Frontal Thrust System. The contact of this basement unit with the overlying supracrustal breccias is a zone of intense cataclasis, a chlorite schist up to 2-3 meters thick. The supracrustal section structurally above the schistose detachment plane was mapped along a north-south section through the Cliff Zone thrust for a distance of approximately 1.0 km and through a vertical distance of ~100 metres. Breccias assigned to the Monte Cristo limestone comprise >90% of the Cliff Zone structural section. The southern and structurally highest level of the Cliff Zone is comprised of gray white carbonate breccia and massive beds of the Bird Spring Formation.

The Lookout Zone which is approximately 240 meters south of the Cliff Zone is comprised of white, gray and black carbonate breccias of the Bird Springs Formation and is equated with similar breccias at the southern exposed area of the Cliff Zone.

b) Gully Prospect

High runoff from the winter snow melt, coupled with anomalous amounts of spring rainfall lead to erosional incising of the alluvial gravels in the ephemeral creeks that drain northward off Blackhawk Mountain. A major erosion of the alluvial gravels in a canyon immediately north of the Cliff Zone exposed an east-facing wall of Hematized Monte Cristo brecciated limestone. The vertical height of Hematization in the creek wall is approximately 3 meters at its eastern end and extends southward, for about 30 meters. The Hematized zone extends southward, upslope along the creek wall for approximately 30 meters and has been disrupted by a series of normal faults with north side down. Breccia clasts from the Hematized breccia are locally coated with malachite, minor azurite and relict sulphide with limonite.

Thinning of the newly exposed hematite zone southward along the east-facing creek wall is due to alluvial gravels and its position upstream from the thickest exposed segment. This newly exposed Hematized zone is positioned at an elevation of about 1,316 meters. The significance of this Hematized zone is that it is the structurally lowest alteration zone identified on the property. Consequently, altered Hematized breccia have been identified through a vertical distance of approximately 550 meters, this vertical distance is the cumulative vertical distance of separate carbonate-hosted mineralized zones through the imbricated thrust stack.

c) Santa Fe Zone

The Santa Fe zone, which hosted the past-producing Calle d'Or mine, is located at an elevation of ~1,450 meters near the crest of the northern slope top of the Northern Frontal Thrust System.

The Santa Fe zone is positioned within the upper structural level of the Northern Frontal Thrust System and because of this higher structural level the intensity of cataclasis of the carbonate strata is markedly lower compared to structurally lower zones i.e. Cliff to Lookout zones.

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The Santa Fe thrust is exposed along a sub vertical north-facing wall having a strike length of approximately 750 meters. The deformed Santa Fe supracrustal rocks are in tectonic contact with basement biotite quartzofeldspathic augen gneiss with subordinate monzonitic to granitic dykes. The contact is characterized by a 3-6 meter-thick chlorite schist which is comparable mineralogically and in style of deformation to the schist below the deformed supracrustal rocks in the Cliff Zone.

d) Round Mountain Prospect

The Round Mountain prospect is an isolated dome-shaped hill at the base of the Northern Frontal Thrust System. Five adits inclined at 20-30 degrees to the south in carbonate breccia are located along the north- eastern and northern edge of the erosional break away, interpreted carbonate-basement tectonic contact. The east striking south dipping Hematitized carbonate breccia and schist define a prospective zone along the carbonate-basement contact.

This style of mineralization and the structural position near or at the base of the deformed carbonate sequence with basement is directly comparable to mineralization in the Cliff and Santa Fe zones.

e) Hill Top Prospect

The Hilltop prospect is well exposed due to recent artisanal mining and is located in a structural panel above and south of the structural panel that hosts mineralization at Round Mountain. The Hill Top prospect is a silicified fault breccia hosted in brecciated blue-gray Monte Cristo carbonate strata. This mineralized fault breccia dips north at moderate attitude and is atypical when compared to the shallowly south-dipping mineralization in carbonate breccias near and adjacent to basement in each thrust panel.

The opposing dip direction of this mineralized fault may be interpreted as a syn-mineralization back thrust.

4. Mineralization

The Blackhawk alteration and mineralization is visually dramatic because the varying amounts of hydrothermal red-pink to brick red to purple-red hematite impregnated through deformed carbonate strata is in sharp contrast to the gray, blue-gray, black and white hues in deformed and weakly deformed Mississippian and Pennsylvanian carbonate rocks. The distribution of mineralization related hematite has two geometrical forms. The first style of hematization occurs as sub horizontal bands parallel to sub parallel to the regional south-dip of the Northern Frontal imbricate thrust fan. Hematization is concentrated along and near the deformed carbonate basement detachment contact. Hematite altered zones vary from wispy discontinuous bands of hematite-cemented breccia, hematite impregnated mylonite and fractured carbonate with thickness to one metre to hematite-cemented breccias up to several metres in thickness.

The second geometrical style of hematization within the carbonate breccia is concentrated along moderate south-dipping faults that are inferred to be ramps that crosscut panels of carbonate breccia. These ramps provided the structural release to tectonically thicken individual thrust slices but also provided the structural pathways for hydrothermal fluids to migrate to higher structural levels within a thickened thrust slice.

Hematized, structurally-linked, flat-ramp structures which are well exposed in walls of the past-producing Bessemer limestone quarry in the area of the Lester Dale gold mine area illustrate the structural control of hydrothermal fluid and the migration pathway through the imbricate thrust fan. The quarry face is located about 2.0 km east of the Santa Fe mine portal and at the approximate same tectonic level. Flat faults are outlined by hematite and significantly the volume of hematite metasomatized rock increases markedly on both sides of the ramp that connects flat faults. This increased volume of altered rock implies pooling or damming of the hydrothermal fluid during transmission to a higher structural level.

These same structural-alteration attributes are present in the imbricate panels that host the Santa Fe and Cliff prospects. The Santa Fe thrust is a composite of numerous parallel to sub-parallel anastomosing shallow to sub-horizontal faults comprised of hematized mylonite, crushed carbonate and related fracture band with interconnecting hematized ramps. The multi-level Calle d'Or Zone, which was developed over a vertical distance of about 90 meters within the Santa Fe mine, reportedly exploited a ramp-flat complex within the Santa Fe thrust (Ely, 1982). Similar hematized flat-ramp complexes are present in the Cliff Zone. Consequently, the same structural style with alteration and gold mineralization is present in separate thrust slices and extends vertically through the imbricate thrust fan from the Santa Fe mine area near the top of Blackhawk Mountain to Round Mountain near the base of the Northern Frontal Thrust System.

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5. Exploration

A rock chip sampling program was conducted from November 3-7, 2016 and April 2017 by B. Game, P.Geol. and J. Walther, P.Geol. A total of 96 samples were collected along accessible road cut exposures, benches and outcrops covering portions of the Cliff, Lookout and Santa Fe zones.

The purpose of the sampling program was to map the distribution of surface gold values associated with various geometries of mineralization, fracture densities, hematite concentration and alteration and to confirm the tenor of historical gold values. Gold values ranged from <0.05 ppm to highs of 2.10 ppm in the Lookout Zone, 41.3 ppm in the Cliff Zone and 4.66 ppm in the Santa Fe Zone. In general, samples containing higher gold values occur in discrete, stacked parallel zones with increased fracture/fault density and accompanying strong to intense brick-red to purple-red hematization. Higher gold values are associated with elevated Ag, As, Cd, Cu, Mo, Pb, Sb and Zn values, trace elements commonly associated with epithermal gold mineralization. During October 2016, a test geophysical interpretation utilizing lightning strike data was conducted by Dynamic Measurements LLC of Cedar City, Utah.

The purpose of this work was to determine if this method would aid in defining faults and improve the understanding of the subsurface geology.

6. Qualified person

Allan Miller, PhD, P.Geol, a qualified person under National Instrument 43-101 has reviewed and approved the scientific and technical information disclosed above.

RESULTS OF OPERATIONS**Q1 2022 compared to Q1 2021**

	Q1 2022	Q1 2021
	\$	\$
Operating expenses		
Interest expense	3,651	1,950
Management fees	4,500	4,500
Office	214	393
Professional fees	7,688	10,916
Total operating expenses	16,053	17,759
Other (income) expenses		
Foreign exchange (gain) loss	(2,486)	349
Net loss and comprehensive loss for the period	13,567	18,108

The Company incurred a loss of \$13,567 during Q1 2022, compared to \$18,108 during Q1 2021. The decrease in loss was primarily caused by a foreign exchange gain of \$2,486 in Q1 2022, compared to a foreign exchange loss of \$349 in Q1 2021 as a result of revaluation of foreign assets and liabilities at period end, noting there was some decrease in professional fees offset by increase in interest high as the Company had more interest-bearing debt in 2022.

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SUMMARY OF QUARTERLY RESULTS

Selected financial data during the last eight quarters are as follows:

	Q1 2022	Q4 2021	Q3 2021	Q2 2021
	\$	\$	\$	\$
Total assets	3,033,109	2,938,888	1,660,493	1,522,019
Working capital deficiency	(269,620)	(249,207)	(222,622)	(92,520)
Loss for the period	13,567	16,968	75,722	13,057
Loss per share	0.00	0.00	0.00	0.00

	Q1 2021	Q4 2020	Q3 2020	Q2 2020
	\$	\$	\$	\$
Total assets	1,534,050	1,576,994	1,508,763	1,403,667
Working capital deficiency	(66,156)	(29,179)	(515,795)	(671,635)
Loss for the period	18,108	20,636	14,604	23,347
Loss per share	0.00	0.01	0.00	0.00

The quarterly trend in increasing total assets is primarily driven by increases in restricted cash balances related to the Company's financing activities. Other than a somewhat higher loss in Q3 2021, loss for the period has remained relatively consistent over the last eight quarters.

LIQUIDITY, CAPITAL RESOURCES AND GOING CONCERN

The Company has financed its operations primarily through the issuance of common shares. The Company continues to seek capital through various means including the issuance of equity and debt.

The Company's financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

As at March 31, 2022, the Company had an accumulated deficit of \$5,611,656 (December 31, 2021 - \$5,598,089); a cash balance of \$12,629 (December 31, 2021 - \$9,333), a restricted cash balance of \$1,426,180 (December 31, 2021 - \$1,356,180); and an accounts payable and accrued liabilities balance of \$313,178 (December 31, 2021 - \$273,388). As at March 31, 2022, the Company's working capital deficiency was \$269,620 (December 31, 2021 - \$249,207).

In addition to the Company's accumulated deficit and historic working capital position, the Company has not generated revenues and does not anticipate generating revenues in the near future to meet its operating and administrative expenses. These circumstances cast significant doubt on the validity of the going concern assumption.

In order to continue as a going concern and to meet its corporate objectives, which primarily consist of investigating new potential properties and exploration work on those potential properties, the Company will require additional financing through debt or equity issuances or other available means.

Although the Company has previously been successful in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. Factors that could affect the availability of financing include the progress and exploration results of the mineral properties, the state of international debt, equity and metals markets, and investor perceptions and expectations.

The Company's financial statements do not include adjustments that would be necessary should the Company be unable to continue as a going concern. These adjustments could be material.

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Sources and Uses of Cash

	Q1 2022	Q1 2021
	\$	\$
Net cash provided by (used in) operating activities	3,296	(33,352)
Net cash used in investing activities	-	(32,510)
Net cash provided by financing activities	70,000	-
Net increase (decrease) in cash	73,296	(65,862)
Cash and restricted cash, beginning of period	1,365,513	146,807
Cash and restricted cash, end of period	1,438,809	80,945

Review of cash flow from Q1 2022 compared to Q1 2021:

Cash provided by operating activities was \$3,296, compared to cash used in operating activities of \$33,352 during Q1 2021. Significant drivers of the change relates to reducing payments for outstanding accounts payables, prepayments, deferred transactions costs and the collection of good and services tax refund as a result of management's capital control.

Cash used in investing activities was \$nil, compared to \$32,510 during Q1 2021, as three were no property or other capital investments in Q1 2022.

Cash provided by financing activities in Q1 2022 was \$70,000, compared \$nil in Q1 2021, as the Company raised \$70,000 during Q1 2022 from equity financings.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements as at March 31, 2022 or at the date of this MD&A.

CRITICAL ACCOUNTING ESTIMATES

Refer to the Company's annual audited financial statements for the year ended December 31, 2021 and 2020.

NEW ACCOUNTING STANDARDS**Accounting standards issued but not yet effective**

Certain pronouncements have been issued by the IASB or IFRIC that are effective for accounting periods beginning on or after January 1, 2022. The Company has reviewed these updates and determined that many of these updates are not applicable or consequential to the Company and have been excluded from discussion within these significant accounting policies.

KCI ARRANGEMENT AGREEMENT (pre closing - see Subsequent Events above)

On September 22, 2020, the Company proposed an arrangement with KCI dated May 4, 2020 (previously defined as the Arrangement Agreement), in which KCI would acquire all of the Company's issued and outstanding shares at an one to one ratio. The terms and considerations of the initial agreement were as follows:

- The payment by the Company of 750,000 common shares in the capital stock to the beneficial owners of the U.S. option or of the Blackhawk Property constituting the final payment;
- Financing by the Company or KCI of up to \$2,800,000;
- Exchanges of convertible securities of the Company for convertible securities of KCI in equivalent terms;
- The Company had previously in 2020 converted \$ \$29,870 into Special Warrants at \$0.10 debt/special warrant, whereby the Special Warrants would be exercised for no further consideration; and
- The Company carrying out working capital financing, subject to receipt of written approval of KCI.

QUANTUS RESOURCES CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended March 31, 2022 and 2021

(Unaudited - Expressed in Canadian dollars – except where noted)

During the year ended December 31, 2021, the Arrangement Agreement was amended with the transaction date to occur on or before February 28, 2022. On February 28, 2022, the Company entered into an amended agreement with KCI to extend the transaction date from February 28, 2022 to April 30, 2022.

During the year ended December 31, 2021, the Company entered into a marketing agreement in which the Company would issue 500,000 common shares and payment of US\$10,000 per city for services rendered by the vendor. The consideration is to be payable upon the completion of the Arrangement Agreement (see Subsequent Events above).

As at March 31, 2022, the Company had \$162,550 (December 31, 2021 - \$146,232) in deferred transaction costs, that will be expensed upon closing of the Arrangement Agreement.

RELATED PARTY TRANSACTIONS

Key management personnel comprise the Chief Executive Officer, Chief Financial Officer, and Directors of the Company.

The remuneration of the key management personnel for Q1 2022 and Q1 2021 are as follows:

	Q1 2022	Q1 2021
	\$	\$
Interest expense	1,501	-
Management fees	4,500	4,500
Professional fees	7,688	7,688
Total	13,689	12,188

Included in accounts payable and accrued liabilities at March 31, 2022 is \$55,406 (December 31, 2021 - \$42,834) due to officers, directors, and companies controlled by directors of the Company.

As at March 31, 2022, \$94,976 (December 31, 2021 - \$96,068) in loans payable from directors and officers of the Company remain outstanding. The amount due to the related parties has no specific terms of repayment and is unsecured and non-interest bearing.

CAPITAL MANAGEMENT

The Company defines capital that it manages as shareholders' equity. The Company manages its capital structure based on the funds available to the Company, in order to support the acquisition and exploration of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management to sustain future development of the business. The Company may invest its capital in liquid investments to obtain adequate returns. The investment decision is based on cash management to ensure working capital is available to meet the Company's short-term obligations while maximizing liquidity and returns on unused capital. The Company does not pay dividends and is not subject to any externally imposed capital restrictions.

The property in which the Company currently has an interest is in the exploration stage. As such, the Company has historically relied on the equity capital markets to fund its activities. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it concludes there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Although the Company has previously been successful in financing its activities, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

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FINANCIAL INSTRUMENT AND RISK MANAGEMENT

The Company established a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are as follows:

- Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities,
- Level 2: Inputs other than quoted prices that are observable for the asset or liability either directly (i.e.: as prices) or indirectly (i.e.: derived from prices); and
- Level 3: Inputs that are not based on observable market data.

Cash and restricted cash are carried at fair value using a level 1 fair value measurement. The fair values of receivables, accounts payable and accrued liabilities, and loans payable approximate their carrying values due to the short-term nature of the instruments.

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements and its exploration plans.

As at March 31, 2022, the Company had a cash balance of \$12,629 and restricted cash of \$1,426,180 to settle current liabilities of \$1,901,934. As at December 31, 2021, the Company had a cash balance of \$9,333 and restricted cash of \$1,356,180 to settle current liabilities of \$1,794,146.

As at March 31, 2022, the Company has no sources of revenue to fund its operating expenditures.

The Company will require additional financing to accomplish the Company's long-term strategic objectives. Future funding may be obtained by means of issuing share capital, or debt financing. If the Company is unable to continue to finance itself through these means, it is possible that the Company will be unable to continue as a going concern. Consequently, the Company is currently exposed to a moderate level of liquidity risk.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and receivables. Management believes that the credit risk concentration with respect to financial instruments included in receivables is remote because these instruments are due primarily from government agencies and cash is held with reputable financial institutions.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

(a) Foreign currency risk

Foreign currency risk is the risk that the value of the Company's financial instruments denominated in foreign currencies will fluctuate due to changes in foreign exchange rates. Changes in the exchange rate between foreign currencies and the Canadian Dollar could have a significant impact on the Company's financial position, results of operations, and cash flows. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

The Company is mainly exposed to foreign currency risk on financial instruments (consisting of cash, trade payables, convertible debentures, and loans payable) denominated in US dollars. The table below summarizes the net monetary assets and liabilities held in foreign currencies, expressed in Canadian dollars:

As at March 31, 2022, the Company had an US dollar net liabilities of \$167,435 (December 31, 2021 - \$163,075). A 5% change in the US dollar against the Canadian dollar at March 31, 2022 would result in a \$8,372 impact to the Company.

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(b) Price risk

The Company is exposed to price risk with respect to commodity prices. Changes in commodity prices will impact the economics of the Company's mineral properties. The Company closely monitors commodity prices to determine the appropriate course of action to be taken.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. A change of 100 basis points in the interest rates would not be material to the financial statements.

OUTSTANDING SHARE DATA

As at March 31, 2022, the Company had 38,153,574 common shares outstanding and 298,699 warrants outstanding.

As at the date of this MD&A, the ongoing entity, Kapa Gold Inc. (see Subsequent Events above) had 55,560,744 common shares outstanding, 5,622,600 share purchase warrants outstanding, 2,700,000 incentive stock options outstanding, and 84,000 finder's warrants outstanding.

INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Company's interim financial statements for Q1 2022 and Q1 2021 have been prepared in accordance with IFRS as issued by the IASB, effective as of March 31, 2022. The Company's significant accounting policies are described in note 3 of the Company's audited annual financial statements.

RISK FACTORS

For a detailed listing of the risk factors faced by the Company, please refer to the Company's MD&A for the years ended December 31, 2021 and 2020.

QUANTUS RESOURCES CORP.**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

Certain statements in this document constitute forward-looking information under applicable securities legislation. Forward-looking information typically contains statements with words such as "anticipate", "believe", "estimate", "will", "expect", "plan", "intend", or similar words suggesting future outcomes or an outlook. Forward-looking information in this document includes, but is not limited to:

- our business plan and investment strategy; and
- general business strategies and objectives.

Such forward-looking information is based on a number of assumptions which may prove to be incorrect. Assumptions have been made with respect to the following matters, in addition to any other assumptions identified in this document:

- taxes and capital, operating, general & administrative and other costs;
- general business, economic and market conditions;
- the ability of the Company to obtain the required capital to finance its investment strategy and meet its commitments and financial obligations;
- the ability of the Company to obtain services and personnel in a timely manner and at an acceptable cost to carry out activities;
- the timely receipt of required regulatory approvals; and
- that the regulatory framework for permitting of California mineral resource assets will remain relatively consistent.

Although the Company believes that the expectations reflected in such forward-looking information are reasonable, undue reliance should not be placed on them as there can be no assurance that such expectations will prove to be correct. Forward-looking information is based on expectations, estimates and projections that involve a number of risks and uncertainties which could cause actual results to differ materially than anticipated and described in the forward-looking information.

The material risks and uncertainties include, but are not limited to:

- meet current and future commitments and obligations;
- general business, economic and market conditions;
- the uncertainty of estimates and projections relating to future costs and expenses;
- changes in, or in the interpretation of, laws, regulations or policies;
- the ability to obtain required regulatory approvals in a timely manner;
- the outcome of existing and potential lawsuits, regulatory actions, audits and assessments; and
- other risks and uncertainties described elsewhere in this document.

The foregoing list of risks is not exhaustive. For more information relating to risks, see the section titled "Risk Factors" herein. The forward-looking information contained in this document is made as of the date hereof and, except as required by applicable securities law, the Company undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise.
