

**QUEENSLAND GOLD HILLS CORP.**  
**(FORMERLY MINFOCUS EXPLORATION CORP.)**

**MANAGEMENT DISCUSSION AND ANALYSIS**

**For the Year Ended February 28, 2022**

**Report date: June 27, 2022**

This Management Discussion and Analysis ("MD&A") of financial position and results of operation is prepared as at June 27, 2022 and should be read in conjunction with the audited consolidated financial statements for the year ended February 28, 2022 for Queensland Gold Hills Corp. (formerly, Minfocus Exploration Corp.) (the "Company").

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Except as otherwise disclosed, all dollar figures included therein and in the following MD&A are quoted in Canadian dollars. Additional information is provided in the Company's financial statements and other documents. These documents are available from SEDAR at [www.sedar.com](http://www.sedar.com).

The Company's disclosure of a technical or scientific nature have been reviewed by D. Blair Way, FAusIMM, the CEO and a director of the Company and a Qualified Person under the definition of *National Instrument 43-101*.

The Company is a junior mineral exploration company focused on conducting modern systematic exploration in the historic goldfields of Queensland, Australia. Collectively, the Big Hill Gold Project and the Titan Project cover 110 square kilometers and host 54 high-grade historical gold mines in the Talgai Goldfields of the broader Warwick-Texas District.

The Company is a reporting issuer in British Columbia, Alberta and Ontario and trades on Tier 1 of the TSX Venture Exchange ("TSXV") in Canada under stock symbol OZAU, the Frankfurt Stock Exchange in Germany ("MB3"), and the OTCQB ("MNNFF"). The head office and principal business address of the Company is Suite 440 – 755 Burrard Street, Vancouver, BC V6Z1X6.

## Highlights for the Year Ended February 28, 2022

### Acquisition of Majority Interest in Big Hill Gold Mining Company Pty Ltd.

On September 3, 2021, the Company signed a definitive Share Sale Agreement (the “Big Hill Agreement”) with Mining Projects Accelerator Pty Ltd. ACN 629 011 196 (“MPX”), a private Australian company, pursuant to which the Company would acquire MPX’s ownership of 80% of the outstanding common shares (each, a “Big Hill Share”) of Big Hill Gold Mining Company Pty Ltd. ACN 081 474 179 (“Big Hill”).

Big Hill holds a 100% interest in an exploration permit and two mining licenses comprising the Big Hill Gold Property located in Queensland, Australia (the “Big Hill Gold Property”).

Pursuant to the terms of the Big Hill Agreement, the Company acquired all of the shares that MPX owned in Big Hill, equal to 80% of the outstanding Big Hill Shares (the “Sale Shares”) and assumed all of the rights and obligations of MPX as a shareholder of Big Hill. In consideration for the purchase of the Sale Shares, the Company issued 17,500,000 common shares of the Company (the “Payment Shares”) to MPX and pro rata to its shareholders at a fair value of \$0.17 per Payment Share. The Payment Shares are subject to a contractual escrow over the period of one year from the date of issuance.

In connection with the Big Hill acquisition, the Company completed a non-brokered private placement of 17,160,000 units (each, a “Unit”) at a price of \$0.125 per Unit for gross proceeds of \$2,145,000 on December 1, 2021. Each Unit consisted of one common share of the Company and one half of one common share purchase warrant. Each share purchase warrant is exercisable into one additional Share at a price of \$0.25 until December 1, 2023. In connection with the financing, the Company issued 1,380,000 Units to current and former related parties to settle accounts payable of \$172,500 and granted a total of 130,700 broker warrants with the same terms as the share purchase warrants. The broker warrants fair value of \$17,435 was determined using the Black-Scholes valuation model. The following weighted average assumptions were used: dividend yield – 0%; expected volatility – 189.48%; risk free interest rate – 0.95%; and expected life – 2 years. The proceeds of the financing were used to acquire an additional 15% of the Big Hill Shares from the minority shareholder, for exploration and development of the Big Hill Gold Property and for general working capital purposes.

The Big Hill Acquisition and Private Placement received TSX approval on December 1, 2021, and the Company changed its name to “Queensland Gold Hills Corp.” to better reflect the business of the Company.

On December 17, 2021, the Company acquired an additional 15% of the outstanding Big Hill Shares, increasing its shareholdings to 95% of the total outstanding Big Hill Shares by paying \$275,325 CAD (AU\$300,000) to the minority shareholder of Big Hill. The remaining 5% of the shares of Big Hill may be acquired from the minority shareholder for AU\$700,000. Upon the Company acquiring the remaining 5% of Big Hill the non-controlling interest will receive a 0.75% net smelter royalty.

### Acquisition of Majority Interest in Titan Gold Project

On January 28, 2022, the Company completed a definitive Share Sale Agreement (the “Orefox Agreement”) with Orefox Exploration Pty Ltd. ACN 636 974 420 (“Orefox Exploration”), a private Australian company, pursuant to which the Company acquired 100% of the outstanding common shares of Orefox Titan Pty Ltd. ACN 640 056 131 (“Orefox Titan”).

Orefox Titan holds a 100% interest in the Titan Gold Project, contiguous to the Company’s Big Hill Gold Project. The Titan Gold Project covers 90 square kilometers with over 50 historic high-grade mines under a single Exploration Permit 27507. Like the Big Hill Gold Project, Titan has had little modern exploration conducted since the 1980’s and gives the Company a wider range of targets to explore for the source of the historic gold mines.

Pursuant to the terms of the Orefox Agreement, the Company acquired all of the shares that Orefox Exploration owned of Orefox Titan, and assumed all of the rights and obligations of Orefox Exploration as a shareholder of Orefox Titan. In consideration for the purchase of the Sale Shares, the Company issued 300,000 common shares of the Company to Orefox Exploration at a deemed price of \$0.35 per share. At the acquisition date the net assets of Orefox Titan consisted of the Titan Gold Property only.

### Appointment of New Directors & Management

On August 13, 2021, Kevin Bottomley was appointed as a director of the Company following Graham Wilson’s resignation. Mr. Bottomley is an accomplished capital markets advisor, successfully raising over \$100M over the span of 15 years with a primary focus on early-stage opportunities. The founder of Corvidian Capital, he has cultivated strong relationships with a broad base of investors based in North America.

On September 10, 2021, D. Blair Way was appointed to the Board of Directors. Mr. Way is an experienced international executive with over 35 years' experience within the resources and construction industry throughout Australasia, Canada, the United States, South America and Europe. A highly respected project developer in the most challenging of environs, Mr. Way's experience spans the complete mineral development cycle from early-stage exploration to project definition and studies culminating in implementation, commissioning and operations of mining projects.

On December 1, 2021, Ken De Graaf resigned as a director and Mr. Way was appointed as Chief Executive Officer of the Company.

### Marketing Initiatives

On December 9, 2021, the Company announced the following marketing and market-making initiatives:

- Venture Liquidity Providers Inc. (“VLP”) to provide market-making services. The market making service will be undertaken by VLP through a registered broker, W.D.Latimer Co.

Ltd. in compliance with TSX-V policies. VLP will buy and sell shares of the Company on the TSX-V for the purpose of maintaining an orderly trading market or providing liquidity in the Company's shares. The term of the agreement is one year and may be terminated by either party immediately upon receiving written notice. As consideration for the services, the Company will pay VLP \$60,000 plus GST. Following the initial term, the agreement will automatically renew for successive additional 12-month terms. The Company and VLP are unrelated and unaffiliated entities.

- Stockhouse Publishing Ltd. ("Stockhouse") to assist the company in enhancing its on-line profile with the global investment community. With more than one million unique visitors per month, Stockhouse is Canada's largest financial portal and one of North America's largest small cap investor communities. Stockhouse is a global hub for investors to find relevant financial news, access expert analysis and opinion, and share knowledge and information with each other. Pursuant to the terms of the Stockhouse agreement, Stockhouse will be paid an aggregate cash amount of \$150,000 plus GST for its services over a 12-month period. Neither Stockhouse nor its affiliates currently own any securities of the company Stockhouse and the company are unrelated and unaffiliated entities.
- Market One Media Group ("Market One") to provide marketing and social media expertise to its marketing initiatives for the next 9 months. Pursuant to the terms of the agreement, Market One will be paid \$130,000 in cash plus GST. The scope of the marketing initiatives includes coverage and commercial spots on BNN, Canada's only TV station devoted to business and finance news as online articles on business investing networks such as the National Post. Market One is arm's length to the company and does not currently own any securities of the company.
- GOLDINVEST Consulting GmbH ("GOLDINVEST") to enhance its current marketing efforts by providing access to their extensive investor network in Europe. GOLDINVEST will provide commentary on news releases in German to its financial community. The term of the agreement is 6 months and GOLDINVEST has been paid \$9,000 EURO. The Company and GOLDINVEST are unrelated and unaffiliated entities.

### **Highlights Subsequent to the Year Ended February 28, 2022**

On March 1, 2022, the Company announced that its first field exploration campaign was under way at the Big Hill Gold and Titan Gold Projects. This initial program was to consist of two overlapping stages, with phase 1 involving surface work for drill target identification and phase 2 consisting of drilling at a high-priority target.

On April 21, 2022, the Company announced that it had secured a drill rig and crew for the drill campaign. Durock Drilling Pty Ltd. of New South Wales was retained to complete approximately 2,000 metres of reverse circulation ("RC") drilling in 15 to 20 drill holes as directed by the Company's technical team. The objective of the drill program was to gain deeper understanding

of the nature and location of the feeder systems beneath the historical workings of the Queenslander mine.

On June 2, 2022, the Company announced that the drill campaign had been completed with a total of 1,457 metres of RC drilling completed in 11 holes with all samples being shipped to the analytical lab for assaying, with results pending.

On April 1, 2022, the Company transferred its Nevada Rose, Angelo Bell, Coral Zinc and Round Pond properties to its wholly-owned subsidiary Minfocus International Inc. (“MFI”). On May 30, 2022, the Company sold MFI to a former director, now an arm’s length party, as settlement for aggregate amounts owing of \$60,000.

## **Mineral Properties**

### *Big Hill Gold Property*

The Big Hill Gold Property consists of a single Exploration Permit (“EPM”) EPM 18255 covering 24 sq km and includes two discrete granted mining leases owned by Big Hill (“ML”) on the EPM. The EPM covers the historic mines of Big Hill (ML50287), Queenslander, Monte Cristo and Sultan & Taylor (ML50286) of the Talgai Goldfield within the EPM and is an excluded small ML held by an unrelated third party.

The Talgai Goldfield is one of eight historical Goldfields in the broader Warwick-Texas District active in the late 19th century, which include Canal Creek, Thanes Creek, Leyburn, Palgrave, Pikedale, Lucky Valley and MacDonald Goldfields. The bulk of production in the historical mines of EPM18255 and the broader Warwick-Texas District occurred from initial discovery in 1864 until the early 1900s. Small-scale activity continued during intermittent periods in the 20th century with many of the larger historic mines remaining under mining leases and which have had limited modern exploration over the main lode deposits to date.

Parts of EPM18255 have been covered by exploration permits almost continuously since 1980 as part of gold exploration programs within the broader Texas–Warwick district. The work programs involved varying amounts of mapping, stream sediment, soil and rock chip sampling.

Exploration over the EPM completed by MPX in 2020 comprised surface geochemical sampling including rock chips and soils, a ground magnetic survey and 2 diamond drillholes. In March, 2022, the Company announced that its initial exploration program on the Big Hill Project had commenced with the program consisting of two overlapping stages, with Phase 1 involving surface work for drill target identification and Phase 2 consisting of drilling at high priority targets. The Phase I surface field program was designed to verify the locations of historical drill collars, adits, and open-cut locations as well as to complete property-wide prospecting, rock sampling, soil sampling, and channel cutting in outcrops, historic workings, adits and other areas of interest. In preparation for the full launch of exploration activities, the Company conducted preliminary field work to determine key areas of interest in both the Big Hill Gold and Titan Gold Projects. Rock and soil samples from this initial work was sent for lab analysis in Brisbane, with the results expected to provide further target refinement.

Phase 2 of the exploration program consisted of 2,000 metres or approximately 20 holes by way of reverse circulation (“RC”) drilling at high priority targets. The first hole was collared on April 24, 2022 and on June 2, 2022, the Company announced that it had completed the drill program with a total of 1,457 metres of RC drilling completed in 11 holes. All samples were shipped to the analytical lab (ALS Global -- Brisbane) for assaying, and results are pending. The objective of the drill program was to gain deeper understanding of the nature and location of the feeder systems beneath the historical workings of the Queenslander mine. All drill holes intersected the Queenslander vein system, providing sufficient samples to determine the continuity and tenor of mineralization approximately 100 metres down dip from the base of historical workings. Specifically, mineralization was characterized by variably developed quartz veining associated with sericite and pyrite with some arsenopyrite alteration. The vein geometry changes from subvertical in the area of historical workings to dip approximately 70 degrees to the south at depth.

The Big Hill Gold Property is located near the town of Pratten, approximately 35km northwest of Warwick and 160km southwest of Brisbane, the capital of the state of Queensland, Australia.

#### *Titan Gold Project*

The 90-square-kilometre Titan Gold Project, contiguous to the Big Hill Gold Project, was acquired in March, 2022, bringing the Company’s total landholdings in the Warwick-Texas gold district to over 110 square kilometres. The Titan Gold Project covers over 50 historic high-grade mines under a single exploration permit, 27507.

Preliminary field work on the Titan Gold Project was included in the first phase of the Big Hill Gold Project exploration program to determine key areas of interest. Rock and soil samples from this initial work was sent for lab analysis in Brisbane.

#### *Coral Zinc Project, British Columbia*

In January 2015, the Company entered into an agreement pursuant to which it had an option to earn up to a 60% interest in the Coral Zinc Project, a zinc project located in Northern British Columbia, 100 kilometers north of the town of Mackenzie.

In September 2018, the Company acquired an additional 36% beneficial ownership interest in the Project by issuing 1,436,000 shares and 1,436,000 share purchase warrants, exercisable at \$0.07 for 2 years on September 19, 2018 with a fair value of \$287,200.

The Company earned a 20% interest in the Coral Zinc Project under the original option agreement and together with the additional ownership acquisition, the Company holds a combined 56% interest. No work has been undertaken on the Coral Zinc Project since 2017.

The Coral Zinc Project claims remain in good standing with the BC Ministry of Energy & Mines until September 2024. The Company has pledged a \$10,000 GIC as security under a safekeeping agreement with the BC Ministry of Finance, to cover reclamation expenses for work undertaken

under pre-existing permits for exploration on the project. This amount is included in cash on the statement of financial position.

During the year ended February 28, 2022, the Company recorded an impairment of \$608,495 on the property.

#### *Peregrine Zinc Project, British Columbia*

The Peregrine Zinc Project, located in southeastern British Columbia, comprised optioned claims supplemented by claims staked by the Company.

In January 2017, the Company entered into an option earn-in agreement on the Peregrine Zinc Project, to earn a 100% interest over a period of two years by making optional staged payments totaling \$10,000 cash (paid) and issuing 28,571 shares (issued) plus the grant of a 2% net smelter returns royalty (“NSR”).

No work has been done on the Peregrine claims since 2017.

During the year ended February 28, 2022, the Company recorded an impairment of \$72,255 on the property as the claims were allowed to lapse.

#### *Round Pond Zinc Project, Newfoundland and Labrador*

The Round Pond Zinc Project is located west of Hare Bay, on the Great Northern Peninsula of northwest Newfoundland. The principal target is Mississippi Valley-type (MVT) Zn-(Pb-Ag) mineralization, as found at the former Newfoundland Zinc mine at Daniel’s Harbour, circa 140 km to the south. The Round Pond Zinc Project was originally part of a larger project which had seen extensive exploration.

In March 2018, the Company entered into an agreement to acquire a 100% interest in the Round Pond Zinc Project, comprising 30 claims (750 hectares) for total consideration of 150,000 shares (issued). A 2.0% NSR royalty was granted in which \$1.5 million can be paid to reduce the royalty to a 0.75% NSR interest.

In 2018, the Company extended the original property border for roughly 2 km in a north-easterly direction to follow the key limestone-dolostone contact which dips very gently northeast by staking 33 additional claims (new total, 63 claims covering 1,500 ha). In August 2020, the Company staked a further 6 claims to the north of this expanded border to cover a linear trend of small ponds aligned with known regional trends of mineralization at Newfoundland Zinc.

The Round Pond claims remain in good standing until January 17, 2023.

During the year ended February 28, 2022, the Company recorded an impairment of \$74,681 on the property.

### *Nevada Rose Precious Metals Property, Nevada, USA*

The Nevada Rose Project is located about 145 kilometres (km) SSE of Carlin, NV and roughly 370 km NNE of Las Vegas, NV, towards the southerly intersection of the Battle Mountain-Eureka and Independence-Eureka Trends, approximately 12 km SW of the Ruby Hill mining district near Eureka City.

The Nevada Rose project targets a precious-metals system striking over a one-kilometre length on the edge of the pediment, which comprises previously identified silver-rich zones within a larger zoned system. The host rock is a sequence of Silurian dolostone overlain by Devonian limestones that dips gently east toward pediment cover.

On February 28, 2020, the Company entered into an agreement with GeoCorp to acquire the Nevada Rose Project which consisted of 22 unpatented lode claims in SW Eureka County Nevada. Under the terms of the agreement, the Company was to issue 40,000 shares to GeoCorp upon approval by the TSX-V (issued), pay \$10,000 USD upon closing of a financing of at least \$100,000 within 3 months of TSX-V approval (paid), and commit to a first-year work program of \$50,000 USD. On July 21, 2020, the Company received Exchange approval of the acquisition. The subsequent commitments were as follows:

- 1<sup>st</sup> anniversary - \$20,000 USD cash payment and \$200,000 USD work commitment
- 2<sup>nd</sup> anniversary - \$30,000 USD cash payment and \$200,000 USD work commitment
- 3<sup>rd</sup> anniversary through until the 10<sup>th</sup> anniversary - \$50,000 USD cash payment and \$500,000 USD work commitment per year.
- If not in production on the 10<sup>th</sup> anniversary, \$200,000 USD cash payment and \$2.0 million USD work commitment.

Upon completion of all payments and work commitments up to and including the 10<sup>th</sup> anniversary, the Company will have earned 100% interest in all property rights and title to the Nevada Rose Property. Upon production, all further payments and work commitments by the Company shall cease and a 3% NSR shall be granted to GeoCorp, with no buydown but a purchase of part or whole of the NSR is negotiable.

Surface exploration work including regional prospecting and reconnaissance sampling was undertaken in September 2020. A LiDAR survey was flown covering the Nevada Rose property as well as an approximate 2km zone around the edges of the then-existing claim block. LiDAR uses a pulsed laser beam to measure variable distances to the earth's surface and with electronic filtering, is able to remove the effects of obscuring vegetation cover to highlight subtle differences in topography which can be significant for precious and base metal exploration. The survey also provided topographic data for an updated orthophoto base for geological mapping and further work on the property.

In May 2021, the Company expanded the Nevada Rose property, recording 15 lode claims, contiguous along the north, west and south edges of the original claim block. The new claims

cover historic workings identified in the LiDAR survey, as well as favourable areas of geology and precious metal indicator elements in historic soils and rock chips.

During the year ended February 28, 2022, the Company recorded an impairment of \$83,169 on the property.

*Angelo Belli Precious Metals Property, Nevada USA*

In May 2021, the Company recorded 16 lode claims, oriented north-south, and with their centre located approximately 7 km west from Nevada Rose (the “Angelo Belli Claims”). The Angelo Belli Claims cover old workings surrounding the Angelo Belli Mine, a historic property about which little information is available, but which produced small amounts of silver prior to 1900. The Angelo Belli Claims surround two lode claims which cover the workings of the Silver King Mine dating from the same period which were previously staked by others.

During the year ended February 28, 2022, the Company recorded an impairment of \$6,880 on the property.

**Selected Annual Financial Data**

The following selected financial data is derived from the audited financial statements of the Company prepared in accordance with IFRS.

	Year ended February 28, 2022	Year ended February 28, 2021	Year ended February 29, 2020
	\$	\$	\$
<b>Operations</b>			
Revenues	-	-	-
Expenses	1,432,921	181,345	40,846
Net Loss	2,251,394	163,666	51,837
<b>Balance Sheet</b>			
Working Capital	1,012,909	(318,704)	(341,816)
Total Assets	4,794,807	909,278	777,181

**Results of Operations**

The Company had a net loss of \$2,251,394 (\$0.17 per share) during the year ended February 28, 2022, compared with a net loss of \$163,666 (\$0.04 per share) during the year ended February 28, 2021. No revenues were earned in either period. The significant expenses for the periods include the following:

- Accounting and audit (2022: \$83,027; 2021: \$17,499) increased due to the additional business activities during the year;
- Advertising and promotion (2022: \$134,968; 2021: \$8,419), consulting fees (2022: \$225,881; 2021: \$45,000), and legal fees (2022: \$37,664; 2021: \$638) all increased due to the increased business activities of the Company and the acquisition of new projects;

- Filing and transfer agent fees (2022: \$84,342, 2021: \$20,737) increased due to the expenditures related to the consolidation, name change, and addition of new projects; and
- Share-based payments (2022: \$826,000; 2021: \$86,432) increased as options were granted in December 2021;

### Summary of Quarterly Results

The following selected information has been extracted from the Company's unaudited quarterly financial statements. All amounts stated are stated in Canadian dollars in accordance with IFRS.

	<b>February 28, 2022</b>	<b>November 30, 2021</b>	<b>August 31, 2021</b>	<b>May 31, 2021</b>
	\$	\$	\$	\$
Revenue (loss)	Nil	Nil	Nil	Nil
Net income (loss)	(2,059,938)	(135,078)	(32,421)	(23,957)
Net (loss) per share	(0.05)	(0.03)	(0.01)	(0.00)
Total assets	4,782,749	2,392,572	913,491	908,744
Working capital	1,012,909	878,689	(402,856)	(360,835)
Total liabilities	202,116	618,303	424,769	387,601
Equity	4,580,633	1,774,269	488,722	521,143

	<b>February 28, 2021</b>	<b>November 30, 2020</b>	<b>August 31, 2020</b>	<b>May 31, 2020</b>
	\$	\$	\$	\$
Revenue (loss)	Nil	Nil	Nil	Nil
Net income (loss)	(24,310)	(128,785)	(4,034)	(6,537)
Net (loss) per share	(0.00)	(0.01)	(0.00)	(0.00)
Total assets	909,278	923,724	946,892	790,315
Working capital	(318,704)	(302,129)	(209,556)	(348,353)
Total liabilities	364,178	364,314	335,129	359,683
Equity	545,100	559,410	611,763	430,632

### Liquidity and Capital Resources

The Company is dependent on raising funds by the issuance of shares, borrowings or subsequent disposition of interests in mineral properties it may own or otherwise acquire in order to finance further acquisitions, undertake exploration of other mineral properties and meet general and administrative expenses in the immediate and longer term.

As at February 28, 2022, the Company had cash and cash equivalents of \$946,403 as compared to \$41,480 at February 28, 2021. The Company had a working capital of \$1,012,909 at February 28, 2022, compared with a deficit of \$318,704 at February 28, 2021.

The future funding needs of the Company are dependent upon the Company's ability to obtain additional equity and/or debt financing. The inability to raise adequate financing would jeopardize the Company's ability to maintain its property. The Company continues to closely monitor its ongoing requirements and to explore all methods of raising additional funds. There can be no certainty that such additional funds may be raised when required.

### Related Party Transactions

During the years ended February 28, 2022 and 2021, the Company incurred the following transactions with officers or directors of the Company:

For the years ended February 28,	2022	2021
Key management compensation* - cash	\$ 271,500	\$ 54,990
Compensation – share-based compensation	\$ 531,000	\$ 43,616

\* Key management includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including the Company's executive officers and certain members of its Board of Directors.

Officers and directors of the Company and companies controlled by such individuals were owed \$121,500 as at February 28, 2022 (2021 – \$192,751) for services rendered and for expenses incurred in the ordinary course of business. The amounts are unsecured, non-interest bearing with no fixed terms of repayment.

### Outstanding and Convertible Common Shares

The total issued and outstanding shares of the Company total 91,654,630 as February 28, 2022 (2021: 83,013,201).

The following is a breakdown of the share capital of the Company, on an annual basis and the date of this report:

	June 27, 2022	February 28, 2022	February 28, 2021
Common Shares	40,348,146	40,348,146	4,982,146
Stock Options	3,889,428	3,889,428	409,428
Warrants	9,484,700	9,484,700	1,180,000
Fully Diluted Shares	53,722,274	53,722,274	6,571,574

The following table summarizes information about stock options outstanding and exercisable at the date of this report:

Number of Options	Exercise Price	Expiry Date	Number of Exercisable Options
94,286	\$0.40*	February 7, 2023	94,286
17,143	\$0.40*	February 14, 2023	17,143
8,571	\$0.40*	February 19, 2023	8,571
8,571	\$0.40*	March 27, 2023	8,571
260,857	\$0.35	September 9, 2025	260,857
3,500,000	\$0.20	December 7, 2026	-
<b>3,889,428</b>			<b>389,428</b>

\*Indicates an amended price

On December 7, 2021, the Company granted 3,500,000 stock options to directors, officers, and consultants of the Company to purchase 3,500,000 common shares in the capital of the Company at an exercise price of \$0.20 per share until December 7, 2026. A fair value of \$826,000 was determined using the Black-Scholes valuation model. The following weighted average assumptions were used: share price - \$0.24; dividend yield - 0%; expected volatility - 206.30%; risk free interest rate - 1.48%; and expected life - 5 years. The options vested immediately upon grant.

In September 2020, the Company re-priced 40,000 stock options previously granted to consultants to \$0.40. At the Company's Annual and Special Meeting held in October 2020, the shareholders approved the re-pricing of 108,571 stock options previously granted to insiders of the Company to \$0.40. The Company recorded \$10,000 of share-based compensation for these repriced options.

The following table summarizes information about warrants outstanding and exercisable at the date of this report:

Number of Warrants	Exercise Price	Expiry Date	Number of Exercisable Warrants
774,000	\$0.25	July 3, 2022	774,000
8,580,000	\$0.25	December 1, 2023	-
130,700	\$0.25	December 1, 2023	-
<b>9,484,700</b>	<b>\$0.25</b>		<b>774,000</b>

A total of 406,000 warrants were exercised during the year ended February 28, 2022. Each warrant was exercised into one common share of the Company at a price of \$0.25 per share for gross proceeds of \$101,500.

## Financial Risk Factors

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign exchange rate, and metals price risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

### *Liquidity risk*

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at February 28, 2022, the Company had a cash balance of \$946,403 (2021 - \$41,480) to settle current liabilities of \$202,116 (2021 - \$353,311). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity. The Company has no other contractual obligations other than trade and other payables. As discussed in Note 1, the Company's ability to meet its obligations and carry out its planned exploration activities is uncertain and dependent upon the continued financial support of its shareholders and securing additional financing.

### *Market risk*

#### (a) Interest rate risk

The Company has cash balances and no interest-bearing debt, other than the debt owing to a (former) director discussed above. The Company's current policy is to invest excess cash in guaranteed investment certificates or interest-bearing accounts of select major Canadian chartered banks. The Company regularly monitors compliance to its cash management policy.

#### (b) Foreign currency risk

The Company's functional and reporting currency is the Canadian dollar and a significant portion of the Company's expenditures are transacted in Canadian dollars. As a result, the Company's exposure to the foreign currency risk is minimal at this time but may increase as the Company develops its Australia-based properties.

#### (c) Commodity price risk

The Company is exposed to price risk with respect to base and precious metal prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to price

movements and volatilities. The Company closely monitors prices to determine the appropriate course of action to be taken by the Company.

(d) Credit risk

Credit risk is the risk of an unexpected loss if a third party to a financial instrument fails to meet its contractual obligations. Credit risk for the Company is primarily associated with amounts receivable, which is comprised of GST/HST receivable due from the Government of Canada. The Company has no significant concentration of credit risk arising from its operations. Management believes that the credit risk concentration with respect to amounts receivable is low.

### **Off-Balance Sheet Arrangements**

The Company has no off-balance sheet arrangements.

### **Significant Accounting Policies and Estimates**

The preparation of financial statements requires management to establish accounting policies, estimates and assumptions that affect the timing and reported amounts of assets, liabilities revenues and expenses. These estimates are based on historical experience and on various other assumptions that management believes to be reasonable under the circumstances and require judgement on matters which are inherently uncertain. Details of the Company's significant accounting policies and new standards not yet adopted by the Company can be found in the audited financial statements for the year ended February 28, 2022.

### **Forward Looking Statements**

This discussion includes certain statements that may be deemed "forward-looking statements". All statements in this discussion, other than statements of historical facts, which address future production, reserve potential, exploration activities and events or developments that the Company expects, are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, continued availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance, that the Company expressly disclaims any responsibility for revising or expanding the forward-looking statements to reflect actual results or developments, and that actual results or developments may differ materially from those projected, in the forward-looking statements.

Readers are referred to the more detailed information described in other disclosure documents filed with the applicable Canadian securities regulatory authorities and available at [www.sedar.com](http://www.sedar.com).