SMOOTH ROCK VENTURES CORP.
MANAGEMENT'S DISCUSSION & ANALYSIS
YEAR ENDED DECEMBER 31, 2021

GENERAL

This Management's Discussion and Analysis of Smooth Rock Ventures Corp. (the "Company", "Smooth Rock" or "SOCK") is dated April 12, 2022, and provides an analysis of Smooth Rock's financial position and results of operation for the year ended December 31, 2021. The following information should be read in conjunction with the consolidated financial statements for the year ended December 31, 2021 and related notes which are available on SEDAR at www.sedar.com or at the Company's website: www.smoothrockventures.com.

Except as otherwise disclosed, all dollar figures included therein and in the following management discussion and analysis are quoted in Canadian dollars.

Certain information included in this discussion may constitute forward-looking statements. Forward-looking statements are based on current expectations and entail various risks and uncertainties. These risks and uncertainties could cause or contribute to actual results that are materially different than those expressed or implied. The Corporation disclaims any obligation or intention to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

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

COMPANY OVERVIEW

Smooth Rock Ventures Corp. is an exploration stage company engaged in the acquisition and exploration of mineral properties. The Company is a reporting issuer in British Columbia, Alberta and Quebec, and its common shares trade on the TSX Venture Exchange ("**TSX-V**") under the symbol **SMRV**. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com and the Company's website at www.smoothrockventures.com.

ACTIVITY HIGHLIGHTS

- On April 20, 2020, the Company entered into an exploration lease with option to purchase Agreement (the "Giroux Agreement") with MSM Resources, LLC ("MSM") on the Giroux Project, located in Mineral County, Nevada, within the Walker Lane shear zone. Full consideration of the Agreement consists of the following:
  (i) the issuance of 1,000,000 common shares of the Company (issued).
  (ii) an initial cash payment of USD$20,000 upon the execution of the agreement (paid).
  (iii) USD$20,000 on the first anniversary of the effective date and any succeeding anniversary of the effective date.

  The Company has the exclusive purchase option and right to acquire 100% ownership of the Property (the "Option"). To exercise the Option the Company will be required to pay USD$200,000 (the "Purchase Price"). The Giroux Property is subject to a 1.5% Gross Production Royalty payable to the property vendor, of which one-half of a percent (0.5%) may be purchased from the vendor at any time prior to commencement of commercial production for a cash payment of USD$200,000. The term of the Agreement continues for ten (10) years, subject to the right to extend the Agreement for two (2) additional terms of ten (10) years each, and subject to the option to purchase 100% of the Property.

  Subsequent to entering into the Agreement, the individual controlling MSM was appointed CEO and director of the Company.

- On July 15, 2020, the Company closed a non-brokered private placement for gross proceeds of $1,005,180 through the issuance of 4,786,570 units at a price of $0.21 per unit. Each unit consisted of one common share and one warrant. Each warrant entitles the holder to acquire one common share of the company at a price of $0.33 per common share for a period of 24 months following the date of issuance. The company paid $53,648 in cash for the finders' fees on the private placement, along with 255,276 non-transferable finders' warrants, each entitling its holder to acquire one common share at $0.33 for a two-year period following the closing date. The fair value of the finders' warrants was estimated to be $52,742. The fair value of the finders' warrants was determined using the Black-Scholes Pricing Model and the following assumptions: estimated volatility of 176%, expected life of 2 years and risk-free interest rate of 0.26%.

- On July 19, 2020, the Company closed a non-brokered private placement for gross proceeds of $366,858 through the issuance of 1,746,942 units at a price of $0.21 per unit. Each unit consisted of one common share and one warrant. Each warrant entitles the holder to acquire one common share of the company at a price of $0.33 per common share for a period of 24 months following the date of issuance. The company paid $11,200 in cash for the finders' fees on the private placement, along with 53,333 non-transferable finders' warrants, each entitling its holder to acquire one common share at $0.33 for a two-year period following the closing date. The fair value of the finders' warrants was estimated to be $11,019. The fair value of the finders' warrants was determined using the Black-Scholes Pricing Model and the following assumptions: estimated volatility of 176%, expected life of 2 years and risk-free interest rate of 0.26%. The CEO of the company acquired 386,942 units indirectly through his company, MSM Resource, LLC.

- On November 26, 2021, Michel David resigned as a director of the Company.

- On December 6, 2021, the Company announced that it has filed an Amended Notice of Intent (the "NOI") exploration permit with the U.S. Bureau of Land Management (the "BLM") to conduct further drilling on its Palmetto Gold project, located in Esmeralda County, Nevada, within the southern portion of the Walker Lane gold trend. The NOI exploration permit with the BLM covers the disturbance areas created to establish drill road access and drill sites within the Palmetto Project. The Company, when possible, attempts to drill multiple holes from single drill pads on existing roads to minimize the amount of surface disturbance created by drilling activities. This practice will allow the Company to drill many more holes under the NOI than would be possible if each drill hole was drilled from a single drill site. The Company can amend the NOI exploration permit over the next two years to increase the permitted disturbance areas for additional drill sites and access roads at the Palmetto Project.

- On December 15, 2021, the Company effected a consolidation of its common shares on a three (3) for one (1) basis (the "Share Consolidation") and a change to its trading symbol from "SOCK" to "SMRV". Prior to the Share Consolidation, the Company had 74,024,406 common shares issued and outstanding. Following the Share Consolidation, the Company has 24,674,794 common shares issued and outstanding. The TSX-V accepted the Share Consolidation and on December 15, 2021, the Company's common shares commenced trading on a post-consolidated basis under the new trading symbol SMRV. On the same date, the Company's CUSIP number changed to 83268K207 and ISIN to CA83268K2074.

- On January 27, 2022, the Company's subsidiary, Smooth Rock Ventures, LLC, entered into a binding Purchase Agreement (the "Royalty Agreement") with Nevada Canyon, LLC, a wholly owned subsidiary of Nevada Canyon Gold Corp. ("Nevada Canyon"), a company with a common director, to sell a 2% net smelter returns royalty ("NSR") on the Palmetto Project, located in Esmeralda County, Nevada, for total cash proceeds of USD$350,000 (full payment received). The CEO and director of the Company is a director and beneficial shareholder of Nevada Canyon.

RESULTS OF OPERATIONS

Summary of exploration activities

<u>Garfield Flats Property, Nevada</u>

On June 7, 2019, the Company signed an agreement with an option to form a joint venture on the Garfield Flats Property with Walker River Resources Corp. ("Walker River"). Garfield Flats Property is located in Mineral County, Nevada. The Company can earn an undivided 50% interest in the Garfield Flats Property by funding $600,000 in exploration expenditures. On June 2, 2021, the agreement was amended and extended for one year. As at the date of this MD&A the terms of the agreement with Walker River are as follows:

(i) to earn an initial 25% interest of the Garfield Flats Project, \$300,000 in exploration expenditures must be spent on or before the third anniversary; and
(ii) to earn an additional 25% interest, an additional \$300,000 in exploration expenditures must be spent on or before the fourth anniversary

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

The Garfield Flats Property consists of 59 unpatented mining claims having a combined area of approximately 858 hectares (2,120 acres) that cover several past producing small-scale high-grade gold and copper mines, altered and mineralized zones discovered by previous geological compilations and mapping of the historical workings. Historical sampling on the project has revealed the presence of copper, bismuth, and antimony as well as pervasive lower grade gold mineralization, cut by vein structures (some previously mined) of higher-grade gold. Previous induced polarization surveys also denoted the presence of significant coincident I.P. anomalies. These factors demonstrate the potential of this relatively unexplored project for the discovery of gold mineralization. The Garfield Flats Property is within the Walker Lane shear zone, a 60-mile-wide structural corridor extending in a southeast direction from Reno, Nevada, located 18 miles southeast of Hawthorne, NV along U.S. Highway 95. The project has excellent year-round access and infrastructure within Mineral County, one of the most pro-mining counties in the pro-mining states and highest-grade gold districts of Nevada.

Exploration Program

Phase I of the Garfield Flats Property 2019 exploration program consisted of reconnaissance prospecting, geological mapping, relocating historical workings, and ground based geophysical surveys. This initial reconnaissance program was designed to provided accurate modern data to assist in the planning of the 2020-21 phase II surface trenching drill program. Phase II was expected to begin following the compilation of the Phase I results, later in 2020. However, Phase II was delayed due to the impacts of the worldwide COVID-19 pandemic, that effected the Company's Canadian-based management's ability to travel cross border, availability of field personal and various contractors.

During the year ended December 31, 2021, the Company completed its geological interpretation at the Garfield Flats project. The Company plans to start Phase II, an initial drill program, at variously identified drill targets later in 2022, subject to field crew personnel and drilling contractor availability.

Chucker Property, Nevada

On June 27, 2019, the Company signed an option to purchase agreement (the "Chucker Agreement") to acquire a 100% undivided interest in the Chucker Property. The Chucker Property is located in the Silver Star Mining District, within Mineral County, Nevada, in the Walker Lane gold trend. The Chucker Property consists of 28 unpatented mining claims with a combined area of 226 hectares (560 acres) that covers numerous prospect pits and past producing small-scale high-grade gold mines.

Exploration Program

The Company completed Phase I of the Chucker Property exploration program which consisted of reconnaissance prospecting, geological mapping, surface trenching, sampling and relocating historical workings. In 2019, the Company completed an initial reverse circulation ("RC") exploration drill program focusing on the surface exposures around the historical workings of the range front fault and other exploration targets on the Chucker Property, which were identified in Phase I of the exploration program.

Upon reviewing the results of the 2019 exploration program and the results of the RC drill program, the Company decided not to proceed with the final option payment and allowed the Chucker Agreement expire.

Palmetto Property, Nevada

On July 31, 2019, the Company entered into an option to purchase agreement to acquire a 100% undivided interest in 79 unpatented mining claims totaling 1,600 acres in the Palmetto Project, Nevada (the "Palmetto Property"). The Palmetto Property is located in Esmeralda County, Nevada, within the southern portion of the Walker Lane gold trend. On July 28, 2020, the Company fully exercised its Option to Purchase Agreement on the Palmetto Project, and as of that date, Smooth Rock has a 100% undivided interest the Palmetto Project free and clear of any outstanding royalties.

The Company acquired the undivided interest in the Palmetto Property for a total purchase price of $669,350 (USD$500,000) as follows:

(i) $66,000 (USD$50,000) was paid upon signing of a Letter of Intent for a 30-day option to purchase a 100% of the Palmetto Property, which was credited towards the Purchase Price;
(ii) $265,000 (USD$200,000) was paid upon completion of due diligence; and
(iii) the final payment of $338,350 (USD$250,000) was made on July 15, 2020.

On January 27, 2022, The Company entered into a binding Purchase Agreement (the “Royalty Agreement”) with Nevada Canyon, LLC, a wholly owned subsidiary of Nevada Canyon Gold Corp. (“Nevada Canyon”), a company with a common director, to sell a 2% net smelter returns royalty (“NSR”) on the Palmetto Project for total cash consideration of USD$350,000 (full payment received).

Exploration Program

During the year ended December 31, 2020, the Company completed a re-evaluation and re-interpretation of the Palmetto geological model. This was followed up by reconnaissance prospecting, geological mapping, sampling and the relocation of historical workings.

On October 21, 2020, the Company completed a National Instrument 43-101 inferred resource estimate and technical report on the Palmetto gold project. The model and estimation were reviewed, repeated and prepared by WSP Canada's author and independent qualified person, Todd McCracken, PGeo. The Palmetto resource estimate and technical report (October 20, 2020) been filed and is available for viewing at the Company’s profile on SEDAR.

On February 22, 2021, the Company commenced an initial four-hole diamond drill program. The program was designed to expand the current resource by drilling the mineralized zones laterally and at depth, to extend the present known mineralization. Drilling also targeted the high-grade feeder chutes contained in deformation corridors, paralleling the main structural trends, and explored other areas of the Palmetto project outside of the inferred resource area.

Highlights included drill hole SRV 21-01 returning 31.4 g/t Au over 6.5 meters, including 44.3g/t Au over 0.8 meters, and 122.5 g/t Au over 1.1 meters from a depth of approximately 85 meters. Drill hole SRV 21-02 returned 1.73 g/t Au over 2.8 meters, at a depth starting at 102.4 meters.

The 2021 drill results align with the Company’s interpreted geological model, based on the Company’s compilation of all historical data from previous drilling and exploration programs. The information from the compilation and interpretation of the initial 2021 drill program greatly aided in acceleration of drilling, geological mapping and understanding of the gold mineralization at the Palmetto project. Based on the success of its initial 2021 drill program, the Company plans to conduct a follow up drill program in early to mid 2022, subject to drilling contractor availability.

On December 6, 2021, the Company filed an Amended Notice of Intent (the “NOI”) exploration permit with the BLM to conduct further drilling on the Palmetto Gold project. The NOI exploration permit with the BLM covers the disturbance areas created to establish drill road access and drill sites within the Palmetto Project. The Company, when possible, attempts to drill multiple holes from single drill pads on existing roads to minimize the amount of surface disturbance created by drilling activities. This practice will allow the Company to drill many more holes under the NOI than would be possible if each drill hole was drilled from a single drill site. The Company can amend the NOI exploration permit over the next two years to increase the permitted disturbance areas for additional drill sites and access roads at the Palmetto Project.

Loman Property, Nevada

On December 27, 2019, the Company signed a purchase agreement to acquire a 100% undivided interest in the Loman Property, located in Mineral County, Nevada, within the Walker Lane gold trend. The Loman Property consists of 50 unpatented mining claims. Historical sampling on the property revealed the presence of copper, bismuth, and antimony as well as pervasive lower grade gold mineralization, cut by vein structures of higher-grade gold. The Company closed the acquisition on January 6, 2020, by the issuance of 1,000,000 common shares after receiving TSX-V approval.

Exploration Program

No work was completed in 2020 and 2021 due to the effects of the worldwide COVID-19 pandemic, that effected the Company's Canadian based management's ability to travel cross border, availability of field personal and various contractors. The Company expects to recommence the exploration of Loman Property in mid 2022, subject to field crew personnel availability.

Giroux Project, Nevada

On April 20, 2020, the Company entered into an exploration lease with option to purchase Agreement (the "Giroux Agreement") on the Giroux Project, located in Mineral County, Nevada, within the Walker Lane shear zone. Full consideration of the Agreement consists of the following:

(i) the issuance of 1,000,000 common shares of the Company (issued).
(ii) an initial cash payment of USD$20,000 upon the execution of the agreement (paid).
(iii) USD$20,000 on the first anniversary of the effective date and any succeeding anniversary of the effective date.

The Company has the exclusive purchase option and right to acquire 100% ownership of the Giroux Property (the "Giroux Option"). The purchase price of the Giroux Property shall be USD$200,000 (the "Giroux Purchase Price"). The Giroux Property is subject to a 1.5% Gross Production Royalty payable to the property vendor, of which one-half of a percent (0.5%) may be purchased from the vendor at any time prior to commencement of commercial production for a cash payment of USD$200,000. The term of the Agreement continues for ten (10) years, subject to the right to extend the Agreement for two (2) additional terms of ten (10) years each, and subject to the option to purchase 100% of the Property. The transaction is subject to the TSX-V final approval.

Subsequent to entering into the Agreement, the individual controlling MSM was appointed CEO and director of the Company.

Exploration Program

During the year ended December 31, 2020, the Company completed Phase I exploration program on the Giroux Project which consisted of reconnaissance prospecting, geological mapping, surface trenching, sampling, and relocating historical workings. This reconnaissance program provided accurate modern data to assist in the planning of the Phase II drill program. The Company is planning an initial drill program at variously identified drill targets from the Phase I exploration program, later in 2022.

Geological information presented herein was summarized by Eugene Gauthier Eng., an independent qualified person as defined by NI 43-101, Standards of Disclosure for Mineral Projects.

SELECTED ANNUAL INFORMATION

	Year ended December 31, 2021	**Year ended December 31, 2020**	**Year ended December 31, 2019**
Net and comprehensive loss	$ (322,816)	$ (675,803)	$ (518,096)
Loss per share – basic and diluted	$ (0.01)	$ (0.03)	$ (0.01)
Total assets	$ 2,503,983	$ 2,306,456	$ 1,087,349

Analysis of operations

Net loss for the year ended December 31, 2021, was $322,816 as compared to $675,803 in the comparative period. The higher net loss during the year ended December 31, 2020, resulted primarily from the $374,292 impairment of the Chucker Property, as well as $66,597 in share-based payment, expenses the Company did not have in its Fiscal 2021.

During the year ended December 31, 2021, the Company's operating expenses increased by $19,738, from $295,871 incurred during the year ended December 31, 2020, to $315,609 incurred during the year ended December 31, 2021. The largest factor that contributed to the increase in operating expenses was attributed to $56,953 increase in management fees, which for December 31, 2021, were $144,910, as compared to $87,957 for the comparative period. The seconds largest increase was associated with advertising and promotion expenses the Company incurred being $25,996, as compared to $7,670 for the year ended December 31, 2020. The company also experienced increases in consulting fees and project investigation costs, which increased by $7,954 and $7,505 to $60,000 and 7,505, respectively.

These increases were in part offset by absence of share-based payments for the year ended December 31, 2021, as compared to $66,597 recognized for the year ended December 31, 2020, and by a $10,431 decrease in transfer agent and filing fees, which for the year ended December 31, 2021 amounted to $27,327.

SUMMARY OF QUARTERLY RESULTS

Results for the most recently completed financial quarters are summarized in the table below:

Period ended	**Net and comprehensive income/(loss)**	**Income/(loss) per share; basic and diluted**
December 31, 2021	$ (181,832)	$ (0.01)
September 30, 2021	$ (50,349)	$ (0.00)
June 30, 2021	$ (36,398)	$ (0.00)
March 31, 2020	$ (54,237)	$ (0.00)
December 31, 2020	$ 1,846	$ 0.00
September 30, 2020	$ (526,799)	$ (0.02)
June 30, 2020	$ (149,755)	$ (0.01)
March 31, 2020	$ (1,095)	$ (0.00)

2020-Q1 Decrease in net loss due to management fees incurred in prior quarter.

2020-Q2 Increase in net loss due to management fees incurred in Q2 and the granting of 333,333 options valued at $66,597 in share-based payments.

2020-Q3 Increase in net loss due to impairment of the Chucker Property. This was offset by a decrease in management fees and share-based payments.

2020-Q4 Decrease in net loss due to the impairment of the Chucker Property in the prior quarter. This was offset by an increase in management fees.

2021-Q1 Increase in net loss was primarily due to an increase in advertising and promotion expenses and foreign exchange loss on US dollars held.

2021-Q2 Decrease in net loss is primarily due to a decrease in the share-based payments.

2021-Q3 Increase in loss is primarily due to an increase in loss on foreign exchange as compared to a gain in the previous quarter.

2021-Q4 Increased mainly due to $60,000 in accrued consulting fees, as well as $88,356 incurred in management fees.

LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2021, the Company had working capital of $253,101 as compared to working capital of $778,949 at December 31, 2020. The decrease in working capital at December 31, 2021, was primarily the result of cash payments for exploration expenditures during the period. The use of cash was offset by an increase in cash from the issuance of shares, and increase in amounts due to related parties and accounts payable. The Company plans to continue to fund its operations through equity financings, there are no guarantees that the Company can do so in the future.

The Company had no material commitments for capital expenditures as at December 31, 2021.

OFF BALANCE SHEET ARRANGEMENTS

There are no off balance sheet arrangements.

PROPOSED TRANSACTIONS

There are no proposed transactions.

TRANSACTIONS WITH RELATED PARTIES

Related parties include the directors, officers, key management personnel, close family members and entities controlled by these individuals. Key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company as a whole.

The following amounts were due to related parties as at December 31, 2021 and December 31, 2020:

	December 31, 2021	December 31, 2020
Companies controlled by a director of the Company	$ 85,577	$ 85,941
Officers and directors of the Company	151,576	6,000
	$ 237,153	$ 91,941

On May 7, 2020, included in the 333,333 stock options issued, the Company granted 166,667 stock options to certain officers and directors of the Company to purchase up to a total of 166,667 common shares of the Company at a price of $0.21 per common share for a period of five years. The fair value of the options issued to these related parties was estimated to be $33,299. The fair value of the options was determined using the Black-Scholes Pricing Model and the following assumptions: estimated volatility of 176%, expected life of 5 years and risk-free interest rate of 0.40%. The Company did not grant any stock options during the year ended December 31, 2021.

During the year ended December 31, 2021, a company controlled by a director of the Company was paid $70,761 for exploration and geological services (December 31, 2020 - $8,737).

During the year ended December 31, 2021, $84,910 in management fees was accrued to a director of the Company (December 31, 2020 - $87,957).

During the year ended December 31, 2021, $60,000 in consulting fees was accrued to the CFO of the Company (December 31, 2020 - $6,000).

CONTROLS AND PROCEDURES

The management of the Company is responsible for establishing and maintaining appropriate information systems, procedures and controls to ensure that information used internally and disclosed externally is complete, reliable and timely. Management is also responsible for establishing adequate internal controls over financial reporting to provide sufficient knowledge to support the representations made in this MD&A and the Company's audited financial statements for the year ended December 31, 2021.

The management of the Company has filed the Venture Issuer Basic Certificate with the Annual Filings on SEDAR at www.sedar.com. In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the venture issuer basic certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency, and timeliness of interim and annual filings and other reports provided under securities legislation.

OUTSTANDING SHARE DATA

On December 15, 2021, the Company effected a consolidation of its common shares on a three (3) for one (1) basis (the "Share Consolidation"). All shares and per share amounts have been retroactively restated to account for the Share Consolidation.

Authorized share capital

Authorized: An unlimited number of common shares without par value; and
An unlimited number of non-voting preferred shares without par value.

Issued share capital

As at the date of this MD&A the Company had 24,674,794 issued common shares.

On July 15, 2020, the Company closed a non-brokered private placement for gross proceeds of $1,005,180 through the issuance of 4,786,570 units at a price of $0.21 per unit. Each unit consisted of one common share and one warrant. Each warrant entitles the holder to acquire one common share of the company at a price of $0.33 per common share for a period of 24 months following the date of issuance. The company paid $53,648 in cash for the finders' fees on the private placement, along with 255,276 non-transferable finders' warrants, each entitling its holder to acquire one common share at $0.33 for a two-year period following the closing date. The fair value of the finders' warrants was estimated to be $52,742. The fair value of the finders' warrants was determined using the Black-Scholes Pricing Model and the following assumptions: estimated volatility of 176%, expected life of 2 years and risk-free interest rate of 0.26%.

On July 19, 2020, the Company closed a non-brokered private placement for gross proceeds of $366,858 through the issuance of 1,746,942 units at a price of $0.21 per unit. Each unit consists of one common share and one warrant. Each warrant entitles the holder to acquire one common share of the company at a price of $0.33 per common share for a period of 24 months following the date of issuance. The company paid $11,200 in cash for the finders' fees on the private placement, along with 53,333 non-transferable finders' warrants, each entitling its holder to acquire one common share at $0.33 for a two-year period following the closing date. The fair value of the finders' warrants was estimated to be $11,019. The fair value of the finders' warrants was determined using the Black-Scholes Pricing Model and the following assumptions: estimated volatility of 176%, expected life of 2 years and risk-free interest rate of 0.26%. The CEO of the company acquired 128,981 units indirectly through his company, MSM Resource, LLC.

Stock Options

The Company has a rolling stock option plan whereby it can issue stock options up to 10% of the issued and outstanding common shares.

As at the date of this MD&A there were 1,333,333 share purchase options outstanding with a weighted average exercise price of $0.225 per share expiring between September 24, 2024 and May 7, 2025.

Warrants

As at December 31, 2021 and the date of this MD&A there were 7,318,313 warrants outstanding with a weighted average exercise price of $0.33 per share expiring between December 27, 2022 and July 20, 2022.

Reserve

The reserve records items recognized as stock-based compensation expense and other share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

SIGNIFICANT ACCOUNTING POLICIES

All significant accounting policies adopted by the Company have been described in the notes to the audited financial statements for the year ended December 31, 2021.

FINANCIAL INSTRUMENT RISK EXPOSURE AND RISK MANAGEMENT

Financial risk management

The Company is exposed, in varying degrees, to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with major banks in Canada and the United States. As most of the Company's cash is held by two banks there is a concentration of credit risk. This risk is managed by using major banks that are rated high credit quality financial institutions.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash. Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

Currency risk
Currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is exposed to foreign currency risk on fluctuations related to cash, prepaid expenses, deposits, accounts payable and related party payables that are denominated in US dollars.

		December 31, 2021		December 31, 2020
Cash denominated in USD	$	229,517	$	368,717
Prepaids and other current assets denominated in USD		26,227		25,588
Accounts payable and accrued liabilities denominated in USD		(87,605)		-
Related party payables denominated in USD		(85,577)		(85,941)
Total	$	82,562	$	308,364
Effect of a 10% change in exchange rates	$	8,256	$	30,836

Interest rate risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

Fair value

The fair value of the Company's financial assets and liabilities approximates their carrying amount due to their short terms of maturity. Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- 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 or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The Company's financial instruments classified as level 1 include cash.

RISK AND UNCERTAINTIES

Risks inherent in the nature of mineral exploration and development
Exploration and development involve several risks which experience, knowledge and careful evaluation may not be sufficient to overcome. Large capital expenditures are required in advance of anticipated revenues from operations. Many exploration programs do not result in the discovery of mineralization; moreover, mineralization discovered may not be of sufficient quantity or quality to be profitably mined. Unusual or unexpected formations, formation pressures, fires, power outages, labor disruptions, flooding, explosions, tailings impoundment failures, cave-ins, landslides and the inability to obtain adequate machinery, equipment or labor are some of the risks involved in the conduct of exploration programs and the operation of mines. The commercial viability of exploiting any precious metal deposit is dependent on a number of factors including infrastructure and governmental regulations, in particular those respecting the environment, price, taxes, and royalties. No assurance can be given that minerals of sufficient quantity, quality, size and grade will be discovered on any of the Company's properties to justify commercial operation. Numerous external factors influence and may have significant impacts on the operations of the Company and its financing needs.

Financial risks
The Company is an exploration company. The Company will periodically have to raise additional funds to continue operations, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future.

Claims and title risks
Although the Company has taken steps to verify title to properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

Tax
No assurance can be made that Canada Revenue Agency or Quebec Minister of Revenue will agree with the Company's characterization of expenditures as Canadian exploration expenses or Canadian development expenses.

Dependence on key personnel
The development of the Company's business is and will continue to be dependent on its ability to attract and retain highly qualified management and mining personnel. The Company faces competition for personnel from other employers.

Conflicts of interest
Certain directors of the Company are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required by law to act honestly and in good faith of view to the best interests of the Company and to disclose any interest, which they may have in any project or opportunity of the Company. If a conflict arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter.

Environmental risks
The Company is subject to various environmental incidents that can occur during exploration work. The Company maintains an environmental management system including operational plans and practices.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com or at the Company's website: www.smoothrockventures.com

(*signed*)
Alan Day, Director

(*signed*)
Christopher Hobbs, Director

April 12, 2022