

KINGSMEN RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2021

This discussion and analysis of financial position and results of operation is prepared as at March 11, 2022 and should be read in conjunction with the audited consolidated financial statements for the years ended December 31, 2021 and 2020 of Kingsmen Resources Ltd. (the "Company"). The following disclosure and associated financial statements are presented in accordance with International Financial Reporting Standards ("IFRS"). Except as otherwise disclosed, all dollar figures included therein and in the following management discussion and analysis ("MD&A") are quoted in Canadian dollars.

Forward-Looking Statements

This MD&A contains certain statements that may constitute "forward-looking statements". Forward-looking statements include but are not limited to, statements regarding future anticipated exploration programs and the timing thereof, and business and financing plans. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or which by their nature refer to future events. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results may differ materially from those in forward-looking statements as a result of various factors, including, but not limited to, the Company's ability to identify one or more economic deposits on its properties, to produce minerals from its properties successfully or profitably, to continue its projected growth, to raise the necessary capital or to be fully able to implement its business strategies.

Historical results of operations and trends that may be inferred from this MD&A may not necessarily indicate future results from operations. In particular, the current state of the global securities markets may cause significant reductions in the price of the Company's securities and render it difficult or impossible for the Company to raise the funds necessary to continue operations.

All of the Company's public disclosure filings, including its most recent management information circular, material change reports, press releases and other information, may be accessed via www.sedar.com and readers are urged to review these materials, including the technical reports filed with respect to the Company's mineral properties.

COVID-19

On March 11, 2020, the World Health Organization declared COVID-19 a pandemic. Federal, regional, and local authorities in Canada, the United States, and other nations continue to restrict the ability of people to leave their homes and carry out normal day-to-day activities. These measures will have a significant, negative effect on the economy of all nations for an uncertain period of time. The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the Company in future periods.

Company Overview

The Company is a reporting issuer in British Columbia and Alberta and trades on the TSX Venture Exchange ("TSXV") under the symbol "KNG" and on the OTCQB under the symbol "KNGRF". The Company is a junior mineral exploration company primarily engaged in the acquisition and exploration of precious metals on mineral properties. The Company's principal office is located at #1305 - 1090 West Georgia Street, Vancouver, British Columbia, V6E 3V7.

As of the date of this MD&A, the Company has not earned any production revenue, nor found any proven reserves on any of its properties. On April 21, 2020 the Company completed the sale of an initial 49% interest (the "Initial Interest") in the La Trini Property to GoGold Resources Inc. ("GoGold"), an arm's length purchaser, for \$316,305 (US \$225,000). On January 19, 2022 GoGold notified the Company of its election to exercise its option (the "Option") to acquire the Company's remaining 51% in the La Trini Project for US \$210,000. Effective February 1, 2022, the Company closed on the disposition.

The Company is continuing its reviews and due diligence on prospective acquisition and business opportunities.

Exploration Project

La Trini, Mexico

The La Trini Property comprises five mineral claims located in the Hostotipaquillo mining district approximately 100 kilometres northwest of Guadalajara, Jalisco State, Mexico. The La Trini Property forms part of the Los Ricos North Project which is part of a larger project operated by GoGold (www.gogoldresources.com) called the Los Ricos Project.

The first holes at La Trini were released on August 5, 2020 and confirmed significant widths of high-grade silver and gold mineralization. The La Trini deposit is a flat-lying zone that outcrops on surface, strikes approximately east-west and dips gently to the north around 20 degrees. To date, results from 96 drill holes have been released at La Trini. GoGold is undergoing a 100,000m drilling program in 2022 at Los Ricos North which La Trini is a part of, with the focus on expanding the initial resource.

Selected Financial Data

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

	Years Ended December 31,		
	2021 \$	2020 \$	2019 \$
Operations:			
Revenues	Nil	Nil	Nil
Expenses	(190,492)	(232,023)	(342,934)
Other items	1,527	320,413	6,598
Net income (loss) and comprehensive income (loss)	(188,965)	88,390	(336,336)
Basic and diluted income (loss) per share	(0.01)	0.00	(0.02)
Dividends per share	Nil	Nil	Nil
Statement of Financial Position:			
Working capital	901,092	804,089	715,669
Total assets	908,831	817,973	724,622
Total long-term liabilities	Nil	Nil	Nil

The following selected financial information is derived from the unaudited condensed consolidated interim financial statements of the Company prepared in accordance with IFRS.

Three Months Ended	Fiscal 2021				Fiscal 2020			
	Dec. 31 2021 \$	Sep. 30 2021 \$	Jun. 30 2021 \$	Mar. 31 2021 \$	Dec. 31 2020 \$	Sep. 30 2020 \$	Jun. 30 2020 \$	Mar. 31 2020 \$
Operations:								
Revenues	Nil							
Expenses	(43,699)	(47,240)	(40,214)	(59,339)	(52,147)	(47,735)	(64,084)	(68,057)
Other items	(7,702)	9,847	(120)	(498)	(1,722)	(467)	314,844	7,758
Net income (loss) and comprehensive income (loss)	(51,401)	(37,393)	(40,334)	(59,837)	(53,869)	(48,202)	250,760	(60,299)
Basic and diluted income (loss) per share	(0.01)	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)	0.01	(0.00)
Dividends per share	Nil							
Statement of Financial Position:								
Working capital	901,092	900,436	703,918	744,252	804,089	857,958	906,160	655,400
Total assets	908,831	920,281	716,107	768,607	817,973	870,248	919,282	668,381
Total long-term liabilities	Nil							

Results of Operations

Three Months Ended December 31, 2021 Compared to Three Months Ended September 30, 2021

During the three months ended December 31, 2021 (“Q4”) the Company reported a net loss of \$51,401 compared to a net loss of \$37,393 for the three months ended September 30, 2021 (“Q3”) an increase in loss of \$14,008. The decrease was due to a \$12,506 fluctuation in foreign exchange, from a gain of \$8,650 in Q3 to a loss of \$3,856 in Q4 which was partially offset by a \$3,541 decrease in general and administrative expenses from \$47,240 during Q3 to \$43,699 during Q4.

Three Months Ended December 31, 2021 Compared to Three Months Ended December 31, 2020

During the three months ended December 31, 2021 (“Q4/2021”) the Company reported a net loss of \$51,041 compared to a net loss of \$53,869 for the three months ended December 31, 2020 (“Q4/2020”) a decrease in loss of \$2,828. The decrease in loss is mainly due to a \$8,448 decrease in general and administrative expenses from \$52,147 in Q4/2020 to \$43,699 in Q4/2021 which was partially offset by a \$6,155 fluctuation in foreign exchange from a loss of \$3,161 in Q4/2020 to a loss of \$9,316 in Q4/2021.

Year Ended December 31, 2021 Compared to the Year Ended December 31, 2020

During the year ended December 31, 2021 (“fiscal 2021”) the Company reported net loss of \$188,965 compared to a net income of \$88,390 for the year ended December 31, 2020 (“fiscal 2020”), a change of \$277,355 attributed primarily to the \$316,305 received in fiscal 2020 on the disposition of the 49% indirect interest in the La Trini Project. The change was partially offset by a \$41,351 decrease in expenses from \$232,023 in fiscal 2020 to \$190,492 in fiscal 2021. Specific fluctuations in expenses are as follows:

- (i) the Company determined to vacate its office premises effective May 31, 2020. Accordingly, rent expenses totalling \$10,965 were incurred during fiscal 2020 and no rent was incurred during fiscal 2021;
- (ii) during fiscal 2020 the Company incurred legal expenses of \$13,706 for services provided in review of and submission to the TSXV for the purchase agreement with GoGold compared to general legal fees of \$5,003 during fiscal 2021;
- (iii) during fiscal 2020 the Company’s President incurred travel and meal costs of \$7,101 to review business opportunities for the Company and conduct due diligence. This activity was limited during fiscal 2021; and
- (iv) during fiscal 2020 the Company incurred \$5,131 for general exploration on the La Trini Property. Commencing April 21, 2020 all exploration activities on the La Trini Property has been funded directly by GoGold.

Financings

No financings were conducted during fiscal 2021 or 2020.

During fiscal 2021 the Company issued 3,364,335 common shares for \$285,968 on the exercises of warrants.

Financial Condition / Capital Resources

As at December 31, 2021 the Company had working capital in the amount of \$901,092. Effective February 1, 2022, the Company completed the sale of its remaining 51% interest in the La Trini Property for US \$210,000 cash. Management believes that the Company has adequate resources to maintain its current levels of overhead and ongoing corporate expenses for the next 12 months. The Company continues to conduct reviews and due diligence on prospective acquisitions and business opportunities. Completion of any acquisition may require the Company to obtain additional financing. While the Company has been successful in securing financings in the past, there can be no assurance that it will be able to do so in the future. See also “COVID-19”.

Contractual Commitments

The Company has no contractual commitments.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Proposed Transactions

The Company has no proposed transactions.

Critical Accounting Estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Examples of significant estimates made by management include estimating the fair values of financial instruments, valuation allowances for deferred income tax assets and assumptions used for share-based compensation. Actual results may differ from those estimates.

A detailed summary of the Company's critical accounting estimates and sources of estimation is included in Note 3 to the December 31, 2021 audited annual consolidated financial statements.

Changes in Accounting Principles

There were no changes in accounting policies.

A detailed summary of the Company's significant accounting policies is included in Note 3 to the December 31, 2021 audited annual consolidated financial statements.

Related Party Disclosures

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of the CEO and CFO of the Company.

(a) *Key Management Personnel Disclosures*

During fiscal 2021 and 2020 the following amounts were incurred with respect to Mr. Scott Emerson, the CEO and Mr. Nick DeMare, the CFO of the Company:

	2021 \$	2020 \$
Management fees - Mr. Emerson	96,000	96,000
Professional fees - Mr. DeMare	6,000	6,000
	<u>102,000</u>	<u>102,000</u>

As at December 31, 2021 \$nil (2020 - \$8,000) remained unpaid.

(b) *Other Related Party Disclosures*

(i) During fiscal 2021 and 2020 the following amounts were incurred with respect to non-management directors of the Company (Messrs. David Henstridge and Rod Johnston) and the corporate secretary (Mr. Harvey Lim) as follows:

	2021 \$	2020 \$
Professional fees - Mr. Henstridge	6,000	6,000
Professional fees - Mr. Johnston	6,000	6,000
Professional fees - Mr. Lim	6,000	6,000
	<u>18,000</u>	<u>18,000</u>

- (ii) During fiscal 2021 the Company incurred a total of \$15,900 (2020 - \$15,900) to Chase, a private corporation owned by Mr. DeMare, for accounting and administration services provided by Chase personnel, excluding Mr. DeMare. As at December 31, 2021 \$1,700 (2020 - \$2,500) remained unpaid.

Outstanding Share Data

The Company's authorized share capital is unlimited common shares with no par value. As at March 11, 2022 there were 28,032,825 common shares issued and outstanding.