



## **SAVILLE RESOURCES INC.**

### **MANAGEMENT DISCUSSION & ANALYSIS**

**For the Year ended April 30, 2022**

---

The following is a discussion and analysis of the operations, results, and financial position of Saville Resources Inc. (the “Company”) for the year ended April 30, 2022, and should be read in conjunction with the audited financial statements for the year ended April 30, 2022, which have been prepared in Canadian dollars and in accordance with International Financial Reporting Standards (“IFRS”).

The effective date of this report is August 23, 2022.

#### **DESCRIPTION OF BUSINESS**

The Company is an exploration stage company engaged in the business of acquiring, exploring and, if warranted, developing mineral resource properties, and placing such properties into production. The Company holds interests in mineral properties in Quebec and is looking at expanding its portfolio of mineral properties. The Company’s current properties do not contain a known ore body. The Company owns no producing properties and, consequently, has no current operating income or cash flow. Operations are primarily funded by equity subscriptions.

The Company’s primary asset is the Niobium Claim Group Property located in Nunavik, Quebec (the “Property”). The Company holds an Option to acquire up to a 75% interest in the Property from Commerce Resources Corp. (“Commerce”), subject to spending \$5,000,000 in exploration expenditures over a five (5) year period. The Property is an early-stage mineral exploration asset and is prospective for carbonatite-hosted niobium, tantalum, phosphate, and fluor spar, with numerous occurrences having been discovered to date; most notably, the Mallard and Miranna Prospects.

The Company plans to continue its exploration of the Property with the objectives of delineating the Mallard Prospect and advancing it towards an initial mineral resource estimate, drill testing at depth the Miranna Prospect, and drill testing the numerous other showings and geophysical anomalies that remain to be drill tested. Attaining these objectives is subject to financing and continued exploration success.

Since acquiring the Option, the Company’s exploration programs have included prospecting and rock sampling, ground geophysics, and diamond drilling. The dominant exploration tool employed to date has been diamond drilling, including 1,730 m over eight (8) drill holes at Mallard (2019 & 2021), and 681 m over four (4) drill holes at Miranna (2021). Drill results received to date have been very encouraging returning wide intercepts of niobium mineralization, including 1.39% Nb<sub>2</sub>O<sub>5</sub> over 5.1 m, within a larger interval of 0.82% Nb<sub>2</sub>O<sub>5</sub> over 42.3 m (EC21-175) at Mallard, and 1.20% Nb<sub>2</sub>O<sub>5</sub> over 3.1 m, within a larger interval of 0.72% Nb<sub>2</sub>O<sub>5</sub> over 20.4 m (EC21-180) at Miranna. To date, an estimated \$2.0M in exploration expenditures has been incurred by the Company in its exploration of the Property.

Exploration to date by the Company on the Niobium Claim Group Property has been very successful, returning some of best niobium mineralized drill results to date. At this time, the Company is committed



## **SAVILLE RESOURCES INC.**

### **MANAGEMENT DISCUSSION & ANALYSIS**

**For the Year ended April 30, 2022**

---

to vesting its Option and acquiring a 75% interest in the Property and intends to continue drilling at the Mallard and Miranna prospects, as well as drill test other targets on the Property. The scope and aggressiveness of the exploration at the Property is subject to financing in the public markets and continued exploration success.

#### **YEAR-TO-DATE HIGHLIGHTS**

- On June 24, 2021, the Company completed a non-brokered private placement, issuing 6,800,000 NFT Units at a price of \$0.05 per NFT Unit for gross proceeds of \$340,000 and 5,696,667 FT Shares at a price of \$0.06 per FT Share for gross proceeds of \$341,800.
- On June 28, 2021, the Company announced plans to complete a 1,000 m diamond drill program (NQ core size) on the Property. The program would follow-up on the encouraging results returned from the 2019 drilling at the Mallard Prospect, as well as complete the first drill holes to date at the Miranna Prospect.
- On July 22, and 29, 2021, respectively, the Company provided an interim update to the market as well as announced the completion of the previously announced drill program at the Property. A total of 1,349 m of NQ size coring was completed and included three (3) holes (681 m) at the Mallard Prospect, and four (4) holes (668 m) at the Miranna Prospect. The drill holes completed at Mallard were approximate 50 m step-outs along strike to the southeast of the high-grade intersection in drill hole EC19-174A, which was completed as the final drill hole of the 2019 program. At Miranna, the first two holes tested the eastern margin of the magnetic high that defines the target, with the next two holes targeting the central and northern margins of the target, respectively. The Company is pleased to report that coarse-grained (up to 0.5 cm) pyrochlore mineralization has been observed in each Miranna drill hole, primarily hosted within a magnetite-calcite carbonatite rock unit. Core sample assays for the 2021 drill program remain to be received.
- On November 1, 2021, the Company announced drill results from the Mallard Prospect, completed as part of the 2021 drill program at the Niobium Claim Group Property. The drilling at Mallard (3 holes totally 681 m) returned the best niobium intercept to date from the Property at 1.00% Nb<sub>2</sub>O<sub>5</sub> over 17.1 m, within a larger interval of 0.82% Nb<sub>2</sub>O<sub>5</sub> over 42.3 m, including a peak sample assay of 1.73% Nb<sub>2</sub>O<sub>5</sub>. In addition to the high-grades of niobium, drill intercepts continue to return coincident and significant tantalum and phosphate mineralization.
- On December 8, 2021, the Company announced drill results from the Miranna Prospect, completed as part of the 2021 drill program at the Niobium Claim Group Property. The four drill



## **SAVILLE RESOURCES INC.**

### **MANAGEMENT DISCUSSION & ANALYSIS**

**For the Year ended April 30, 2022**

---

holes completed at Miranna are the first to date to test the Prospect and were scoping in nature. Each drill hole, ranging in depth from 140 m to 236 m, was designed to test a different area of the geophysical anomaly that defines the prospect – the north-northwest margin, east-northeast margin, and the anomaly centre – with the objective of identifying the most prospective area for follow-up. The Company is pleased to report that drill hole EC21-180 achieved this objective, returning significant mineralization downhole, including 1.20% Nb<sub>2</sub>O<sub>5</sub> over 3.1 m within a larger interval of 0.72% Nb<sub>2</sub>O<sub>5</sub> over 20.4 m. The potential of this area is further emphasized by the additional mineralization encountered from surface in drill hole EC21-180 at 0.61% Nb<sub>2</sub>O<sub>5</sub> over 7.9 m.

- On December 24, 2021, the Company completed a non-brokered private placement issuing 1,575,000 units (each, an “NFT Unit”) at a price of \$0.05 per NFT Unit for gross proceeds of \$78,750 (the “NFT Offering”), and 8,300,000 shares (each, an “FT Share”) at a price of \$0.05 per FT Share for gross proceeds of \$415,000 (the “FT Offering”). Each NFT Unit consists of one common share of the Company (each, an “NFT Share”) and one non-transferable common share purchase warrant (each, an “NFT Warrant”), with each NFT Warrant entitling the holder to purchase one NFT Share for a period of three years following the closing of the Offering (the “Closing”) at an exercise price of \$0.075 per NFT Share. Each FT Share will be issued on a “flow-through” basis pursuant to the Income Tax Act (Canada) (each, an “FT Share”). The Company paid a cash finder’s fee of \$20,000 and issued an aggregate of 400,000 broker warrants to a certain finder. Each broker warrant is exercisable into one non flow-through common share at an exercise price of \$0.075 per non flow-through common share until December 24, 2024. The aggregate proceeds from the share of flow-through shares will be used for exploration and development of the Company’s Niobium Claim Group Property in Quebec. The aggregate gross proceeds from the sale of the non flow-through units will be used for general working capital purposes.

## **RESOURCE PROPERTIES**

### **Niobium Claim Group Property**

On January 11, 2018, the Company entered into an exploration Earn-in Agreement with Commerce for a group of claims (collectively termed “the Niobium Claim Group Property), that comprise a subset of claims within the Eldor Property, QC, which is wholly owned by Commerce (the “Property”). Under the exploration Earn-in Agreement, the Company has agreed to perform \$5M CAD of exploration expenditures on the Property over a five-year period to earn a 75% interest in the claims. The Company made a payment of \$25,000 upon signing and a payment of \$225,000 following TSX Venture Exchange



## **SAVILLE RESOURCES INC.**

### **MANAGEMENT DISCUSSION & ANALYSIS**

**For the Year ended April 30, 2022**

---

approval on October 11, 2018. Commerce will retain a 2% Net Smelter Royalty (NSR) on production from some of the claims with a 1% NSR buyback for \$1M CAD, and a 1% NSR on the claims that are already subject to royalties. A NI 43-101 Technical Report on the Property was completed subsequent to execution of the Agreement.

The Technical Report recommended a two-phase exploration approach for the Property. Phase I recommended focusing on refining drill targets and included geological modelling of historic drill intercepts, as well as surface follow-up. Phase II recommended 6,000 metres of diamond drilling to test new targets, as well as further evaluation and expansion of known mineralized horizons. Overall, the work recommended focusing on the Southeast Area (i.e. the Mallard Prospect), where the strongest potential has been identified, as well as the Miranna Target. The estimated budget proposed was \$693,000 for Phase I and \$5,132,000 for Phase II, for a combined total budget of \$5,825,000.

In fall 2018, the Company executed a surface exploration program consisting of prospecting and rock sampling as well as a ground magnetic geophysical survey. On December 5, 2018, the Company announced the results of the program with 14 rock samples assaying >0.80% Nb<sub>2</sub>O<sub>5</sub> to a peak of 1.50% Nb<sub>2</sub>O<sub>5</sub>. The surface work was followed-up with the Company's maiden drill program on the Property, focused on the Mallard Target (also known as the Mallard Prospect). The objective of the program was to test the south-eastern extension of the high-grade and near-surface intercepts returned historically from drill hole EC10-033. The program was highly successful returning strong intercepts, highlighted by drill hole EC19-174A which assayed 0.80% Nb<sub>2</sub>O<sub>5</sub> over 31.5 m, including 0.98% Nb<sub>2</sub>O<sub>5</sub> over 13.5 m or 1.36% Nb<sub>2</sub>O<sub>5</sub> over 4.5 m, as well as several other high-grade intercepts down hole. The 2019 drill program extended the mineralized strike at Mallard to the southeast by approximately 100 m, and further, is marked by a notable increase in grade and width of the mineralized horizon(s).

In early 2020, a preliminary mineralogical analysis was completed on a suite of rock samples from the Mallard Prospect. The analysis indicated that 1) pyrochlore and columbite are the dominant niobium minerals present, 2) niobium has been mobilized which is a mechanism that could enhance the grade of a deposit, and 3) the mineralogy supports the model of a continuous niobium mineralized trend through the complex.

Drilling continued in 2021 and included three (3) holes totalling 681 m at the Mallard Prospect, and four (4) holes totalling 668 m at the Miranna Prospect. The 2021 drilling at Mallard returned the best niobium intercept to date from the Property at 1.00% Nb<sub>2</sub>O<sub>5</sub> over 17.1 m, within a larger interval of 0.82% Nb<sub>2</sub>O<sub>5</sub> over 42.3 m, including a peak sample assay of 1.73% Nb<sub>2</sub>O<sub>5</sub>. The initial drilling at Miranna also returned significant mineralization, including 1.20% Nb<sub>2</sub>O<sub>5</sub> over 3.1 m within a larger interval of 0.72% Nb<sub>2</sub>O<sub>5</sub> over 20.4 m.

The Mallard Prospect is the most advanced prospect on the Property and is characterized by a series of subparallel, elongated, moderate to steeply dipping, northwest-trending mineralized horizons that



## **SAVILLE RESOURCES INC.**

### **MANAGEMENT DISCUSSION & ANALYSIS**

**For the Year ended April 30, 2022**

---

extend from surface and remain open in all directions. A total of 2,490 m over nine (9) drill holes have been completed historically (2008 and 2010), and 1,730 m over eight (8) drill holes now completed by the Company (2019 and 2021). Each drill program at Mallard has expanded size the Prospect as well as returned progressively stronger mineralized intercepts, including 1.00% Nb<sub>2</sub>O<sub>5</sub> over 17.1 m, within a larger interval of 0.82% Nb<sub>2</sub>O<sub>5</sub> over 42.3 m, which was returned from the most recent drill program completed in 2022 (see news release dated November 1<sup>st</sup>, 2021).

The Miranna Prospect is characterized by a strongly mineralized (niobium-tantalum-phosphate), glacially dispersed boulder train with an apex that correlates with a distinct magnetic high anomaly, which is interpreted to be the source. Sample assays of the mineralized boulders from the train include 5.93% Nb<sub>2</sub>O<sub>5</sub>, 310 ppm Ta<sub>2</sub>O<sub>5</sub>, and 11.5% P<sub>2</sub>O<sub>5</sub>; and 4.30% Nb<sub>2</sub>O<sub>5</sub>, 240 ppm Ta<sub>2</sub>O<sub>5</sub>, and 13.4% P<sub>2</sub>O<sub>5</sub>; as well as multiple additional samples grading over 1% Nb<sub>2</sub>O<sub>5</sub>. In 2021, four (4) drill holes totalling 668 m were completed at Miranna, representing the first drill testing of the target. The program was very successfully, returning significant mineralization, including 1.20% Nb<sub>2</sub>O<sub>5</sub> over 3.1 m within a larger interval of 0.72% Nb<sub>2</sub>O<sub>5</sub> over 20.4 m.

#### **Covette Property**

On November 27, 2017, the Company entered into an agreement with Zimtu Capital Corp. (“Zimtu”) to acquire a 100% interest in and to the Covette Property, located in the James Bay Region of Quebec. The Covette Property is located approximately 190 km east of Raddison and 10 km north of the all-weather Trans-Taiga road and adjacent LG-3 transmission line. In exchange for 100% of the right, title, and interest in and to the Covette Property, consisting of 65 mineral claims, the Company paid the vendor \$350,000 in cash. This transaction was approved by the TSX Venture Exchange on June 28, 2018.

In early 2017, a 1,402-line kilometer airborne electromagnetic survey (VTEM) was flown and indicated several anomalies of interest on the Covette Property. The anomalies were followed up on during a five-day reconnaissance program carried out in late August 2017. Geochemical results from grab sampling returned anomalous metal values including 0.18% Ni, 0.09% Cu, and 87 ppm Co. In mid-June 2018, a 2-day ground-based reconnaissance program was initiated on the Covette Property, and nine samples were collected from an oxidized and foliated amphibolitic rock unit. The samples were sent to AGAT laboratories for assay with the best sample returning values of 1.2% zinc and 68.7 g/t silver. Elevated values of 0.13% to 0.19% nickel were also returned from the other samples collected.

In addition to the exploration work, a NI 43-101 Technical Report was completed on the Covette Property, with effective date April 15, 2018, which was accepted by the TSX Venture Exchange.



## SAVILLE RESOURCES INC.

### MANAGEMENT DISCUSSION & ANALYSIS

For the Year ended April 30, 2022

The components of exploration and evaluation assets are as follows:

	Niobium Claim Group Property		Covette Property		Total
Balance, April 30, 2020	\$	1,262,614	\$	324,127	\$ 1,586,741
Assays and analytical		5,405		-	5,405
Field supplies and rentals		3,850		-	3,850
Geological expenses		10,993		-	10,993
Travel and accommodation		84		-	84
Total property costs for the year		20,332		-	20,332
Less: Mining tax credits received		(29,025)		-	(29,025)
Balance, April 30, 2021	\$	1,253,921	\$	324,127	\$ 1,578,048
Staking		-		1,963	1,963
Assays and analytical		60,006		-	60,006
Drilling		279,985		-	279,985
Field supplies and rentals		173,976		-	173,976
Geological expenses		239,419		-	239,419
Permitting		418		-	418
Travel and accommodation		326,233		-	326,233
Total property costs for the year		1,080,037		1,963	1,082,000
Balance, April 30, 2022	\$	2,333,958	\$	326,090	\$ 2,660,048

### RESULTS OF OPERATIONS

The net loss for the year ended April 30, 2022 was \$269,295 compared to a net loss of \$352,775 for the year ended April 30, 2021, a difference of \$83,480. The decreased loss is due to the recovery of deferred income tax due the flow through related expenditures incurred during the year, offset by an increase in advertising and travel costs and an increase in the unrealized loss on marketable securities. During the year ended April 30, 2022, the significant differences from the prior year include the following:

- advertising and travel expenses increased to \$98,085 (2021 – \$61,403) due to the signing of the Zimtu Advantage investor relations agreement,



## SAVILLE RESOURCES INC.

### MANAGEMENT DISCUSSION & ANALYSIS

For the Year ended April 30, 2022

- salaries and consulting fees increased to \$108,340 (2021: \$87,640) as the Company received government grants in the prior year due to COVID,
- unrealized loss on marketable securities increased to \$46,667 (2021 - \$11,666) based on the fair market value of the shares received for the sale of the Bud Property in 2020, and
- deferred income tax recovery increased to \$183,297 (2021 - \$nil) due to eligible flow-through expenditures incurred during the period.

#### SELECTED FINANCIAL INFORMATION

Quarterly data for the last eight quarters:

	April 30, 2022	January 31, 2022	October 31, 2021	July 31, 2021	April 30, 2021	January 31, 2021	October 31, 2020	July 31, 2020
Revenues	-	-	-	-	-	-	-	-
G&A Expenses	89,390	96,441	111,141	108,972	126,366	85,915	66,301	72,638
Other loss (Income)	9,703	19,445	5,833	11,667	21,772	(19,059)	108,879	(110,037)
Net Loss (Income)	97,116	113,741	412	58,026	148,138	66,856	175,180	(37,399)
-per share	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
-per share-diluted	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Assets	3,255,369	3,308,829	3,058,779	2,915,731	2,302,862	2,392,100	1,781,387	1,933,609
Liabilities (L.T.)	275,978	274,577	33,230	31,935	30,691	29,594	21,260	20,432
Cash Dividends	-	-	-	-	-	-	-	-
Working Capital (Deficiency)	403,016	511,787	35,795	755,947	551,662	725,196	65,659	245,854
Share Capital:								
-Authorized	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
-Outstanding	101,846,567	101,846,567	91,971,567	91,971,567	79,474,900	79,474,900	63,415,400	63,415,400
-Warrants	15,138,933	15,228,933	13,253,933	13,253,933	6,196,100	6,104,500	90,000	18,980,020
-Options	5,225,000	5,225,000	5,225,000	5,225,000	5,225,000	5,225,000	5,225,000	5,225,000

The net loss for the three months ended April 30, 2022 was \$97,116 compared to a net loss of \$148,138 for the three months ended April 30, 2021, a difference of \$51,022. The decreased loss is mostly due to the unrealized loss on marketable securities and the reduced spending on advertising and travel during the period. During the three months ended April 30, 2022, the significant differences from the prior year's period include the following:



## SAVILLE RESOURCES INC.

### MANAGEMENT DISCUSSION & ANALYSIS

For the Year ended April 30, 2022

- advertising and travel decrease to \$240 (2021: \$37,957) due to the expiry of the Zimtu Advantage agreement prior to the period, and
- unrealized loss on marketable securities decreased to \$9,722 (2021 - \$23,333) based on the fair market value of the shares received for the sale of the Bud Property in 2020.

**Table 1 – Share Capital**

	<b>August 23, 2022</b>	<b>April 30, 2022</b>	<b>April 30, 2021</b>
Shares	101,846,567	101,846,567	79,474,900
Warrants	15,138,933	15,138,933	6,196,100
Stock options	5,225,000	5,225,000	5,225,000
Fully Diluted	<b><u>122,210,500</u></b>	<b><u>122,210,500</u></b>	<b><u>90,896,000</u></b>

On June 24, 2021, the Company completed a non-brokered private placement, issuing 6,800,000 non flow-through units (each, a “NFT Unit”) at a price of \$0.05 per NFT Unit for gross proceeds of \$340,000 and 5,696,667 flow-through shares (“FT Shares”) at a price of \$0.06 per FT Share for gross proceeds of \$341,800.

On December 24, 2021, the Company completed a non-brokered private placement issuing 1,575,000 units (each, an “NFT Unit”) at a price of \$0.05 per NFT Unit for gross proceeds of \$78,750 (the “NFT Offering”), and 8,300,000 shares (each, an “FT Share”) at a price of \$0.05 per FT Share for gross proceeds of \$415,000 (the “FT Offering”).

On February 4, 2022, 90,000 warrants priced at \$0.10 expired unexercised.

### SELECTED ANNUAL INFORMATION

	<b>Year ended</b>	<b>Year ended</b>	<b>Year ended</b>
	<b>April 30, 2022</b>	<b>April 30, 2021</b>	<b>April 30, 2020</b>
Revenues	-	-	-
G & A Expenses	405,944	350,392	600,143
Net Loss	269,295	352,775	842,981
(Loss) Earnings per share - basic and diluted	(0.00)	(0.01)	(0.01)
Working Capital (Deficiency)	403,016	551,662	210,569
Total Assets	3,255,369	2,302,862	1,854,847
Exploration and evaluation assets	2,660,048	1,578,048	1,586,741
Liabilities (L.T.)	275,978	30,691	19,636
Cash dividends	-	-	-



## **SAVILLE RESOURCES INC.**

### **MANAGEMENT DISCUSSION & ANALYSIS**

**For the Year ended April 30, 2022**

---

#### **Other MD&A Requirements**

##### Risk Factors

An investment in securities of the Company is speculative and involves significant risks and uncertainties which should be carefully considered by prospective investors before purchasing such securities. The occurrence of any one or more of these risks and uncertainties could have a material adverse effect on the value of any investment in the Company and on the business, prospects, financial position or operating results of the Company. The risks noted below do not necessarily comprise all those faced by the Company.

- The Company faces liquidity issues that threaten its ability to continue as a going concern. The Company has no current source of operating revenue. Should there be a funding shortfall, there can be no assurance that financing would be available on terms acceptable to the Company. There can be no assurance that management will be able to adequately reduce costs or secure additional financing if required. If funding is not obtained in a timely manner, the Company may not be able to continue as a going concern.
- Fluctuations in the market prices of minerals will affect the profitability of the Company's operations and its financial condition. The Company's revenues, if any, are expected to be in large part derived from the extraction and sale of minerals or interests related thereto. The price of those commodities has fluctuated widely, particularly in recent years, and is affected by numerous factors beyond the Company's control, including international, economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, speculative activities and increased production due to new extraction developments and improved extraction and production methods. The effect of these factors on the price of minerals, and therefore the economic viability of any of the Company's current exploration projects cannot accurately be predicted.
- The Company's potential profitability is partly dependent upon factors beyond the Company's control. As with other enterprises in the mining industry, the Company's mineral exploration and development related activities are subject to conditions beyond the Company's control that may impact upon the potential profitability of its mineral projects. For instance, world prices of and markets for minerals are unpredictable, highly volatile, potentially subject to governmental interference, currency pegging and/or controls and respond to changes in domestic, international, political, social and economic environments.
- Another factor is that rates of recovery of minerals from mined ore may vary from the rates experienced in tests and a reduction in the recovery rates will adversely affect profitability and, possibly, the economic viability of its projects.



## **SAVILLE RESOURCES INC.**

### **MANAGEMENT DISCUSSION & ANALYSIS**

**For the Year ended April 30, 2022**

---

Profitability will also depend on the costs of operations, including costs of labour, equipment, electricity, environmental compliance, diesel prices and other production inputs, the discovery and/or acquisition of additional mineral reserves and mineral resources, the successful conclusion of feasibility and other mining studies, access to adequate capital for project development and sustaining capital, design and construction of efficient mining and processing facilities within capital expenditure budgets; securing and maintaining title to concessions and other mining rights, obtaining permits, consents and approvals necessary for the conduct of exploration, development, construction and production, the ability to procure major equipment items and key consumables in a timely and cost-effective manner. Such costs will fluctuate in ways the Company cannot predict and are beyond the Company's control, and such fluctuations will impact on profitability and may eliminate profitability altogether. Additionally, due to worldwide political and economic uncertainty, the availability and cost of funds for development and other costs have become increasingly difficult, if not impossible, to predict. These changes and events may materially affect the Company's financial performance.

#### Global Risks

Early in 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. The Company's ability to raise the additional capital required for Phase II may be affected by the current uncertainties of the global market

#### Liquidity and Capital Resources

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due. The Company manages this risk by careful management of its working capital to ensure its expenditures will not exceed share capital financings or proceeds from property sales or options. As at April 30, 2022, the Company had working capital of \$403,016 (2021 – \$551,662).

The Company's ability to continue as a going concern is dependent upon the Company's ability to satisfy its liabilities as they become due and to obtain the necessary financing to complete the exploration and development of its mineral property interests, the attainment of profitable mining operations. Management is actively engaged in the review and due diligence of opportunities of merit in the mining



## **SAVILLE RESOURCES INC.**

### **MANAGEMENT DISCUSSION & ANALYSIS**

**For the Year ended April 30, 2022**

---

sector and is seeking to raise the necessary capital to meet its funding requirements. The conditions described above may cast significant doubt as to the appropriateness of the use of the going concern assumption. Management of the Company does not expect that cash flows from the Company's operations will be sufficient to cover all of its operating requirements, financial commitments and business development priorities during the next twelve months. Accordingly, the Company expects that it will need to obtain further financing in the form of debt, equity or a combination thereof for the next twelve months. There can be no assurance that additional funding will be available to the Company, or, if available, that this funding will be on acceptable terms. If adequate funds are not available, the Company may be required to delay or reduce the scope of any or all of its development projects.

#### Financial Instruments

##### Fair Value

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.

As at April 30, 2022, the Company's marketable securities were measured at FVTPL and are using Level 1 inputs.

The Company's other financial assets and liabilities measured at amortized cost, including cash, receivables (excluding tax receivables) and accounts payable and accrued liabilities, the fair values of these financial instruments approximate their carrying values due to the relatively short-term maturity of these instruments.

The fair value of the Company's loan payable were measured at the initial recognition date using Level 2 inputs.

The Company is exposed to a variety of financial instrument related risks. The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

##### Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist



## SAVILLE RESOURCES INC.

### MANAGEMENT DISCUSSION & ANALYSIS

For the Year ended April 30, 2022

principally of cash. To minimize the credit risk the Company places these instruments with a high credit quality financial institution.

#### Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company ensures that there is sufficient working capital to fund its ongoing operating expenditures, after taking into account cash flows from operations and the Company's holdings of cash and short-term investment. As at April 30, 2022, the Company had a working capital of \$403,016 (2021 - \$551,662).

#### Additional Disclosure for Venture Issuers without Significant Revenue

As the Company has not had significant revenue from operations in its last three financial years, the following is a breakdown of the material costs incurred:

	Year ended April 30		
	2022	2021	2020
Capitalized Exploration and Evaluation Costs	\$2,660,048	\$1,578,048	\$1,586,741
Capitalized Property held for Sale	Nil	Nil	Nil
General and Administration Expenses	\$405,944	\$350,392	\$600,143
Gain on sale of marketable securities	Nil	Nil	Nil
Gain (loss) on sale of mineral properties	Nil	Nil	(\$246,079)

#### RELATED PARTY TRANSACTIONS

The Company incurred the following transactions in the normal course of operations during the year ended April 30, 2022 and 2021:

<b>Key Management Compensation</b>	<b>2022</b>	<b>2021</b>
Salaries and consulting fees	\$ 96,000	\$ 96,000

The transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

As at April 30, 2022 and 2021, there was \$nil due from (to) the related parties of the Company.



## **SAVILLE RESOURCES INC.**

### **MANAGEMENT DISCUSSION & ANALYSIS**

**For the Year ended April 30, 2022**

---

#### **COMMITMENTS**

On June 1, 2017, the Company entered into a Management & Administration Agreement (“Agreement”) with Zimtu Capital Corp. (“Zimtu”). Under the terms of the Agreement, Zimtu will provide the Company with administrative and managerial services, including corporate maintenance, continuous disclosure services, rent, and office space, at a rate of \$12,500 per month. The Agreement has been continually renewed each year. The agreement expiring November 30, 2021 was renewed on December 1, 2021 for a further twelve months.

On December 15, 2020, the Company signed an agreement with Zimtu Capital Corp. whereas Zimtu will provide services under the ZimtuADVANTAGE program. The Company paid \$140,000 up front for the initial 12-month term and expense it on a monthly basis. Upon expiry, the program was not renewed.

#### **CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments and estimates about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The following are the critical judgments and areas involving estimates, that management have made in the process of applying the Company’s accounting policies and that have the most significant effect on the amount recognized in the financial statements.

##### **a) Critical judgments in applying accounting policies**

###### Going concern assumption

These financial statements have been prepared on the basis of the accounting principles applicable to a going concern, which assumes the Company’s ability to continue in operation for the foreseeable future and to realize its assets and discharge its liabilities in the normal course of operations. There are several adverse conditions that cast substantial doubt upon the soundness of this assumption.

###### Exploration and evaluation assets

The Company makes certain judgements and assumptions regarding indicators of impairment and the recoverability of the carrying values of exploration and evaluation assets. Management has



## **SAVILLE RESOURCES INC.**

### **MANAGEMENT DISCUSSION & ANALYSIS**

**For the Year ended April 30, 2022**

---

assessed for impairment indicators for the Company's properties and has concluded that no indicators of impairment as at April 30, 2022 or 2021.

#### **b) Key sources of estimation uncertainty**

##### Income taxes

Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such determination is made.

##### Fair value of share-based payment

Management measures the fair value of equity-settled share-based transactions with officers, directors and consultants by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. The Company uses Black-Scholes option pricing model. This estimate also requires determining and making assumptions about the most appropriate inputs to the valuation model including the expected life, volatility, dividend yield and forfeiture rate. Such assumptions are inherently uncertain and changes in these assumptions affect the fair value estimates.

##### Interest rate on government loan

The government loan is measured at fair value based on management's best estimate of the effective interest rate at initial recognition. The fair value is also based on the Company's estimate that the amount will be fully repaid on December 31, 2022.

#### **DISCLOSURE CONTROLS AND PROCEDURES**

The Chief Executive Officer and Chief Financial Officer, of the Company have evaluated or caused to be evaluated for effectiveness the Company's disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR") which have been designed or caused to be designed under their supervision in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian GAAP. The Company took into consideration the following two characteristics common to companies of a similar size:

1. The limited number of personnel in smaller companies, which constrains the Company's ability to fully segregate conflicting duties;



## **SAVILLE RESOURCES INC.**

### **MANAGEMENT DISCUSSION & ANALYSIS**

**For the Year ended April 30, 2022**

---

2. The Company relies on an active board of directors, and management with open lines of communication to maintain the effectiveness of the Company's disclosure controls and procedures.

In addition, management has relied upon certain informal procedures and communication, and upon "hands-on" knowledge of senior management to maintain the effectiveness of disclosure controls and procedures. As a result of the evaluation, the Company has concluded that the DC&P and ICFR are effective as required by its current size, and in compliance with the recommendations of National Instrument 52-109. However, there can be no assurance that the risk of a material misstatement in the financial statements can be reduced to less than a remote likelihood. There have been no changes in the Company's internal control over financial reporting during the years ended April 30, 2022 and 2021, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

#### **FORWARD LOOKING STATEMENTS**

This Management Discussion and Analysis of Financial Condition and Results of Operations contains "forward-looking information" which include, but is not limited to, information about the transactions, statements with respect to the future financial or operating performances of the Company and its projects, the future price of metals, the estimation of mineral reserves and resources, the realization of mineral reserve estimates, the timing and amount of estimated future production revenues, margins, costs of production, capital, operating and exploration expenditures, costs and timing of the development of new deposits, costs and timing of future exploration, cost and timing of plant and equipment, requirements for additional capital, government regulation of mining operations, environmental risks, reclamation and rehabilitation expenses, title disputes or claims, limitations of insurance coverage and the timing and possible outcome of pending litigation and regulatory matters. Often, but not always, forward-looking information statements can be identified by the use of words such as "proposes", "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes", or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might", or "will" be taken, occur or be achieved.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities and feasibility studies; assumptions in economic evaluations that may prove inaccurate; fluctuations in the value of the Canadian or US dollar; future prices of metals; possible variations of ore grade or recovery rates; failure of plant or equipment or failure to operate as anticipated; accidents; labour disputes or slowdowns or



## **SAVILLE RESOURCES INC.**

### **MANAGEMENT DISCUSSION & ANALYSIS**

**For the Year ended April 30, 2022**

---

other risks of the mining industry; climatic conditions; political instability; or arbitrary decisions by government authorities.

#### **OFF-BALANCE SHEET ARRANGEMENTS**

- None.

#### **APPROVAL**

The Board of Directors of Saville Resources Inc. has approved the disclosure contained in this MD&A on August 23, 2022.