

ARCPACIFIC RESOURCES CORP.

Management Discussion and Analysis

For the years ended January 31, 2021 and 2020

The Management Discussion and Analysis (“MD&A”), prepared May 31, 2021 should be read in conjunction with the audited consolidated financial statements and notes thereto for the years ended January 31, 2021 and 2020 of ArcPacifc Resources Corp. (“ArcPacifc” or the “Company”), which were prepared in accordance with International Financial Reporting Standards (“IFRS”). All dollar amounts referred to in this MD&A are expressed in Canadian dollars, unless otherwise noted.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A constitute forward-looking statements. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as “seek”, “anticipate”, “plan”, “continue”, “estimate”, “designed”, “expect”, “may”, “will”, “project”, “predict”, “potential”, “targeting”, “intend”, “could”, “might”, “should”, “believe” and similar expressions. These statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements. Based on current available information, the Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that those expectations will prove to be correct. The forward-looking statements in this MD&A are expressly qualified by this statement, and readers are advised not to place undue reliance on the forward-looking statements.

DESCRIPTION OF BUSINESS

The Company was incorporated pursuant to the British Columbia Business Corporations Act on February 1, 2011 as Guiana Shield Goldfields Inc. The Company changed its name to ArcPacifc Resources Corp. The Company’s shares are listed for trading on the TSX Venture Exchange under the symbol “ACP”. The address of the Company’s corporate office and its principal place of business is 1001 - 1166 Alberni Street, Vancouver, British Columbia, Canada V6E 3Z3.

The principal business of the Company is the identification, evaluation and acquisition of mineral properties in Canada. At January 31, 2021, the Company owned a 100% interest in the Lucky Mike Mineral Property, the Rickard Gold Mine Property, the Mine Property adjacent to the Rickard Gold Mine Property, the Three Crown Patents adjacent to the Rickard Gold Mine Property, the Blackdome Mineral Property and the Silver Lode Claims (collectively “the Properties”). During the year ended January 31, 2021, the Company has been active in investigating the viability of the Rickard Gold Mine Property and the Lucky Mike Mineral Property. The Company has not yet determined whether any of the properties it owns may contain a mineral resource that may eventually be economically recoverable. The economic viability of the Properties will depend on the establishment of ore reserves, the confirmation of the Company’s interest in the mineral claims and the ability of the Company to obtain the necessary financing to complete its development and place it into commercial production.

On August 7, 2020, the Company acquired a 100% interest in the Blackdome mineral property (the “Blackdome Property”), pursuant to the option agreement (the “Blackdome Option Agreement”) the Company entered into on July 17, 2020. The Blackdome Property is located in the Clinton Mining Division approximately 120 kilometers southwest of the city of Williams Lake, British Columbia and the Blackdome Property is considered to be prospective for gold and silver mineralization. In addition, on July 27, 2020, the Company acquired five additional mineral claims contiguous to the Blackdome Property and this significantly increased the total property size covering 3,479 hectares. The Property has been explored since 1980’s but has never been drilled. The Company initiated historic data compilation and is considering exploration programs including testing the known mineral occurrences through trenching, regional and property scale MT geophysical survey.

On August 10, 2020, the Company acquired the 2,065 Hectare “Silver Lode” claims (the “Claims”) by means of staking and has significantly expanded the Company’s land position in the historic Nicola mining division, near Merritt in southern British Columbia. The new Claims adjoin the Company’s Lucky Mike Project and brings the total land position in this prolific mining district to 8,151 Hectares.

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DESCRIPTION OF BUSINESS (CONTINUED)

On September 18, 2020, the Company purchased the Rickard Gold property pursuant to the assignment agreement entered with a private company, Tauro Capital Corp. (“Tauro”) dated September 9, 2020. The Company acquired an undivided 100% interest in and to certain mineral claims located in Ontario commonly referred to as the Rickard Gold property. Tauro previously entered into an option agreement with Recoskie Contracting Ltd and Edward J. Korba dated January 3, 2020 to acquire the property.

On November 17, 2020, the Company completed a purchase and sale agreement with an arm’s length Ontario based private company and acquired 100% of three separate crown patent land parcels totalling 500 acres. As consideration, the Company made a one-time cash payment of \$400,000. The claims are subject to a 5% NSR.

On April 15, 2021, pursuant to a share purchase agreement, the Company sold the investment in its 100% owned subsidiary US WEST LNG CORP. (“LNGCo.”) for fair value of \$1. LNGCo was initially purchased by the Company on November 18, 2019 when it acquired all of the issued and outstanding shares of LNGCo for a nominal amount of \$1. Upon the completion of the acquisition, LNGCo had no assets.

EXPLORATION AND EVALUATION ACTIVITY

Rickard Gold Mine Property

On December 15, 2020, the Company announced the completion of a detailed light detection and ranging (“LIDAR”) survey over the historic Rickard Gold Mine, located within the Timmins Gold Camp, Ontario Canada. The Company has expanded the Rickard Gold Mine property land package size by 275%, bringing the total land mass to 56.65 square kilometers.

On March 29, 2021, the Company announced that it has mobilized a diamond drill to the Rickard Gold project for the first phase of its drilling program consisting of up to 4,000 meters of NQ sized core in 15 drill holes. The Company completed the LIDAR Surface modeling which identified multiple property wide targets and 3D modelling, identifying potential for extensions of mineralized zones and parallel structures. Results from the phase 1 of the drilling program will be incorporated into the Company's expanding 3D project model providing a better understanding of the geological and structural controls on mineralization and will enable the Company to plan for a potential ramped up phase 2 program.

On April 6, 2021, the Company announced the commencement of the initial drilling program to identify and define mineralization within a series of quartz veins, varying in size from under 1 meter to several metres in width, that are historically reported to contain gold.

As of May 20, 2021, the Company has completed the drilling of holes 1-15 at the Rickard Gold Mine. All drill holes drilled to date have cut zones of quartz-carbonate veining with strong albite-sericite-silica alteration halos and the system remains open in all directions.

Outlook

- New modeling is underway which could potentially lead to additional mineralized zones that have not yet been discovered.
- Initial assays are expected to be received and reported within two to four weeks, with additional core being logged, cut, sampled and sent to the analytical lab on a continual basis.
- 15 holes have been completed to date; drilling is ongoing.

Initial results are anticipated to be released as they become available within the coming month. Additional pictures of the core have also been uploaded to the Company's website on the Rickard Gold project page.

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EXPLORATION AND EVALUATION ACTIVITY (CONTINUED)

Lucky Mike

On January 19, 2021, the Company completed an extensive data compilation program resulting in the identification of highly elevated gold, copper and silver occurrences spread across the 8,136 hectare Lucky Mike Silver Lode Project (the "LMSL" or the "Project"). The work program compiled all available data including 75 separate reports dating back as far as the 1950's into a single merged database. This data includes 11,306 rock, soil, silt and core samples containing 280,716 values for multiple elements, and multiple historic geophysical surveys.

- Compilation results show extensive areas of anomalous mineralization.
- The merged database allows for advanced and modern integration of data and analysis including:
 - Litho-geochemical and geochemical analysis for geological modeling; and
 - Artificial Intelligence ("AI") integration for advanced target generation.
- Ongoing detailed analysis of the complete merged database will produce a property geological model.
- Planned 2021 follow up work will leverage the complete dataset and analysis once finalized.

On February 25, 2021, the Company announced the following highlights on the progress of the ongoing data analysis:

- Identified multiple hydrothermal system centers in and surrounding the Project area, representing a possible "cluster" scenario.
- Observable temperature gradients in litho-geochemistry suggest tilted hydrothermal systems possibly explaining why previous drilling confined to high level part of the system.
 - New geological model suggests largest hydrothermal center remains untested.
- Unusual combinations of Silver/Lead/Zinc in conjunction with Copper/Molybdenum in places suggests overprinting of events.
 - Porphyry-epithermal signatures present, with unusual high silver values.
- Three main zones outlined on LMSL Project:
 - Sunshine Area: silver-lead-zinc-copper-gold structurally controlled breccias and stockwork.
 - Lucky Mike Area: copper-gold-molybdenum porphyry environment with proximal silver-lead zinc-copper and tungsten skarns.
 - Corona Area: high grade silver veins in possible chimney or skarn setting.
- Drilling permit and Induced Polarization (IP) permit application has now been submitted for potential 2021 program.
- New maps and full litho-geochemical interpretation and summaries are available on the Company's website on the LMSL project page.

Outlook

The litho-geochemical analysis of the LMSL project showed that geochemical signals in the Project area are consistent with a series of hydrothermal centers present at varying levels of exposure at surface. These range from the litho cap/advanced argillic environment down to a high temperature potassic level. Porphyry-epithermal signatures are present but are unusually associated with distinctively high silver values. This may represent overprinting events, or reflect high host rock reactivity and skarn formation during the early onset of an evolving system.

In the context of superimposed and genetically related skarn/porphyry systems, the patterns observed could be explained adequately. Carbonate horizons in the Nicola or Ashcroft likely captured early base and precious metal fluids as skarns and the evolving system could generate sericite in volcanic facies of the Nicola in proximity to said skarns.

Based on the positive results from the data analysis, the Company has now submitted diamond drilling permit and Induced Polarization (IP) application for a possible planned 2021 program.

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EXPLORATION AND EVALUATION ACTIVITY (CONTINUED)

Qualified Person

Mr. Adrian Smith, P. Geo., a Qualified Person within the meaning of National Instrument 43-101, and the CEO of the Company, has reviewed the technical information in this MD&A.

EXPLORATION AND EVALUATION ASSETS

Summary of exploration and evaluation assets for the years ended January 31, 2021 and 2020:

| | Lucky Mike | Rickard Gold | Rickard Adjacent | Three Crown Patents | Blackdome Property | Total |
|---|------------|--------------|------------------|---------------------|--------------------|------------|
| Acquisition costs | | | | | | |
| Balance as at January 31, 2019 and 2020 | \$108,123 | \$ - | \$ - | \$ - | \$ - | \$ 108,123 |
| Addition | - | 137,275 | 20,000 | 400,035 | 37,000 | 594,310 |
| Balance as at January 31, 2021 | \$108,123 | \$ 137,275 | \$ 20,000 | \$ 400,035 | \$ 37,000 | \$ 702,433 |
| Exploration costs | | | | | | |
| Balance, January 31, 2019 | \$(73,267) | \$ - | \$ - | \$ - | \$ - | \$(73,267) |
| Geological | 500 | - | - | - | - | 500 |
| Exploration costs | 7,997 | - | - | - | - | 7,997 |
| Balance, January 31, 2020 | (64,770) | - | - | - | - | (64,770) |
| Geological | 40,260 | 5,600 | - | - | - | 45,860 |
| Mineral claims | 5,062 | 9,050 | - | - | - | 14,112 |
| Professional fees | - | - | 8,560 | 4,540 | - | 13,100 |
| Balance, January 31, 2021 | (19,448) | 14,650 | 8,560 | 4,540 | - | 8,302 |
| Total costs January 31, 2021 | \$ 88,675 | \$151,925 | \$28,560 | \$404,575 | \$ 37,000 | \$ 710,735 |
| Total costs January 31, 2020 | \$43,353 | - | - | - | - | \$ 43,353 |

Lucky Mike Mineral Project, British Columbia

On July 20, 2011, the Company entered into an Option Agreement (the "Lucky Mike Agreement") with a non-related third party (the "Lucky Mike Optionor"). The Lucky Mike Agreement was amended on September 13, 2012 and subsequently amended on November 14, 2013. The Company was granted an exclusive option to acquire a 100% interest in certain mineral claims located in the Nicola Mining Division, British Columbia. The claims consist of 29 contiguous mineral claims comprising 6,085.74 hectares. The option has been exercised by the Company by paying \$55,000 in cash, issuing 33,333 common shares valued at \$30,000 to the Lucky Mike Optionor and incurring \$900,000 in exploration work in accordance with the following schedule:

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EXPLORATION AND EVALUATION ASSETS (continued)

Lucky Mike Mineral Project, British Columbia (continued)

| Date | Cash Payment \$ | Number of Common Shares | Minimum Exploration Expenditures to be Incurred \$ |
|---|--------------------|-------------------------------|---|
| Upon execution of the Lucky Mike Agreement (Paid) | 10,000 | – | – |
| On or before December 31, 2012 (incurred) | – | – | 100,000 |
| On or before September 20, 2014 (paid, issued and incurred) | 15,000 | 16,666 | 200,000 |
| On or before September 20, 2015 (paid and incurred) | 15,000 | – | 300,000 |
| On or before September 20, 2016 (paid, issued and incurred) | 15,000 | 16,667 | 300,000 |
| TOTAL | 55,000 | 33,333 | 900,000 |

In accordance with the terms of the Lucky Mike Agreement, the Lucky Mike Optionor will retain a 2% net smelter returns royalty (the “NSR”) in respect of the Property. The Company has the option to purchase the NSR for \$1,000,000 at any time during a five-year period commencing from the date of commercial production. Pursuant to the Lucky Mike Amendment Agreement on November 14, 2013, the Company was required to issue to the Lucky Mike Optionor 16,666 common shares as follows:

- a) On or before the 5th day following receipt by the Optionee of regulatory approval, 8,333 shares (issued); and
- b) On or before March 20, 2014, 8,333 shares (issued).

On September 24, 2014, the Company entered into an Agreement (the “Farm Out Agreement”) as amended on June 14, 2016 with two Korean-registered companies, namely, Nexgeo Inc. (“Nexgeo”) and Korea Resources Corporation (“Kores”), whereby both companies (the “Consortium”) would jointly contribute expenditures in the exploration of the Lucky Mike property thereby earning for the Consortium the right to acquire a 69% interest in the Lucky Mike project (the “Project”) under the following terms:

- a) An aggregate of \$500,000 (the “First Exploration Contribution”) to fund an initial work program for the Project, which has been approved by the Consortium. The Consortium must pay \$250,000 to the Company no later than September 5, 2014 (received) and \$100,000 to the Company no later than September 30, 2014 (received). The balance of \$150,000 (received) must be paid upon completion of drilling at the Project site pursuant to an initial work program; and
- b) An additional \$1,104,824 (the “Second Exploration Contribution”) (received) to fund at least one work program for the Project approved by the Consortium, which must be undertaken and completed by the Company during the period from January 1, 2015 to December 31, 2015; and
- c) An additional \$800,000 (the “Third Exploration Contribution”) (received) to fund at least one work program for the Project approved by Consortium, which must be undertaken and completed by the Company during the period from January 1, 2016 to December 31, 2016.

Upon completion of the work program under the Third Exploration Contribution, the Company would transfer to the Consortium a 69% interest in the Project.

The Consortium has the right at any time to exercise an off-ramp option (the “Off-Ramp Option”) during the term of the Farm Out Agreement and/or within thirty (30) days after receiving an official technical report on the most recently completed work program during the period from January 1, 2016 to December 31, 2016, at its own discretion by giving thirty (30) days written notice to the Company, and upon exercise of the Off-Ramp Option, this Farm Out Agreement and all rights and obligations of the parties under the agreement would terminate.

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EXPLORATION AND EVALUATION ASSETS (continued)

Lucky Mike Mineral Project, British Columbia (continued)

If, after making the Third Exploration Contribution, the Consortium exercises the Off-Ramp Option then this Farm Out Agreement and the Consortium would be deemed to have renounced all its rights or interest in the Project and would have no right to acquire any portion of any interest in the Project and would have no further obligations or liabilities to the Company.

Upon the Consortium acquiring 69% interest in the Project, this Farm Out Agreement will terminate and the parties will form a joint venture (the "Joint Venture") for the purpose of carrying out all such acts which are necessary or appropriate, directly or indirectly, to hold the Project, explore the Project for minerals, and if feasible develop a mine thereon, and so long as it is feasible, operate such mine and exploit the minerals extracted from the Project.

On August 4, 2017, the Company executed a deed of release and amendment on the Farm Out Agreement with the Consortium to release Nexgeo from the joint exploration agreement and to transfer its 13% interest in the Lucky Mike Project to the Company in consideration for shares of the Company. On February 22, 2018, the Company acquired Nexgeo's 13% interest in the Project by issuing 774,583 common shares of the Company with fair value of \$34,856. The Company's ownership of the Lucky Mike property increased from 31% to 44%.

On August 3, 2018, the Company amended the agreement with Kores to extend Kores' right of first refusal with respect to the Lucky Mike Project by a period of one year. Pursuant to the amending agreement, Kores held the right to acquire a 56% interest in the Project until August 3, 2019 but opted not to exercise the right. As a result, the Company has a 100% interest of Lucky Mike property as of July 31, 2020.

On August 10, 2020, the Company acquired the 2,065 hectare "Silver Lode" claims (the "Claims") by means of staking and has significantly expanded its land position in the historic Nicola mining division, near Merritt in southern British Columbia. The new Claims adjoin the Company's Project and brings the total land position in this prolific mining district to 8,151 Hectares.

Blackdome Mineral Project, British Columbia

On July 17, 2020, the Company entered into the Blackdome Option Agreement with a non-related third party (the "Blackdome Optionor"). Under the terms of the Blackdome Option Agreement, the Company has the option to acquire a 100% interest in the Blackdome Property by making the following cash payments and share issuances:

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EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Blackdome Mineral Project, British Columbia (continued)

| Date | Cash Payment | Number of Common shares | Minimum Exploration Expenditures to be incurred |
|---|------------------|-------------------------|---|
| Within 14 days of the acceptance date of the TSX Venture Exchange ("Acceptance Date") (paid and issued) | \$20,000 | \$200,000 | \$- |
| On or before the first anniversary of the Acceptance Date | 30,000 | - | - |
| On or before that date which is 16 months from the Acceptance Date | - | - | 50,000 |
| On or before the second anniversary of the Acceptance Date | 40,000 | 300,000 | - |
| On or before the third anniversary of the Acceptance Date | 60,000 | 300,000 | - |
| On or before the fourth anniversary of the Acceptance Date | | 400,000 | 150,000 |
| TOTAL | \$150,000 | \$1,200,000 | \$200,000 |

In terms of the Blackdome Option Agreement, the Company will pay a 1.5% NSR to the Blackdome Optionor on commencement of commercial production. The Company will have the right, at any time prior to the commencement of commercial production, to purchase 1.0% of the 1.5% NSR for \$1,000,000.

On August 7, 2020, the Company acquired a 100% interest in the Blackdome Property by cash payment of \$20,000 and issuing 200,000 common shares of the Company, at a fair value of \$17,000, to the Blackdome Optionor.

On July 27, 2020, the Company acquired five additional mineral claims contiguous to the Blackdome Property and this significantly increased the total property size covering 3,479 hectares. The Company initiated historic data compilation and considers exploration programs include testing the known mineral occurrences through trenching, regional and property scale MT geophysical survey.

Rickard Mineral Project, Ontario

On September 9, 2020, the Company entered into an assignment agreement with a Tauro to acquire an undivided 100% interest in and to certain mineral claims located in Ontario commonly referred to as the Rickard Gold property. Tauro previously entered into an option agreement with Recoskie Contracting Ltd and Edward J. Korba (collectively, the "Rickard Gold Optionors") dated January 3rd, 2020 to acquire the property. Please see the following cash payments and share issuances that the Company shall fulfill:

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EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Rickard Mineral Project, Ontario (continued)

| Date | Cash Payment | Number of Common shares | Minimum Exploration Expenditures to be incurred |
|---|------------------|-------------------------|---|
| Within 5 days of receipt of regulatory approval from the TSX Venture Exchange | \$42,500 | 115,000 | |
| On or before the second anniversary of the Effective date of the agreement | \$75,000 | 90,000 | \$150,000 |
| On or before the third anniversary of the Acceptance Date | \$150,000 | 150,000 | \$250,000 |
| TOTAL | \$267,500 | 355,000 | \$400,000 |

The Rickard Gold Optionors have retained a 3% of NSR with respect to the production of all materials from the property. The Company is entitled to purchase up to 66.67% of the NSR from the Rickard Gold Optionors at any time for payment of \$2,000,000.

On September 18, 2020, the Company acquired a 100% interest in the Rickard Gold property by cash payment of \$42,000 and issuing 115,000 common shares of the Company, at a fair value of \$10,350, to the Rickard Gold Optionors. Also pursuant to the terms of the assignment agreement dated September 9th, 2020, the Company also issued 1,000,000 common shares of the Company, at a fair value of \$84,425, to Tauro for the transferring of the option agreement.

Mine Property adjacent to Rickard Gold, Ontario

On October 23, 2020, the Company acquired a 100% interest in a mineral property adjacent to the Rickard Gold Property, pursuant to a property agreement (the "Property Agreement") the Company entered into on October 16, 2020 with non-related third parties (the "Vendors"). The Company issued 250,000 common shares of the Company, at fair value of \$20,000, to the Vendors.

Three Crown Patents adjacent to Rickard Gold, Ontario

On November 17, 2020, the Company completed a purchase and sale agreement with an arm's length Ontario based private company and acquired 100% of three patented land parcels totalling 500 acres. As consideration, the Company made a one-time cash payment of \$400,000. The claims are subject to a 5% net smelter returns.

FINANCING

On August 28, 2020, the Company completed a non-brokered private placement (the "Offering") of 12,340,000 units of the Company at \$0.05 per unit for gross proceeds of \$617,000. Each unit consists of one common share of the Company and one half of one warrant of the Company with a whole warrant entitling the holder to purchase one common share at \$0.10 for a period of one year, subject to acceleration in certain events. The Company paid cash finder's fees of \$21,300 and issued 426,000 finder warrants ("Finders Warrants"). Each Finders' Warrants entitles the holder to purchase one common share at an exercise price of \$0.06 for a period of one year from the date of issuance. The fair value of the Finders Warrants was estimated to be \$21,391 using the Black-Scholes Option Pricing Model with the following assumptions: term of 1 year; expected volatility of 204%; risk-free rate of 0.25%; and expected dividends of zero.

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FINANCING (CONTINUED)

On November 26, 2020, the Company issued 4,850,000 flow-through units (“FT Units”) at a price of \$0.10 for gross proceeds of \$485,000. Each FT Unit consists of one common share of the Company and one half of a non-flow through common share purchase warrant. Each whole share purchase warrant entitles the holder to purchase one additional non-flow through common share at an exercise price of \$0.15 per common share. For a period of two years from the date of issuance. The Company also issued 12,199,999 non-flow through units (“Units”) at a price of \$0.075 per Unit for gross proceeds of up to \$915,000. Each Unit consists of one common share and one-half of a non-flow through common share purchase warrant. Each whole warrant entitles the holder to purchase a common share at an exercise price of \$0.15 per common share for a period of two years from the date of issuance.

The Company paid finder’s fees of \$104,000 and issued 1,455,000 broker units (“Broker Units”). 435,000 Broker Units are exercisable to acquire one unit at a price of \$0.10. Each Unit is exercisable to acquire one common share and one-half common share purchase warrant (“Broker Warrants”). Each Broker Warrant is exercisable to acquire one additional common share at a price of \$0.15 per warrant for a period of two years from the date of issuance. 1,020,000 Broker Units are exercisable to acquire one Unit at a price of \$0.075. Each unit is exercisable to acquire one common share and one-half of common share Broker Warrant. Each whole Broker Warrant is exercisable to acquire one common share at a price of \$0.10 per warrant for a period of two years.

On January 18, 2021, the Company received proceeds of \$1,980 and issued 33,000 common shares pursuant to warrants exercised at \$0.06 per warrant. The Company recorded fair value adjustment of \$1,657 from contributed surplus to share capital in connection with the warrants exercised.

MANAGEMENT CHANGES

On July 10, 2020, the Company appointed Adrian Smith as a director of the Company and Collin Kim, a director of the Company, as the interim CEO.

On August 18, 2020, the Company announced the resignation of Nizar Bharmal as a director and appointed Kosta Tsoutsis as a director. Also, Adrian Smith, a director of the Company, was appointed as the new CEO.

On October 6, 2020, the Company announced that, Nizar Bharmal has resigned as CFO and Jim Henning has been appointed as CFO.

On February 18, 2021 the Company announced the resignations of Mike Heier and Peter Robertson as directors of the Company and the appointment of Mike Collins as a new director of the Company.

SELECTED ANNUAL INFORMATION

| | January 31, 2021 | January 31, 2020 | January 31, 2019 |
|----------------------------------|-------------------------|-------------------------|-------------------------|
| Net Loss | (587,155) | (273,176) | (198,269) |
| Basic and Diluted Loss per Share | (0.02) | (0.03) | (0.02) |
| Total Assets | 2,000,321 | 359,257 | 89,535 |

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OPERATIONS

During the year ended January 31, 2021, the Company reported a net loss of \$587,155 (2020 – \$273,176). The increase in loss is primarily comprised of the following:

- (a) Consulting fees of \$169,192 (2020 – \$134,100) is due to the increase in the use of consultants for the Company's investment activities during COVID-19 economic recession period. During the year ended January 31, 2021 management has been active in using the Company's capital to acquire multiple mineral properties; the Rickard Gold Mine Property, the Mine Property adjacent to the Rickard Gold Mine Property, the Three Crown Patents adjacent to the Rickard Gold Mine Property, the Black Dome Mineral Property and the Silver Lode Claims. During the year ended Jan 31, 2020 the Company acquired the Lucky Mike Mineral Property.
- (b) Investor communications expenses increased to \$68,240 (2020 - \$723). During the COVID-19 pandemic, mining companies have seen increase in financing activities led by an increase in commodity prices. Management has been active during this period to issue corporate updates on its exploration activities to investors. In comparison, expenses were lower in the prior year as the Company had fewer exploration activities to be reported.
- (c) Professional fees of \$97,465 (2020 – \$23,014) is due to increase in legal compliance costs that accompanies increase in asset acquisitions and stock issuances. The Company had lower expenses in the prior year as there was a decrease in Company activities.
- (d) Transfer agents and filing fees increased to \$35,137 (2020 - \$20,403) as a result of the multiple stock issuances that occurred with the asset acquisitions and private placement during the year ended January 31, 2021.
- (e) Share based payments increased to \$198,059 (2020 – \$9,362) and is due to an increase in the employment of consultants for the acquisitions and share capital issuances that occurred during the year. To conserve company cash, the Company compensated the consultants by issuing stock options of the Company.
- (f) Office and miscellaneous expenses decreased to \$17,201 (2020 - \$28,970) and is due to decrease in office upkeep expenses during the COVID-19 Stay at Home period.
- (g) Travel and promotion expenses decreased to \$Nil (2020 - \$26,508) as a result of decrease in travels due to travel restrictions during COVID-19.
- (h) Gain on debt settlement of \$12,916 (2020 – Loss of \$13,400) was recorded during the year as the Company settled its payables with financial consultants of the Company.

During the three-month period ended January 31, 2021, the Company recorded a net loss of \$272,582 compared to a net loss of \$120,505 in the comparative period. In general, the three-month period ended January 31, 2021 saw higher level of activities related to investment and financing which led the Company to incur more expenses. The variations and changes noted during the three-month period are largely the same discussion as the year end discussion.

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SUMMARY OF QUARTERLY RESULTS

| | January 31, 2021 | October 31, 2020 | July 31, 2020 | April 30, 2020 |
|----------------------------------|---------------------|---------------------|------------------|-------------------|
| Net Loss | (272,582) | (159,283) | (68,640) | (81,960) |
| Basic and diluted loss per share | (0.01) | (0.01) | (0.00) | (0.00) |

| | January 31, 2020 | October 31, 2019 | July 31, 2019 | April 30, 2019 |
|----------------------------------|---------------------|---------------------|------------------|-------------------|
| Net Loss | (120,505) | (69,371) | (42,906) | (40,394) |
| Basic and diluted loss per share | (0.01) | (0.01) | (0.00) | (0.00) |

The losses for the four most recent quarters were higher in comparison to previous historical quarters and was mainly due to the increase in Company activities during the COVID-19 economic recession. The losses were primarily attributed to consulting, professional, investor relations, and transfer agent and filing fees incurred which all increased in the period over period comparison discussed above. During the most recent four quarters, the Company's completed two private placements and acquired multiple mineral properties. During the three quarters ended October 31, 2019, the Company was mostly inactive and had incurred lower losses.

During the fourth quarter of fiscal 2021, the Company recorded a loss of \$272,582 compared to a loss of \$159,283 in the third quarter of fiscal 2021. The change is mainly due to higher share based payments incurred during the fourth quarter.

During the third quarter of fiscal 2021, the Company recorded a loss of \$159,283 compared to a loss of \$68,640 in the second quarter of fiscal 2021. The change is mainly due to higher consulting fees incurred during the third quarter.

During the second quarter of fiscal 2021, the Company recorded a loss of \$68,640 compared to a loss of \$81,960 in the first quarter of fiscal 2021. The change is mainly due to higher professional fees incurred during the second quarter.

During the first quarter of fiscal 2021, the Company recorded a loss of \$ 81,960 compared to a loss of \$120,505 in the fourth quarter of fiscal 2020. The change is mainly due to lower office and miscellaneous, travel and promotion and no recognition of a loss on debt settlement incurred during the first quarter.

During the second quarter of fiscal 2020, the Company recorded a loss of \$42,906 compared to a loss of \$40,394 in the first quarter of fiscal 2020. The change is mainly due to higher consulting fees incurred during the second quarter.

During the first quarter of fiscal 2020, the Company recorded a loss of \$ 40,394 compared to a loss of \$32,466 in the fourth quarter of fiscal 2019. The change is mainly due to higher professional fees and transfer agent and filing fees incurred during the first quarter.

LIQUIDITY AND CAPITAL RESOURCES

The Company's cash and cash equivalents at January 31, 2021 was \$1,276,004 compared to \$239,383 at January 31, 2020.

Cash used in operating activities during the year ended January 31, 2021 totaled \$260,261 (2020 – \$142,262), which was attributed to the loss during the year of \$587,155 (2020 – \$ 273,176).

Cash used in investing activities during the year ended January 31, 2021 totaled \$535,607 (2020 - \$8,497) which was all due to investment in property and equipment.

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LIQUIDITY AND CAPITAL RESOURCES (CONTINUED)

Cash provided by financing activities during the year ended January 31, 2021 totaled \$1,832,489 (2020 - \$338,831) which was mainly due to a loan repayment of \$60,000 and net cash of \$1,890,509 raised through private placement.

The Company's ability to continue on a going concern basis depends on its ability to successfully raise additional financing. Although the Company has been successful in the past in obtaining financing, there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing may be favorable.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Key management includes directors and key officers of the Company, including President, Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"). The remuneration of key management personnel during the years ended January 31, 2021 and 2020 is summarized below:

| | January 31, 2021 | January 31, 2020 |
|--|-----------------------------|-----------------------------|
| Management fees accrued to the CFO | \$ 1,750 | \$ - |
| Management fees accrued to a Director of the Company | 7,000 | - |
| Management fees accrued to the former CEO of the Company | 2,000 | 12,000 |
| Share-based payments | 198,059 | 6,554 |
| Total | \$ 208,809 | \$ 18,554 |

The amounts owing to current and former officers, directors, and key management personnel are unsecured, non-interest bearing and due on demand. As at January 31, 2021, the Company owed \$24,300 (2020 - \$19,800) recorded in accounts payable and accruals for payments made by the CEO on behalf of the Company and for services provided by the Company's former CEO and the CFO.

FINANCIAL INSTRUMENTS AND FINANCIAL RISK

Fair value and classification of financial instruments

The Company's financial instruments include cash, accounts payable and loans payable. Financial instruments are classified into one of the following categories: FVTPL, FVTOCI, or amortized cost. The carrying values of the Company's financial instruments are classified into the following categories:

| Financial Instrument | Category | January 31, 2021 \$ | January 31, 2020 \$ |
|----------------------|----------------|------------------------|------------------------|
| Cash | FVTPL | 1,276,004 | 239,383 |
| Accounts payable | Amortized cost | 406,731 | 340,835 |
| Loans payable | Amortized cost | 31,500 | 91,500 |

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FINANCIAL INSTRUMENTS AND FINANCIAL RISK (CONTINUED)

Fair value and classification of financial instruments (continued)

IFRS 9, Financial Instruments: Disclosures, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of cash is determined based on "Level 1" inputs. The carrying value of accounts payable and loans payable approximates their fair values due to the relatively short periods to maturity.

Financial risk management objectives and policies

The Company's financial instruments include cash, accounts payable and loans payable. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(i) Currency risk

The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal.

The Company does not have any significant foreign currency denominated monetary liabilities.

(ii) Interest rate risk

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant as the deposits are short-term. The Company has not entered into any derivative instruments to manage interest rate fluctuations.

(iii) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk on cash, the Company places the instrument with a high credit quality financial institution.

(iv) Liquidity risk

In the management of liquidity risk of the Company, the Company maintains a balance between continuity of funding and the flexibility through the use of borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations. As at January 31, 2021, the Company had cash of \$1,276,004 (2020 - \$239,383) to settle current liabilities of \$559,481 (2020 - \$432,335) which fall due for payment within 12 months.

COMMITMENTS

The Company is committed to certain cash payments, share issuances and exploration expenditures in connection with the acquisition of its mineral property claims as discussed under the Exploration Project section.

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SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the consolidated financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses for the periods reported. The estimates and associated assumptions are based on historical experience, current and future economic conditions and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and may change if new information becomes available. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods if the revision affects both the current and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Critical accounting estimates

- i. the inputs used in accounting for share-based payments; and
- ii. the inputs used in determining the recoverable amount of assets that are considered impaired.

Critical accounting judgments

- i. the evaluation of the Company's ability to continue as a going concern;
- ii. the determination of the categories of financial assets and financial liabilities;
- iii. the assessment of indicators of impairment of exploration and evaluation assets and related determination and write-down of the assets, where applicable;
- iv. the determination of whether it is likely that future taxable profits will be available to utilize against any deferred tax assets;
- v. the recognition of provisions for decommissioning, restoration, rehabilitation and environmental obligations.

DISCLOSURE OF OUTSTANDING SHARE DATE

Issued

The Company has 51,254,156 shares issued and outstanding as at January 31, 2021 and 51,454,156 at May 21, 2021.

Stock Options

The Company has 2,550,000 stock options outstanding as at January 31, 2021 and 2,650,000 as at May 21, 2021.

Share Purchase Warrants

The Company had 20,190,399 share purchase warrants outstanding as at January 31, 2021 and 20,190,399 warrants outstanding at May 21, 2021.

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RISKS AND UNCERTAINTIES

In conducting its business, the Company faces a number of risks and uncertainties related to the mineral exploration industry. Some of these risk factors include risks associated with land titles, exploration and development, government and environmental regulations, permits and licenses, competition, dependence on key personnel, the requirement and ability to raise additional capital through future financings.

Title Risks

Although the Company has exercised due diligence with respect to determining title to the properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned. Third parties may have valid claims underlying portions of the Company's interests, and the permits or tenures may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects. If a title defect exists, it is possible that the Company may lose all or part of its interest in the properties to which such defects relate.

Exploration and Development

Resource exploration and development is a highly speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. Substantial expenses are required to establish reserves by drilling, sampling and other techniques and to design and construct mining and processing facilities. Whether a mineral deposit will be commercially viable depends on a number of factors, including the particular attributes of the deposit (i.e. size, grade, access and proximity to infrastructure), financing costs, the cyclical nature of commodity prices and government regulations (including those relating to prices, taxes, currency controls, royalties, land tenure, land use, importing and exporting of minerals, and environmental protection). The effect of these factors or a combination thereof cannot be accurately predicted but could have an adverse impact on the Company.

Environmental Regulations, Permits and Licenses

The Company's operations may be subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas that would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner that means standards are stricter, and enforcement, fines and penalties for noncompliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. We intend to comply fully with all environmental regulations.

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RISKS AND UNCERTAINTIES (Continued)

Environmental Regulations, Permits and Licenses (Continued)

The current or future operations of the Company, including development activities and commencement of production on our properties, require permits from various federal, state or territorial and local governmental authorities, and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. Such operations and exploration activities are also subject to substantial regulation under applicable laws by governmental agencies that may require that we obtain permits from various governmental agencies. There can be no assurance, however, that all permits that the Company may require for the operations and exploration activities will be obtainable on reasonable terms or on a timely basis or that such laws and regulations will not have an adverse effect on any mining project which the Company might undertake.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Competition

The mining industry is intensely competitive in all its phases, and the Company competes with other companies that have greater financial and technical resources. Competition could adversely affect the Company's ability to acquire suitable properties or prospects in the future.

Dependence on Key Personnel

The success of the Company is currently largely dependent on the performance of the directors and officers. There is no assurance that the Company will be able to maintain the services of the directors and officers or other qualified personnel required to operate its business. The loss of the services of these persons could have a material adverse effect on the Company and the prospects.

Future Financings

The Company's continued operation will be dependent upon the ability to generate operating revenues and to procure additional financing. There can be no assurance that any such revenues can be generated or that other financing can be obtained on acceptable terms. Failure to obtain additional financing on a timely basis may cause the Company to postpone development plans, forfeit rights in some or all of the properties or joint ventures, or reduce or terminate some or all of the operations.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The Company's consolidated financial statements and the other financial information included in this management report are the responsibility of the Company's management and have been examined and approved by the Board of Directors. The consolidated financial statements were prepared by management in accordance with generally accepted Canadian accounting principles and include certain amounts based on management's best estimates using careful judgment. The selection of accounting principles and methods is management's responsibility.

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RISKS AND UNCERTAINTIES (Continued)

Management recognizes its responsibility for conducting the Company's affairs in a manner to comply with the requirements of applicable laws and established financial standards and principles, and for maintaining proper standards of conduct in its activities.

The Board of Directors supervises the consolidated financial statements and other financial information through its audit committee, which is comprised of a majority of non-management directors.

This committee's role is to examine the consolidated financial statements and recommend that the Board of Directors approve them, to examine the internal control and information protection systems and all other matters relating to the Company's accounting and finances. In order to do so, the audit committee meets annually with the external auditors, with or without the Company's management, to review their respective audit plans and discuss the results of their examination. This committee is responsible for recommending the appointment of the external auditors or the renewal of their engagement.