

**VOYAGEUR PHARMACEUTICALS LTD.  
MANAGEMENT'S DISCUSSION & ANALYSIS  
FOR THE THREE AND NINE MONTHS ENDED AUGUST 31, 2021**

This management's discussion and analysis ("**MD&A**") presents an analysis of the consolidated financial position of Voyageur Pharmaceuticals Ltd., ("**Voyageur**" or the "**Corporation**") for the three and nine months ended August 31, 2021. The following information should be read in conjunction with both the Corporation's audited annual consolidated financial statements for the year ended November 30, 2020, including the accompanying notes, which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**").

**DATE OF REPORT**

This MD&A is dated October 27, 2021 and presents material information up to this date.

The reader is encouraged to review the Corporation's statutory filings on its profile at [www.sedar.com](http://www.sedar.com).

**FORWARD-LOOKING STATEMENTS**

This MD&A contains certain "forward-looking statements" or "forward-looking information" (collectively referred to herein as "forward-looking statements") within the meaning of applicable securities legislation. Such forward-looking statements include, without limitation, forecasts, estimates, expectations and objectives for future operations that are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the Corporation. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "anticipates", "believes", "continue", "depend", "estimates", "expects", "forward", "future", "goal", "intends", "objective", "plans", "potential", "predict", "projects", "pursue" and similar expressions, or are events or conditions that "will", "would", "may", "can", "could" or "should" occur or be achieved. This MD&A contains forward-looking statements, pertaining to, among other things, the following: the Corporation's industry and business strategy, plan and model; the Corporation's supply of active pharmaceutical ingredients ("API"); discussions regarding a potential manufacturing agreement with AVL (as defined herein); the Corporation's developmental pipeline; regulatory approvals and Health Canada registrations and approvals; future sales and the timing thereof; corporate finance and the Corporation's capital structure; the exploration and development of, and production from, the Corporation's mineral properties; the Corporation's competitive position; product development and marketing initiatives; mineral properties, reserves and resources; the nature of the Corporation's operations; the Corporation's intellectual property strategy; the use of the Corporation's products.

Although the Corporation believes that the material factors, expectations and assumptions expressed in such forward-looking statements are reasonable based on information available to it on the date such statements were made, no assurances can be given as to future results and such statements are not guarantees of future performance. The Corporation's actual results may differ materially from those expressed or implied in forward-looking statements and readers should not place undue importance or reliance on the forward-looking statements.

Statements including forward-looking statements are made as of the date they are given and, except as required by applicable securities laws, the Corporation disclaims any intention or obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement.

**DESCRIPTION OF BUSINESS AND OVERVIEW**

Voyageur is an exploration stage pharmaceutical company focused on mining and manufacturing mineral based pharmaceutical products. The Corporation is in the business of developing pharmaceutical mineral resources into natural health and pharmaceutical products with a fully integrated approach to all aspects of the process to the radiographic pharmaceutical industry. The Corporation has interests in four mineral properties located in the province of British Columbia, Canada and the state of Utah, United States of

America (“USA”). These mineral properties are referred to in this MD&A as Frances Creek, Jubilee Mountain, Pedley Mountain and Paradox Basin.

The address of the Corporation’s registered and records office is Suite 1600, 333 – 7<sup>th</sup> Avenue S.W., Calgary, Alberta, T2P 2Z1.

On December 6, 2019, the Corporation changed its name to Voyageur Pharmaceuticals Ltd. to better reflect the Corporation’s focus.

## **OVERALL PERFORMANCE**

During the three months ended August 31, 2021, the Corporation continued to advance its Preliminary Economic Assessment (“PEA”), established a Scientific Advisory Committee comprised of experienced, diverse scientists and continued preparations for FDA filings and related activities. During the nine months ended August 31, 2021, the Corporation experienced a dramatic improvement to its financial health and viability. On December 31, and January 15, 2020, the Corporation closed two tranches of a financing that raised total gross proceeds of \$782,500 through a combination of Common Units and Flow-Through Units. The Common Units were comprised of one (1) common share and one (1) share purchase warrant (exercisable at \$0.10 for a period of two years from the closing date) while the Flow-Through Units were comprised of one Flow-Through share and one-half common share purchase warrant (exercisable at \$0.12 for a period of two years after close). The Common Units and Flow-Through Units were priced at \$0.05 per Unit.

On May 5, and 28, 2020, the Corporation closed two tranches of a financing that raised total gross proceeds of \$1,522,568 through a combination of Common Units and Flow-Through Units. The Common Units were priced at \$0.15 per unit with each unit comprised of one (1) common share and one (1) share purchase warrant exercisable at \$0.30 per share while the Flow-Through Units were priced at \$0.18 per unit with each unit comprised of one Flow-Through share and one-half common share purchase warrant exercisable at \$0.40 per share. Common and Flow-Through warrants both carry a two-year life.

During the nine months ended August 31, 2021, the Corporation received Health Canada product approvals for five products (SmoothX, LDX, HDX, MultiXthick, MultiXthin).

As a result of these events, the Corporation has significantly improved the balance sheet and has plans to continue to progress its business plan as set out below. As this strategy progresses through the remainder of 2021 and through 2022, additional funds will be required upon achieving certain milestones. The improved financial health of the Corporation will be a benefit as additional funds are required.

## **OUTLOOK AND STRATEGY**

Voyageur’s strategy is to build a fully integrated company to fill the demand for radiographic, oral products by creating a secure, diversified supply chain and providing low-cost solutions. The Corporation’s goal is to become the only fully-integrated pharmaceutical company in the radiology contrast media market (supply of drugs that are commonly used in imaging functions – fluoroscopy, CT Scans, MRI’s and cancer screening). This is being done by producing and developing our owned and controlled natural pharmaceutical minerals based in North America. These Active Pharmaceutical Ingredients (“API”) minerals are the main ingredients for Barium and Iodine contrast.

This strategy for the Corporation is based on the near-term objectives required to progress its Frances Creek barium sulphate project to the next stage. The Corporation continues to develop and refine cost data to develop the overall long-term economic plan.

### **Short-term Strategy**

The Corporation has developed nine barium products (HDXba, LDXba, MultiXthin, MultiXthick, SmoothX, BarXnector, BarXthin, BarXhoney, Barpudding Barium suspension contrasts) for sale into the radiology pharmaceutical market. The Corporation has submitted five of the products for registration to Health Canada. On February 12, 2021, the Corporation received Health Canada approval and issuance of product licence for SmoothX radiographic barium contrast suspension. On February 16, 2021, the

Corporation received Health Canada approval and issuance of product licence for HDX<sub>ba</sub> radiographic barium contrast. On April 5, 2021, the Corporation received two approval and product licences for MultiXthick and finally, on May 5, the Corporation received approval and product licence for MultiXthin barium sulfate suspension.

Over the next year the Corporation plans on pursuing the following objectives.

The Corporation is nearing the completion of a Preliminary Economic Assessment (“**PEA**”) of its Frances Creek project with the goal of completion expected imminently. Concurrently the Corporation is continuing to set the stage for FDA applications, furthering product and market development and planning for attaining its goal of generating cash-flow in the short to medium term on barite products.

Concurrent with these studies the Corporation is working internally on several other main objectives focused on the short-term;

1. With the Health Canada approvals in hand, the Corporation is working on a developing a manufacturing agreement with Alberta Veterinary Labs (“**AVL**”). AVL has recently completed a new GMP manufacturing facility in Calgary, Alberta that has received Health Canada certification.
2. Began working with consultants to pursue product licences in the USA and other jurisdictions outside Canada.
3. Preparing for the bulk sample work on its Frances Creek deposit.
4. Designing the barium sulfate API plant.
5. Advancing the development of all Voyageur’s currently held properties.
6. Working with ThinQ in India to secure a second manufacturing facility to diversify its production of barium contrast.
7. Began creating a business plan to fully integrate the iodine radiology contrast business segment.

The Corporation has determined that the key milestone for the year is the completion of the PEA. The PEA will contain important information that will then allow the Corporation to assess the costs that will apply to the objectives set out above. The Corporation continues to evaluate expected costs associated with Frances Creek operations that will be updated upon completion of the PEA.

## **DISCUSSION OF OPERATIONS**

### **Mining**

Voyageur owns a 100% interest in three Canadian Barite properties, including two properties suitable in grade for the pharmaceutical Barite marketplace.

### **Subterranean Brine Development**

The Corporation has interests in iodine and heavy mineral brine deposits containing minerals that are targeted for Voyageur’s earth to the bottle pharmaceutical products in Utah, USA.

### **Jubilee Mountain and Pedley Mountain**

The Corporation is planning on performing work on the next phase on each of its other Canadian projects. The Corporation has budgeted funds to conduct NI 43-101 report on Jubilee Mountain and has launched this initiative with results expected by the end of December 2021.

The Pedley Mountain claim group is located above the tree line where the barite vein can be seen visually on the surface. The vein is striking down slope of the mountain and is covered with overburden. Geochemical sampling is a very good tool for determining near surface barite mineralization. The soil sample testing program is expected to be completed in the third and fourth quarters of this year. The purpose of this work is to outline the vein for future drilling and trenching targets.

With both these properties it is not possible at this point to determine with any certainty cost estimates or the exact work programs that will follow from the initiatives discussed above.

### **ULI Subterranean Pressurized Lithium Brine Project<sup>1</sup>**

Voyageur plans to advance its exploration and development of the ULI Subterranean Pressurized Iodine Brine Project in Utah, USA (the “**ULI Project**”). The Corporation’s goal is to produce Iodine for contrasts and other pharmaceutical grade products. The brines also contain various other minerals that may be produced as bi-products for additional future revenues. Voyageur acquired an acreage in the Paradox Basin located in Utah, USA and staked an area covering the “Roberts Rupture” fault line which is located on the southwest flank of the Kings Bottom Syncline.

The Corporation is planning on using consultants to conduct 3D reservoir models that would assess the fault structures and allow the Corporation to better plan next steps on this property. As with the Canadian properties discussed above, it is not possible at this time to determine the next phase cost or work programs until results from this current phase is known.

### **Joint Venture Agreement**

The Corporation and Anson Resources Ltd. (“**Anson**”) are parties to a joint venture agreement in respect of the Corporation's interest in 89 mineral claims covering approximately 720 hectares in an Iodine/lithium brine property located in the Paradox Basin of Utah, United States. On September 14, 2016, the Corporation entered into a Standstill Agreement with Anson. Under the terms of the agreement, Anson paid Voyageur a non-refundable deposit of US\$75,000 (CDN\$98,753) in exchange for the exclusive right to conduct due diligence on Voyageur’s ULI Project for a period of 45 days and, based on its due diligence findings, earn into the project.

On March 27, 2017 the Corporation signed a formal Joint Venture agreement with Anson whereby Anson may earn up to 70% of the ULI Project by undertaking exploration activities on the project. Anson earned a 10% interest in the ULI Project upon signing of the formal Joint Venture agreement and can earn further interests upon completing the following:

- 40% by defining the location(s) for one or more drill holes, issuing a NI 43-101 technical report, and incurring US\$666,000 in qualifying expenditures; and
- a further 20% by drilling and logging one or more holes, issuing an updated NI 43-101 technical report, and incurring US \$2,330,000 in qualifying expenditures.

At this time, the terms of the Joint Venture agreement have not been completed by Anson and Anson has not completed the 40% earn-in phase. Voyageur is in negotiations with Anson on a solution to deal with the deficiencies.

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<sup>1</sup> All of the information concerning lithium in this section has been acquired from the Utah Department of Natural Resources and historical corporate documents from previous operating companies. The Corporation believes these sources to be reliable; however, the Corporation has not verified any of the information.

## Exploration and development assets

	Canada			USA		Total
	Frances Creek	Jubilee Mountain	Pedley Mountain	Paradox Basin	Lithium King	
<b>Balance, November 30, 2019</b>	\$ 700,832	\$ 101,303	\$ 45,804	\$ 172,665	\$ 152,104	\$ 1,172,708
Claims fees	5,701	17,259	-	20,160	-	43,120
Geological and consulting	17,100	-	-	-	-	17,100
Assays and surveys	44,778	-	-	-	-	44,778
Site expenses	287	-	-	-	-	287
Insurance	6,617	-	-	-	-	6,617
Salaries and wages	45,851	-	-	-	-	45,851
Depreciation of exploration equipment	5,753	-	-	-	-	5,753
Other	4,182	-	-	-	-	4,182
Mineral exploration tax credits (note 14)	31,089	-	-	-	-	31,089
Impairment	-	-	-	-	(152,104)	(152,104)
<b>Balance, November 30, 2020</b>	\$ 862,190	\$ 118,562	\$ 45,804	\$ 192,825	\$ -	\$ 1,219,381
Claims fees	-	-	-	19,665	-	19,665
Geological and consulting	125,969	-	-	-	-	125,969
Site expenses	2,463	-	-	-	-	2,463
Insurance	4,122	-	-	-	-	4,122
Salaries and wages	86,002	-	-	-	-	86,002
Depreciation of exploration equipment	4,793	-	-	-	-	4,793
<b>Balance, August 31 2021</b>	\$ 1,085,540	\$ 118,562	\$ 45,804	\$ 212,490	\$ -	\$ 1,462,396

During the year ended November 30, 2020, the Corporation determined that the Lithium King property contained insufficient amounts of iodine or lithium and determined to completely write off this property. The Corporation has determined that the ULI Project will be the key property for its future strategy focused on iodine. This decision was made to ensure conservative strategies moving forward as proceeding with both US properties would be hard to manage and the Corporation is of the view that it is most beneficial to focus on the property that it believes contains the highest probability of success, and that is the ULI Project.

None of the Corporations significant projects has generated any revenue and these projects are not expected to generate revenue in the near future. At this time, realistic expenditure estimates, timing of such expenditures and how they will ultimately be funded is not determinable until more information is obtained.

## RISK FACTORS

### General

#### Operating History

The business of the Corporation should be considered highly speculative due to its present stage of development. Further, the Corporation has limited cash and other assets, limited working capital, no revenue and a limited business history.

#### Nature of operations and going concern

The Corporation's quarterly consolidated financial statements for the three and nine months ending August 31, 2021 have been prepared on the assumption that the Corporation will continue as a going concern and realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Corporation is in the process of exploring its mineral properties and has not yet determined whether these properties contain mineral reserves that are economically recoverable. Recovery of the capitalized costs shown for exploration and evaluation assets will require the establishment of economically recoverable reserves, the securing of development financing and profitable production.

The Corporation has received Health Canada approvals and product licenses for five products up to the date of this MD&A. The Corporation has a total of nine barium-based contrast products it is developing. While the Corporation is not aware of any material reasons why the registrations for the other products will not be approved, there is no guarantee that this will be the case.

As of August 31, 2021, the Corporation had not yet achieved profitable operations and has accumulated losses of \$5,440,168 since inception and expects to incur further losses in the development of its business. Due to the recent successful financings, the Corporation now has a positive working capital balance of \$800,699 at August 31, 2021, a significant turnaround from prior periods when it had substantial working capital deficits.

The continued operations of the Corporation are primarily dependent on its ability to raise financing from equity and/or debt markets or from other sources and there is no assurance that it will be able to do so in the future on reasonable terms or at all. The Corporation's audited annual consolidated financial statements for the year ending November 30, 2020 do not give effect to adjustments, if any, that would be necessary should the Corporation be unable to continue as a going concern. If the going concern assumption was not used, then the adjustments required to report the Corporation's assets and liabilities on a liquidation basis could be material to the consolidated financial statements.

#### Need for Additional Funds

The Corporation has limited financial resources and there can be no assurance that additional funding will be available to it for further exploration and development of its mining projects and pharmaceutical products on reasonable terms or at all. There can be no assurance that the Corporation will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could result in delay or indefinite postponement of its projects and product development with the possible loss of mineral properties. If financing is raised through the issuance of shares from the Corporation's treasury, control of the Corporation may change, and investors would be subject to further dilution in any event.

#### Impact of the COVID-19 Pandemic

The outbreak of the novel strain of coronavirus, specifically identified as COVID-19 ("COVID-19"), has resulted in governments worldwide, including in Canada and the United States enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Such events may result in a period of business disruption, and in reduced operations, any of which could have a material adverse impact on the Corporation's profitability, results of operations, financial condition and the trading price of the Corporation's securities.

Governments and central banks have reacted to the COVID-19 pandemic with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 pandemic is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Corporation and its operating subsidiaries in future periods.

To date, several mining projects have been suspended as cases of COVID-19 have been confirmed, for precautionary purposes or as governments have declared a state of emergency or taken other actions. If the operation or development of one or more of the properties in which the Corporation expects to receive significant revenue is suspended, it may have a material adverse impact on the Corporation's profitability, results of operations, financial condition and the trading price of the Corporation's securities.

To the extent that the Corporation's management or other personnel are unavailable to work as a result of the COVID-19 pandemic, whether due to illness, government action or otherwise, it may have a material adverse impact on the Corporation's profitability, results of operations, financial condition and the trading price of the Corporation's securities. The situation could cast doubt on the ability of the Corporation to raise the financing required to fulfill its strategic plans.

The breadth of the impact of the COVID-19 pandemic on investors, businesses, the global economy and financial and commodity markets may also have a material adverse impact on the Corporation's profitability, results of operations, financial conditions and the trading price of the Corporation's securities.

The Corporation is continuing to follow all governmental programs announced to determine if any will apply to the Corporation and provide relief for this difficult time.

## **Mining Risks**

### Mining Operations

Exploration for minerals involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Further, none of the Corporation's Barite, lithium, iodine or bromine properties (the "**Properties**") has known commercial reserves as defined by NI 43-101. Voyageur expects its independent, third-party consultant to complete a PEA on its Frances Creek property within the next three months that would then be followed by a pre-feasibility study. Following successful completion of these studies, Voyageur would proceed with a bulk sample program on its Frances Creek property and then production. At this point the Company is not planning on conducting a feasibility study. There is risk and uncertainty related to this approach by the Corporation, including the inability to establish a reserve value in accordance with NI 43-101. The lack of pursuing a feasibility study increases the overall risk of the project as a feasibility would further define the project. Any exploration programs on its properties are exploratory searches for commercial resources, which increases the degree of risk substantially as compared to properties in the development stage.

Few mineral properties which are explored are ultimately developed into producing mines. There is no assurance that commercial quantities of minerals will be discovered on the Properties. The PEA and prefeasibility is required to determine the commercial viability of the Frances Creek property. The discovery of mineral resources depends upon a number of factors, not the least of which is the technical skill of the exploration personnel involved. The exploration and development of mineral properties and the marketability of any minerals contained in such properties will also be affected by numerous factors beyond the control of the Corporation. These factors include government regulation, high levels of volatility in market prices, availability of adequate transportation and refining facilities and the imposition of new, or amendments to existing, taxes and royalties. The effect of these factors cannot be accurately predicted.

The work completed on the Properties at this stage is preliminary in nature. There has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in any target on the Properties being delineated as a mineral resource under NI 43-101.

Whether a mineral resource, once discovered, will be commercially viable also depends on a number of factors, some of which include the particular attributes of the resource, such as size, grade and proximity of infrastructure, as well as mineral prices, which are highly cyclical. Most of the above factors are beyond the control of the Corporation. The Corporation must also compete with a number of companies that have greater technical and financial resources. The Corporation is unable to predict the amount of time which may elapse between the date when any new mineral reserve may be discovered and the date when production will commence from any such discovery, if at all.

### Government Regulations and Market Risks

Mining operations are subject to government regulation. Operations may be affected in varying degrees by government regulation such as restrictions on production, price controls, tax increases, expropriation of property, environmental and pollution controls, or changes in conditions under which minerals may be marketed. Should the Corporation be unable to obtain the necessary regulatory approvals or should obtaining or complying with the terms of the necessary approvals require funds in excess of the resources of the Corporation, the development of the Properties may be delayed or abandoned.

An excess supply of certain minerals may exist from time to time due to lack of markets and restrictions on exports. The marketability of both base and precious metals will be affected by numerous factors beyond the control of the Corporation. These factors include market fluctuations and government

regulations relating to prices, taxes, royalties, allowable production and importing and exporting minerals. The effect of these factors cannot be accurately determined.

#### Conflicts

The directors of the Corporation are engaged and will continue to be engaged in the search for mining interests on their own behalf and on behalf of other companies, and situations may arise where the directors and officers may be in direct competition with the Corporation. Conflicts of interest, if any, which arise will be subject to and governed by procedures prescribed by the *Business Corporations Act* (Alberta) which require a director or officer of a corporation who is a party to, or is a director or an officer of or has a material contract with the Corporation to disclose his interest and, in the case of directors, to refrain from voting on any matter in respect of such contract unless otherwise permitted under the *Business Corporations Act* (Alberta).

#### Operating Hazards and Environmental Liabilities

The Corporation's mining operations will be subject to all of the operating risks normally attendant with mineral exploration and development. The Corporation carries basic liability insurance with other insurance needs met on a project-by-project basis.

The Corporation may become subject to liability for destruction of mineral properties or facilities, personal injury or death, pollution and other hazards against which it cannot insure or against which it may elect not to insure because of high premium costs or other reasons. The payment for such liabilities would reduce the funds available for exploration and mining activities and may have a material adverse effect on the Corporation's financial position.

#### Industry Conditions

The mining industry is highly competitive, and the Corporation must compete with many companies with greater financial strength and technical resources. Generally, there is intense competition for the acquisition of resource properties considered to have commercial potential. Prices paid for minerals produced are subject to market fluctuations and will directly affect the profitability of producing any mineral reserves which may be developed by the Corporation. Mining operations, including exploration, are subject to extensive government regulation. Operations may be affected from time to time in varying degrees by political and environmental developments, such as restrictions on production, price controls, tax increases, expropriation of property, pollution controls and changes in conditions under which certain minerals may be exported.

#### Foreign Jurisdiction

One of Voyageur's mining properties is located in the USA and the enforceability, certainty and permanence of laws in foreign countries cannot be assured. The Corporation's title to its foreign property, the right to work the same and to expatriate profits, if any, may be adversely affected. The Corporation is also at risk to adverse foreign exchange movements.

Mining operations in Canada, the USA and elsewhere are subject to extensive regulation by local, provincial, state and federal governments. Future changes in governments and regulation could adversely affect mining in Canada and the USA. The development of mines and related facilities is contingent upon government approval which must be obtained through statutory review processes.

No current title opinion or report has been obtained regarding the Properties. The Properties may be subject to prior unregistered agreements, interests or native land claims and title may be affected by undetected defects.

#### Pharmaceutical Risks

The Corporation is planning on entering the API industry. None of its principals has any experience in this field, which is dominated by large, well-financed companies.

## **Pre-Operational Risks**

### Lack of Experience and Facing New Markets

Neither the Corporation nor any of its principals have experience in the pharmaceutical markets it intends to enter. There is no assurance that the Corporation will be able to successfully market its products or that such efforts will result in positive earnings.

### Business Plan and Strategy

The Corporation's strategy for entering into pharmaceutical contrast media markets is dependent, to a large degree, on its ability to extract Barite from the Frances Creek property on a commercially viable basis and, to a lesser degree, for its interests in its Utah, USA properties to produce iodine and bromine on a commercially viable basis. Voyageur does not have proven reserves in either case, has not established economic viability of its property interests and there is no assurance that it will be able to do so.

### Reliance on Third-Party Suppliers for API

It is questionable whether the Corporation will be able to supply Barite for barium products from its own mineral properties prior to production, and it is highly unlikely the Corporation will be supplying iodine or bromine from its own properties prior to production of iodine and bromine products. As a result, the Corporation will need to source of suitable grade and quality API's from third-party sources and there is no assurance the Corporation will be able to do so consistently or at all.

### No Proprietary Protection

The Corporation will not have any proprietary protection for any of its proposed products and will have to rely on low-cost production, innovation and effective market strategies to be successful. There is no assurance that the Corporation will be able to achieve these goals.

### Regulatory Approvals

The Corporation cannot commence operations or marketing any pharmaceutical products until it receives regulatory approval for each product. There is no assurance that it will receive any such approvals.

## **Operational Risks**

In addition to the Pre-Operational Risks noted above, the proposed business of the Corporation will face the following operational challenges and risks:

### Competition

The Corporation will be competing against established pharmaceutical companies in highly competitive markets, many of whom will be much larger and with far greater financial and human resources. The Corporation may face predatory pricing, difficulty breaking through established relationships between competitors and market participants and a host of other challenges to successfully penetrate its intended markets.

### Foreign Markets

The Corporation's business model will depend on successfully penetrating foreign markets, particularly the USA. This presents several risks to the Corporation's business, including meeting regulatory requirements, forming solid relationships with channel partners, additional costs relating to shipping, customs, brokerage fees and foreign currency exchange risk.

### Product Liability

The Corporation's products will be used for human healthcare. Accordingly, they must continue to meet industry production standards, including good manufacturing practices, at all times and failure to do so

may result in temporary or indefinite shutdowns and/or penalties and fines. Additionally, should any of its products be found to have adverse reactions in the human body or defects that result in sickness or death of users, the Corporation may face significant product liability lawsuits or regulatory intervention that could greatly impair or even terminate operations.

### Industry Innovation and Advances

Innovation and product advancements by competitors could significantly impact the Corporation's ability to compete.

### **SELECTED ANNUAL INFORMATION**

The following financial data are for the Corporation's three most recently completed financial years:

	<b>November 30, 2020</b>	<b>November 30, 2019</b>	<b>November 30, 2018</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Other Income	-	Nil	Nil
Net Loss	(79,912)	(408,648)	(555,860)
Net Loss per share, basic and diluted	-	0.01	0.01
Working Capital	(225,577)	(884,801)	(336,233)
Total current assets	25,516	25,516	229,490.00
Total assets	1,275,180	1,275,180	1,266,468
Total current liabilities	910,317	910,317	565,723
Long term debt	58,528	28,528	185,065
Total shareholders' equity	306,335	306,335	515,681

For the year ended November 30, 2020, the Corporation reported no discontinued operations, other than the previously discussed write off of the Lithium King property and did not declare any cash dividends.

### **SELECTED QUARTERLY FINANCIAL INFORMATION**

The following selected quarterly financial data is derived from the consolidated financial statements of the Corporation. It has been prepared within acceptable limits of materiality and is in accordance with IFRS.

	<b>As at</b>							
	<b>August 31, 2021</b>	<b>May 31, 2021</b>	<b>February 28, 2021</b>	<b>November 30, 2020</b>	<b>August 31, 2020</b>	<b>May 31, 2020</b>	<b>February 29, 2020</b>	<b>November 30, 2019</b>
Total current assets	\$ 1,547,671	\$ 1,820,876	\$ 467,420	\$ 25,516	\$ 119,865	\$ 220,147	\$ 389,099	\$ 25,516
Total current liabilities	549,649	536,417	692,977	910,317	776,423	712,717	542,917	910,317
Long term debt	56,072	56,804	58,337	58,528	73,378	73,378	36,644	28,528
Total shareholders' equity	2,443,782	2,618,376	1,058,070	306,335	466,965	752,975	1,043,041	306,335

	<b>Quarter Ended</b>							
	<b>August 31, 2021</b>	<b>May 31, 2021</b>	<b>February 28, 2021</b>	<b>November 30, 2020</b>	<b>August 31, 2020</b>	<b>May 31, 2020</b>	<b>February 29, 2020</b>	<b>November 30, 2019</b>
Loss for the quarter	\$ (369,088)	\$ (327,297)	\$ (79,912)	\$ (1,533,642)	\$ (285,611)	\$ (264,932)	\$ (408,647)	\$ (87,408)
Loss per share:								
Basic and diluted	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Exploration and evaluation assets	1,462,235	1,349,301	1,312,946	1,219,381	1,164,809	1,285,021	1,197,793	1,219,381
Reclamation deposit	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000
Total assets	3,049,503	3,211,547	1,809,404	1,275,180	1,316,765	1,539,069	1,622,602	1,275,180
Total liabilities	605,721	593,221	751,334	968,845	849,801	786,095	579,561	968,845

During the three months ended August 31, 2021, the Corporation experienced a loss of \$369,088 (\$0.00 per share) compared to a loss of \$285,611 (\$0.00 per share) in the same period of 2020.

Comparing the current quarter to the comparative quarter in 2020 is difficult due to a change in focus between the two periods. During the current quarter, the Corporation was focused on progressing its Preliminary Economic Assessment and on third party consulting aimed at progressing product development and planning for future manufacturing. A total of \$166,742, or approximately 45% of the total

expenses in the quarter related to third party consultants focused on these areas with nothing spent in the comparative quarter. During the comparative quarter ended August 31, 2020, the Corporation focused on investor relation activities with total expenditures of \$132,195 (50% of total spend), primarily on IR consultants compared to \$21,929 spent on these activities in the current quarter.

Wages and salaries increased approximately \$14k (or approximately 28%) as senior management wage increases were implemented. In the prior year, management were being paid as part-time employees for one-half of the quarter and agreed to forego salaries for the second half of the quarter to conserve cash. Director meeting fees were implemented in the nine months ended August 31 and amounted to \$16,917.45 in the three months ended August 31, 2021 compared to \$nil in the comparative quarter.

Professional fees increased in the current quarter by 60% to \$53k due primarily to additional audit fees accrued for the recently completed year. In addition, legal fees increased in the current quarter related to miscellaneous legal initiatives.

General and administrative costs for the quarter amounted to \$26,976 an overall decrease of approximately 35% from the comparative quarter. Generally G&A costs were consistent in the quarters with the main variance being increased D&O insurance costs in the current quarter that were offset by lower shareholder communication costs.

As at August 31, 2021, the Corporation had cash and cash equivalents in the amount of \$1,467,017. This balance reflects the success in closing two financings in the nine months ended August 31, 2021 of flow-through and common share financing along with significant warrant exercises.

## **RESULTS OF OPERATIONS AND ADDITIONAL DISCLOSURE FOR VENTURE CORPORATIONS WITHOUT SIGNIFICANT REVENUE**

The Corporation has not had significant revenue from operations in either of its last two financial years.

- a) Exploration and evaluation assets or expenditures - A breakdown of capitalized development costs for the nine months ended August 31, 2021 and the prior fiscal year ended November 30, 2020 were presented earlier in this MD&A under Exploration and Evaluation Assets. The Corporation began work on its Preliminary Economic Assessment during the nine months ended August 31, 2021 which will lead to additional related costs in the next few quarters.
- b) Expensed research and development costs – The Corporation has not conducted any research and development activities in the last two years and as a result no expenditures were incurred in this area.
- c) Intangible assets arising from development – The Corporation conducted activities related to exploration and evaluation of its assets as presented above and no other intangible assets were developed in the periods.
- d) General and administrative expenses (“**G&A**”) expenditures for the three months ended August 31, 2021 amounted to \$26,976 compared to \$45,765 for the comparative period ended August 31, 2020. The main component of the G&A relates D&O insurance (\$16k) with other categories being stable to the prior periods. The Corporation anticipates G&A expenses will increase in the future quarters as the COVID pandemic wanes and travel again becomes possible to increase shareholder communication costs and other investor relation activities.
- e) Other material costs – the Corporation did not incur any additional material costs other than discussed in the sections above.

## **LIQUIDITY, CAPITAL RESOURCES AND FINANCIAL OUTLOOK**

### **Cash Requirements and Liquidity**

As at August 31, 2021, the Corporation had cash and cash equivalents of \$1,467,017 (November 30, 2020 - \$2,967) and had positive working capital of \$998,022 (November 30, 2020 – working capital deficit

of \$884,801). The working capital position has improved dramatically over the prior periods due to the successful financing initiatives in the first six months of fiscal 2021 where a total of \$2.3 million was raised. In addition, the Corporation received \$738k cash related to warrant and stock option exercises in the six months ended May 31, 2021. With the funds from the financings and warrant exercises, the Corporation paid down accounts payable and eliminated the loans payable balance of \$208,979. In addition, the Corporation made deposits and prepaid expenses totalling approximately \$92k, primarily towards exploration and development activities of which the majority has been subsequently expensed as the work is nearing completion.

The paydown in accounts payable has resulted in the Corporation effectively eliminating all related party payables. These payables related to services provided in the past by related parties who agreed to defer payments to conserve capital and focus on other items. With the financing proceeds, these long outstanding balances were funded. Approximately \$132k, or approximately 38% of the accounts payable is related to capital with approximately \$219k or approximately 62% related to operating activities.

Also as discussed earlier in this MD&A, capital resources were extremely tight during the prior year and also through the first month of this current fiscal year. This situation was resolved with the financings closed in the current fiscal year together with funds received from warrant and stock option exercises. Prior to the close of financings management were temporarily laid off and were put back on payroll in January 2021

The Corporation used cash in operations in the three months ended August 31, 2021 at an average rate of approximately \$125k per month. This represents an increase from prior periods as the Corporation has begun to accelerate its business plan through the use of funds raised from financings and warrant exercises in the nine months ended August 31, 2021. Management expects this average to continue to increase through the remainder of this fiscal year and into the next fiscal period as additional initiatives are advanced. With existing working capital, management is pursuing the following;

- Finalize work on the Frances Creek deposit (PEA and Prefeasibility);
- Pursue manufacturing of Barite products including work on formulations, manufacturing agreements and branding of products;
- Plan sales and marketing strategies by engaging industry leading consultants, as recently announced DASH Consulting agreement, among others, and;
- With the recent court ruling in the United States that upholds the status of Barite products as devices rather than drugs, the Corporation is expediting it's applications into the FDA.

The Corporation continues to maintain a small management team but expects this to grow through the remainder of the year as activities continue to ramp up in various areas. General and administrative costs are expected to increase as well in support of the key initiatives mentioned above.

During the nine months ended August 31, 2021, the Corporation used cash of \$1,189,031 in operating activities (2020 – \$261,568) and used cash of \$252,633 in investing activities (2020 - \$108,695). Financing activities generated cash of \$2,905,713 (2020 – \$328,838).

### **Funding trends, fluctuations and risks**

During the nine months ended August 31, 2021, the Corporation was successful in raising much needed capital in two offerings. The Corporation closed a combination of flow-through and common share financings for gross proceeds of \$2,305,068 during the six months ended May 31, 2021. In addition, \$738,116 was received from warrant exercise and \$48,000 from stock option exercises during the period. These funds are being used to pursue the objectives mentioned above.

Additional equity or debt financing will be required to implement the Corporation's business plan. Even with the positive developments mentioned above, there can be no assurance that the Corporation will be able to secure additional financing in the future on terms that are acceptable to it or at all. The Corporation has been successful in the past at raising funds as required but this cannot be guaranteed to

continue, particularly under the current economic conditions caused by the COVID-19 pandemic. The Corporation communicates regularly with all significant vendors and financing plans include satisfying the outstanding liabilities along with funding property and product development functions.

The Corporation will continuously re-examine its funding needs and the sources of available capital as the COVID-19 impact continues to evolve. The Corporation's structure allows it to remain flexible and change depending on circumstances. Although the Corporation remains confident it will continue to attract sufficient capital to meet all its objectives, there is a risk that it may not. The impact on operations if funds are not available will range from altering initiatives to delaying the timing of initiatives, or in extreme circumstances, cease certain functions until the situation improves. The Corporation has expended sufficient cash on its key properties such that to maintain their claims, only minimal expenditures would be required in the short to medium term.

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

There are no off-balance sheet arrangements as at August 31, 2021.

#### **FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS**

The Corporation's financial instruments consist of cash and cash equivalents, accounts receivable, reclamation deposits, accounts payable and accrued liabilities, loans and interest payable, due to shareholders, finance lease obligation and CEBA loan. It is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments and that the fair value of these financial instruments approximates their carrying values, as applicable. Subsequent to initial recognition financial instruments are measured as described below:

The Corporation's cash and cash equivalent, accounts receivable and reclamation deposits are classified as amortized cost. Accounts payable and accrued liabilities, loans and interest payable, due to shareholders, finance lease obligation and CEBA loan are also classified as amortized cost. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss, as well as any gain or loss on derecognition.

The classification of debt instruments is driven by the Corporation's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Corporation can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Corporation has opted to measure them at FVTPL.

#### **TRANSACTIONS WITH RELATED PARTIES**

Transactions with related parties are incurred in the normal course of business and are measured at the exchange amount which is the amount of consideration established and approved by the related parties. Related party transactions are disclosed below, unless they have been disclosed elsewhere in the financial statements.

##### *(a) Transactions*

These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount, which is the amount of consideration established and agreed to by the related parties. The table includes the nature of the transaction and a reference to the description of the related counterparty.

For the nine months ended	2021	2020
<b>Expenses</b>		
Interest (included in general and administrative) (i)	\$ 3,774	\$ -
Share-based compensation (i)	433,625	264,100
Consulting fees (ii)		10,000
	\$ 437,399	\$ 274,100
<b>Exploration and evaluation assets</b>		
Salaries and benefits (iii)	\$ 86,002	\$ 16,069
	\$ 523,401	\$ 290,169

(b) *Amounts due to related parties*

	2021	2020
Accounts payable and accrued liabilities (i)	\$ -	\$ 74,919
Due to shareholders	3,743	7,344
Loans and interest payable (i)	-	50,000
	\$ 3,743	\$ 132,263

- I. Current and former officers and directors
- II. Former VP Finance and Business development
- III. Chief Operating Officer

During the nine months ended Aug 31, 2021, amounts owing to a director for past services was fully paid.

Amounts due to shareholders are unsecured, non-interest bearing and due on demand.

The loans and interest payable were also fully funded in the nine months ended Aug 31, 2021.

(c) *Key management compensation*

The Corporation has determined key management personnel to be the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer and the Board of Directors. For the comparative period, this would also include the former VP Finance and legal consultant. Compensation expense for key management personnel was:

For the nine months ended August 31,	2021	2020
Management compensation	\$ 161,255	\$ 76,031
Board of director fees	32,640	-
Share-based compensation	433,625	264,100
	\$ 627,550	\$ 340,131

**SIGNIFICANT ACCOUNTING JUDGMENTS AND USE OF ESTIMATES**

The preparation of the audited annual consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The financial statements include estimates which, by their nature, are

uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised, and the revision affects both current and future periods.

The Corporation's significant judgments and estimates are disclosed in the financial statements for the three and nine months ended August 31, 2021 and in the audited financial statements for the year ended November 30, 2020.

## DISCLOSURE OF OUTSTANDING SHARE DATA

The Corporation is authorized to issue an unlimited number of common shares of which 100,820,174 common shares are issued and outstanding as at the date of this MD&A (71,366,166) as at November 30, 2020).

As at the date of this MD&A, the following is a description of the outstanding equity securities and convertible securities previously issued by the Corporation:

	<b>Authorized</b>	<b>Outstanding</b>
Voting or equity securities issued and outstanding	Unlimited Common Shares	100,820,174 Common Shares
Securities convertible or exercisable into voting or equity securities - stock options	Stock Options to acquire up to 10% of outstanding Common Shares	8,715,000
Securities convertible or exercisable into voting or equity securities		
- warrants exercisable at \$0.10		4,750,000
- warrants exercisable at \$0.12		5,213,000
- warrants exercisable at \$0.15		1,327,400
- warrants exercisable at \$0.20		6,675,654
- warrants exercisable at \$0.30		8,546,904
- warrants exercisable at \$0.40		1,683,264

## STOCK OPTIONS

The Corporation has adopted an incentive stock option plan (the "**Plan**"), whereby it may grant options to directors, officers, employees, and consultants of the Corporation. The maximum number of shares that may be reserved for issuance under the Plan is limited to 10% of the issued common shares at any time. The exercise price of options granted under the Plan shall not be less than the price of the common shares on the day proceeding the day the options are granted, less any discounted price permitted by the TSXV.

As of the date of this MD&A, pursuant to the Corporation's stock option plan, 8,715,000 options were granted to directors, officers and consultants. These options are fully vested and have a variety of expiration dates.

## COVID-19

On March 11, 2020, the World Health Organization declared a global pandemic relating to the outbreak of COVID-19. In order to combat the spread of COVID-19 governments worldwide have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures. These measures have caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility in national and global equity and commodity markets.

Central banks and governments, including Canadian federal and provincial governments, have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of any interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Corporation and its operations in future periods.

**QUALIFIED PERSON**

Mr. Bradley Willis, P.Eng., is a “qualified person” as defined by NI 43-101 guidelines and has reviewed and approved the contents of this MD&A.

**APPROVAL**

The board of directors of the Corporation has approved the disclosure contained in this MD&A as of October 27, 2021. Further information with respect to the Corporation can be found on its website at [www.voyageurpharmaceuticals.ca](http://www.voyageurpharmaceuticals.ca) and under its profile at [www.sedar.com](http://www.sedar.com).