RHYOLITE RESOURCES

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and nine months ended September 30, 2022 and 2021

BACKGROUND

This management discussion and analysis ("MD&A") of financial position and results of operations of Rhyolite Resources Ltd. ("Rhyolite" or the "Company") is prepared as of November 15, 2022 and should be read in conjunction with the Company's condensed consolidated interim financial statements for the three and nine months ended September 30, 2022, the audited consolidated financial statements for the year ended December 31, 2021 and the MD&A for the year ended December 31, 2021.

The unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2022, and comparative information presented therein, have been prepared in accordance with International Financial Reporting Standard ("IFRS") and with International Accounting Standard 34, "Interim Financial Reporting", as issued by the International Accounting Standards Board ("IASB").

All dollar figures included therein and in the following MD&A are quoted in Canadian dollars. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com.

FORWARD-LOOKING STATEMENTS

This MD&A includes "forward-looking statements" and "forward-looking information" within the meaning of Canadian securities legislation. All statements included in this MD&A, other than statements of historical fact, are forward-looking statements. When used in this MD&A, words such as "may", "would", "could", "will", "intend", "expect", "believe", "plan", "anticipate", "estimate", "scheduled", "forecast", "predict", "foresee" and other similar terminology, or sentences/statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved are intended to identify forward-looking statements, which, by their very nature, are not guarantees of the Company's future operational or financial performance. These statements reflect Rhyolite's current expectations regarding future events, performance, and results, and are accurate only at the time of this MD&A and may be superseded by more current information.

Forward-looking statements also involve known and unknown risks, uncertainties, and other factors, which may cause the actual results, performance or achievements of Rhyolite or its mineral projects to be materially different from any future results, performance or achievements expressed or implied by such forward- looking statements or information.

In making such statements, Rhyolite has made assumptions regarding, among other things: general business and economic conditions; the availability of additional exploration and mineral project financing; the supply and demand for, inventories of, and the level and volatility of the prices of metals; relationships with strategic partners; changes in regulations; political factors; the accuracy of the Company's interpretation of exploration results; the geology, grade and continuity of the Company's mineral deposits; the availability of equipment, skilled labour and services needed for the exploration and development of mineral properties; the exploitation and development of the Company's Muckahi Mining System; currency fluctuations; and impact of the COVID-19 pandemic.

Although the forward-looking statements or information contained in this MD&A are based upon what management of Rhyolite believes are reasonable assumptions, Rhyolite cannot assure investors that actual results will be consistent with these forward-looking statements. They should not be read as guarantees of future performance or results. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to: the factors discussed below and under "Risks and Uncertainties"; unanticipated changes in general business and economic conditions or conditions in the financial markets; fluctuations in the price of metals; stock market volatility; the availability of exploration capital and financing generally; changes in national and local government legislation; changes to taxation; changes in interest or currency exchange rates; loss of key personnel; inaccurate geological assumptions; actual exploration results, interpretation of metallurgical characteristics of the mineralization, changes in project parameters as plans continue to be refined, future metal prices; the ability to identify projects suitable for deployment and implementation of the Muckahi Mining System; competition; unavailability of materials and equipment; government action or delays in the receipt of permits or government approvals; industrial disturbances; and unanticipated events related to health, safety and environmental matters, including unknown impacts related to potential business disruptions stemming from the COVID-19 pandemic or another infectious illness.

Forward-looking information is designed to help readers understand management's current views of the Company's near and longer-term prospects, and it may not be appropriate for other purposes. Rhyolite will not update any forward-looking statements or forward-looking information unless required to by applicable securities laws.

The forward-looking statements contained herein are based on information available and are made as of November 15, 2022.

COMPANY OVERVIEW

The Company's strategy is to become a vertically integrated mining company focused on the development of mining assets amenable to the innovative Muckahi Mining System ("Muckahi" or "MMS").

The Company is also advancing two gold exploration projects, the Brothers and Suku Passi projects (including both the Suku Passi and Bob's concessions), in Suriname through joint venture earn-in agreements. The Company is listed on the TSX Venture Exchange ("TSX-V") under the symbol "RYE".

MUCKAHI MINING SYSTEM UPDATE

Muckahi is a roof mounted, monorail-based transport system that facilitates significant paradigm shifts in how underground hard rock mines are designed. These design changes are expected to deliver a material reduction in mining capital and operating expenditures, as well as carbon emissions.

During the quarter, the Company continued with its effort in identifying a suitable project for the application of Muckahi. Rhyolite is in discussion with several deposit owners that have a deposit of interest to the Company. Mine designs have been developed for the potential targets and the results were very encouraging and validated the expectations for materially reduced capital and operating expenditures.

The design work for the equipment is substantially completed during the quarter with some fine-tuning to be finalized in the coming months. Some long-lead time components have been ordered for the build of a system to ensure form, fit, and function. In the long run, the Company plans to manufacture our own equipment to capture the Original Equipment Manufacturer (OEM) margins.

JOINT VENTURE EXPLORATION PROJECTS UPDATE

At the Brothers Project, the Company completed its inaugural 3,000-metre diamond core drilling program in the beginning of 2022. The campaign has identified a gold mineralized shear zone 3.5 km in length. The shear zone is open on strike at both ends and is open down dip. Highlight assay results include 10 metres (m) of 1.8 g/t gold (Au) in hole BRDD-001, 6m of 4.6 g/t Au in hole BRDD-004, 8m of 2.4 g/t Au in hole BRDD-009, 1m of 20.5 g/t Au in hole BRDD-013 (for more details, please refer to the Company's May 16, 2022 press release on www.sedar.com).

At the Suku Passi Project, the Company initiated a 1,500-metre diamond core drilling program in the fourth quarter of 2022. Samples are being processed at a local lab in Suriname as of date of this report. When all data are received and analysed, the complete set of results will be press released.

The technical information in this MD&A pertaining to Brothers and Suku Passi has been reviewed, verified, and approved by Dr. Dennis LaPoint, PhD who is a Qualified Person (QP) under National Instrument 43-101 "Standards of Disclosure for Mineral Projects". Dr. LaPoint is not considered to be independent for the purposes of National Instrument 43-101.

SELECTED QUARTERLY INFORMATION

The following table provides information for the eight fiscal quarters ended September 30, 2022:

	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021
Corporate expenses	$ 2,311,846	$ 2,181,341	$ 1,993,509	$ 1,950,310
Share of loss in joint ventures	74,566	99,328	177,983	145,062
Net loss	2,386,412	2,280,669	2,171,492	2,095,372
Loss per share - basic and diluted	0.02	0.02	0.02	0.04
Total assets	24,516,068	25,931,483	27,662,878	28,281,992
Total liabilities	701,737	682,566	1,100,562	574,465
Shareholders' equity	23,814,331	25,248,917	26,562,316	27,707,527

	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020(1)
(Gain) loss on derivative instrument	$ -	$ -	$ (630,000)	$ 4,663,970
Corporate expenses	1,624,482	328,450	372,021	251,945
Share of loss in joint ventures	69,570	12,561	-	-
Net (Income) loss	1,694,052	341,011	(257,979)	4,925,327
(Income) loss per share - basic and diluted	0.02	0.00	(0.00)	0.08
Total assets	12,091,001	12,426,521	13,371,022	9,943,515
Total liabilities	289,787	137,990	756,480	74,452
Shareholders' equity	11,801,214	12,288,531	12,614,542	9,869,063

(1) During the period ended December 31, 2020, the Company changed its accounting policy from capitalizing exploration and evaluation acquisition costs to expensing such costs in the period the costs are incurred. The Company has applied the change in accounting policy on a retrospective basis and has therefore revised its prior period comparatives.

The changes in the Company's financial results on a quarter-by-quarter basis are primarily due to fluctuations in the level of activity of the Company's exploration and evaluation programs, project acquisitions, MMS engineering and corporate administration. The Company is a mineral exploration and development company and does not currently generate operating revenue.

(Gain)/ Loss on derivative instrument

In March 2021, the Company acquired 2765798 Ontario Ltd. (ONCorp) for the options to earn up to a 70% interest in the Suku Passi Project which includes both the Suku Passi and the Bob's Pit concessions in Suriname. Gain on derivative instrument for the quarter ended March 31, 2021, represents the change in value of the 3,500,000 shares issued to acquire ONCorp. When the Company became a party to the share purchase agreement on March 21, 2021, the Company's shares were valued at $0.88 per share. When the Company issued the shares on March 31, 2021, upon closing of the Suku Passi Transaction, the Company's shares were valued at $0.70 per share. The change in value was recognized as gain on derivative instrument for the period.

The Company completed a similar transaction in the fourth quarter of 2020 to acquire the earn-in option to the Brothers Project in Suriname. Loss on derivative instrument for the quarter ended December 31, 2020 represents the change in value of the 15,546,566 shares issued to acquire 2777662 Ontario Ltd. When the Company became a party to the share purchase agreement on October 13, 2020, the Company's shares were valued at $0.20 per share. When the Company issued the shares on October 30, 2020, upon closing of the Brothers Transaction, the Company's shares were valued at $0.50 per share. The change in value was recognized as loss on derivative instrument for the period.

Corporate expenses

Corporate expenses fluctuate based on corporate activity. Since third quarter 2021, the Company's corporate expenses increased due to higher share-based payment associated with the escrow shares issued in the Muckahi Transaction, higher salaries and benefits from increased headcounts, higher office expenses associated with the new Toronto office lease and set up and higher consulting fees related to Muckahi engineering.

Total assets, equity, and liabilities

The fluctuations in total assets and shareholders' equity generally reflect the timing and receipt of equity financing which increased cash resources in certain periods, while continued funding of the Company's operations decreased cash resources.

The increase in total assets and shareholders' equity since the quarter ended December 31, 2020 is mainly due to the acquisition of 2777662 Ontario Ltd., 2765798 Ontario Ltd., and the December 2021 private placement where the Company raised $18,080,880.

During the first quarter of 2022, the Company recognized a right of use asset and lease liability for the Toronto office lease, resulting in an increase in total assets and total liabilities. The increase in asset was offset by the use of cash to fund corporate expenses which decreased total asset and shareholders' equity during the periods.

The investments in the Brothers Project and Suku Passi Project are accounted for using the equity method. Under the equity method, the investment in joint ventures is initially recognized at cost and the carrying amount is increased or decreased to recognize the Company's share of the profit or loss of the investee after the date of acquisition. For the Brothers Project, the Company earned its initial 20% ownership in April 2021 and an additional 20% in April 2022. As at September 30, 2022, the Company has 40% ownership in the Brothers Project. As at September 30, 2022, the Company has accumulated the following costs for its equity-accounted-investees under its earn-in agreement:

	Brothers Project	Suku Passi Project	Total
Balance - December 31, 2021	$ 4,655,765	$ 4,372,722	$ 9,028,487
Earn-in payments	378,510	692,615	1,071,125
Earn-in expenditures	1,081,318	833,333	1,914,651
Earn-in shares issued	-	62,965	62,965
Share of loss in joint venture	(277,311)	-	(277,311)
Balance - June 30, 2022	$ 5,838,282	$ 5,961,635	$ 11,799,917
Earn-in expenditures	113,773	604,872	718,645
Share of loss in joint venture	(74,566)	-	(74,566)
Balance - September 30, 2022	**$ 5,877,489**	**$ 6,566,507**	**$ 12,443,996**
Earn-in status (% of ownership)	**40%**	**0%**	

Earn-in payments represent cash payments made to the concession holders based on the schedule set out in the joint venture agreements. Earn-in expenditures represent exploration expenditures the Company incurred to fulfil its funding requirement based on the joint venture agreements. Earn-in shares issued represent shares issued to the concession holders based on the schedule set out in the joint venture agreements. Earn-in payments, earn-in expenditures and earn-in shares issued are added to the investment cost base as they are incurred.

Total liabilities mainly represent the Toronto office lease liability and the Company's trade payables. The accounts payable balance fluctuates depending on the Company's payment cycle. The trade payables balance increased for the quarter ended March 31, 2021 due to the accrual of US$500,000 owing to the Vendors of the Suku Passi Project accrued upon closing of the Suku Passi Transaction on March 31, 2021. The amount was subsequently paid in the second quarter of 2021. The increase in balance for the quarter ended March 31, 2022 is mainly due to higher volume of invoices accumulated at the end of the period and the addition of lease liability starting from January 1, 2022. The balance for the quarters ending June 30, 2022 and September 30, 2022 has been relatively consistent.

RESULTS OF OPERATIONS

	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
Operating expenses				
Office administration and facilities	**$ -**	$ 37,500	**$ -**	$ 107,500
Compliance and regulatory	**3,763**	34,204	**31,518**	70,456
Professional fees	**10,231**	162,996	**109,296**	327,647
Consulting fees	**537,083**	16,456	**1,211,660**	288,425
Insurance	**12,261**	8,511	**34,028**	19,861
Salaries and benefits	**763,273**	144,881	**1,934,086**	266,001
Muckahi licence and trademark	**-**	1,100,000	**-**	1,100,000
Shared-based payment	**951,826**	106,735	**2,882,412**	106,735
General and administrative	**77,287**	8,935	**276,317**	17,694
Investor relations	**5,089**	11,598	**15,714**	18,870
Depreciation of property, plant and equipment	**7,690**	782	**19,950**	1,314
Depreciation of right of use asset	**14,561**	-	**43,683**	-
	2,383,064	1,632,598	**6,558,664**	2,324,503
Other expense (income)				
Gain on derivative instrument	**-**	-	**-**	(630,000)
Foreign exchange (gain) loss	**(14,411)**	(5,484)	**15,733**	7,002
Interest cost on lease liability	**6,674**	-	**20,809**	-
Interest income	**(63,481)**	(2,632)	**(108,510)**	(6,552)
Share of loss in joint ventures	**74,566**	69,570	**351,877**	82,131
Loss and comprehensive loss for the period	**$ 2,386,412**	$ 1,694,052	**$ 6,838,573**	$ 1,777,084

Operating expenses increased for the three and nine months ended September 30, 2022 compared to the same periods in 2021 due to increased corporate activities since the acquisition of Muckahi Inc.

Third Quarter Results – Three months ended September 30, 2022 ("Q3 2022") compared to the three months ended September 30, 2021 ("Q3 2021")

Professional fees

Professional fees include legal, accounting, and tax advisory costs. The decrease in professional fees of $152,765 in Q3 2022 compared to Q3 2021 is mainly attributable to legal fees of $119,000 associated with the acquisition of Muckahi Inc. and review fees of $40,000 in Q3 2021. In Q3 2022, no such transaction occurred.

Consulting fees

Consulting fees include engineering and other advisory services costs. The increase in Q3 2022 compared to Q3 2021 is primarily due to Muckahi engineering costs of $478,179 in Q3 2022.

Salaries and benefits

The increase in salaries and benefits in Q3 2022 compared to Q3 2021 represent the addition of full-time employees at the corporate level to meet the increased corporate activities. In Q3 2021, the Company had minimal full-time staff as most of the corporate services were outsourced.

Muckahi license and trademark

In Q3 2021, the Company expensed the $1.1 million related to the 1.0 million unconditional shares issued to Mr. Stanford in the Muckahi Transaction for Mr. Stanford's know-how of the MMS. Such know-how did not meet the definition of an asset. In Q3 2022, no such transaction occurred.

Share-based payment

In Q3 2022, the Company recognized $951,826 in share-based compensation from Escrow Shares issued to Mr. Stanford in connection with the Muckahi Transaction in accordance with IFRS 2*, Share-based payment*. The Muckahi Transaction closed on September 20, 2021; therefore, the Company only recognized $106,735 as share-based compensation in Q3 2021.

Year-to-Date Results – Nine months ended September 30, 2022 ("YTD 2022") compared to the nine months ended September 30, 2021 ("YTD 2021")

Professional fees

Professional fees include legal, accounting, and tax advisory costs. The decrease in professional fees of $218,351 in Q3 2022 compared to Q3 2021 is mainly attributable to a reduction in legal fees by $205,476. In YTD 2021, the Company incurred higher legal fees related to the acquisition of Muckahi Inc. and 2765798 Ontario Ltd. In YTD 2022, no such transaction occurred.

Consulting fees

The increase in consulting fees in YTD 2022 by $923,235 compared to YTD 2021 is primarily due to Muckahi engineering costs of $1,019,960 incurred in YTD 2022; the increase is partially offset by an one-time financial advisory fees of $180,000 pertaining to the acquisition of Suku Passi Project incurred in YTD 2021.

Salaries and benefits

The increase in salaries and benefits in YTD 2022 compared to YTD 2021 represent the addition of full-time employees at the corporate level to meet the increased corporate activities. In YTD 2021, the Company had minimal full-time staff as most of the corporate services were outsourced.

Muckahi license and trademark

In YTD 2021, the Company expensed the $1.1 million related to the 1.0 million unconditional shares issued to Mr. Stanford in the Muckahi Transaction for Mr. Stanford's know-how of the MMS. Such know-how did not meet the definition of an asset. In YTD 2022, no such transaction occurred.

Share-based payment

In YTD 2022, the Company recognized $2,883,733 in share-based compensation from Escrow Shares issued to Mr. Stanford in connection with the Muckahi Transaction in accordance with IFRS 2*, Share-based payment*. The Muckahi Transaction closed on September 20, 2021; therefore, the Company only recognized $106,735 as share-based compensation in Q3 2021.

General and administrative

General and administrative includes office administration, travel, and information technology costs. The increase of $258,623 in YTD 2022 compared with YTD 2021 is primarily due to costs associated with setting up a new office in Toronto, higher IT costs due to software subscriptions and an increase in business travel due to increased activities in YTD 2022.

Gain on derivative instrument

Gain on derivative instrument for YTD 2021 represents the change in value of the 3,500,000 Rhyolite shares issued to acquire 2765798 Ontario Ltd. in March 2021. When the Company became a party to the share purchase agreement on March 21, 2021, the Company's shares were valued at $0.88 per share. When the Company issued the shares on March 31, 2021 upon closing of the Suku Passi Transaction, the Company's shares were valued at $0.70 per share. The change in value was recognized as gain on derivative instrument for the period. In YTD 2022, no such transaction occurred.

Share of loss in joint ventures

The Company earned its 20% ownership in the Brothers joint venture project in April 2021 and an additional 20% in April 2022. The investment in joint venture has been accounted for using the equity method; therefore, the Company recognized its share of Brothers' YTD loss in the Company's Statement of Loss and Comprehensive Loss during the period. Brothers YTD 2022 loss is higher than YTD 2021 due to higher activity levels in YTD 2022.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

As of September 30, 2022, the Company had consolidated cash of approximately $11.6 million (December 31, 2021 - $19.1 million) to apply against short-term business requirements and current liabilities of $489,591 (December 31, 2021 - $574,465).

The Company is developing the Muckahi Mining System and plans to identify a suitable project for the application of Muckahi. The Company also continues to fund its commitments under the joint venture agreements, which extend beyond the end of Q3 2023. The Company will require additional financing in order to fund its operations, meet its planned investment in Muckahi and meet the cash payment and exploration expenditure commitments under the joint venture agreements.

Continuance as a going concern is dependent upon the Company's ability to obtain adequate equity or debt financing, or, alternatively, dispose of its non- core properties on an advantageous basis, among other things. In 2020 and 2021, the Company was successful in raising funds through equity offerings. While the Company has been successful in the past in obtaining financing for its operations, there is no assurance that it will be able to obtain adequate financing in the future, and as a result, a material uncertainty exists that casts significant doubt about the Company's ability to continue as a going concern.

In addition, the lingering effect of the COVID-19 pandemic has caused and continues to cause considerable disruptions to the world economy, including financial markets and commodity prices and could adversely impact the Company's ability to carry out plans to obtain additional financing. Although the Company did not experience any significant operational delays during Q3 2022, there are still some challenges related to supply chain disruption. In Q3 2022, the Company was able to complete the committed exploration activities and make payment to concession owners in accordance with joint venture agreements.

RELATED PARTY TRANSACTIONS

Key Management Compensation

Key management personnel are persons responsible for planning, directing, and controlling the activities of an entity, and include certain directors and officers. For the three and nine months ended September 30, 2022 and 2021, key management compensation comprises:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Earlston	**$ -**	$ 37,500	**$ -**	$ 107,500
Salaries and benefits	**267,500**	50,000	**802,500**	100,000
Share-based payment	**951,826**	-	**2,883,732**	-
Total	**$ 1,219,326**	$ 87,500	**$3,686,232**	$ 207,500

In September 2021, Mr. Stanford was appointed as Chief Executive Officer concurrent with the acquisition of Muckahi Inc. As part of the Muckahi Transaction, Mr. Stanford received 9.5 million Rhyolite common shares as consideration, of which, 1.0 million common shares were issued to Mr. Stanford upon closing of the Muckahi Transaction and the remaining 8.5 million common shares were deposited in escrow to be released to Mr. Stanford in tranches over a four-year period conditional upon Mr. Stanford remaining involved with the Company in any capacity other than as a shareholder as at each anniversary date. During the three and nine months ended September 30, 2022, the Company recognized $951,826 and $2,883,732 as share-based payment related to the escrow shares issued to Mr. Stanford in the Muckahi Transaction.

CAPITAL MANAGEMENT

The Company defines its capital as its shareholders' equity. It manages its capital structure and makes adjustments to it based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company plans to develop the Muckahi Mining System and to identify a suitable project for the application of Muckahi. The Company also continues to fund its commitments under the joint venture agreements, which extend beyond Q3 2023. The Company will require additional financing in order to fund its operations, meet its planned investment in Muckahi and meet the cash payment and exploration expenditure commitments under the joint venture agreements.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company's investment policy is to hold cash in interest-bearing bank accounts or highly liquid short-term interest-bearing investments with maturities of one year or less and which can be liquidated at any time without penalties. The Company is not subject to externally imposed capital requirements and does not have exposure to asset-backed commercial paper or similar products. There have been no changes to the Company's approach to capital management during the period ended September 30, 2022.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at September 30, 2022, the Company's financial instruments comprise cash and cash equivalents, amounts receivable and accounts payable and accrued liabilities. Fair values of financial instruments measured at fair value through profit or loss are classified in a fair value hierarchy based on the inputs used to determine fair values. As of September 30, 2022 and 2021, the fair values of the Company's financial instruments approximate their carrying values due to their short-term maturity.

OUTSTANDING SHARE DATA

As of the date of this MD&A, the Company has 116,685,253 common shares and 10,000 stock options outstanding.

OFF-BALANCE SHEET ARRANGEMENTS

During the period ended September 30, 2022, the Company was not a party to any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations, financial condition, capital expenditures, liquidity or capital resources of the Company.

PROPOSED TRANSACTIONS

There are no proposed transactions that have not been disclosed herein.

USE OF ESTIMATES

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates on the resulting effects of the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

All of the Company's significant accounting policies and estimates are included in Note 3 and 4 of its audited consolidated financial statements for the year ended December 31, 2021.

NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

Standards, amendments and interpretations issued but not yet applied

Certain new accounting standards were not yet effective for the three and nine months ended September 30, 2022 and have not been applied in preparing these consolidated interim financial statements.

The following amendments to existing standards are effective for annual periods beginning on or after January 1, 2023. Management has assessed the financial statement impact of adopting the following standards and have determined that the impact is immaterial.

(a) Amendment to IAS 12 *Income taxes*: The amendment narrowed the scope of the recognition exemption so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences such as deferred taxes on leases and decommissioning obligations.

(b) Amendment to IAS 1 *Presentation of Financial Statements*: The narrow-scope amendments to IAS 1 clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.

(c) Amendments to IAS 1 *Presentation of Financial Statements* and an update to IFRS Practice Statement 2 *Making Materiality Judgements* to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:
   - requiring companies to disclose their material accounting policies rather than their significant accounting policies;
   - clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
   - clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

   The IASB also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures.

(d) Amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* to clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates.

OTHER DATA

Additional information related to the Company is available for viewing under the Company's profile at www.sedar.com.

CORPORATE GOVERNANCE

The Company's Board of Directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The Audit Committee of the Company fulfills its role of ensuring the integrity of the reported information through its review of the interim and audited annual financial statements prior to their submission to the Board of Directors for approval. The Audit Committee, comprised of three directors, all of whom are independent, meets with management of the Company on a quarterly basis to review the financial statements, including the MD&A, and to discuss other financial, operating and internal control matters as required.

RISKS AND UNCERTAINTIES

The Company is engaged in mineral exploration activities and development and deployment of the Muckahi Mining System which, by nature, are speculative. Due to the high-risk nature of the Company's business and the present stage of the Company's various projects, an investment in the Company's common shares should be considered a highly speculative investment that involves significant financial risks, and prospective investors should carefully consider all of the information disclosed in this MD&A and the Company's other public disclosures, including the risks disclosed in the "Risks and Uncertainties" section of the Company's MD&A for the year ended December 31, 2021, prior to making any investment in the Company's common shares. The risks disclosed in the "Risks and Uncertainties" section of the Company's MD&A for the year ended December 31, 2021 do not necessarily comprise all of the risks faced by the Company. Additional risks not currently known to the Company, or that the Company currently considers immaterial, may also adversely affect the Company's business, result of operations, financial results, prospects and price of common shares.