GOLD TERRA RESOURCE CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS For the three months ended April 30, 2021

This Management's Discussion and Analysis of Gold Terra Resource Corp. (formerly TerraX Minerals Inc.) ("Gold Terra" or the "Company") ("MD&A") provides analysis of the Company's financial results for the three months ended April 30, 2021 and should be read in conjunction with the accompanying unaudited condensed interim financial statements and notes to thereto for the three months ended April 30, 2021 and with audited consolidated financial statements and notes thereto for the year ended January 31, 2021, all of which are available at www.sedar.com. This MD&A is based on information available as at June 29, 2021.

The accompanying unaudited condensed consolidated interim financial statements for the three months ended April 30, 2021 have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee. All amounts are expressed in Canadian dollars, unless otherwise stated.

Certain statements made may constitute forward-looking statements. Such statements involve a number of known and unknown risks, uncertainties and other factors. Actual results, performance and achievements may be materially different from those expressed or implied by these forward-looking statements. Additional information about the Company is available at www.sedar.com.

The Company was incorporated on August 1, 2007 pursuant to the provisions of the *Business Corporations Act* (British Columbia) under the name of TerraX Resource Corp. On March 31, 2008, the Company amended its notice of articles to change its name to TerraX Minerals Inc. and on February 14, 2020, the Company further amended its notice of articles to change its name to Gold Terra Resource Corp. The Company has one wholly-owned subsidiary, Gold Matter Corporation, that was incorporated under the Business Corporations Act (Ontario).

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This MD&A may contain certain statements that may be deemed "forward-looking statements". All statements in this document, other than statements of historical fact, which address events or developments that the Company expects to occur, are forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential", "interprets" and similar expressions, or events or conditions that "will", "would", "may", "could" or "should" occur. Forward-looking statements in this document include statements regarding future exploration programs, joint venture partner participation, liquidity and effects of accounting policy changes.

Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in forward-looking statements. Factors that could cause the actual results to differ materially from those in forward-looking statements include market prices, exploration success, continued availability of capital and financing, inability to obtain required regulatory or governmental approvals and general economic, market or business conditions. Readers are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements.

Forward-looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made. The Company undertakes no obligation to update these forward-looking statements in the event that management's beliefs, estimates, opinions or other factors should change except as required by law.

These statements are based on a number of assumptions including, among others, assumptions regarding general business and economic conditions, the timing of the receipt of regulatory and governmental approvals for the transactions described herein, the ability of the Company and other relevant parties to satisfy stock exchange and other regulatory requirements in a timely manner, the availability of financing for the Company's proposed transactions and exploration and development programs on reasonable terms and the ability of third-party service providers to deliver services in a timely manner. The foregoing list of assumptions is not exhaustive. Events or circumstances could cause results to differ materially.

OVERVIEW

On March 16, 2021, the Company announced an updated mineral resource estimate ("MRE"). The classification of the MRE was completed in accordance with the CIM definition standards incorporated by reference in National Instrument 43-101.

The MRE comprises data for 522 surface drill holes totaling 108,294 metres completed on the Yellowknife City Gold ("YCG") property area between 1945 and 2020. The inferred resource estimate of 1,207,000 ounces based on a gold price of US$1,450 per ounce, consists of:

- A pit-constrained inferred resource of 21.8 million tonnes averaging 1.25 g/t for 876,000 ounces of contained gold; and
- An underground inferred resource of 2.55 million tonnes averaging 4.04 g/t for 331,000 ounces of contained gold.

For more details on this MRE, please view the Company's news release of March 16, 2021. The Technical Report is available on our web site at www.goldterracorp.com and can be accessed on SEDAR at www.sedar.com.

The YCG property lies within the prolific Yellowknife greenstone belt and covers the northern and southern extensions of the shear system that hosts the former high-grade Con Mine (6.1 million ounces produced) and Giant Mine (8.1 million ounces produced) for a total of 14 million ounces of gold produced. The project area contains numerous gold showings and multiple shear structures which are the recognized hosts for high-grade gold deposits in the Yellowknife gold district. Being all-season road accessible and all within 10 to 40 kilometres of Yellowknife, the YCG property is close to vital infrastructure, including transportation, service providers, hydro-electric power and skilled trades people.

For more information on the YCG property, please visit the Company's website at www.goldterracorp.com.

EXPLORATION OVERVIEW – NEWMONT OPTION

2020-21 Winter Drill Program

On November 12, 2020, the Company started a 12,000 metre drilling program to test the Campbell Shear, south of the former producing Con Mine, on the Company's recently optioned property from Newmont Ventures Limited and Miramar Northern Mining Limited ("Newmont") (the "Newmont Exploration Property"), adjacent to its YCG property in the Northwest Territories.

Data compilation work completed by the Company in 2020, including an integrated 3 Dimensional model of 13,699 historical drill holes from underground and surface exploration of the Campbell Shear, highlighted the prospectivity of the southern extension of the Campbell Shear. In particular, some very good historical intersections were previously drilled on the Campbell Shear southern extension with limited follow-up drilling. With the Southbelt property (100% Gold Terra) and the option on the Newmont ground, the Company is able to test the Campbell Shear, which remains relatively underexplored south of the Con Mine and at depth.

During the 2021 winter drill program, the Company drilled 7,252 metres on the optioned Newmont Exploration Property, which comprised of 13 holes testing over 1.4 kilometres of strike extension of the Campbell Shear at greater than 150 metre spacing along strike, and to vertical depths between 250 and 600 metres. Holes were extended through to the footwall of the shear to cross the entire width of the mineralized structure.

On March 23, 2021, the Company announced results from the first three holes totaling 1,714 metres. Hole GTCM21-003 intersected 10.85 g/t Au over 4.35 metres including 25.4 g/t Au over 1.55 metres within the 80 metre-wide Campbell Shear structure at the Yellorex deposit. Holes GTCM21-001 intersected 2.35 g/t Au over 1.10 metres and GTCM21-002 intersected 1.4g/t Au over 0.60 metres.

On April 6, 2021, the Company announced results from an additional three holes totaling 1,900.51 metres. Hole GTCM21-005 intersected 5.77 g/t Au over 12.35 metres including 14.09 g/t Au over 4.65 metres within the Campbell Shear structure at the Yellorex deposit at a vertical depth of 275 metres below surface and 100 metres downdip from hole GTCM21-003. Hole GTCM21-004 intersected 5.69 g/t Au over 1.50 metres and 0.871 g/t Au over 3 metres. Hole GTCM21-006, which is located 200 metres south of GTCM21-004, intersected very anomalous gold (0.29 g/t Au over 20.50 metres) and other markers of the Con Mine mineralization.

On April 27, 2021, the Company announced results for three holes totaling 1,452.45 metres. Hole GTCM21-007 intersected 1.14 g/t Au over 11.05 metres, including 2.99 g/t Au over 3.30 metres. Hole GTCM21-008 intersected only minor gold mineralization with a best assay result of 1.26 g/t Au over 0.74 metres. Hole GTCM21-009 intersected 238 metres of the Campbell Shear and a good alteration halo that graded 0.6 g/t Au over 7.5 metres, including 1.18 g/t Au over 2.5 metres, as well as other narrow zones of 0.5 to 1.5 g/t Au in the hanging wall and footwall of the shear.

On May 18, 2021, the Company announced results for two holes totaling 1,372.42 metres. Hole GTCM21-010 intersected 1.80 g/t Au over 3.07 metres within the Campbell Shear structure. This gold-bearing zone consists of a strong and pervasive sericite alteration with smoky quartz veins, pyrite and arsenopyrite needles. The Campbell Shear intersected by hole GTCM21-010 is 210 metres wide, including a 26 metre-wide undeformed “horse”. Areas that were historically described as “horses” by Con Mine geologists were significant for localizing gold mineralization in the pressure shadows they create. Hole GTCM21-011 intersected 1.32 g/t Au over 9.20 metres including 5.99 g/t Au over 1.45 metres within the Campbell Shear structure. The Campbell Shear intersected by this hole is 157 metres wide and is anastomosed, separated by several undeformed “horses” between strong shear zones. The whole structure is 157 metre-wide including these “horses”.

On June 14, 2021, the Company announced assay results for the last two drill holes totaling 862.96 metres. Hole GTCM21-012 intersected 1.10 g/t Au over 4.95 metres within the Campbell Shear structure. This gold-bearing zone is in continuity with the gold zones intersected by holes GTCM21-007 (1.14 g/t Au over 11.05 metres) and GTCM21-011 (1.32 g/t Au over 9.20 metres). It consists of a strong and pervasive sericite alteration with smoky quartz veinlets, pyrite and local arsenopyrite stringers. The Campbell Shear intersected by hole GTCM21-012 is 135 meters wide. Hole GTCM21-013 intersected 0.71 g/t Au over 4.40 metres and 2.94 g/t Au over 0.80 metres within the Campbell Shear structure. The intensity of the shear intersected by this hole is not uniform and consists of moderate to strong shears alternating with some less deformed to undeformed zones. The entire Campbell Shear structure is 209 metres wide, including three wide 39 metres of undeformed zones. Results indicate that GTCM21-013 has intersected a low-grade alteration halo which usually surrounds high-grade mineralized lens.

Summer 2021 Outlook

Drilling on the Campbell Shear within the Newmont Exploration Property area is planned to commence in July 2021. The drill program will focus on the Yellorex Zone (e.g. GTCM21-05 with 14.09 g/t Au over 4.65 metres) to define and expand this deposit. Potential drill targets have also been developed around the former Ptarmigan Mine of the Eastbelt and an amendment to the current Land Use Permit is being requested to allow drilling on this high-grade vein.

EXPLORATION OVERVIEW – YCG PROPERTY

2020 Winter Drill Program

Crestaurum Drilling Campaign

On January 13, 2021, the Company announced assays for nine holes at the high-grade Crestaurum gold deposit on the YCG property. The nine holes totaling 1,062 metres tested the main Crestaurum shear structure at shallow depths across 900 metres of strike length, and also tested high-grade secondary shears and splays in the hanging wall and footwall of the main shear.

Hole GTCR20-104 intersected 9.03 g/t Au over 5 metres, including 23.7 g/t Au over 1.0 metre within a mineralized shear zone containing quartz veins with visible gold. The hole is located approximately 40 metres up dip and 25 metres to the south from GTCR20-103 which intersected 9.60 g/t over 4.0 metres (see news release of December 9, 2020). In addition, hole GTCR20-105 intersected 5.84 g/t Au over 2 metres approximately 75 metres up dip of GTCR20-104.

Three holes were drilled in an area around the exploration shaft sunk in 1946, an area previously believed to be unmineralized. Hole GTCR20-102 had a narrow low-grade intersection of 2.66 g/t Au over 0.80 metre. Hole GTCR20-106 was designed to test both the main shear and a hangingwall vein and intersected 3.23 g/t Au over 0.75 metres in the hangingwall vein and 1.75 g/t Au over 2.70 metres in the main shear. Hole GTCR20-107 intersected 2.31 g/t Au over 4.10 metres, including 10.55 g/t Au over 0.80 metre.

Three drill holes were drilled across approximately 200 metres of strike length to intersect the main shear at shallow depths above current high-grade in the South Shoot area. These holes were designed to increase the near surface mineralization available for potential open pit. Hole GTCR20-108 interested 8.19 g/t Au over 1.95 metres, and GTCR20-109 intersected 3.43 g/t over 3.90 metres, including 7.11 g/t Au over 1.75 metres. Both holes also intersected significant mineralization in the footwall of the main shear, including 2.53 g/t Au over 2.75 metres in hole GTCR20-109. Hole GTCR20-111 failed to intersect significant mineralization in the main shear and had 2 g/t Au level assays in the hangingwall of the shear.

Hole GTCR20-110 was drilled south of the Daigle Fault to determine the location of the southern extension of the Crestaurum Shear beyond the fault. The shear structure was successfully intersected but was low grade (0.86 g/t Au over 3.0 metres).

EXPLORATION OVERVIEW – MULLIGAN PROPERTY

Since the acquisition in October 2019, the Company completed a drilling program of 1,601 metres on its 100% wholly-owned Mulligan Gold project in New Brunswick, Canada. A total of 11 holes were drilled to test a gold mineralized zone previously identified in surface trenching. Trench grab samples had yielded 5.7 g/t Au over 16 metres from the previous owner. An induced polarization geophysical survey was also completed in 2019 to outline areas of conductivity and resistivity, and to help determine drilling targets. The drilling intersected a “breccia” which is more than 75 metres wide and 750 metres long and remains open along strike and at depth. Anomalous gold was intersected in the Breccia which was outlined and confirm by the drilling. The Company is evaluating the possibility to return in the summer of 2021 for some surface verification.

EXPLORATION EXPENDITURES

During the three months ended April 30, 2021, the Company incurred $1,397,997 in exploration expenditures mainly on the YCG, inclusive of geological consulting of $58,061, drilling and assays of $1,274,569, community relations of $8,450, environmental work of $9,780, geophysical consulting of $876 and field expenses of $46,261.

The technical information contained in this MD&A has been approved by Joseph Campbell, Chief Operating Officer of the Company, who is a Qualified Person as defined in “National Instrument 43-101, Standards of Disclosure for Mineral Projects”.

CORPORATE OVERVIEW

Annual General Meeting

At the Annual General and Special Meeting of the Company held on June 15, 2021 (the “Meeting”), the shareholders elected Gerald Panneton (Executive Chair), David Suda, Louis Dionne, Laurie Gaborit, Elif Lévesque, Stuart Rogers, and Hellen Siwanowicz as directors of the Company for the forthcoming year.

Expiration of Stock Options and Warrants

Subsequent to April 30, 2021, 1,250,000 stock options expired unexercised.

Subsequent to April 30, 2021, 339,144 warrants expired unexercised

Financing

On March 4, 2021, the Company completed a non-brokered private placement of 8,000,000 flow-through common shares of the Company (the "FT Shares") at a price of $0.36 per FT Share for gross proceeds of $2,880,000. Share issuance costs of $34,007 were incurred with respect to this placement.

Use of Proceeds from Flow-through Financing

FT Shares require the Company to incur an amount equivalent to the proceeds of the issued FT Shares on Canadian qualifying exploration expenditures. The Company may be required to indemnify the holders of such shares for any tax and other costs payable by them in the event the Company has not incurred the required exploration expenditures. Under the IFRS framework, the increase to share capital when FT Shares are issued is measured based on the current market price of the common shares. The incremental proceeds, or “premium”, are recorded as a flow-through liability.

On March 4, 2021, the Company received a total of $2,880,000 from the issuance of 8,000,000 FT Shares described in more detail above. These FT Shares were issued at a premium to market, for a total premium of $880,000. The Company has accounted for this deferred premium on flow-through shares as a liability in its financial statements.

During the three month period ended April 30, 2021, the Company incurred and renounced expenditures of $1,275,795 with respect to the flow-through financing and reduced the deferred premium on flow-through shares by $382,017 as a result.

CURRENT ECONOMIC CONDITIONS

During the calendar year 2020, ongoing global economic weakness made for extremely volatile capital markets characterized by weaker equity prices for mineral exploration companies and an environment in which limited opportunities exist to raise additional capital. While periods of stronger commodity prices have provided financing opportunities which Gold Terra has capitalized on in the past to augment its working capital, management of the Company remains cautious and will continue to take the necessary precautions to maintain its cash reserves. The Company has commitments in the future (in 2021 and beyond) on its mineral properties and the Company may be forced to abandon and write-off one or more of these properties if the Company does not have the means to meet these commitments or does not feel it is fiscally prudent to do so.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business or ability to raise funds.

With the closing of the March 4, 2021 non-brokered private placement and the completion of the bought deal financing on July 14, 2020, the Company anticipates having sufficient cash to meet all of its corporate obligations through to the end of the calendar year 2021. The Company continues to review its mineral property commitments as well as its working capital position on an ongoing basis. While management does not believe that the abandonment of any of the Company’s mineral properties is required at this time, management may elect to abandon properties when obligations become due if deemed necessary in order to maintain the long-term viability of the Company.

RESULTS OF OPERATIONS

Results of Operations – Three months ended April 30, 2021

Operating expenses for the three months ended April 30, 2021 (the "current period") totaled $608,237 as compared to $690,840 incurred during the three months ended April 30, 2020 (the "comparative period"). The significant variances in expenditures were as follows:

Consulting expense decreased to $498 during the current period from $90,763 incurred during the comparative period due to a reduction in the number of contract staff engaged during the current period.

Depreciation expense of $Nil was incurred for a right-to-use asset during the current period compared to $3,973 during the comparative period. The decrease is due to the Company's decision to sublease its rented office.

Management Compensation of $150,000 was incurred during the current period, which includes fees paid to the Executive Chairman, Chief Executive Officer and Chief Operating Officer. This compares to management fees paid during the comparative period of $166,631.

Office, rent and miscellaneous expense decreased to $9,365 during the current period from $45,612 incurred during the comparative period mainly due to the Company incurring no rent and having less administrative expenses in the current period to support the Company's exploration activities.

During the current period, the Company incurred $129,815 for share-based payments expense (a non-cash expense) for stock options granted during prior fiscal periods and vested during the current period. This is an increase from share-based payment expense of $84,444 incurred during the comparative period when fewer options vested.

Transfer agent, filing fees and shareholder communications expenses increased to $208,975 during the current period from the $147,863 incurred during the comparative period due to an increase in marketing activities and virtual conference participation during the current period.

Travel expenses decreased to $Nil during the current period from the $48,842 incurred during the comparative period due to a reduction in executive travel as a result of the COVID-19 pandemic.

The Company recorded $382,017 for flow-through share premium reversal during the current period compared to $Nil during the comparative period as a result of the timing of the exploration expenditures incurred and the date of such flow-through financings during each of the fiscal periods.

As a result of the foregoing, the Company recorded a comprehensive loss for the current period of $226,220 as compared to a loss of $680,202 incurred during the comparative period.

Summary of Quarterly Results

Three months ending	April 30, 2021	January 31, 2021	October 31, 2020	July 31, 2020	April 30, 2020	January 31, 2020	October 31, 2019	July 31, 2019	April 30, 2019
Net loss ($)	226,220	398,420	141,777	639,698	680,202	868,714	63,361	208,528	545,846
Per share ($)	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00

The loss for the three months ending April 30, 2019 decreased to $545,846 from the loss of $640,632 incurred during the three months ending January 31, 2019 primarily due to the elimination of a deferred income tax expense of $202,000 recorded during the prior period as a result of a decrease in the valuation allowance for deferred tax assets. This was partially offset by an increase in transfer agent, filing fees and shareholder communications expenses to $245,022 in the current quarter from the $88,217 incurred during the prior quarter.

The loss for the three months ending July 31, 2019 decreased to $208,528 from the loss of $545,846 incurred during the three months ending April 30, 2019 primarily due to the FT share premium reversal of $187,091. There was no FT share premium reversal recorded during the prior quarter.

The loss for the three months ending October 31, 2019 was reduced to $63,361 from the loss of $208,528 incurred during the three months ending July 31, 2019 primarily due to an increase in the FT share premium reversal to $314,501 from $187,091 during the prior quarter.

The loss for the three months ending January 31, 2020 increased to $868,714 from the loss of $63,361 incurred during the three months ending October 31, 2019 primarily due to write-down of exploration and evaluation assets of $540,029 as well as a deferred income tax expense of $195,000 during January 31, 2020 quarter while no such expenses were recorded in the prior quarter.

The loss for the three months ending April 30, 2020 decreased to $680,202 from the loss of $868,714 incurred during the three months ending January 31, 2020 primarily due to the elimination of an impairment expense of $540,029 recorded during the prior period for a write-down of certain exploration and evaluation assets. This was partially offset by an increase in management and professional fees and office expenditures in the quarter ended April 30, 2020.

The loss for the three months ending July 31, 2020 decreased to $639,698 from the loss of $680,202 incurred during the three months ending April 30, 2020 primarily due to a reduction in travel expense as a result of the COVID-19 pandemic and consulting expense due to a reduction in the number of contract staff. This was partially offset by an increase in professional fees and investor relations expenditures in the April 30, 2020 quarter.

The loss for the three months ending October 31, 2020 decreased to $141,777 from the loss of $639,698 incurred during the three months ending July 31, 2020 primarily due to a reversal of flow-through share premium, a reduction in travel expense as a result of the COVID-19 pandemic and decreased consulting expense due to a reduction in the number of contract staff. This was partially offset by an increase in professional fees and investor relations expenditures in the July 31, 2020 quarter.

The loss for the three months ending January 31, 2021 increased to $398,420 from the loss of $141,777 incurred during the three months ending October 31, 2020 primarily due to an increase in management compensation, share-based compensation, and shareholder communications expenses.

The loss for the three months ending April 30, 2021 decreased to $226,220 from the loss of $398,420 incurred during the three months ending January 31, 2021 primarily due to a decrease in consulting expenses, management compensation, office expenses and professional fees.

Liquidity and Solvency

Gold Terra is in the exploration stage and therefore has no regular cash flow. As of April 30, 2021, the Company had working capital of $3,969,626 excluding the deferred premium on flow-through shares (January 31, 2021 – working capital of $2,908,854), inclusive of cash and cash equivalents of $3,934,820 (January 31, 2021 – $3,281,202).

At April 30, 2021, the Company had current assets of $4,113,672, total assets of $43,460,670 and total liabilities of $779,728, inclusive of a security deposit from sublease of $25,000 and a deferred premium of flow-through shares of $635,682. The Company has other long-term debt. There are no regular trends in the Company's liquidity or capital resources.

The principal assets of the Company are its mineral exploration properties, amounting to $39,190,656 as at April 30, 2021.

The increase in cash and cash equivalents during the three months ended April 30, 2021 of $653,618 was due to net cash provided by financing activities of $2,845,993 while offset by cash used for investing activities of $1,666,087 and cash used in operating activities of $526,288.

In July 2020, the Company completed a bought deal financing for gross proceeds of $7.13 million. The following table compares the estimated use of net proceeds per the final prospectus from the July 2020 financing and the actual use of the proceeds as of April 30, 2021.

Description of expenditure		Use of proceeds		Actual as of April 30, 2021
Drilling	$	4,060,000	$	3,104,394
IP Survey/Geophysics		150,000		127,324
Metallurgy		145,000		-
Technical Reporting		300,000		251,030
Claim Costs		150,000		142,697
Environmental		150,000		117,757
Other work - social license		150,000		57,168
Working capital and general corporate		1,245,800		996,422
Total:	$	6,350,800	$	4,796,792

The development of the Company in the future will depend on the Company's ability to obtain additional financings. In the past, the Company has relied on the sale of equity securities to meet its expenditure requirements. Future expenditures, in excess of funds on hand, will depend on the Company's ability to obtain financing through joint venturing of projects, debt financing, equity financing or other means. There can be no assurances that the Company will be successful in obtaining any such financing or in joint venturing its property and failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of the Company's properties.

Commitments

The Company has no commitments for capital expenditures.

Risk, Uncertainties and Outlook

The business of mineral deposit exploration and extraction involves a high degree of risk. Few properties that are explored ultimately become producing mines. At present, none of the Company's properties has a known commercial ore deposit. Other risks facing the Company include competition for mineral properties, environmental and insurance risks, fluctuations in metal prices, fluctuations in exchange rates, share price volatility and uncertainty of additional financing.

Going concern

The Company is in the exploration stage and has no revenue or income from operations. The Company has limited capital resources and has to rely upon the sale of equity and/or debt securities for cash required for exploration and development purposes, for acquisitions and to fund the administration of the Company. Since the Company does not expect to generate any revenues from operations in the near future, it must continue to rely upon the sales of its equity or debt securities or joint venture agreements to raise capital. It follows that there can be no assurance that financing, whether debt or equity, will be available to the Company in the amount required by the Company at any particular time or for any period and that such financing can be obtained on terms satisfactory to the Company.

The Company's unaudited condensed consolidated interim financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to obtain the necessary financing to meet its ongoing commitments and further its mineral exploration programs.

The Company may encounter difficulty sourcing future financing in light of the recent economic downturn. The current financial equity market conditions and the inhospitable funding environment make it difficult to raise capital through the private placements of shares. The junior resource industry has been severely affected by the world economic situation and the effects of COVID-19 as it is considered speculative and high-risk in nature, making it even more difficult to fund.

While the Company is using its best efforts to achieve its business plans by examining various financing alternatives, there is no assurance that the Company will be successful with any financing ventures.

Related Party Transactions

Related Party Balances

As at April 30, 2021, $9,731 (January 31, 2021 – $30,740) was due to directors of the Company or to companies controlled by officers of the Company and recorded in trade payables and accrued liabilities (see table below). These amounts are unsecured and non-interest bearing with no fixed terms of repayment.

Key Management Compensation

The Company's related parties include key management. Key management includes executive directors and non-executive directors. The remuneration to key management of the Company and the payments to companies controlled by officers of the Company as defined above were as follows:

	Three months ended		Due to Related Parties	
	April 30, 2021	April 30, 2020	As at April 30, 2021	As at January 31, 2021
Consulting fees	$ -	$ 33,788	$ -	$ -
Directors' fees	14,250	15,304	-	-
Geological consulting - exploration and evaluation assets [(a)]	23,931	329,409	9,210	16,747
Management compensation	150,000	165,000	-	-
Management expense reimbursement	-	-	522	3,493
Professional fees	30,000	25,000	-	10,500
Share-based payments	55,132	63,082	-	-
	$ 273,313	$ 631,583	$ 9,731	$ 30,740

[(a)] The Company incurred $23,931 (2020 - $329,409) of geological consulting fees for its exploration and evaluation assets with a company, Geovector Management Inc., related to the former Executive Chairman and current Chief Operating Officer of the Company.

Financial Risk Management

The Company is exposed in varying degrees to a variety of financial risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts and its receivables. The majority of cash is deposited in bank accounts held with major banks in Canada. As most of the Company's cash is held by two banks there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. The Company's receivables are mostly tax receivables from the government. The risk related to receivables is assessed low.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. Liquidity risk is, therefore, assessed as high.

Foreign exchange risk
Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and other foreign currencies will affect the Company's operations and financial results. The Company operates in Canada and is, therefore, not exposed to foreign exchange risk arising from transactions denominated in a foreign currency.

Interest rate risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has positive cash balances at April 30, 2021 and no interest bearing debt, therefore, interest rate risk is nominal.

Capital Management
The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity, comprising share capital, net of accumulated deficit.

There were no changes in the Company's approach to capital management during the period.

The Company is not subject to any externally imposed capital requirements.

Classification of Financial Instruments

Financial assets included in the statement of financial position are as follows:

	April 30, 2021	January 31, 2021
Amortized cost:		
Cash and cash equivalents	$ 3,934,820	$ 3,281,202
	$ 3,934,820	$ 3,281,202

Financial liabilities included in the statement of financial position are as follows:

	April 30, 2021	January 31, 2021
Non-derivative financial liabilities:		
Trade payables	$ 119,046	$ 422,274
	$ 119,046	$ 422,274

Fair Value

The fair value of the Company's financial assets and liabilities approximates the carrying amount.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The following is an analysis of the Company's financial assets measured at fair value as at April 30, 2021 and January 31, 2021:

	As at April 30, 2021		
	Level 1	**Level 2**	**Level 3**
Cash and cash equivalents	$ 3,934,820	$ -	$ -

	As at January 31, 2021		
	Level 1	**Level 2**	**Level 3**
Cash and cash equivalents	$ 3,281,202	$ -	$ -

Contingencies

The Company is not aware of any contingencies or pending legal proceedings as of the date of this MD&A.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Equity Securities Issued and Outstanding

The Company had 189,328,637 common shares issued and outstanding as of the date of this MD&A. In addition, there were 5,716,250 incentive stock options and 5,887,500 share purchase warrants outstanding as of the date of this MD&A.