GOLD TERRA RESOURCE CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS For the three months ended March 31, 2022

This Management's Discussion and Analysis of Gold Terra Resource Corp. ("Gold Terra" or the "Company") ("MD&A") provides analysis of the Company's financial results for the three months ended March 31, 2022 and should be read in conjunction with the accompanying unaudited condensed consolidated interim financial statements and notes thereto for the three months ended March 31, 2022, and with audited consolidated financial statements and notes thereto for the year ended December 31, 2021 all of which are available at www.sedar.com. This MD&A is based on information available as at May 27, 2022.

The accompanying unaudited condensed consolidated interim financial statements for the three months ended March 31, 2022 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 which was incorporated under the Business Corporations Act (Ontario). The Company trades on the TSX Venture Exchange ("TSX-V") under the symbol of "YGT" and OTCQX Market under the symbol "YGTFF".

Gold Terra recognizes environmental, social and governance ("ESG") best practices as key components to a responsible mineral exploration and mining sector. The Company's exploration programs are conducted to comply with environmental regulations, while respecting the communities and environments in which we operate. Gold Terra strives to earn its social license wherever it is active, endeavouring to meet regularly with local communities, regulators and other stakeholders before, and during, exploration work to understand issues important to local and Indigenous communities. Gold Terra's approach is based on transparency, open communication, inclusivity and respect, to better enable social and economic benefit for communities as well as value for investors.

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

Yellowknife City Gold ("YCG") property – mineral resource estimate ("MRE")

On March 16, 2021, the Company announced an updated 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 YCG property 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.

Option agreement to acquire the Con mine

On November 22, 2021, the Company announced that it entered into a definitive option agreement with Newmont Canada FN Holdings ULC ("Newmont FN") and Miramar Northern Mining Ltd. ("MNML"), both wholly owned subsidiaries of Newmont Corporation ("Newmont"), which grants Gold Terra the option, upon meeting certain minimum requirements, to purchase MNML from Newmont FN, which includes 100% of all the assets, mineral leases, Crown mineral claims and surface rights comprising the former Con mine, as well as the areas immediately adjacent to the former Con mine. The option agreement replaced and superseded the initial exploration agreement dated September 4, 2020 (as announced by the Company on September 8, 2020), and allowed Gold Terra to fully explore 100% of the Campbell Shear structure at the former Con mine and south of it.

Transaction highlights:

- The initial exploration agreement has been replaced and superseded by the option agreement to include all (100%) of MNML and the Con mine property.
- Gold Terra has agreed to incur a minimum of $8 million in exploration expenditures over a period of four years, which will include all exploration expenditures incurred to date under the initial exploration agreement.
- Gold Terra and Newmont agreed that Gold Terra spent approximately $3.2 million in exploration expenditures to October 31, 2021.
- Gold Terra has also agreed to:
    - Complete a prefeasibility study (PFS) with a minimum of 1.5 million ounces in all mineral resource categories;
    - Obtain all necessary regulatory approvals for the purchase and transfer of MNML's assets and liabilities to Gold Terra; and
    - Post a cash bond to reflect the status of the Con mine reclamation plan at the time of closing.

The closing of the transaction will then be completed with Gold Terra making a final cash payment of $8 million.

Newmont will retain a 2% net smelter returns royalty ("NSR") on minerals produced from the Con mine property. The NSR may be reduced by 50% by the Company paying Newmont the sum of $10 million, for a period of two years following the announcement of commercial production.

After Gold Terra exercises its option, Newmont will have a period of two years to exercise its back-in right of a 51% participating interest in MNML and the Con mine property, which can be triggered by Gold Terra delineating a minimum of 5 million ounces of gold in the measured and indicated mineral resource categories supported by a National Instrument 43-101 technical report. To be eligible to exercise the back-in right, Newmont will:

- Reimburse Gold Terra three times the amount of all of the expenditures incurred on the Con mine property from September 4, 2020;
- Refund to Gold Terra the $8 million cash payment;
- Payment of US$30 per ounce of gold for 51% of the total ounces reported in the technical report; and
- Assume 51% of the environmental liability and its share of the posted bond.

If exercised, the back-in right is expected to be completed by a new joint venture led by Newmont. At such time, the 2% NSR would also be eliminated.

History

Gold production at the Con mine started in 1938 after the discovery of a large group of veins associated with a wide shear zone. The mine was owned and operated by Cominco Ltd. from 1939 to 1986. The Campbell Shear was discovered in 1946 by Neil Campbell and brought into production in 1956, and all production after 1963 came from this very rich zone. In 1977, the Robertson shaft was sunk to access new reserves to a depth of 6,400 feet (1,950 metres) or more. In 1986, Cominco sold the Con mine to Nerco Minerals Co. Ltd., which subsequently modernized the underground operation with mechanized machinery. In 1993, Nerco sold the mine to MNML, which continued production and then closed the operation in 2003 at a time when the price of gold was at around US$370 per ounce, which was too low and not profitable to continue production. As such, historic unmined reserves remain in the mine property along with other unexplored high-potential areas.

With this transaction, the Company has added to its large land holdings a key piece of ground with excellent potential along the Campbell Shear to add high-grade resources. Currently, drilling is expanding the Yellorex zone and returning high-grade gold assays such as in hole GTCM21-014 with 5.22 grams per tonne ("g/t") over 17.86 metres including 11.21 g/t Au over 4.57 metres (see "Exploration Overview – Newmont Option" below). The option agreement provides access to multiple additional zones with historic high-grade assays such as hole Y88 (13.9 g/t Au over 5.27 metres), which remain untested in all directions at approximately 900 metres below surface.

The transaction includes the following hard assets, which will provide future infrastructure cost savings and efficiencies: multiple existing underground access openings including the original C-1 shaft opening, and the deep Robertson shaft (1,950 metres) with a 2,000-ton-per-day capacity for future underground exploration and mining, valued for time saving and investment saving; surface infrastructure including a large 10,000-square-foot warehouse and dry storage; surface vehicles; and a $10 million water treatment plant recently built in 2015. The Con mine property reclamation is near completion.

Over the next 24 months, the Company's strategy is to increase its drilling program mainly south of the original Con mine to a depth of 1,000 metres at a drill spacing of 100 metres and with 50-metre infill, with the objective of delineating a high-grade gold mineral resource to add to the Company's current inferred mineral resource of 1.2 million ounces (see the MRE section above) and ultimately advance toward an economic assessment and feasibility study. The transaction will add more than 20 square kilometres to Gold Terra's land position in the Yellowknife gold belt to consolidate the exceptional district-size holdings now totaling 820 square kilometres.

EXPLORATION OVERVIEW – NEWMONT OPTION

On January 11, 2022, the Company announced positive assay results for drill hole GTCM21-022 drilled as part of the Phase 2 2021 drilling program on the Yellorex zone at the Con mine Property. Drill hole GTCM21-022 intersected two (2) very significant zones of **19.74 g/t Au over 5.44 metres** at **273.34 metres down the hole (includes only one assay above 30 g/t Au, or 43.2 g/t Au over 1 metre), and a second wider zone of 4.16 g/t Au over 11.23 metres, including 10.12 g/t Au over 3.73 metres at 251.77 metres**. These two high-grade intersections extend the gold-bearing zone by more than 50 metres along strike, to the northeast limit of the Yellorex zone.

2022 Drill Program

On January 31, 2022, the Company announced that the 2022 drilling program had commenced on January 20, 2022 to test the Campbell Shear south of the Con mine Property. The Company intends to drill approximately 40,000 metres in 2022. Drilling would continue to test the down dip extension of the Yellorex zone mineralization where recent drill hole GTCM21-022 intersected two high-grade zones (refer to above paragraph)**.**

On March 15, 2022, the Company announced the assay results of a near surface mineralized zone in drill hole GTCM22-029 which intersected **3.61 g/t Au over 4.55 metres,** including 15.75 g/t over 0.75 metres at 30 metres vertical depth on the Con mine Property. Hole GTCM22-029 which was targeting the Campbell shear at approximately 1000 metres below surface, was collared almost into the Con Shear mineralization near surface. The Con Shear was mined at the Con Property for a total of 1 million ounces produced at an average grade of 19 g/t Au. It is an additional bonus to have intersected the Con Shear near surface with significant gold mineralization.

The Company also announced the results from the last four holes (GTCM21-023 to 026) of the Phase 2 drilling program completed in 2021. All holes intersected the Campbell Shear with broad zones of anomalous gold. The best assays were in hole GTCM21-026 with 7.35 g/t Au over 0.55 metres from 200.87 to 201.42 metres, and 5.24 g/t Au over 0.53 metres from 216.50 to 217.03 metres.

On April 6, 2022, the Company announced assay results for three (3) holes testing the Yellorex zone. Drill hole GTCM22-030 intersected **6.41 g/t Au over 26.50 metres, including 9.05 g/t over 4.00 metres** and including **10.66 g/t Au over 3.0 metres** and including **14.15 g/t Au over 5.50 metres**. The hole was drilled along strike on the Campbell Shear for metallurgical testing required for the Company's upcoming resource estimate update on the project. Holes GTCM22-027 and GTCM22-028 were drilled to test the Yellorex zone at depth of 400 metres below surface with GTCM22-028 intersecting **6.21 g/t Au over 1.5 metres** and GTCM22-027 intersecting 2.43 g/t Au over 1.0 metre**.**

On May 17, 2022, the Company announced assay results for two (2) additional holes GTCM22-031 and 040. Drill hole GTCM22-040 was drilled on Yellorex to test a gap in the drilling and confirmed two main high-grade zones returning **8.00 g/t Au over 11.00 metres including 18.79 g/t Au over 4.00 metres**, and **14.42 g/t Au over 4.00 metres including 27.75 g/t Au over 2.00 metres**.

EXPLORATION OVERVIEW – YCG PROPERTY

During the winter of 2022, the Company completed 19 holes totaling 6,011 metres on its 100% owned Northbelt property, targeting the Mispickel area which had previously intersected high grade gold mineralization (60.60 g/t Au over 8.00 metres reported June 6, 2016). On March 22, 2022, the Company announced partial assay results in drill hole **GTWL22-002** which intersected **19.00 g/t Au over 4.0 metres including 73.9 g/t Au over 1 metre** in the Mispickel area as drilling continued to extend the new high-grade MP-Ryan Zone at least 200 metres north of the main Mispickel area.

On May 5, 2022, the Company announced assay results for four (4) additional holes GTWL22-003, 005, 006 and 007 in the Mispickel area as drilling extended the new high-grade MP-Ryan Zone at least 200 metres north of the main Mispickel area. Hole GTWL22-007 intersected **3.59 g/t Au over 7 metres** including **8.02 g/t Au over 2 metres**. To date, the Company has released assay results from 5 holes out of the 19-hole winter program.

EXPLORATION EXPENDITURES

During the three months ended March 31, 2022, the Company incurred $3,386,109 in exploration expenditures mainly on the Newmont Exploration Property and YCG Property. The main components of the exploration expenditures are as follows:

	Northbelt	Southbelt	Eastbelt	Quyta-Bell	Newmont	Stewart	Mulligan	Total
Balance at December 31, 2021	$ 32,361,266	$ 578,959	$ 1,640,809	$ 471,451	$ 3,687,053	$ 1	$ 1,373,524	$ 40,113,063
Acquisition costs	3,887	426	8,664	19,903	-	-	6,260	39,140
Exploration costs:								
Assays and drilling	1,557,548	54	-	-	1,607,198	-	1,071	3,165,871
Community	3,500	-	-	-	500	-	-	4,000
Consulting	24,323	-	-	-	9,373	-	-	33,696
Environmental	34,638	-	-	-	144,767	-	-	179,405
Field expenses	9,651	-	-	-	(6,514)	-	-	3,137
	1,629,660	54	-	-	1,755,324	-	1,071	3,386,109
Recoveries	-	-	-	-	(118,479)	-	-	(118,479)
Balance at March 31, 2022	$ 33,994,813	$ 579,439	$ 1,649,473	$ 491,354	$ 5,323,898	$ 1	$ 1,380,855	$ 43,419,833

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

CORPORATE OVERVIEW

Annual General Meeting

On May 9, 2022, the Company announced that an annual general and special meeting (the “Meeting”) of the holders of common shares (“shares”) of Gold Terra Resource Corp. (the “Company”) will be held on June 7, 2022.

Financing

On February 28, 2022, the Company completed a bought deal financing (the “Offering”), including the exercise in full of the underwriters’ over-allotment option. Pursuant to the Offering, (i) 8,912,500 charitable flow-through common shares (the “Charitable FT Shares”) were issued at a price of $0.30 per Charitable FT Share, (ii) 8,046,700 traditional flow-through common shares (the “Traditional FT Shares”) were issued at a price of $0.24 per Traditional FT Share, and (iii) 4,761,966 common shares (the “Common Shares”) were issued at a price of $0.21 per Common Share, for aggregate gross proceeds of $5.6 million. The Offering was made through a syndicate of underwriters led by Stifel GMP and including BMO Capital Markets and Beacon Securities Limited (collectively, the “Underwriters”). The Underwriters received a cash commission equal to 7% of the gross proceeds of the Offering.

Use of Proceeds from Flow-through Financing

Flow-through (“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.

On February 28, 2022, the Company received $4,604,958 from the issuance of 16,959,200 FT shares at a premium to the market price and recognized a deferred premium on flow-through shares of $1,043,526.

During the three months ended March 31, 2022, the Company incurred and renounced eligible expenditures of $1,737,407. These expenditures will not be available to the Company for future deduction from taxable income.

Other Share Issuances

On March 1, 2022, pursuant to the option agreement signed on March 16, 2021, the Company issued 60,000 common shares towards consideration of a claim in the Quyta-Bell Property which is contiguous to the Company’s YCG property (see the audited financial statements note 6(a)).

CURRENT ECONOMIC CONDITIONS

The ongoing global economic weakness made for 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 2022 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 strategic investment by Newmont in December 2021 and February 28, 2022 bought deal financing, the Company anticipates having sufficient cash to meet all of its corporate obligations through to the end of 2022. 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 March 31, 2022 compared to three months ended April 30, 2021

Operating expenses for the three months ended March 31, 2022 (the "current period") totaled $606,186 as compared to $608,237 incurred during the three months ended April 30, 2021 (the "comparative period"). The variances in expenditures were as follows:

Consulting expense increased to $26,358 during the current period from $498 incurred during the comparative period due to an increase in the number of contract staff engaged during the current period.

Salaries and management fees of $135,000 were incurred during the current period as this amount includes fees paid to the Chairman and Chief Executive Officer and Chief Operating Officer. This compares to management fees paid during the comparative period of $150,000.

During the current period, the Company incurred $52,082 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 a decrease from share-based payment expense of $129,815 incurred during the comparative period when more options vested.

Transfer agent, filing fees and shareholder communications expenses increased to $219,258 during the current period from $208,975 incurred during the comparative period due to an increase in marketing activities and in-person conference participation.

Travel and related expenses increased to $24,103 during the current period from $Nil incurred during the comparative period due to a resumption of travel to in-person conferences and trade shows.

The Company recorded $403,204 for flow-through share premium reversal during the current period compared to $382,017 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 $202,982 as compared to a loss of $226,220 incurred during the comparative period.

Summary of Quarterly Results

Three months ending	March 31, 2022	December 31, 2021[a]	October 31, 2021	July 31, 2021	April 30, 2021	January 31, 2021	October 31, 2020	July 31, 2020
Net loss ($)	202,982	1,158,687	715,811	382,558	226,220	398,420	141,777	639,698
Per share ($)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

[a] this is for two months

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.

The loss for the three months ending July 31, 2021 increased to $382,558 from the loss of $226,220 incurred during the three months ending April 30, 2021 primarily due to a lower flow-through share premium reversal although operating expenses for the three months ending July 31, 2021 were lower than the operating expenses for the three months ending April 30, 2021.

The loss for the three months ending October 31, 2021 increased to $715,811 from the loss of $382,558 incurred during the three months ending July 31, 2021 primarily due to a recognition of deferred income tax expense.

The loss for the two months ending December 31, 2021 increased to $1,158,687 from the loss of $715,811 incurred during the three months ending October 31, 2021 primarily due to the impairment of the Stewart Property of $1,086,057.

The loss for the three months ending March 31, 2022 decreased to $202,982 from the loss of $1,158,687 during the two months ending December 31, 2021 primarily due to a reversal of flow-through share premium. This was partially offset by the impairment of the Stewart Property in the December 31, 2021 quarter.

Liquidity and Solvency

Gold Terra is in the exploration stage and therefore has no regular cash flow. As of March 31, 2022, the Company had working capital of $3,103,139, excluding the deferred premium on flow-through shares of $677,060 (December 31, 2021 – working capital of $2,058,608 excluding the deferred premium on flow-through shares of $36,738), and inclusive of cash and cash equivalents of $4,845,244 (December 31, 2021 – $2,149,245).

At March 31, 2022, the Company had current assets of $5,120,241, total assets of $48,697,146 and total liabilities of $2,525,229, inclusive of the deferred premium on flow-through shares of $677,060 and deferred income tax liability of $158,000. The Company has no 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 $43,419,833 as at March 31, 2022.

The increase in cash and cash equivalents during the three months ended March 31, 2022 of $2,695,999 was due to net cash provided by financing activities of $5,075,423, while offset by cash used for investing activities of $1,677,480 and cash used in operating activities of $701,944.

On February 28, 2022, the Company completed a bought deal financing for gross proceeds of $5.6 million and net proceeds of $5,212,623. The following table compares the estimated use of net proceeds per the final prospectus from the February 2022 financing and the actual use of the proceeds as of March 31, 2022.

Description of expenditure		Use of proceeds		Actual as of March 31, 2022
Drilling	$	4,268,000	$	1,553,520
Metallurgy		100,000		-
Estimated Expenses of the Offering		350,000		494,353
Claim Costs		100,000		10,856
Environmental		62,500		62,500
Other work - social license		74,458		1,150
Working capital and general corporate		257,665		244,104
Total:	$	5,212,623	$	2,366,483

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 other than optional expenditures to earn property interests.

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 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 March 31, 2022, $57,640 (December 31, 2021 – $30,904) 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:

	Amounts Incurred During		Due to Related Parties	
	Three Months Ended March 31, 2022	Three Months Ended April 30, 2021	As at March 31, 2022	As at December 31, 2021
Directors' fees	$ 14,250	$ 14,250	$ 13,541	$ 19,797
Geological consulting - exploration and evaluation assets [a]	32,688	23,931	29,857	4,379
Management compensation	135,000	150,000	-	-
Management expense reimbursement	-	-	3,541	6,728
Professional fees [b]	30,000	30,000	$ 10,701	-
Share-based payments	21,369	55,132	-	-
	$ 233,307	$ 273,313	$ 57,640	$ 30,904

During the three months ended March 31, 2022:

[a] The Company incurred $32,688 (April 30, 2021 - $23,931) of geological consulting fees for its exploration and evaluation assets with a company, Geovector Management Inc., related to the current Chief Operating Officer of the Company.

[b] The Company paid $30,000 (April 30, 2021 - $30,000) to a company controlled by the Chief Financial Officer.

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 March 31, 2022 and no interest bearing debt, therefore, interest rate risk is nominal.

Capital management
The Company's policy is to maintain a strong capital base 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:

		March 31, 2022		December 31, 2022
Amortized cost:				
Cash and cash equivalents	$	4,845,244	$	2,149,245
	$	4,845,244	$	2,149,245

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

		March 31, 2022		December 31, 2021
Non-derivative financial liabilities:				
Trade payables	$	2,017,102	$	235,710
	$	2,017,102	$	235,710

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 March 31, 2022 and December 31, 2021:

	As at March 31, 2022		
	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 4,845,244	$ -	$ -

	As at December 31, 2021		
	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 2,149,245	$ -	$ -

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 218,252,660 common shares issued and outstanding as of the date of this MD&A. In addition, there were 6,660,000 incentive stock options outstanding as of the date of this MD&A.