InZinc Mining

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2021

APRIL 27, 2022

Description of Management's Discussion and Analysis

The purpose of this Management's Discussion and Analysis ("MD&A") is to explain management's point of view regarding the past performance and future outlook of InZinc Mining Ltd. ("InZinc" or the "Company"). This report also provides information to improve the reader's understanding of the consolidated financial statements and related notes for the years ended December 31, 2021 and 2020 as well as important trends and risks affecting the Company's financial performance. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. All amounts in the financial statements and in this MD&A are expressed in Canadian dollars, unless otherwise indicated. The following discussion is dated and current as of April 27, 2022. This MD&A contains forward-looking information and statements which are based on the conclusions of management. The forward-looking information and statements are only made as of the date of this MD&A.

The Company's certifying officers, based on their knowledge, having exercised reasonable diligence, are also responsible to ensure that these filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by these filings, and these financial statements together with the other financial information included in these filings. The Board of Directors approves the financial statements and MD&A and ensures that management has discharged its financial responsibilities. The Board's review is accomplished principally through the Audit Committee, which meets periodically to review all financial reports, prior to filing.

Additional information on the Company is available on SEDAR and at the Company's website, www.inzincmining.com.

Forward-Looking Statements

Certain disclosures contained in this MD&A may constitute forward-looking information. This is information regarding possible events, conditions or results of operations of the Company that is based upon assumptions about future economic conditions and courses of action which is inherently uncertain. All information other than statements of historical fact may be forward-looking information.

Forward-looking information is subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements, including, without limitation, risks and uncertainties relating to the interpretation of drill results and the estimation of mineral resources, the geology, grade and continuity of mineral deposits; the outbreak of an epidemic or a pandemic, including the outbreak of the novel coronavirus (COVID-19), or other health crisis and the related global health emergency affecting workforce health and wellbeing; and the possibility that future exploration and development results will not be consistent with the Company's expectations. Some other risks and factors which could cause results to differ materially from those expressed in the forward-looking information contained in this MD&A are described under the heading "Risks and Uncertainties".

Readers are cautioned that any such listings of risks are not, and in fact cannot be, complete. Although the Company has attempted to identify important factors that could cause actual events and results to differ materially from those described in the forward-looking information, there may be other factors that cause events or results to differ from those intended, anticipated or estimated. The Company believes the expectations reflected in the forward-looking information are reasonable but no assurance can be given that these expectations will prove to be correct and readers are cautioned not to place undue reliance on forward-looking information contained in this MD&A.

The forward-looking information contained in this MD&A is provided as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as otherwise required by law. All of the forward-looking information contained in this MD&A is expressly qualified by this cautionary statement.

Description of Business

The Company is incorporated under the Canada Business Corporations Act and is listed on the TSX Venture Exchange ("TSX-V") under the trading symbol IZN. It was renamed from Lithic Resources Ltd. on February 18, 2014. The principal business of the Company is the acquisition, exploration and development of mineral properties ("exploration and evaluation assets"), either solely or through joint ventures and options.

To date the Company has not generated any revenues.

Discussion of Operations

The Company's primary focus is the early-stage Indy property (100% option) ("Indy") located in central British Columbia. Indy is well located for potential development with proximal access to power, roads and rail infrastructure. The property consists of approximately 19,900 hectares covering a 29 km strike of Cambrian to Mississippian aged rocks with district scale discovery potential for Sedimentary Exhalative ("Sedex") type base and precious metal deposits.

In addition to exploring Indy, the Company is engaged in a continuing review of other properties and projects for possible acquisition.

In December 2021, the Company closed the West Desert option agreement entered into with American West Metals Limited ("American West") in April 2021. Refer to the "West Desert" section for a further description of the transaction. The Company has received all required payments ($3,318,770 in cash and 13,385,000 common shares of American West) and American West has earned a 100% interest in the West Desert zinc Property ("West Desert"), formerly known as the Crypto zinc Property, located in western Utah. In addition to the aforementioned payments, InZinc will also receive 50% of the revenue, on a net smelter returns royalty ("NSR") basis, from the sale of indium mined from West Desert subject to American West's right to reduce this NSR interest to 25% by paying the Company USD $5,000,000 in cash at any time prior to the first sale of indium from the project. In December 2021, American West listed on the Australian Securities Exchange ("ASX").

Indy is at the exploration stage and has not generated any revenues. At December 31, 2021, the Company had not yet achieved profitable operations and has a deficit of $13,628,163 (2020 - $17,171,397).

Since the Company's property is at the exploration stage, it does not have operations or operating results in the conventional use of the terms. The Company's financial success will ultimately be dependent upon finding economically recoverable mineral reserves, confirmation of its interest in those reserves and its ability to obtain the necessary financing to profitably produce those reserves. Further information on the Company's properties can be found on the Company's website at www.inzincmining.com.

In 2020, Wayne Hubert, the Company's CEO, announced he will be stepping down subject to determination of requirements and a suitable replacement by the Company. To ensure a seamless transition, Wayne continues as CEO and remains an active board member.

Mineral Properties

Indy

Indy is located approximately 90 km southeast of the city of Prince George, in central British Columbia. The property is 85 km south of the CNR transcontinental railway and 65 km south of the Yellowhead highway at moderate elevations ranging from 950 m to 1300 m. The property is accessed by well-maintained Forest Service roads.

Mineral Properties (cont'd…)

Indy (cont'd…)

Indy covers a 29 km trend (19,900 hectares) of Cambrian to Mississippian aged rocks with district scale discovery potential for Sedex type base and precious metal deposits. An initial drill program completed by the Company in 2018 discovered near surface, high grade Sedex-style zinc mineralization at one of four large areas of strongly anomalous soil geochemistry on the project. Extensive soil geochemical programs, have since outlined an additional 10 km of high-quality, base and precious metal targets at Indy.

2021 Exploration and Subsequent Results

The summer 2021 program continued to expand soil geochemical sampling (1,419 samples) in the northeastern portion of the 7 km long Main Trend. Road access to Anomaly B was completed in August 2021 in conjunction with third parties. The coordinated program included a semi-permanent bridge span, three stream crossings and significant upgrades to existing roads to allow industrial scale traffic. The Company was responsible for the installation of one of the stream crossings.

In September 2021, the Company announced the discovery of the Echo target – a 1.9 km long, continuous, multi-element (Zn, Pb, Ba) soil anomaly located 1 km east of the Delta Horizon target. In addition, two large and discrete areas, named Hat and Fox, containing soils enriched in silver (2 to 24.8 ppm) were discovered in the area between the Delta and Echo targets.

A follow-up program in October 2021 focused on additional soil sampling in the Anomaly B area, minor sub-crop sampling and establishing drill trail access to the Delta Horizon area.

On February 2, 2022, the Company announced it increased its mineral claims to encompass 19,900 ha (199 km^2) by staking an additional six contiguous mineral claims (7,600 ha). On February 9, 2022, the Company announced the discovery of the Anomaly G silver target, completion of the rehabilitated road access to the Delta Horizon area and plans for a 2022 exploration program with a minimum $1,250,000 budget including proposed drilling. On February 16, 2022, the Company announced the discovery of gold in soils at the Fox silver target and that it has retained the services of an airborne geophysical contractor to provide surveys covering a 28 km length of the project.

After reporting results from the 2021 exploration program, a total of 10 km of high-quality, base and precious metal targets were defined at Indy.

Exploration activities are permitted and monitored under a Multi-Year Access Bond with the Government of British Columbia. Exploration expenditures are eligible for the BC Mineral Exploration Tax Credit ("BCMETC"). The Company has received $319,284 from BCMETC claims for 2017 – 2020.

2022 Expenditure Requirements

Under the terms of the Indy option agreement, additional property expenditures of $400,000 are required on or before January 29, 2022. These requirements have been met.

Previous Exploration (2017 – 2019)

In 2017, the Company completed initial soil geochemical surveys, geological mapping and prospecting in the Anomaly B and C areas.

Mineral Properties (cont'd…)

Indy (cont'd…)

Additional geochemical surveys were completed in mid-August 2018, prior to an initial diamond drill program (1,270 m in eleven drill holes) which was completed in September 2018. In November 2018, the Company announced the discovery of shallow, high grade zinc sulphide mineralization in drill hole IB18-009 at the B-9 Zone located in the southern portion of Anomaly B. Significant drill intersections from the 2018 drill program include:

B-9 Zone 2018 Drilling – Selected Highlights

- 12.33% Zn, 2.98% Pb, 24.46 g/t Ag over 6.29 m at 60 m below surface in hole IB18-009
- 5.76% Zn, 0.48% Pb, 3.41 g/t Ag over 6.73 m at 56 m below surface in hole IB18-008

- 4.49% Zn, 1.13% Pb, 7.32 g/t Ag over 4.28 m at 27 m below surface and
- 2.24% Zn, 0.83% Pb, 5.23 g/t Ag over 5.38 m at 33 m below surface and
- 3.50% Zn, 0.66% Pb, 4.59 g/t Ag over 4.57 m at 37 m below surface in Hole IB18-002

- 9.26% Zn, 2.43% Pb, 17.98 g/t Ag over 3.05 m at 23 m below surface in hole IB18-003*
- 3.88% Zn, 1.34% Pb, 8.90 g/t Ag over 3.99 m at 29 m below surface in hole IB18-006

*Note: Drilled intersections are apparent width only. The intersections in IB18-002 are separated by lost core/no recovery. *Low core recoveries.*

In late 2018, the Company increased its claim holdings to encompass an additional zinc-in-soil geochemical anomaly, called the Action anomaly.

From mid-June until late-August 2019, extensive soil geochemical surveys (1,194 soils) to further outline, extend and prioritize the various anomalies were completed. Additional work included mapping and prospecting programs on priority targets. In late September 2019, the Company announced the definition of a large new Sedex-type target called the Delta Horizon located 5 km northwest of the B-9 Zone.

The 2019 program identified the distinctive geochemical signatures associated with Sedex deposits, in several potentially stacked horizons over the 7 km long Main Trend.

Historical Exploration

Kennco staked the area in 1981 and between 1980 and 1982 located several zinc-lead-silver geochemical anomalies over a 6.5 km trend. Four short diamond drill holes on two selected geochemical targets were completed.

In 1988, Cominco optioned the property from Kennco and completed soil geochemistry programs outlining a fourth anomaly on the property. Five shallow, wide-spaced diamond drill holes drilled by Cominco in 1989 targeted a portion of a high contrast soil anomaly (Anomaly B). All five holes intersected mineralization at estimated vertical depths less than 100 m over a 450 m long trend. Drill intersections ranged from 1.5 m to 19.7 m, grading from 1.9% to 8.9% zinc, 1.0 g/t to 55.6 g/t silver and 0.04% to 2.4% lead. True widths of these intersections are not known and in some cases core recoveries were less than 50%.

Cominco returned the property to Kennco post 1991, after which only minor activities are recorded.

Mineral Properties (cont'd…)

Indy (cont'd…)

Option Agreement

On October 17, 2016, subsequently amended April 2, 2020, the Company entered into an option agreement to acquire a 100% interest in Indy from Pac Shield Resources Inc. ("PSR"), a private British Columbia company. Pursuant to the agreement with PSR, the Company has the option to earn a 100% interest over a five-year period by making staged cash payments totaling $315,000 ($190,000 paid to date), issuing an aggregate of 2,400,000 shares (1,500,000 issued to date) and completing work commitments of $2,600,000 (work commitments, up to and including the fifth year work, totalling $1,350,000 have been completed). In addition, a $500,000 cash payment and the issuance of 500,000 shares of the Company will be made to PSR if the Company files a technical report establishing a 500,000,000 pound zinc resource on the property. A further $500,000 cash payment will be made to PSR should the Company file a technical report establishing a 750,000,000 pound zinc resource on the property. The property is subject to a 1.0% NSR held by PSR (the "PSR NSR") and a 1.5% NSR held by Kerry Curtis, a director, Chairman of the Board and former interim Chief Executive Officer of the Company, and a director and the controlling shareholder of PSR. On exercise of the option and prior to completion of a feasibility study on the property, the Company has the right to purchase the PSR NSR for $1,500,000.

West Desert

West Desert, located in northwestern Utah, is an advanced stage zinc-copper-indium-iron deposit. West Desert comprises 4,258 acres and is located approximately 160 km southwest of Salt Lake City. The property is crossed by a power-line, is easily accessible by road and has railheads within 90 km. InZinc acquired a 100% interest in West Desert from EuroZinc Mining Corporation in exchange for 1,500,000 shares and $25,000 in cash in May 2005. Certain claims comprising the property are subject to a 1.5% NSR and a future cash payment ($1,000,000 upon completion of financing necessary for production) currently held by Osisko Gold Royalties Ltd. (formerly Vaaldiam Mining Ltd).

Previous Exploration (2006 – 2018)

From 2006 to 2010, the Company completed geophysical surveys, metallurgical studies and over 10,000 m of diamond drilling. In September 2010, the Company completed a Preliminary Economic Assessment (PEA) of West Desert. In 2014, the Company completed a revised PEA of West Desert which supersedes all earlier reports.

In April 2018, the Company commenced diamond drilling. Geophysical surveys, completed in January 2018, supported target selection and corresponding drill hole locations over the exploration area. In June and August 2018, the Company reported results of the drill program. The Company completed five deep holes totaling 3,279 m which focused on exploration and expansion of the large zinc resources outlined in the West Desert PEA. The Company received the necessary permits to complete an additional phase of drilling designed target the thicker higher grade western expansion potential discovered in the 2018 program.

Mineral Properties (cont'd…)

West Desert (cont'd…)

2021 Option Agreement

On April 16, 2021, the Company announced it entered into an option agreement (the "Original Agreement") with American West , a then private Australian company, pursuant to which the Company granted an option ("Option"), subject to an indium royalty in favour of the Company, to earn a 100% interest in West Desert. To earn its interest, American West was required to pay USD $500,000 on June 1, 2021 (the "Effective Date"); pay $1,000,000 within 30 days of American West listing its shares on the ASX or 12 months after the Effective Date, whichever was earlier; pay USD $1,500,000 upon the announcement by American West to the ASX of a completed Prefeasibility Study for West Desert or 24 months after the Effective Date, whichever was earlier; and issue $2,500,000 by way of shares of American West (the "Consideration Shares"). If American West did not list on the ASX within 12 months of the Effective Date, the Company could receive $1,250,000 in cash from American West in lieu of Consideration Shares. If American West did not list on the ASX within 24 months of the Effective Date, the Company could elect to receive $2,500,000 in cash in lieu of Consideration Shares.

The Original Agreement also included the Company receiving 50% of the revenue from the sale of indium mined from West Desert determined on a NSR basis subject to American West's right to reduce NSR interest to 25% by paying the Company USD $5,000,000 in cash at any time prior to the first sale of indium from West Desert.

On September 27, 2021, the Company announced amendments to the Original Agreement ("Amendment Agreement") which accelerated payments to the Company in return for a USD $150,000 reduction in overall consideration to the Company. The terms of the NSR remain the same. The revised terms included:

1) USD $125,000 in cash upon signing of the Amendment Agreement;
2) Upon American West completing listing of its shares on the ASX:
   (a) $1,000,000 in cash,
   (b) USD $1,225,000 in cash, and
   (c) 13,385,000 shares of American West;
3) Accelerated reimbursement to InZinc of approximately USD $96,577 relating to a reclamation bond on West Desert;
4) If, on or before June 1, 2022 (or such later date as the parties may agree to in writing), American West did not receive applications pursuant to an initial public offering ("IPO") for the issue of not less than 85,000,000 shares at an issue price of AUD $0.20 per share for minimum proceeds of AUD $17,000,000, or ASX conditional approval to admit its securities to the official list of the ASX, the Amendment Agreement would be terminated and the terms of the Original Agreement restored.

On October 27, 2021, the Company announced a further amendment to the Option ("Second Amendment Agreement") reducing the minimum number of shares to be issued under the IPO to 55,000,000 and the minimum proceeds to AUD $11,000,000. These were the only revisions to the Amendment Agreement and all other terms remained in effect.

On December 7, 2021, the Company announced it closed the Option with American West and on December 13, 2021, American West was listed on the ASX. The Company received all required payments and American West earned a 100% interest in West Desert . In addition to the initial payments of USD $625,000 received, final payments to the Company consisted of:

1) $1,000,000 cash;
2) USD $1,225,000 cash; and
3) 13,385,000 shares of American West.

USD $96,577 cash reimbursement of the reclamation bond on West Desert was also received.

Summary of Exploration and Evaluation Assets and Activities

Exploration and evaluation asset summary

Exploration and evaluation asset acquisition costs for the year ended December 31, 2021 are as follows:

	West Desert	Indy	Total
Balance, December 31, 2020	$ 394,127	$ 218,763	$ 612,890
Additions during the year:			
Cash payments	-	35,000	35,000
Shares issued	-	18,000	18,000
Staking	-	1,582	1,582
	-	54,582	54,582
Option payment received	(394,127)		(394,127)
Total, December 31, 2021	$ -	$ 273,345	**$ 273,345**

Exploration and evaluation expenditures

Exploration and evaluation expenditures for the year ended December 31, 2021 are as follows:

	West Desert	Indy	Total
Air support	$ -	$ 42,464	**$ 42,464**
Analytical	-	30,022	**30,022**
Claims maintenance	633	500	**1,133**
Communication	-	1,124	**1,124**
Drilling	-	68,550	**68,550**
Equipment and supplies	2,068	15,017	**17,085**
Geochemistry	-	2,981	**2,981**
Personnel	-	105,338	**105,338**
Room and board	452	31,658	**32,110**
Travel	-	2,428	**2,428**
	3,153	300,082	**303,235**
BC mineral exploration tax credit	-	(4,308)	**(4,308)**
Total, December 31, 2021	$ 3,153	$ 295,774	**$ 298,927**

Selected Annual Information

The following financial data, which has been prepared in accordance with IFRS, is derived from the Company's financial statements for the year ended December 31, 2021, 2020, and 2019:

		2021	2020	2019
Income (Loss)	Total	$ 3,273,175	$ (202,101)	$ (414,948)
	Per Share [(1)]	$ 0.03	$ (0.00)	$ (0.00)
Net Income (Loss) and Comprehensive Loss	Total	$ 3,273,175	$ (202,101)	$ (415,427)
	Per Share [(1)]	$ 0.03	$ (0.00)	$ (0.00)
Total Assets		$ 4,645,360	$ 1,067,294	$ 1,230,328
Working Capital		$ 4,257,860	$ 243,274	$ 420,993
Total Liabilities		$ 74,155	$ 50,277	$ 30,918

(1) basic and diluted

The Company's projects are at the exploration stage and have not generated any revenues. At December 31, 2021, the Company had not yet achieved profitable operations and has a deficit of $13,628,163 (2020 - $17,171,397). These losses resulted in net income (loss) per share for the year ended December 31, 2021 of $0.03 (2020 - $(0.00)).

The loss and comprehensive loss for the Company has varied from year to year, depending mainly on the amount of exploration activities, communication and investor relations activities, professional fees, exploration activity and whether or not stock options were issued. The income in the current year is from the completion of the Second Amendment Agreement with American West.

Selected Quarterly Information

Quarter Ended	Revenue	Net income (loss) and comprehensive income (loss)	Net income (loss) per share [(1)]
December 31, 2021	$ nil	$ 3,442,396	$ 0.03
September 30, 2021	$ nil	$ (98,659)	$ (0.00)
June 30, 2021	$ nil	$ (41,270)	$ (0.00)
March 31, 2021	$ nil	$ (29,292)	$ (0.00)
December 31, 2020	$ nil	$ 15,723	$ 0.00
September 30, 2020	$ nil	$ (129,826)	$ (0.00)
June 30, 2020	$ nil	$ (66,724)	$ (0.00)
March 31, 2020	$ nil	$ (21,274)	$ (0.00)

The loss and comprehensive loss for the Company varies from quarter to quarter, depending mainly on the amount of exploration activities, communication and investor relations activities, professional fees, and whether stock options were granted.

Results of Operations

The net income (loss) and comprehensive income (loss) for the year ended December 31, 2021 was $3,273,175 or $0.03 per share compared $(202,101) or $(0.00) per share during the same period of 2020. The following discussion should be read in conjunction with the accompanying financial statements and related notes for the period.

The table below explains the significant changes in expenditures, for the year ended December 31, 2021 compared with December 31, 2020.

Expense	Change in Expense	Explanation for Change
Exploration and evaluation expenditures	Increase of $310,047	The increase is primarily due to work done on Indy. The prior year included the BCMETC of $94,261, compared to $4,308 in the current year.
Professional fees	Increase of $188,769	The increase resulted from legal fees incurred on the Option agreement with American West.
Share-based compensation	Increase of $75,166	There were more incentive share options granted and that vested during the current year as compared to the prior year.
Write-off of exploration and evaluation assets	Increase of $35,066	The prior year consisted of a write-off of $35,066 for the PX property. There were no properties written-off in the current year.

Current Quarter

The net income and comprehensive income for the three months ended December 31, 2021 was $3,442,396 or $0.03 per share compared with $15,723 or $0.00 per share during the same quarter of 2020. The following discussion should be read in conjunction with the accompanying financial statements and related notes for the period.

The table below explains the significant changes in expenditures for the three months ended December 31, 2021 compared with December 31, 2020.

Expense	Change in Expense	Explanation for Change
Gain on sale of exploration and evaluation assets	Decrease of $4,677,235	This amount consists of the option payments and common shares received on the American West agreement, after reducing the property value to $nil.
Unrealized loss on marketable securities	Increase of $641,946	The American West shares were adjusted to their fair value at period end. This is determined based on market price, adjusted for a discount to reflect the hold period on the shares.

Related Party Transactions

The Company entered into the following transactions with related parties during the year ended December 31, 2021:

Summary of key management personnel compensation:

	For the year ended December 31, 2021	For the year ended December 31, 2020
Professional fees (Steve Vanry)	$ 17,000	$ 12,000
Share-based compensation (John Murphy)	13,717	1,248
Share-based compensation (Kerry Curtis)	12,802	1,997
Share-based compensation (Louis Montpellier)	12,802	1,248
Share-based compensation (Steve Vanry)	8,530	999
Share-based compensation (Wayne Hubert)	10,973	1,997
	$ 75,824	$ 19,489

Included in accounts payable and accrued liabilities are amounts owing to related parties of $1,252 (2020 - $1,050).

Liquidity, Financial Position and Capital Resources

The Company's liquidity and capital resources are as follows:

	December 31, 2021	December 31, 2020
Cash	$ 3,165,251	$ 270,214
Receivables	36,976	1,355
Prepaids	19,142	21,691
Marketable securities	1,110,646	291
Total current assets	$ 4,332,015	$ 293,551
Accounts payable and accrued liabilities	$ 74,155	$ 50,277
Total current liabilities	$ 74,155	$ 50,277
Working capital	$ 4,257,860	$ 243,274

The Company had a net working capital position of $4,257,860 at December 31, 2021 compared with $243,274 as at December 31, 2020.

The Company had cash on hand of $3,165,251 on December 31, 2021 (2020 - $270,214). The source of cash consists of receipt of payments from American West, funds raised in previous financings, along with proceeds from the BCMETC, less cumulative expenditures incurred. The primary use of cash during the year ended December 31, 2021 was the funding of operations of $683,925 (2020 - $135,932) and the acquisition of exploration and evaluation assets of $36,582 (2020 - $25,000). There was one financing during the year ended December 31, 2021, which raised net proceeds of $176,139, as compared to no financings during the year ended December 31, 2020. The Company received $3,318,770 from American West for the option and amending agreement payments; there was no comparable receipt of funds in the prior period. The Company also received $120,635 from American West for reimbursement of the reclamation deposit; there was no comparable receipt of funds in the prior period.

Liquidity, Financial Position and Capital Resources (cont'd…)

The Company's general and administrative costs, exclusive of any management compensation or direct business costs such as acquisitions, exploration field work or travel, are in the range of $180,000 annually. These maintenance costs are typical for a public company of this nature and consist of stock exchange fees, legal fees, accounting and audit fees, transfer agent fees and general office expenses such as rent, insurance, basic administrative assistance and phone. As the Company has commenced further exploration of its properties, it may have an impact on general and administrative costs.

The Company has no known mineral reserves and is not in commercial production on any of its properties and accordingly, the Company does not generate cash from operations. The Company finances exploration activities by raising capital from equity markets from time to time.

Proposed Transactions

There are no proposed transactions to be reported.

Risks and Uncertainties

The business and operations of the Company are subject to numerous risks, many of which are beyond the Company's control. The Company considers the risks set out below to be some of the most significant to potential investors in the Company, but not all of the risks associated with an investment in securities of the Company. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the Company is currently unaware or which it considers to be material in relation to the Company's business actually occur, the Company's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the price of the Company's securities could decline and investors may lose all or part of their investment.

<u>History of losses</u>

The Company has incurred net losses since inception and as of December 31, 2021, had an accumulated deficit of $13,628,163.

<u>No history of dividends</u>

Since incorporation, the Company has not paid any cash or other dividends on its common stock and does not expect to pay such dividends in the foreseeable future, as all available funds will be invested primarily to finance its mineral exploration programs. The Company will need to achieve profitability prior to any dividends being declared.

<u>Dilution</u>

The Company does not generate any revenues and does not have sufficient financial resources to undertake by itself all of its planned expenditures. The Company has limited financial resources and has financed its operations primarily through the sale of securities such as common shares. The Company will need to continue its reliance on the sale of such securities for future financing, resulting in dilution to the Company's existing shareholders. The amount of additional funds required will depend largely on the success of the Company's exploration programs.

Further expenditures will depend on the Company's ability to obtain additional financing which may not be available under favourable terms, if at all.

Risks and Uncertainties (cont'd…)

Capital and liquidity risk

The amount of financial resources available to invest for the enhancement of shareholder value is dependent upon the size of the treasury, profitable operations, and willingness to utilize debt and issue equity. Due to the size of the Company, financial resources are limited and if the Company exceeds growth expectations or finds investment opportunities it may require debt or equity financing. There is no assurance that the Company will be able to obtain additional financial resources that may be required to successfully finance transactions or compete in its markets on favourable commercial terms.

Dependence on key personnel

Loss of certain members of the executive team or key operational leaders of the company could have a disruptive effect on the implementation of the Company's business strategy and the efficient running of day-to-day operations until their replacement is found. Recruiting personnel is time consuming and expensive and the competition for a professional is intense. The Company may be unable to retain its key employees or attract, assimilate, retain or train other necessary qualified employees, which may restrict its growth potential.

Mineral exploration

Mineral exploration is subject to a high degree of risk, which even a combination of experience, knowledge and careful evaluation may fail to overcome. These risks may be even greater in the Company's case given its formative stage of development. Furthermore, exploration activities are expensive and seldom result in the discovery of a commercially viable resource. There is no assurance that the Company's exploration will result in the discovery of an economically viable mineral deposit.

Preliminary Economic Assessments

Preliminary Economic Assessments are considered to be preliminary in nature. They include inferred mineral resources that are considered too speculative to have the economic considerations applied that would enable their classification as mineral reserves. There is no certainty that the conclusions within a Preliminary Economic Assessment will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Management of industry risk

The Company is engaged primarily in mineral exploration and manages related industry risk issues directly. The Company's mineral exploration activities expose it to potential environmental liability risk. It is management's policy to review environmental compliance and exposure on an ongoing basis. The Company follows industry standards and specific project environmental requirements. The Company is currently in the exploration stage on its property interests and has not determined whether significant site recovery costs will be required. Management is not aware of and does not anticipate any significant environmental remediation costs or liabilities in respect of its current operations.

Commodity and equity prices

The Company has exposure to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities.

Risks and Uncertainties (cont'd…)

Other risks

The Company will need additional funding to complete its short and long term objectives. The ability of the Company to raise such financing in the future will depend on the prevailing market conditions, as well as the business performance of the Company. Current global financial conditions have been subject to increased volatility which has negatively impacted access to public financing. There can be no assurances that the Company will be successful in its efforts to raise additional financing on terms satisfactory to the Company. The market price of the Company's shares at any given point in time may not accurately reflect value. If adequate funds are not available or not available on acceptable terms, the Company may not be able to take advantage of opportunities, to develop new projects or to otherwise respond to competitive pressures.

The Company is dependent upon the services of key executives, including the Chief Executive Officer. Certain directors and officers of the Company also serve as directors and/or officers of other companies involved in mineral exploration and development and, consequently, there exists the possibility for such directors and officers to be in a position of conflicts of interest.

The Company's business and operations could be adversely affected by the outbreak of an epidemic or a pandemic or other health crises, including the recent outbreak of COVID-19. On January 30, 2020, the World Health Organization declared the outbreak a global health emergency and on March 20, 2020, the government of Canada closed their border to non-essential travel. The border has partially re-opened, however, there is no guarantee it will remain open and certain restrictions remain. Global government actions, including these restrictive measures in Canada, along with market uncertainty could cause an economic slowdown resulting in a decrease in the demand for metals and have a negative impact on metal prices, as well as possible disruptions to global supply chains. While these effects are expected to be temporary, the duration of the business disruptions internationally and related financial impact cannot be reasonably estimated at this time.

Critical Accounting Estimates

The preparation of the consolidated financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported expenses during the period.

Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

Estimates are made when applying accounting policies. The critical estimates that have the most significant effects on the amounts recognized in the consolidated financial statements are as follows:

Economic recoverability and probability of future economic benefits of exploration and evaluation assets

Management has determined that exploration, evaluation, and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including, geologic and other technical information, a history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

Valuation of share-based compensation

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based compensation. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

Critical Accounting Estimates (cont'd…)

Marketable securities

The Company's marketable securities have a hold period of one year and cannot be actively traded. Accordingly, as part of the valuation a discount is applied based on a valuation model to account for the lack of marketability. The model requires the input of subjective assumptions including expected price volatility. Changes in the input assumptions could materially affect the fair value estimate.

New Accounting Policies Adopted

There were no changes in accounting policies, including initial adoption, during the year.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Financial Instruments and Risk Management

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 fair value of cash, receivables, reclamation deposits, and accounts payable and accrued liabilities approximates their carrying values. Marketable securities are measured at fair value using level 2 inputs with valuation assumptions as described in Note 6 of the consolidated financial statements.

Financial risk factors

The Company is exposed to a variety of financial risks by virtue of its activities including credit, liquidity, interest rate, foreign currency, and price risk.

Credit risk

The Company is exposed to industry credit risks arising from its cash holdings and receivables. The Company manages credit risk by placing cash with major Canadian financial institutions. The Company's receivables are primarily due from the Federal Government of Canada. Management believes that credit risk related to these amounts is nominal.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient funds to meet its financial obligations when they are due. To manage liquidity risk, the Company reviews additional sources of capital and financing to continue its operations and discharge its commitments as they become due. The Company has sufficient cash as at December 31, 2021 to settle its current liabilities as they come due.

Financial Instruments and Risk Management (cont'd…)

Financial risk factors (cont'd…)

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 is not exposed to interest rate risk as it does not have any significant financial instruments with interest rates, with the exception of cash. Interest earned on cash is based on prevailing bank account interest rates, which may fluctuate. A 1% change in interest rates would result in a nominal difference for the year ended December 31, 2021.

Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash and accounts payables and accrued liabilities that are denominated in United States Dollars. A 10% change in foreign exchange rates would result in a nominal difference for the year ended December 31, 2021.

Price risk

The Company has limited exposure to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company's marketable securities are exposed to price risk.

Subsequent Events

Events subsequent to December 31, 2021 have been disclosed elsewhere in this MD&A.

Authorized and Issued Share Capital as at Report Date

Issued and outstanding: 122,552,084 common shares

Options outstanding are as follows:

Number of options	Exercise price	Expiry date
2,350,000	$ 0.05	May 30, 2022
980,000	$ 0.12	October 11, 2022
100,000	$ 0.05	February 4, 2024
2,575,000	$ 0.05	June 11, 2026
300,000	$ 0.06	January 24, 2027
6,305,000		

Warrants outstanding are as follows:

Number of warrants	Exercise price	Expiry date
3,333,331	$ 0.06	February 18, 2023
3,333,331		

Approval

The Board of Directors of the Company has approved the disclosure contained in this Management's Discussion and Analysis. A copy will be provided to anyone who requests it.

On Behalf of the Board of Directors,

April 27, 2022