Vatic Ventures Corp.

Management's Discussion & Analysis

For The Three Months Ended

May 31, 2022

OVERVIEW

The following management discussion and analysis ("MD&A") is a review of the operations, current financial position and outlook for Vatic Ventures Corp. (the "Company") and should be read in conjunction with the unaudited condensed consolidated financial statements for the period ended May 31, 2022 and the audited consolidated financial statements for the years ended February 28, 2022 and 2021, which are filed on the SEDAR website: www.sedar.com.

The Company prepares its condensed consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS"). This document has been reviewed by the Audit Committee of the Board of Directors of the Company and has been approved by the Board of Directors on July 28, 2022. All amounts are expressed in Canadian dollars unless otherwise stated.

The financial information in this MD&A is derived from the Company's consolidated financial statements. This MD&A may contain forward looking statements based on assumptions and judgments of management regarding events or results that may prove to be inaccurate as a result of risk factors beyond its control. Actual results may differ materially from the expected results.

DESCRIPTION OF THE COMPANY'S BUSINESS

The Company was incorporated on October 30, 2007 and was classified as a Capital Pool Company ("CPC") as defined in Policy 2.4 of the TSX Venture Exchange (the "Exchange"). Until January 26, 2011, the principal business of the Company was the identification and evaluation of assets of a business and once identified or evaluated, to negotiate an acquisition of or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities (as that term is defined in Policy 2.4).

On May 17, 2010 and further amended on January 13, 2011, the Company announced that it entered into an option agreement to acquire an undivided 100% interest in a property consisting of 14 claims, covering 7,176 hectares in the southwest of Merritt, British Columbia (see "Mineral Interests"). On January 26, 2011, the Exchange accepted the filing of the Company's Qualifying Transaction. As a result, the Company is listed on the Exchange as a Tier 2 mining exploration issuer and the common shares resumed trading on the Exchange on January 27, 2011 under the TSX-V symbol "VCV".

On June 20, 2012, the Company incorporated two wholly owned subsidiaries VV Mining Exploration Services Mexico S. DE. R. I. and VV Mining Mexico S. DE R. I. C. V. to carry out the exploration of the La Silla West claims in the State of Sinaloa, Mexico. As at May 31, 2022, the two subsidiaries were inactive.

The Company was engaged in exploration and development of mineral properties. At this time, the Company does not own any operating mines and has no operating income from mineral production. Funding for operations is raised primarily through public and private share offerings. Future operations and the Company's ability to meet its mineral interest commitments are dependent on the Company's ability to raise sufficient funds through share offerings, debt, or operations to support current and future expenditures.

On August 14, 2020, the Company announced that T. Barry Coughlan and Tom Wilson resigned as directors and officers of the Company and Gordon Fretwell resigned as an officer of the Company. Loren Currie, an existing director of the Company, was appointed interim CEO.

Effective April 15, 2021, the Company's listing was transferred to New Securities Stock Exchange (NEX). The trading symbol for the Company changed from VCV to VCV.H. Effective April 22, 2022, the Company was relisted from the NEX to the TSX-V.

On May 4, 2021, the Company consolidated its common share on a 10:1 basis.

OVERALL PERFORMANCE

Loans payable, deferred transaction costs and other

On October 31, 2019, the Company signed a binding letter of intent ("Indian LOI") for a share exchange to acquire Indian Ocean Organics Ltd. ("Indian Ocean"). Indian Ocean had the right to acquire 70% of a company that held an exclusive permit for the exploration, cultivation, production, transportation and export of THC, CBD and its derivative medicinal plants and seeds (the "Permit") in a west African country (the "Permitted Jurisdiction"). The Indian LOI supersedes and replaces Assignment Agreement.

On January 29, 2020, the Company announced the termination of its change of business as per its November 6, 2019 and March 19, 2019 news releases. From February 21, 2019, when trading in the shares of the Company was halted at the request of the Company, to the date hereof, the Company had been carrying out due diligence in order to secure a valid and viable opportunity in the cannabis industry. As a result of due diligence, it decided to no longer pursue the opportunities announced previously. The Company's Board of Directors decided to terminate the October 31, 2019 letter of intent for a share exchange to acquire Indian Ocean Organics Ltd. due to certain conditions precedent not being met, as per the letter of intent disclosed in the November 6, 2019 news release. Vatic was not satisfied with its due diligence including but not limited to its review of the financing environment of the cannabis sector and the political and the regulatory environment in certain jurisdictions as it relates to the cannabis industry. The Company believed that due to the softening of the cannabis financing market and a recovering minerals resources financing market a strategic shift to the mineral resources industry will be essential in delivering long-term sustainable shareholder value.

Under certain financial agreements with the Company, Indian Ocean agreed to assume responsibility for the advance by the Company of certain funds including a $197,457 (US$150,000) deposit, of which $87,142 was repaid by Indian Ocean, leaving an outstanding balance of $110,315 (the "Advance"). The $197,457 was advanced by the Company under a guarantee agreement (the "Guarantee") with the former President of the Company for fees of $200,000. On January 29, 2020, with the termination of the LOI, the Company called the Guarantee thereby writing off the fee payable of $200,000. The Company estimated that the Advance is uncollectable. Therefore, the Company has written off the remaining amount of the Advance of $110,315 during the year ended February 29, 2020.

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.

During the year ended February 28, 2021, the Company received a series of loans in the aggregate amount of $125,500 (the "Loans"). The Loans are to carry a 15% per annum interest rate. During the year ended February 28, 2022, the Company issued a total of 1,123,679 units to settle $134,841 of debt on July 7, 2021. Each unit consists of one share of the Company and one share purchase warrant. The Company recognized a gain or loss on settlement of debt of $nil in relation to this settlement.

During the year ended February 28, 2021, the Company entered into a Canada Emergency Business Account ("CEBA") loan with the Government of Canada. The amount of the loan is $60,000 from the Government of Canada. The CEBA Loan has an initial term that expires on December 31, 2023, throughout which, the CEBA Loan remains interest free. Repayment of $30,000 by December 31, 2023, results in a $10,000 loan forgiveness. If the balance is not paid prior to December 31, 2023, the remaining balance will be converted to a 2-year term loan at 5% annual interest, paid monthly effective January 1, 2024. The full balance must be repaid by no later than December 31, 2025.

Option Agreement for the Hansen Gold Property in Northern Quebec

On September 21, 2021, the Company entered into an option agreement with Shadow Ventures Corp. ("Shadow") to acquire a gold exploration property known as the Hansen prospect located in the Chibougamau area of northern Quebec (the "Property"). The Property, which consists of contiguous mining southeast of the Chapais-Opemiska Mine Complex (Springer, Perry and Cooke Copper-Gold mines).

Shadow acquired the right to acquire the Property from Fayz Yacoub and Ramy Yacoub (the "Underlying Optionors") pursuant an agreement dated October 1, 2020, an amending agreement dated April 8, 2021, and a second amending agreement dated August 9, 2021 (together, the "Underlying Option Agreement"). The Company has agreed, pursuant to its option agreement with Shadow (the "Vatic Option Agreement") to option the rights and obligations from Shadow as provided for in the Underlying Option Agreement by satisfying the requirements of the Underlying Option Agreement and by providing Shadow with additional consideration. The Underlying Option Agreement was further amended on September 30, 2021, October 1, 2021 and October 31, 2021. The below requirements are reflective of such amendments.

In order to satisfy the requirements of the Underlying Option Agreement and the Vatic Option Agreement the Company will, subject to the approval of the TSX Venture Exchange (the "Exchange"), issue the shares, make the cash payments and complete the exploration expenditures as follows:

Shares

a) At the option of the Company, either issue 500,000 shares or issue such number of shares equal to $100,000 (based on the 10 day volume weighted average price of the Company's shares prior to October 1, 2021)*;
b) On closing, issue 7,000,000 shares which will be issued pro rata to the shareholders of Shadow*;
c) On the date that a National Instrument 43-101 Technical Report on the Property is submitted to the Exchange, at the option of the Company, either issue an additional 500,000 shares or such number of shares equal to $100,000 (based on the 10 day volume weighted average price of the Company's shares prior to the date of issuance)**;
d) On or before October 1, 2022 a further 750,000 shares;
e) On or before October 1, 2023 a further 1,000,000 shares; and
f) On the declaration of proven reserves supported by a National Instrument 43-101 Technical Report reserve calculation report that Shadow deems economically feasible to continue developing the Property a further 500,000 shares.

** During the period ended May 31, 2022, Exchange approval was granted and the Company issued the shares.*
*** During the period ended May 31, 2022, the Company submitted the National Instrument 43-101 Technical Report and issued the shares.*

Cash

a) $25,000 on or before October 8, 2021 (paid);
b) $55,000 payable on the date the Exchange approve the Option Agreement***;
c) $45,000 on October 1, 2022; and
d) $50,000 on October 1, 2023.

**** During the period ended May 31, 2022, Exchange approval was granted and the Company paid $55,000.*

Expenditures

a) $50,000 on or before March 31, 2022;
b) A further $200,000 on or before October 31, 2022; and
c) A further $500,000 on or before October 31, 2023.

SELECTED ANNUAL INFORMATION

Summary of financial information for years ended February 28, 2022, 2021, and February 29, 2020 as follows:

	Years ended		
	February 28, 2022	February 28, 2021	February 29, 2020
Continued operations			
Net and comprehensive loss for the year	$ (838,635)	$ (284,689)	$ (277,089)
Basic and diluted loss per share	(0.08)	(0.06)	(0.06)
Total assets	161,010	13,234	7,194
Total liabilities	478,373	991,978	701,249

RESULTS OF OPERATIONS

The Company has no operating revenue. The Company's expenses related primarily to business development, office and miscellaneous, professional fees for accounting and legal, consulting fees, management fees, and transfer agent and filing fees. The Company does not have any business and is actively looking for a new business.

Three month period ended May 31, 2022

The Company had a net and comprehensive loss of $399,033 for the three month period ended May 31, 2022 (May 31, 2021 - $70,924 loss).

The overall expenses for the Company decreased during the three months ended May 31, 2022 mostly due to consulting fees and business development expenditures on investor relations. Major expense accounts variances in the current three month period include consulting fees of $181,600 (May 31, 2021 - $73,000), business development $150,000 (May 31, 2021 - $nil), professional fees of $18,866 (May 31, 2021 - $1,200), and travel, meals and entertainment of $33,008 (May 31, 2021 - $6,633).

SUMMARY OF QUARTERLY FINANCIAL RESULTS

The Company's quarterly operating results for the period from May 31, 2020 to February 28, 2022 are summarized as follows:

	August 31, 2020	November 30, 2020	February 28, 2021	May 31, 2021	August 31, 2021	November 30, 2021	February 28, 2022	May 31, 2022
Revenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net income (loss)	(29,617)	(107,471)	(126,411)	(70,924)	(594,650)	(181,069)	8,008	(399,033)
Basic and diluted net loss per share	(0.01)	(0.02)	(0.03)	(0.02)	(0.04)	(0.01)	0.00	(0.04)

Fluctuations in the Company's expenditures reflect the ongoing efforts of the Company to raise capital for its projects. Variations in losses during quarters were due to the changes in business development fees, management fees, consulting fees, directors' fees and professional fees that were incurred. Also, as the Company attends to its mineral projects, office and administrative expenses could increase to support the operation of these projects.

Major variations between the quarter ended August 31, 2020 and November 30, 2020, were primarily due to professional fees incurred during the quarter ended November 30, 2020.

Major variations between the quarter ended November 30, 2020 and February 28, 2021, were primarily due to audit related fees during the quarter ended February 28, 2021.

Major variations between the quarter ended February 28, 2021 and May 31, 2021, were primarily due to audit related fees during the quarter ended February 28, 2021.

Major variations between the quarter ended May 31, 2021 and August 31, 2021, were primarily due to share-based payments and consulting and professional fees.

Major variations between the quarter ended August 31, 2021 and November 30, 2021, were primarily due to share-based payments and consulting and professional fees.

Major variations between the quarter ended November 30, 2021and February 28, 2022, were primarily due to recognition of rental income.

Major variations between the quarter ended February 28, 2022 and May 31, 2022, were primarily due to consulting fees and business development during the quarter ended May 31, 2021.

LIQUIDITY AND CAPITAL RESOURCES

As of May 31, 2022, the Company had a net working capital deficiency of $235,371 (February 28, 2022 - $332,538) and cash of $83,109 (February 28, 2022 – $1,012). The Company anticipates that given its current cash position it will have to raise funds for the coming periods to support future expenditures.

Cash Flow Activities:

Cash balances increased by $82,097 during the three months ended May 31, 2022 and increased by $20,988 during the three months ended May 31, 2022. Below are detailed discussions related to the Company's cash flows.

Operating Activities

During the three months ended May 31, 2022, cash used in operating activities was $414,103, compared to cash used in operating activities of $14,812 during the period ended May 31, 2021.

Financing Activities

Cash provided by financing activities during the period ended May 31, 2022 was $551,200, compared with cash provided by financing activities of $35,800 during the period ended May 31, 2021.

Investing Activities

Cash used in investing activities was $55,000 during the period ended May 31, 2022, compared with $nil during the period ended May 31, 2021.

Summary of Share and Other Activities:

As of May 31, 2022, the Company had a shareholders' equity of $635,844 (February 28, 2022 – $317,363 deficiency). The Share Capital to date was from proceeds received from the issuance of common shares. The Company did not have any revenues during the period ended May 31, 2022 and 2021. Until the Company's property interests generate profits sufficient to maintain operations, the ability of the Company to meet financial liabilities and commitments is primarily dependent upon the continued issuance of equity to new or existing shareholders.

At May 31, 2022, there were 26,111,510 issued and outstanding common shares.

<u>During the three months ended May 31, 2022, the Company:</u>

a) The Company closed a non-brokered private placement consisting of 3,050,000 units at $0.20 per unit for aggregate gross proceeds of $610,000. Each unit consists of one common share of the Company and one half of a common share purchase warrant. Each full warrant is exercisable for an additional common share of the Company at $0.30 for a two year period. In connection with the private placement, the Company paid cash finders' fees of $28,800 and issued 144,000 finders' warrants. Each finders' warrant entitles the holder to purchase one common share of the Company at a price of $0.30 for a period of 24 months.

b) The Company issued 280,000 shares of the Company for proceeds of $70,000 from the exercise of warrants. Subsequent to the period ended May 31, 2022, the Company issued 400,000 shares of the Company for proceeds of $100,000 from the exercise of warrants.

c) The Company issued 800,000 shares of the Company for the acquisition of Hansen Gold Property.

<u>During the year ended February 28, 2022:</u>

Closed a non-brokered private placement financing for aggregate gross proceeds of $999,896. The Company issued 8,332,467 units of the Company at a price of $0.12 per unit, each unit consists of one common share of the Company and one common share purchase warrant, each warrant is exercisable for an additional common share of the Company at $0.25 for 12 months. In connection with the private placement, the Company paid finders fees in cash totaling $47,123 and issued 192,693 finders' warrants, each warrant is exercisable for an additional common share of the Company at $0.25 for 12 months. The finder's warrants were valued at $27,059. The finder's warrants were valued using the Black-Scholes model with the following inputs: expected life of 1 year, discount rate of 0.25%, volatility of 123% and dividend yield of nil.

Issued 1,666,668 units of the Company at a value of $200,000 to settle $200,000. Each unit consists of one common share of the Company and one common share purchase warrant, each warrant is exercisable for an additional common share of the Company at $0.25 for 12 months. These warrants were valued at $nil.

All securities issued above are subject to a four month and one day hold period.

Authorized:
Unlimited common shares, without par value.

	Number of shares	Share capital
Balance, February 28, 2021	4,382,375	8,561,677
Private placement	8,332,467	972,837
Share for debt settlement	1,666,668	200,000
Finders' fees		(54,123)
Balance, February 28, 2022	14,381,510	9,680,391
Private placement	3,050,000	610,000
Finder's fee	-	(28,800)
Warrants exercised	280,000	70,000
Share issuance costs	-	(20,051)
Property acquisition	8,000,000	800,000
Balance, May 31, 2022	25,711,510	11,111,540

As of the date of this report, and following the consolidation, financing and shares for debt, the Company had the following outstanding:

- 26,111,510 common shares
- 1,669,000 warrants
- 1,400,000 options

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements as at May 31, 2022 or as of the date of this report.

TRANSACTIONS WITH RELATED PARTIES

The amounts due to related parties are amounts due to the officer and directors of the Company. The balances are unsecured, non-interest bearing and have no specific terms for repayment. These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

Due to related parties

	May 31, 2022	February 28, 2022
Former CEOs	$ -	$ 42,826
CEO	-	4,000
Directors	30,000	30,000
Total	$ 30,000	$ 76,826

During the periods ended May 31, 2022 and 2021, the Company paid and accrued management and consulting fees to its officers as follows:

Management fees

	Three months ended	
	May 31, 2022	May 31, 2021
CEO	$ -	$ 7,500
Directors	-	15,000
	$ -	$ 22,500

Consulting fees

	Three months ended	
	May 31, 2022	May 31, 2021
CFO	$ 16,000	$ 4,500
	$ 16,000	$ 4,500

PROPOSED TRANSACTIONS

The Company has no proposed transactions as at the date of this report.

CRITICAL ACCOUNTING ESTIMATES

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Management believes the estimates are reasonable; however, actual results could differ from those estimates and could impact future results of operations and cash flows.

1) Estimated Useful Lives of Assets

The estimation of the useful lives of assets has been based on historical and industry experience. Adjustments to useful life are made when considered necessary.

2) Share-Based Payments

Equity-settled share-based awards are recognized as an expense based on their fair value at date of grant. The fair value of equity-settled share options is estimated through the use of an option valuation model – Black-Scholes, which require inputs such as the risk-free interest rate, expected dividends, expected volatility and the expected option life, and is expensed over the vesting period. Using different input estimates or models produces different option values, which would result in the recognition of a higher or lower expense.

For a detailed summary of the Company's significant accounting policies, the reader is directed to Note 3 of the Notes to the consolidated audited financial statements for the year ended February 28, 2022 available on SEDAR at www.sedar.com.

RISKS AND UNCERTAINTIES

The Company believes that the following risks and uncertainties may materially affect its success.

Limited Operating History

The Company is a relatively new company with limited operating history and no history of business or mining operations, revenue generation or production history. The Company was incorporated on October 30, 2007 and has yet to generate a profit from its activities. The Company is subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its growth objective. The Company anticipates that it may take several years to achieve positive cash flow from operations.

Exploration, Development and Operating Risks

The exploration for and development of minerals involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties which are explored are ultimately developed into producing mines. There can be no guarantee that the estimates of quantities and qualities of minerals disclosed will be economically recoverable. With all mining operations there is uncertainty and, therefore, risk associated with operating parameters and costs resulting from the scaling up of extraction methods tested in pilot conditions. Mineral exploration is speculative in nature and there can be no assurance that any minerals discovered will result in an increase in the Company's resource base.

The Company's operations are subject to all of the hazards and risks normally encountered in the exploration, development and production of minerals. These include unusual and unexpected geological formations, rock falls, seismic activity; flooding and other conditions involved in the extraction of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although precautions to minimize risk will be taken, operations are subject to hazards that may result in environmental pollution and consequent liability that could have a material adverse impact on the business, operations and financial performance of the Company.

Fluctuating Mineral Prices

The economics of mineral exploration is affected by many factors beyond the Company's control, including commodity prices, the cost of operations, variations in the grade of minerals explored and fluctuations in the market price of minerals. Depending on the price of minerals, it may be determined that it is impractical to continue the mineral exploration operation.

Mineral prices are prone to fluctuations and the marketability of minerals is affected by government regulation relating to price, royalties, allowable production and the importing and exporting of minerals, the effect of which cannot be accurately predicted. There is no assurance that a profitable market will exist for the sale of any minerals found on the Property.

Substantial Capital Requirements and Liquidity

Substantial additional funds for the establishment of the Company's current and planned mining operations will be required. No assurances can be given that the Company will be able to raise the additional funding that may be required for such activities, should such funding not be fully generated from operations. Mineral prices, environmental rehabilitation or restitution, revenues, taxes, transportation costs, capital expenditures, operating expenses and geological results are all factors which will have an impact on the amount of additional capital that may be required. To meet such funding requirements, the Company may be required to undertake additional equity financing, which would be dilutive to shareholders. Debt financing, if available, may also involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion, and pursue only those development plans that can be funded through cash flows generated from its existing operations.

Regulatory Requirements

The current or future operations of the Company require permits from various governmental authorities, and such operations are and will be governed by laws and regulations governing exploration, development, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, site safety and other matters. Companies engaged in the exploration and development of mineral properties generally experience increased costs and delays in development and other schedules as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that all permits which the Company may require for the facilities and conduct of exploration and development operations will be obtainable on reasonable terms or that such laws and regulation would not have an adverse effect on any exploration and development project which the Company might undertake.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in exploration and development operations may be required to compensate those suffering loss or damage by reason of the exploration and development activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations. Amendments to current laws, regulation and permits governing operations and activities of mineral companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or exploration and development costs or require abandonment or delays in the development of new properties.

Financing Risks and Dilution to Shareholders

The Company will have limited financial resources, no operations and no revenues. If the Company's exploration program on its properties is successful, additional funds will be required for the purposes of further exploration and development. There can be no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be available on favourable terms or at all. It is likely such additional capital will be raised through the issuance of additional equity, which will result in dilution to the Company's shareholders.

Title to Properties

Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. The Company cannot give an assurance that title to the Property will not be challenged or impugned. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify. A successful claim that the Company, as the case may be, does not have title to the properties could cause the Company to lose any rights to explore, develop and mine any minerals on that property, without compensation for its prior expenditures relating to such property.

Requirement for Permits and Licenses

As the Company holds an option to acquire the properties, subject to the NSR and it and may need to acquire further permits or licenses necessary to carry on proposed exploration activities on the properties. A substantial number of permits and licenses may be required should the Company proceed beyond exploration; such licenses and permits may be difficult to obtain and may be subject to changes in regulations and in various operational circumstances. It is uncertain whether the Company will be able to obtain all such licenses and permits.

Competition

There is competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Company will compete with other mining companies, many of which have greater financial, technical and other resources than the Company, for, among other things, the acquisition of minerals claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel.

Reliance on Management and Dependence on Key Personnel

The success of the Company will be largely dependent upon on the performance of the directors and officers and the ability to attract and retain key personnel. The loss of the services of these persons may have a material adverse effect on the Company's business and prospects. The Company will compete with numerous other companies for the recruitment and retention of qualified employees and contractors. There is no assurance that the Company can maintain the service of its directors and officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Company and its prospects.

No Mineral Reserves or Mineral Resources

The property in which the Company holds an interest is considered to be an early exploration stage property, however no mineral reserve or mineral resource estimates have been prepared in respect of the property. Mineral reserves are, in the large part, estimates and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. Reserve estimates for properties that have not yet commenced production may require revision based on actual production experience. Market price fluctuations of metals, as well as increased production costs or reduced recovery rates, may render mineral reserves containing relatively lower grades of mineralization uneconomic and may ultimately result in a restatement of reserves. Moreover, short-term operating factors relating to the mineral reserves, such as the need for orderly development of the ore bodies and the processing of new or different mineral grades, may cause a mining operation to be unprofitable in any particular accounting period.

Environmental Risks

The Company's exploration and appraisal programs will, in general, be subject to approval by regulatory bodies. Additionally, all phases of the mining business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and federal, provincial and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with mining operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs.

Governmental Regulations and Processing Licenses and Permits

The activities of the Company are subject to Canadian, provincial and Thailand approvals, various laws governing prospecting, development, land resumptions, production taxes, labour standards and occupational health, mine safety, toxic substances and other matters. Although the Company believes that its activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing operations and activities of exploration and mining, or more stringent implementation thereof, could have a material adverse impact on the business, operations and financial performance of the Company. Further, the mining licenses and permits issued in respect of its projects may be subject to conditions which, if not satisfied, may lead to the revocation of such licenses. In the event of revocation, the value of the Company's investments in such projects may decline.

Local Resident Concerns

Apart from ordinary environmental issues, work on, or the development and mining of the properties could be subject to resistance from local residents that could either prevent or delay exploration and development of the properties.

Conflicts of Interest

Certain of the directors and officers of the Company will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies (including mineral resource companies) and, as a result of these and other activities, such directors and officers of the Company may become subject to conflicts of interest. The British Columbia Business Corporations Act ("BCBCA") provides that in the event that a director has a material interest in a contract or proposed contract or agreement that is material to the issuer, the director must disclose his interest in such contract or agreement and refrain from voting on any matter in respect of such contract or agreement, subject to and in accordance with the BCBCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the BCBCA.

Uninsurable Risks

Exploration, development and production operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could have an adverse impact on the Company's results of operations and financial condition and could cause a decline in the value of the

Company shares. The Company does not intend to maintain insurance against environmental risks.

Litigation

The Company and/or its directors may be subject to a variety of civil or other legal proceedings, with or without merit.

Dividends

To date, the Company has not paid any dividends on its outstanding shares. Any decision to pay dividends on the shares of the Company will be made by its board of directors on the basis of the Company's earnings, financial requirements and other conditions.

FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking statements. Forward-looking statements are projections of events, revenues, income, future economic performance or management's plans and objectives for future operations. In some cases, you can identify forward-looking statements by the use of terminology such as "may", "should", "expects", "plans", "anticipates", "believes", "estimates", "predicts", "potential" or "continue" or the negative of these terms or other comparable terminology. Examples of forward-looking statements made in this MD&A include statements about the Company's business plans; the costs and timing of its developments; its future investments and allocation of capital resources; success of exploration activities; requirements for additional capital; government regulation of mining operations. These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including: general economic and business conditions, fluctuations in worldwide prices and demand for minerals; our lack of operating history; the actual results of current exploration activities; conclusions or economic evaluations; changes in project parameters as plans continue to be refined; possible variations in grade and or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes or other risks of the mining industry; delays in obtaining government approvals or financing or incompletion of development or construction activities, any of which may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements.

While these forward-looking statements and any assumptions upon which they are based are made in good faith and reflect our current judgment regarding the direction of the Company's business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggested herein. Except as required by applicable law, including the securities laws of Canada, the Company does not intend to update any of the forward-looking statements to conform these statements to actual results.

CHANGES IN ACCOUNTING POLICIES

New Accounting policies

There were no new or amended IFRS pronouncements effective January 1, 2022 that impacted the Company's interim financial statements.

FINANCIAL AND OTHER INSTRUMENTS

The IFRS requires disclosure about the inputs used in making fair value measurements, including their classification within a hierarchy that prioritizes their significance. 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 financial assets and liabilities consist of cash, amounts receivable, amounts to third parties, due to related parties, and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant credit, liquidity or market risks arising from these financial instruments. With the exception of cash the fair value of these instruments approximates their carrying value due to the short-term nature of their maturity.

Cash is valued using Level 1 inputs.

Fair Values

The following table outlines the Company's financial assets and liabilities measured at fair value by level with the fair value hierarchy described above. Assets and liabilities are classified in their entirely based on the lowest level of input that is significant to the fair measurement.

	As at May 31, 2022			
Assets	Level 1	Level 2	Level 3	Total
Cash	$ 83,109	$ -	$ -	$ 83,109
Total	$ 83,109	$ -	$ -	$ 83,109

	As at February 28, 2022			
Assets	Level 1	Level 2	Level 3	Total
Cash	$ 1,012	$ -	$ -	$ 1,012
Total	$ 1,012	$ -	$ -	$ 1,012

All other financial assets and liabilities approximate their fair value due to their short term nature of these instruments.

OTHER MATTERS

Legal proceedings

The Company is not aware of any legal proceedings.

Contingent liabilities

At the date of report, management is unaware of any outstanding contingent liability relating to the Company's activities.

OFFICERS AND DIRECTORS

Current directors and officers of the Company are as follows:

Loren Currie, CEO, Corporate Secretary, and Chairman
Matthew Mikulic, Director
Anthony Clements, Director
Pieter Bakker, Interim Chief Financial Officer

OUTLOOK

The Company's primary focus for the foreseeable future will be on reviewing its financial position, and continuing exploration and development activities on its mineral properties.

OTHER REQUIREMENTS

Additional disclosure of the Company's material documents including information circular, material change reports, new release, and other information can be obtained on SEDAR at www.sedar.com.