FORWARD-LOOKING INFORMATION AND MATERIAL ASSUMPTIONS

This report on results for the three month period and year ended December 31, 2021 contains forward-looking information, including forward-looking information about Bonterra Resources Inc.'s (the "**Company**" or "**Bonterra**") operations, estimates, and exploration and acquisition spending.

Forward-looking information is generally signified by words such as "forecast", "projected", "expect", "anticipate", believe", "will", "should" and similar expressions. This forward-looking information is based on assumptions that the Company believes were reasonable at the time such information was prepared, but assurance cannot be given that these assumptions will prove to be correct, and the forward-looking information in this report should not be unduly relied upon. The forward-looking information and the Company's assumptions are subject to uncertainties and risks and are based on a number of assumptions made by the Company, any of which may prove to be incorrect.

GENERAL

This Management Discussion and Analysis ("**MD&A**") of the financial condition, results of operations and cash flows of the Company for three month period and year ended December 31, 2021 should be read in conjunction with the audited financial statements as at and for the years ended December 31, 2021 and 2020. This MD&A is effective April 29, 2022. Additional information relating to the Company is available on SEDAR at www.sedar.com.

The Company has prepared its audited financial statements for the years ended December 31, 2021 and 2020 in Canadian dollars and in accordance with International Financial Reporting Standards ("**IFRS**"), as issued by the International Accounting Standards Board.

RECENT COMPANY HIGHLIGHTS

- On March 10, 2022, the Company closed a brokered private placement, issuing: (a) 6,405,000 common shares of the company at a price of $1.21 per common share for gross proceeds of $7,750,050; and (b) 8,383,500 common shares of the company that qualify as "flow-through shares" (the "**FT Shares**") at a price of $2.06 per FT share for gross proceeds of $17,270,010, representing total aggregate gross proceeds of the offering of $25,020,060.

- On January 17, 2022, the Company announced that Marc-Andre Pelletier (see bio below) officially took over as President and CEO of Bonterra and announced the appointment of Anik Gendron as an independent non-executive Director of the Company.

  Marc-Andre is a professional mining engineer with over 25 years of experience, predominantly in underground gold mines. He was most recently the Chief Operating Officer at Wesdome Gold Mines Ltd. where he was instrumental in the production re-start of the Kiena Mine, only five years after the original discovery of the high-grade Deep Zone. Mr. Pelletier also contributed to the increase of production at the Eagle Mine to near 100,000 ounces per year through optimization works and exploration success. Prior to Marc-Andre's tenure at Wesdome, he was Vice-President of Operations at St Andrew Goldfields Ltd., where he successfully put three underground mines and one open pit mine into production in less than five years until its acquisition by Kirkland Lake Gold in 2016.

- On October 21, 2021, the Company closed a brokered private placement issuing 7,935,000 common shares of the Company that qualify as FT Shares at a price of $1.47 per FT Share for gross proceeds of $11,664,450.

- On July 13, 2021, the Company announced the completion of the option earn-in requirements and acquired a 70% interest in 81 strategic mineral claims totaling 3,590 hectares adjacent to the Company's Gladiator property (the "**Duke Property**") and converted the option agreement into a joint venture agreement (the "**JV**").

- On June 23, 2021, the company announced updated mineral resource estimates ("**MREs**") for the Gladiator, Barry, and Moroy deposits, and Bachelor mine (the "**2021 MREs**"). The 2021 MREs were prepared by an independent firm, SLR Consulting (Canada) Ltd. ("**SLR**").

- On April 7, 2021, the Company completed a brokered private placement for gross proceeds of $17,472,300. The Company issued (a) 2,350,000 common shares of the Company at a price of $1.05 per common share for gross proceeds of $2,467,500, and (b) 10,420,000 FT Shares of the Company at a price of $1.44 per FT Share for gross proceeds of $15,004,800.

- On December 9, 2020 and December 15, 2020, the Company closed tranches of a completed non-brokered private placement for gross proceeds of $15,000,000 through the issuance of 13,043,478 common shares (December 9 – 10,669,891 and December 15 – 2,373,587) of the Company at a price of $1.15 per common share.

- Beginning in Q4 2020 and ending in Q1 2021, the Company successfully processed a 10,000 tonnes bulk sample at Moroy. Including the stockpiled Bachelor material, the Company produced and sold 1,500.22 ounces of gold and 166.132 ounces of silver.

UPDATE ON 2021 EXPLORATION AND DEVELOPMENT ACTIVITIES

Diamond drilling activities and exploration work continued uninterrupted during 2021 while implementing the Company's government approved Covid-19 health and safety protocols to protect its workers and the surrounding communities near the properties.

The 2021 exploration program consisted of up to seven drill rigs including four to six land drill rigs (four drill rigs when barge drilling was taking place), two barge drill rigs at the Gladiator property, when barge drilling was available and one underground drill rig at the Moroy deposit. There were 4 diamond drills in activity at year end. A total of 100,272 metres ("**m**") of exploration drilling was achieved for the year ended December 31, 2021. About 47% of the total drilling (46,708 m) was achieved at the Barry property, focusing on expanding and delineating the mineral resources. Gold intersections have been released during the year, which has demonstrated the extension of the gold mineralization on the North-East of the deposit, near surface and with the extension of the H series type lens at depth. On the Gladiator project, 29,097 m or 29% was drilled, either from shore or on Barry Lake. The drill campaign has extended the down plunge of the main deposit over 300 m beyond the existing mineral resources (Main and North zones). Near 25,000 m of regional exploration took place on strategic Urban-Barry property. A total of 13,212 m (13%) was drilled on the Duke project, where the Company has met the option earn-in requirements and acquired a 70% interest into the project and converted the option agreement into a joint venture agreement with Osisko Mining Inc. ("**Osisko**"). In addition, 11,256 m or 11% was drilled on several prospects like Panache, Barry North, Moss and Coliseum properties. Several press releases were made during the year announcing these encouraging results.

At the Bachelor Mine complex, a surface (3,393 m) and underground (5,437 m) diamond drill program took place in 2021 for a total of 8,830 m or 9% of the total metres drilled during the year. Focus of the program was on expanding the mineral resource of the M1 lens located in the Moroy deposit and to better understand the geology where the Moroy and Bachelor deposits converge at depth. Finally, 3,440 m (3%) were drilled on the Bachelor North, which has led to the discovery of a new zone located approximately two kilometres ("**km**") northeast of the Bachelor mill.

Some more regional drilling exploration results were still pending as of the end of 2021 and several samples were sent to an external assay laboratory early in 2022. Exploration assay results will be released as the information becomes available.

An updated MREs published by the Company on June 23rd, 2021 (effective on June 1, 2021) for the Gladiator, Barry, and Moroy deposits, and Bachelor mine and was prepared by independent firm, SLR Consulting (Canada) Ltd. The NI 43-101 technical report was filed on SEDAR on August 9, 2021.

The Bachelor assay lab remains operational and compliant with the Company's Covid-19 health and safety protocols. The Company continues to develop and update geological models for the Gladiator, Barry, and Moroy deposits on an ongoing basis. The extent and timing of future MREs updates will be accomplished once sufficient data is collected.

The Company had staked 231 claims near the Bachelor-Moroy area in July 2020. This new greenfield land package, called "Desmaraisville", is located north and west of the Bachelor mine. These new underexplored areas lie along an east-northeast regional fault trend within a folded complex with several historic gold occurrences to the northeast. A high-resolution airborne magnetic survey was completed in July 2020. A preliminary reconnaissance and evaluation of the property access to this area was undertaken in early May 2021. The area has undergone a regional compilation, followed by a mapping and prospecting program during summer and fall of 2021. An exploration drilling program is planned in Q2 2022 on the Desmaraisville property.

The Company continues to work on permitting and engineering for expansion of the Bachelor mill and tailings management area ("**TMA**"). The Company submitted answers to the Environmental and Social Impact Review Committee ("**COMEX**") in March 2021. In addition, more details from the geotechnical drilling, that was completed during the summer of 2020 to test the soil type under the location of a future dyke, was provided. COMEX then completed a site visit in the fall of 2021.

OUTLOOK FOR 2022

Exploration Objectives of 2022

Bonterra plans to drill between 90,000 to 117,000 m of diamond drilling in 2022. The Company's objective for the 2022 drill program is to better define the underground portion of the Barry deposit with an in-fill program that should start during the second quarter and continue for the rest of the year. Resources expansion and in-fill drilling are planned at the Gladiator deposit. The intent of the in-fill campaign is to better define the location of the future exploration ramp that will be designed in 2022. Construction and development work for the exploration ramp are planned in 2023 once the permits are received. At Bachelor-Moroy a strategic and technical review of the deposits is ongoing to determine the most favorable approach for the project. Regional exploration will take place at Bachelor-Moroy and Urban-Barry properties through the year as sites accesses become available. The Company usually performs its regional exploration during the fall-winter seasons. The 2022 regional exploration program will be a follow-up of the 2021 program and will take place on the Rainville, Bachelor, Gladiator, Coliseum, Duke, Panache Sud, Barry, Bart, Moss prospects.

Following a technical review in early 2022, it was decided to restart the Preliminary Economic Assessment ("**PEA**") process on the Barry open pit resource only. The PEA is expected to be completed by mid-2022 and will dictate the next steps to bring this deposit into production over the short term. Upon a positive PEA, the Company will consider whether to proceed with further economic analysis including a preliminary feasibility study or a feasibility study.

With regards to the ongoing COMEX permitting process for the mill and TMA expansion, the Company has received a second set of questions in January 2022 and expects to provide additional answers by mid-2022 with a COMEX permit expected by end of 2022 and provincial permits thereafter. In addition, the Company continues to make progress to obtain the regulatory approval for an exploration decline at the Gladiator property. The Company recently received a communication from the COMEX that no impact study is going to be required, which means that only permitting from the provincial regulators will be needed for the realization of this project. The Company is advancing detailed engineering to submit its permit application to Quebec's *Ministère de l'environnement et de la Lutte contre les changements climatiques* ("**MELCCC**") by the end of this year.by the end of this year.

COVID-19

As the global pandemic related to COVID-19 continues, Bonterra has implemented a plan to protect the health and safety of its employees and all stakeholders. The Company had implemented alternative working arrangements for all employees to work from home and temporarily closed all its offices and placed its exploration camps on care and maintenance. During the year, health and safety procedures related to COVID-19 were submitted to the Quebec public health authorities, the Cree Nation government, and the Cree First Nation of Waswanipi. On June 30, 2020, these procedures were approved, and the Company resumed the exploration activities on its properties.

In 2021, the Company has encouraged all employees, and employees from contractors to get vaccinated. The Company continues to monitor the COVID-19 related situation and will adjust its procedures to comply with the guidelines of the public health authorities.

DESCRIPTION OF BUSINESS

The Company was incorporated under the laws of the province of British Columbia on May 1, 2007. The Company's common shares are traded on the TSX Venture Exchange ("**TSX-V**") under the symbol "BTR". The Company's shares also trade on the OTC Exchange in the United States under the symbol "BONXF" and on the Frankfurt Stock Exchange under the symbol "9BR2".

The Company is a junior mineral exploration company engaged in the business of acquiring, exploring and evaluating natural resource properties in the province of Quebec.

On January 1, 2020, the Company amalgamated the parent Company with its wholly owned subsidiary Metanor Resources Inc. ("**Metanor**"). This amalgamation was done for administrative purposes and had no material impact on the Company's financial statements.

ABOUT THE MINERAL PROPERTIES

The Abitibi Greenstone Belt hosts significant gold mineralization in several parallel NE to SW trending zones. Gold in the Urban-Barry Township is primarily associated with quartz-carbonate veins mineralized with sulphides. The Company's main properties include the Gladiator, Moroy and Barry deposits, and the 100% owned Bachelor Mill.

Bonterra's acquisition of Metanor and consolidation of the Company's databases and management have resulted in broader exploration and resource development plans. Bonterra prepared mineral resource estimates in accordance with NI 43-101, for all its advanced Urban-Barry exploration assets in 2021, being the Gladiator, Barry and Moroy deposits.

The 2021 MREs have been prepared by SLR and have been peer reviewed by SGS Canada Inc. and reviewed internally by the Company. The technical report is available on SEDAR (www.sedar.com) under the Company's issuer profile. The effective date of the 2021 MREs is June 23, 2021 for the Barry, Gladiator and Bachelor-Moroy deposits. The report date is August 5, 2021 for all three properties, and was posted on August 9, 2021 on SEDAR.

The results of the mineral resource estimates for the Gladiator, Barry, and Bachelor-Moroy deposits are summarized in Table 1. The mineral resource estimates for the Gladiator and Barry deposits are reported at a 2.6 g/t Au cut-off grade for underground and at 1.0 g/t Au open-pit cut-off grade at Barry. The estimate for the Bachelor-Moroy deposit is reported at a 2.4 g/t Au cut-off grade, or at 3.0 g/t Au domain dependent cut-off grade at Moroy.

Table 1. Mineral Resource Estimate – (effective June 23, 2021)

DEPOSIT	MEASURED			INDICATED			INFERRED		
	Tonnes	Au (g/t)	Ounces Au	Tonnes	Au (g/t)	Ounces Au	Tonnes	Au (g/t)	Ounces Au
Gladiator	-	-	-	1,413,000	8.61	391,000	4,174,000	7.37	989,000
Barry (Open-Pit)	1,732,000	2.66	148,000	184,000	2.87	17,000	15,000	2.36	1,000
Barry (Underground)	344,000	4.94	55,000	2,839,000	5.15	470,000	4,364,000	4.90	687,000
Bachelor	90,000	5.13	15,000	152,000	5.52	27,000	44,000	4.36	6,000
Moroy	36,000	6.01	7,000	615,000	5.64	112,000	570,000	5.37	98,000
Total	2,202,000	3.18	225,000	5,203,000	6.08	1,017,000	9,167,000	6.05	1,781,000

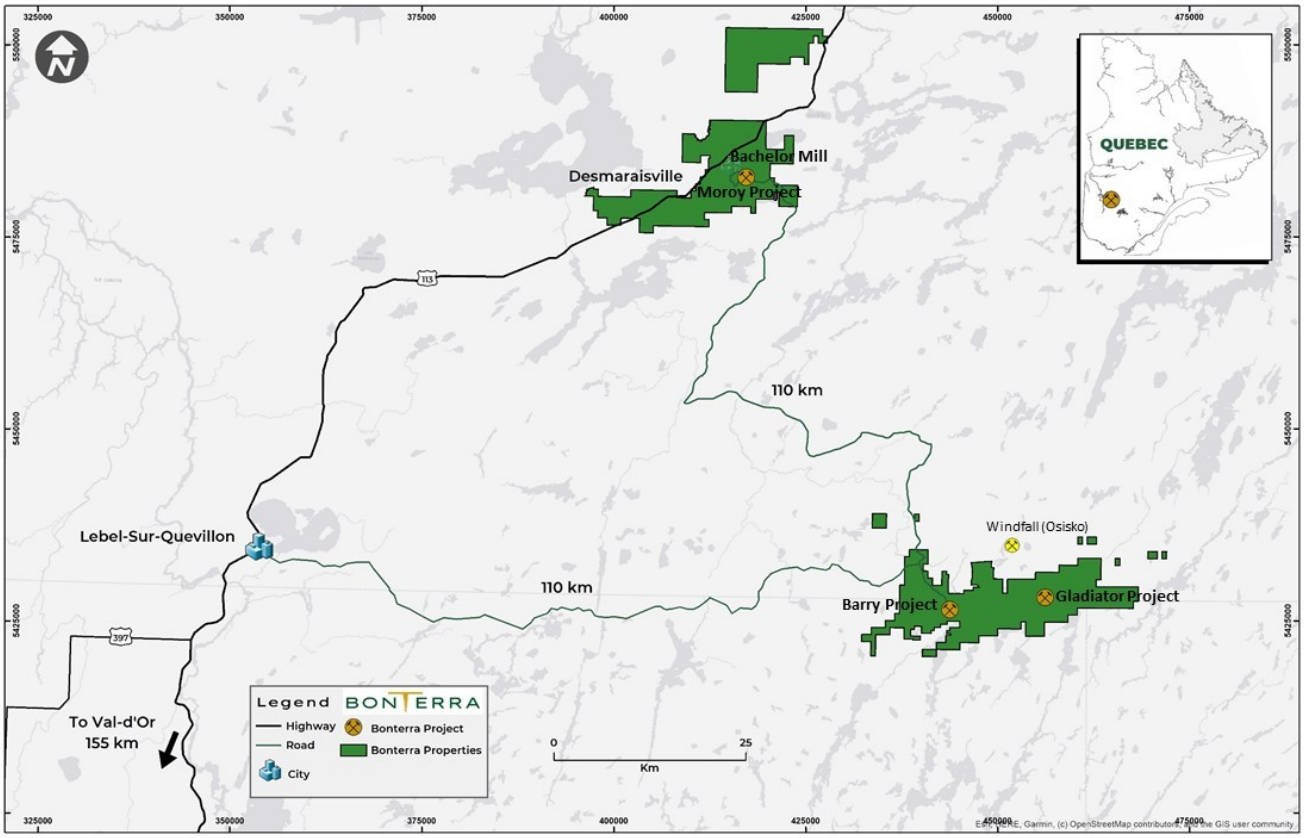
Notes: Gladiator, Barry and Bachelor-Moroy deposits

1. CIM (2014) definitions were followed for the mineral resource estimates.
2. Mineral resources are estimated at the following cut-off grades: 2.40 g/t Au* or 3.0 g/t Au**, domain dependent; 1.0 g/t Au*** and 2.60 g/t Au****, respectively (Bachelor & Moroy deposits*; Moroy deposit **; Barry open pit deposit ***; Barry & Gladiator deposits ****).
3. Mineral resources are estimated using a long-term gold price of US$1,600/oz Au, and a US$/C$ exchange rate of 0.75.
4. A minimum mining width of 1.2 m was used.
5. Bulk densities are as follows: 2.83 t/m^3 at Bachelor-Moroy, and varies by rock type from 2.70 t/m^3 to 2.80 t/m^3 at Barry and 2.80 t/m^3 at Gladiator
6. Mineral resources are reported above cut-off grades as well as above grade-thickness values of 2.88 g/t Au metre and 3.6 g/t Au metre, domain dependent, as well as below a 50 m crown pillar for the Moroy deposit.
7. Mineral Resources are reported within underground constraining shapes † and below a 50 m crown pillar †† (Bachelor deposit † and Gladiator deposit††).
8. Open pit and underground mineral resources are reported within optimized pit shell and underground constraining shapes, respectively for the Barry deposit.
9. All blocks modelled within the underground constraining shapes have been included within the mineral resource estimate for the Gladiator deposit.
10. Numbers may not add due to rounding.

DEPOSIT	TOTAL OUNCES DISCOVERED	METRES DRILLED	OUNCES/METRE DRILLED
Gladiator	1,380,000	229,691	6.0
Barry (Open-Pit & Underground)	1,378,000	213,249	6.5
Bachelor-Moroy	265,000	111,974	2.4
Total	3,023,000	554,914	5.4

BONTERRA EXPLORATION PROPERTIES

Below is a Map of the Company's main exploration properties in Quebec.



Urban-Barry Camp

Gladiator Deposit

The Gladiator deposit is located 12 km east of the Barry deposit, and 8 km southeast of the Windfall deposit. The mineralized shear zones are located near the shore of Lac Barry. The Company is in the permitting process with the MELCCC to begin the excavation of an exploration decline down 150 m below surface to provide the ability to drill the Gladiator deposit year-round.

Barry Deposit

The Barry deposit is located on one mining lease, and permitted for mineral extraction of up to 1.2 million tonnes using underground and/or surface mining methods. Initial mine development access and bulk sampling, with decline and cross-cut development is completed to 100 m below surface. Recent drilling has resulted in the expansion of high-grade areas down plunge at each known strike extension. Bonterra expects to increase the size of the Barry deposit especially at depth, given that very little drilling has previously taken place below 600 m depth over a 1 km strike length.

DUKE PROPERTY

On July 6, 2018, the Company entered into an agreement with Beaufield Resources Inc., which subsequently amalgamated with Osisko, to acquire a 70% interest in the Duke property, located in Québec. In consideration, the Company made payments as follows:

- Cash payment of $250,000 (paid) and issue 400,000 common shares of the Company (issued on July 12, 2018 and valued at $1,600,000) upon acceptance by the TSX-V;
- An additional $250,000 (paid) on or before July 6, 2019; and
- An additional $250,000 (paid) on or before July 6, 2020.

The Company also incurred exploration expenditures as follows:

- $1,500,000 (completed) on or before July 6, 2019;
- An additional $1,500,000 (completed) on or before July 6, 2020; and
- An additional $1,500,000 (completed) on or before July 6, 2021.

On July 13, 2021, the Company announced the completion of the option earn-in requirements to acquire a 70% interest in 81 strategic mineral claims totaling 3,590 hectares adjacent to the Company's Gladiator property and Osisko and the Company (each a "**Party**") formed a joint venture (the "JV") in which Bonterra was deemed to have contributed $7,000,000 and Osisko $3,000,000 respectively, to represent a 70/30 % working interest (the "**Working Interest**"). Pursuant to the JV, if the Working Interest of any Party is reduced to at or below a 5% Working Interest, JV will terminate and a termination payment is owed to the party below 5% by either (i) a cash payment of the sum of $1,500,000; or (ii) such number of shares in the capital of the other Party that is equal in value to $1,500,000, based upon the current market price on the termination date.

The property is located immediately adjacent to the northern boundaries of the Company's Urban-Barry properties containing the Gladiator deposit and extensions. This includes a narrow inset of claims that in the western portion of the property denoted as "The Gap". This property also contains numerous gold showings with expansion potential, including Lac Rouleau and Zone 18. The geological setting is similar to that of the Gladiator property, with numerous occurrences of structurally controlled shear hosted vein mineralization on or near mafic volcanic contacts in proximity to both felsic and mafic intrusive units.

URBAN-BARRY PROPERTY

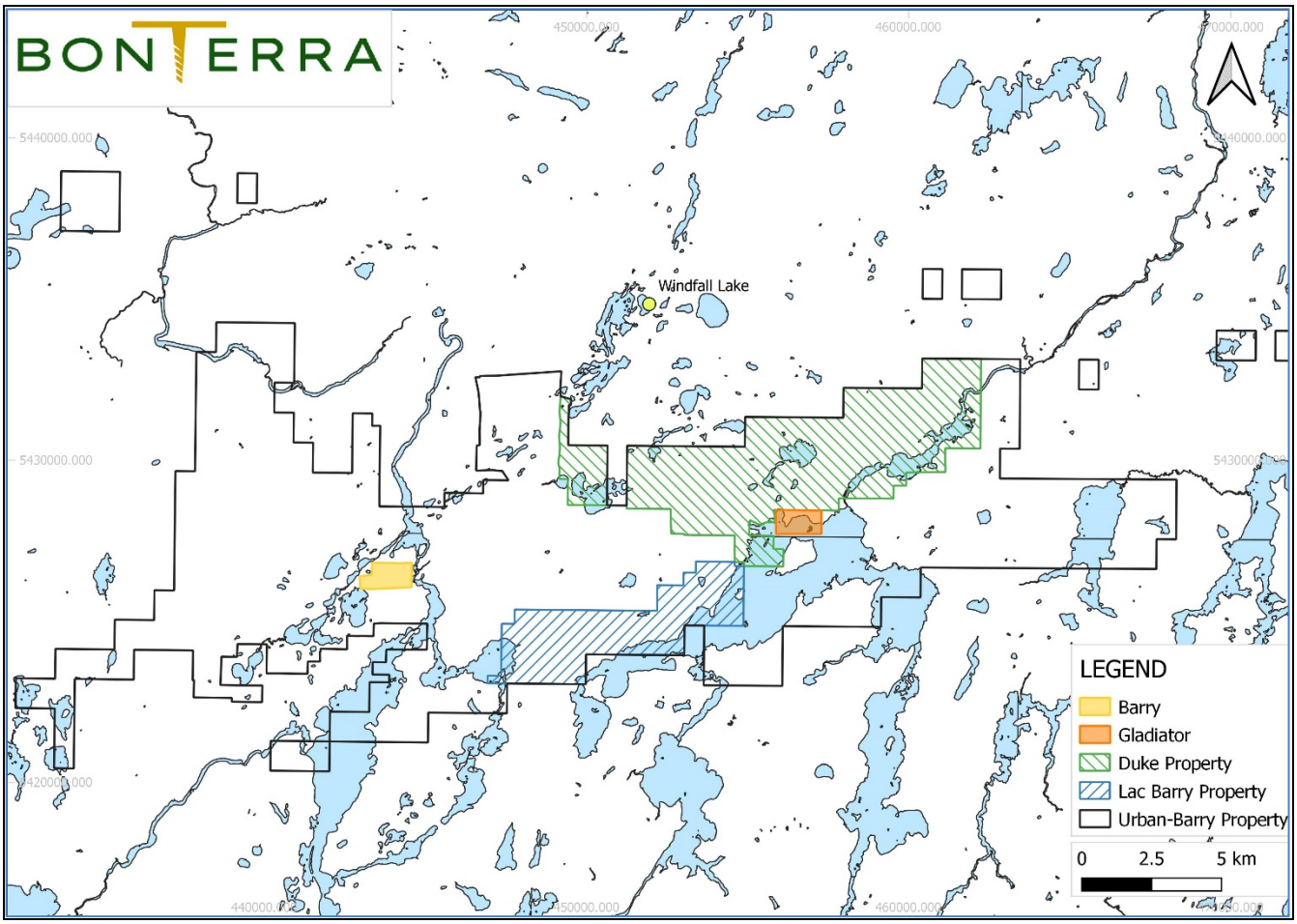
The Company holds a 100% interest in 379 mineral claims covering 17,373.65 hectares ("**ha**") in the Urban-Barry township approximately 110 km east from the town of Lebel-sur-Quévillon. In addition to the 379 mineral claims, the Company also holds 100% interest in one mining lease where the Urban-Barry property is located. The Gladiator property is also located within the Urban-Barry property.

On March 9, 2020, the Company entered into a purchase agreement and acquired nine new claims covering an area of 508 ha, contiguous with the Company's Urban-Barry properties located approximately 10 km southwest of the Barry deposit. To acquire the property, the Company made a cash payment of $10,000. These 9 claims are included in the 379 mineral claims listed above.

In March 2019, the Company entered into an option agreement to acquire a right to a new property called Panache, consisting of one mining claim covering an area of 56 ha, located 20 km north of the Barry property. The Company acquired the property by making a cash payment of $25,000 (paid on March 28, 2019) and issued 10,000 common shares (issued on March 28, 2019 and valued at $19,500) on closing, to the arm's length vendors and an additional cash payment of $50,000 (paid on March 19, 2020) and 15,000 common shares (issued on March 19, 2020 and valued at $11,400) before the one-year anniversary of the agreement. Following the March 2020 payment, the Company acquired 100% interest into the mineral claim. This claim is included in the 379 mineral claims listed above.

LAC BARRY PROPERTY

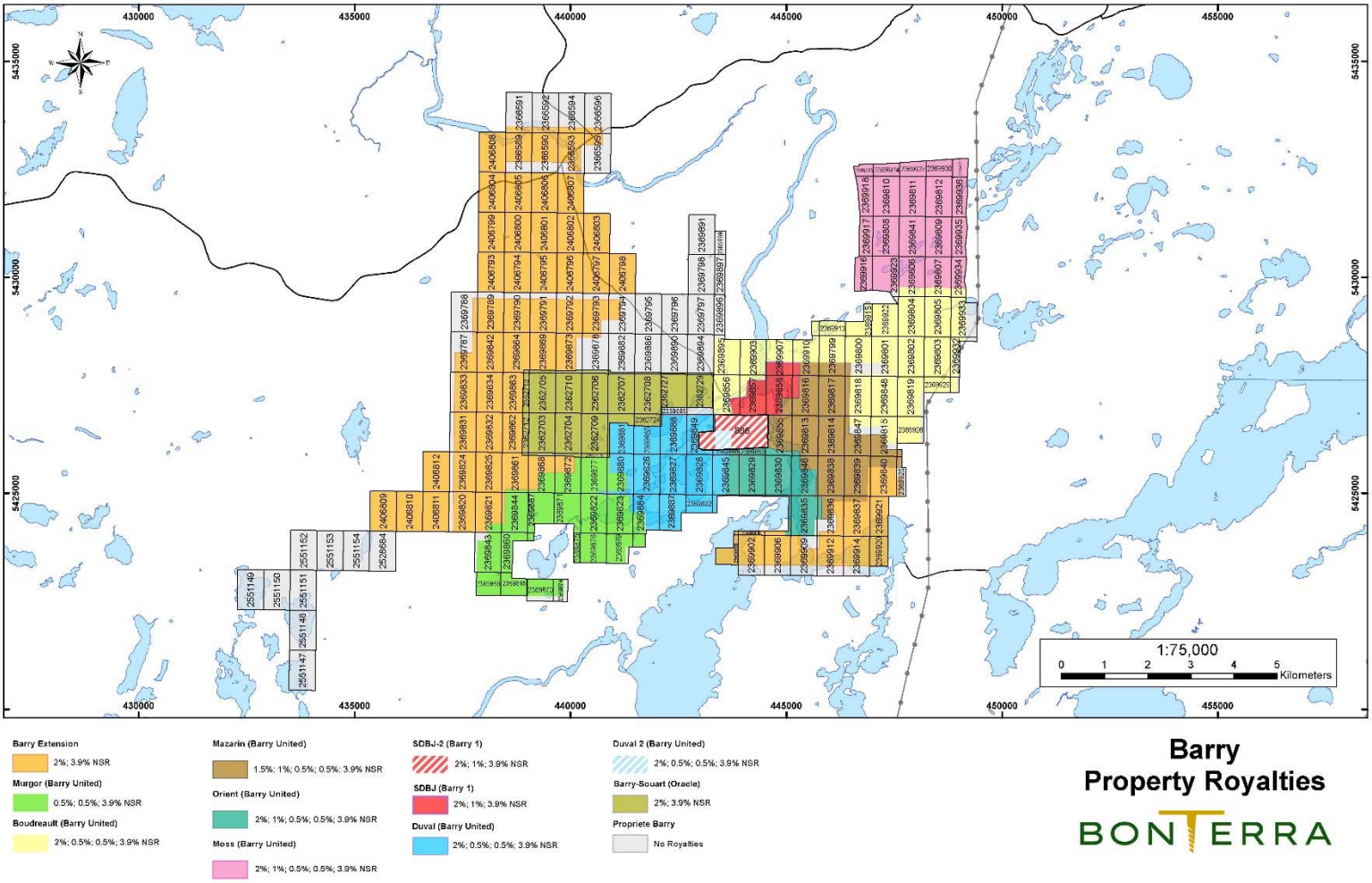
On March 10, 2016, and as amended March 30, 2017, the Company entered into an option agreement with Golden Valley Mines Ltd. ("**Golden Valley**") (acquired by Gold Royalty Corp. in November 2021) and acquired an 85% interest in Golden Valley's Lac Barry property, comprised of 35 mineral claims covering 1,431.65 ha adjacent to the south boundary of the Urban-Barry property. In February 2020, the Company agreed to a joint venture agreement with Golden Valley for the purpose of future exploration on the property.



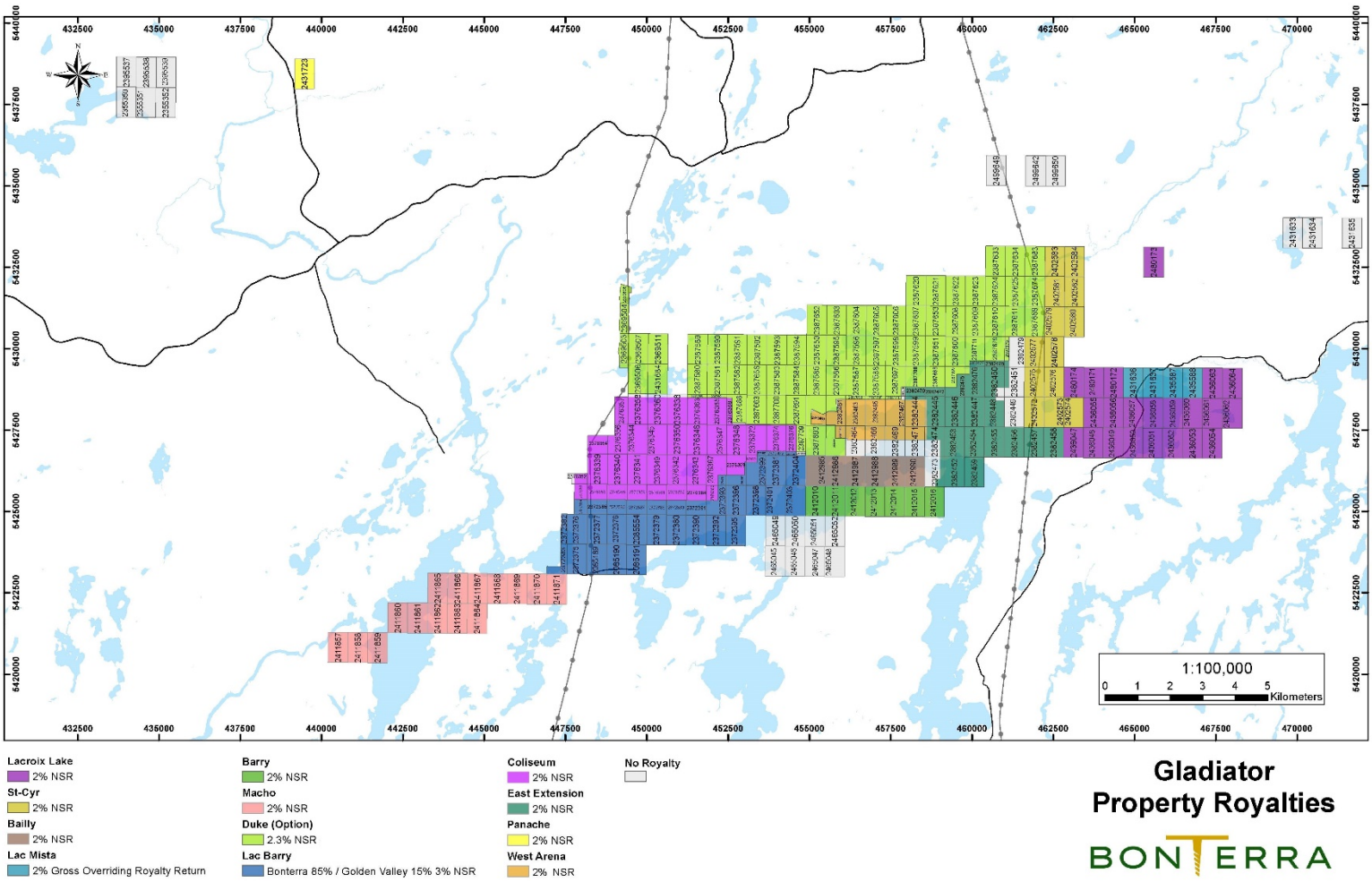
Above is a Map of the Company's properties in the Urban-Barry Camp in Quebec.

Some of the Company's Barry mineral properties are subject to a net smelter returns royalty ("**NSR**"). These NSR's may have various purchase options in which the Company may be able to reduce the NSR percentages by making cash payments.

On September 29, 2017, the Company entered into an amending agreement with Sandstorm Gold Ltd., effectively reducing the existing gold stream on the Bachelor mine (which required the Company to sell 20% of its gold production at the fixed price of US $500) and replacing it with a 3.9% NSR on all minerals produced from the Bachelor and Barry properties (including the surrounding exploration properties held by Metanor at September 29, 2017). The amending agreement has a buyback provision whereby 2.1% of the NSR can be repurchased upon payment of US $2M for each property, thereby reducing the NSR to 1.8%.



Above is a map of the NSR's on the Barry properties in the Urban-Barry Camp in Quebec.



Above is a map of the NSR's on the Gladiator property in the Urban-Barry Camp in Quebec.

Bachelor Camp

Moroy Deposit

The Moroy deposit is a recent discovery near the Bachelor Mill with access via the Bachelor Mine underground infrastructure. Current development consists of three sub-drifts and a series of raises, accessed from the 11th level and 14th level at the Bachelor Mine. Extensive drill information exists from 475 holes totaling 115,894 m from surface and underground at the 11th level to a depth of approximately 800 m below surface, confirming the existence of multiple unmined mineralized zones.

DESMARAISVILLE PROPERTY

The Company holds a 100% interest in 436 mineral claims covering 22,779.32 ha surrounding the town of Desmaraisville. Above the 436 claims, the company holds 100% interest in 1 mining concession, and 1 mining lease where the Bachelor Mine and mill are located. The Moroy property is immediately south, and outside the Bachelor mining lease.

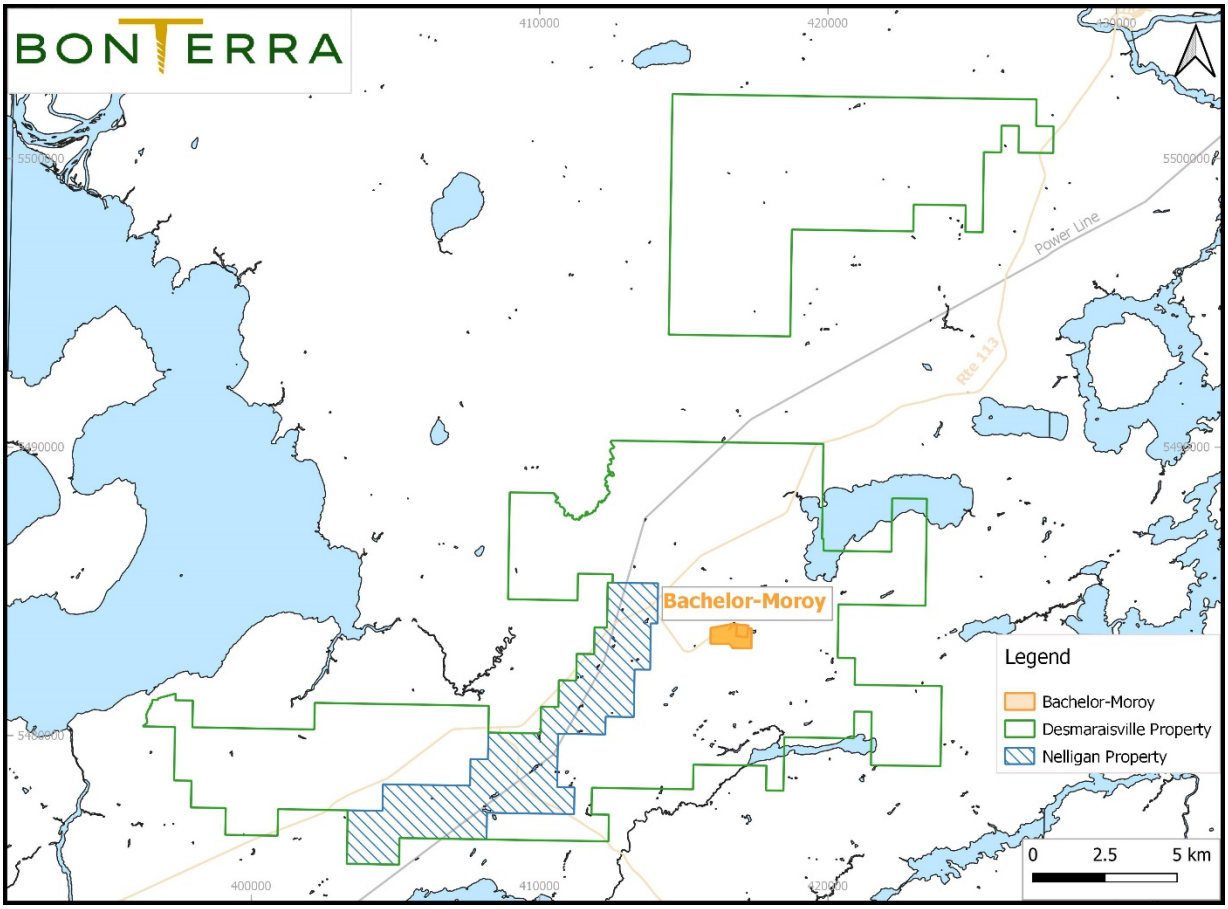
In 2020, the Company staked 231 claims north and west of the Bachelor mine, and are included in the 436 claims listed above.

Bachelor Mine

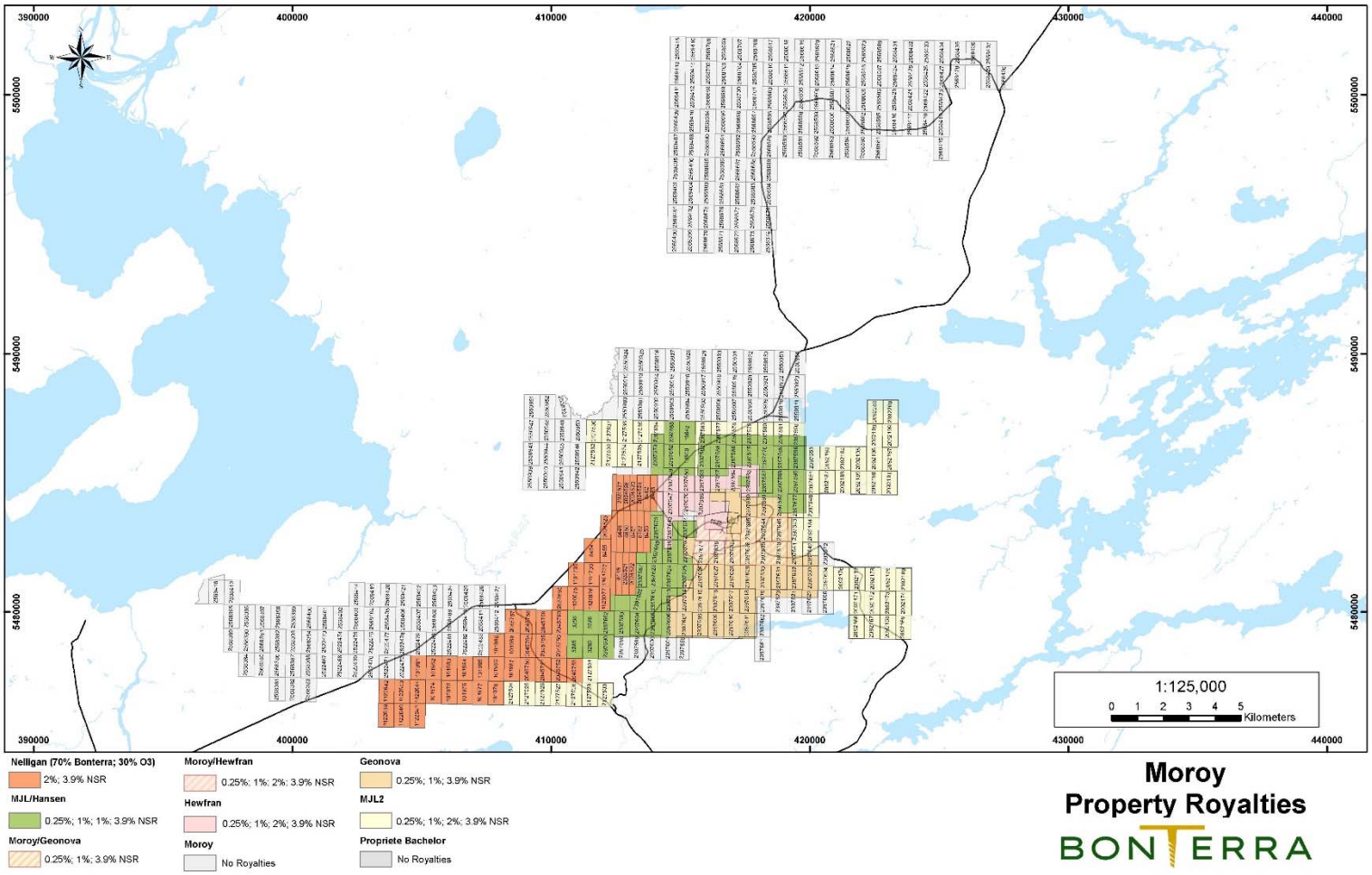
The Bachelor Mine is located on 1 mining concession, and 1 mining lease, 4 km south of Highway 113 and 90 km northeast of the city of Lebel-sur-Quévillon. The mine is connected to the provincial electrical grid and has access to high-speed internet and mobile phone service on site. The mine has a modern camp facility for all the workers. The mill and tailings facility are fully functional with the required permits and regulatory approvals. The Bachelor Mine infrastructure is currently being used to access the Moroy deposit. There is currently no mineral reserves left to mine. The mineralization from the Main vein continues at depth under the mined out stopes. Further exploration drilling is required to evaluation the potential of a mineral resource.

Bachelor Mill

The Bachelor Mill is the only permitted mill in the region, and connected to the power grid, with more than 15 high-grade gold deposits within a 110 km radius of the mill site. The mill is accessible by a paved highway with a network of logging gravel roads linking the other properties in the area to feed the mill. Bonterra began the environmental assessment process in 2017 to proceed with the mill expansion project in order to increase the daily production capacity of the Bachelor Mill from 800 tonnes per day ("**tpd**") to 2,400 tpd, and to increase the total capacity of the tailings storage facility to 8 millions tonnes. In October 2019, the company submitted an environmental assessment of the mill expansion project to the MELCCC. In 2020, the MELCCC submitted a series of questions related to the mill expansion project to which the Company has responded and is awaiting any further comments from the MELCCC. The Company has received a second set of questions in January 2022 and expects to provide additional answers by mid-2022 with a COMEX permit expected by end of 2022 and provincial permits thereafter.



Above is a Map of the Company's properties in the Bachelor Camp in Quebec.



Above is a Map of the NSR's for the Bachelor Camp properties in Quebec.

OTHER PROPERTIES

DUBUISSON PROPERTY

The Company holds a 100% interest in 21 mineral claims in the city of Val-d'Or in Québec covering 457.53 ha. The claims are adjacent to the Goldex mine, which is owned and operated by Agnico-Eagle Mines Limited.

WAHNAPITEI PROPERTY

The Company holds a 90% interest in two mining leases north of the town of Skead within the city of Greater Sudbury in Ontario. The two mining leases cover an area of 129.99 ha.

ADDITIONAL DISCLOSURE FOR VENTURE COMPANIES WITHOUT SIGNIFICANT REVENUE

Total for all properties

	Year ended December 31, 2021	Year ended December 31, 2020
Drilling and assays	**$ 15,612,561**	$ 9,492,051
Depreciation	**1,203,000**	1,306,000
Geological, consulting and wages	**6,078,595**	5,558,287
Camp costs, travel and other	**5,936,441**	7,037,639
Environmental	**489,540**	410,889
Surface and underground upkeep	**2,181,975**	210,904
Bulk sample sales	**(945,871)**	(992,629)
Technical studies	**765,531**	-
Acquisition costs	**-**	321,400
Tax recoveries	**-**	(4,529,345)
	$ 31,321,772	$ 18,815,196

Moroy and Bachelor properties

	Year ended December 31, 2021	Year ended December 31, 2020
Drilling and assays	**$ 1,615,390**	$ 1,307,265
Depreciation	**605,000**	663,000
Geological, consulting and wages	**2,294,046**	2,969,179
Camp costs, travel and other	**1,207,420**	3,584,876
Environmental	**306,108**	300,188
Surface and underground upkeep	**2,181,975**	210,904
Bulk sample sales	**(945,871)**	(992,629)
Technical studies	**255,539**	-
	$ 7,519,607	$ 8,042,783

Barry property

	Year ended December 31, 2021	Year ended December 31, 2020
Drilling and assays	**$ 6,063,206**	$ 3,470,284
Depreciation	**117,000**	120,000
Geological, consulting and wages	**1,940,573**	1,398,605
Camp costs, travel and other	**2,685,979**	1,954,868
Environmental	**56,756**	63,334
Technical studies	**252,710**	-
Tax recoveries	**-**	(1,181,815)
	$ 11,116,224	$ 5,825,276

Gladiator and Duke properties

	Year ended December 31, 2021	Year ended December 31, 2020
Drilling and assays	**$ 6,078,030**	$ 3,553,408
Depreciation	**481,000**	523,000
Geological, consulting and wages	**1,568,137**	1,078,933
Camp costs, travel and other	**1,953,929**	1,251,591
Environmental	**126,676**	47,366
Technical studies	**257,281**	-
Acquisition costs	**-**	250,000
Tax recoveries	**-**	(3,347,530)
	$ 10,465,053	$ 3,356,768

Other properties

	Year ended December 31, 2021	Year ended December 31, 2020
Drilling and assays	**$ 1,855,935**	$ 1,161,094
Geological, consulting and wages	**275,840**	111,570
Camp costs, travel and other	**89,113**	246,305
Acquisition costs	**-**	71,400
	$ 2,220,888	$ 1,590,369

SELECTED ANNUAL AND QUARTERLY INFORMATION

The following tables summarize selected annual financial data of the Company for the years ended December 31, 2021, 2020 and 2019:

	Year ended December 31, 2021	**Year ended December 31, 2020**	Seven Month period ended December 31, 2019
Recurring revenue	$NIL	$NIL	$NIL
Net loss and comprehensive loss	31,920,324	20,682,672	17,576,707
Basic and diluted loss per share	0.31	0.26	0.25
Total assets	46,361,769	56,216,358	65,470,444
Total current liabilities	8,397,464	6,244,007	11,915,594

SELECTED QUARTERLY INFORMATION

Results for the eight most recently completed quarters are summarized below:

For the Three Months Ending	**December 31, 2021 $**	**September 30, 2021 $**	**June 30, 2021 $**	**March 31, 2021 $**
Exploration expenses	6,708,241	8,474,278	9,486,325	6,652,928
Loss for the period	7,568,233	7,510,125	9,263,343	7,578,623
Basic and diluted loss per share	0.07	0.07	0.09	0.08
Total assets	46,361,769	46,765,106	54,151,060	48,359,747
Total current liabilities	8,397,464	7,593,185	7,490,879	5,888,471

For the Three Months Ending	**December 31, 2020 $**	**September 30, 2020 $**	**June 30, 2020 $**	**March 31, 2020 $**
Exploration expenses	5,499,721	6,629,390	(2,527,411)	9,213,496
(Income) Loss for the period	5,904,988	7,957,148	(1,946,696)	8,767,232
Basic and diluted (income) loss per share	0.07	0.10	(0.03)	0.11
Total assets	56,216,358	47,032,093	52,205,295	56,639,391
Total current liabilities	6,244,007	5,654,247	5,561,279	11,879,290

OVERALL PERFORMANCE

Three month period ended December 31, 2021 and 2020

During the three months ended December 31, 2021, the Company reported a net loss of $7,568,233 compared to a net loss in 2020 of $5,904,988. Variations in expenses from the three month period ended December 31, 2021 to 2020 are as follows:

- Exploration and evaluation of $6,708,241 (2020 - $5,499,721). Exploration expenditures were higher in 2021, as the level of exploration and evaluation expenditures increased in order to meet its FT Shares obligations related to the April and October 2021 FT Shares financings;
- Professional fees remained consistent at $164,270 in 2021 compared to $171,590 in 2020. The Company expects these professional fees to be consistent in the coming quarters as it looks to continue to build up its current management team;
- The Company incurred costs of $86,077 in shareholder communications and investor relations as compared to $99,305 in 2020 and $10,546 in travel as compared to $6,663 in 2020. The Company continues to do less travel because of COVID-19. This has led to more marketing, communications and investor relations via virtual conferences and other non-in-person formats. In addition, the Company hired IR consultants in late 2020, to assist the Company promote its assets. The Company expects these shareholder communications and investor relations costs to decline in the coming quarters;
- Recovery of flow-through premium liability of $2,001,000 (2020 - $713,000) related to the reduction of the flow-through premium liability created by the issuance of FT Shares at a premium. The increase was in relation to the increase in exploration and evaluation expenditures made by the Company during 2021 as compared to 2020 as it related to FT Shares;
- Mill care and maintenance of $1,553,864 (2020 - $249,082) have increased as expected following the completion of the bulk sample in the current year. This bulk sample allowed the Company to utilize its mill and capture most of these costs under exploration in the current period. These costs are expected to be consistent in the coming quarters; and
- The Company had share based payments expenses of $401,000 (2020 - $5,000) for the three month period ended December 31, 2021. Share based payments expenses are booked based on the valuation of options using the Black-Scholes model. The expenses vary based on the number of options issued and vested or vesting and the underlying assumptions used in the model.

Year ended December 31, 2021 and 2020

During the year ended December 31, 2021, the Company reported a net loss of $31,920,324 compared to a net loss in 2020 of $20,682,672. Variations in expenses from the year ended December 31, 2021 to 2020 are as follows:

- Exploration and evaluation of $31,321,772 (2020 - $18,815,196). Exploration expenditures were higher in 2021, as the level of exploration and evaluation expenditures increased in order to meet its FT Shares obligations related to the April and October 2021 FT Shares financing;
- Professional fees increased to $485,589 in 2021 from $442,738 in 2020 due to costs related to its search for a new CEO. The Company expects these professional fees to be consistent in the coming quarters as it looks to continue to build up its current management team;
- The Company incurred costs of $495,891 in shareholder communications and investor relations as compared to $281,734 in 2020 and $41,422 in travel as compared to $80,125 in 2020. The Company continues to do less travel because of COVID-19. This has led to more marketing, communications and investor relations via virtual conferences and other non-in-person formats. In addition, the Company hired IR consultants in late 2020, to assist the Company promote its assets. The Company expects these shareholder communications and investor relations costs to declining in the coming year;
- Recovery of flow-through premium liability of $6,065,000 (2020 - $4,454,000) related to the reduction of the flow-through premium liability created by the issuance of FT Shares at a premium. The increase was in relation to the increase in exploration and evaluation expenditures made by the Company during 2021 as compared to 2020 as it related to FT Shares;

- Mill care and maintenance of $2,357,834 (2020 - $962,515) have increased as expected following the completion of the bulk sample in the current year. This bulk sample allowed the Company to utilize its mill and capture most of these costs under exploration in the current period. These costs are expected to increase in the coming year; and
- The Company had share based payments expenses of $1,861,000 (2020 - $2,794,000) for the three month period ended December 31, 2021. Share based payments expenses are booked based on the valuation of options using the Black-Scholes model. The expenses vary based on the number of options issued and vested or vesting and the underlying assumptions used in the model.

LIQUIDITY AND CAPITAL RESOURCES

The Company's cash position as at December 31, 2021 was $4,479,221 compared to $12,440,180 at December 31, 2020. Working capital deficiency was $1,747,696 at December 31, 2021, compared to working capital of $8,698,429 at December 31, 2020. Working capital included a non-cash component related to flow-through premium liability of $2,998,000 (2020 - $nil) if this non-cash amount was excluded, working capital would have been $1,250,304 (2020 - $8,698,429).

On March 10, 2022, the Company closed a brokered private placement, issuing: (a) 6,405,000 common shares of the company at a price of $1.21 per common share for gross proceeds of $7,750,050; and (b) 8,383,500 common shares of the company that qualify as flow-through (FT) at a price of $2.06 per FT share for gross proceeds of $17,270,010, representing total aggregate gross proceeds of the offering of $25,020,060.

On October 21, 2021, the Company closed a brokered private placement issuing 7,935,000 FT Shares at a price of $1.47 per FT Share for gross proceeds of $11,664,450.

Notwithstanding success to date in acquiring equity financing on acceptable terms, there is no guarantee of obtaining future equity financings or on what terms any such equity capital may be available to the Company and, as such, alternative funding programs are also being pursued by the Company.

The Company must utilize its current cash reserves, funds obtained from the exercise of options and warrants, if any, and other financing transactions to maintain the Company's capacity to meet working capital requirements, and ongoing discretionary and committed exploration programs, and to fund any further development activities. The Company anticipates that it will raise additional capital when and if the opportunity arises.

TRANSACTIONS WITH RELATED PARTIES

The following expenses were incurred with directors and officers of the Company:

For the year ended December 31,		**2021**		2020
Short-term compensation				
Exploration and evaluation expenditures	**$**	**-**	$	62,000
Salaries, management and director fees		**684,000**		685,000
Professional fees		**360,000**		300,000
Termination fees paid or accrued		**-**		485,000
		1,044,000		1,532,000
Share-based compensation		**1,295,000**		2,214,000
	$	**2,339,000**	$	3,746,000

Included in trade and other payables at December 31, 2021 was $146,000 (2020 - $92,000) due to officers and or directors for expense reimbursements and unpaid fees. The amounts payable are non-interest-bearing, uncollateralized and are repayable on demand.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

PROPOSED TRANSACTIONS

None.

CAPITAL DISCLOSURES

The Company's objectives when managing capital are to identify, pursue and complete the exploration and development of mineral properties, to maintain financial strength, to protect its ability to meet its ongoing liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Except for the TSXV's minimum working capital requirements, the Company does not have any externally imposed capital requirements to which it is subject. Capital of the Company comprises shareholders' equity.

The Company manages the capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares. The Company's investment policy is to invest its cash in financial instruments at high credit quality financial institutions with terms to maturity selected about the expected timing of expenditures from continuing operations. The Company's overall strategy remains unchanged from the prior year.

FINANCIAL INSTRUMENTS

As at December 31, 2021, the Company's financial instruments consist of cash, marketable securities, receivables, security and contract deposits, trade and other payables and long-term debt.

Fair Value

The Company classifies its fair value measurements in accordance with an established hierarchy that prioritizes the inputs in valuation techniques used to measure fair value as follows:

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 table sets forth the Company's financial assets measured at fair value by level within the fair value hierarchy:

December 31, 2021	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash	**$ 4,479,221**	**$ -**	**$ -**	**$ 4,479,221**
Marketable securities	**$ 50,000**	**$ -**	**$ 10,000**	**$ 60,000**

December 31, 2020	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash	$12,440,180	$ -	$ -	$ 12,440,180
Marketable securities	$ 10,000	$ -	$ 10,000	$ 20,000

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Title to mineral property interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Income taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent that it is probable that taxable profit will be available against which a deductible temporary difference can be utilized. This is deemed to be the case when there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity that are expected to reverse in the same year as the expected reversal of the deductible temporary difference, or in years into which a tax loss arising from the deferred tax asset can be carried back or forward. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

Going concern risk assessment

The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon its ability to fund its existing acquisition and exploration commitments on its exploration and evaluation projects when they come due, which would cease to exist if the Company decides to terminate its commitments, and to cover its operating costs. The Company may be able to generate working capital to fund its operations by the sale of its exploration and evaluation assets or raising additional capital through equity markets. However, there is no assurance it will be able to raise funds in the future. The financial statements do not give effect to any adjustments required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

Provisions and contingent liabilities

Judgements are made as to whether a past event has led to a liability that should be recognized in the financial statements or disclosed as a contingent liability. Quantifying any such liability often involves judgments and estimations. These judgments are based on a number of factors including the nature of the claims or dispute, the legal process and potential amount payable, legal advice received from previous experience and the probability of a loss being realized. Several of these factors are a source of estimated uncertainty.

Establishing cash-generating units ("CGU")

For the purpose of assessing impairment of its long-term assets, the Company determines the CGU, defined as being the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The determination of the CGU and the classification of the Company's assets to the determined CGU require significant judgement having a potentially significant incidence on the result of the subsequent impairment analysis.

The Company periodically reviews the determination of the CGU and the corresponding grouping of the Company's assets, including its assets classified as common assets.

Impairment of long-term assets

The evaluation if an impairment test in accordance with IAS 36 needs to be performed on its long-term assets requires judgement in determining whether it is likely that future economic benefits will be achieved at certain mining properties, which may be based on assumptions about future events or circumstances. If, after expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is

unlikely, the amount capitalized is written down in the statement of comprehensive loss in the period when the new information becomes available.

Leases

The Company is required to make judgments in determining the lease term. Management considers all facts and circumstances, including economic incentives to exercise an extension option and its asset management strategy. Extension options are only included in the lease term if the lease is reasonably certain to be extended.

Asset retirement obligations

The Company assesses its asset retirement obligations annually. Determining these obligations requires significant estimates and assumptions due to the numerous factors that affect the amount ultimately payable. Such factors include estimates of the scope and cost of restoration activities, legislative amendments, known environmental impacts, the effectiveness of maintenance and restoration measures and changes in the discount rate. This uncertainty may lead to differences between the actual expense and the allowance. At the date of the statement of financial position, asset retirement obligations represent management's best estimate of the charge that will result when the actual obligations are terminated.

Valuation of flow-through premium

The determination of the valuation of flow-through premium and warrants in equity units is subject to significant judgment and estimates. The flow-through premium is valued as the estimated premium that investors pay for the flow-through feature, being the portion in excess of the market value of shares without the flow-through feature issued in concurrent private placement financing. In the case that the Company did not issue non-flow-through shares together with the flow-through shares, the market value of shares without the flow-through feature will be determined using their closing quoted bid price.

Mineral reserve estimate

Mineral reserves are estimates of the amount of product that can be economically and legally extracted from the Company's properties. In order to calculate the reserves and resources that the Company considers highly likely to be able to convert into reserves, which form the life-of-mine of producing mining properties of the Company, estimates and assumptions are required about a range of geological, technical and economic factors, including but not limited to quantities, grades, production techniques and recovery rates.

Estimating the quantity and grade of the mineral reserves requires the size, shape and depth of deposits to be determined by analyzing geological data such as the logging and assaying of drill samples. This process may require complex and sophisticated geological models and calculations to interpret the data.

The Company is required to determine and report on the mineral reserves in accordance with the requirements of the Canadian Institute of Mining Standards. Estimates of mineral reserves may change from period to period due to the change in economic assumptions used to estimate mineral reserves and due to additional geological data becoming available during the course of operations. Changes in reported proven and probable mineral reserves and a portion of measured, indicated and inferred resources that the Company expects to convert into reserves may significantly affect the Company's financial results and position in a number of ways, including the following:

Asset carrying values may be affected due to changes in estimated cash flows;

Depreciation and amortization charges to the statement of comprehensive loss may change as these are calculated on the unit-of production method, or where the useful economic lives of assets change; and

Asset retirement obligations and environmental provisions may change where changes in mineral reserves affect expectations about the timing or cost of these activities.

NEW ACCOUNTING STANDARDS NOT YET EFFECTIVE AND NOT YET ADOPTED

The following new standards, amendments and interpretations have been issued but are not effective for the fiscal year ended December 31, 2021 and, accordingly, have not been applied in preparing the financial statements. The Company has assessed the impact of the application of these standards or amendments on the financial statements of the Company and does not expect them to have a material impact on the financial statements of the Company once adopted.

IAS 1 was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2023.

IAS 37 – Provisions, Contingent Liabilities, and Contingent Assets ("**IAS 37**") was amended. The amendments clarify that when assessing if a contract is onerous, the cost of fulfilling the contract includes all costs that relate directly to the contract – ie. a full-cost approach. Such costs include both the incremental costs of the contract (ie. costs a company would avoid if it did not have the contract) and an allocation of other direct costs incurred on activities required to fulfill the contract – ie. contract management and supervision, or depreciation of equipment used in fulfilling the contract. The amendments are effective for annual periods beginning on January 1, 2022.

IFRS 3 – Business Combinations ("**IFRS 3**") was amended. The amendments introduce new exceptions to the recognition and measurement principles in IFRS 3 to ensure that the update in references to the revised conceptual framework does not change which assets and liabilities qualify for recognition in a business combination. An acquirer should apply the definition of a liability in IAS 37 – rather than the definition in the Conceptual Framework – to determine whether a present obligation exists at the acquisition date as a result of past events. For a levy in the scope of IFRIC 21, the acquirer should apply the criteria in IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. In addition, the amendments clarify that the acquirer should not recognize a contingent asset at the acquisition date. The amendments are effective for annual periods beginning on January 1, 2022.

IAS 16 – Property, Plant and Equipment ("**IAS 16**") was amended. The amendments introduce new guidance, such that the proceeds from selling items before the related property, plant and equipment is available for its intended use can no longer be deducted from the cost. Instead, such proceeds are to be recognized in profit or loss, together with the costs of producing those items. The amendments are effective for annual periods beginning on January 1, 2022.

CONTINGENCIES AND COMMITMENTS

As at December 31, 2021, the Company had four (2020 – two) of these types of agreements with officers of the Company that totaled annual base fees of $955,000 and US$120,000 (2020 – $505,000). In the case of termination, the officers are entitled to an amount equal to $955,000 and US$120,000 (2020 – $505,000) and in the case of a change of control of the Company, the officers under certain circumstances are entitled to an amount equal to $1,670,000 and US$120,000 (2020 – $505,000). During the year ended December 31, 2020, the Company terminated two of these types of agreements that called for a payment in the amount of $565,000 in the case of termination and $890,000 in the case of a change of control of the Company, for cash payments of $445,000. Subsequent to December 31, 2021, the Company terminated one of these agreements with an officer of the Company that called for a payment in the amount of $265,000 in the case of termination and $530,000 in the case of a change of control of the Company, for a cash payment of $265,000.

Flow-through obligations

On April 7, 2021, the Company issued 10,420,000 FT Shares of the Company at a price of $1.44 per FT Share for gross proceeds of $15,004,800. As at December 31, 2021, the Company is required to renounce these

amounts by December 31, 2021 and had no commitments to incur additional eligible expenditures (2020 - $nil) due by December 31, 2022.

In addition, on October 21, 2021, the Company closed a brokered private placement issuing 7,935,000 FT Shares at a price of $1.47 per FT Share for gross proceeds of $11,664,450. The Company is required to renounce these amounts by December 31, 2021 and incur $6,995,000 in required eligible expenditures (2020 - $nil) by December 31, 2022.

Asset retirement obligations

On September 9, 2013, the *Ministère de l'Énergie et des Ressources naturelles* ("**MERN**") approved the update of the restoration plan of the Bachelor mine. The financial guarantee covering the restoration costs amount to $4,000,104 which as at December 31, 2021 and 2020 was covered by insurance bonds, which the company has paid 30% (2020 – 40%) collateral for the insurance bonds.

Bachelor Mill Complex

A closure plan for the mill, tailing storage, and underground facilities at both Bachelor and Moroy is in good standing. A 30% collateral insurance bond is in place for the site. The closure plan is approved for the current mill, and the existing tailing storage at 800 tpd. Every five years a revised closure plan to MERN is required and it will be submitted in the coming months. Once the permit from the MELCCC for the mill expansion to 2,400 tpd and the additional 8 million tonnes tailing storage facility capacity is received, the Company will submit to MERN a revised closure plan. Once the revised closure plans are approved by the MERN, the bond will be adjusted to reflect the revised closure costs.

Barry

A closure plan for the underground and surface facilities at Barry is in good standing. A 30% collateral insurance bond is in place for the site. The closure plan is currently being revised to include the sleep camp built in 2018. Every five years a revised closure plan to MERN is required and will be submitted in the coming months. The revised closure plan was approved in September of 2021 and as a result the Company is required to increase its bonding requirements as follows: $758,173 by September 2021 (completed during the year ended December 31, 2021 through a third party insurance provider using 30% collateral), $379,085 by September 2022 and $379,085 by September 2023.

DISCLOSURE OF OUTSTANDING SHARE DATA

The Company had the following securities issued and outstanding:

	April 29, 2022	December 31, 2021	December 31, 2020
Common shares	126,195,500	111,257,000	90,552,000
Warrants	-	-	5,589,835
Stock options	9,235,000	8,255,000	4,346,111
Fully diluted shares	134,430,500	119,512,000	100,487,946

RISKS AND UNCERTAINTIES

The Company is engaged primarily in mineral exploration and manages related industry risk issues directly. The Company may be at risk for environmental issues and fluctuations in commodity pricing. Management is not aware of and does not anticipate any significant environmental remediation costs or liabilities in respect of its current operations; however, it is not possible to be certain that all aspects of environmental issues affecting the Company, if any, have been fully determined or resolved.

Business Risk

There are numerous business risks involved in the mineral exploration industry, some of which are outlined below. The Company may not always own 100% of the mineral claims, concessions, rights or other interests. Similarly, any non-compliance with or non-satisfaction of the terms of an option agreement by the Company could affect its ability to exercise the option and earn its interest in the claims, concessions and assets relating to mineral properties.

Mining claims, concessions or other interests may not include surface rights and there can be no assurance that the Company will be successful in negotiating long-term surface rights access agreements in respect of the properties. Failure to obtain surface rights could have an adverse impact on the Company's future operations.

The Company's current or future operations, including exploration and evaluation activities, are subject to environmental regulations which may make operations not economically viable or prohibit them altogether.

The success of the operations and activities of the Company is dependent to a significant extent on the efforts and abilities of its management, outside contractors, experts and other advisors. Investors must be willing to rely to a significant degree on management's discretion and judgment, as well as the expertise and competence of the outside contractors, experts and other advisors. The Company does not have a formal program in place for succession of management and training of management. The loss of one or more of the key employees or contractors, if not replaced on a timely basis, could adversely affect the Company's operations and financial performance.

Additional Capital

The exploration activities of the Company may require substantial additional financing. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration and evaluation of any of the Company's properties. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financings will be favourable to the Company. In addition, low commodity prices may affect the Company's ability to obtain financing.

Commodity Price Risk

The price of the common shares in the capital the Company, its financial results, exploration and evaluation activities have been, or may in the future be, adversely affected by declines in the price of gold and/or other metals. Gold, silver and other commodity prices fluctuate widely and are affected by numerous factors beyond the Company's control, such as the sale or purchase of commodities by various central banks, financial institutions, expectations of inflation or deflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, international supply and demand, speculative activities and increased production due to new mine developments, improved mining and production methods and international economic and political trends. The Company's revenues, if any, are expected to be in large part derived from mining and sale of precious and base metals or interests in properties related thereto. The effect of these factors on the price of precious and base metals, and therefore the economic viability of any of the Company's exploration projects, cannot accurately be predicted.

Acquisition

The Company uses its best judgment to acquire mining properties for exploration and evaluation. In pursuit of such opportunities, the Company may fail to select appropriate acquisition candidates or negotiate acceptable agreements, including arrangements to finance the acquisitions and evaluation, or integrate such opportunity and their personnel with the Company. The Company cannot assure that it can complete any acquisition that it pursues or is currently pursuing, on favourable terms, or that any acquisition completed will ultimately benefit the Company.

Political Risk

All of the Company's properties are located in Quebec, Canada. Accordingly, the Company is subject to risks normally associated with exploration for and evaluation of mineral properties in this province and country. The Company's mineral exploration activities could be affected in varying degrees by such political instability, aboriginal land claims and government regulation relating to foreign investment and the mining business.

Operations may also be affected in varying degrees by terrorism, military conflict or repression, crime, extreme fluctuations in currency rates and high inflation.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company manages credit risk, in respect of cash and cash equivalents, by placing it at major Canadian financial institutions. Included in receivables as at December 31, 2021 is $2,064,861 (2020 - $1,525,669) owing from the Canada Revenue Agency and Revenue Québec. Management of the the Company believes it has minimal credit risk.

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on capital.

- Currency risk – The Company has no funds held in a foreign currency, and as a result, is not exposed to significant currency risk on its financial instruments at period-end.

- Interest rate risk – Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Interest earned on cash and cash equivalents is at nominal interest rates. Long-term debt bears interest at fixed rates, thus exposing the Company to the risk of changes in fair value arising from interest rate fluctuations.

- Other price risk – Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk. The Company is exposed to other price risk on its marketable securities and the gold price.

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's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The current financial liabilities of the Company as of December 31, 2021 equal $8,397,464 (2020 - $6,244,007). The cash and cash equivalents, plus the private placement completed subsequent to December 31, 2021, is sufficient to meet the Company's financial obligations at December 31, 2021.

Environmental and Permitting

All aspects of the Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. These regulations, among other things, mandate the maintenance of air and water quality standards, land reclamation, transportation, storage and disposal of hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors, and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

Global Pandemic

A global pandemic could cause temporary interruptions in operations if there is an outbreak in areas in which the Company operates. In addition, governments may take preventative measures such as imposing travel restrictions and closing points of entry which may impact the Company's ability to operate. These preventive measures along with market uncertainty could cause economic uncertainty.

Competition

The mining industry is intensely competitive in all of its phases, and the Company competes with many companies possessing greater financial resources and technical facilities than the Company. Competition in

the mining business could adversely affect the Company's ability to acquire suitable producing properties or prospectus for mineral exploration in the future.

Internal Control over Financial Reporting

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

OTHER INFORMATION

Additional information is accessible at the Company's website www.btrgold.com or through the Company's public filings at www.sedar.com.

MANAGEMENT'S RESPONSIBILITY

Management is responsible for all information contained in this MD&A. The audited financial statements have been prepared in accordance with IFRS and include amounts based on management's informed judgments and estimates. The financial and operating information included in this MD&A is consistent with that contained in the audited financial statements in all material aspects.

Management maintains internal controls to provide reasonable assurance that financial information is reliable and accurate and assets are safeguarded.

The Company's audit committee has reviewed the audited financial statements with management. The Board of Directors has approved these audited financial statements on the recommendation of the audit committee.

TECHNICAL INFORMATION

This Management Discussion and Analysis uses the terms measured, indicated, and inferred mineral resources as a relative measure of the level of confidence in the resource estimate. Readers are cautioned that mineral resources are not economic mineral reserves and that the economic viability of mineral resources that are not mineral reserves has not been demonstrated. The estimate of mineral resources may be materially affected by geology, environmental, permitting, legal, title, socio-political, marketing, or other relevant issues. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to an indicated or measured mineral resource category. The mineral resource estimate is classified in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum's "CIM Definition Standards on Mineral Resources and Mineral Reserves" incorporated by reference into NI 43-101. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies or economic studies except for a preliminary economic assessment as defined under NI 43-101. Readers are cautioned not to assume that further work on the stated resources will lead to mineral reserves that can be mined economically.

The scientific and technical content in this Management Discussion and Analysis has been reviewed and approved by Mr. Marc-Andre Pelletier, P.Eng. (IGQ #113979), CEO of Bonterra and Boris Artinian, P.Geo. (OGQ #1546) and Bonterra's Chief Geologist, who are each a "qualified person" within the meaning of NI 43-101.