



## NEW TECH MINERALS CORP.

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Form 51-102F1

### Management's Discussion & Analysis of Financial Condition and Results of Operations for the three months ended October 31, 2021

Date: December 13, 2021

#### General

This Management's Discussion & Analysis ("MD&A") of New Tech Minerals Corp. (Formerly New Tech Minerals Corp.) ("New Tech" or the "Company") has been prepared by management and should be read in conjunction with the Company's condensed interim consolidated financial statements for the three months ended October 31, 2021, together with the audited consolidated financial statements for the year ended July 31, 2021, as well as the accompanying MD&A for the period then ended (the "Annual MD&A"). This MD&A along with these documents are intended to provide investors with a reasonable basis for assessing the financial performance of the Company as well as forward-looking statements relating to future performance.

The referenced unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and IFRS Interpretations Committee ("IFRIC"), applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*. All amounts included in this MD&A are expressed in Canadian dollars unless otherwise indicated.

The Company's critical accounting estimates, significant accounting policies and risk factors as disclosed in the Annual MD&A have remained substantially unchanged and are still applicable to the Company unless otherwise indicated.

#### COVID-19

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, have adversely affected workforces, economies, supply chains, 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 results of operations at this time, but it may impact the Company's ability to obtain additional financing in the future.

Additional information relating to the Company, including regulatory filings, can be found on the SEDAR website at [www.sedar.com](http://www.sedar.com).

#### Forward-Looking Statements

Certain statements contained in this document constitute "forward-looking statements". When used in this document, the words "may", "would", "could", "will", "intend", "plan", "propose", "anticipate", "believe", used by any of the Company's management, are intended to identify forward-looking statements. Such statements reflect the Company's "forecast", "estimate", "expect" and similar expressions, as they relate to the Company's current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Company's actual results, performance or achievements to be materially different from any future



## **Management's Discussion and Analysis for the three months ended October 31, 2021**

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results, performance or achievements that may be expressed or implied by such forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Company does not intend, and does not assume any obligation, to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events or developments.

### **Overview of Business**

New Tech Minerals Corp. was incorporated pursuant to the provisions of the Business Corporations Act (British Columbia) on June 5, 2006. The shares of the Company are traded on the Canadian Securities Exchange ("CSE") under the symbol "NTM".

The Company's principal activities include the acquisition and exploration of potash and lithium/brine properties in Utah and silver in northern Mexico.

The consolidated financial statements of the Company for the years ended July 31, 2021 and 2020 include the accounts of the Company and its 100% interest in American Potash LLC ("American Potash"), NTM Minerales S.A. de C.V. ("NTM Minerales") and Sweetwater Resources LLC ("Sweetwater"). Control is achieved when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are fully consolidated from the date on which control is transferred to the Company until the date on which control ceases. All inter-company transactions, balances, income and expenses are eliminated in full upon consolidation.

### **Company Highlights**

#### **Private Placement**

On September 9, 2021, the Company issued 20,200,000 units (the "Units") at a price of \$0.05 per Unit for total gross proceeds of \$1,010,000 in a non-brokered private placement (the "Private Placement"). Each Unit consists of one common share (a "Common Share") and one non-transferable Common Share purchase warrant (each whole warrant, a "Warrant"). Each Warrant is exercisable for one additional Common Share at an exercise price of \$0.075 until September 9, 2024.

The Company paid an 8% finder's fee to Haywood Securities Inc. ("Haywood") and Canaccord Genuity Corp. ("Canaccord") in connection with proceeds raised by the Company from investors introduced to the Company by each of Haywood and Canaccord, consisting of cash amounts of \$56,000 and \$11,200, respectively, and broker warrants (each a "Broker's Warrant") in the amounts of 1,120,000 and 224,000, respectively. Each Broker's Warrant has the same terms as the Warrants.

#### **La Escondida Silver Project Drill Program**

On November 1, 2021, the Company announced the commencement of the maiden drill program consisting of approximately 2,000 metres of reverse circulation drilling (20 holes). The program will test along the known strike of the Centre and Southern veins which extend for 800 and 600 metres, respectively, with exposed widths of 1.5 to 3.0 metres.

### **Exploration Update**

#### **La Escondida Silver Project**

On December 21, 2020, the Company entered into a formal agreement (the "Definitive Agreement") to acquire a 100% interest in the La Escondida Silver-Gold project, Sonora, Mexico (the "La Escondida Project"). A private syndicate comprised of three individuals (the "Syndicate") currently has the right to acquire the La Escondida Project pursuant to the terms of an underlying agreement (the "Underlying Agreement") with the owners of the two concessions which comprise the La Escondida Project. Pursuant to the Definitive Agreement, the Syndicate will assign its rights to the Underlying Agreement to the Company's wholly owned Mexican subsidiary, NTM Minerales SA de CV, in exchange for the issuance of 3,000,000 common shares to the Syndicate (being 1,000,000 common



## Management's Discussion and Analysis for the three months ended October 31, 2021

shares each). 1,500,000 common shares were issued following approval of the Canadian Securities Exchange in February 2021 and the remaining 1,500,000 common shares will be issued within 12 months of completion of the transaction. Two members of the Syndicate will retain a 2% Net Smelter Return (NSR) royalty, half of which may be purchased by the Company for US\$1,000,000. The Underlying Agreement requires staged payments totaling US\$450,000 over a three-year period and assumption of all annual tax obligations.

The purchase price of the La Escondida Silver Project is USD\$450,000 outlined in the Purchase Agreement with the following payment terms:

Cash (USD)	Date
\$50,000	September 15, 2020 (paid)
\$100,000	September 14, 2021 (paid)
\$150,000	second anniversary after contract execution
\$150,000	third anniversary after contract execution

### La Escondida Silver Project Expenditures

	Three months ended October 31, 2021	Year ended July 31, 2021
Mineral acquisition costs:	\$	\$
Balance, beginning	182,427	-
Acquisition of claims	125,710	182,427
Balance, ending	308,137	182,427
Exploration and evaluation expenditures:		
Balance, beginning	82,893	-
Drilling	32,976	-
General administration	30,382	78,297
Federal permit	-	2,779
Surface duties	-	6,783
Foreign exchange translation	(4,473)	(4,965)
Balance, ending	141,778	82,893
Total	449,915	265,320

### La Tortuga Silver Project

On January 25, 2021, the Company entered into a non-binding letter of intent ("LOI") to acquire a 100% interest in the La Tortuga mineral concession. The Company is required to issue 2,250,000 common shares to the assignors of the Assignment Agreement. The assignors will retain a 2% Net Smelter Return Royalty, half of which may be purchased by the Company for \$1,000,000 USD.

On July 27, 2021, the Company has acquired, by staking, an additional 4,000 hectares mineral concession (La Tortuga 2).

During the year ended July 31, 2021, the Company made a payment of \$28,024 (USD\$22,000) for the right to acquire 100% interest and title to the one La Tortuga mining concession located in the Municipality of Opodepe, State of Sonora, Mexico.



## Management's Discussion and Analysis for the three months ended October 31, 2021

The purchase price of the La Tortuga Silver Project is USD\$215,000 outlined in the Purchase Agreement with the following payment terms:

Cash (USD)	Date
\$10,000	January 25, 2021 (paid)
\$30,000	first anniversary after contract execution
\$50,000	second anniversary after contract execution
\$125,000	third anniversary after contract execution

The Company is in the process of confirming the validity of the title, and given the uncertainty, wrote off the property from \$28,352 to \$nil during the year ended July 31, 2021.

### La Tortuga Silver Project Expenditures

	Three months ended October 31, 2021	Year ended July 31, 2021
Mineral acquisition costs:	\$	\$
Balance, beginning	-	-
Acquisition of claims	-	28,024
Impairment	-	(28,024)
Balance, ending	-	-
Exploration and evaluation expenditures:		
Balance, beginning	-	-
General administration	-	957
Foreign exchange translation	-	(629)
Impairment	-	(328)
Balance, ending	-	-
Total	-	-

### Paradox Basin Potash Project

In May 2009, and amended on November 2, 2010, December 6, 2011, January 28, 2014, February 23, 2015 and November 4, 2015, American Potash entered into an option agreement (the "Sweetwater Option") to acquire applications to the United States Bureau of Land Management ("BLM") in respect of certain Utah permits, together with all permits and other rights issued pursuant to the applications, to allow for the exploration of potash prospects in Utah. A director of the Company is a party to the Sweetwater Option.

As at July 31, 2020, the Company assessed the likelihood to receive the prospecting permits was low. Therefore, during the year ended July 31, 2020, the Company wrote off the Paradox Basin Potash Project from \$581,940 to \$nil.

During the three months ended October 31, 2021, the Company made a payment of \$17,398 (USD\$13,840) to renew mineral property licenses and \$4,978 (USD\$3,960) for property fees, which were expensed.



## Management's Discussion and Analysis for the three months ended October 31, 2021

### Paradox Basin Brine Project

On August 23rd, 2016, 157 placer claims on BLM land covering 3,140 acres, were acquired in Grand County Utah, which overlay a large portion of the Federal Potash Permit Applications area.

Subsequent to the year ended July 31, 2020, the Company elected to allow Federal placer mineral claims to lapse due to escalating annual fees levied by the Bureau of Land Management (BLM). Therefore, during the year ended July 31, 2020, the Company wrote off the Paradox Basin Brine Project from \$272,318 to \$nil.

### Overall Performance

The following discussion of the Company's financial performance is based on the consolidated financial statements for the three months ended October 31, 2021 and 2020.

The consolidated statement of financial position as at October 31, 2021 indicates a cash position of \$704,740 (July 31, 2021: \$83,210). The Company has prepaid expenses of \$38,218 (July 31, 2021: \$10,343), and GST receivable of \$2,494 (July 31, 2021: \$1,183). Non-current assets consist of exploration and evaluation assets of \$449,915 (July 31, 2021: \$265,320).

Current liabilities at October 31, 2021 total \$42,117 (July 31, 2021: \$38,214), comprising accounts payable of \$16,626 (July 31, 2021: \$23,214) and accrued liabilities of \$25,491 (July 31, 2021: \$15,000).

Shareholders' equity at October 31, 2021 is comprised of share capital of \$10,620,095 (July 31, 2021: \$9,767,676), share-based payment reserve of \$1,531,176 (July 31, 2021: \$1,451,298), warrant reserve of \$919,015 (July 31, 2021: \$853,900), foreign translation reserve of \$298,491 (July 31, 2021: \$306,690) and an accumulated deficit of \$12,198,586 (July 31, 2021: \$12,055,823) for total shareholders' equity of \$1,170,191 (July 31, 2021: \$323,741).

The Company has a working capital of \$703,335 (July 31, 2021: \$56,522).

As at October 31, 2021, the Company has no significant earnings and currently finances exploration activities by the issuance of its common shares. The key determinants of the Company's operating results are the following:

- (a) the state of capital markets, which affects the ability of the Company to finance its exploration activities; and
- (b) the write-down and abandonment of exploration and evaluation assets and intangible assets should permit for exploration not be granted and should exploration results provide further information that does not support the underlying value of such assets.

### Summary of Quarterly Results

The following table sets forth selected quarterly financial information for each of the last eight most recently completed fiscal quarters of the Company:

	2022	2021				2020		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Net Sales/ Revenue	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil
Net Loss	\$(142,763)	\$(58,640)	\$(127,542)	\$(51,917)	\$(66,706)	\$(923,149)	\$(179,722)	\$(75,805)
Basic Loss per share	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.03)	\$(0.01)	\$(0.00)

Note: Fully-diluted per share amounts are not scheduled as they would be anti-dilutive.



## Management's Discussion and Analysis for the three months ended October 31, 2021

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### Results of Operations

During the three months ended October 31, 2021, the Company reported a net loss of \$142,763 or \$0.00 per share compared to a loss of \$66,706 or \$0.00 per share for the three months ended October 31, 2020. The most significant expenses and expenses with variances to prior periods were as follows:

- Exploration expenditures of \$22,376 (2021: \$16,365) related to exploration expenditures on properties that were written off in prior years.
- Share based payments were \$79,878 for the three months ended October 31, 2021 (2021: \$nil). This is due to the 1,650,000 options granted during the period that vested immediately.
- Transfer agent and filing fees were \$5,137 for the three months ended October 31, 2021 (2021: \$12,913). The decrease in expense was due to the share consolidation and private placement that took place during the prior fiscal period.

### Liquidity & Capital Resources

At October 31, 2021, the Company's cash balance is \$704,740 and has a working capital of \$703,335, compared with a cash balance of \$83,210 and working capital of \$56,522 at July 31, 2021.

The following capital transactions occurred in the three months ended October 31, 2021:

On September 9, 2021, the Company issued 20,200,000 units (the "Units") at a price of \$0.05 per Unit for total gross proceeds of \$1,010,000 in a non-brokered private placement (the "Private Placement"). Each Unit consists of one common share (a "Common Share") and one non-transferable Common Share purchase warrant (each whole warrant, a "Warrant"). Each Warrant is exercisable for one additional Common Share at an exercise price of \$0.075 until September 9, 2024. The Company has paid an 8% finder's fee to Haywood Securities Inc. ("Haywood") and Canaccord Genuity Corp. ("Canaccord") in connection with proceeds raised by the Company from investors introduced to the Company by each of Haywood and Canaccord, consisting of cash amounts of \$56,000 and \$11,200, respectively, and broker warrants (each a "Broker's Warrant") in the amounts of 1,120,000 and 224,000, respectively. Each Broker's Warrant has the same terms as the Warrants.

The following capital transactions occurred in the year ended July 31, 2021:

On September 8, 2020 the Company closed a non-brokered private placement (the "Private Placement"). The Company issued 12,800,000 units (the "Units") pursuant to the Private Placement at a price of \$0.05 per Unit for total gross proceeds of \$640,000. Each Unit consisted of one common share (a "Common Share") and one non-transferable Common Share purchase warrant (each whole warrant, a "Warrant"). Each Warrant is exercisable for one additional Common Share at an exercise price of \$0.075 until September 8, 2023. The Company has the right to accelerate the expiry date of the warrants to 30 days if the closing price for the Company's shares is at least \$0.30 for a period of ten consecutive trading days. The Company has also paid a 6% finder's fee to Haywood Securities Inc. ("Haywood") in connection with proceeds raised by the Company from investors introduced to the Company by Haywood, consisting of a cash amount of \$24,000 and 480,000 broker warrants (each a "Broker's Warrant"). Each Broker's Warrant has the same terms as the Warrants.

On February 8, 2021, the Company issued 1,500,000 shares with a fair value of \$112,500 in relation to the acquisition of the La Escondida Silver Project.



## Management's Discussion and Analysis for the three months ended October 31, 2021

	Increase (Decrease) in Cash & Cash Equivalents for the three months ended	
	October 31, 2021	October 31, 2020
Operating Activities	\$ (103,198)	\$ (121,680)
Investing Activities	(189,068)	(96,521)
Financing Activities	917,534	606,081
Effect of exchange rate changes	(3,738)	(3,962)
Total Change in Cash	621,530	383,918
Cash, Beginning of the Period	83,210	1,154
Cash, End of the Period	\$ 704,740	\$ 385,072

### *Operating Activities*

Cash used in operating activities primarily consist of general and administrative expenditures. The \$103,198 in cash used for operating activities for the three months ended October 31, 2021 is attributable to the net loss during the period of \$142,763 plus changes in non-cash working capital items.

### *Investing Activities*

The cash used investing activities for the three months ended October 31, 2021 of \$189,068 (2021; \$96,521) is due to the exploration and evaluation expenses during the period.

### *Financing Activities*

The cash provided in financing activities for the three months ended October 31, 2021 of \$917,534 (2021: \$606,081) relates to the private placement that occurred during the period.

The Company currently has no significant revenues from operations and has been dependent on equity financing to fund its operations.

Management has been successful in accessing the equity markets in the current and prior periods, but there is no assurance that such sources will be available, on acceptable terms, or at all in the future. Factors which could impact management's ability to access the equity markets include the state of capital markets, market prices and market interest.

**The Company will be required to raise additional cash for continued operations and exploration activities.**

### **Off-Balance Sheet Arrangements**

The Company has no off-balance sheet arrangements that would potentially affect current or future operations or the financial condition of the Company.

### **Related Party Transactions**

The Company incurred the following transactions with directors, officers and companies that are controlled by directors of the Company:

	Three months ended October 31,	
	2021	2020
	\$	\$
Management fees	15,000	15,000
Share-based payments	67,775	-
	82,775	15,000



## Management's Discussion and Analysis for the three months ended October 31, 2021

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A director of the Company is a party to the Sweetwater Option Agreement.

Management fees were paid to a company owned by the President and CEO for management services.

Key management includes directors and executive officers of the Company. Other than the amounts disclosed above, there was no other compensation paid or payable to key management for employee services for the reported periods.

### Commitments

On June 7, 2018, the Company entered into an agreement with J. George Geological Consulting Inc. (wholly owned by one of management) to provide management/consulting services to the Company at a rate of \$5,000 per month for a period of six months, automatically renewing at the end of each period.

### Financial Instruments and Financial Risk Management

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

#### a) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions.

The carrying amount of financial assets represents the maximum credit exposure. The risk is assessed as low.

#### b) Foreign Exchange Rate Risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company operates in Canada, US, and Mexico and a portion of the Company's expenses are incurred in Canadian dollars ("CAD"), US dollars ("USD"), and Mexican Pesos ("MXN"). A significant change in the currency exchange rates between the Canadian, US and Mexican currencies, could have an effect on the Company's results of operations, financial position or cash flows. The Company has not entered into financial instruments to hedge against this risk.

The following is an analysis of Canadian Dollar equivalent of financial assets and liabilities that are denominated in USD and MXN:

	October 31, 2021	July 31, 2021
	\$	\$
Cash	21,445	4,689
Accounts receivable and prepaids	49,909	4,392
Accounts payable and due to related parties	(11,732)	(10,011)
	59,622	(930)

Based on the above net exposures, as at October 31, 2021, a 10% change against the Canadian Dollar would impact the Company's net income by \$5,962.





## **Management's Discussion and Analysis for the three months ended October 31, 2021**

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### **c) Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Liquidity risk is managed by ensuring sufficient financial resources are available to meet obligations associated with financial liabilities. All of the Company's financial liabilities have contractual maturities of less than three months. Liquidity risk is assessed as high.

### **d) Price Risk**

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

### **e) Interest Rate Risk**

Interest rate risk is the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has interest bearing assets in relation to cash at banks carried at floating interest rates with reference to the market. The Company has not used any financial instrument to hedge potential fluctuations in interest rates. The exposure to interest rates for the Company is considered immaterial.

### **f) Fair Values**

Financial instruments recognized at fair value on the consolidated statement of financial position must be classified in one of the following three fair value hierarchy levels:

- 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.

Cash and marketable securities are measured using level 1 inputs.

### **g) Capital Management**

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support its operations and business development. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company has not generated any significant revenues since its inception; therefore, the Company is dependent on external financing to fund its future intended business plan. The capital structure of the Company currently consists of working capital and shareholders' equity. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements. The Company is not subject to externally imposed capital requirements.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the period.



## Management's Discussion and Analysis for the three months ended October 31, 2021

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### Summary of Outstanding Share Data

The Company's issued and outstanding share capital as at the date of this MD&A is as follows:

- (1) Authorized: Unlimited common shares without par value.
- (2) As at December 13, 2021, the Company has 68,214,449 common shares issued and outstanding, 3,350,000 stock options outstanding and 44,090,999 warrants outstanding.

### Risks and Uncertainties

#### Overview

Resource exploration is a speculative business and involves a high degree of risk. There is a significant probability that the expenditures made by the Company in exploring its properties will not result in discoveries of commercial quantities of minerals. A high level of ongoing expenditures is required to locate and estimate ore reserves, which are the basis for further development of a property. Capital expenditures to support commercial production stage are also very substantial.

The following sets out the principal risks faced by the Company.

**Exploration Risk.** The Company is seeking mineral deposits, on exploration projects where there are not yet established ore reserves. There can be no assurance that economic concentrations of minerals will be determined to exist on the Company's property holdings within existing investors' investment horizons or at all. The failure to establish such economic concentrations could have a material adverse outcome on the Company and its securities. The Company's planned programs and budgets for exploration work are subject to revision at any time to take into account results to date. The revision, reduction or curtailment of exploration programs and budgets could have a material adverse outcome on the Company and its securities.

**Market Risks.** The Company's securities trade on public markets and the trading value thereof is determined by the evaluations, perceptions and sentiments of both individual investors and the investment community taken as a whole. Such evaluations, perceptions and sentiments are subject to change, both in short term time horizons and longer-term time horizons. An adverse change in investor evaluations, perceptions and sentiments could have a material adverse outcome on the Company and its securities.

**Commodity Price Risks.** The Company's exploration projects seek mineral resources in Utah. While there have been price increases from levels prevalent earlier in the decade, there can be no assurance that such price levels will continue, or that investors' evaluations, perceptions, beliefs and sentiments will continue to favour these target resources. An adverse change in the resource prices, or in investors' beliefs about trends in those prices, could have a material adverse outcome on the Company and its securities.

**Financing Risks.** Exploration and development of mineral deposits is an expensive process, and frequently the greater the level of interim stage success the more expensive it can become. The Company has no producing properties and generates no operating revenues; therefore, for the foreseeable future, it will be dependent upon selling equity in the capital markets to provide financing for its continuing substantial exploration budgets. While the Company has been successful in obtaining financing from the capital markets for its projects in recent years, there can be no assurance that the capital markets will remain favourable in the future, and/or that the Company will be able to raise the financing needed to continue its exploration programs on favourable terms, or at all. Restrictions on the Company's ability to finance could have a material adverse outcome on the Corporation and its securities.

**Share Price Volatility and Price Fluctuations.** In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies, particularly junior mineral exploration companies like the Company, have experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that price fluctuations and volatility will not continue to occur.



## Management's Discussion and Analysis for the three months ended October 31, 2021

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**Key Personnel Risks.** The Company's exploration efforts are dependent to a large degree on the skills and experience of certain of its key personnel, including the board of directors. The Company does not maintain "key man" insurance policies on these individuals. Should the availability of these persons' skills and experience be in any way reduced or curtailed, this could have a material adverse outcome on the Company and its securities.

**Competition.** Significant and increasing competition exists for the limited number of mineral property acquisition opportunities available. As a result of this competition, some of which is with large established mining companies with substantial capabilities and greater financial and technical resources than the Company, the Company may be unable to acquire additional attractive mineral properties on terms it considers acceptable.

**Environmental and Other Regulatory Requirements.** The current or future operations of the Company, including development activities and commencement of production on its properties, require permits from various governmental authorities and such operations are and will be subject to laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, safety and other matters. Companies engaged in the development and operation of mines and related facilities generally experience increased costs, and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that approvals and permits required to commence production on its properties will be obtained on a timely basis, or at all. Additional permits and studies, which may include environmental impact studies conducted before permits can be obtained, may be necessary prior to operation of the properties in which the Company has interests and there can be no assurance that the Company will be able to obtain or maintain all necessary permits that may be required to commence construction, development or operation of mining facilities at these properties on terms which enable operations to be conducted at economically justifiable costs.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions there under, 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 mining operations or extraction operations may be required to compensate those suffering loss or damage by reason of such activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or abandonment or delays in development of new mineral exploration properties.

To the best of the Company's knowledge, it is currently operating in compliance with all applicable environmental regulations.

**History of Net Losses; Accumulated Deficit; Lack of Revenue from Operations.** The Company has incurred net losses to date. The Company has not yet had any revenue from the exploration activities on its properties, nor has the Company yet determined that commercial development is warranted on any of its properties. Even if the Company commences development of certain of its properties, the Company may continue to incur losses. There is no certainty that the Company will produce revenue, operate profitably or provide a return on investment in the future.

**Uninsurable Risks.** The Company and its subsidiaries may become subject to liability for pollution, fire, explosion, against which it cannot insure or against which it may elect not to insure. Such events could result in substantial damage to property and personal injury. The payment of any such liabilities may have a material, adverse effect on the Company's financial position.

**Grant of Permits.** There is a risk that, for various potential political, environmental, or other reasons, the BLM will not grant the outstanding exploration permits to American Potash. In that event, the outstanding federal BLM applications will hold no value.



## **Management's Discussion and Analysis for the three months ended October 31, 2021**

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### **Disclosure of Controls and Procedures**

The Company's President and Chief Executive Officer and Chief Financial Officer are responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for the Company. In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the consolidated financial statements for the three months ended October 31, 2021 and 2020 and this accompanying MD&A (together, the "Interim Filings").

In contrast to the full certificate under NI 52-109 the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information, the reader should refer to the Venture Issuer Basic Certificates filed by the Company with its filings on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Other MD&A Requirements**

As specified by National Instrument 51-102, the Company advises readers of this MD&A that important additional information about the Company is available on the SEDAR website – [www.sedar.com](http://www.sedar.com).