

**LITHIUM SOUTH DEVELOPMENT CORPORATION
(FORMERLY NRG METALS INC.)
FORM 51-102F1
MANAGEMENT DISCUSSION AND ANALYSIS
December 31, 2021**

This Management Discussion and Analysis (“MD&A”) of Lithium South Development Corporation (formerly NRG Metals Inc.) (“LIS” or the “Company”) provides analysis of the Company’s financial results for the year ended December 31, 2021 should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2021 and the related notes thereto, prepared in accordance with International Financial Reporting Standards (“IFRS”). All amounts are expressed in Canadian dollars, unless otherwise stated. All documents previously mentioned are available on SEDAR at www.sedar.com. This discussion is based on information available as at May 2, 2022.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible for ensuring that information disclosed externally, including the financial statements and MD&A, is complete and reliable.

Certain statements made may constitute forward-looking statements. Such statements involve a number of known and unknown risks, uncertainties and other factors. Actual results, performance and achievements may be materially different from those expressed or implied by these forward-looking statements. Additional information about the Company is available at www.sedar.com.

Description of Business

The Company was incorporated in the Province of Ontario on June 20, 1995. Effective January 15, 2007, the Company was granted a Certificate of Continuation under the Business Corporation Act from the jurisdiction of Ontario into British Columbia. The Company is an exploration stage junior mining company engaged in the identification, acquisition and exploration of mineral properties. The common shares of the Company are listed on the TSX Venture Exchange (“TSX-V”) and trade under the symbol NGZ and during year ended December 31, 2020, the Company changed its name from NRG Metals Inc. to Lithium South Development Corporation and trade under the symbol LIS. To date, the Company has not generated significant revenues from its operations which are considered to be in the exploration stage.

During the year ended December 31, 2019, the Company completed a 4 for 1 share consolidation and during the year ended December 31, 2020, and completed a 6 for 1 share consolidation. All references to number of shares and per share amounts have been retroactively restated to reflect the consolidation.

During March 2020, the World Health Organization declared COVID-19 a global pandemic. The contagious disease outbreak and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, leading to an economic downturn. The impact on the Company is not currently determinable, but management continues to monitor the situation.

Overview

Exploration

During 2016, management decided to initiate an acquisition strategy for Lithium exploration projects, located in Argentina. Given that Argentina is one of the world's most established lithium production areas, and part of the "Lithium Triangle" (Chile, Argentina, Bolivia) in South America, and managements significant experience in Argentina, the strategy appeared attractive. During the year-ended December 31, 2016, the Company executed this strategy, conducting meetings in Argentina regarding potential acquisition, and incorporating a wholly owned subsidiary, NRG Metals Argentina S.A., for this purpose. In addition, the Company entered into management agreements with four highly experienced mining professionals. The NRG Lithium Team is comprised of individuals who have direct experience in exploring for, developing and producing lithium in Argentina. The new team members were integral in the identification and acquisition of lithium exploration projects.

These efforts lead to the first series of lithium acquisitions. The La Borita Claim Group was optioned in August, and the flagship project area the Carachi Pampa Paleo Salar was optioned in September. Focus is currently on the Carachi Pampa Claim Group. This resulted in the transaction being classed as a Fundamental Acquisition by the TSX Venture Exchange and required a trading halt and the completion of a NI 43-101 Technical Report. All requirements were completed in 2016, and the Company returned to trade in 2017.

Hombre Muerto North Lithium Project ("HMN Project")

In January of 2019, the Company selected Knight Piesold Consulting ("KP") and JDS Energy and Mining ("JDS"), both of Vancouver, B.C. Canada, to complete a Preliminary Economic Assessment ("PEA") of the HMN Project. The PEA was undertaken in accordance with the standards set out in National Instrument 43-101 Standards of disclosure for Mineral Projects (NI 43-101), and, CIM's Best Practice Guidelines for Mineral Processing (BPGMP). Results were received in April of 2019, and are a subsequent event to this M.D.A..

Highlights of the HMN Project PEA

- US\$217 million (CDN\$290 million) after-tax Net Present Value at 8% discount rate
- and Internal Rate of Return of 28.0%;
- PEA based on a production rate of 5,000 tonnes of lithium carbonate per year;
- Processing based on simple and proven solar evaporation technology;
- Expected mine life of 30 years with a 3 year ramp up period starting 2021;
- Fully loaded operating cost of US\$3,122 per tonne of lithium carbonate;
- Total capital expenditure of US\$93 million.

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Company President and C.E.O Adrian F.C. Hobkirk is quoted: “We are very pleased that NRG has advanced the HMN Project from discovery to PEA in just under twelve months. The PEA results highlight attractive economics associated with the project, including a smaller environmental footprint and manageable CAPEX. We look forward to taking the HMN Lithium Project to the next stage of development as quickly as possible.

The Preliminary Economic Assessment is preliminary in nature, there is no certainty that the Preliminary Economic Assessment will be realized. The economic analysis is based upon mineral resources that are measured and indicated, but are not mineral reserves, and have not demonstrated economic viability.

Resource Estimate

The resource estimate was prepared in accordance with C.I.M. requirements/definitions and uses best practice methods specific to brine resources, including a reliance on core drilling and sampling methods that yield depth-specific chemistry and effective (drainable) porosity measurements. The resource estimation was completed by independent qualified person Mr. Michael Rosko, M.Sc., C.P.G. of the international hydrogeology firm E.L. Montgomery & Associates (M&A), which was announced in a news release dated October 2, 2018, and is summarized as follows:

Capital Costs for the HMN Project

- Description \$US Million
- Evaporation Ponds 22.8
- Plant Facilities and Equipment 31.5
- Infrastructure and Other 14.5
- Direct Costs Subtotal 68.2
- Indirect Costs 11.4
- Total Direct and Indirect Costs 79.6
- Contingency @ 17% 13.3
- Total Initial Capital Costs 93.4

Capital Capital costs (CAPEX) have been updated with quotations from current suppliers working in project construction and development in the Puna region of Argentina. CAPEX estimates include an Indirect Cost of 16.6% of Direct Costs, and a contingency of 17% of Total Costs.

Operating Costs for the HMN Project

- Pond Chemicals 8.74
- Salt Removal and Transport 0.78
- Energy 1.08
- Transportation 0.31
- Maintenance 1.20

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- Equipment Operation 0.23
- Manpower 2.16
- Catering and Camp Costs 0.36
- Total Direct Costs 14.86
- Indirect Costs
- General and Administrative Local 0.70
- Total Production Costs 15.56

Lithium Pricing for the HMN Project PEA

Lithium prices were based on an average of three years historic pricing and two years forward projections for battery grade lithium. The three-year historic price (to April 2019) is \$11,770 /t. Contemporary publicly available reports have published a range of forward pricing that varies between \$10,700 to \$14,750 /t for the next two years. The median price of \$13,400 /t was selected as the forward projected price for each of the next two years. This resulted in a project price assumption of \$12,420 /t, which was used as the basis of the study. A range of +/- 20% was evaluated to test the project's sensitivity to price assumptions.

Recovery and Processing for the HMN PEA

The PEA models the extraction of the brine containing the lithium resource by means of multiple extraction wells. The brine will be pumped to a series of pre-concentration and concentration evaporation ponds. Evaporation will increase the lithium content and precipitate or "salt out" species such as Na, K, and Cl. Lime will be added to the pre-concentrated brine to remove bulk impurities such as sulphate as gypsum, which will be physically separated. The final concentrated solution will be stored in lithium surge evaporation ponds then pumped to a hydrometallurgical processing plant to purify the concentrated brine and recover the final product.

The production of lithium carbonate involves the following steps:

- Boron removal using solvent extraction;
- Polishing of the boron-free raffinate in order to remove impurities such as residual calcium and magnesium, among others, using sodium carbonate (soda ash) solution,
- Na_2CO_3 ;
- Lithium carbonate (Li_2CO_3) precipitation ("carbonation") using sodium carbonate solution;
- Lithium carbonate purification by re-dissolution with carbon dioxide and re-precipitation by desorption;
- Lithium carbonate drying, conditioning and packaging.

It was deemed that the quality of the hydrometallurgical plant-concentrated feed-brine was superior in terms of key impurity to lithium ratios. For this reason, stages such as bulk sulphate

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polishing (using calcium or barium chloride) were excluded from the process. The need of scavenging precipitation for magnesium using caustic soda was also deemed redundant at this point in time. Instead, a purification circuit was included to ensure adequate purity of the final product, targeted as battery-grade lithium carbonate (99.5% Li₂CO₃).

Qualified Person Statements

Richard Goodwin, P.Eng., Project Manager for JDS Energy and Mining, Inc., is independent of Lithium South Development Corporation. and a ‘Qualified Person’ as defined under Canadian National Instrument 43-101. Mr. Goodwin is a mining engineer and study manager with over 30 years of experience managing mining operation and projects in various commodities such as base metals, precious metals, PGMs, and diamonds in various domestic and international locations. Mr. Goodwin is responsible for the PEA results, and approves of the technical and scientific disclosure contained in the above PEA summary.

Alex Mezei, P.Eng, is a ‘Qualified Person’ as defined under Canadian National Instrument 43-101, is responsible for the processing and recovery assumptions used in the preparation of the PEA, which are disclosed in this news release. Mr. Mezei is a Consulting Metallurgist with extensive experience in base, precious, rare and light metals, including lithium, cobalt, graphite, etc. Mr. Mezei is independent of Lithium South Development Corporation.

The P.E.A. is the first step in moving the HMN Project towards potential development. The process developed for the site is based on conventional, proven technology for brine operations. The project is located with easy access to energy, and on a salar of development activity. Galaxy Resources Ltd. recently sold the land surrounding the HMN Lithium Project to Korean conglomerate POSCO for US\$280 million and are continuing to develop their remaining portion of the salar, referred to as the Sal da Vida Project. The project is located in a jurisdiction that is mining friendly (Salta Province), and the Government of Argentina recently announced reducing the corporate tax rate for mining companies to 25% in 2020. The final report is expected to be completed within the next 45 days and filed on SEDAR. Pending completion of the report, the Company intends to rapidly advance the HMN Project to a full feasibility study, and to upgrade the current resource to a reserve.

In November 2019, the Company announced that it has entered into a Non-Exclusive Purchase Option (the “Agreement”) with Alberdi Energy S.A. (“Alberdi”) certified in Salta, Argentina on November 5, 2019, for the 100% acquisition of the Hombre Muerto North Lithium Project (“HMN Project”) located in Argentina. Terms of the Agreement will allow Alberdi a period of due diligence and financial audit to January 15, 2020 (the “Deadline”). Up to the Deadline, NRG is free to negotiate and/or accept competing offers, and upon such acceptance, notify Alberdi it has five business days to meet or beat the competing offer. By the Deadline, Alberdi will be required to have secured acquisition financing and the parties are required to have entered into a purchase agreement containing industry standard terms including the following purchase schedule.

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1. Within five business days of the Deadline, Alberdi will pay to NRG \$U.S. 3 million, with \$U.S. 1 million placed into trust for a March 2020 option payment;
2. Six months after the Deadline, Alberdi will pay to NRG \$U.S. 3 million;
3. Twelve months after the Deadline, Alberdi will pay to NRG \$US. 3 million;
4. Eighteen months after the Deadline, Alberdi will pay to NRG \$U.S. 3 million; and
5. Twenty-four months after the Deadline, Alberdi will make a final payment to NRG of \$U.S. 6 million.

At the Deadline and subject to the approval of the TSX Venture Exchange, NRG has agreed to issue into trust, 6,750,000 common shares remaining to be issued to the underlying property owner under the existing option agreement for the HMN Project. After the Deadline, Alberdi will either purchase all of the shares of NRG Argentina S.A., a wholly owned subsidiary of NRG, or will have arranged with the underlying property owner for the transfer of the existing option agreement. The transaction is an arm's length transaction and is subject to regulatory approval and shareholder approval (which was received at the Company's AGM and Special AGM on November 29, 2019), and customary closing conditions. Shareholder approval to this transaction and other matters is being sought in advance, with an Annual General and Special Meeting set for November 29, 2019. A finder's fee will be payable in connection with this transaction. Subsequent to Year End 2019, the above noted transaction terminated on January 16th

Subsequent to Year End 2019, and during the First Quarter 2020, the Company announced and completed a six old for one new share consolidation, and announced a private placement funding which remained ongoing at the end of the First Quarter.

In May 2021, the Company announced that it is working with Eon Minerals Inc. (EMI), a technology company based in Miami, Fla. EMI is headed by Fernando Villarroel, vice-president and a director of the company. The EMI process is an innovative absorbent consisting of specific nanoparticles and is currently patent pending at the U.S. Patent Office. A 2,000-litre brine sample has been received at the EMI laboratory in Salta, and test work is anticipated to begin this week.

A first phase in evaluation of the process will be to analyze a computational chemistry brine with the absorbent to determine the reliability and duration of the absorbent. The second phase will involve test work utilizing a natural brine sample taken from the 2,000-litre reserve. The testing will be conducted under the supervision of a qualified person, along with third party ISO-certified (International Organization for Standardization) laboratory verification.

Lithium South is now utilizing four options to determine the optimal plan for the development of the project. Three DLE processes are now under evaluation, and the company is continuing to move forward with test work utilizing conventional evaporation.

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On May 27, 2021, the Company announced it has appointed Marcela Casini as senior consulting geologist and qualified person. Ms. Casini has a distinguished career in the lithium exploration and development industry in Argentina.

Upon graduating from Cordoba University in Argentina, she worked for Rio Tino as a field geologist exploring salars in the Puna region of Northwest Argentina. From 2009 to present Ms. Casini has worked for the Cauchari Olaroz lithium brine project, a joint venture with Lithium Americas Corp. and Ganfeng Lithium Co, where she is responsible for the well field of a projected 40,000 tonne per year lithium operation. In addition to that, since 2016 she has consulted to PepinNini Minerals regarding the exploration and development of lithium resources at the Rincon and Pular salars.

Adrian F.C. Hobkirk, CEO and President of Lithium South, said: "We are very fortunate to have Ms. Casini assist and guide us in the further development of the HMN Lithium Project, including the potential expansion of the current resource. Over the past five years, she has been acting as an independent consultant for several companies, advising for new exploration targets and helping them to estimate the Lithium potential and resource /reserve estimation in salt lakes and surrounding areas. We look forward to her future contributions and the start of our drill program."

On June 30, 2021, the Company appointed Dr. Yi Hua Dai, PhD, to the board of directors. Dr. Dai is the founder and chairman of Chemphys Chengdu, a producer of battery-grade and high-purity lithium since 1998. Chemphys is a wholly foreign-owned company operating in China, and its products have been qualified by leading Japanese, Korean and Chinese battery material companies. Dr. Dai is a certified technical and economic expert of Sichuan province in China and regarded as a Non-Ferrous Metals Industry Association expert. He has a proven record of leading the development of lithium manufacturing techniques, with 24 patents valid or in application. At the annual general meeting held on June 30, 2021, all proposed directors were re-elected. Subsequent to the AGM, the company accepted the resignations of Allen Ambrose and Gordon Neal. The company thanks them for their contributions to the development of Lithium South. An advisory board has now been formed, through which Mr. Ambrose and Mr. Neal will continue to participate in the future development of the company.

On July 8, 2021, the Company appointed Dr. Vijay Mehta as a technical consultant and qualified person. Dr. Mehta will supervise the further assessment and potential development of direct lithium extraction technology for the Hombre Muerto North lithium project, located in Argentina.

A recognized expert in lithium mining and processing, Dr. Mehta brings almost five decades of experience to LIS. His experience includes evaluating the technological and economic feasibility of lithium brine projects around the world. He was the product and process technology development leader of FMC Corp. for 30 years and was one of the founding developers of FMC's lithium plant at the Hombre Muerto salar, Argentina, which has been in production since

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1998. He holds 12 lithium related U.S. patents and has published over 50 technology reports and 10 academic papers.

On July 22, 2021, the Company appointed EC & Asociados as technical adviser for the completion of an environmental baseline study at the Hombre Muerto North lithium project. The study will be used in the preparation and filing of an environmental impact report with the Mining Authority in Salta. EC & Asociados is a environmental and technical consulting firm located in Salta, Argentina, and has extensive experience in the production of environmental reports to the mining industry. Its clients include Livent, Rincon Ltd. and Litio Minera Argentina SA, among others.

The requirements of the General Environmental Law, Mining Code No. 24.585 will be followed in the production of the report. The study will include the documentation of flora, fauna, climate, air quality, hydrogeology, soil usage, a socio-demographic survey and ecosystem characterization and, where applicable, seasonal variations. A weather station will be established on site for environmental monitoring during the study period.

The program is part of the company development strategy for the Hombre Muerto North lithium project. Management is taking a fast-track approach to moving the project to a full feasibility study, and an environmental impact report is a necessary part of this strategy. In addition, the company is evaluating three types of direct lithium extraction technology (DLE) along with conventional evaporation extraction. Test work is currently under way, and results are anticipated in the very near future.

This news release has been reviewed by Marcela Casini, adviser of the company and a qualified person as that term is defined in National Instrument 43-101.

On August 5, 2021, the Company engaged Quantec Geoscience Argentina SA for the completion of a time-domain electromagnetic (TEM) program at the Hombre Muerto North (HMN) lithium project, Salta province, Argentina. Work to date has identified a measured and indicated lithium resource at the Tramo claim block, one of six areas contained in the project package. This program will cover the Alba Sabrina, Natalia Maria, Gaston Enrique, Norma Edit and Via Monte claim blocks, which have not been evaluated to date. The claim blocks are located adjacent to properties under development or currently in lithium production. The northern claim group borders ground owned by Posco (Korea), where a lithium mine is being constructed. The southern group adjoins ground owned by Livent, which is currently producing lithium from the area.

The TEM program is designed to provide hole location guidance for a planned 2,000-metre drill program, the intent of which is to expand the total project lithium resource, which is currently based only on the Tramo claim block. The TEM program will consist of 168 survey stations and will provide reliable and accurate survey data to complement additional area information. The program is anticipated to take three weeks to complete.

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The program is part of the company's development strategy for the Hombre Muerto North lithium project. Management is taking a fast-track approach to moving the project to a full feasibility study, with an environmental impact report currently under way. Permissions to drill have been applied for and are expected in the immediate future. In addition, the company is evaluating three types of direct lithium extraction technology, along with conventional evaporation extraction.

On September 14, 2021, the Company announced the Completion of the TEM program. Results of this survey will provide 3-D information as to aquifer depth potential. Work to date has identified a measured and indicated lithium resource at the Tramo claim block, one of six areas contained in the project package. The TEM program has provided additional coverage of the Alba Sabrina, Natalia Maria, Gaston Enrique, Norma Edit and Via Monte claim blocks, which have not been evaluated to date. The claim blocks are located adjacent to property under development or currently in lithium production. The northern claim groups border ground owned by Posco (Korea), where a lithium mine is being constructed. The southern group adjoins ground owned by Livent, which is currently producing lithium from the area.

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On October 19, 2021, the Company announced that Eon Minerals of Miami, Fla., through its laboratory located in Salta, Argentina, will conduct testwork to produce battery-grade lithium carbonate from a bulk sample of brine to be recovered from Lithium South Development Corp.'s Hombre Muerto North (HMN) lithium project in Argentina. Conventional process technology, based on the proven evaporation extraction process of lithium, will be utilized in this test phase.

The testing will begin with a preconcentration process of 15 cubic metres of brine in ponds located at the project site. Work will include: liming; solid-liquid separation; removal of boron through solvent extraction; polishing of the brine; precipitation of primary lithium carbonate; bicarbonation; and polishing of the brine by ion exchange, resulting in a targeted battery-grade lithium carbonate product. The process will also produce a lithium chloride solution with a targeted concentration of up to 6 weight per cent, which will be shipped to Chemphys Chengdu in China for further refinishing to customer specifications.

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The process testwork will result in hard data for the design of a pilot test plant. Recovery rates of lithium under salar conditions will provide the information required for a National Instrument 43-101 technical report. The process testwork will be supervised by Alex Mezei, a qualified person for the purposes of NI 43-101 and a recognized expert within the industry.

On November 16, 2021, the Company provided an update on process test work currently under way at the Hombre Muerto North lithium project (HMN Li project), located in Salta, Argentina. The purpose of the test work is to validate evaporation as a viable concentration method in preparation for a potential on-site pilot plant and feasibility study. The work is being performed by Eon Minerals of Salta, Argentina, under the supervision of Alex Mezei, PEng, a qualified person under National Instrument 43-101.

Twenty 185-gallon evaporation ponds have been constructed, along with one 1,000-gallon holding pond. The test process began on Oct. 6, with the ponds being filled with brine from the salar. A recent site visit by company vice-president Fernando Villarroel confirmed the evaporation process is continuing in a shorter time than predicted. The technical team is currently preparing to conduct the bulk-liming in order to remove magnesium and sulphates from the preconcentrated brine. The final objective of the test work is to produce marketable battery-grade lithium carbonate product at the Eon Minerals' Salta laboratory.

On November 17, 2021, the Company provided an update on progress with the continuing environmental baseline study at the Hombre Muerto North lithium project, being conducted by EC & Asociados of Salta, Argentina. EC & Asociados has advised that it has completed study of the on-site environmental conditions during the dry season and will be providing an updated report expected in early December. The second phase of the study will commence during the first two weeks of December and will involve study of the environmental conditions on site during the wet season. The environmental base line study will fulfill requirements under the General Environmental Law, Mining Code No. 24.585.

Company vice-president Fernando Villarroel is quoted: "We are very pleased with the progress made to date for environmental permitting. Conclusion of the baseline study will provide a key element of a planned feasibility study."

In December 2021, road and drill pad construction began at the Alba Sabrina claim block, the largest claim block in the Hombre Muerto North property package. A three hole program is planned at the Alba Sabrina claim block, with each drill pad sized at 30 meters square. Access to the area is excellent and only required the construction of approximately 2 kilometers of roads.

Subsequent to the year end, the Company announced the acquisition of an additional 2,400 hectares comprised of the Sophia I, II and II claim blocks. The off salar ground is considered a strategic acquisition as a potential location for plant and a potential source of fresh water.

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Subsequent Events

Subsequent to December 31, 2021, the Company:

- a) Issued 2,125,304 common shares as a result of 1,575,304 exercise of warrants for proceeds of \$598,418 and 550,000 stock options for proceeds of \$374,000;
- b) Granted 2.6 million stock options with an exercise price of \$0.75 for a period of 5 years to certain directors, officers and consulting in accordance with the provision of its stock option plan.

Selected Annual Information

A summary of selected annual financial information for the last three fiscal years is as follows, as expressed in Canadian dollars:

	As at December 31, 2021	As at December 31, 2020	As at December 31, 2019
Total revenues	\$ Nil	\$ Nil	\$ Nil
Net loss	8,044,047	2,986,280	1,691,979
Net loss per share	0.14	0.11	0.27
Total assets	25,571,716	5,220,954	3,168,644
Total liabilities	62,982	1,433,531	2,392,344

Results of Operations

The Company incurred a loss of \$8,044,047 during the year ended December 31, 2021 (“current year”), compared to a loss of \$2,986,280 for the year ended December 31, 2020 (“comparative year”). Some of the significant changes for the current year compared to the comparative year are as follows:

Administration fees of \$546,386 (2020 - \$88,866) were incurred as the Company increased activities. These costs include all office and other costs associated with the operations of the Company.

Marketing fees of \$1,589,123 (2020 - \$180,000) were incurred as the Company the Company engaged various consultants to provide services such as website landing page design, content development and digital marketing primarily through Google ads, digital media, corporate advisory, branding and strategic business services to the Company.

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Exploration costs of \$728,528 (2020 - \$5,044) were incurred as the Company was actively exploring properties in Argentina.

Professional fees of \$740,640 (2020 - \$150,250) were incurred in connection to the utilization of professional services due to increased business activity and financings during the year.

Share-based payments of \$3,683,035 (2020 - \$505,698), a non-cash expense was incurred during the period on the granting of 5,550,000 (2020 - 1,700,000) incentive stock options to directors, officers and consultants of the Company.

Summary of Quarterly Results

	Three Months Ended Dec. 31, 2021	Three Months Ended Sept. 30, 2021	Three Months Ended June 30, 2021	Three Months Ended Mar. 31, 2021
Total assets	\$25,571,716	\$13,108,086	\$13,682,141	\$13,514,288
Evaluation and exploration assets	8,194,374	8,194,374	8,194,374	8,194,374
Working capital (deficiency)	17,314,360	4,867,155	5,487,767	4,899,361
Shareholders' equity	25,508,734	13,061,533	13,632,311	13,093,935
Loss for the period	(2,261,238)	(1,339,908)	(846,387)	(3,596,514)
Loss per share	(0.04)	(0.02)	(0.01)	(0.09)

	Three Months Ended Dec. 31, 2020	Three Months Ended Sept. 30, 2020	Three Months Ended June 30, 2020	Three Months Ended Mar. 31, 2020
Total assets	\$ 5,220,954	\$ 5,212,177	\$ 5,275,902	\$ 5,119,839
Evaluation and exploration assets	5,123,839	5,091,839	5,091,839	5,091,839
Working capital (deficiency)	(1,336,416)	(619,375)	(348,542)	(2,578,092)
Shareholders' equity	3,787,423	4,472,464	4,743,297	2,513,747
Loss for the period	(1,871,146)	(270,833)	(504,277)	(340,024)
Loss per share	(0.07)	(0.01)	(0.02)	(0.05)

Liquidity and Going Concern

The Company has financed its operations to date primarily through the issuance of common shares, proceeds from related-party loans and the exercise of stock options and share purchase warrants. The Company continues to seek capital through various means including the issuance of equity and/or debt.

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The Company's audited consolidated financial statements for the year ended December 31, 2021 have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at December 31, 2021, the Company had working capital of \$17,314,360 (December 31, 2020 working capital deficit of \$1,336,417) and an accumulated deficit of \$53,853,705 (December 31, 2020 - \$45,809,658). In addition, the Company has not generated enough revenues to meet its operating and administrative expenses or its other obligations. These circumstances cast significant doubt on the validity of the going concern assumption.

In order to continue as a going concern and to meet its corporate objectives, which primarily consist of exploration work on its Guyana mineral property, the Company will require additional financing through debt or equity issuances or other available means. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. Factors that could affect the availability of financing include the progress and exploration results of the mineral property, the state of international debt, equity and metals markets, and investor perceptions and expectations.

Contingencies

The Company has no contingencies at the date of this MD&A.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements at the date of this MD&A.

Investor Relations

The Company has no investor relations agreements as at the date of this MD&A.

Related Party Transactions

The Company incurred the following expenses charged by key management personnel and companies controlled by key management personnel, such personnel include the Company's Directors, Chief Executive Officer, Chief Financial Officer and Corporate Secretary:

	2021	2020
Management, exploration and professional fees	\$ 1,356,527	\$ 455,561

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charged by directors and corporations under their control			
Directors' fees	\$	33,000	\$ 81,298
Share-based payments	\$	2,176,222	\$ 264,651

Key management personnel were not paid any post-employment benefits, termination benefits, or other long-term benefits during the respective periods.

Included in accounts payable and accrued liabilities is \$Nil (December 31, 2020 - \$635,494) due to directors, officers and corporations controlled by directors of the Company. The amount due to the related parties have no specific terms of repayment, are unsecured and non-interest-bearing.

The Company has outstanding amounts of \$Nil (December 31, 2020 - \$528,156) due to related parties. The loans are unsecured, interest free and without specific terms of repayment. During the year ended December 31, 2021, the Company granted bonuses of \$Nil (December 30, 2020 - \$367,150) related to these outstanding loans.

During the year ended December 31, 2021, the Company issued Nil (December 31, 2020 - 10,039,298) units valued at \$3,182,517 in settlement of debts owing to entities and individuals related to directors of the Company of \$Nil (December 31, 2020 - \$2,108,253) resulting in a loss on settlement of \$Nil (December 31, 2021 – \$1,074,264).

Financial and Capital Risk Management

The Company's financial instruments consist of cash, receivables, short-term investments and accounts payable and accrued liabilities. Cash has been designated as fair value through profit and loss, receivables as loans and receivables, and accounts payable and accrued liabilities and related party loans payable are designated as other financial liabilities. The fair value of these financial instruments approximates their carrying value due to the short-term nature of these instruments, except for cash which is valued at a level 1 fair value measurement. All the Company's financial liabilities have contractual maturities less than 30 days and are subject to normal trade terms.

The Company is exposed to a variety of financial risks by virtue of its activities including currency, credit, interest rate, liquidity and other price risk. There has been no change in the way management managed these risks for the period.

Currency risk

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While the Company's parent is Canadian and its capital is raised in Canadian dollars, the Company was conducting business in Guyana, whose currency is the Guyanese dollar. As such, it was subject to risk due to fluctuations in the exchange rates for the United States, Canadian and Guyanese dollars. The Company does not manage currency risk through hedging or other currency management tools.

As at December 31, 2021, the Company has accounts payable denominated in US dollars of US \$Nil (December 31, 2020 – US\$ 135,000) and cash of US \$Nil (December 31, 2020 - US\$250). Based on a hypothetical change in the foreign exchange rate between the Canadian and the US dollars of 5% (2020 - 5%), the effect on net and comprehensive loss would be \$176 (2020- \$4,500).

As at December 31, 2021, the Company has cash denominated in Argentine Peso of \$40,847 (December 31, 2020 – \$275). Based on a hypothetical change in the foreign exchange rate between the Canadian dollar and Argentine Peso (2019 - Argentine Peso) of 7.5% (December 31, 2020 – 7.5%), the effect on net comprehensive loss would be \$3,064 (December 31, 2020 - \$20).

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The cash is held in a large Canadian financial institution, which has a strong credit rating from a primary credit rating institution. There is no risk associated with receivables as this is Goods and Services Tax ("GST") due from the Canadian Government.

Interest rate risk

Interest rate risk consists of two components:

- (a) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.
- (b) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

Due to the short-term nature of the Company's financial instruments fluctuations in market rates do not have a significant impact on estimated fair values as of December 31, 2021. Future cash flows from interest income on cash will be affected by interest rate fluctuations. The Company manages interest rate risk by maintaining an investment policy that focuses primarily on the preservation of capital and liquidity.

Liquidity risk

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Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they come due. The Company's ability to continue as a going concern is dependent on management's ability to raise the required capital through future equity issuances. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning, and approval of significant expenditures and commitments. All the Company's financial liabilities have contractual maturities less than 30 days and are subject to normal trade terms.

Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold and other precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in pricing may be significant

The Company's financial instruments consist of cash, receivables and accounts payable and accrued liabilities. Cash has been designated as fair value through profit and loss, receivables as loans and receivables, and accounts payable and accrued liabilities and related party loans payable are designated as other financial liabilities. The fair value of these financial instruments approximates their carrying value due to the short-term nature of these instruments, except for cash which is valued at a level 1 fair value measurement. All the Company's financial liabilities have contractual maturities less than 30 days and are subject to normal trade terms.

Capital management

The capital structure of the Company consists of equity attributable to common shareholders, comprising of issued capital, contributed surplus and deficit.

The Company's objectives when managing capital are to: (i) preserve capital, (ii) obtain the best available net return, and (iii) maintain liquidity.

The Company manages the capital structure and makes adjustments to 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, issue new debt, acquire or dispose of assets or adjust the amount of cash and investments.

The Company's policy is to invest its excess cash in highly liquid, fully guaranteed, bank-sponsored instruments payable on demand. This strategy is unchanged from the prior year.

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The Company is not subject to externally imposed capital restrictions.

Current Share Data

As at the date of this MD&A, the common shares outstanding are as follows:

	Number of Shares
Balance, May 2, 2022	96,492,647

As at the date of this MD&A, the Company has 58,807,082 share purchase warrants exercisable between \$0.35 and \$0.96 per share to February 26, 2026 and 8,570,000 stock option exercisable between \$0.20 and \$0.80.

Disclaimer

The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company. It should be read in conjunction with all other disclosure documents provided by the Company, which can be accessed at www.sedar.com. No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented herein.

Cautionary Statement on Forward Looking Information

Certain statements contained in this document constitute “forward-looking statements”. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance, or achievements expressly stated or implied by such forward-looking statements. Such factors include, among others, the following: evaluation and exploration asset costs and results, fluctuation in the prices of commodities for which the Company is exploring, foreign operations and foreign government regulations, competition, uninsured risks, recoverability of resources discovered, capitalization requirements, commercial viability, environmental risks and obligations, and the requirement for obtaining permits and licenses for the Company’s operations in the jurisdictions in which it operates.