General

The following Management Discussion and Analysis ("MD&A") of Regulus Resources Inc. (the "Company" or "Regulus") has been prepared by management, in accordance with the requirements of National Instrument 51-102 ("NI 51-102") as of March 1, 2022 and should be read in conjunction with the interim condensed consolidated financial statements for the three months ended December 31, 2021, the audited consolidated financial statements for the years ended September 30, 2021 and 2020, the related notes contained therein which have been prepared under International Financial Reporting Standards ("IFRS"), and all other disclosure documents of the Company. The information contained herein is not a substitute for detailed investigation or analysis on any particular issue. The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Company. The Company is presently a "Venture Issuer" as defined in NI 51-102. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com and the Company's website at www.regulusresources.com.

All financial information in this MD&A has been prepared in accordance with IAS 34, Interim Financial Reporting ("IAS 34"), and all dollar amounts are quoted in Canadian dollars, the reporting currency of the Company, unless specifically noted.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls and to ensure that information used internally or disclosed externally, including the financial statements and MD&A, is complete and reliable. The Company's Board of Directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The board's audit committee meets with management quarterly to review the financial statements including the MD&A and to discuss other financial, operating and internal control matters.

Description of Business and Overview

Regulus was formed in December 2010 in connection with the sale of Antares Minerals Inc. to First Quantum Minerals Ltd. Regulus is managed by the Antares team responsible for the discovery of the Haquira East porphyry copper deposit, which led to the sale of Antares. The goal of the Company is to discover and de-risk a large scale deposit that could ultimately be sold to a major mining company, similar to what was achieved with Antares. Regulus was initially established to continue exploration at its Rio Grande Au-Cu-Mo porphyry project in northern Argentina. The Company put the Rio Grande project on hold in 2012 in response to challenging market conditions and began pursuing opportunities for new mineral projects with good potential for significant discoveries. In September 2014, the Company completed a merger with Southern Legacy Minerals Inc. The primary objective of the merger was to acquire the AntaKori Cu-Au-Ag project in northern Peru, which is now the flagship project for Regulus. The AntaKori project is located in a region with several large-scale gold and copper mines and deposits and adjacent to two operating mines (Tantahuatay and Cerro Corona). In March 2019, the Company released an updated NI 43-101 resource for AntaKori containing Indicated Resources of 250 million tonnes with a copper grade of 0.48%, gold grade of 0.29 grams per tonne and silver grade of 7.5 grams per tonne, and Inferred Resources of 267 million tonnes with a copper grade of 0.41%, gold grade of 0.26 grams per tonne and silver grade of 7.8 granms per tonne. Management is confident that further work will expand the current deposit to a size that will be of interest to major mining companies. In November 2018, all of the Company's assets in Argentina, including the Rio Grande project, were transferred to Aldebaran Resources Inc. as part of a "spin-out" transaction by way of a statutory plan of arrangement.

Significant Events from October 1, 2021 to the Date of this Report

- In December 2021, the Company restarted drilling activity at the Anta Norte target area of the AntaKori project, with one drill rig currently on site and plans for a second rig to be added in calendar Q1-2022. See *Outlook for 2022* below.

- In December 2021, the Exchange approved the extension of the expiry date of 5,425,124 common share purchase warrants that were issued pursuant to the Company's December 27, 2019 unit offerings. The warrants will remain exercisable into common shares of the Company at an exercise price of $1.70 per common share for an additional twelve months to December 27, 2022. All other terms of the warrants remain the same.

Review of 2021

The Phase II drilling program re-commenced in mid-October 2020, after a lengthy delay due to the COVID-19 pandemic with a primary focus on extending known resources and testing the promising Anta Norte geophysical targets to the north. Drilling was suspended in November 2020 due to some concerns from local communities regarding discoloration and potential contamination of the Aguas Coloradas Reservoir (Coloured Waters Reservoir). Regulus can confidently state that the drilling at Anta Norte has not affected the Aguas Coloradas Reservoir, as this body of water is located well to the east of where the drilling was occurring and is at a higher elevation and in a completely different drainage basin. A water sampling program completed by the Government Agencies responsible for water management in Peru (ANA – Autoridad Nacional de Agua and ALA – Administracion Local de Agua – Cajamarca), with local community participation, determined that any turbidity or discoloration in the Aguas Coloradas Reservoir was not related to mining activity and was likely due to natural causes. As requested by the local community of Tranque de Pujupe, an independent consulting firm specializing in water and environmental matters reviewed the occurrence of discoloration of the waters in the Aguas Coloradas Reservoir and reported that the water quality meets standards for agricultural use (the purpose for the reservoir), that temporary discoloration and turbidity of the water is likely due to iron-oxide rich soils and natural rock outcrops along the margins of the reservoir, and that it is not possible that the drilling activity on the Anta Norte targets is affecting the water of the reservoir for the same reasons previously stated by the Company. The results of these investigations have been and will continue to be widely communicated to local and regional stakeholders.

Given the political uncertainty in Peru along with a strong surge in COVID-19 cases in Peru, the Company decided in March of 2021 to maintain its suspension of drilling activities at Anta Norte and at the main AntaKori project pending a favourable resolution to these issues. The Peruvian Presidential election results were concluded on June 6, 2021 when Peru's electoral authority named socialist Pedro Castillo as the country's next president, having officially won the runoff against right-wing candidate Keiko Fujimori.

During the lengthy period while drilling activities were suspended, the Company made significant advancements in its community and stakeholder engagement, which include:

- The Company led workshops with local stakeholders and government entities to explain the AntaKori project, the Company's commitment to best practices, its drilling procedures and remediation initiatives. The Company continues to organize regular workshops and has opened an information centre for local stakeholders to visit for further contact.
- The area covering and surrounding the current extent of Regulus' drill permits is privately held land and in the past six months, local landowners have independently founded the Association of Sinchao Valley Landowners (Asociación de Propietarios El Sinchao, the "**Association**") to best represent the interests of the area. The Association has voiced strong support for exploration activities to resume at AntaKori.
- In addition to the existing community work projects that the Company has been carrying out with communities in the vicinity of the project, we will be launching additional projects in the region to improve access to clean drinking water and agricultural production, in particular the dairy industry, which is an important sector in the region. The capacity of the Company to execute these work programs is tied to its ability to continue exploration activities on the AntaKori project.
- The Company has and will continue to support local communities to manage the ongoing COVID-19 pandemic, with the provision of PPE and other supplies.

As result of these initiatives, the Company decided to resume its drilling program at Anta Norte in December 2021. The resumption of exploration activities and the continuation of our community work projects will result in the employment of local community members, local service contractors and local vendors, including hiring local drill rig providers and local drillers. Reinitiating our programs will also support the regeneration of economic activity in the region following the COVID-19 pandemic.

Before re-initiating the Phase II drilling program, the Company notified local and national authorities of its intentions and received support to commence social projects as well as drilling activities.

Prior to suspension of drilling, the first two holes had nearly reached anticipated completion depths. Hole AK-20-044 stopped at 813.40 m depth and hole AK-20-45 stopped at 841.40 m depth. Hole AK-20-044 was a 370 m step out from previous drilling and successfully extended the mineralized footprint of the AntaKori system well beyond the current limits of the 2019 resource model and conceptual pit. The results are discussed in more details under *Mineral Property Review* below. These holes confirm the hypothesis that favourable alteration and mineralization extend significantly to the north of both the reported AntaKori resource and the previously released drill holes in this area.

<u>Strategic Partnership</u>

In December 2020, the Company finalized a strategic partnership (the "Osisko Partnership") whereby Regulus has granted certain rights to Osisko in exchange for an upfront cash payment (the "Upfront Payment") of US$12.5 M (C$16,198,751). Details of the Osisko Partnership are as follows:

(a) There are existing royalties covering various claims on the AntaKori project currently held by private parties as described in the AntaKori Technical Report (defined below under *AntaKori Project*). In the event Regulus acquires any existing royalties within the current project area or within a 1 km area of interest surrounding the project on claims owned 100% by Regulus, Osisko has the option to acquire 50% of the acquired royalty by paying 75% of Regulus' purchase price for the royalty;

(i) As a significant initial transaction under the Osisko Partnership, Regulus has acquired a royalty on the Mina Volare claim of the AntaKori project which represents a 1.5% or 3% NSR, depending on location, from a private vendor. As per its right under the Osisko Partnership, Osisko has elected to acquire 50% of the royalty for 75% of Regulus' purchase price, with Osisko's acquisition cost for the royalty included in the Upfront Payment. Regulus has retired the remaining 50% of the royalty. As such, the Royalty on the Mina Volare claim is now reduced to a 0.75% or 1.5%, depending on location, in favour of Osisko.

(ii) The AntaKori project currently has an in-situ resource with 2.6 billion pounds of copper, 2.3 million ounces of gold and 61 million ounces of silver in the indicated category, and 2.4 billion pounds of copper, 2.2 million ounces of gold and 67 million ounces of silver in the inferred category as per the AntaKori Technical Report.

(iii) The Mina Volare claim, where Osisko has acquired the initial royalty, contains approximately 75% of the indicated resource tonnes and approximately 50% of the inferred resource tonnes within the AntaKori project based on the AntaKori Technical Report.

(b) Osisko will have a right of first refusal on all future royalty or stream transactions in relation to claims of the AntaKori project where Regulus has 100% ownership or any additional claims Regulus might acquire with 100% ownership within the area of interest described above;

(c) Should Regulus receive a royalty or stream as consideration for the sale of AntaKori, Osisko will have a right of first refusal should Regulus later choose to sell that royalty or stream; and

(d) Regulus has issued to Osisko 5.5 million warrants having a term of 3 years and an exercise price equal to $2.25 per share representing a 48% premium to the volume-weighted average price of Regulus' shares over the 20-trading day period ending September 30, 2020.

Gold Fields Option Agreement

In February 2021, the Company entered into an option agreement to earn up to a 60% interest in the GF Claims from Gold Fields. The addition of the GF claims grows the Company's land position in the AntaKori project, will increase future resource estimations via the ability to deepen and pushback the current conceptual resource pit on to these claims, and provides additional exploration opportunities to increase the mineralized footprint at the AntaKori project.

The terms of the option agreement are summarized as follows:

- Regulus can earn a 60% interest in the GF Claims by incurring US$3.5 M in exploration expenditures over a 3-year term, including completing at least 2,500 m of diamond drilling and producing a 43-101 resource estimate incorporating the GF Claims. Upon completion, Regulus and Gold Fields will form a joint venture with Regulus having a 60% interest and Gold Fields a 40% interest.
- Upon formation of the joint venture, Gold Fields will have a 60-day window to decide if they wish to acquire an additional 20% interest in the joint venture ("Claw Back Right"), bringing their total interest to 60% and Regulus' position to 40%, in exchange for:
    - A cash payment of US$7.5 M to be paid to Regulus.
    - Sole funding US$5 M in exploration commitments over a 5-year period.
- Upon finalizing the ownership structure of the joint venture, both parties will be required to fund their respective portions towards future exploration activities, and standard dilution policies will apply.
    - Any party that dilutes below a 10% interest in the joint venture will effectively relinquish their pro rata ownership and will maintain a 1.5% Net Smelter Return Royalty ("NSR") interest, 0.5% of which can be bought back by the other party for US$2.5 M within 60 days of the announcement of commercial production on the property.
- If Gold Fields exercises its Claw Back Right, Regulus will maintain a right to expand a mining operation from its existing claims onto the GF Claims ("Development Right") subject to the general principle that it does not interfere with current or planned mining activities of the joint venture at the time.
    - Upon exercising the Development Right, Regulus would pay the joint venture a 5% NSR (effectively a 3% NSR payable to Gold Fields, and a 2% NSR payable to Regulus) for any minerals processed from the GF Claims.
    - In addition, Regulus would be responsible for all development costs, all operating costs, and all environmental and closure costs (closure costs and environmental costs for any stand-alone mining operation on the GF claims, would be paid by the joint venture).

The Development Right will also be available to Regulus if Gold Fields does not exercise its Claw-Back Right, with a 5% NSR payable by Regulus to the joint venture (effectively 2% NSR payable to Gold Fields and 3% NSR payable to Regulus) on any minerals processed from the GF Claims, and Regulus will be responsible for all development costs, all operating costs and all environmental and closure costs.

No work was performed on the GF Claims in 2021.

Outlook for 2022

Exploration activities will continue to focus on the AntaKori project in 2022, with the bulk of the work being conducted on the Anta Norte claims. There are currently two rigs drilling on the property. The objective of the initial hole was to test for extensions and additional information on the geometry of the high-grade breccia-style mineralization discovered in hole AK-18-26, which returned 473.20 m of 1.39% CuEq hosted in a breccia unit that is open in multiple directions (see news release dated January 30, 2019). The second hole is designed to infill a large gap in the existing resource model and at the same time add valuable meters towards the Colquirrumi JV earn-in agreement. Assay turnaround times continue to be very slow with initial results expected by the end of Q1, or early Q2 2022.

The Company plans to complete the Phase II drilling program in 2022 which will entail approximately 7,000-10,000 m of additional drilling in 6 to 10 drill holes. The Phase II drilling program was originally designed to consist of approximately 25-30,000 m of additional drilling that would form the basis for an updated mineral resource estimate and complete initial scout holes to test targets to the north. A total of 18,023 m of drilling have been completed to date as part of the Phase II drilling program; of which 14,162 m were completed on Regulus claims, 3,669 m on the Colquirrumi joint venture claims and 191 m on Coimolache claims. Given the current focus on exploring the Anta Norte claims and uncertainties due to the COVID-19 pandemic and social/political conditions, the Company is unable to provide a reliable timeline for the completion of an updated resource estimate at AntaKori.

In addition, the Company had also selected 50 samples for metallurgical analysis that have been sent to local laboratories in Peru. It is anticipated that the Company will receive results on metallurgical test work and a final report by H1-2022. These results have been delayed due to ongoing COVID-19 issues in the lab that is doing the test work. Based upon the results from the metallurgical work, the Company will be able to begin developing a preliminary processing flow-sheet and design future test work for the AntaKori project.

In early January 2022, a group of political/social activists announced they would begin protests to demand that the Peruvian government address a series of issues regarding public works and programs to improve health and environmental conditions in the region. As part of this movement, the group would stage protests against our drilling activites in the Anta Norte portion of the AntaKori project with a demand that the project stop activity as part of an overall anti-mining initiative to deter mining in headwaters throughout Peru. A protest occurred on January 17, 2022, in close proximity to the Anta Norte claims. Most of the protestors were from areas well away from our project area and turnout was much lower than the protestors had expected. This protest led to meetings in Lima between the protesters and high-level government representatives and plans were established to address the protesters concerns, including a visit to site by a committee from the Ministry of Energy and Mines to hear the protesters concerns. This meeting was held peacefully on January 25th at the project site with a large turnout from protesters and also a good turnout from local people who were there to support our project. The officials confirmed that we have a valid license to continue our exploration program and were not intending to stop us from proceeding. They also agreed to continue to discuss environmental and social issues related to mining in general with members of the protest group. The timng and ourcome of these proposed meetings are uncertain at this time. We were able to continue drilling and currently believe that we will be able to continue our exploration program at Anta Norte as planned.

The only firm commitments for the AntaKori project include 2022 annual concession fees of US$70,000, drill road and platform remediation costs of a maximum of US$453,000 (over the next 1-2 years with a significant portion in 2022), remediation maintenance and monitoring costs estimated at US$50,000 annually and one public works project at an estimated cost of US$300,000.

Mineral Property Review

This review has been prepared by John Black, CEO and Director of the Company. The scientific and technical data contained in the section has been reviewed and approved by Dr. Kevin B. Heather, BSc (Hons), MSc, PhD, FAusIMM, Chief Geological Officer of the Company, who serves as a qualified person (QP) under the definitions of National Instrument 43-101.

AntaKori Project

The flagship project for Regulus is the AntaKori Cu-Au-Ag project located in northern Peru. A NI 43-101 technical report entitled “AntaKori Project, Cajamarca Province, Peru, NI 43-101 Technical Report” (the “AntaKori Technical Report”), dated February 22, 2019 and prepared by Amec Foster Wheeler (Perú) S. A., a Wood company, was filed on SEDAR and can be viewed at www.sedar.com under the profile *REGULUS RESOURCES INC*. The AntaKori Technical Report reports Indicated Resources of 250 million tonnes grading 0.48% Cu, 0.29g/t Au and 7.5g/t Ag, and Inferred Resources of 267 million tonnes grading 0.41% Cu, 0.26g/t Au and 7.8g/t Ag (please refer to Regulus news release of March 1, 2019 and table above). The estimate is based on historical drilling completed by by El Misti Gold (1997-98) and Sinchao Metals (2007-08), as well as new drilling completed through November 2018 by Regulus and drilling data provided through a collaborative agreement established in 2017 with the adjoining property holder (see press release by Regulus dated January 24, 2017). The reported resource is only reported for the portion of the mineralization system that is owned or controlled by Regulus and is open for expansion in several directions.

Table 1 – Summary of AntaKori Mineral Resource Estimate at a 0.3% CuEq Cut-off

Resource Category	Million Tonnes	Cu Grade (%)	Au Grade (g/t)	Ag Grade (g/t)	CuEq Grade (%)	Cu B lbs	Au M oz	Ag M oz	CuEq B lbs
Indicated	250	0.48	0.29	7.5	0.74	2.6	2.3	61	4.1
Inferred	267	0.41	0.26	7.8	0.66	2.4	2.2	67	3.9

Notes to accompany Indicated and Inferred Mineral Resource table assuming open pit mining methods for AntaKori Project:

1. Mineral Resources have an effective date of 22 February 2019; Douglas Reid, P. Eng., a Wood employee, is the Qualified Person responsible for the Mineral Resource estimate.
2. Inputs to costs for cut-off grade assumes a conventional truck and shovel open pit mine handling and feeding a 60,000 t/d concentrator and producing a copper-gold concentrate with arsenic for sale to specialists in concentrate trading, third-party smelters and refineries.
3. Mineral Resources are reported based on a CuEq cut-off of 0.30% constrained within a pit shell.
4. Mineral Resources are only reported within Regulus concessions.
5. CuEq and AuEq grades and metal contents in this table are mutually exclusive and are not additive.
6. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.
7. Copper price used is US$6,614/t (US$3.00/lb), gold price is US$1,400/oz, silver price is US$18.00/oz.
8. Assumed metallurgical recoveries: copper 85%, gold 55%, silver 50%.
9. Assumed pit slope of 45 degrees.
10. Assumed open pit mining cost of US$1.85/t plus lift charge to average US$2.00/t, processing cost of US$7.18/t, G&A cost US$1.00/t.

AntaKori Overview

The AntaKori project hosts a large Cu-Au-Ag skarn system with associated breccias and porphyry-style mineralization developed in sedimentary and intrusive rocks, with a later overprint of epithermal, high-sulphidation mineralization associated with the overlying Miocene volcanic rocks, and locally a late epithermal, intermediate sulphidation *base-metal* carbonate style of Au-Cu-Zn mineralization. The project is located 60 km north of the city of Cajamarca in the Hualgayoc District, in a world-class Au-Cu province which hosts a number of nearby deposits, as described below.

- Immediately adjacent to the producing Tantahuatay Gold Mine (Buenaventura-Southern Copper)
- 7 km to the NW of the Cerro Corona Gold-Copper Mine (Goldfields)
- 35 km to the NNW of the Yanacocha Gold Mine (Newmont-Buenaventura)
- 40 km to the SE of the La Granja Porphyry Copper deposit (Rio Tinto)
- 50 km to the NW of the Michiquillay Porphyry Copper deposit (recently auctioned by the Peruvian Government to Southern Copper)

Highlights of the AntaKori project include the following:

- The Company owns or controls 20 mineral concessions, for a total of 438 hectares, which cover most, but not all of the currently known AntaKori mineralized system. Further consolidation of mineral tenure is in process.
- A total of 17,954 m of drilling was completed in 70 drill holes (22 reverse circulation drill holes and 48 diamond drill holes) by previous operators El Misti Gold (1997-98) and Sinchao Metals (2007-08).
- A total of 41,222 m of diamond drilling in 52 holes has been completed by Regulus to date.
- The AntaKori Technical Report has documented a large Cu-Au-Ag skarn system with associated mineralized breccias and porphyry-style mineralization hosted in sedimentary and intrusive rocks, and associated epithermal, high-sulphidation mineralization in the overlying volcanic rocks.
- Zones of mineralization have been intercepted by the previous drilling within large geophysical anomalies, thus confirming the utility of the geophysics used in identifying future exploration targets.
- Indication that the mineralized system is open in all directions, and has potential for expansion through future exploration programs.
- Access to infrastructure as property is located adjacent to two operating mines.

The scope of the mineralized system at AntaKori offers significant upside potential but it requires additional drilling to better define this project.

The AntaKori project is being explored under definitive agreements with Compañía Minera Coimolache S.A. ("Coimolache") (the "Coimolache DA") and Compañía Minera Colquirrumi S.A. ("Colquirrumi") (the "Colquirrumi DA"), companies that hold mineral concessions immediately adjacent to, and inter-fingering with, Regulus AntaKori mineral concessions. These agreements allow for mutual access, mutual rights of expansion and collaborative exploration of the project area, providing benefit to all three parties. Coimolache is a mining company that owns and operates the Tantahuatay gold-silver mine immediately adjacent to the southern margin of AntaKori. The principal shareholders of Coimolache are Compañía de Minas Buenaventura S.A.A. ("Buenaventura" – 40% and operator) and Southern Peru Copper S.A.A. (44%). The Coimolache DA allows for mutual access, mutual rights of expansion and collaborative exploration with a principal objective of determining the size and nature of the AntaKori deposit and a secondary objective of allowing the expansion of Coimolache's Tantahuatay oxide gold mine by way of lay-back onto Regulus' mining concessions. Colquirrumi is a wholly owned subsidiary of Buenaventura. The Colquirrumi DA allows Regulus an option to earn-in to up to a 70% interest in a large area (2,571 hectares) of Colquirrumi mining concessions located immediately to the north and east of Regulus' mining concessions and also providing Colquirrumi with a one time option to claw-back to a 70% interest by making a cash payment to Regulus.

The Coimolache DA expired in accordance with its own terms in January 2022. The Colquirrumi DA remains in good standing.

Significant Results During the Current Period to the Date of this Report

The Phase I drill program at AntaKori was completed in October 2018 with a total of 22,140 m drilled through hole AK-18-027 (20,325.72m within Regulus concessions). Drilling continued directly into the Phase II program with an additional nineteen holes completed to date (18,023 m from AK-18-028 through AK-20-045). The Phase I program successfully completed the objective of confirming and extending the previously reported resource at AntaKori and provided the basis for the preparation of an updated mineral Resource Estimate which was completed in Q1-2019.

In mid-October 2020, the Company re-commenced the Phase II drill program. In November 2020, the Phase II drill program was halted. See *Review of 2021* for further details.

In January 2021, the Company announced the results from Phase II drill holes AK-20-044 and AK-20-045 (see news release dated January 7, 2021).

In December 2021, the Company re-initiated the Phase II drill program. See *Outlook for 2022* for further details.

Highlights from drill holes AK-20-044 and AK-20-045 – AntaKori project:

- AK-20-044:
  - 10.60 m of 0.28% Cu, 0.20 g/t Au and 8.36 g/t Ag (0.50% CuEq) from 281.90 m
  - 59.05 m of 0.47% Cu, 0.38 g/t Au and 30.77 g/t Ag (1.02% CuEq) from 304.25 m
  - 141.60 m of 0.22% Cu, 0.22 g/t Au and 5.71 g/t Ag (0.43% CuEq) from 477.00 m
    - Including 10.20 m of 0.15% Cu, 1.08 g/t Au and 15.77 g/t Ag (1.07% CuEq) from 479.00 m
    - Including 14.70 m of 0.35% Cu, 0.61 g/t Au and 20.61 g/t Ag (0.98% CuEq) from 562.90 m ▪ 50.80 m of 0.32% Cu, 0.28 g/t Au and 1.71 g/t Ag (0.54% CuEq) from 762.60 m
    - Including 10.80 m of 0.48% Cu, 0.44 g/t Au and 2.51 g/t Ag (0.81% CuEq) from 779.70 m
  - Alteration and mineralization were increasing towards the bottom of the hole
  - Hole was stopped before it reached the end of the favourable geological sequence for skarn-style mineralization

- AK-20-045:
  - 15.90 m of 0.31% Cu, 0.76 g/t Au and 2.24 g/t Ag (0.87% CuEq) from 640.75 m
  - 17.25 m of 0.33% Cu, 0.36 g/t Au and 2.44 g/t Ag (0.61% CuEq) from 821.65 m
  - Alteration and mineralization were increasing towards the bottom of the hole
  - Hole was stopped before it reached the end of the favourable geological sequence for skarn-style mineralization.

Further details regarding the mineralized intercepts encountered in drill holes AK-20-044 and AK-20-045 together with a discussion of the results can be found on the Regulus website.

Operations and Financial Condition

Results of Operations for the Three Months Ended December 31, 2021 Compared to the Three Months Ended December 31, 2020

During the three months ended December 31, 2021, loss from operating activities was $428,783 compared to loss from operating activities of $1,553,346 for the three months ended December 31, 2020. Significant variances from the same period in the prior year are as follows:

- A decrease of $138,139 in legal fees. Legal fees were $18,375 for the three months ended December 31, 2021 compared to $156,514 for the three months ended December 31, 2020. The variance is due primarily to legal fees incurred during the three months ended December 31, 2020, related to the sale of royalty interest to Osisko Gold Royalties Ltd. In fiscal 2021.

- A decrease of $104,273 in office and administration. Office and administration was $97,708 for the three months ended December 31, 2021 compared to $201,981 for the three months ended December 31, 2020. The variance is primarily due to an employee bonus of $50,000 and investor relations and shareholder information of $19,544 incurred during the three months ended December 31, 2020.

- A decrease of $58,276 in transfer agent and listing fees. Transfer agent and listing fees was $9,991 for the three months ended December 31, 2021 compared to $68,267 for the three months ended December 31, 2020. The variance is primarily due to TSX Venture Exchange filing fees related to the sale of a royalty interest to Osisko Gold Royalties Ltd and sponsorship fees for the Lima Stock Exchange incurred during the three months ended December 31, 2020.

- A decrease of $393,095 in share-based compensation. Share-based compensation was $96,229 for the three months ended December 31, 2021 compared to $489,324 for the three months ended December 31, 2020 due to the timing of vesting of stock options issued.

- A gain of $116,714 on foreign exchange for the three months ended December 31, 2021 compared to a loss of $326,247 for the three months ended December 31, 2020. The difference was mainly the result of fluctuations of the US$, the Peruvian Nuevo Sol and the CAD$.

- During the three months ended December 31, 2021, the Company wrote-off receivables of $94,476 (2020 –$34,356) related to Peru's value-added tax. The Company's accounting practice is to write these receivables off until they are actually collected. If and when these receivable are collected, the write-off will be reversed to the extent of such collection.

Cash Flow

Operating Activities

Cash outflow from operating activities was $663,894 for the period ended December 31, 2021 compared to $1,036,912 for the period ended December 31, 2020. The change was the cumulative result of several variations in the items affecting cash flow from operations as discussed above under "Results from Operations".

Investing Activities

Cash outflow from investing activities was $1,001,132 for the period ended December 31, 2021 compared to cash inflow of $14,152,204 for the period ended December 31, 2020. The cash inflows in the period ended December 31, 2020, are primarily the result of the $16,198,751 Osisko Partnership, and cash outflows in the current period are primarily from expenditures on exploration and evaluation assets.

Summary of Quarterly Results

The following is a summary of certain selected financial information for the most recent eight fiscal quarters:

All in $1,000's except loss (gain) per share	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021
Working capital (deficiency)	$6,499	$7,989	$10,236	$13,176
Loss (gain)	$429	$1,111	$1,077	$1,704
Loss (gain) per share	$0.00	$0.01	$0.01	$0.02
Loss (gain) per common share (diluted)	$0.00	$0.01	$0.01	$0.02
Total assets	$51,373	$52,003	$54,669	$55,451
Total liabilities	$2,239	$2,277	$1,554	$882
Deficit	$74,520	$74,091	$72,980	$71,903

All in $1,000's except loss (gain) per share	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020
Working capital (deficiency)	$15,710	$2,607	$4,394	$5,539
Loss (gain)	$1,553	$(721)	$1,995	$2,736
Loss (gain) per share	$0.01	$(0.01)	$0.02	$0.03
Loss (gain) per common share (diluted)	$0.01	$(0.01)	$0.02	$0.03
Total assets	$56,577	$56,303	$56,034	$56,734
Total liabilities	$963	$1,148	$1,115	$1,531
Deficit	$70,199	$68,646	$69,367	$66,172

Liquidity and Capital Resources

Cash at December 31, 2021 totaled $7,858,461 compared to $9,501,237 at September 30, 2021. Working capital at December 31, 2021 was $6,499,288 compared to $7,989,176 as at September 30, 2021. The Company has no source of operating cash flows and as such the Company's ability to continue as a going concern is contingent on its ability to monetize assets or obtain additional financing. There can be no assurance that the Company will be able to obtain adequate financing or that the terms of such financing will be favourable. See *Outlook for 2022* above for further details.

In December 2020, the Company announced the closing of the Osisko Partnership. The transaction added US$12.5 M (C$16,198,751) to the Company's treasury, which will be used to fund exploration and development activities at the AntaKori project, and for working capital and general corporate purposes. Further information is discussed under *Strategic Partnership* above.

Exploration and evaluation of assets at December 31, 2021 totaled $42,051,474 compared to $40,910,648 as at September 30, 2021. The increase is primarily as a result of exploration expenditures in the current period.

The ability of the Company to recover the costs it has incurred to date on its exploration and evaluation assets is dependent upon the Company being able to finance its exploration and development expenditures and to resolve any environmental, regulatory or other constraints which may hinder the successful exploitation or disposal of its exploration and evaluation assets. To date, the Company has not earned revenues and is considered to be in the exploration stage.

Share Capital

The Company's authorized capital consists of an unlimited number of common shares without par value.

As at the date of this report, the Company had 101,849,844 common shares issued and outstanding and the following stock options and warrants outstanding:

Stock Options

Exercise Price	Number Outstanding	Expiry Date
$ 0.86	215,000	June 29, 2023
$ 2.00	50,000	July 11, 2023
$ 1.60	5,250,000	February 4, 2024
$ 1.78	200,000	March 1, 2024
$ 1.40	200,000	June 6, 2024
$ 0.86	1,610,000	June 29, 2025
$ 1.49	200,000	October 19, 2025
$ 0.89	200,000	April 13, 2026
	7,925,000	

Warrants

Exercise Price	Number Outstanding	Expiry Date
$ 1.70	5,420,124	December 27, 2022
$ 2.25	5,500,000	December 1, 2023
	10,920,124	

Related Party Transactions

During the period ended December 31, 2021, the Company entered into the following transactions with key management personnel and related parties.

a) Double Black Diamond Resources LLC. ("DBD Resources") is a private company controlled by Mr. John Black, CEO and a director of the Company. For the period ended December 31, 2021, DBD Resources was paid $55,172 (2020 - $56,926). Amounts paid to DBD Resources are classified as management fees expense in the interim condensed consolidated statements of profit and loss.

   At December 31, 2021, the Company owed $Nil (September 30, 2021 – $Nil) to DBD Resources.

b) For the period ended December 31, 2021, Mr. Fernando Pickmann, President, COO and a director of the Company, was paid or accrued $55,172 in consulting fees (2020 – $56,926). Amounts paid to Mr. Pickmann are classified as management fees in the interim condensed consolidated statements of profit and loss. A law firm at which Mr. Pickmann was a partner was also paid or accrued $Nil (2020 - $44,655) for legal services. Legal fees paid to Mr. Pickmann's law firm are classified as legal expenses in the interim condensed consolidated statements of operations and comprehensive loss.

   At December 31, 2021, the Company owed $Nil (September 30, 2021 – $Nil) to Mr. Pickmann and owed $\ (September 30, 2021 – $1,793) to the law firm at which Mr. Pickmann was a partner which is included in accounts payable and accrued liabilities.

c) Unicus Funds Ltd. ("Unicus") is a private company controlled by Mr. Mark Wayne, CFO and a director of the Company. For the period ended December 31, 2021, Unicus was paid $18,750 (2020 – $18,750). Amounts paid to Unicus are classified as management fees expense in the interim condensed consolidated statements of operations and comprehensive loss.

   At December 31, 2021, the Company owed $Nil (September 30, 2021 – $Nil) to Unicus.

d) K.B. Heather & Socios Limitada (The Rock Doctor Limitada) ("K.B. Heather") is a private company controlled by Dr. Kevin B. Heather, Chief Geological Officer of the Company. For the period ended December 31, 2021, K.B. Heather was paid $47,290 (2020 – $48,794). Amounts paid to K.B. Heather are classified as management fees in the interim condensed consolidated statements of operations and comprehensive loss.

At December 31, 2021, the Company owed $Nil (September 30, 2021 – $Nil) to K.B. Heather.

e) At December 31, 2021, the Company is owed $2,441 (September 30, 2021 - $20,698) from Aldebaran, a company with common directors and management

f) The Company holds 2,000,000 common shares (September 30, 2021 – 2,000,000 common shares) of Highway 50 Gold Corp., a company with a director in common, included within long term investments.

Key Management Personnel:

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors.

The remuneration of directors and other members of key management personnel during the period ended December 31, 2021 and 2020 are as follows:

	Fees and Bonus	Share-based Benefits	Total
Period ended December 31, 2021			
Chief Executive Officer	$ 55,172	$ 7,431	$ 62,603
Chief Geological Officer	47,290	7,431	54,721
Chief Financial Officer	18,750	7,431	26,181
Chief Operating Officer	55,172	7,431	62,603
Non-executive directors	-	21,878	21,878
	$ 176,384	$ 51,602	$ 227,986

	Fees and Bonus	Share-based Benefits	Total
Period ended December 31, 2020			
Chief Executive Officer	$ 56,926	$ 59,174	$ 116,100
Chief Geological Officer	48,794	59,174	107,968
Chief Financial Officer	18,750	59,174	77,924
Chief Operating Officer	56,926	59,174	116,100
Non-executive directors	-	79,264	79,264
	$ 181,396	$ 315,960	$ 497,356

Investor Relations

In January 2019, the Company amended an agreement with Ms. Laura Brangwin to provide investor relations services to the Company (the "IR Agreement"). Ms. Brangwin is now paid USD$3,500 per month and has been granted 135,000 stock options at various prices between $0.86-$2.00 under the terms and conditions of the Company's Stock Option Plan. Ms. Brangwin does not own any shares of Regulus.

Financial and Capital Risk Management

Please refer to the December 31, 2021 interim condensed consolidated financial statements on www.sedar.com.

Recent Accounting Policies

There were no recent accounting policies adopted during the period ended December 31, 2021.

Proposed Transactions

There are no proposed transactions that have not been disclosed herein.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Critical Accounting Estimates

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting year. Actual reports could differ from management's estimates.

Contingencies

There are no contingent liabilities.

Internal Controls Over Financial Reporting

Changes in Internal Control over Financial Reporting ("ICFR")

In connection with National Instrument 52-109, Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109") adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issue Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI52-109.

Other MD&A Requirements

Additional disclosure of the Company's technical reports, material change reports, news releases and other information can be obtained on SEDAR at www.sedar.com.

The users of this information, including but not limited to investors and prospective investors, should read it in conjunction with all other disclosure documents provided including but not limited to all documents filed on SEDAR (www.sedar.com).

Disclosure for Venture Issuers without Significant Revenue

A breakdown of the components of the Company's general and administrative expenses is disclosed in the interim condensed consolidated financial statements for the period ended December 31, 2021 to which this MD&A relates. A breakdown of the components of the exploration and evaluation assets of the Company is disclosed in the interim condensed consolidated financial statements for the period ended December 31, 2021 to which this MD&A relates.

Risks and Uncertainties

The operations of the Company are speculative due to the high-risk nature of its business which includes the acquisition, financing, exploration, development and operation of mining properties. There are a number of factors that could negatively affect the Company's business and the value of its common shares, including the factors listed below. The following information pertains to the outlook and conditions currently known to the Company that could have a material impact on the financial condition of the Company. Other factors may arise that are not currently foreseen by management of the Company that may present additional risks in the future. Current and prospective security holders of the Company should carefully consider these risk factors, as they could materially affect the Company's future operations and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

The more significant risks, as they relate to the Company's interim condensed consolidated financial statements for the period ended December 31, 2021 and this MD&A, include the following.

COVID-19

At the time of publication of this MD&A, the COVID-19 pandemic continues to rapidly evolve on a global scale. The unprecedented nature and heightened uncertainty surrounding the pandemic mean that the nature and extent of the risks posed by COVID-19 to Regulus cannot be known, quantified or predicted with any certainty. Global phenomena such as COVID-19 increase the risk of significant labour force disruption (including the supply of labour or site/country access) and the potential loss (permanent/temporary) of personnel. Our operations are located in remote locations and represent concentrations of personnel working and sometimes residing in close proximity to one another. COVID-19 has the potential to spread rapidly and place the Company's workforce at risk. The Company believes that it has identified and implemented all reasonable and appropriate steps and precautions to protect its workforce and its operations in Peru from the risks and potential adverse impacts of the pandemic. The Company continues to actively monitor the situation and may take additional measures, if and to the extent warranted, as matters develop. There can be no assurance, however, that such steps and measures will be sufficient to fully mitigate all such risks and potential adverse impacts.

Exploration and Development Risk

The Company's properties are in the exploration stage and are without a known body of commercial ore. Exploration for Mineral Resources involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. The risks and uncertainties inherent in exploration activities include but are not limited to: legal and political risk arising from operating in certain developing countries, civil unrest, general economic, market and business conditions, the regulatory process and actions, failure to obtain necessary permits and approvals, technical issues, new legislation, competitive and general economic factors and conditions, the uncertainties resulting from potential delays or changes in plans, the occurrence of unexpected events and management's capacity to execute and implement its future plans. Discovery of mineral deposits is dependent upon a number of factors, not the least of which are the technical skills of the exploration personnel involved and the capital required for the programs. The cost of conducting programs may be substantial and the likelihood of success is difficult to assess. There is no assurance that the Company's mineral exploration activities will result in any discoveries of new bodies of commercial ore. There is also no assurance that even if commercial quantities of ore are discovered that a new ore body would be developed and brought into commercial production. The commercial viability of a mineral deposit once discovered is also dependent upon a number of factors, some of which are the particular attributes of the deposit (such as size, grade, metallurgy and proximity to infrastructure and labour), the interpretation of geological data obtained from drilling and sampling, feasibility studies, the cost of water and power; anticipated climatic conditions; cyclical metal prices; fluctuations in inflation and currency exchange rates; higher input commodity and labour costs, commodity prices, government regulations, including regulations relating to prices, taxes, royalties, land tenure and use, allowable production, importing and exporting of minerals, and environmental protection. Most of the above factors are beyond the control of the Company. Development projects will also be subject to the successful completion of final feasibility studies, issuance of necessary permits and other governmental approvals and receipt of adequate financing. The exact effect of these factors cannot be accurately predicted, but the combination of any of these factors may adversely affect the Company's business.

Negative Operating Cash Flow

The Company is an exploration stage company and has not generated cash flow from operations. The Company is devoting significant resources to the development and acquisition of its properties; however, there can be no assurance that it will generate positive cash flow from operations in the future. The Company expects to continue to incur negative consolidated operating cash flow and losses until such time as it achieves commercial production at a particular project. The Company currently has negative cash flow from operating activities.

Mineral Resource Estimates

The Company's reported Mineral Resources are estimations only. No assurance can be given that the estimated Mineral Resources will be recovered. By their nature, Mineral Resource estimations are imprecise and depend, to a certain extent, upon statistical inferences, which may ultimately prove unreliable because, among other factors, they are based on limited sampling, and, consequently, are uncertain because the samples may not be representative. Mineral Resource estimations may require revision (either up or down). There are numerous uncertainties inherent in estimating Mineral Resources, including many factors beyond the Company's control. Such estimation is a subjective process, and the accuracy of any Mineral Resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. There can be no assurance that recoveries in small scale laboratory tests will be duplicated in larger scale tests under on-site conditions. In particular, factors that may affect Mineral Resource estimates include:

- changes in interpretations of mineralization geometry and continuity of mineralization zones;
- input parameters used in the Whittle shell that constrains the Mineral Resources amenable to open pit mining methods;
- metallurgical and mining recoveries;
- operating and capital cost assumptions;
- metal price and exchange rate assumptions;
- confidence in modifying factors, including assumptions that surface rights to allow infrastructure to be constructed will be forthcoming;
- delays or other issues in reaching agreements with local or regulatory authorities and stakeholders;
- changes in land tenure requirements or permitting requirements from those discussed in the report; and
- changes in the environmental regulations or laws governing the property.

Changes in key assumptions and parameters could result in a restatement of Mineral Resource estimates. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability and there is no assurance that they will ever be mined or processed profitably. Due to the uncertainty which may attach to Mineral Resources, there is no assurance that all or any part of Measured or Indicated Mineral Resources will ever be converted into Mineral Reserves. Any material reductions in estimates of Mineral Resources could have a material adverse effect on the Company's results of operations and financial condition.

Title Risk

The Company has investigated its right to explore and exploit its properties and, to the best of its knowledge, those rights are in good standing. The results of the Company's investigations should not be construed as a guarantee of title. Other parties may dispute the title to a property, or the property may be subject to prior unregistered agreements or liens and transfers or land claims by aboriginal, native, or indigenous peoples. The title may be affected by undetected encumbrances or defects or governmental actions. The Company has not conducted surveys of all of its properties, and the precise area and location of claims or the properties may be challenged and no assurances can be given that there are no title defects affecting such properties. Any defects in the title to the Company's properties could have a material and adverse effect on the Company.

No assurance can be given that applicable governments will not revoke or significantly alter the conditions of the applicable exploration and mining authorizations nor that such exploration and mining authorizations will not be challenged or impugned by third parties. Although the Company has not had any problem renewing its licenses in the past there is no guarantee that it will always be able to do so. Inability to renew a license could result in the loss of any project located within that license.

Foreign Operations Risk

The Company conducts exploration activities in Peru. Operating in a foreign country exposes the Company to risks that may not otherwise be experienced if all operations were located in Canada. The risks vary from country to country and for Peru in particular include, but are not limited to, civil unrest or war, terrorism, illegal mining, changing political conditions, fluctuations in currency exchange rates, expropriation or nationalization without adequate compensation, changes to royalty and tax regimes, high rates of inflation, labour unrest and difficulty in understanding and complying with the regulatory and legal framework respecting ownership and maintenance of mineral properties. Changes in mining or investment policies or shifts in political attitudes may also adversely affect Corporation's existing assets and operations. Real and perceived political risk may also affect Corporation's ability to finance exploration programs and attract joint venture or option partners, and future mine development opportunities.

Numerous countries have introduced changes to mining regimes that reflect increased government control or participation in the mining sector, including, but not limited to, changes of law affecting foreign ownership, mandatory government participation, taxation and royalties, exploration licensing, export duties, and repatriation of income or return of capital. There can be no assurance that industries, which are deemed of national or strategic importance in countries in which the Company has assets, including mineral exploration, will not be nationalized. There is a risk that further government limitations, restrictions or requirements, not presently foreseen, will be implemented. Changes in policy that alter laws regulating the mining industry could have a material adverse effect on the Company. There can be no assurance that the Company's assets in these countries will not be subject to nationalization, requisition or confiscation, whether legitimate or not, by an authority or body.

In addition, in the event of a dispute arising from foreign operations, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada. The Company also may be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. It is not possible for the Company to accurately predict such developments or changes in laws or policy or to what extent any such developments or changes may have a material adverse effect on the Company.

Metal Price Risk

The Company's portfolios of properties and investments have exposure to predominantly copper, gold, and silver. Commodity prices fluctuate widely and are affected by numerous factors beyond the Company's control, such as the sale or purchase of metals by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, global and regional supply and demand, and the political and economic conditions of major metals-producing and metals-consuming countries throughout the world. The prices of these metals greatly affect the value of the Company, the price of the common shares of the Company and the potential value of its properties and investments. This, in turn, greatly affects its ability to form joint ventures, option agreements and the structure of any joint ventures formed. This is due, at least in part, to the underlying value of the Company's assets at different metal prices.

Commodity prices, and in particular copper prices, may be significantly affected by both demand and supply-side disruptions as a result of COVID-19 and its continuing impact on economies around the world.

Uncertainty of Funding

The exploration and development of mineral properties requires a substantial amount of capital and may depend on the Company's ability to obtain financing through joint ventures, debt financing, equity financing or other means. General market conditions, volatile metals prices, a claim against the Company, a significant disruption to the Company's business, or other factors may make it difficult to secure the necessary financing. There is no assurance that the Company will be successful in obtaining required financing as and when needed on acceptable terms. Failure to obtain any necessary additional financing may result in delaying or indefinite postponement of exploration or development or even a loss of property interest. If the Company needs to raise additional funds, such financing may substantially dilute the interests of shareholders of the Company and reduce the value of their investment.

Recent economic events including US-China trade disputes and the COVID-19 global pandemic have created further uncertainty in global financial and equity markets and may adversely impact the Company's share price and ability to raise capital.

Future Offerings of Debt or Equity Securities

The Company will require additional funds to finance further exploration, development and production activities, or to take advantage of unanticipated opportunities. If the Company raises additional funds by issuing additional equity securities, such financing would dilute the economic and voting rights of the Company's shareholders. Since the Company's capital needs depend on market conditions and other factors beyond its control, it cannot predict or estimate the amount, timing or nature of any such future offering of securities. Thus, holders of common shares of the Company bear the risk of any future offerings reducing the market price of the common shares and diluting their shareholdings in the Company.

Currency Risk

The Company will transact business in a number of currencies including but not limited to the Canadian Dollar, the US Dollar, and the Peruvian Nuevo Sol. Fluctuations in exchange rates may have a significant effect on the cash flows of the Company. Future changes in exchange rates could materially affect the Company's results in either a positive or a negative direction. The Company does not currently engage in foreign currency hedging activities.

Social License

The ability to carry out exploration programs on our mineral claims in Peru is conditional on the Company obtaining all the necessary permits, which usually requires the Company to engage with the local communities to obtain their consent. There can be no assurance that the Company will always be able to obtain these consents when requested. Even when all necessary consents are obtained, there is still a risk that local opposition might arise which could effect the Company's ability to carry out its intended exploration programs. The Company attempts to mitigate these risks by following all required protocols and by maintaining a robust program of engagement with local communities, which often includes social benefit programs funded by the Company.

Internal Controls

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.

Information Systems and Cyber Security

The Company's operations depend on information technology ("IT") systems. These IT systems could be subject to network disruptions caused by a variety of sources, including computer viruses, security breaches and cyberattacks, as well as disruptions resulting from incidents such as cable cuts, damage to physical plants, natural disasters, terrorism, fire, power loss, vandalism and theft. The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Company's reputation and results of operations. Although to date the Company has not experienced any material losses relating to cyber attacks or other information security breaches, there can be no assurance that the Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Corruption and Bribery

The Company is required to comply with anti-corruption and anti-bribery laws, including the *Extractive Sector Transparency Measures Act*, the Canadian Corruption of Foreign Public Officials Act and the U.S. Foreign Corrupt Practices Act, as well as similar laws in the countries in which the Company conducts its business. If the Company finds itself subject to an enforcement action or is found to be in violation of such laws, this may result in significant penalties, fines and/or sanctions imposed on the Company resulting in a material adverse effect on the Company. The Company has adopted a comprehensive Anti-Corruption Policy in order to mitigate this risk.

Competition

There is aggressive competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential, as well as the necessary labour and supplies required to develop such properties. The Company competes with other exploration and mining companies, many of which have greater financial resources, operational experience and technical capabilities than the Company, for the acquisition of mineral claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel. The Company may not be able to maintain or acquire attractive mining properties on terms it considers acceptable, or at all. Consequently, its financial condition could be materially adversely affected.

Uninsurable Risks

Exploration, development and production operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences, as well as political and social instability. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks because of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any further profitability and result in increasing costs and a decline in the value of the securities of the Company. The Company does not maintain insurance against political risks.

Environmental Risks

It is possible that future regulatory developments, such as increasingly strict environmental protection laws, climate change policies, regulations and enforcement policies, and claims for damages to property and persons resulting from the Company's operations, could result in additional costs and liabilities, restrictions on or suspension of the Company's activities and delays in the exploration of and development of its properties.

The physical effects of climate change, which may include extreme weather events, resource shortages, changes in rainfall and storm patterns, water shortages and extreme weather events, may have an adverse effect on our operations. Events or conditions such as flooding or inadequate water supplies could disrupt exploration activities and rehabilitation efforts, could create resource shortages and could damage our property or equipment and increase health and safety risks on our properties. Such events or conditions could also have other adverse effects on our operations, our workforce and on the local communities surrounding our properties, such as an increased risk of food, water scarcity and civil unrest.

Tax

The Company runs its business in different countries and strives to run its business in as tax efficient a manner as possible. The tax systems in certain of these countries are complicated and subject to changes. For this reason, future negative effects on the result of the Company due to changes in tax regulations cannot be excluded. Repatriation of earnings to Canada from other countries may be subject to withholding taxes. The Company has no control over withholding tax rates.

<u>Cautionary Note Forward Looking Statements</u>

Certain statements made and information contained herein in the MD&A constitutes "forward-looking information" and forward-looking statements" within the meaning of applicable securities legislation (collectively, "forward-looking information" or "forward-looking statements") concerning the business, operations, financial performance and condition of the Company. The forward-looking information contained in this MD&A is based on information available to the Company as of the date of this MD&A. Except as required under applicable securities legislation, the Company does not intend, and does not assume any obligation, to update this forward-looking information. Generally, any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance, (often, but not always, identified by words or phrases such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "projects" , "estimates", "budgets", "scheduled", "forecasts", "assumes", "intends", "strategy", "goals", "objectives", "potential", "possible", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events, conditions or results "will", "may", "could", "would", "should", "might" or "will be taken", "will occur" or "will be achieved" or the negative connotations thereof and similar expressions) are not statements of historical fact and may be forward-looking statements.

All statements other than statements of historical fact may be forward-looking statements. Forward-looking information is necessarily based on estimates and assumptions that are inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to: risks and uncertainties relating to, among other things, the inherent uncertainties regarding mineral resource estimates, cost estimates, changes in commodity prices, currency fluctuation, financings, unanticipated resource grades, infrastructure, results of exploration activities, cost overruns, availability of materials and equipment, timeliness of government approvals, taxation, political risk and related economic risk and unanticipated environmental impact on operations, the impact of COVID-19 on the Company's operations, personnel, ability to finance and outlook, as well as other risks, and uncertainties and other factors, including, without limitation, those referred to in the "Risks and Uncertainties" section of the MD&A, and elsewhere, which may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information.

The Company believes that the expectations reflected in the forward-looking statements and information included in this MD&A are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements and information should not be unduly relied upon. This statement and information is as of the date of the MD&A. In particular, this MD&A contains forward-looking statements or information pertaining to the assumptions used in the mineral resources estimates for the AntaKori Project, including, but not limited to, geological interpretation, grades, metal price assumptions, metallurgical and mining recovery rates, geotechnical and hydrogeological conditions, as applicable; ability to develop infrastructure; assumptions made in the interpretation of drill results, geology, grade and continuity of mineral deposits; expectations regarding access and demand for equipment, skilled labour and services needed for exploration and development of mineral properties, the impact of COVID-19 on the Canadian and worldwide economy, the Company's workforce, world wide demand for commodities and the Company's business generally; and that activities will not be adversely disrupted or impeded by exploration, development, operating, regulatory, political, community, economic and/or environmental risks. In addition, this MD&A contains forward-looking statements or information pertaining to the anticipated timing or ability to secure additional financing and/or the quantum and terms thereof; exploration and development plans and expenditures; the timing and nature of studies and any potential development scenarios; opportunities to improve project economics; the success of future exploration activities; potential for resource expansion; potential for the discovery of new mineral deposits; ability to build shareholder value; expectations with regard to adding to mineral resources through exploration; expectations with respect to the conversion of inferred resources to an indicated resources classification; ability to execute the planned work programs; estimation of commodity prices, mineral resources, costs, and permitting time lines; ability to obtain surface rights and property interests; currency exchange rate fluctuations; requirements for additional capital; government regulation of mining activities; environmental risks; unanticipated reclamation expenses; title disputes or claims; limitations on insurance coverage; and other risks and uncertainties.

Forward-looking information is based on certain assumptions that the Company believes are reasonable, including that the current price of and demand for commodities will be sustained or will improve, the supply of commodities will remain stable, that the general business and economic conditions will not change in a material adverse manner, that financing will be available if and when needed on reasonable terms and that the Company will not experience any material labour dispute, accident, or failure of plant or equipment. These factors are not, and should not be construed as being, exhaustive. Although the Company has attempted to identify important factors that would cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated, or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. All of the forward-looking information contained in this document is qualified by these cautionary statements. Readers are cautioned not to place undue reliance on forward-looking information due to the inherent uncertainty thereof. Statements relating to "mineral resources" are deemed to be forward looking information, as they involve the implied assessment, based on certain estimates and assumptions, that the mineral resources described can be profitably produced in the future.

The users of this information, including but not limited to investors and prospective investors, should read it in conjunction with all other disclosure documents provided including but not limited to all documents filed on SEDAR (www.SEDAR.com).