



NEW TECH MINERALS CORP.

880- 580 Hornby Street,
Vancouver, BC, V6C 3B6
Phone: 604.283.1722 Fax: 1.888.241.5996

Form 51-102F1

Management's Discussion & Analysis of Financial Condition and Results of Operations for the nine months ended April 30, 2021

Date: June 24, 2021

General

This Management's Discussion & Analysis ("MD&A") of New Tech Minerals Corp. (Formerly New Tech Minerals Corp.) ("New Tech" or the "Company") has been prepared by management and should be read in conjunction with the Company's condensed interim consolidated financial statements for the nine months ended April 30, 2021, together with the audited consolidated financial statements for the year ended July 31, 2020, as well as the accompanying MD&A for the period then ended (the "Annual MD&A"). This MD&A along with these documents are intended to provide investors with a reasonable basis for assessing the financial performance of the Company as well as forward-looking statements relating to future performance.

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

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

COVID-19

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

Additional information relating to the Company, including regulatory filings, can be found on the SEDAR website at www.sedar.com.

Forward-Looking Statements

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



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

Overview of Business

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

The Company's principal activities include the acquisition and development of potash, lithium cobalt, vanadium and brine mineral deposits in the United States and elsewhere.

The consolidated financial statements of the Company for the nine months ended April 30, 2021 and 2020 include the accounts of the Company and its 100% interest in American Potash LLC ("American Potash"), NTM Minerales S.A. de C.V. ("NTM Minerales") and Sweetwater Resources LLC ("Sweetwater"). Control is achieved when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are fully consolidated from the date on which control is transferred to the Company until the date on which control ceases. All inter-company transactions, balances, income and expenses are eliminated in full upon consolidation.

Company Highlights

La Escondida Technical Report

On February 22, 2021, the Company announced that it has received a Technical Report on its La Escondida silver-gold project, Sonora, Mexico (the "La Escondida Project"). The report, with an effective date of January 27, 2021, was prepared by Mine Development Associates (MDA), a division of RESPEC, and authored by Steven I. Weiss, PhD., C.P.G., (a qualified person), in accordance with the disclosure and requirements set forth in the CSA's National Instrument 43-101 (NI 43-101) and companion policies.

La Tortuga Silver Project

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

La Escondida Definitive Agreement

On December 21, 2020, the Company entered into a formal agreement (the "Definitive Agreement") to acquire a 100% interest in the La Escondida Silver-Gold project, Sonora, Mexico (the "La Escondida Project"). A private syndicate comprised of three individuals (the "Syndicate") currently has the right to acquire the La Escondida Project pursuant to the terms of an underlying agreement (the "Underlying Agreement") with the owners of the two concessions which comprise the La Escondida Project. Pursuant to the Definitive Agreement, the Syndicate will assign its rights to the Underlying Agreement to the Company's wholly owned Mexican subsidiary, NTM Minerales SA de CV, in exchange for the issuance of 3,000,000 common shares to the Syndicate (being 1,000,000 common shares each). In February 2021, 1,500,000 common shares were issued and the remaining 1,500,000 common shares will be issued within 12 months of completion of the transaction. Two members of the Syndicate will retain a 2% Net Smelter Return (NSR) royalty, half of which may be purchased by the Company for US\$1,000,000. The Underlying Agreement requires staged payments totaling US\$450,000 over a three-year period and assumption of all annual tax obligations.

Private Placement

On September 8, 2020 the Company completed a non-brokered private placement (the "Private Placement"). The Company issued 12,800,000 units (the "Units") pursuant to the Private Placement at a price of \$0.05 per Unit for



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

Share Consolidation

Effective August 12, 2020, the Company completed a consolidation of the common shares on a basis of 2 pre-consolidation common shares for 1 post-consolidation common share (the "Consolidation"). On the Consolidation date, the number of pre-consolidation common shares was 67,428,896. The Consolidation resulted in the number of post-consolidation common shares being 33,714,448. As required by IAS 33, *Earnings per Share*, all references to share capital, common shares outstanding, and per share amounts in this MDA and the accompanying consolidated financial statements for periods prior to the Consolidation have been restated to reflect the Consolidation.

Exploration Update

La Escondida Silver Project

On December 21, 2020, the Company entered into a formal agreement (the "Definitive Agreement") to acquire a 100% interest in the La Escondida Silver-Gold project, Sonora, Mexico (the "La Escondida Project"). A private syndicate comprised of three individuals (the "Syndicate") currently has the right to acquire the La Escondida Project pursuant to the terms of an underlying agreement (the "Underlying Agreement") with the owners of the two concessions which comprise the La Escondida Project. Pursuant to the Definitive Agreement, the Syndicate will assign its rights to the Underlying Agreement to the Company's wholly owned Mexican subsidiary, NTM Minerales SA de CV, in exchange for the issuance of 3,000,000 common shares to the Syndicate (being 1,000,000 common shares each). 1,500,000 common shares were issued following approval of the Canadian Securities Exchange in February 2021 and the remaining 1,500,000 common shares will be issued within 12 months of completion of the transaction. Two members of the Syndicate will retain a 2% Net Smelter Return (NSR) royalty, half of which may be purchased by the Company for US\$1,000,000. The Underlying Agreement requires staged payments totaling US\$450,000 over a three-year period and assumption of all annual tax obligations.

During the nine months ended April 30, 2021, the Company made a payment of \$70,763 (USD\$55,000) for the right to acquire 100% interest and titles to the two (2) La Escondida mining concessions located in the Municipality of Opodepe, State of Sonora, Mexico.

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

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



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La Escondida Silver Project Expenditures

| | Nine months ended April 30, 2021 | Year ended July 31, 2020 |
|--|-------------------------------------|-----------------------------|
| Mineral acquisition costs: | \$ | \$ |
| Balance, beginning | - | - |
| Acquisition of claims | 184,589 | - |
| Balance, ending | 184,589 | - |
| Exploration and evaluation expenditures: | | |
| Balance, beginning | - | - |
| General administration | 75,573 | - |
| Federal permit | 2,812 | - |
| Foreign exchange translation | (12,324) | - |
| Balance, ending | 66,061 | - |
| Total | 250,650 | - |

La Tortuga Silver Project

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

During the nine months ended April 30, 2021, the Company made a payment of \$28,305 (USD\$22,000) for the right to acquire 100% interest and title to the one La Tortuga mining concession located in the Municipality of Opodepe, State of Sonora, Mexico.

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

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

La Tortuga Silver Project Expenditures

| | Nine months ended April 30, 2021 | Year ended July 31, 2020 |
|--|-------------------------------------|-----------------------------|
| Mineral acquisition costs: | \$ | \$ |
| Balance, beginning | - | - |
| Acquisition of claims | 28,356 | - |
| Balance, ending | 28,356 | - |
| Exploration and evaluation expenditures: | | |
| Balance, beginning | - | - |
| Foreign exchange translation | (1,329) | - |
| Balance, ending | (1,329) | - |
| Total | 27,027 | - |



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Paradox Basin Potash Project

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

On April 30, 2014, fourteen prospecting permits were formally signed and delivered to the Company, with an effective date of March 1, 2014; thereby initiating the Sweetwater Option period.

During the year ended July 31, 2015, the fourteen prospecting permits expired. Sweetwater River Resources LLC ("Sweetwater") applied to the BLM for 12 new potash prospecting permits that encompass the same area as the original permits that expired. During the year ended July 31, 2015, no permits had been granted and as such the expired permits were impaired and fully written-off.

On September 21, 2015, the Company's petition to the Federal Bureau of Land Management for reinstatement of 12 potash prospecting permits by Sweetwater was denied. Consequently, Sweetwater has applied to the BLM for 12 new potash prospecting permits analogous to and encompassing the same area as the original 12 prospecting permits. The permits have not yet been issued. The Company will maintain its right to acquire a 100% interest in the 12 new potash prospecting permits through continuance of the option agreement with Sweetwater. The Company is required to pay USD\$75,000 within 30 days of new prospecting permits begin granted by the BLM. During the year ended July 31, 2019, the Company had advanced a total of USD\$36,000.

The Company also controls the mineral exploration rights for eleven Utah State Mineral leases covering 7,050 acres all within the 27,331-acre federal potash prospecting permit application area. Payments of \$154,570 made to Sweetwater for application related costs were capitalized during the year ended July 31, 2017.

On June 26, 2019, the Company signed a Membership Interest Purchase Agreement to purchase 100% of Sweetwater for USD\$1,500 plus the outstanding option payment of USD\$37,500. Upon making these payments, the Company has satisfied all conditions of the Sweetwater Option. In accordance with IFRS 3 Business Combinations, a business combination is a transaction in which an acquirer obtains control of a business which is defined as an integrated set of activities and assets that is capable of being conducted and managed to provide a return to investors. This acquisition does not meet the definition of a business, as the primary asset is the mineral property. Therefore, this transaction has been recorded as an acquisition of an asset. Sweetwater has no other assets or liabilities other than the mineral property held.

As at July 31, 2020, the Paradox Basin Potash Project is comprised of 11 State of Utah mineral leases, covering 7,050 acres and 12 Federal Prospecting Permit Applications covering 27,331 acres. On March 3, 2020, 9 of the Potash and Mineral Salts Leases from the State of Utah were extended for a period of 10 years, subject to certain annual payment obligations.

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

During the nine months ended April 30, 2021, the Company made a payment of \$74,920 (USD\$58,127) to renew mineral property licenses which were expensed.



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Paradox Basin Potash Project Expenditures

| | Nine months ended April 30, 2021 | Year ended July 31, 2020 |
|--|-------------------------------------|-----------------------------|
| Mineral acquisition costs: | \$ | \$ |
| Balance, beginning | - | 1 |
| Impairment | - | (1) |
| Balance, ending | - | - |
| Exploration and evaluation expenditures: | | |
| Balance, beginning | - | 427,647 |
| Bonding | - | 14,808 |
| General administration | - | 36,358 |
| Federal permit | - | 95,163 |
| Foreign exchange translation | - | 7,963 |
| Impairment | - | (581,939) |
| Balance, ending | - | - |
| Total | - | - |

Paradox Basin Brine Project

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

During the year ended July 31, 2017, the Company acquired additional 148 placer claims on BLM-controlled land covering 2,960 acres and contiguous with the previously held placer claims in Grand County, Utah.

On April 11, 2017, as amended on October 18, 2017 the Company closed a joint venture earn-in option agreement with Power Metals Corp. ("Power Metals") to explore and develop lithium brines beneath the Company's existing lithium claims and Utah state lithium leases. The agreement entitles Power Metals to earn up to 65% of all of the Company's lithium holdings in Utah by completing the following:

- Finance and complete two exploration wells targeting lithium brine occurrences beneath the Company's U.S. federal lithium claims and/or its Utah state lithium leases; the drill rig must be mobilized on site for the first well within year of the definitive agreement signing date and the second well within one year of the definitive agreement signing date;
- Deliver to American Potash a cash deposit of USD\$250,000 within 90 days of the definitive agreement signing date (subsequently deleted on amendment on October 18, 2017); and
- Issue 1,000,000 common shares of Power Metals to the Company; shares will be issued according to the following schedule: one-third 180 days after the definitive agreement date, one-third after 270 days of the definitive agreement date and one-third on the first anniversary of the definitive agreement date (received).

On June 7, 2017, the Company received 1,000,000 shares of Power Metals (PWM) from the joint venture earn-in option agreement with Power Metals. The fair value of the shares at acquisition date and at July 31, 2017 were \$280,000 and recorded as a reduction to the mineral properties.

On September 26, 2017, the Company's joint venture partner, Power Metals, signed a definitive agreement with MGX Minerals Inc. ("MGX").

The transaction terms were as follows:

- MGX acquires all of Power Metals' current U.S. petrolithium brine assets.
- MGX acquires a 20% working interest in all of Power Metals' current hard-rock assets and any future assets that Power Metals acquires for the following 36 months.



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- MGX has the right to purchase an additional 15% working interest of Power Metals' hard-rock assets for a period of 36 months for a total of USD\$10,000,000.
- MGX receives a call option to purchase up to 10,000,000 common shares of Power Metals at a price of \$0.65 per share for a period of 36 months.
- MGX pays to Power Metals 3,000,000 common shares of MGX.

On October 26, 2017, the Company signed a six-month extension agreement with MGX. This extension applies to its joint venture option agreement dated April 3, 2017. The extension agreement extends the financing requirement of the first well to March 31, 2018, and the second well to 12 months after September 30, 2018. The Company also waived the requirement of the USD\$250,000 deposit which was included in its April 3, 2017 agreement. During the year ended July 31, 2018, the Company terminated the option agreement with MGX.

On August 31, 2020, the Company elected to allow the 304 Federal placer mineral claims covering 6,100 acres to lapse due to escalating annual fees levied by the Bureau of Land Management (BLM). Therefore, during the year ended July 31, 2020, the Company wrote off the Paradox Basin Brine Project value to \$nil.

Paradox Basin Brine Project Expenditures

| | Nine months ended April 30, 2021 | Year ended July 31, 2020 |
|--|-------------------------------------|-----------------------------|
| Exploration and evaluation expenditures: | \$ | \$ |
| Balance, beginning | - | 265,787 |
| Federal permit | - | 626 |
| Foreign exchange translation | - | 5,905 |
| Impairment | - | (272,318) |
| Balance, ending | - | - |
| Total | - | - |

Tule Cobalt Project

On October 12, 2018, and amended on September 9, 2019, the Company entered into an agreement to acquire the Tule cobalt prospect, consisting of eight U.S. federal lode mining claims comprising 160 acres, located in Pershing County, Nevada.

The Company is required to pay USD\$100,000 and issue 250,000 common shares of the Company as follows:

| Cash (USD) | Shares | Date |
|------------|---------|---|
| 10,000 | 50,000 | October 12, 2018 (paid and issued) |
| 10,000 | 100,000 | first anniversary of the closing date (paid and issued) |
| 40,000 | 50,000 | second anniversary of the closing date |
| 40,000 | 50,000 | third anniversary of the closing date |

In addition to the consideration above, USD\$500,000 in exploration expenditures must be carried out as follows:

- USD\$50,000 by the first anniversary of the closing date;
- USD\$100,000 by the second anniversary of the closing date;
- USD\$150,000 by the third anniversary of the closing date; and
- USD\$200,000 by the fourth anniversary of the closing date.

Concurrently with signing of the option agreement, the Company signed a royalty agreement with the optionor, who retains a 2% NSR. The Company can buy one-half of the royalty (1%) for USD\$1,000,000 at any time during the term of the option or during the commercial production of the property.



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In October 2020, the Company terminated the Tule Cobalt option agreement. Therefore, during the year ended July 31, 2020, the Company wrote off the property to \$nil.

Tule Cobalt Project Expenditures

| | Nine months ended April 30, 2021 | Year ended July 31, 2020 |
|--|-------------------------------------|-----------------------------|
| Mineral acquisition costs: | \$ | \$ |
| Balance, beginning | - | 17,276 |
| Acquisition of claims | - | 16,522 |
| Impairment | - | (33,798) |
| Balance, ending | - | - |
| Exploration and evaluation expenditures: | | |
| Balance, beginning | - | 22,407 |
| General administration | - | 202 |
| Federal permit | - | 1,924 |
| Foreign exchange translation | - | 947 |
| Impairment | - | (25,480) |
| Balance, ending | - | - |
| Total | - | - |

Missouri Property

On May 18, 2018, the Company signed an arm's-length option agreement with John Glasscock of Laramie, Wyo., to acquire four federal prospecting permit applications covering 9,406 acres located adjacent to and immediately south of the Fredericktown lead-copper-nickel-cobalt subdistrict of the historic Old Lead belt in Madison county, southeast Missouri, United States.

The Company is required to pay USD\$30,000 and issue 800,000 common shares of the Company as follows:

| Cash (USD) | Shares | Date |
|------------|---------|--|
| 6,500 | - | May 18, 2018 (paid) |
| 23,500 | 175,000 | May 22, 2018 (paid and issued) |
| - | 125,000 | May 28, 2019 (issued) |
| - | 125,000 | second anniversary of the closing date |
| - | 125,000 | third anniversary of the closing date |
| - | 125,000 | fourth anniversary of the closing date |
| - | 125,000 | fifth anniversary of the closing date |

Concurrently with signing of the Missouri option agreement, the Company signed a royalty agreement with the optionor, who retains a 2% NSR. The Company can buy one-half of the royalty (1 per cent) for USD\$1,000,000 at any time during the term of the option and for a period of 10 years thereafter.

On May 21, 2020, the Company and its wholly-owned subsidiary, American Potash LLC, terminated the Missouri option agreement. Therefore, the Company determined that the property was impaired and wrote off the property.



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Missouri Property Expenditures

| | Nine months ended April 30, 2021 | Year ended July 31, 2020 |
|--|-------------------------------------|-----------------------------|
| Mineral acquisition costs: | \$ | \$ |
| Balance, beginning | - | 66,305 |
| Impairment | - | (66,305) |
| Balance, ending | - | - |
| Exploration and evaluation expenditures: | | |
| Balance, beginning | - | 55,664 |
| General administration | - | 734 |
| Foreign exchange translation | - | 2,913 |
| Impairment | - | (59,311) |
| Balance, ending | - | - |
| Total | - | - |

Overall Performance

The following discussion of the Company's financial performance is based on the consolidated financial statements for the nine months ended April 30, 2021 and 2020.

The consolidated statement of financial position as at April 30, 2021 indicates a cash position of \$120,147 (July 31, 2020: \$1,154). The Company has prepaid expenses of \$2,457 (July 31, 2020: \$35,742), and GST receivable of \$4,809 (July 31, 2020: \$4,046). Non-current assets consist of exploration and evaluation assets of \$277,677 (July 31, 2020: \$nil).

Current liabilities at April 30, 2021 total \$14,302 (July 31, 2020: \$114,062), comprising accounts payable and accrued liabilities of \$11,250 (July 31, 2020: \$81,477) and due to related parties of \$nil (July 31, 2020: \$32,585).

Shareholders' equity at April 30, 2021 is comprised of share capital of \$9,767,676 (July 31, 2020: \$9,092,368), share-based payment reserve of \$1,451,298 (July 31, 2020: \$1,451,298), warrant reserve of \$853,900 (July 31, 2020: \$810,627), other comprehensive income of \$303,844 (July 31, 2020: \$323,605) and an accumulated deficit of \$11,997,183 (July 31, 2020: \$11,751,018) for total shareholders' equity of \$379,535 (July 31, 2020: Shareholders' deficit of \$73,120).

The Company has a working capital of \$101,858 (July 31, 2020: working capital deficit of \$73,120).

As at April 30, 2021, the Company has no significant earnings and currently finances exploration activities by the issuance of its common shares. The key determinants of the Company's operating results are the following:

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



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Summary of Quarterly Results

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

| | 2021 | | | 2020 | | | | 2019 |
|----------------------|-------------|------------|------------|-------------|-------------|------------|------------|-------------|
| | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 |
| Net Sales/ Revenue | \$Nil | \$Nil | \$Nil | \$Nil | \$Nil | \$Nil | \$Nil | \$Nil |
| Net Loss | \$(127,542) | \$(51,917) | \$(66,706) | \$(923,149) | \$(179,722) | \$(75,805) | \$(38,777) | \$(237,784) |
| Basic Loss per share | \$(0.00) | \$(0.00) | \$(0.00) | \$(0.03) | \$(0.01) | \$(0.00) | \$(0.00) | \$(0.01) |

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

Results of Operations

During the three months ended April 30, 2021, the Company reported a net loss of \$127,542 or \$0.00 per share compared to a loss of \$179,722 or \$0.00 per share for the three months ended April 30, 2020. The most significant expenses and expenses with variances to prior periods were as follows:

- Exploration expenditures of \$74,953 (2020: \$nil) related to exploration expenditures on properties written off at the end of the 2020 fiscal year.
- Professional fees were \$26,093 for the three months ended April 30, 2021 (2020: \$19,285). The increase was due to an increase in legal fees in the current period.

Results of Operations

During the nine months ended April 30, 2021, the Company reported a net loss of \$246,165 or \$0.01 per share compared to a loss of \$294,304 or \$0.00 per share for the nine months ended April 30, 2020. The most significant expenses and expenses with variances to prior periods were as follows:

- Consulting fees were \$nil for the nine months ended April 30, 2021 (2020: \$12,164). The decrease was due to a decrease in consultants used by the Company from the prior year period.
- Exploration expenditures of \$93,347 (2020: \$nil) related to exploration expenditures on properties written off at the end of the 2020 fiscal year.
- Transfer agent and filing fees were \$32,512 for the nine months ended April 30, 2021 (2020: \$22,082). This expense increased during the period due to the share consolidation and private placement that took place during the period.
- Impairment of mineral property of \$129,796 during the nine months ended April 30, 2020.

Liquidity & Capital Resources

At April 30, 2021, the Company's cash balance is \$120,147 and has a working capital of \$101,858, compared with a cash balance of \$1,154 and working capital deficit of \$73,120 at July 31, 2020.

The following capital transactions occurred in the nine months ended April 30, 2021:

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



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

The following capital transactions occurred in the year ended July 31, 2020:

On December 23, 2019, the Company completed a non-brokered private placement of 3,100,000 post-consolidation (6,200,000 pre-consolidation) units ("Units") at a post-consolidation price of \$0.05 (pre-consolidation \$0.025) per Unit for gross proceeds of \$155,000. Each Unit will consist of one common share and one common share purchase warrant (each a "Warrant"). Each Warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.10 per share for a period of 36 months from the date of closing.

Using the residual method, a value of \$62,000 was allocated to the warrants. In connection with the closing of the private placement, the Company paid \$4,400 cash for finders' fees.

During the year ended July 31, 2020, the Company issued 100,000 post consolidation (200,000 pre-consolidation) shares with a fair value of \$3,000 in relation to the acquisition of the Tule Cobalt Project.

| | Increase (Decrease) in Cash & Cash Equivalents for the nine months ended | |
|---------------------------------|---|----------------|
| | April 30, 2021 | April 30, 2020 |
| Operating Activities | \$ (302,150) | \$ (101,047) |
| Investing Activities | (178,829) | (144,614) |
| Financing Activities | 606,081 | 150,600 |
| Effect of exchange rate changes | (6,109) | (1,210) |
| Total Change in Cash | 118,993 | (96,271) |
| Cash, Beginning of the Period | 1,154 | 99,928 |
| Cash, End of the Period | \$ 120,147 | \$ 3,657 |

Operating Activities

Cash used in operating activities primarily consist of general and administrative expenditures. The \$302,150 in cash used for operating activities for the nine months ended April 30, 2021 is attributable to the net loss during the period of \$246,165 plus changes in non-cash working capital items.

Investing Activities

The cash used investing activities for the nine months ended April 30, 2021 of \$178,829 (2020; \$144,614) is due to the exploration and evaluation expenses during the period.

Financing Activities

The cash provided in financing activities for the nine months ended April 30, 2021 of \$606,081 (2020: \$150,600) relates to the private placement that occurred during the period.

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



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

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

Off-Balance Sheet Arrangements

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

Related Party Transactions

The following amounts are payable to related parties as at April 30, 2021 and July 31, 2020:

| | April 30, 2021 | July 31, 2020 |
|--|-------------------|------------------|
| | \$ | \$ |
| Companies controlled by directors of the Company | - | 32,450 |
| Officers of the Company | - | 135 |
| | - | 32,585 |

The amounts due are unsecured, non-interest bearing and has no fixed terms of repayment.

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

| Services provided by: | Three months ended April 30, | | Nine months ended April 30, | |
|-----------------------|---------------------------------|--------|--------------------------------|--------|
| | 2021 | 2020 | 2021 | 2020 |
| | \$ | \$ | \$ | \$ |
| Management fees | 15,000 | 15,000 | 45,000 | 45,000 |
| | 15,000 | 15,000 | 45,000 | 45,000 |

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

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



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Commitments

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

Financial Instruments and Financial Risk Management

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

a) Credit Risk

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

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

b) Foreign Exchange Rate Risk

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

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

| | April 30, 2021 | July 31, 2020 |
|---|----------------|---------------|
| | \$ | \$ |
| Cash | 2,543 | 271 |
| Accounts receivable and prepaids | 491 | - |
| Accounts payable and due to related parties | (685) | (18,515) |
| | 2,349 | (18,244) |

Based on the above net exposures, as at April 30, 2021, a 10% change against the Canadian Dollar would impact the Company's net income by \$235.

c) Liquidity Risk

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



Management's Discussion and Analysis for the nine months ended April 30, 2021

d) Price Risk

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

e) Interest Rate Risk

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

f) Fair Values

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

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

Cash and marketable securities are measured using level 1 inputs.

g) Capital Management

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

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

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

Summary of Outstanding Share Data

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

- (1) Authorized: Unlimited common shares without par value.
- (2) As at June 24, 2021, the Company has 48,014,449 common shares issued and outstanding, 1,800,000 stock options outstanding and 22,546,999 warrants outstanding.



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Risks and Uncertainties

Overview

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

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

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

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

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

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

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

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



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

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

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions there under, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or extraction operations may be required to compensate those suffering loss or damage by reason of such activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

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

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

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

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

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



Management's Discussion and Analysis for the nine months ended April 30, 2021

Disclosure of Controls and Procedures

The Company's President and Chief Executive Officer and Chief Financial Officer are responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for the Company. In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the consolidated financial statements for the year ended July 31, 2020 and 2019 and this accompanying MD&A (together, the "Interim Filings").

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

Other MD&A Requirements

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