



DELTA RESOURCES LIMITED
(an exploration company)

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the years ended December 31, 2021 and 2020

INTRODUCTION

This Management's Discussion and Analysis ("MD&A") of results of operations and financial condition of Delta Resources Limited ("Delta" or "the Company") describes the operating and financial results of the Company for the twelve-month periods ended December 31, 2021 and 2020. The MD&A supplements the Financial Statements of the Company and should be read in conjunction with Delta Audited Financial Statements and related notes for the years ended December 31, 2021 and 2020.

Forward-Looking Statements

This MD&A contains forward-looking statements about the Company's future prospects, and the Company provides no assurance that actual results will meet such expectations of management. The use of any of the words "believe", "expect", "estimate", "will", "should", "intend" and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes these expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward looking statements should not be unduly relied upon. The forward-looking information contained in this MD&A represents our expectations as of the date of this MD&A and, accordingly, is subject to change after such date. We expressly disclaim any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable law.

Date of MD&A

This MD&A was prepared using information that is current as at April 13, 2022, unless otherwise stated.

Company Overview

Delta Resources Limited is focused on growing shareholder value through the acquisition, exploration, and development of potential gold and base metal projects in Canada. Currently, Delta has three exploration projects: the Eureka project ("Delta-1") in the Thunder Bay district of Ontario, the R-14 project ("Delta-2") in the Chibougamau Mining district of Quebec and the Bellechasse project located in the Beauce Region of Southeastern Quebec. All projects are located in Canada.

Chronological 2021 Summary Highlights

On February 1, 2021 the Company announced the reception of the third tranche cash payment of \$350,000 from Yorkton for the sale of its Bellechasse Gold Deposit and also the signature of a revised agreement signed on January 27, 2021 and September 23, 2021. The revised schedule of payment is as follow:

- \$200,000 cash payment no later than August 1, 2021 (amount received)
- \$400,000 cash payment no later than September 24, 2021 (amount received)
- \$400,000 cash payment no later than March 1, 2022 (amount received)

On February 3, 2021, the Company issued 857,142 units at a price of \$0.35 per unit, for gross proceeds of \$300,000. Each unit consists of one common share and one-half share purchase warrant. Each warrant entitles its holder to purchase one common share of the Company at \$0.45 for a 24-month period.

In May 2021, the Company received an amount of \$465,137 related to the 2020 refundable tax credit related to resources.

Also in May 2021, the Company announced that it has optioned the Dollier Property in Chibougamau, Quebec from Cartier Resources Inc. ("Cartier"). Delta shall have the sole and exclusive right to earn a 100% Interest (the "Option") by paying Cartier a non-refundable amount of \$10,000 in cash (the "Cash Payment") at signing; by completing the issuance in favour of Cartier of an aggregate of 600,000 Delta shares including 100,000 shares at signing, 100,000 shares at the one year anniversary, 200,000 shares at the two year anniversary and 200,000 shares at three year anniversary; and by incurring \$1,000,000 in exploration expenditures over the four year Option period. Upon earning a 100% interest in the Dollier Property, Cartier will be granted a 2% NSR production royalty. Delta will have the exclusive right to purchase the first 1% NSR for \$2,000,000 and the second 1% NSR for \$15,000,000.

In July 2021, the Company announced the acquisition of a 100% interest in eight claims (30 Units) in Blackewell, Laurie, Dawson Road Lots and Goldie Townships in Thunder Bay, Ontario and contiguous to the Delta-1 - Eureka property. The Parties have agreed that Delta make a one-time \$6,000 payment (already paid) and the issue 200,000 common shares (already issued) of Delta to the Vendor for a 100% interest in the claims free and clear of encumbrances. The Vendor retains a 1.5% NSR royalty on the Property. Delta retains the right to buy back 0.5% of the NSR at any time for \$400,000 and retains a Right of First Refusal on the remaining 1% NSR royalty.

In July 2021, the Company received \$3,750 following the exercise of 12,500 warrants at \$0.30 each.

In August 2021, the Company received a fourth tranche cash payment of \$200,000 from Yorkton Ventures for the sale of its Bellechasse Property.

In October 2021, the Company made a cash payment of \$50,000 and issued 800,000 common shares of the Company under the Delta-2 / R-14 Gold Property Agreement. The \$300,000 work commitment was fulfilled.

In October 2021, the Company made a cash payment of \$50,000 and issued 167,281 common shares of the Company under the Delta-1 / Eureka Agreement. The \$500,000 work commitment was fulfilled.

Also, in October 2021, the Company received an amount of \$8,366.50 related to refundable tax credit related to resources.

On December 1, 2021, the Company issued 1,986,110 Hard Cash units at a price of \$0.27 per unit, for gross proceeds of \$536,249.70. Each unit consists of one common share and one-half of a common share purchase warrant exercisable for up to 24 months from closing at \$0.40. In addition, the Company has also issued 1,998,389 National Flow Through units at a price of \$0.31 per unit, for gross proceeds of \$619,500.59. Each unit consists of one National Flow Through common share and one half of a common share purchase warrant exercisable for up to 24 months from closing at \$0.45. In addition, the Company has also issued 6,493,235 Quebec Flow Through units at a price of \$0.34 per unit, for gross proceeds of \$2,207,699.90. Each unit consists of one Quebec Flow Through common share and one half of a common share purchase warrant exercisable for up to 24 months from closing at \$0.34.

On December 21, 2021, the Company issued 503,703 Hard Cash units at a price of \$0.27 per unit, for gross proceeds of \$135,999.90. Each unit consists of one common share and one-half of a common share purchase warrant exercisable for up to 24 months from closing at \$0.40. In addition, the Company has also issued 161,290 National Flow Through units at a price of \$0.31 per unit, for gross proceeds of \$50,000. Each unit consists of one National Flow Through common share and one half of a common share purchase warrant exercisable for up to 24 months from closing at \$0.45. In addition, the Company has also issued 44,117 Quebec Flow Through units at a price of \$0.34 per unit, for gross proceeds of \$15,000.00. Each unit consists of one Quebec Flow Through

common share and one half of a common share purchase warrant exercisable for up to 24 months from closing at \$0.45.

Subsequent events

On January 7, 2022, the Company granted 1,900,000 stock options to directors, officer and consultants at an exercise price of \$0.25 per common share that vest over a period of 5 years and expire January 7, 2027.

On January 1, 2022, the Company signed a contract with MI3 Communications Financières Inc., in exchange for their services, MI3 will receive a monthly payment of \$6,000 for a six-month period.

On March 11, 2022, the Company signed a Consulting Services Agreement with Mr. Daniel Boudreau, in exchange for his services, Mr. Boudreau will receive a bi-weekly payment of \$5,275 plus applicable taxes and 100,000 stock options at an exercise price of \$0.21 per common share that vest over a period of 2 years were granted.

In March 2022, the Company received a last tranche cash payment of \$400,000 from Yorkton Ventures for the sale of its Bellechasse Property.

DISCUSSION OF OPERATIONS

	Bellechasse \$	Eureka \$	R-14 \$	Dollier \$	Total \$
Balance, December 31, 2020	19,829,160	676,392	1,314,436	-	21,819,988
Addition	152	339,057	1,716,348	-	2,055,557
Exploration and evaluation expenditures acquired	-	214,853	274,000	53,370	542,223
Tax credits and credits on duties	(51)	-	(596,343)	-	(596,394)
Proceeds from grant of options on mining project	(950,000)	-	-	-	(950,000)
Change during the year	(949,899)	553,910	1,394,005	53,370	1,051,386
Balance, December 31, 2021	18,879,261	1,230,302	2,708,441	88,370	22,871,374
Balance, December 31, 2019	20,137,759	297,068	306,605	-	20,741,432
Addition	11,974	379,324	1,533,504	-	1,924,802
Proceeds from grant of options on mining project	(350,000)	-	-	-	(350,000)
Tax credits and credits on duties	(637)	-	(525,673)	-	(526,310)
Fees related to the grant of options on mining project	30,064	-	-	-	30,064
Change during the year	(308,599)	379,324	1,007,831	-	1,078,556
Balance, December 31, 2020	19,829,160	676,392	1,314,436	-	21,819,988

DELTA-1 PROPERTY

The Delta-1 Property is located 50 km west of the City of Thunder Bay. The property covers 4,495 hectares or approximately 45 square kilometres and straddles the Trans-Canada Highway for easy access.

To earn a 100% interest in the property, Delta's remaining obligations consist of aggregate cash payments of \$275,000, an additional \$100,000 payable in cash or shares, and \$1,500,000 of exploration expenditures before October 2023.

Exploration History

Only 42 drill holes have tested this 49 square kilometre property to date. Of these drill holes more than half were aimed at Ni-Cu targets prior to 1972. The last drill program was aimed at two mineral occurrences in 2003.

Regional Geology

Located in the north-central portion of the Shebandowan greenstone belt in the Superior structural province of the Canadian Shield (Figure D1-1). The volcano-sedimentary units of this belt are bounded to the north by the Quetico subprovince.

The crustal-scale, Shebandowan Structural zone marks the contact between the Shebandowan belt and the Quetico subprovince. The Shebandowan Structural Zone is a deep-seated structure that is characterized by intensely deformed rocks, swarms of intrusive units and locally extensive zones of intense carbonate, sericite and talc alteration. In excess of 5 million ounces of gold deposits are hosted along a 100-kilometre strike length of the Shebandowan Structural Zone including the low-grade - high-tonnage, multimillion-ounce Moss Lake gold deposit 50 km west of the Delta-1 Property.

	INDICATED			INFERRED		
Deposit	Tonnes	Au g/t	Au oz	Tonnes	Au g/t	Au oz
Moss Lake Deposit (*2013 resource estimate)						
Open Pit Potential	39,795,000	1.1	1,377,300	48,904,000	1.000	1,616,300
Underground Potential	-	-	-	1,461,100	2.900	135,400
Moss Lake Total	39,795,000	1.1	1,377,300	50,364,000	1.100	1,751,600
East Coldstream Deposit (**2011 resource estimate)						
East Coldstream Total	3,516,700	0.85	96,400	30,533,000	0.78	763,276
Combined Total	43,311,700	1.08	1,473,700	80,897,000	0.98	2,514,876

*Source: Poirier, S., Patrick, G.A., Richard, P.L., and Palich, J., 2013. Technical Report and Preliminary Economic Assessment for the Moss Lake Project, 43-101 technical report prepared for Moss Lake Gold Mines Ltd. Moss Lake Deposit resource estimate is based on 0.5 g/t Au cut-off grade for open pit and 2.0 g/t Au cut-off grade for underground resources.

**Source: McCracken, T., 2011. Technical Report and Resource Estimate on the Osmani Gold Deposit, Coldstream Property, Northwestern Ontario, 43-101 technical report prepared for Foundation Resources Inc. and Alto Ventures Ltd. East Coldstream Deposit resource estimate is based on a 0.4 g/t Au cut-off grade.

Geology

At Delta-1, geology consists of mafic volcanic and clastic sedimentary rocks of the Greenwater assemblage, generally occurring south of the Trans-Canada Highway, and the clastic sedimentary rocks of the Shebandowan assemblage which occur north of the Trans-Canada Highway (Figure D1-1).

The rocks of the Greenwater assemblage consist generally of mafic to intermediate metavolcanics (including massive and pillowed flows) with ultramafic flows (locally with spinifex textures). These metavolcanics flows are intercalated with thin horizons of graphitic mudstone, sulphide-bearing chert, jasper-magnetite and chert-magnetite banded iron formation all of which translate into high conductive zones. Numerous gabbro sills and dikes intrude the Greenwater assemblage supracrustal rocks throughout this area.

The rocks of the Shebandowan assemblage consist of conglomerates, sandstones, siltstones and mudstones.

Foliation is well-developed and generally strikes east-southeast with near-vertical dip. The rocks have been deformed into tight isoclinal folds with east-southeast striking axial planes.

Structurally, the property is located at the intersection of the Shebandowan and Saganaga Shear Zones. The property covers a 17-kilometre strike extent of the favourable Shebandowan structural zone.

Gold Mineralization

The Delta-1 Property is host to a number of gold occurrences including the Eureka gold occurrence (Figure D1-1) where mechanical trenching has exposed a gold-bearing alteration zone characterized by intense ankeritization-silicification and disseminated pyrite with a stockwork of quartz-carbonate-albite veinlets oriented dominantly ESE and NE. This alteration and low-grade gold halo has a minimum strike length of one kilometre and a width of up to 400 metres. This alteration zone includes two previously known gold occurrences: the Matawin (located on the property) and Bylund (400m east of the property where intercepts of 102.6 metres @ 0.32 g/t Au have been reported).

Exploration Work

2019 Exploration Work

- October 2019, Delta completed a 168 line-kilometer high-resolution drone magnetic survey on the eastern portion of the property to better define the subtle structures that are believed to control gold mineralization at the Eureka Gold Occurrence.
- In November 2019, Delta completed its first drilling program at Delta-1. The program consisted of six holes for a total of 1,009 metres, testing the Eureka Gold Occurrence.

Drilling was carried out on three sections oriented at ~185 degrees azimuth and spaced 100 metres apart. The westernmost sections cover approximately 220 metres across strike in three drill holes, the easternmost section covers approximately 175 metres in 2 drill holes and the central section covers approximately 110 metres with one drill hole (Figure D1-2).

2019 Significant Results and Conclusions:

- Wide intercepts of highly anomalous gold (137m @ 0.2 g/t Au and 141m @ 0.17 g/t Au) were intersected at surface outlining a gold-rich halo over 200m x 300m, including narrower intercepts of 22m @ 0.73 g/t Au and 27.7m @ 0.64 g/t Au.
- The source of the mineralizing “engine” appears to be located to the north and west of the drilling program area, based on increasing grades and alteration intensity.
- An extensive halo intense alteration consisting ankeritization, silicification and pyritization affects all the rock types and is followed by at least two generations of hydrothermal breccias.
- Gold mineralization occurs in all rock types except the feldspar-phyric flows where it has not yet been observed.
- Gold mineralization is typically disseminated, although at least three generations of quartz-carbonate-albite stockwork veins are observed.
- The rocks intersected in drill core during this phase of drilling are only weakly deformed. Delta has not yet intersected the Shebandowan Structure.

2020 Exploration Work

- During the summer of 2020, Delta carried out an orientation till survey on two areas of the property with known gold occurrences. The objective of the survey was to determine the effectiveness of till sampling to indicate bedrock sources of gold mineralization at the Delta-1 Project. A total of 23 till samples were collected in the eastern part of the property to cover an area surrounding the Kasper, Matawin, and Eureka gold occurrences.
- In October 2020 a property-scale, follow-up till sampling survey was carried out, in light of the successful orientation survey. A total of 134 till samples were collected.

- Also in October 2020, a crew of six carried-out preliminary geological mapping, sampling, and prospecting in the central-east part of the project area. A total of nine square kilometres were covered, including all the known mineralized occurrences on the project. A total of 187 outcrops (or groups of outcrops) were visited, described and sampled.

2020 Significant Results and Conclusions

Results of the combined till surveys:

- Two samples in particular drew attention to an area north of the Eureka Gold occurrence for which the bedrock source is not known. Sample number A-10 from the summer 2020 survey, returned 457 gold grains with 95% of the grains being pristine while sample 150, from the October 2020 survey returned a gold grain count of 234 with 91% pristine grains (all samples reported on a normalized 10kg fraction-size sample) (Figure D1-2).
- Samples A-10 and 150, are located at the apex of a dispersion glacial trail that points to a 1km long target area along the Shebandowan Shear Zone. Within this dispersion trail, gold grain counts returned between 24 and 457 gold grains (roughly 3 to 57 times background), with pristine grains accounting for 78% to 99% of the total gold grains.
- Four till samples, collected at the north property limit, returned exceptionally low gold grain counts of 1, 3, 6 and 6, thus closing the gold dispersion trail onto the Delta-1 property and **confirming that the source of gold grains from the gold dispersion trail originates from the Delta-1 property.**

Results of the Geological Mapping and Sampling:

- Grab samples ranging from 0.2 g/t to 3.6 g/t gold extended the gold-mineralized halo for a minimum strike length of one kilometre and is 250 to 400 metres wide. The gold halo is located within a broader zone of intensely altered rocks, similar in strike length, but 400 to 600 metres in width.
- The gold halo is open to the east and to the west, but its north boundary coincides with the Shebandowan Shear Zone. The Shebandowan Shear Zone separates older mineralized volcano-sedimentary rocks to the south from younger, non-mineralized sedimentary rocks to the north and is thought to be the source of the expansive gold halo and alteration zone. The shear zone coincides with a topographic low immediately south of the Trans Canada Highway.

2021 Exploration Work

In April 2021, a total of 1,370 metres were completed in eight drill holes at Delta-1 (Figure D1-2).

The objective of the drilling was to test a one-kilometer-long gold target believed to coincide with the Shebandowan Shear Zone; a deep-seated structure that marks the northern boundary of the Shebandowan greenstone belt. The target is located at the north apex of a gold dispersion trail where till samples returned up to 457 gold grains in a 10kg sample.

Significant results are shown below:

DDH	From (m)	to (m)	Grade (g/t)	Length (m)
D1-21-07	48	54	0.495	6.0
D1-21-08	127	128	5.05	1.0
D1-21-09	6	105	0.422	99.0
incl.	73	91	1.25	18.0
incl.	73	74	10.1	1.0
D1-21-10	5	121	0.377	116.0
incl.	75	121	0.741	46.0
incl.	83	103	0.902	20.0
incl.	83	93	1.202	10.0
D1-21-11	63	171	0.37	108.0
incl.	63	65.2	1.9	2.2
incl.	131	171	0.65	40.0
incl.	151	171	0.97	20.0
incl.	163	171	1.5	8.0
D1-21-12	No significant values			
D1-21-13	19	187.5	0.21	168.5
incl.	28	29	1.17	1.0
incl.	56.5	128	0.31	71.5
incl.	68	69	1.55	1.0
incl.	82	88	0.832	6.0
incl.	121	124	1.07	3.0
D1-21-14	No significant values			

Drill holes D1-21-07, 09, 10, 11 and 13 all intersected a wide zone of disseminated gold mineralization trending roughly EW and dipping 50-55 degrees towards the north. The mineralized zone has now been traced for over 400m of strike length and extends from surface to a vertical depth of 150 metres, with the zone open along strike and to depth (figure D1-2). Current results suggest the mineralization is becoming higher grade and wider towards the west (figure D1-3).

The gold mineralization is hosted within a sandstone that is intensely altered with ankerite, silica flooding and sericite. The sandstone is crosscut by amphibole-feldspar-phyrlic intermediate dikes, also altered by similar mineralogy. All units are cut by a network of quartz-ankerite-pyrite veinlets locally with disseminated grains of visible gold.

This new phase of drilling strengthened Delta's understanding of the geometry of the deposit, and it is believed now that drill holes D1-21-7, 8, 12 and 14 were drilled down-dip and may have missed additional mineralized zones. Furthermore, considering the depth at which drill holes D1-21-11 and 12, intersected bedrock, it is likely that the source of the high gold-in-till anomaly remains untested.

Delta-1 Exploration Work Planned for 2022

In October 2021, the Ministry of Transportation of Ontario had renewed Delta's encroachment permit to allow the Company to drill 25 drill holes in proximity to the Trans-Canada highway. Drilling is expected to begin in early 2022, once the ground is frozen, to extend the mineralized zone for another 300m on strike and up to a depth of 250m.

The objective of this phase of drilling is to delineate a potential and significant gold resource at Eureka and explore other parts of the property deemed of interest.

Delta recommends a follow-up exploration program in 2022 that will consist of:

- A 3,000-metre drilling program aimed at expanding and better understanding the Eureka Gold Zone, and explaining the gold-in till anomaly.
- A geological mapping and prospecting program aimed at explaining the second gold-in-till anomaly located three kilometres SE of Eureka and exploring the area east of the Wedge Gold Zone.

- A short mechanical trenching program that will provide surface expose of the Eureka Zone at where grab samples in 2020 returned 3.7 g/t Au, and the new gold occurrence at Wedge-East.

A total budget of \$700,000 is proposed to carry-out the work.

DELTA-1 PROPERTY, THUNDER BAY, ONTARIO FIGURES

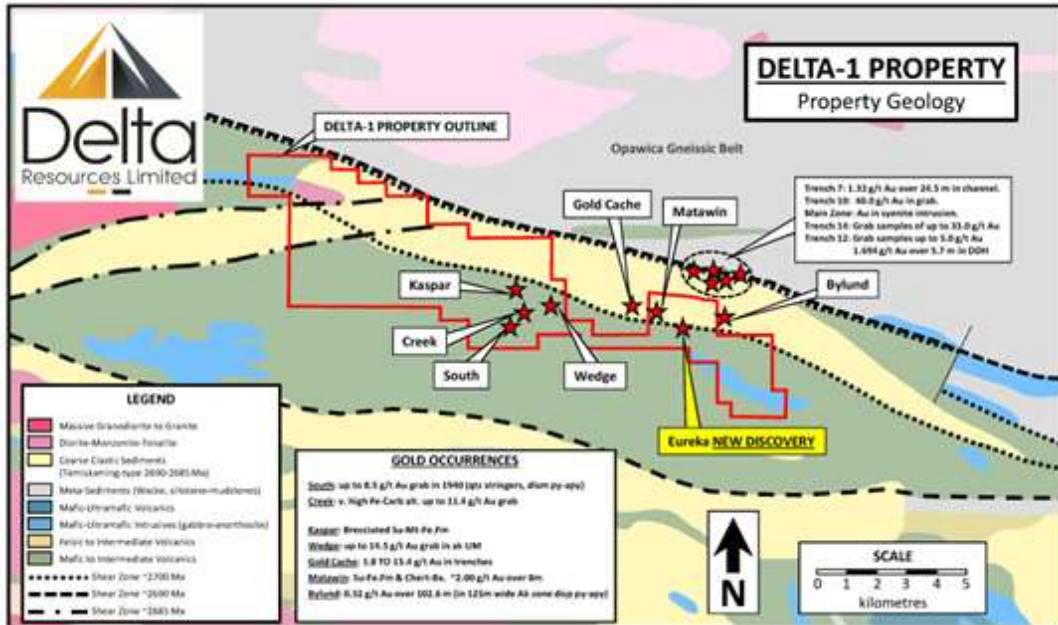


Figure D1-1: Simplified geology of the Delta-1 property showing historical gold occurrences.

DELTA-1 PROPERTY, 2019 & 2021 DRILL PROGRAM

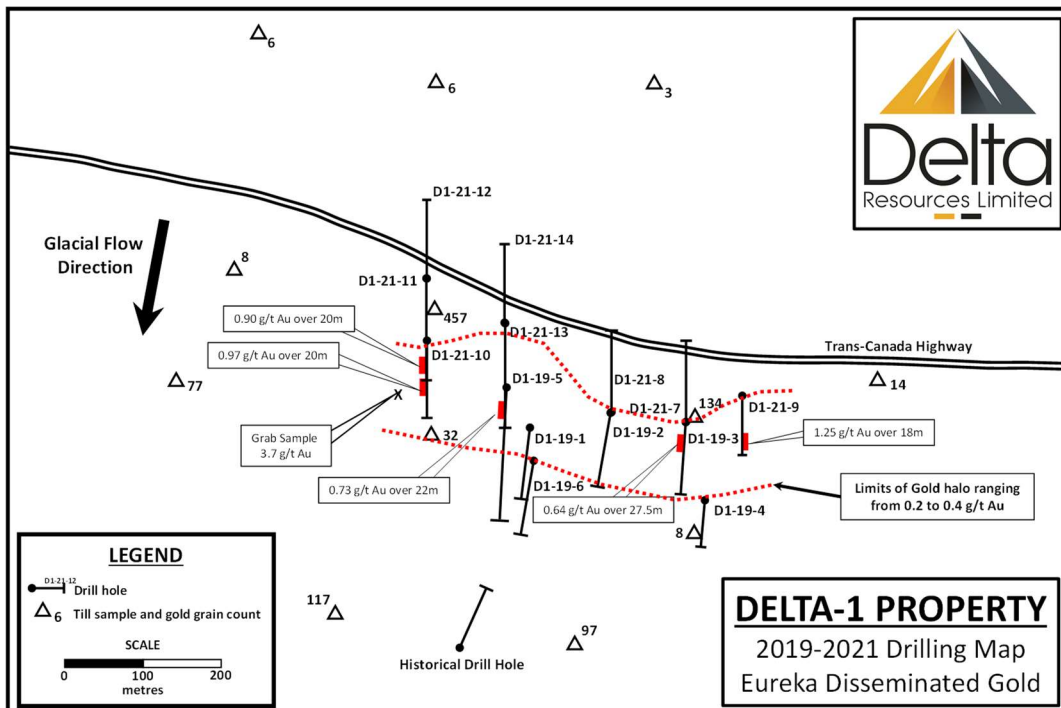


Figure D1-2: Eureka area drilling showing the vertical projection of the disseminated-gold mineralized zone.

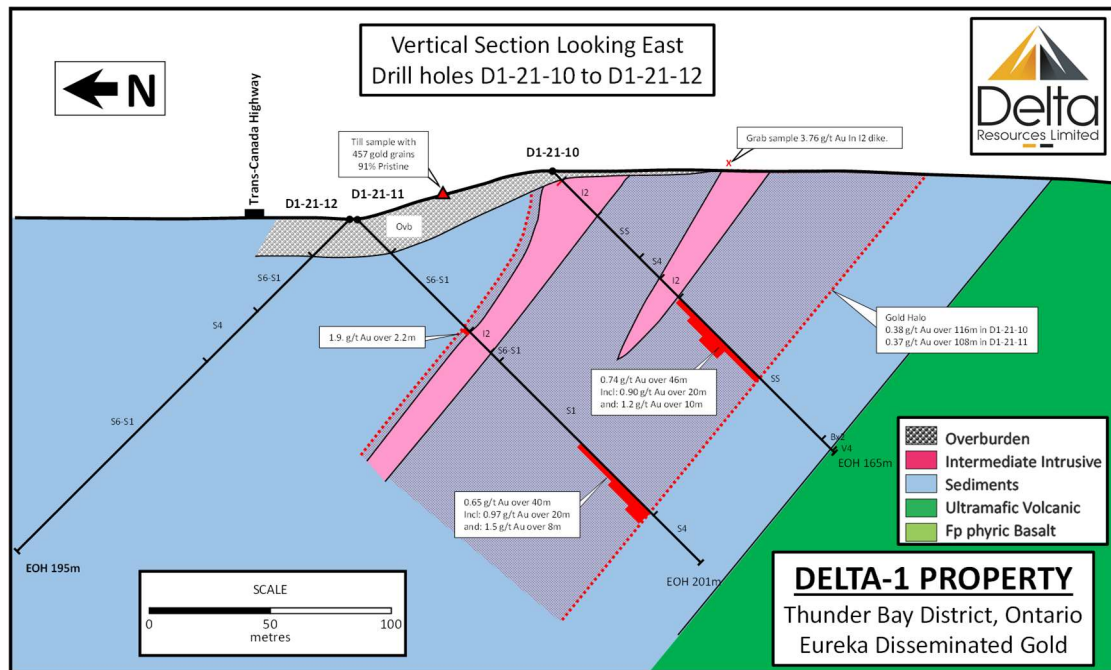


Figure D1-3: Vertical section looking east (090° azimuth) showing the mineralized zone in drill holes D1-21-10 and 11. The zone remains open in all directions and appears to become higher grade towards the west.

DELTA-2 PROPERTY

Introduction

The Delta-2 property is located roughly 35 kilometres south east of the town of Chibougamau, covers over 17,161 hectares (171 square kms) and is easily accessible via paved highway 167.

To earn a 100% interest in the property, Delta's remaining obligations consist of aggregate cash payments of \$150,000 and the issuance of 1,500,000 shares before October 2022.

Exploration History

The Delta-2 property was last explored in 2014 by D'Arianne Resources; the company transitioned to a Phosphate explorer mid-program and abandoned the property.

Geology

The Delta-2 property is located in the Caopatina-Desmaraisville belt at the NE end of the Abitibi Volcanic Belt, just southeast of the Chibougamau and east of Chapais mining camps which account respectively for historic production of 47.5Mt at 1.72% Cu, 2.30 g/t Au and 24.2Mt at 2.24% Cu, 1.13 g/t Au (Figure D2-1).

The Delta-2 property covers the north-eastern contact of the syn-volcanic La Dauversière pluton (2720 Ma). The La Dauversière pluton has a tonalitic composition and is thought to be responsible for many gold occurrences in the area such as the Chevrier Zone (43-101 Resource of 10.8Mt @ 1.22 g/t Indicated and 6.3Mt @ 1.27 g/t Au Inferred) and the R-14 Gold Prospect which is situated on the Delta-2 Property.

Immediately north of the La Dauversière Pluton, in the southern half of the property, rocks consist of massive to pillowed basalts of the Obatogamau Formation. The basalts are intercalated with thin horizons of intermediate to felsic volcanic rocks and are overlain by felsic volcanic rocks of the Waconichi Formation (host to the Lemoine VMS past producer).

The northern half of the property is shown by the Quebec Ministry of Energy and Natural Resources as andesites and basalts of the Bruneau Formation. In the NE part of the property, the Bruneau Formation rocks are overlain by the felsic and sedimentary rocks of the Blondeau Formation.

In the Chibougamau area, the Waconichi Formation is very prospective for VMS mineralization. In fact, the past producing Lemoine Mine (1975-1983: 757 585 tonnes @ 9.52% Zn, 4.18% Cu, 4.56 g/t Au and 82.26 g/t Ag), a small but very high-grade VMS deposit, is located approximately two kilometres north of the property boundary, hosted by the Waconichi Formation. A strike length of over 15-20 kilometres of this prospective contact is located on the Delta-2 property.

Stratigraphy is generally EW-trending and turns NE-SW in the eastern part of the property, generally wrapping around the more competent rocks of the La Dauversière and Boisvert plutons.

Extrusive rocks of the property are intruded by a number of small syn-volcanic mafic sills and dikes and felsic dikes that are genetically linked to the La Dauversière Pluton (Faure, 2012) and spatially associated with the R-14 gold prospect.

Mineralization

The property has excellent potential for both magmatic-hydrothermal gold deposits and gold-rich Volcanogenic Massive Sulphide (VMS) deposits:

Magmatic-Hydrothermal Gold Potential:

The potential for magmatic-hydrothermal gold deposits is illustrated by the Chevrier Gold Deposit (43-101 Resource of 10.8Mt @ 1.22 g/t Indicated and 6.3Mt @ 1.27 g/t Au Inferred) that lies nine kilometres west of the property in a very similar geological setting.

The property is also host to several gold occurrences, the most important of which is the R-14 Gold Prospect where mechanical trenching has exposed a gold-bearing dike swarm within a discordant alteration halo 3 kilometres long and 1 kilometre wide. At R-14, exceptional gold values of up to 142.29 g/t Au over core length of 2.44 metres have been intersected in the early 1980's by Corner Bay Exploration (Brunelle, 1983 quoted by Faure, 2012).

Gold-Rich Volcanogenic Massive Sulphide Potential:

The potential for gold-rich VMS deposits is well illustrated by the very rich Lemoine past producing mine (1975-83: 757,000t VMS deposit grading 9.52% Zn, 4.18% Cu, 4.56 g/t Au and 82.26 g/t Ag) which is located two kilometres north of the Delta-2 property limit. The Lemoine deposit is sitting on the Waconichi Formation, and the Delta-2 property covers well over 20 kilometres of this favourable stratigraphic horizon.

East of the property boundary, the Guillaume-Cartier and Delinel Gold prospects are also gold-rich occurrences showing volcanogenic massive sulphide affinity. Drill hole intercepts of 27,52 g/t Au over 1m; 4,77 g/t Au sur 1m; 1,04 % Cu over 1m; 11,92 g/t Au over 1,0m; 6,65 g/t Au, 7,3 g/t Ag et 1,0 % Cu over 0,3m; 13,05 g/t Au over 1,2m, are reported at Guillaume-Cartier.

Exploration Work

2019 Exploration work

- In late 2019, three weeks were spent by Delta on geological mapping and prospecting. The initial two weeks were devoted to due diligence work prior to the property acquisition. Two new gold occurrences were discovered during the course of these three weeks (i.e. the Due Diligence Occurrence: up to 55.80 g/t gold in grab samples and the Snowfall gold occurrence up to 11.45 g/t gold in grab samples).

2020 Exploration work

- In January 2020, a Helicopter Borne VTEM survey covering the central part of the property,
- In February 2020, a Drone Borne high resolution magnetic survey in the southern part of the property and

- In February and March 2020, “Stitching” and reinterpretation of high-resolution surveys from the area producing a high-resolution geophysical map that allowed Delta geologists to reinterpret the geology of the property and more importantly, the location of the Waconichi Formation.
- In February and March 2020, a map of VTEM electromagnetic conductors was also produced to outline potential VMS targets. Short, isolated and conformable conductors that reflect the typical strike length of VMS deposits were then selected for field follow-up. No less than 30 conductors that have never been drill-tested or poorly-tested were selected for follow up (Figure D2-3).
- During the summer and fall of 2020, an extensive field program of geological mapping, sampling, prospecting, and mechanical trenching, ground-proofing of conceptual gold targets and VTEM anomalies. Both the Snowfall and Due Diligence gold occurrences, discovered in 2019, were expanded with mechanical trenching with best assay results are summarized in the table below:

TABLE OF SIGNIFICANT CHANNEL-SAMPLE RESULTS FROM 2020

OCCURRENCE	CHANNEL	GRADE			LENGTH (m)	REMARK
		Au (g/t)	Ag (g/t)	Cu (%)		
Snow	R1	1.15	0.08	0.02	8.90	Open* Open
Snow	including	4.20	0.33	0.04	1.90	
Snow	R2	0.71	0.54	0.03	0.60	
Snow	R3	2.82	0.10	0.03	2.90	
Snow	including	3.87	0.14	0.04	2.00	
Snow	R4	0.43	0.35	0.02	18.10	
007	R1	1.82	8.77	0.23	4.60	
007	including	2.88	14.75	0.37	2.10	
007	R2	2.40	0.90	0.07	1.00	
007	R3	1.08	3.46	0.11	4.60	
007	including	2.00	8.58	0.24	1.60	
007	R4	2.24	22.46	0.46	2.50	
007	Including	4.30	46.06	0.91	1.70	
007	R5	2.62	3.33	0.12	1.80	
AB	R3	1.19	0.20	0.02	1.10	
AB	R5	2.12	0.10	0.01	1.90	
including		4.02	0.30	<0.01	0.90	
Due Diligence		22.97	1.60	0.03	0.25	
Due Diligence		10.25	0.70	0.07	0.25	

*Channel could not be completed due to bedrock topography or excessive cover.

- In November and December 2020, Delta completed 20 drill holes for a total of 3,431.5 metres. There were no significant results to report.

2021 Exploration work

From January to March, 2021, Delta completed 18 drill holes for a total of 2,726.5 metres at the Delta-2 property. Drill holes 21 to 25 and 30 and 31 were aimed at VMS targets while drill holes 26 to 29 and 32 to 37 were aimed at gold targets.

Drilling of the gold targets culminated with the new Oli Gold discovery. Significant results are shown below:

TABLE OF COMPLETE DRILL RESULTS SO FAR AT THE OLI-GOLD DISCOVERY

Drill Hole No.	From	To	Width	Au
D2-21-28	24.60	27.10	2.50	18.88 g/t
including			0.90	50.75 g/t
and	120.80	121.60	0.80	14.08 g/t
D2-21-29	25.70	27.00	1.30	3.96 g/t
and	116.40	117.60	1.20	1.81 g/t
D2-21-32	76.6	77.1	0.5	1.13 g/t
D2-21-33	No significant values.			
D2-21-34	54.50	57.80	3.30	27.93 g/t
including	57.00	57.80	0.80	106.00 g/t
and	137.80	138.30	0.50	4.39 g/t
D2-21-34b	61.50	63.30	1.80	5.74 g/t
including	62.70	63.30	0.60	12.20 g/t
D2-21-35	54.00	57.50	3.50	12.13 g/t
including	56.80	57.50	0.70	56.70 g/t
D2-21-36	13.90	14.40	0.50	12.20 g/t
D2-21-37	No significant values.			

True intercepts are believed to be close to drill intercept lengths.

The mineralized zones consist of quartz-carbonate-tourmaline-fuschite veins with up to 10% pyrite clusters, and disseminated pyrrhotite, chalcopyrite, sphalerite, and visible gold. Drilling and surface mechanical trenching now suggest that these veins are trending between 060 azimuth with a dip of approximately 65 degrees towards the south. The quartz veins are associated with felsic and mafic dikes. The mineralization is located approximately one kilometre north-east of the R-14 Gold prospect (figure D2-3).

During the summer of 2021, Delta completed a gravimetric survey covering a 4.5 square kilometre area. The objective of the survey was to outline large, buried sulphide masses which have a higher density than their host rocks. Three residual gravimetric anomalies of 0.6 mgal were detected at the core of a syncline affecting the favourable sulphide-bearing horizon. These targets will be drill tested in the fall of 2021 or early 2022.

During the summer and fall of 2021, Delta completed a program of geological mapping, sampling, prospecting and mechanical trenching. The program culminated in the discovery of the Lone Pine Gold Occurrence where grab samples returned 18.8 and 21.1 g/t Au. This geological mapping program also lead to a better understanding of the structural controls and geometry of the gold mineralization. With structures trending 020 azimuth becoming gold targets as well as the structures trending at 060 azimuth.

In June 2021, Delta completed three drill holes for a total of 585 metres. The objective of the drilling was to test the depth extent of the OLI gold vein. The host structure was intercepted but the vein was not intersected and no significant results are reported.

During the months of November and December 2021, Delta completed sixteen (16) drill holes and deepened drill hole D2-21-27, for a total of 2,709 metres. The drilling program was aimed at gold targets between the OLI and R-14 gold occurrences on two newly defined structures. The structures and some quartz-ankerite-tourmaline veins were intersected during the course of the program, in significant altered structures. All results from this program are still pending at the time this MD&A was written.

Delta-2 Property Acquisition:

On May 13, 2021, Delta announced the signing of an option agreement with Cartier Resources Inc. whereby Delta shall have the sole and exclusive right to earn a 100% Interest by paying Cartier \$10,000 in cash at signing; by completing the issuance in favour of Cartier of an aggregate of 600,000 over three years; and by incurring \$1,000,000 in exploration expenditures over the four-year Option period.

Upon earning a 100% interest in the Dollier Property, Cartier will be granted a 2% NSR production royalty. Delta will have the exclusive right to purchase the first 1% NSR for \$2,000,000 and the second 1% NSR for \$15,000,000.

Delta may elect at any time, on or before the Option Deadline to terminate the Option by delivering notice in writing to that effect to Cartier.

The Dollier property consists of 40 claims covering 2,228 hectares and is contiguous to the Delta-2 VMS property. The property is host to the Delinel Gold-Pyrite VMS prospect where best results include 25.1 g/t gold over 1.0m, 13.3 g/t gold over 1.2m and 11.9 g/t gold over 1.0m.

Delta-2 Exploration Work Planned for 2022

Drilling has been ongoing since the start of 2022, aimed at VMS targets. As of the date of this MD&A, a total of 22 drill holes had been completed for a total of 4,292m. Results are pending for all these drill holes.

Additional filed work at Delta-2 in 2022 will include:

- Twenty-five (25) additional drill holes are planned for gold targets,
- Twenty-one (21) additional drill holes are planned on VMS targets that remain to be tested,
- A 631 line-kilometre helicopter-borne VTEM survey at Delta-2 to cover the newly acquired Dollier property as well as the NE portion of the property,
- Ground gravity surveys will be targeting selected VTEM responses,
- Down-hole EM will be carried-out in the 2021-2022 drill holes that were aimed at the VMS targets, and
- A geological mapping, prospecting, sampling and mechanical trenching program is planned for the summer of 2022 to cover areas of interest yet to visit in the field.

A total budget of \$2,000,000 is planned for 2022 at Delta-2.

DELTA-2 PROPERTY, CHIBOUGAMAU, QUEBEC FIGURES

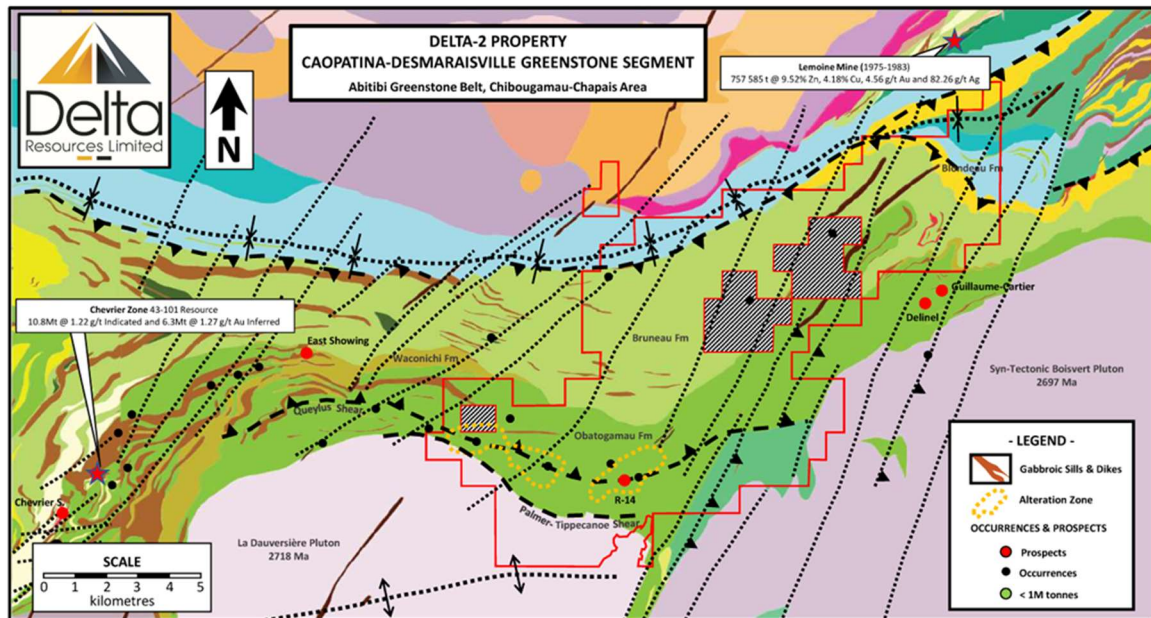


Figure D2-1: Simplified geology map of the Delta-2 Property.

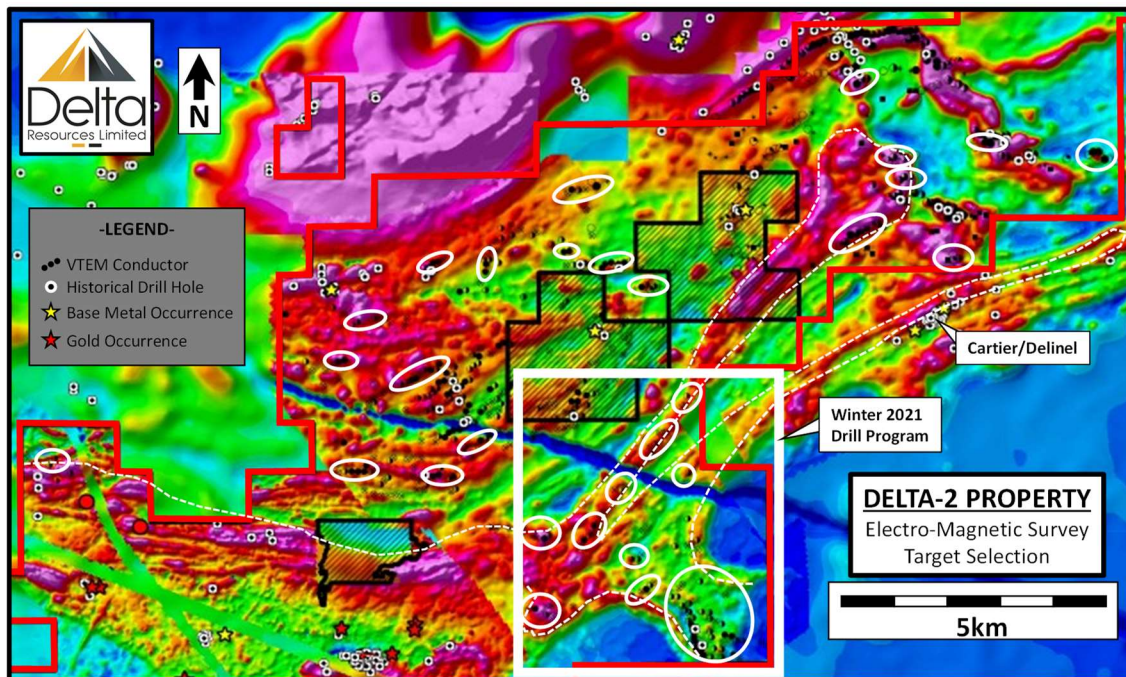


Figure D2-2: VTEM conductor map of the Delta-2 property overlain on high-resolution total mag. The map shows Delta's new interpretation of the Waconichi Formation as well as the new untested targets defined with the Electro-Magnetic survey.

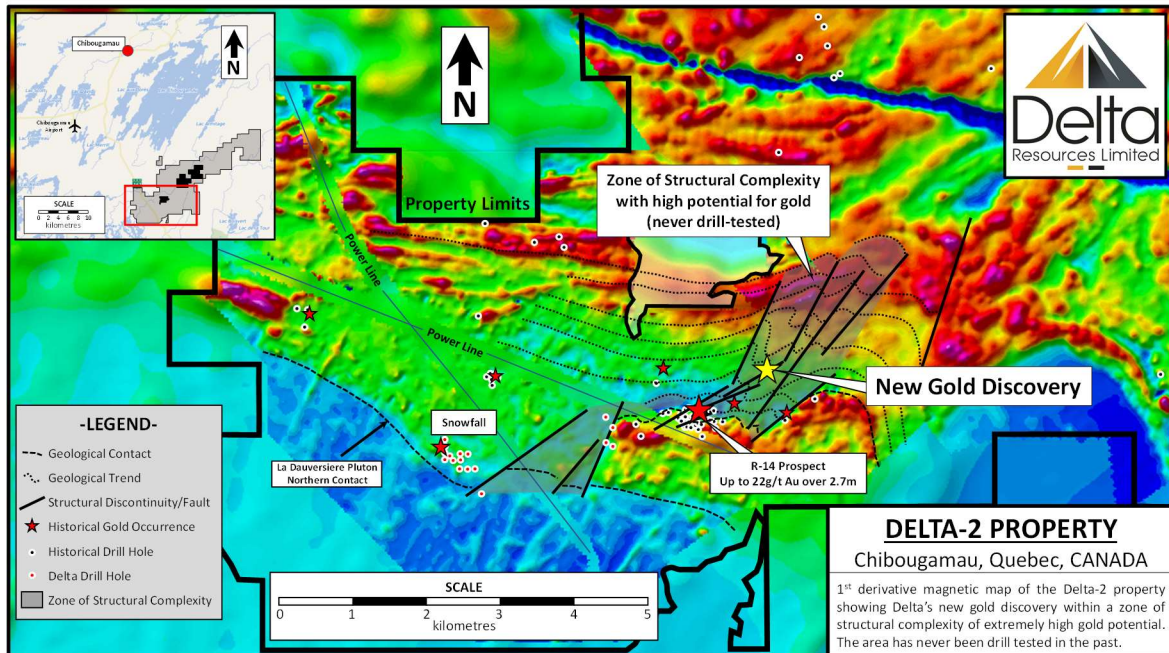


Figure D2-3: First derivative magnetic map of the Delta-2 property in Chibougamau, Quebec, showing the site of Delta's new, high-grade gold discovery. Note the new discovery is situated in a never-tested NE-trending corridor of structural complexity believed to represent an early structure that may have localized gold mineralization of magmatic-hydrothermal affinity.

BELLECHASSE PROPERTY

The 100% owned Bellechasse property is located approximately 90 kilometres south east of Quebec City within the northern part of the Appalachian range of mountains. The property consists of approximately 138 claims totaling 5,053 hectares. The Quebec property covers an area of continental collision in which transform faulting is common. Locally, this collision terrain is part of the Appalachian Mountain fold belt. Widespread gold mineralization has historically been found between Bellechasse and west of the Chaudière River. Mineralization with potential economic interest is hosted in zones of fracturing and brecciation in the older intrusives or other pre-existing competent rocks in structural features related to regional trans-current/transform faults.

The Bellechasse Belt currently includes three main areas of interest:

- Bellechasse (incl.; T1, T2, 88, and Ascot/Road Zones)
- The Beland anomaly (approx. 6.2 kms southwest of Bellechasse)
- Champagne Zone, a partially explored gold and base metal deposit

On June 18, 2012, the Company announced its inaugural NI 43-101 resource estimate. Since the publication of the full report in August of 2012, the Company has looked at a variety of options to take the project to the next stage of development.

Bellechasse Gold Deposit

The Bellechasse gold zone is hosted by an early diorite intrusive emplaced in Lower Palaeozoic sediments of southeastern Quebec. Gold was first confirmed in the Bellechasse area in 1950, at which time the Ascot and Timmins 1 (T1) zones were discovered.

A third mineralized body was indicated by shallow diamond drilling in 1952 and referred to as the Timmins South Zone (now called Timmins 2 or T2). Due to thick overburden, trenching did not

reach bedrock and the mineralized zone was not exposed. Little subsequent work was done until the current management and technical team began further exploration work in the fall of 2006.

The Champagne VMS

In the fall of 2011, the Company engaged Geotech Limited to conduct a VTEM of the Bellechasse Belt around the Champagne deposit. At the beginning of the 2012 exploration season, the Company drilled the historically known Champagne deposit by twinning some of the historical holes in order to confirm the resource. The results of the campaign published in April 2012 revealed that the mineralization is indeed present although the tonnage had not been confirmed. Additionally, some exploration holes were drilled in an attempt to locate another Champagne style mineralization on the "Champagne Horizon". Although the signatures were strong in the areas where exploration holes were drilled, the results from these holes were not what management was expecting.

On July 3rd, 2020 Delta signed an agreement with Yorkton Ventures for the sale of the Bellechasse gold property for \$1.7 million and signed an amended agreement on January 27, 2021.

On July 16, 2020 the TSX Venture Exchange has accepted for filing documentation an asset purchase agreement (the "Agreement") between the Yorkton Ventures affiliate, 9412-1068 Quebec Inc. (the "Purchaser") and Delta Resources Limited (the "Vendor") dated July 3, 2020. Pursuant to the terms of the Agreement, the Purchaser will acquire 100% of the Bellechasse Project located in Quebec from the Vendor for a total cash consideration of \$1.7 million. The Purchaser will also commit to paying the Vendor a royalty of 1% NSR on all commercial production of gold. The Purchaser may repurchase 0.5 % of the NSR for \$1 million at any time.

Yorkton Ventures made the last cash payment of \$400,000 remaining to complete the acquisition in March 2022.

Person In Charge of Technical Disclosure

Andre C. Tessier, P.Eng and P.Geo. President and CEO of the Company, is the qualified person under *NI 43-101 on standards of disclosure for mineral projects* that has reviewed and approved the technical content of this MD&A for the properties.

SUMMARY OF QUARTERLY AND YEAR TO DATE RESULTS

Summary of Annual Results

The following tables set out financial performance highlights for the past three fiscal years.

	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
Interest income	\$3,238	\$1,902	\$0
Operating expenses	\$1,559,441	\$1,944,263	\$972,219
Net loss and comprehensive loss	(\$1,518,060)	(\$1,906,400)	(\$809,813)
Loss per share	(\$0.040)	(\$0.062)	(\$0.044)
Cash used in operations	(\$1,261,379)	(\$1,344,411)	(\$791,736)
Cash, end of year	\$3,612,736	\$1,212,415	\$938,809
Assets	\$4,417,972	\$1,991,287	\$1,153,124
Dividends	\$0	\$0	\$0

This selected annual information should be read in conjunction with the audited financial statements filed on www.sedar.com for the year ended December 31, 2021.

RESULTS OF OPERATIONS

Results of Operations for the year ended December 31, 2021

Delta anticipates that, for the foreseeable future, results of operations will primarily be impacted by several factors, including the timing of exploration and the efforts and timing of expenditures related to the development of the Company. Due to fluctuations in these factors, the Company believes that the period-to-period comparisons of operating results are not a good indication of its future performance.

The following discussion and analysis are based on Delta's results of operations for the year ended December 31, 2021. The selected financial information data is derived from the Company's audited financial statements for the year indicated.

The Company recorded a net loss and comprehensive loss for the year ended December 31, 2021 of \$1,518,060 compared to a net loss and comprehensive loss of \$1,916,400 for the year ended December 31, 2020.

FINANCIAL HIGHLIGHTS

	December 31	
	2021	2020
Revenues	\$ 3,538	\$ 27,863
Exploration and evaluation expenditures	1,108,386	1,080,220
Legal, financial and other corporate expenses	229,685	231,099
General administrative expenses	112,342	123,662
Management fees	60,000	60,000
Shareholders' information	46,925	85,378
Depreciation	1,142	1,249
Travel	961	8,372
Share-based compensation	-	354,283
	<u>1,559,441</u>	<u>1,944,263</u>
Deferred tax	<u>37,843</u>	<u>-</u>
Net loss and comprehensive loss	<u>\$ 1,518,060</u>	<u>\$ 1,916,400</u>
Cash	<u>\$ 3,612,736</u>	<u>\$ 1,212,415</u>

Revenues

Revenues for the year ended December 31, 2021 amounted to \$3,538 (\$27,863 in 2020), consisting of other revenues and interest income. Given its status as an exploration company, the Company does not generate any steady income, and must finance its activities by issuing equity.

Exploration and evaluation expenditures

Included in exploration and evaluation expenditures are fees incurred for work done on Delta-1 / Eureka, Delta-2 / R-14 properties, the amount received under the agreement of the sale of the Bellechasse property, the Dollier's claims acquisition and the amount paid to Ontario Exploration Corporation to buy back a NSR on Delta-1 / Eureka property, tax credits and credits on duties during the year ended December 31, 2021. Evaluation and exploration expenditures of \$1,108,386 were incurred.

Shareholders' Information

Shareholders' Information expenses mainly consist of fees paid for website maintenance, SEDAR filings, annual meeting materials, dissemination of press releases transfer, agent services, investor relations and trade shows. For the year ended December 31, 2021, the decrease of \$38,453 from the previous year was mainly due to a decrease in investor relations and shareholder information expenses.

Share-based compensation

Share-based compensation expenses relate to stock options granted. The calculation of this non-cash expense is based on the fair value of the stock options granted, amortized over the vesting period of the option using the graded vesting method. The Company uses the Black-Scholes model to calculate the compensation expense.

There was \$354,283 in share-based compensation for the year ended December 31, 2020. The expenses represent the issuance 1,805,000 stock options to management, board of directors and consultants. No share-based compensation were granted during the year ended December 31, 2021.

Results of Operations for the three-month period ended December 31, 2021

The comments below provide an analysis of the operating results for the three-month period ended December 31, 2021. The selected financial information shown below is taken from the condensed unaudited interim consolidated financial statements for each of the three-month periods indicated.

The Company recorded a net loss for the three-month period ended December 31, 2021 of \$950,734 compared to net loss \$820,929 for the three-month period ended December 31, 2020.

FINANCIAL HIGHLIGHTS

	December 31 (3 months)	
	2021	2020
Revenues	\$ 951	\$ 21,175
Exploration and evaluation expenditures	884,341	661,721
Legal, financial and other corporate expenses	54,185	94,082
General administrative expenses	29,335	26,801
Management fees	15,000	15,000
Shareholders' information	5,418	14,990
Depreciation	288	312
Travel	961	-
Share-based compensation	-	29,198
	989,528	842,104
Deferred tax	37,843	-
Net loss and comprehensive loss	\$ 950,734	\$ 820,929
Cash	\$ 3,612,736	\$ 1,212,415

Revenues

Revenues for the three-month period ended December 31, 2021 amounted to \$951 (\$21,175 in 2020), consisting in interest income. Given its status as an exploration company, the Company does not generate any steady income, and must finance its activities by issuing equity.

Exploration and evaluation expenditures

Included in exploration and evaluation expenditures are fees incurred for work done on Delta-1 / Eureka, Delta-2 / R-14 properties, tax credits and credits on duties during the three-month period ended December 31, 2021.

Legal, Financial and other corporate expenses

Legal, Financial and other corporate expenses were \$54,185 for the three-month period ended December 31, 2021, compared to \$94,082 for the three-month period ended December 31, 2020. The decrease of \$39,897 from the previous period was due a decrease corporate development offset by an increase in consultation and professional expenses.

Share-based compensation

Share-based compensation expenses relate to stock options granted. The calculation of this non-cash expense is based on the fair value of the stock options granted, amortized over the vesting period of the option using the graded vesting method. The Company uses the Black-Scholes model to calculate the compensation expense.

There was \$29,198 in share-based compensation for the three-month period ended December 31, 2020. The expenses represent the issuance of 125,000 stock options to a consultant. No share-based compensation were granted during the three-month period ended December 31, 2021.

The selected financial information below was taken from Delta's unaudited interim financial statements for each of the following quarters:

	Q4 December 31, 2021	Q3 September 30, 2021	Q2 June 30, 2021	Q1 March 31, 2021	Q4 December 31, 2020	Q3 September 30, 2020	Q2 June 30, 2020	Q1 March 31, 2020
Interest income	\$951	\$698	\$758	\$831	\$1,175	\$237	\$437	\$53
Operations expenses	\$989,528	(\$142,501)	\$527,691	\$184,723	\$842,104	\$603,970	\$163,569	\$334,620
Net income (loss) and comprehensive income (loss)	(\$950,734)	\$143,199	(\$526,633)	(\$183,892)	(\$820,929)	(\$603,733)	(\$162,271)	(\$329,467)
Loss per common share	(\$0.017)	(\$0.003)	(\$0.015)	(\$0.005)	(\$0.025)	(\$0.020)	(\$0.006)	(\$0.011)
Cash used in operations	(\$148,165)	\$148,467	(\$643,650)	(\$618,031)	(\$500,524)	(\$245,688)	(\$250,079)	(\$348,120)
Cash, end of period	\$3,612,736	\$968,538	\$817,071	\$883,084	\$1,212,415	\$1,737,175	\$398,200	\$589,840
Assets	\$4,417,972	\$1,588,448	\$1,304,668	\$1,872,389	\$1,991,287	\$2,196,121	\$717,441	\$855,686
Dividends	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

LIQUIDITY AND CAPITAL RESOURCES

Financings

The Company will look to add to its treasury, whenever necessary, through additional financing efforts to continue working on its exploration program.

The Company defines capital as shareholders' equity. The Company's objectives when managing capital are to:

- ensure sufficient liquidity to support its financial obligations and execute its operating and strategic plans;
- maintain financial capacity and access to capital to support future development of the business while taking into consideration current and future industry, market and economic risks and conditions; and
- utilize short term funding sources to manage its working capital requirements.

The Company has no externally imposed restrictions on capital.

Date	Financing		Commercial Goals	
February 2021	Common shares	\$300,000	Working Capital	
December 2021	Common shares	\$672,250	Working Capital	
December 2021	National Flow-through shares	\$669,500	Exploration expenditures	Still has \$669,500 to spend at the latest December 31, 2022
December 2021	Quebec Flow-through shares	\$2,222,700	Exploration expenditures	Still has \$1,936,780 to spend at the latest December 31, 2022

As at December 31, 2021, the Company's cash were \$3,612,736. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. In order to continue its operations, the Company will have to find additional financing and despite the fact it has been successful in the past at raising funds, there can be no assurance the Company will be able to secure financing in the future or that these sources of funding will be available. There is a significant risk that the Company will be unable to secure further financing.

Cash Flow Information

CASH FLOW

	December 31	
	2021	2020
Operating activities	\$ (1,261,379)	\$ (1,344,411)
Financing activities	\$ 3,661,700	\$ 1,618,017
	<u>\$ 2,400,321</u>	<u>\$ 273,606</u>
Cash	<u>\$ 3,612,736</u>	<u>\$ 1,212,415</u>

Operating Activities:

During the year ended December 31, 2021, funds used for operating activities were spent primarily on operations and promotion of the Company. The Company also received an amount related to mining tax credits.

Financing Activities:

During the year ended December 31, 2021, financing activities consisted of the exercise of share purchase warrants and the issuance of shares following private placements.

Disclosure of Outstanding Common shares and warrants as at December 31, 2021.

(a) Common shares and warrants

Authorized: An unlimited number common shares, without par value:

Changes in Company common shares and warrants were as follows:

	December 31, 2021		December 31, 2020	
	Number	Amount \$	Number	Amount \$
Balance, January 1, 2021	35,347,907	32,220,814	29,049,338	30,183,612
Shares issued pursuant to private placements ⁽¹⁾⁽⁶⁾⁽¹⁵⁾⁽¹⁹⁾	3,346,955	972,249	4,453,569	1,558,750
Shares issued pursuant to flow-through placement ⁽²⁾⁽³⁾⁽⁷⁾⁽⁸⁾	8,697,031	2,554,327	-	-
Share issuance in consideration of exploration and evaluation expenditures ⁽⁹⁾⁽¹⁰⁾⁽¹¹⁾⁽¹⁴⁾⁽¹⁷⁾⁽¹⁸⁾⁽²²⁾	1,267,281	389,203	1,350,000	441,750
Warrants exercised ⁽⁴⁾⁽⁵⁾⁽¹²⁾⁽¹³⁾⁽¹⁶⁾⁽²⁰⁾	567,500	99,520	395,000	60,900
Options exercised ⁽²¹⁾	-	-	100,000	19,435
Share issue costs	-	(442,459)	-	(43,633)
Balance, December 31, 2021	49,226,674	35,793,654	35,347,907	32,220,814

- (1) On December 21, 2021, the Company issued 503,703 units at a price of \$0.27 per unit, for gross proceeds of \$136,000. Each unit consists of one common share and one half share purchase warrant. Each warrant entitles its holder to purchase one common share of the Company at \$0.40 for a 24-month period.
- (2) On December 21, 2021, the Company issued 161,290 National Flow Through units at a price of \$0.31 per unit, for gross proceeds of \$49,999.90. Each unit consists of one common share and one half share purchase warrant. Each warrant entitles its holder to purchase one common share of the Company at \$0.45 for a 24-month period. An amount of \$49,999.90 was allocated to share capital, while \$11,290 was attributed to other liabilities related to flow-through shares (Note 8).
- (3) On December 21, 2021, the Company issued 44,117 Quebec Flow Through units at a price of \$0.34 per unit, for gross proceeds of \$14,999.78. Each unit consists of one common share and one half share purchase warrant. Each warrant entitles its holder to purchase one common share of the Company at \$0.45 for a 24-month period. An amount of \$14,999.78 was allocated to share capital, while \$4,412 was attributed to other liabilities related to flow-through shares (Note 8).
- (4) On December 16, 2021, the Company received \$10,400 following the exercise of 52,000 broker warrants at \$0.20 each.
- (5) On December 10, 2021, the Company received \$2,520 following the exercise of 12,600 broker warrants at \$0.20 each.
- (6) On December 1, 2021, the Company issued 1,986,110 units at a price of \$0.27 per unit, for gross proceeds of \$536,249. Each unit consists of one common share and one half share purchase warrant. Each warrant entitles its holder to purchase one common share of the Company at \$0.40 for a 24-month period.
- (7) On December 1, 2021, the Company issued 1,998,389 National Flow Through units at a price of \$0.31 per unit, for gross proceeds of \$619,500.59. Each unit consists of one common share and one half share purchase warrant. Each warrant entitles its holder to purchase one

common share of the Company at \$0.45 for a 24-month period. An amount of \$619,500.59 was allocated to share capital, while \$29,976 was attributed to other liabilities related to flow-through shares (Note 8).

- (8) On December 1, 2021, the Company issued 6,493,235 Quebec Flow Through units at a price of \$0.34 per unit, for gross proceeds of \$2,207,699.90. Each unit consists of one common share and one half share purchase warrant. Each warrant entitles its holder to purchase one common share of the Company at \$0.45 for a 24-month period. An amount of \$2,207,699.90 was allocated to share capital, while \$292,195 was attributed to other liabilities related to flow-through shares (Note 8).
- (9) On October 18, 2021, the Company issued 800,000 common shares pursuant to the Delta-2 / R-14 Property Agreement. The total fair value of the common shares issued of \$224,000 was determined using the closing price on the TSX Venture Exchange as at October 18, 2021.
- (10) On October 2, 2021, the Company issued 167,281 common shares pursuant to the Delta-1 / Eureka Property Agreement. The total fair value of the common shares issued of \$55,203 was determined using the closing price on the TSX Venture Exchange as at October 2, 2021.
- (11) On July 23, 2021, the Company issued 200,000 common shares pursuant to the acquisition of a 100% interest in 8 (30 Units) in Blackewell, Laurie, Dawson Road Lots and Goldie Townships in Thunder Bay, Ontario and contiguous to the Delta-1 - Eureka property. The total fair value of the common shares issued of \$68,000 was determined using the closing price on the TSX Venture Exchange as at July 23, 2021.
- (12) On July 11, 2021, the Company received \$3,750 following the exercise of 12,500 warrants at \$0.30 each.
- (13) In April, May and June 2021, the Company received \$70,500 following the exercise of 475,000 warrants between \$0.12 and \$0.30 each.
- (14) On May 28, 2021, the Company issued 100,000 common shares following the TSX Venture's approval on the Option Agreement related to the Dollier Property. The total fair value of the common shares issued of \$42,000 was determined using the closing price on the TSX Venture Exchange as at May 28, 2021.
- (15) On February 3, 2021, the Company issued 857,142 units at a price of \$0.35 per unit, for gross proceeds of \$300,000. Each unit consists of one common share and one half share purchase warrant. Each warrant entitles its holder to purchase one common share of the Company at \$0.45 for a 24-month period.
- (16) On January 27, 2021, the Company received \$3,080 following the exercise of 15,400 broker warrants at \$0.20 each.
- (17) On October 19, 2020, the Company issued 800,000 common shares pursuant to the Delta-2 / R-14 Property Agreement. The total fair value of the common shares issued of \$284,000 was determined using the closing price on the TSX Venture Exchange as at October 19, 2020.
- (18) On October 3, 2020, the Company issued 500,000 common shares pursuant to the Delta-1 / Eureka Property Agreement. The total fair value of the common shares issued of \$150,000 was determined using the closing price on the TSX Venture Exchange as at October 3, 2020.
- (19) On September 29, 2020, the Company issued 4,453,569 units at a price of \$0.35 per unit, for gross proceeds of \$1,558,750. Each unit consists of one common share and one half share purchase warrant. Each warrant entitles its holder to purchase one common share of the Company at \$0.50 for a 24-month period.
- (20) In July and August 2020, the Company received \$60,900 following the exercise of 395,000 warrants between \$0.12 and \$0.30 each.
- (21) On June 26, 2020, the Company received \$12,000 following the exercise of 100,000 options at a price of \$0.12 each.

- (22) On February 28, 2020, the Company issued 50,000 common shares pursuant the acquisition of 14 new claims contiguous to the Delta-2 / R-14 property. The total fair value of the common shares issued of \$7,750 was determined using the closing price on the TSX Venture Exchange as at February 28, 2020.

(b) Warrants

At December 31, 2021, the following exercisable warrants were outstanding:

Warrants	Price	Expiry
2,850,000	\$0.12	June 10, 2022
2,226,781	0.50	September 29, 2022
428,570	0.45	February 3, 2023
4,245,812	0.45	December 1, 2023
993,055	0.40	December 1, 2023
102,703	0.45	December 21, 2023
251,851	0.40	December 21, 2023
11,098,772	\$0.30	

(c) Broker Warrants

At December 31, 2021, the following exercisable broker warrants were outstanding:

Broker warrants	Price	Expiry
34,650	\$0.35	September 29, 2022
56,000	0.40	December 1, 2023
570,613	0.45	December 1, 2023
661,263	\$0.44	

(d) Options

At December 31, 2021, the following exercisable stock options were outstanding:

Options	Exercisable	Price	Expiry
125,000	125,000	\$0.42	November 27, 2022
625,000	625,000	0.11	July 4, 2024
200,000	200,000	0.13	July 8, 2024
1,380,000	1,380,000	0.26	July 10, 2025
200,000	200,000	\$0.40	August 24, 2025
2,530,000	2,530,000		

OFF-BALANCE SHEET ARRANGEMENTS AND COMMITMENTS

The Company has no off-balance sheet arrangements.

Commitments

In October 2020, the Company signed a lease contract for its Chibougamau office, starting January 1, 2021 and expiring in December 31, 2021. Minimum payments, totaling \$22,500, are solely comprised of payments to be made in 2021. In January 2022, the Company has renewed for an additional year.

Under rules established by the Ministère de l'Énergie et Ressources Naturelles of the province of Québec, the Company is required to spend the amount of approximately \$12,330 to maintain the claims on the properties in 2021, respectively.

In addition, the Company has the following royalty commitments resulting from past transactions:

- Net profit royalty of 5% on net profits greater than \$250,000 for 4 claims acquired from La Société Minière Colmo.
- NSR of 2% for 26 claims acquired from a prospector in 2010.

RELATED PARTY TRANSACTIONS

The following table reflects the remuneration of key management and directors of the Company:

	2021 \$	2020 \$
General administrative expenses ⁽¹⁾	77,263	84,055
Management fees ⁽²⁾	60,000	60,000
Professional fees ⁽³⁾⁽⁴⁾	47,420	40,821
Exploration and evaluation expenditures ⁽¹⁾⁽⁴⁾	147,273	234,780
Share-based payments	-	298,520
	331,956	718,176

(1) During the year ended December 31, 2021, a total of \$132,140 (\$128,075 in 2020) was paid to André C. Tessier, President and Chief Executive Officer of the Company. That total included (i) \$77,263 (\$84,055 in 2020) as general administrative expenses, (ii) \$54,877 (\$44,020 in 2020) for exploration and evaluation expenditures of the Company.

(2) During the year ended December 31, 2021, the Company incurred management fees in the amount of \$60,000 (2020 - \$60,000), with 9132-8757 Quebec Inc., a company owned by Frank Candido, the former President (now Chairman and Vice-President of Corporate Communications) of the Company. In relation with these transactions no amount was payable as at December 31, 2021 and 2020.

(3) During the year ended December 31, 2021, the Company incurred professional fees in the amount of \$47,420 (2020 - \$33,879), with Nathalie Laurin, the Chief Financial Officer of the Company. In relation with these transactions \$6,839 was payable as at December 31, 2021 (2020 - \$1,830).

(4) During the year ended December 31, 2021, the Company incurred an amount of \$92,396 (2020 - \$190,759) in exploration and evaluation expenditures and incurred during the year ended

December 31, 2020 and an amount of \$6,942 in other professional fees, with 7529449 Canada Inc., a company owned by Michel Chapdelaine, the Former Vice President Exploration and Former Chief Operating Officer of the Company. In relation with these transactions, no amount was payable as at December 31, 2021 (2020 - \$42,966 accrued).

The transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed by the related parties.

CRITICAL ACCOUNTING ESTIMATES, JUDGMENTS AND ASSUMPTIONS

When preparing its financial statements, management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgments, estimates and assumptions made by management. Information about critical judgments, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses.

Critical judgments in applying the Company's accounting policies are detailed in Note 4 of the most recent annual financial statements, filed on SEDAR (www.sedar.com).

SIGNIFICANT ACCOUNTING POLICIES

For more information on significant accounting policies of the Company, please refer to Note 4 to the most recent annual financial statements.

RISKS AND UNCERTAINTIES

COVID-19 estimation uncertainty

The COVID-19 pandemic continues to cause significant financial market and social dislocation. The situation is dynamic with various cities and countries around the world responding in different ways to address the outbreak. While the Company has experienced the impact of the outbreak of the Coronavirus (COVID-19) on its operations, it had continued to operate during the current pandemic. During the year ended December 31, 2020, the Company received an interest-free loan of \$40,000 under the Canada Emergency Business account program (see Note 9). In the event of a prolonged continuation of the pandemic, it is not clear what the potential impact may be on the Company's business, financial position and financial performance.

Nature of Mineral Exploration and Development Projects

Mineral exploration is highly speculative in nature, involves many risks and frequently is non-productive. There is no assurance that exploration efforts will continue to be successful. Success in establishing reserves is a result of several factors, including the quality of management, the Company's level of geological and technical expertise, the quality of land available for exploration and other factors. Once mineralization is discovered, it may take several years in the initial phases of drilling until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable reserves through drilling, to determine the optimal metallurgical process to extract the metals from the ore and, in the case of new properties, to construct mining and processing facilities.

Because of these uncertainties, no assurance can be given that exploration programs will result in the establishment or expansion of resources or reserves. Whether a resource deposit will ultimately be commercially viable depends on several factors, including the particular attributes of the deposit such as the deposit's size; its proximity to existing infrastructure; financing costs and the prevailing prices for the applicable minerals. Development projects have no operating history upon which to base estimates of future cash operating costs.

Particularly for development projects, resource estimates and estimates of cash operating costs are, to a large extent, based upon the interpretation of geologic data obtained from drill holes and other sampling techniques, and feasibility studies, which derive estimates of cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed, ground conditions, the configuration of the ore body, expected recovery rates of minerals from the ore, estimated operating costs, anticipated climatic conditions and other factors. As a result, it is possible that actual cash operating costs and economic returns could differ significantly from those estimated for a project before production. It is not unusual for new mining operations to experience problems during the start-up phase, and delays in the commencement of production often can occur. The Company's business of exploring for mineral resources involves a variety of operational, financial and regulatory risks that are typical in the natural resource industry. The Company attempts to mitigate these risks and minimize their effect on its financial performance, but there is no guarantee that the Company will be profitable in the future, and the Company's common shares should be considered speculative.

There can be no assurance that any funding required by the Company will become available to it, and if so, that it will be offered on reasonable terms, or that the Company will be able to secure such funding through third party financing or cost sharing arrangements. Furthermore, there is no assurance that the Company will be able to secure new mineral properties or projects, with or without the Share Consolidation, or that they can be secured on competitive terms.

Canada Customs and Revenue Agency

No assurance can be made that Canada Customs and Canada Revenue Agency will agree with the Company's characterization of expenditures as Canadian exploration expenses or Canadian development expenses or the eligibility of such expenses as Canadian exploration expenses under the *Income Tax Act (Canada)*.

Disclosure controls and procedures

Based on continual evaluations of the Company's disclosure controls and procedures, the Company's Chief Executive Officer and Chief Financial Officer have concluded that, as of December 31, 2021, the design and operation of these disclosure controls and procedures are effective at the reasonable assurance level to ensure that material information relating to the Company would be made known to them by others within the entity, particularly during the period in which the MD&A and the financial statements contained in this report were being prepared.

Internal controls over financial reporting

The Company's Chief Executive Officer and Chief Financial Officer have designed, or have caused to be designed under their supervision, internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS. The Chief Executive Officer and Chief Financial Officer concluded that there has been no change in the Company's internal control over financial reporting during the year ended December 31, 2021, that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting.