



DELTA RESOURCES LIMITED
(an exploration company)

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the years ended December 31, 2020 and 2019

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, 2020 and 2019. 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, 2020 and 2019.

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 March 24, 2021, 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-Timmins project located in the Beauce Region of Southeastern Quebec. All projects are located in Canada.

Chronological 2020 Summary Highlights

In January 2020, Delta retained MI3 Communications Financières Inc. ("MI3") to provide communication services on behalf of the Company in Eastern Canada. These services include distribution of all news releases and information on the Company, including technical notes, posting on social media and assisting the Company at PR virtual roadshows across 14 cities in eastern Canada. The agreement is for a period of 12 months.

Also, in January 2020, Delta applied for an exploration permit at the Delta-1 property (which includes 20,000 metres of drilling) to resume work at the property in the short term. The full permit was received in June 2020.

Delta completed a 549 line-kilometre VTEM survey in February 2020 and an additional 722 line kilometre high-resolution drone magnetic survey in March, 2020 at its Delta-2 project, Chibougamau, Quebec. Delta also acquired the data from recent VTEM and SpectrEM surveys that covered other parts of the property and merged the surveys for a complete coverage of the Delta-2 property.

On May 7, 2020, the Company received an interest-free loan of \$40,000 under the Canada Emergency Business account program. The loan will mature on December 31, 2022. Repaying the balance of the loan on or before December 31, 2022 will result in loan forgiveness of 25%. The Company has a reasonable assurance that the loan will be repaid by December 2022 and will receive the loan forgiveness. Therefore, the Company recorded an amount of \$10,000 under government grant in the statement of net loss and comprehensive loss.

On June 4, 2020, the Company announced that field work has started at its Delta-2 property in Chibougamau, Quebec. The objective of the field work is to field-proof Delta's new geological interpretation while following-up on new geophysical targets which stem from 220 square kilometres of new, high-resolution VTEM and drone-magnetic surveys in the property area. In addition, the exploration crew will also be field-testing new syn-plutonic structures with potential for magmatic-hydrothermal gold mineralization.

On July 3, 2020, the Company signed an agreement with Yorkton Ventures Inc. ("Yorkton") to sell its 100% interest in the Bellechasse-Timmins property in southeastern Quebec for \$1,700,000.

To acquire a 100% interest in the Property, Yorkton will:

- Make a \$100,000 cash payment within 10 days of signing of a definitive agreement (condition fulfilled),
- Make a \$250,000 cash payment within 90 days after receiving Exchange Approval (condition fulfilled),
- Make a \$350,000 cash payment within 200 days after receiving Exchange Approval, (condition fulfilled),
- Make a \$450,000 cash payment no later than June 1, 2021; and
- Make a \$550,000 cash payment no later than September 1st, 2021.

Yorkton will also commit to pay Delta a 1% Net Smelter Return ("NSR") royalty on any and all commercial production derived from the Bellechasse-Timmins property. Yorkton may re-purchase 0.5% of the NSR for \$1 Million at any time.

A 6% finder's fee will be payable by Delta to an arm's length third party once the total amount of \$1,700,000 has been paid by Yorkton.

On July 9, 2020, Delta announced that it has started Phase II of its exploration program at its Delta-2 property in Chibougamau, Quebec. Phase II consisted of mechanical trenching to expose bedrock to surface where it is possible and where initial field work has yielded encouraging results.

On July 10, 2020, the Company granted 1,380,000 stock options to directors, officers and a consultant at an exercise price of \$0.26 per common share expiring July 11, 2025.

On July 17, 2020, the Company granted 100,000 stock options to a consultant at an exercise price of \$0.40 per common share expiring July 11, 2021.

On July 28, 2020, Delta announced initial results from a rock sampling program at the Snowfall Gold Discovery at its Delta-2 property.

On August 18, 2020, the Company held its 2020 Annual General and Special Meeting by teleconference. The following individuals were elected as the directors of the Company: Frank Candido, Andre C. Tessier, Roy Millington and Kevin B. Heather. The shareholders appointed KPMG as auditors of the Company, re-approved the Company's stock option plan and approved the termination of the Shareholder Rights Plan.

On August 18, 2020, the Company report that its ongoing mechanical trenching program at the Delta-2 property in Chibougamau, Quebec had uncovered a sulphide-bearing horizon favourable for the presence of VMS mineralization.

On August 24, 2020, Sara Paquet was appointed Director of Company and was granted 200,000 stock options at an exercise price of \$0.40 per common share expiring August 24, 2025.

On September 29, 2020, Delta completed a non-brokered private placement by issuing 4,453,569 units of the Company at a price of \$0.35 per unit, for gross proceeds of \$1,558,749. 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 \$0.50.

On October 2, 2020, Delta fulfilled its first-year requirements and renewed its option agreement for year-two at the Delta-1 property in Thunder Bay, Ontario.

On October 14, 2020, Delta received a \$250,000 cash payment from Yorkton as a second tranche for the sale of its Bellechasse-Timmins Gold Deposit in southeastern Quebec, Canada.

On October 23, 2020, Delta fulfilled its first-year requirements and renewed its option agreement for year-two at the Delta-2 property in Chibougamau, Quebec.

Also, in October 2020, the Company received \$26,595 in tax credit.

On November 1st, 2020, Delta started a 5,000 metre drilling program at the Delta-2 property in Chibougamau, Quebec.

Subsequent events

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-Timmins Gold Deposit and also the signature of a revised agreement signed on January 27, 2021. The revised schedule of payment is as follow:

- \$200,000 cash payment no later than August 1, 2021
- \$200,000 cash payment no later than September 1, 2021
- \$200,000 cash payment no later than October 1, 2021
- \$200,000 cash payment no later than November 1, 2021
- \$200,000 cash payment no later than December 1, 2021

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.

DISCUSSION OF OPERATIONS

	Delta-1 / Eureka \$	Delta-2 / R-14 \$	Bellechasse \$	Julian \$	Total \$
Balance, December 31, 2019	297,068	306,605	20,137,759	-	20,741,432
Addition	379,324	1,533,504	11,974	-	1,924,802
Tax credits and credits on duties	-	(525,673)	(637)	-	(526,310)
Proceeds from grant of options on mining project	-	-	(350,000)	-	(350,000)
Fees related to the grant of options on mining project	-	-	30,064	-	30,064
Change during the year	379,324	1,007,831	(308,599)	-	1,078,556
Balance, December 31, 2020	676,392	1,314,436	19,829,160	-	21,819,988
Balance, December 31, 2018	-	-	20,122,689	224,581	20,347,270
Addition	297,068	335,875	19,435	-	652,378
Tax credits and credits on duties	-	(29,270)	(4,365)	-	(33,635)
Write-off	-	-	-	(224,581)	(224,581)
Change during the year	297,068	306,605	15,070	(224,581)	394,162
Balance, December 31, 2019	297,068	306,605	20,137,759	-	20,741,432

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 (Figure D1-1).

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.

Delta-1 Property 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 (Figure D1-2). The last drill program was aimed at two mineral occurrences in 2003.

Delta-1 Regional Geology

Located in the north-central portion of the Shebandowan greenstone belt in the Superior structural province of the Canadian Shield (Figure D1-3). 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-seeded 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.

Delta-1 Property 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 D1-4).

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.

Delta-1 Property: Gold Mineralization

The Delta-1 Property is host to a number of gold occurrences including the Eureka gold occurrence (Figure D1-5) 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).

Delta Resources Exploration Work at Delta-1

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 (Figure D1-5 and D1-6). 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. Drill hole coordinates are listed in the table below (see also Figures D1-4 and D1-6).

Table of drill hole coordinates from Delta's November 2019 drill program at Delta-1

Hole Number	Section	Azimuth	Inclination	Length (m)	Northing	Easting
DT1-19-01	West	185	50	162	5 385 340	289 615
DT1-19-02	Central	185	50	174	5 385 359	289 720
DT1-19-03	East	185	50	159	5 385 345	289 815
DT1-19-04	East	185	50	102	5 385 237	289 839
DT1-19-05	West	185	45	262	5 385 391	289 584
DT1-19-06	West	185	45	150	5 385 293	289 620

Total: 1009

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 (see figure D1-7).
- 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 (Figure D1-8).

- 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 (Figure D1-9).

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 (Figure D1-10) 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).
- Samples A-10 and 150, are located at the apex of a dispersion glacial trail (Figure D1-8) 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 (Figure D1-9).
- 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.

Delta's 2020 field work all point to a one-kilometre long, gold-anomalous segment of the Shebandowan Shear Zone and a possible subsidiary structure that have ever been drill tested.

Delta-1 Property: 2021 Planned Exploration Work

Delta will be drill-testing the Shebandowan Shear zone target during the winter 2021 and expects to follow up with field work during the summer and fall.

DELTA-1 PROPERTY, THUNDER BAY, ONTARIO

FIGURES

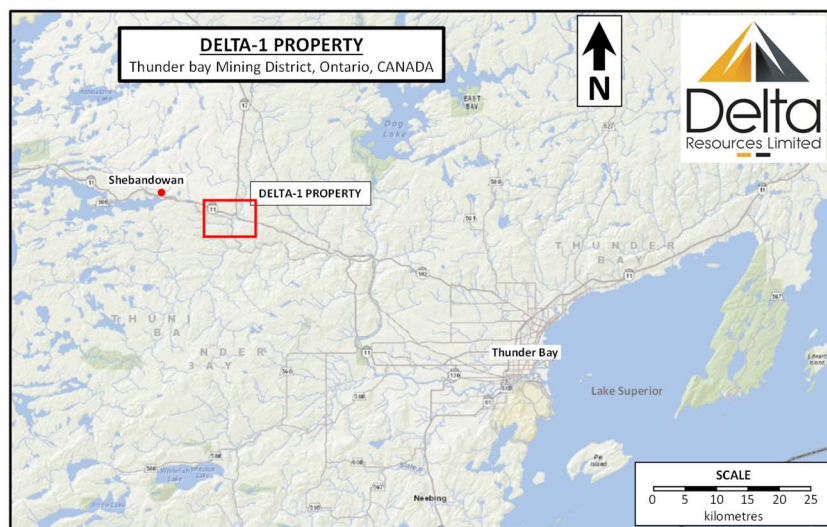


Figure D1-1: Location map of the Delta-1 Property

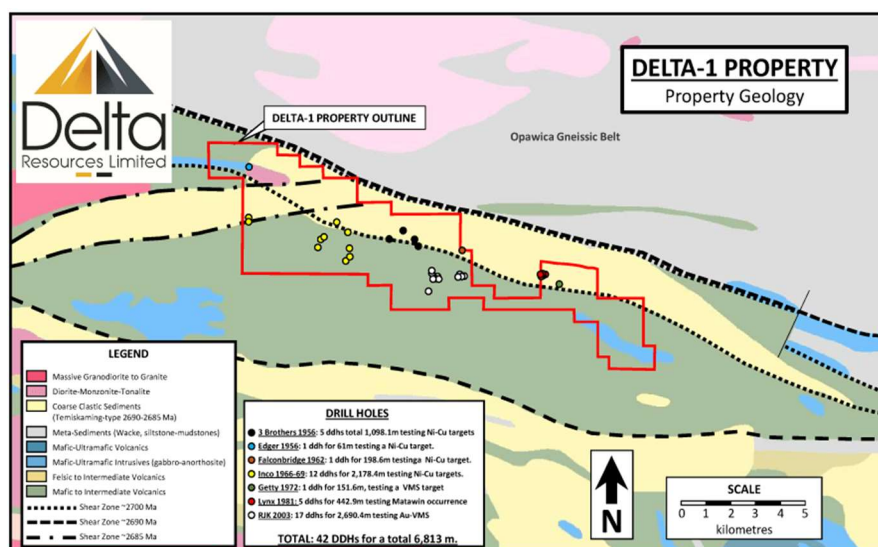


Figure D1-2: Simplified geology of the Delta-1 property showing historical drill holes.

Geology map of the Shebandowan Belt showing the Delta-1 property outline in Red

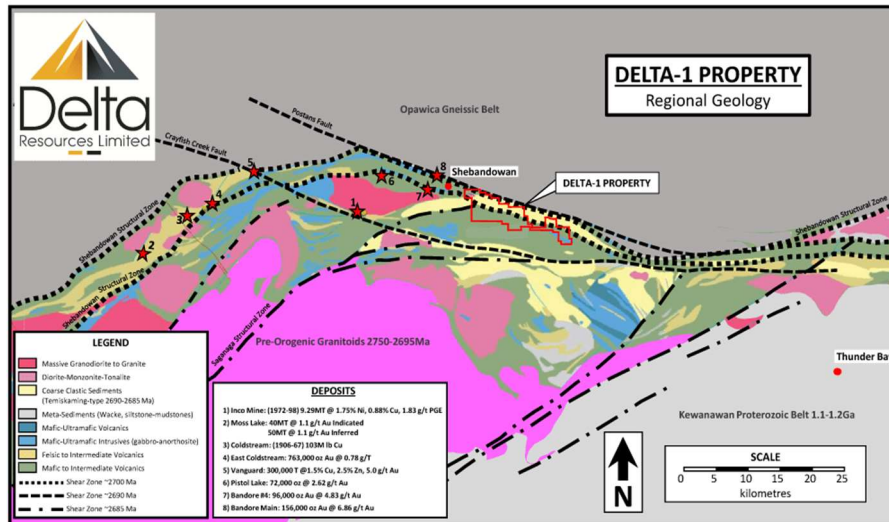


Figure D1-3: Geological setting of the Delta-1 Property.

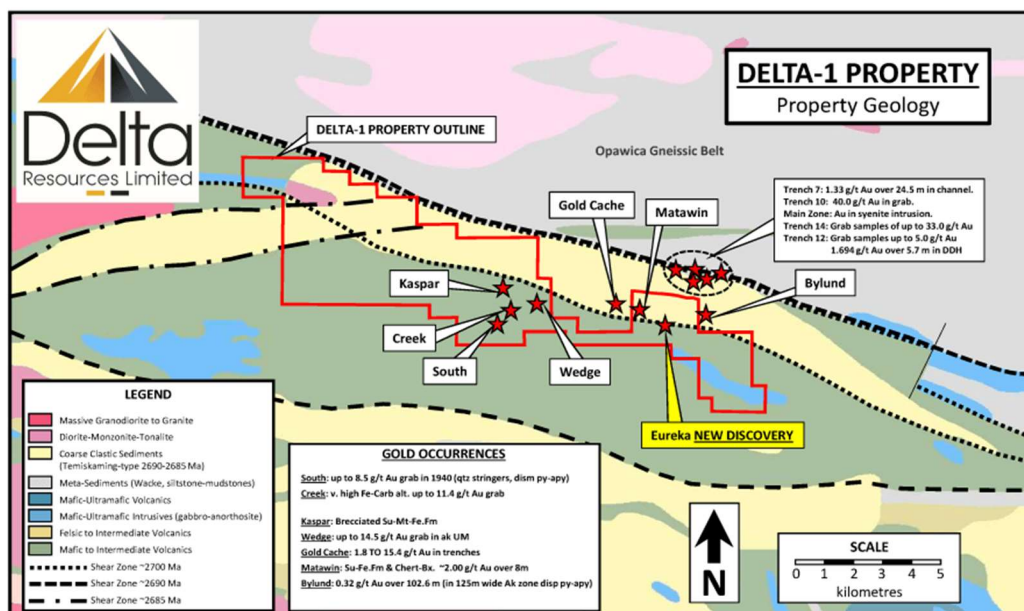


Figure D1-4: Simplified geology of the Delta-1 property showing historical gold occurrences.

DELTA-1 PROPERTY, 2019 DRILL PROGRAM

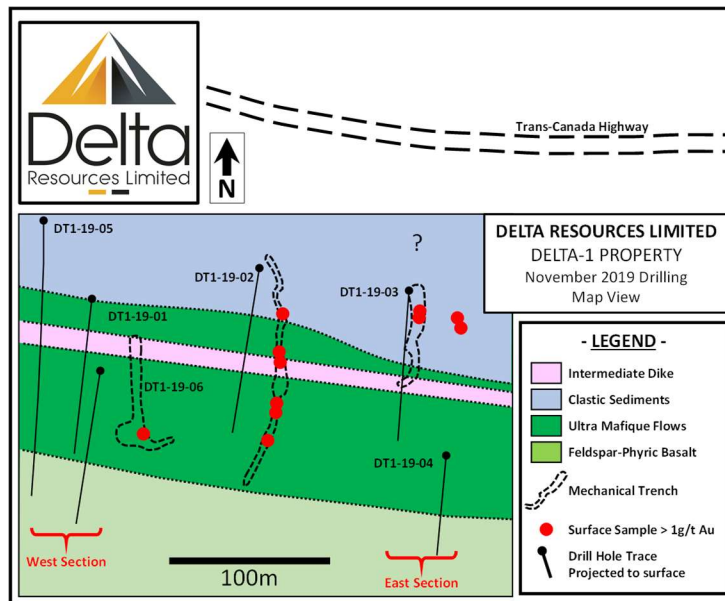


Figure D1-5: Geology map projected from drill hole data form Delta's 2019 drilling at Eureka.

Sections are 200m apart.

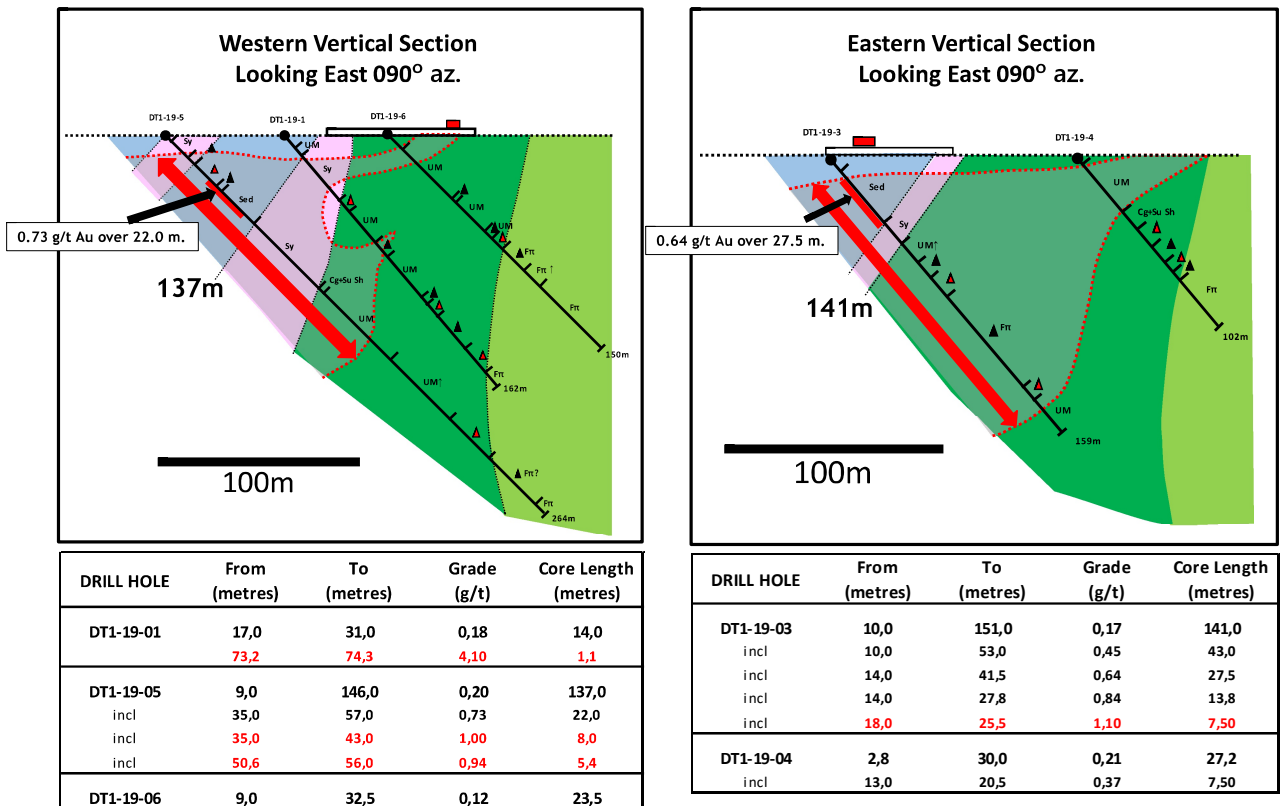


Figure D1-6: Geological vertical sections looking East of Delta's 2019 drilling at Eureka with table of results.

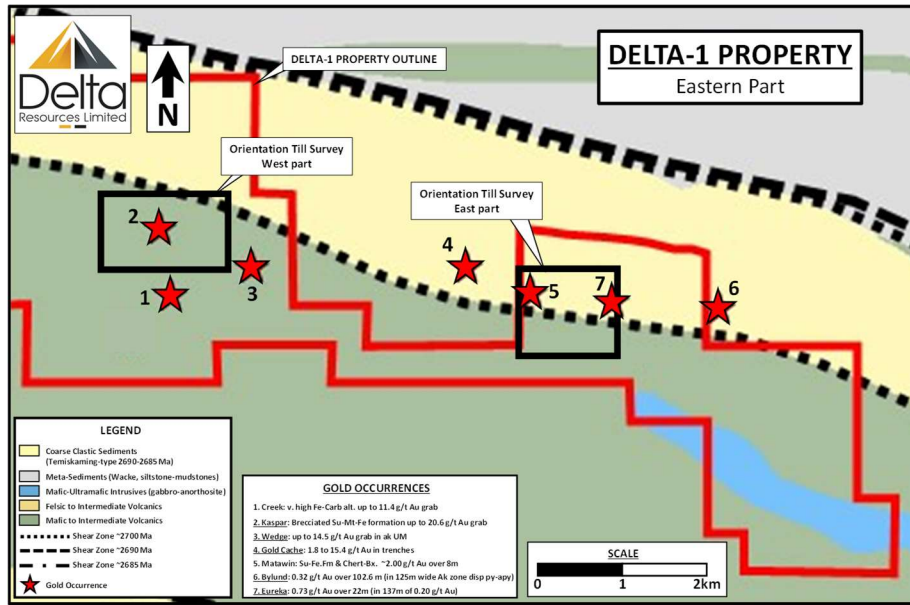


Figure D1-7: Geology map of the eastern portion of the Delta-1 property, showing the location of Delta's two orientation till surveys during the summer of 2020.

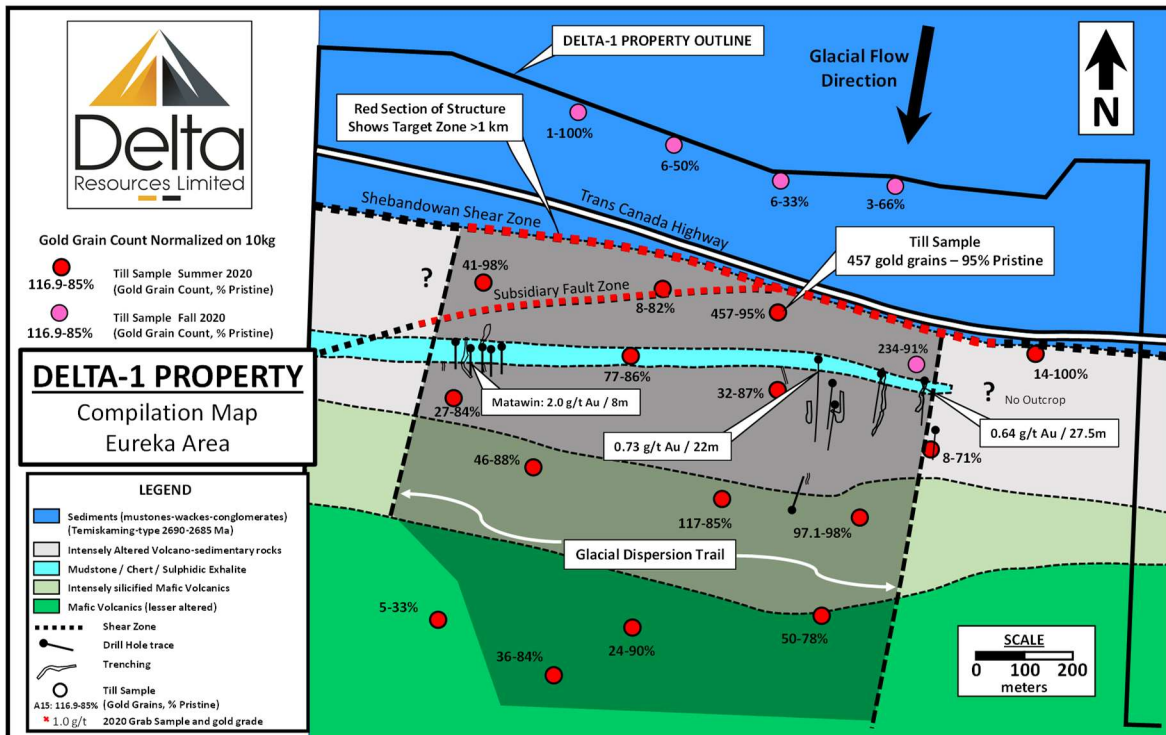


Figure D1-8: Geology map of the Eureka area at the Delta-1 property showing the gold dispersion trail defined by Delta's summer and fall till surveys.

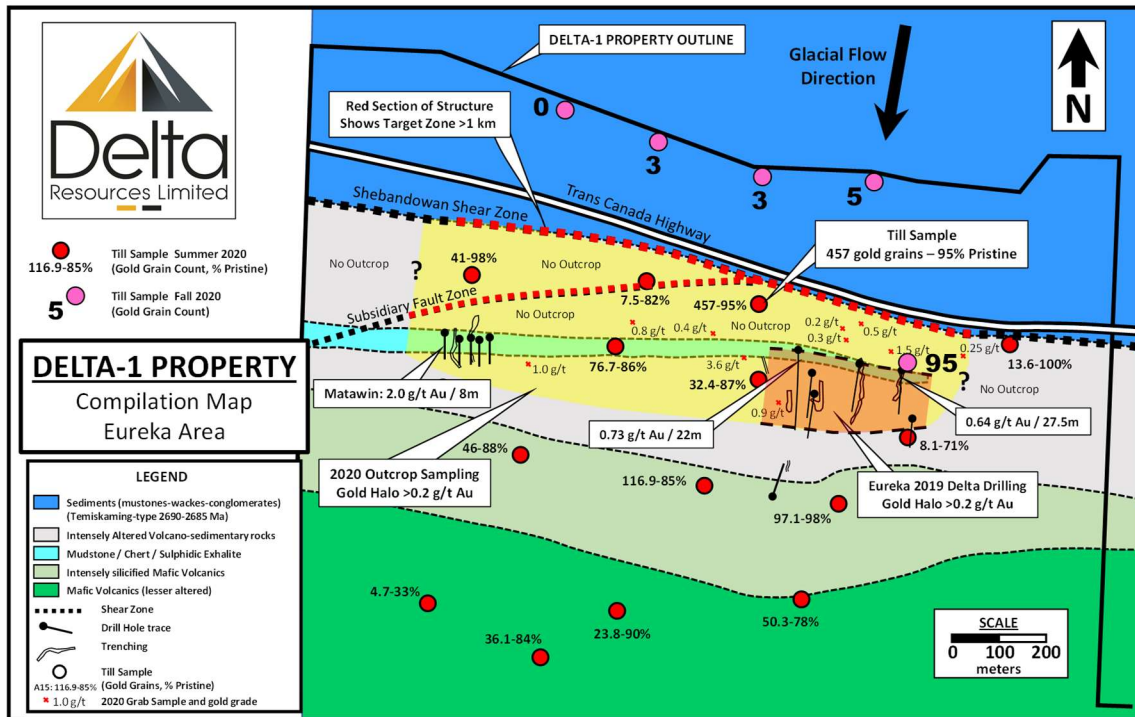


Figure D1-9: Geology map of the Eureka area at the Delta-1 property showing the highly anomalous gold halo surrounding the Eureka Gold Occurrence and adjoining the southern wall of the Shebandowan Shear Zone.



Figure D1-10: Photo showing the morphology of the 427 gold grains found in till sample A-10. 95% of the grains are classified as “pristine”, meaning they have not travelled far from a bedrock source.

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 (Figure D2-1).

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.

Delta-2: 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.

Delta-2: 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 D2-2).

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.

Delta-2 Property: 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.

Delta Resources Exploration Work at Delta-2

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 (Figure D2-3),
- 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 D2-4).
- 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	
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	Open*
Snow	including	3.87	0.14	0.04	2.00	Open
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 (Figure D2-5).

2021 Exploration work as at February 15, 2021:

Delta resumed drilling on January 11th and as at February 15th, 2021, Delta had completed 11 drill holes for a total of 1,667 metres (Figure D2-5 and D2-6). Drill holes 21 to 25 and 30 and 31 were aimed at VMS targets while drill holes 26 to 29 were aimed at the Due Diligence Gold Occurrence where high grade narrow veins were discovered at surface in the summer of 2019 and mechanically excavated during the summer of 2021. At the time this was written, all results were pending for the holes drilled in 2021 except for drill holes D2-21-28 and D2-21-29 where visible gold has been observed.

Because of the significance of the discovery in drill holes 28 and 29, Delta instructed the labs to expedite the assay process. Significant results include (core angles suggest true thicknesses to be close to drill-core lengths) (Figure D2-7):

Drill Hole D2-21-28:

- 24.6m to 27.1m: 18.88 g/t gold over 2.5m
Including: 50.75 g/t gold over 0.9m
- 120.8 to 121.6m: 14.08 g/t gold over 0.8m

Drill Hole D2-21-29:

- 25.0m to 27.0m: 3.76 g/t gold over 2.0m
- 116.4m to 117.5m: 1.81 g/t gold over 1.2m
Including: 3.13 g/t Gold over 0.5m

Delta-2 Property: 2021 Planned Exploration Work

At the time of printing, Delta had an ongoing drilling program at the Delta-2 property, targeting its gold-rich VMS targets (Figure D2-7). Delta is also planning some follow-up drilling at its new gold discovery at Due Diligence.

Geological mapping and field proofing of VTEM anomalies will also continue during the summer of 2021.

DELTA-2 PROPERTY, CHIBOUGAMAU, QUEBEC

FIGURES

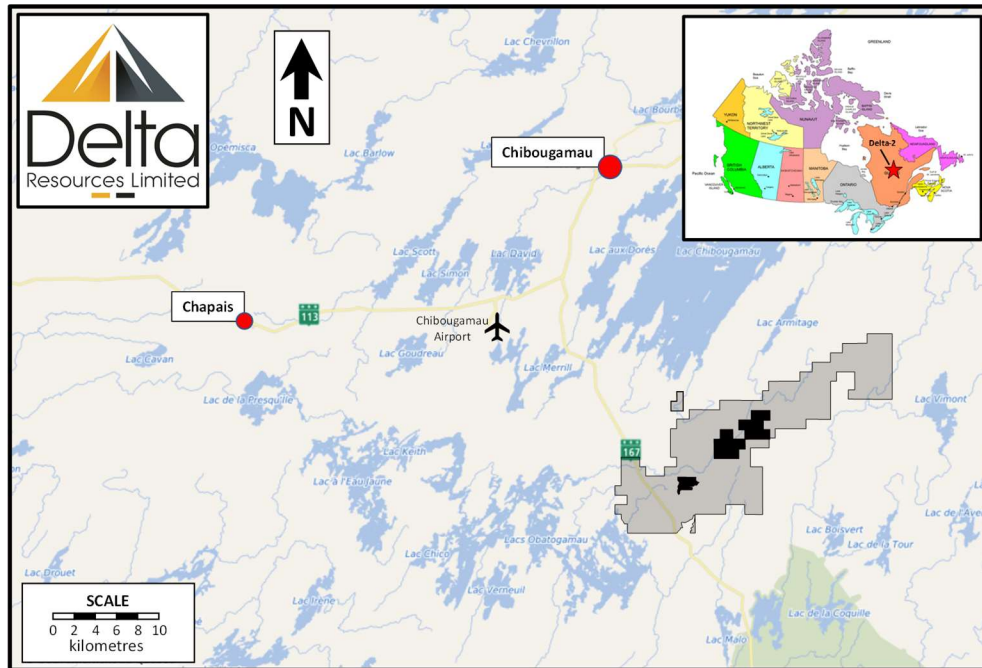


Figure D2-1: Location map of the Delta-2 Property, Chibougamau, Quebec.

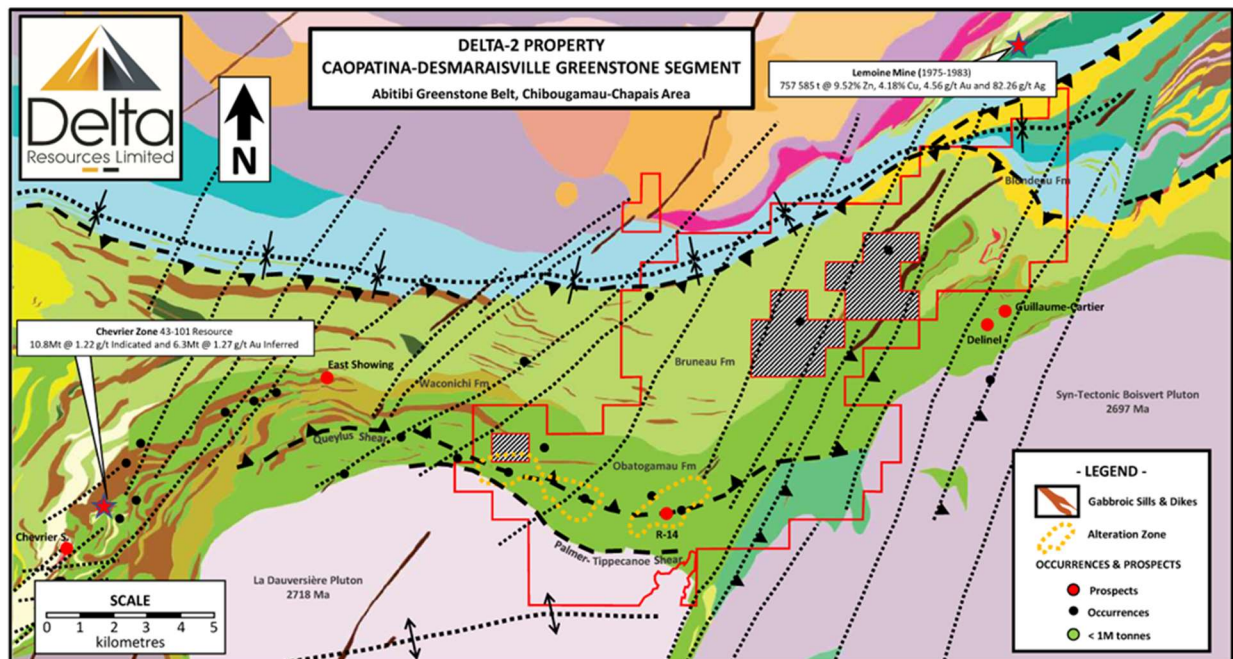


Figure D2-2: Simplified geology map of the Delta-2 Property.

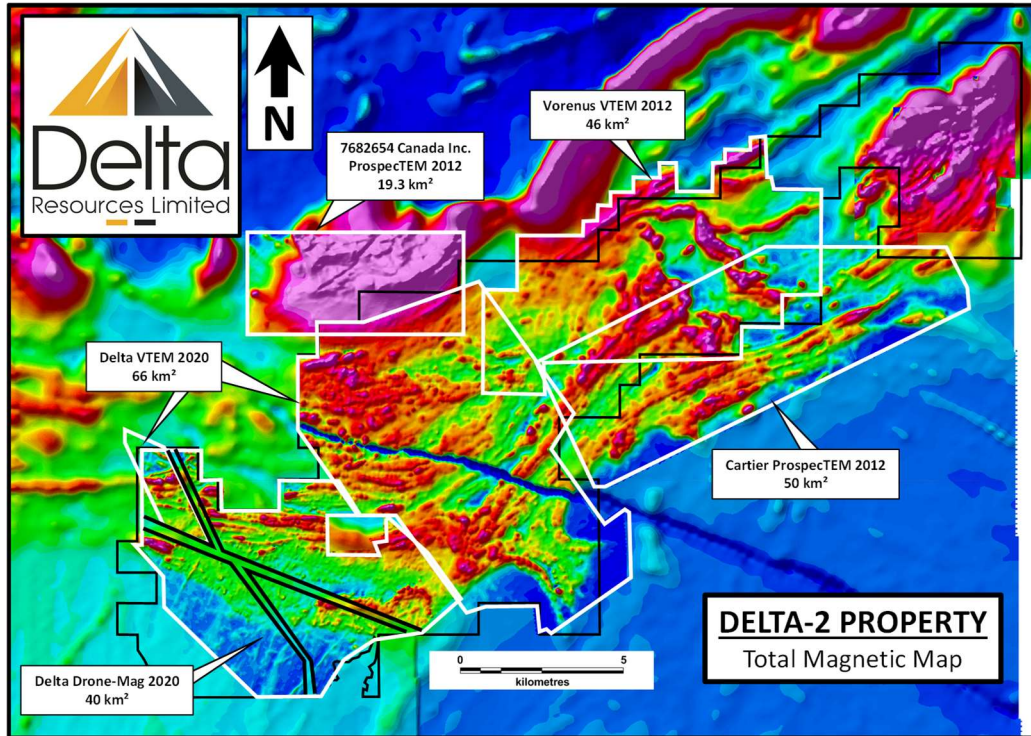


Figure D2-3: Total magnetic map of the Delta-2 property showing high-resolution coverage.

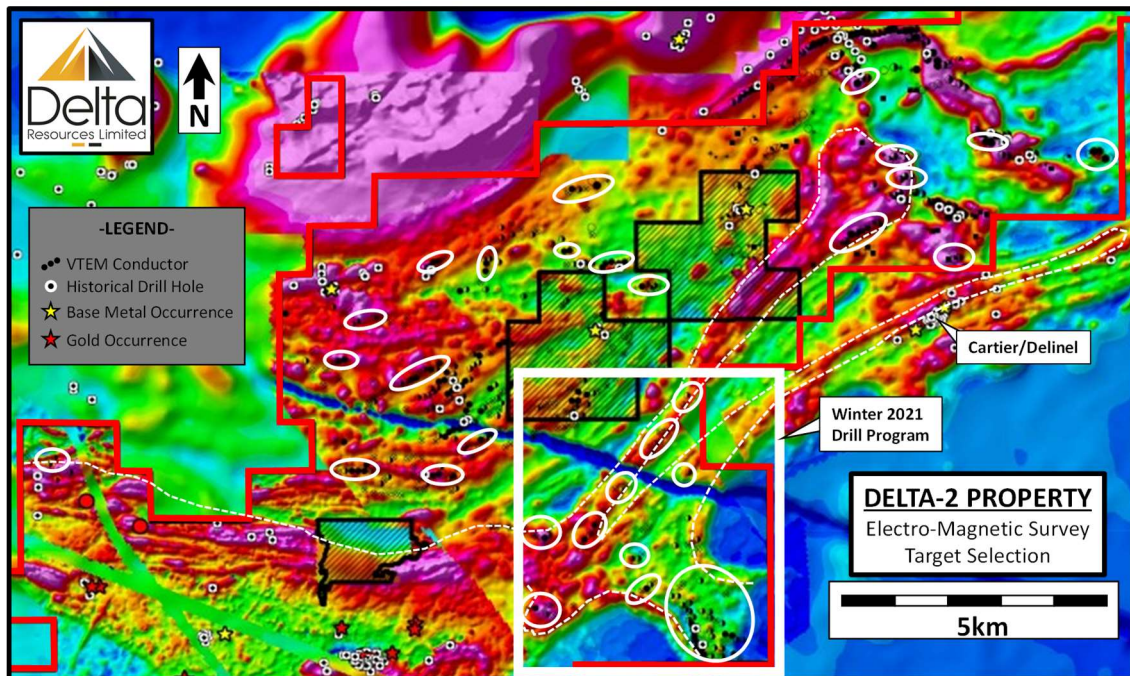


Figure D2-4: VTEM conductor map of the Delta-2 property overlain on high-resolution total mag. The map shows Delta's new interpretation of the Waconichi Formation as well as the new untested targets defined with the Electro-Magnetic survey. The outline in white showing the Winter 2021 drill program corresponds with Figure D2-6.

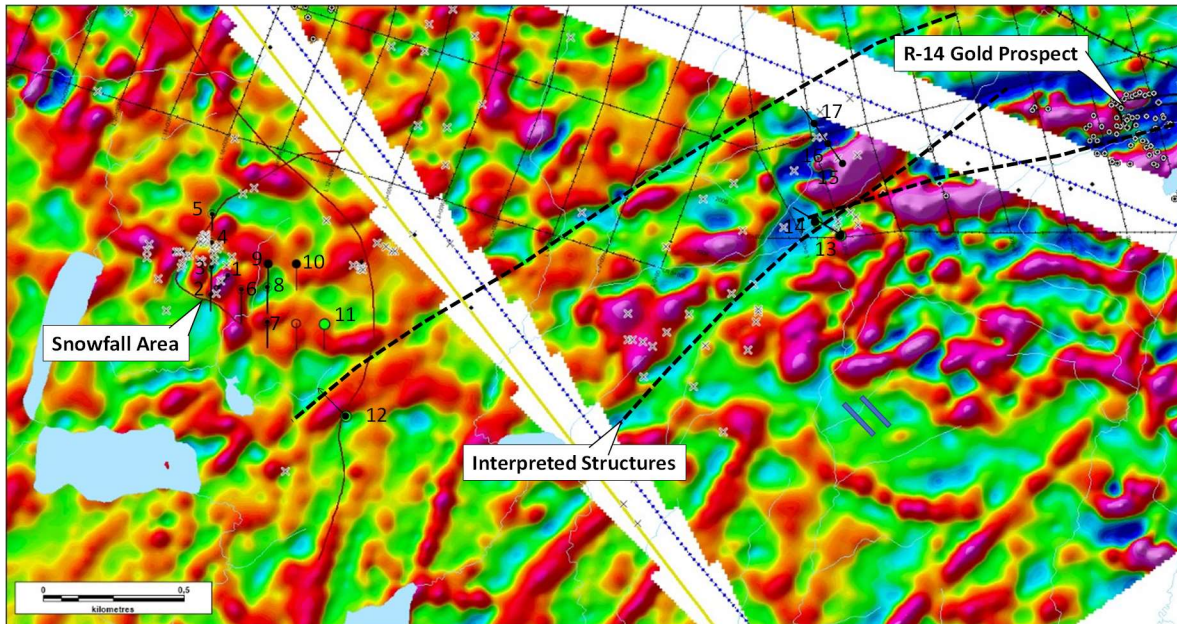


Figure D2-5: Delta-2 Property (southern portion) showing the 2nd derivative magnetic map with the location of drill holes 1 to 17 on gold targets.

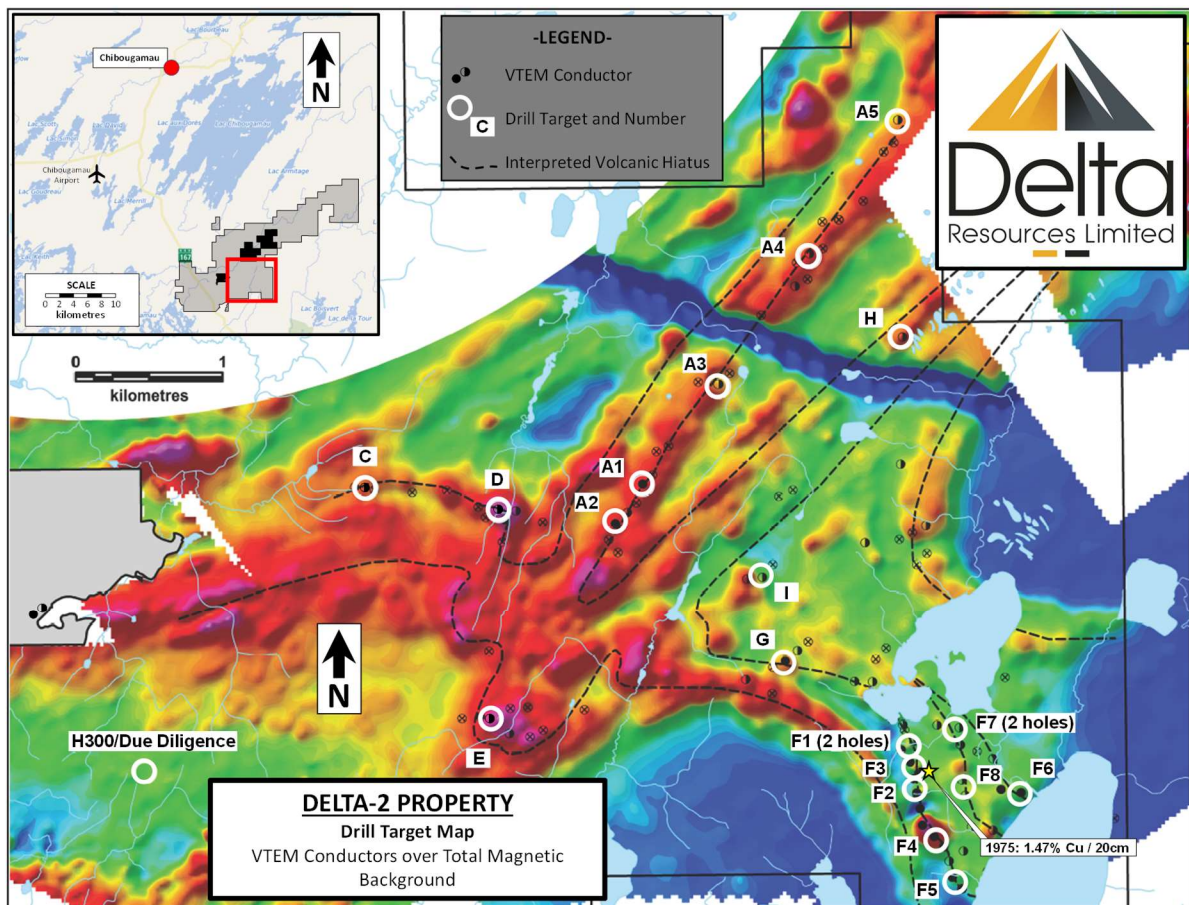


Figure D2-6: Delta-2 Property (south eastern portion) showing total magnetic map with the location of targets. Drill holes 18 and 19 tested target "I", drill holes 20 and 21 tested target "G", drill hole 22, 23, 24 and 25 tested respectively targets A4, A3, A1 and A2 while drill holes 26 to 29 tested the high-grade H300 (Due Diligence) Gold Occurrence. Drilling permits are pending for targets A5, H and all "F" targets.

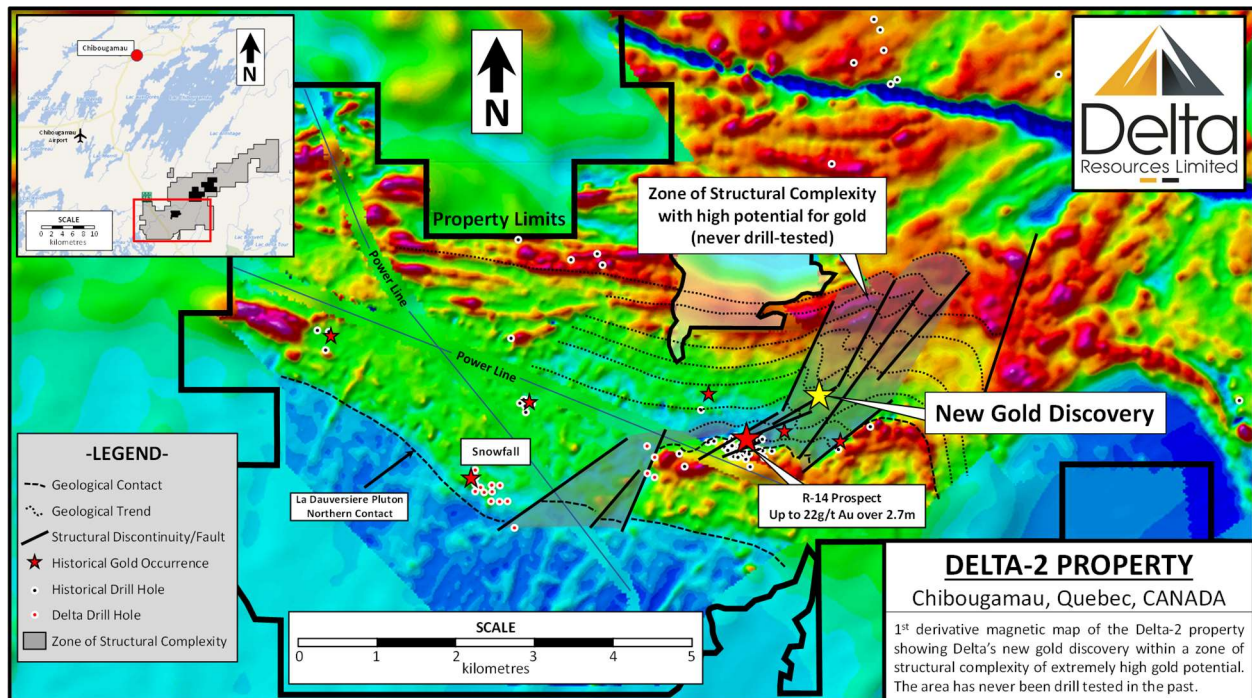
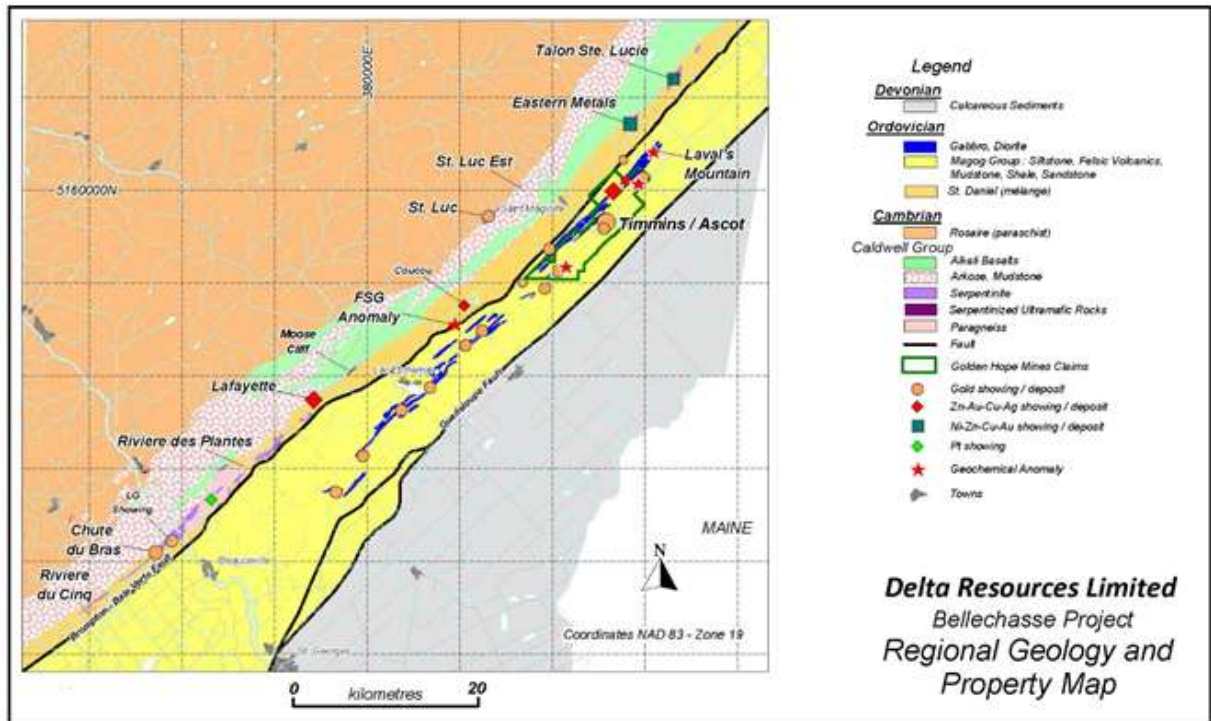


Figure D2-7: First derivative magnetic map of the Delta-2 property in Chibougamau, Quebec, showing the site of Delta's new, high-grade gold discovery. Note the new discovery is situated in a never-tested NE-trending corridor of structural complexity believed to represent an early structure that may have 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-Timmins (incl.; T1, T2, 88, and Ascot/Road Zones)
- The Beland anomaly (approx. 6.2 kms southwest of Bellechasse-Timmins)
- 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-Timmins Gold Deposit

The Bellechasse-Timmins 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.

Developments at Bellechasse-Timmins during the year covered by the MD&A

On July 3rd, 2020 Delta signed an agreement with Yorkton Ventures for the sale of the Bellechasse-Timmins 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-Timmins 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.

Remaining cash payments from Yorkton Ventures are due to Delta on the following schedule:

January 15, 2021:	\$350,000 (condition fulfilled)
August 1 st , 2021:	\$200,000
September 1 st , 2021:	\$200,000
October 1 st , 2021:	\$200,000
November 1 st , 2021:	\$200,000
December 1 st , 2021:	\$200,000

JULIAN PROPERTY

On July 2, 2015, the Company acquired from Michael Dehn (a Former Director of the Company) and two prospectors a 100% right, title and interest in 16 claims (861 hectares) located in the Bellechasse/Beauce Region of southeastern Quebec. Under the Agreement, the Company paid \$1,000 in cash and issued 500,000 of the Company's common shares (valued at \$210,000 based on the price on September 17, 2015 when the shares were issued).

The property was written-off during the year ended December 31, 2019.

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, 2020	Year ended December 31, 2019	Year ended December 31, 2018
Interest income	\$1,902	\$0	\$0
Operating expenses	\$1,944,263	\$972,219	\$251,116
Net loss and comprehensive loss	(\$1,906,400)	(\$809,813)	(\$251,116)
Loss per share	(\$0.062)	(\$0.044)	(\$0.018)
Cash used in operations	(\$1,344,411)	(\$791,736)	(\$46,283)
Cash, end of year	\$1,212,415	\$938,809	\$67,767
Assets	\$1,991,287	\$1,153,124	\$142,178
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, 2020.

RESULTS OF OPERATIONS

Results of Operations for the year ended December 31, 2020

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' results of operations for the year ended December 31, 2020. 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, 2020 of \$1,916,400 compared to a net loss and comprehensive loss of \$809,813 for the year ended December 31, 2019.

FINANCIAL HIGHLIGHTS

	December 31	
	2020	2019
Revenues	\$ 27,863	\$ 162,406
Shareholders' information	\$ 85,378	\$ 44,107
Legal, financial and other corporate expenses	\$ 231,099	\$ 105,512
Salaries and fringe benefits	\$ 84,055	\$ 50,649
Travel	\$ 8,372	\$ 11,633
Share-based compensation	\$ 354,283	\$ 86,919
General administrative expenses	\$ 39,607	\$ 38,256
Management fees	\$ 60,000	\$ 15,000
Exploration and evaluation expenditures	\$ 1,080,220	\$ 618,744
Depreciation	\$ 1,249	\$ 1,399
	<u>1,944,263</u>	<u>972,219</u>
Net loss and comprehensive loss	<u>\$ (1,916,400)</u>	<u>\$ (809,813)</u>
Cash	<u>\$ 1,212,415</u>	<u>\$ 938,809</u>

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, 2020, the increase of \$41,271 from the previous year was due an increase investor relations and shareholder information expenses.

Legal, Financial and other corporate expenses

Legal, Financial and other corporate expenses were \$231,099 for the year ended December 31, 2020, compared to \$105,512 for the year ended December 31, 2019. The increase of \$125,587 from the previous year was due an increase in consultants and accounting fees, corporate development and accounting expenses offset by a decrease in legal fees. During the year ended December 31, 2019 a debt settlement agreement with creditors, affected the consultants fees.

Salaries and fringe benefits

Salaries and benefits for the year ended December 31, 2020, amounted to \$84,055 (2019 – \$50,649). The increase was due to employment contract signed at the end of June 2019 between the Company and André C. Tessier, President and Chief Executive Officer.

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 compared to \$86,919 for the year ended December 31, 2019. The expenses represent the issuance of 1,805,000 stock options to management, board of directors and consultants (2019-925,000).

Management fees

Included in Management fees are fees paid to the Former President (now the Chairman). Management Fees were \$60,000 for the year ended December 31, 2020 compared to \$15,000 for the year ended December 31, 2019. The increase of \$45,000 from the previous year was primarily due to a debt settlement agreement with the Former President occurred during the year 2019.

Exploration and evaluation expenditures

Included in exploration and evaluation expenditures are fees incurred for work done on Delta-1 / Eureka, Delta-2 / R-14 and Bellechasse properties, the amount received under the agreement of the sale of the Bellechasse-Timmins property, tax credits and credits on duties during the year ended December 31, 2020. Evaluation and exploration expenditures of \$1,080,220 were incurred.

Other income

Other income for the year ended December 31, 2020 amounted to \$27,863 (\$162,406 in 2019), consisting of rental income, interest income, the Canada Emergency Business Account government grant and other revenues. Given its status as an exploration company, the Company does not generate any steady income, and must finance its activities by issuing equity.

Results of Operations for the three-month period ended December 31, 2020

The comments below provide an analysis of the operating results for the three-month period ended December 31, 2020. 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, 2020 of \$945,915 compared to net loss of \$648,390 for the three-month period ended December 31, 2019.

FINANCIAL HIGHLIGHTS

	December 31 (3 months)	
	2020	2019
Revenues	\$ 21,175	\$ 162,406
Shareholders' information	14,990	11,689
Legal, financial and other corporate expenses	94,082	133,791
Salaries and fringe benefits	15,824	28,732
Travel	-	4,908
Share-based compensation	29,198	-
General administrative expenses	10,977	14,779
Management fees	15,000	65,000
Exploration and evaluation expenditures	661,721	551,544
Depreciation	312	353
	<u>842,104</u>	<u>810,796</u>
Net loss and comprehensive loss	\$ (820,929)	\$ (648,390)
Cash	<u>\$ 1,212,415</u>	<u>\$ 938,809</u>

Legal, Financial and other corporate expenses

Legal, Financial and other corporate expenses were \$94,082 for the three-month period ended December 31, 2020, compared to \$133,791 for the three-month period ended December 31, 2019. The decrease of \$39,709 from the previous period was mainly due to a decrease in consultant, legal and professional fees offset by a slight increase in accounting and corporate development expenses.

Salaries and fringe benefits

Salaries and benefits for the three-month ended December 31, 2020, amounted to \$15,824 (2019 – \$28,732). Part of the salaries and fringe benefits has been apply to the exploration and evaluation expenditures.

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.

Management fees

Included in Management fees are fees paid to the Former President (now the Chairman). Management Fees were \$15,000 for the three-month period ended December 31, 2020 compared to \$65,000 for the same period in 2019. The \$50,000 variation from the three-month period ended December 31, 2020 was due to a journal entry related to a debt settlement agreement with the Former President.

Exploration and evaluation expenditures

Included in exploration and evaluation expenditures are fees incurred for work done on Delta-1 / Eureka, Delta-2 / R-14, the amount received under the agreement of the sale of the Bellechasse-Timmins property, tax credits and credits on duties during the three-month ended December 31, 2020. Evaluation and exploration expenditures of \$661,721 were incurred.

Other income

Other income for the three-month period ended December 31, 2020 amounted to \$21,175 (\$162,406 in 2019), interest income and the Canada Emergency Business Account government grant. Given its status as an exploration company, the Company does not generate any steady income, and must finance its activities by issuing equity.

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

	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019
Interest income	\$1,175	\$237	\$437	\$53	\$0	\$0	\$0	\$0
Operations expenses	\$842,104	\$603,970	\$163,569	\$334,620	\$810,796	\$223,724	(\$104,259)	\$41,958
Net income (loss) and comprehensive income (loss)	(\$820,929)	(\$603,733)	(\$162,271)	(\$329,467)	(\$648,390)	(\$223,724)	\$104,259	(\$41,958)
Loss per common share	(\$0.024)	(\$0.020)	(\$0.006)	(\$0.011)	(\$0.027)	(\$0.011)	(\$0.007)	(\$0.003)
Cash used in operations	(\$500,524)	(\$245,688)	(\$250,079)	(\$348,120)	(\$429,791)	(\$154,422)	(\$169,954)	(37,969)
Cash, end of period	\$1,212,415	\$1,737,175	\$398,200	\$589,840	\$938,809	\$284,274	\$225,196	\$29,798
Assets	\$1,991,287	\$2,196,121	\$717,441	\$855,686	\$1,153,124	\$353,243	\$291,466	\$107,868
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.

As at December 31, 2020, the Company's cash were \$1,212,415. 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	
	2020	2019
Operating activities	\$ (1,344,411)	\$ (791,736)
Financing activities	\$ 1,618,017	\$ 1,662,778
	<u>\$ 273,606</u>	<u>\$ 871,042</u>
Cash	<u>\$ 1,212,415</u>	<u>\$ 938,809</u>

Operations Activities:

During the year ended December 31, 2020, funds used for operating activities were spent primarily on operations and promotion of the Company.

Financing Activities:

During the year ended December 31, 2020, financing activities consisted of the exercise of share purchase options and warrants. The financing activities was also consisted in a long-term debt and the issuance of 4,453,569 units at a price of \$0.35 per unit, for gross proceeds of \$1,558,750.

Disclosure of Outstanding Common shares and warrants as at December 31, 2020.

(a) Share Capital

	2020		2019	
	Number	Amount \$	Number	Amount \$
Balance, beginning of year	29,049,338	30,183,612	13,644,338	28,193,334
Shares issued pursuant to private placements ⁽³⁾⁽⁸⁾⁽¹¹⁾	4,453,569	1,558,750	11,275,000	1,387,000
Share issuance in consideration of exploration and evaluation expenditures ⁽¹⁾⁽²⁾⁽⁶⁾⁽⁹⁾⁽¹⁰⁾	1,350,000	441,750	1,500,000	327,500
Warrants exercised ⁽⁴⁾⁽⁷⁾	395,000	60,900	2,630,000	315,600
Share-based compensation exercised ⁽⁵⁾	100,000	19,435	-	-
Share issue costs	-	(43,633)	-	(39,822)
Balance, end of year	35,347,907	32,220,814	29,049,338	30,183,612

(1) 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.

(2) 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.

(3) 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.

(4) In July and August 2020, the Company received \$60,900 following the exercise of 395,000 warrants between \$0.12 and \$0.30 each.

(5) On June 26, 2020, the Company received \$12,000 following the exercise of 100,000 share-based compensation at a price of \$0.12 each.

(6) 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.

(7) During the year period ended December 31, 2019, the Company received \$315,600 following the exercise of 2,630,000 warrants at \$0.12 each.

(8) On December 20, 2019, the Company issued 5,075,000 units at a price of \$0.20 per unit, for gross proceeds of \$1,015,000. 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 \$0.30 for a 24-month period.

(9) On October 29, 2019 the Company issued 1,000,000 common shares pursuant to the Delta-2 / R-14 Property Agreement. The total fair value of the common shares issued of \$240,000 was determined using the closing price on the TSX Venture Exchange.

(10) On October 16, 2019 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 \$87,500 was determined using the closing price on the TSX Venture Exchange.

- ⁽¹¹⁾ On June 10, 2019, the Company issued 6,200,000 units at a price of \$0.06 per unit, for gross proceeds of \$372,000. Each unit consists of one common share and one share purchase warrant. Each warrant entitles its holder to purchase one common share of the Company at \$0.12 for a 36-month period.

(b) Warrants

At December 31, 2020, the following exercisable warrants were outstanding:

Warrants	Price	Expiry
2,462,500	0.30	December 20, 2021
3,250,000	0.12	June 10, 2022
2,226,781	0.50	September 29, 2022
7,939,281	0.28	

(c) Broker Warrants

At December 31, 2020, the following exercisable broker warrants were outstanding:

Broker warrants	Price	Expiry
80,000	0.20	December 20, 2021
34,650	0.35	September 29, 2022
114,650	0.25	

(d) Options

At December 31, 2020, the following exercisable stock options were outstanding:

Options	Exercisable	Price	Expiry
100,000	100,000	0.40	July 11, 2021
280,000	280,000	0.32	September 8, 2021
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
2,910,000	2,910,000		

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 \$30,000, are solely comprised of payments to be made in 2021.

The Company was not required to spend any amount in 2020 to maintain the claims on the properties, due to the exceptional circumstances surrounding the COVID-19 pandemic, the Ministry of Energy and Natural Resources and the Ontario Ministry of Energy, Northern Development and Mine announced the term suspension of all claims currently in force in Québec for a 12-month period effective on April 9th, 2020.

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

During the year ended December 31, 2020, the Company incurred professional fees in the amount of \$60,000 (2019 - Nil), to 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, 2020 (2019 - Nil).

During the year ended December 31, 2020, the Company incurred professional fees in the amount of \$33,879 (2019 - \$26,500), to Nathalie Laurin, the Chief Financial Officer of the Company. In relation with these transactions, \$1,830 was payable as at December 31, 2020 (2019 - \$862).

During the year ended December 31, 2020, the Company incurred professional fees in the amount of \$6,942 (\$6,376 in 2019) and exploration and evaluation expenditures in the amount of \$190,759 (\$63,619 in 2019), to 7529449 Canada Inc., a company owned by Michel Chapdelaine, the Vice President Exploration and Chief Operating Officer of the Company. In relation with these transactions, an amount of \$42,966 was payable as at December 31, 2020 (2019 - \$32,043).

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.

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

	2020 \$	2019 \$
Salaries and fringe benefits	84,055	50,649
Compensation and share-based payments	298,520	86,619
	382,575	137,268

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 5 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 8). 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.

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, 2020, 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, 2020, that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting.