

**DAJIN LITHIUM CORP.**  
**Management's Discussion & Analysis**  
**Year Ended November 30, 2020**

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This Management's Discussion and Analysis ("MD&A") of Dajin Lithium Corp. (the "Company") is dated March 30, 2021. This MD&A should be read in conjunction with the Audited Consolidated Financial Statements and accompanying notes for the fiscal year ended November 30, 2020.

## **CORPORATE OVERVIEW**

The Company was incorporated under the British Columbia Company Act on August 5, 1987 and is publicly traded on the TSX Venture Exchange under the symbol TSX-V: **DJI**, on the OTC Markets in the United States under the symbol OTC: **DJIFF** and in Germany under the symbol **C2U1**.

The Company, together with its subsidiaries, is engaged principally in the acquisition and exploration of mineral properties located in the Argentina and the United States. The recovery of the Company's investment in mineral properties is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete development and the future proceeds from the disposition of those reserves.

In Nevada, exploration work by the Company has shown the Teels Marsh valley to be highly prospective for Lithium brines. The construction of engineered access roads and two drill pads have been completed at the Teels Marsh valley Lithium brine project. The Company has received from the Bureau of Land Management all necessary permits for drilling at the Teels Marsh and holds 100% of the required water rights awarded by the Office of the State Engineer to move the project forward.

In Argentina, the Company reported in 2018 that exploration work by, LSC Lithium Corporation ("LSC") in Salinas Grandes salar, in the Jujuy Province, was progressing. The Cooperativa San José received an exploration permit in November 2017 for the exploration of the 4,400 hectares (10,873 acres) San José and Navidad minas. Exploration work commenced under the management of LSC. During the year LSC verified prior exploration work completed on the Salinas Grandes salar by previous companies. The San José – Navidad minas have not yet been explored for Lithium brine but past exploration by other companies in close proximity to the property included sampling from one-meter-deep pits. Of the seven closest pit samples taken from the property boundary along both the north and west sides up to a distance of 200 meters, assays of Lithium brine concentrations ranged from **279 mg/l** to **987 mg/l**, averaging **551 mg/l**. Lithium brine samples taken within one (1) km of the property boundary are reported to contain up to **1,122 mg/l** Lithium. The highest Lithium assay ever reported on the Salinas Grandes salar exceeded **3,000 mg/l**.

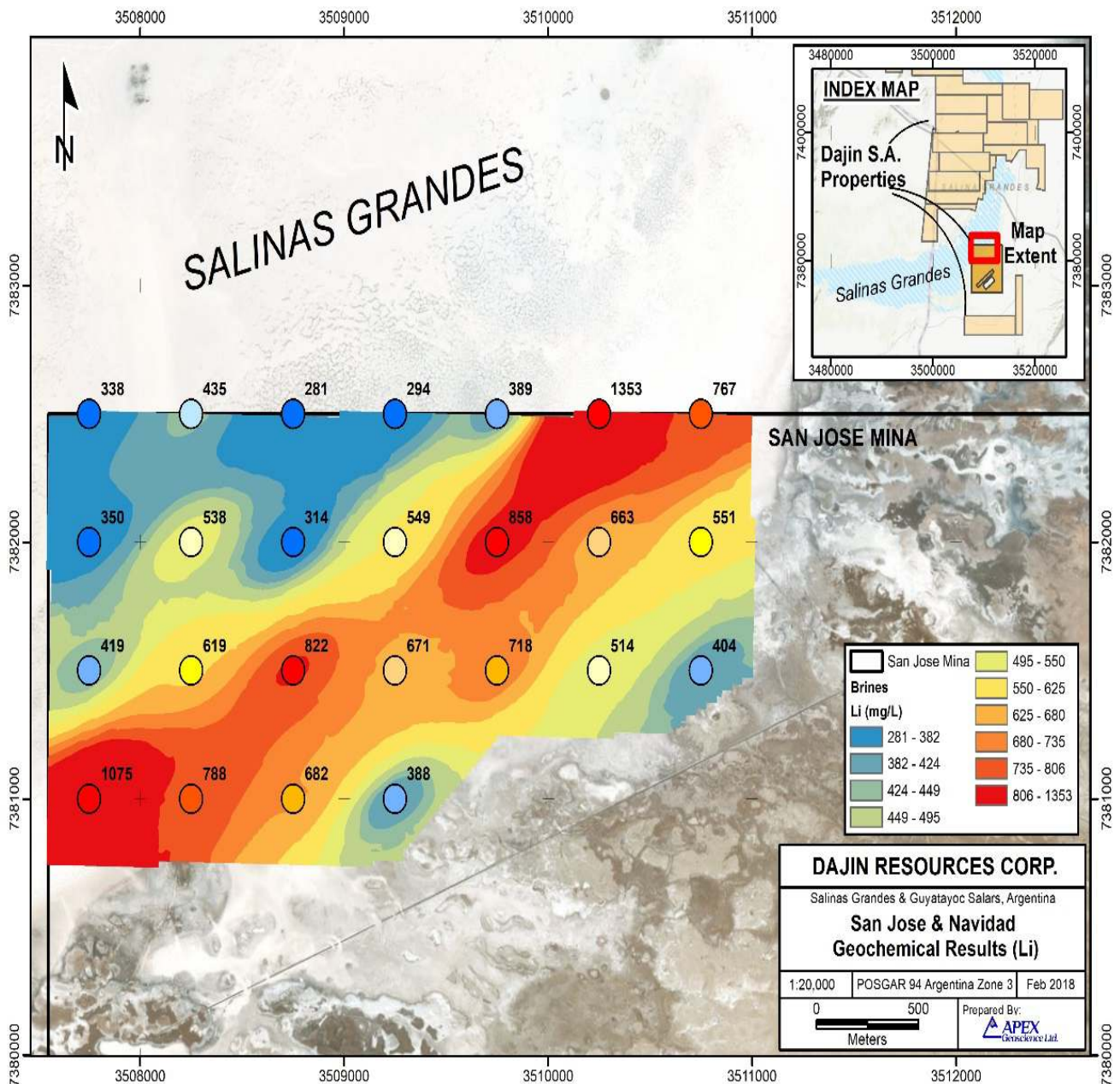
### **Argentina – Salinas Grandes and Guayatayoc salar properties**

#### **San Jose-Navidad Project**

On February 28, 2018, the Company reported that LSC Lithium Corporation ("LSC") had completed phase one of a surface exploration program on the northwest portion of the San Jose-Navidad mina located on the Salinas Grandes salar in the province of Jujuy, Argentina. There were 25 shallow brine samples taken over an area of 550 hectares (5.5 km<sup>2</sup>) in the northwestern corner of the 4,400 hectares (43 km<sup>2</sup>) San Jose-Navidad mina. Lithium concentrations ranged from **281 mg/l** to **1,353 mg/l**, averaging **591 mg/l**.

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The 25 sample points were pre-planned on a 500 m east/west and north/south grid, utilizing the Company geographical information system and located in the field with a handheld GPS. At each sample site an auger drill was used to excavate an 8-inch diameter hole to a depth of two (2) m. Thereafter a bailer was used to extract brine 0.5m to 1.0m below the phreatic level after the brine had been given time to settle over a 30-minute period. The bailed brine was then decanted into four sterilized plastic liter size bottles and sealed without any air being trapped in the bottle. There after the samples were delivered to the laboratory for analysis.



**San Jose - Navidad Lithium Assay Results – February 2018**

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In September 2018, the Phase two near-surface exploration program on the San José – Navidad minas located on the Salinas Grandes salar in the province of Jujuy, Argentina, has been completed. This Phase consisted of drilling and sampling seven holes. The Lithium brine samples taken were forwarded to Alex Stewart Argentina (ASA) laboratories in Jujuy, Argentina. In addition to the brine samples, seven core samples for relative brine release measurements were taken and sent to Daniel B Stephens & Associates laboratories in Albuquerque, New Mexico, USA. The highly prospective San José – Navidad minas are part of a 93,000 hectares (230,000 acres) land package controlled by the Company and being explored by LSC Lithium Corporation (“LSC”). LSC was the operator of the project.

The seven sample points were pre-planned on a 1,000 m grid, located in the field with a hand-held GPS unit. At each sample site a Vibracore drill machine was used to extract HQ diameter cores to an average depth of 7.8 m. Thereafter, a bailer was used to extract brines from the lithological units. The bailed brine was then decanted into three sterilized plastic litre size bottles and sealed without any air being trapped in the bottle. Thereafter, the samples were delivered to the laboratory for analyses.

Brine sampling involved collection of brines from the drill holes by a bailer and decanted into an approximately 13.5 litre bucket, which was flushed with fresh brine several times prior to collection of the sample. Brine was poured into 1-litre sample bottles which had been previously flushed with fresh brine from the bucket several times. Sample bottles were filled to the top to eliminate the inclusion of air and sealed with a leak-proof lid. Samples were labelled and labels covered with clear tape to prevent erasure of sample information. All samples remained in the possession of the site geologist until delivery to Alex Stewart Laboratory (ASA) in Jujuy, Argentina. Due to a mix up with the labelling of samples and locations of the corresponding drill holes the Phase two exploration program will have to be redone.

The San José – Navidad minas have not been explored previously for Lithium bearing brines but results from earlier exploration programs in adjacent parts of the salar reported Lithium brine sampling from 1-meter-deep pits. The seven closest pit samples, taken between 0 to 200 meters from both the north and west sides of the mina yielded Lithium concentrations that ranged from 279 mg/l to 987 mg/l, averaging 551 mg/l. Pit samples taken within one (1) km of the property boundary assayed up to 1,122 mg/l Lithium. The highest Lithium assay ever reported on the Salinas Grandes salar exceeded 3,000 mg/l .

In March 2019, Pluspetrol Resources Corporation B.V. (“Pluspetrol”) acquired 100% of the issued and outstanding common shares of LSC Lithium Corporation (“LSC”) for a cash consideration of approximately **CDN \$111 million**. This acquisition included an earn-in agreement with Dajin Resources S.A. This earn-in agreement has been fulfilled whereby Pluspetrol has spent approximately US \$500,000 in exploration expenditures and paid the Company US \$600,000 to earn a 51% interest in Dajin S.A.

Pluspetrol has created the company **Litica Resources S.A.** for exploration and development of their concessions in Argentina. Litica’s exploration team is currently reviewing the Salinas Grandes exploration and drilling data. This data was acquired with the takeover of LSC. The comprehensive review is in preparation for future exploration programs on the Salinas Grandes salar.

Pluspetrol is a private, independent, international energy company with over 40 years experience in the exploration and production of oil and gas. Pluspetrol is the largest hydrocarbon producer in Peru. With operations in Angola, Argentina, Bolivia, Colombia, Peru, and offices in United States, Uruguay and the Netherlands, Pluspetrol promotes energy development and fosters activities at an international level. Pluspetrol has created the company Litica Resources S.A. to enter the "battery metals" business.

Due to unforeseen circumstances related to the COVID-19 pandemic it is not possible to carry out the 2020 field work that had been planned.



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On February 19, 2020, the Company announced it had formed a Strategic Alliance with Moselle Technologies Inc. ("Moselle") of Dallas, Texas by signing a letter of understanding between the two companies to work together to further pursue the exploration and extraction of Lithium from naturally occurring brines. Moselle has developed a patent pending magnetic separation process for the extraction of Lithium and other elements from naturally occurring Lithium bearing brines. The Moselle technology utilizes a solution containing magnetic nanoparticles that replaces the need for traditional evaporation ponds and reduces both the construction and operating costs of a processing facility. It cuts processing time of brine solution to a matter of minutes, not months or years. Moselle's nanoparticles have approximately one thousand times the specific surface area of traditional polymer beads. This results in very fast direct extraction and a decrease in the size and cost of equipment required for additional processing. ([www.moselletechnologies.com](http://www.moselletechnologies.com))

The underlying technology was developed by Pacific Northwest National Laboratories, one of the large US National Laboratories supported by the United States Department of Energy. Moselle acquired the exclusive rights to the intellectual property and then funded research to develop a nanoparticle specifically for the extraction of Lithium. A pilot plant is currently being designed by Moselle for the testing of their technology on a commercial scale.

"The Company has for some time been monitoring the development and application of new technologies for the processing of Lithium bearing brines. As a result of extensive laboratory testing, the Moselle technology has proven to recover up to 99% of the lithium found in brines tested. Once commercialized, Dajin and Moselle expect this technology to have created one of the world's lowest cost production methods for Lithium extraction." reports Brian Findlay, President of Dajin.

The Company is currently arranging for a shipment of Lithium brine to the USA from Argentina that Moselle will be analyzing and carrying out preliminary testing on. A similar analysis will be done of the Lithium brine solution from the Teels Marsh Lithium brine project in Nevada.

As management is not able to determine the fair value of its investment in Dajin S.A., defined as the price that the Company would receive by selling it in an orderly transaction, the carrying amount was written down to a nominal amount of \$1 at November 30, 2020.

### **United States – Nevada Properties**

#### **Teels Marsh Project**

The Company holds a 100% interest in 403 placer mineral claims covering approximately 3,202 hectares (7,914 acres) in the Teels Marsh valley of Mineral County, Nevada.

As at August 15, 2019, the Company was granted an extension to water rights to May 24, 2021 at the Teels Marsh Lithium brine project. The Company believes that the granting to the Company of water rights is an important element of Lithium brine exploration, extraction and processing. Low cost and time proven traditional extraction methods require concentration of brines by evaporation in surface ponds. New technologies are being developed that use less water and can potentially return processed water to the reservoir.



However, the Company wishes to maintain maximum flexibility in the adoption of any future process technology for the extraction of Lithium from brine at Teels Marsh, hence the granting to the Company of water rights is an important step forward in the Company's exploration and development plans.

The Company has received a permit (Notice NVN-94695) from the Bureau of Land Management to proceed with drilling and civil works at the Teels Marsh property. During

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the application process, several ancillary permits were acquired by the Company in order to proceed with its exploration drilling plans. The Company has temporary permits to change the point of diversion for each of the proposed wells under their base Water Right Permit #85204. The Company has also received a Special Use Permit from Mineral County for use of heavy equipment on county roads. An agreement to obtain a local source of gravel from private land within the basin has also been completed.

During the summer of 2018, Dajin completed the construction of all necessary engineered access roads and two drill pads in preparation for drilling of four production diameter exploration wells. High near surface Lithium brine assay has been received of **79 mg/l**. Water rights have been granted and all necessary permits for drilling are in place.

On January 15, 2019, the Company was served notice by a creditor claiming a Mechanics lien upon all of the unpatented mining claims in the Teels Marsh valley, Nevada, pursuant to a contract for construction services entered into during the previous year. On April 18, 2019, a partial lien release was recorded of US \$100,000, reducing the balance to US\$562,666. An arbitration hearing was held on October 15, 2019 to resolve the matter. The Arbitrator determined the Company was to pay an outstanding balance of US \$154,655. The Company has paid a total of US \$600,000 for construction of all necessary engineered access roads and two drill pads in preparation for a drill program.

**Alkali Lake Project**

The Company holds a 100% interest in 62 placer mineral claims in the Alkali Lake valley of Esmeralda County, Nevada to explore for Lithium brines. The Company has applied to the State of Nevada for 1,000 acre-feet of water rights.

The Alkali Lake valley project is located 12 km northeast of Albemarle's Silver Peak Lithium operation in Clayton Valley, the only producing brine-based Lithium mine in operation in North America. Like Clayton Valley, Alkali Lake valley is a classic, fault bounded closed basin.

The Company's interest in these placer mining claims is held in the Company's wholly-owned US subsidiary, Dajin Resources (US) Corp.

**RESULTS OF OPERATIONS**

**Three months ended November 30, 2020**

For the three months ended November 30, 2020, the Company incurred a net loss of \$643,387 (2019: \$50,261 net loss) an increase of \$593,126. The change is mainly due to the write down of the investment in Dajin Resources S.A. of \$584,425.

Total expenses for the three months ended November 30, 2020 were \$60,283 as compared to \$80,103 for the comparable period a decrease of \$19,820. The change is mainly due to decrease in administration fees, consulting fees, legal and professional fees, marketing and advertising and wages and benefits expenses.

**Year ended November 30, 2020**

For the year ended November 30, 2020, the Company incurred a net loss of \$926,333 (2019: \$358,352) an increase of \$567,981. The change is mainly due to decrease in administration fees, consulting fees, marketing and advertising and wages and benefits expenses and offset by increase in stock-based compensation and the write down of the investment in Dajin Resources S.A. of \$584,425.

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Total expenses for the year ended November 30, 2020 were \$356,500 as compared to \$502,908 for the comparable period a decrease of \$146,408. The change is mainly due to decrease in administration fees, consulting fees, legal and professional fees, marketing and advertising and wages and benefits expenses and offset by increase in stock-based compensation.

**Selected Annual Information**

	<b>2020</b>	<b>2019</b>	<b>2018</b>
Total revenues	\$ -	\$ -	\$ -
Net income (loss)	\$ (926,333)	\$ (358,352)	\$ (1,518,168)
Basic and diluted loss per share	\$ (0.01)	\$ (0.00)	\$ (0.01)
Total assets	\$ 3,675,906	\$ 4,177,013	\$ 5,599,585
Total long-term liabilities	\$ -	\$ -	\$ -
Cash dividends	\$ -	\$ -	\$ -

**Summary of Quarterly Results**

**FOR THE THREE MONTHS ENDED**

	<b>November 30, 2020</b>	<b>August 31, 2020</b>	<b>May 31, 2020</b>	<b>February 29, 2020</b>
Total revenues	\$ -	\$ -	\$ -	\$ -
Net income (loss)	\$ (643,387)	\$ (141,124)	\$ (48,601)	\$ (93,221)
Basic and diluted loss per share	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)

**FOR THE THREE MONTHS ENDED**

	<b>November 30, 2019</b>	<b>August 31, 2019</b>	<b>May 31, 2019</b>	<b>February 28, 2019</b>
Total revenues	\$ -	\$ -	\$ -	\$ -
Net income (loss)	\$ 50,261	\$ (139,464)	\$ (161,152)	\$ (107,997)
Basic and diluted loss per share	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)

There can be material fluctuations in quarterly results. The income/loss for the quarters ended November 30, 2020, August 31, 2020, May 31, 2020, February 29, 2020, November 30, 2019, August 31, 2019, May 31, 2019, and February 28, 2019, includes a share-based compensation charge of \$Nil, \$103,710, \$Nil, \$40,960, \$29,150, \$Nil, \$Nil, and \$Nil, respectively, due to the granting of share purchase options during these quarters

**LIQUIDITY AND CAPITAL RESOURCES**

As of November 30, 2020, the Company had a working capital deficiency of \$234,770 as compared to a working capital deficiency of \$257,360 at November 30, 2019.

To date, the Company has been able to fund operations and property exploration and evaluation primarily

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through equity financings and short-term loans. The continued volatility in the financial equity markets has made it difficult to raise capital. The junior mining industry is considered speculative in nature which could make it even more difficult to fund. While the Company is using its best efforts to achieve its business plans by examining various financing alternatives, there is no assurance that the Company will be successful with its financing ventures.

During the year ended November 30, 2020, the Company issued 8,400,000 shares on July 29, 2020 at a deemed price of \$0.03 per share for settlement of corporate debt totalling \$252,000 to certain creditors. On July 30, 2020, the Company issued 500,000 common shares at a price of \$0.05 per share upon exercise of share purchase options for total proceeds of \$25,000. On September 1, 2020, the Company issued 50,000 common shares at a price of \$0.07 per share upon exercise of share purchase options for total proceeds of \$3,500. On November 24, 2020, the Company issued 130,000 common shares at a price of \$0.05 per share upon exercise of share purchase options for total proceeds of \$6,500.

On January 21, 2021, the Company issued 1,430,000 common at a price of \$0.05 per share upon exercise of share purchase options for total proceeds of \$71,500. On February 16, 2021, the Company issued 720,000 common shares at a price of \$0.05 per share upon exercise of share purchase options for total proceeds of \$36,000.

**OFF-BALANCE SHEET ARRANGEMENTS**

During the reporting period there were no off-balance sheet arrangements.

**RELATED PARTY TRANSACTIONS**

The Company incurred the following charges with directors and officers (Brian Findlay, Catherine Hickson, Mark Coolbaugh and Rachelle Findlay) of the Company and private companies controlled by the directors (Brian Findlay and Catherine Hickson):

	<u>Relationship</u>	<u>2020</u>	<u>2019</u>
Key management compensation			
Consulting fees – operating expenses	A private company controlled by a director (Catherine Hickson)	12,000	-
Geological Consulting fees – resource property costs	A private company controlled by a director (Catherine Hickson)	6,143	-
Rent reimbursement	A private company controlled by a director (Brian Findlay)	42,000	55,571
Share-based compensation	Directors of the Company	<u>74,500</u>	<u>-</u>
		<u>134,643</u>	<u>55,571</u>
Wages and benefits	An officer of the Company	16,881	57,876
Share-based compensation	An officer of the Company	510	-
Office and administration expenses	An officer of the Company	<u>7,400</u>	<u>-</u>
		<u>24,791</u>	<u>57,876</u>
		<u>\$ 159,434</u>	<u>\$ 113,447</u>

These charges were measured by amounts agreed upon by the transacting parties.

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Included in November 30, 2020 accounts payable and accrued liabilities is \$10,241 (November 30, 2019: \$10,565) of reimbursable expenses (November 30, 2019: reimbursable expenses) owing to companies with common officers and directors.

Included in November 30, 2020 loans payable is \$126,997 (November 30, 2019: \$146,454) owing to certain officers and directors of the Company.

Included in November 30, 2020 prepaid expenses are rent and expense reimbursements of \$Nil (November 30, 2019: \$4,900) to companies with common directors.

During the year ended November 30, 2020, the Company issued 6,210,000 common shares to settle \$186,300 of accounts payable and loans payable owing to a director and companies with common directors.

Amounts due to related parties are non-interest bearing, unsecured and are due on demand.

**CRITICAL ACCOUNTING POLICIES AND ESTIMATES**

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the condensed interim consolidated financial statements is included in the following notes:

*Resource property expenditures*

The application of the Company's accounting policy for resource property expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after an expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off in the statement of comprehensive loss in the period the new information becomes available.

*Impairment*

At each reporting period, assets, specifically resource property costs, are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts exceed their recoverable amounts. The assessment of the carrying amount often requires estimates and assumptions such as discount rates, exchange rates, commodity prices, future capital requirements and future operating performance.

*Going concern*

The Company uses judgment in determining its ability to continue as a going concern in order to discharge its current liabilities via raising additional financing.

*Investment in Dajin Resources S.A.*

The accounting for investments in other companies can vary depending on the degree of control and influence over those other companies. Management is required to assess at each reporting date the Company's control and influence over these other companies. Management has used its judgment to determine which companies are controlled and require consolidation and those which are significantly



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influenced and require equity accounting. The Company has diluted its interest in its previously wholly-owned subsidiary Dajin Resources S.A. ("Dajin S.A.") to less than 50% and has concluded that it does not have the current ability to control the key operating activities of the Dajin S.A. Pursuant to the Shareholders and Operating Agreements entered into by the companies, Lithium S Holding Corporation ("Lithium H"), a wholly-owned subsidiary of LSC Lithium Corporation ("LSC"), was appointed operator for the earn-in period and the board of directors of Dajin S.A. is comprised of two directors appointed by Lithium H and one director appointed by the Company. The operator prepares and submits annual budgets and programs to the board for approval and has sole and exclusive right and authority to manage, direct and supervise all operations for and on behalf of Dajin S.A. Management has determined that the Company does not have significant influence over Dajin S.A. Accordingly, the investment in Dajin S.A. is accounted for at cost and not as an investment in associate.

**CHANGES IN ACCOUNTING POLICIES**

The following new standards and interpretations are not yet effective and have not been applied in preparing the condensed interim consolidated financial statements. The Company is currently evaluating the potential impact of these new standards; however, the Company does not expect them to have a significant effect on the financial statements.

- IFRS 16, *Leases* (effective January 1, 2019) introduces new requirements for leases. Under IFRS 16, all leases are required to be accounted for as finance leases rather than operating leases, where the required lease payments are disclosed as a commitment in the notes to the financial statements. As a result, leased assets ("right-of-use" assets) and the related lease liability will be required to be recognized on the statement of financial position.

**FINANCIAL AND OTHER INSTRUMENTS**

Financial instruments issued by the Company are treated as equity only to the extent that they do not meet the definition of a financial liability. The Company's common shares are classified as equity instruments.

Subsequent measurement and changes in fair value will depend on their initial classification, as follows: held-for-trading financial assets are measured at fair value and changes in fair value are recognized in net earnings; available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income until the investment is derecognized or impaired at which time the amounts would be recorded in net earnings.

The Company classifies and measures its financial instruments as follows:

- Cash and cash equivalents and reclamation bonds are classified as subsequently measured at amortized cost.
- Marketable securities are classified as FVTPL.
- Accounts payable and accrued liabilities and loans payable are classified as subsequently measured at amortized cost.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

(a) Credit risk

Credit risk is the risk of an unexpected loss if a party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to cash. The Company has no significant concentration of credit risk arising from operations. The Company reduces its credit risk on cash by placing

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these instruments with institutions of high credit worthiness. As at November 30, 2020 the Company is not exposed to any significant credit risk.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. At November 30, 2020, the Company had cash of \$645 (November 30, 2019 - \$21,127) and current liabilities of \$241,006 (November 30, 2019 - \$287,450) of which \$126,997 (November 30, 2019 - \$146,454) is related party loans to the Company. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to short term interest rates through the interest earned on cash balances. The Company has significant cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in short-term deposits with its banking institutions. The Company monitors the investments it makes and is satisfied with the credit ratings of the banks with which they are held.

(d) Price risk

The ability of the Company to finance the exploration and development of its properties and the future profitability of the Company is directly related to the commodity prices of industrial minerals (Lithium, Boron and Potassium), and precious and base metals. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. Sensitivity to price risk relative to earnings is remote since the Company has not established any reserves or production. The Company is also exposed to the risk of equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company monitors commodity prices of industrial minerals, precious and base metals, individual equity movements, and the stock market in general to determine the appropriate course of action to be taken.

(e) Sensitivity Analysis

The Company has designated its cash and cash equivalents and reclamation bonds as loans and receivables and measures them at their amortized costs. Bank indebtedness, accounts payable and accrued liabilities and loans payable are classified as other financial liabilities, which are measured at their amortized costs.

Based on management's knowledge and experience of the financial markets, the Company believes the following is "reasonably possible" during the upcoming financial year:

Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depends upon the world market price of precious metals. Precious metal prices have fluctuated significantly in recent years. There is no assurance that, even as commercial quantities of precious metals may be produced in the future, a profitable market will exist for them. As of November 30, 2020, the Company was not a precious metal producer. As a result, commodity price risk largely affects the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

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(f) Foreign Currency Risk

Foreign currency exchange rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company's operations are carried out in the Canada, United States and Argentina. As at November 30, 2020, the Company had accounts payable of \$15,218 (November 30, 2019: \$34,378) denominated in US dollars. These factors expose the Company to foreign currency exchange rate risk, which could have an adverse effect on the profitability of the Company. The Company currently does not plan to enter into foreign currency future contracts to mitigate this risk.

**RISKS AND UNCERTAINTIES**

The more significant risks and uncertainties not discussed elsewhere in this MD&A include:

Financing Risk

The Company will need to continue raising funds to finance its operations and exploration activities. There is no certainty that the Company will be able to raise money on acceptable terms or at all.

Exploration Risk

Exploration for mineral resources involves a high degree of risk. The cost of conducting exploration programs may be substantial and the likelihood of success is difficult to assess. Few explored properties are ultimately developed into producing mines. The Company attempts to mitigate its exploration risk by maintaining a diversified portfolio that includes several different exploration prospects in a number of favorable geologic environments.

Environmental Risk

The Company seeks to operate within environmental protection standards that meet or exceed existing requirements in the countries in which the Company operates. Present or future laws and regulations, however, may affect the Company's operations. Future environmental costs may increase due to changing requirements or costs associated with exploration and the developing, operating and closing of mines. Programs may also be delayed or prohibited in some areas. Although minimal at this time, site restoration costs are a component of exploration expenditures.

**OUTSTANDING SHARE DATA**

As at March 30, 2021

Common Shares issued	163,525,509
Incentive stock options	10,420,000
Share purchase warrants	-

**OTHER**

Additional information and other publicly filed documents relating to the Company, including its press releases and quarterly and annual reports, are available on SEDAR and can be accessed at [www.sedar.com](http://www.sedar.com).