ZINC8 ENERGY SOLUTIONS INC.

Unit 1 – 8765 Ash Street
Vancouver, BC V6P 6T3

MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020

The following Management's Discussion and Analysis ("MD&A"), prepared as of April 30, 2021, should be read in conjunction with the audited consolidated financial statements of Zinc8 Energy Solutions Inc. ("Zinc8" or the "Company") for the year ended December 31, 2020. The referenced consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All financial amounts are stated in Canadian dollars unless stated otherwise.

Additional information relating to the Company and its operations is available under the Company's profile on SEDAR at www.sedar.com.

FORWARD-LOOKING STATEMENTS

The Company's consolidated financial statements for the year ended December 31, 2020, and this accompanying MD&A contain statements that constitute "forward-looking statements" within the meaning of National Instrument 51-102 - *Continuous Disclosure Obligations* of the Canadian Securities Administrators.

It is important to note that, unless otherwise indicated, forward-looking statements in this MD&A describe the Company's expectations as of April 30, 2021.

Certain statements contained in this MD&A may constitute "forward-looking statements". Such term is defined in applicable securities laws. The forward-looking statements include, without limitation, statements with respect to the success of research and development activities; the Company's new and existing technology; the Company's ability to obtain necessary financing; the completion of the Transaction (as defined herein) and the listing of the Company's shares on the Canadian Securities Exchange; the Company's ability to meet its obligations as they become due; and other similar statements concerning anticipated future events, conditions or results that are not historical facts. These statements reflect management's current estimates, beliefs, intentions and expectations; they are not guarantees of future performance. The Company cautions that all forward-looking information is inherently uncertain and that actual performance may be affected by a number of material factors, many of which are beyond the Company's control. Such factors include, among others, risks relating to research and development; the Company's intellectual property applications being approved; the Company's ability to protect its proprietary rights from unauthorized use or disclosure; the ability of the Company to obtain additional financing; the Company's limited operating history; the need to comply with environmental and governmental regulations; fluctuations in currency exchange rates; operating hazards and risks; competition; and other risks and uncertainties. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Accordingly, actual future events, conditions and results may differ materially from the estimates, beliefs, intentions and expectations expressed or implied in the forward-looking information. All statements are made as of the report date and, except as required by law, the Company is under no obligation to update or alter any forward-looking information.

DESCRIPTION OF BUSINESS

The Company was incorporated on December 8, 2011 pursuant to the BC Business Corporations Act and the Company's head office is located at #1 – 8765 Ash Street Vancouver, BC V6P 6T3.The Company is executing the development and commercialization of a dependable, low-cost zinc-air battery. The Company believes that this mass storage system will offer both environmental and economic benefits.

The Company's Zinc-Air Energy Storage System (the "Zinc-Air System") technology has been developed around the utilization of zinc as the anode fuel, which is expected to offer numerous advantages over other forms of metals due to its unique attributes, which include high energy density, abundant availability, low cost, and ease of storage and handling. The regenerative system does not require fuel replacement and offers scalable energy capacity through the simple introduction of additional fuel tanks.

On December 19, 2017 there was a change of control event whereby MGX Minerals Inc. ("MGX") acquired all of the outstanding common shares of the Company in exchange for common shares of MGX and cash considerations. On April 3, 2018, MGX announced it would pursue a reorganization, pursuant to which it would spin-out its interests in the Company, resulting in the Company becoming listed as a separate company on the Canadian Securities Exchange ("CSE") (the "Transaction"). On July 15, 2019 the Company filed a Listing Statement outlining the full details of the Transaction. Additional information is also contained in news releases of Zinc8 dated July 9, 2019 and July 22, 2019 available on Sedar.com

HIGHLIGHTS

The Company will be deploying its Zinc-Air System on December 21, 2020 to 75 House in Surrey, British Columbia. The system is currently configured to be 20kW and 80kWH but the flexibility of the Zinc-Air System enables it to be easily modified to meet changes in demand. The system will be integrated with onsite solar array to provide the main source of power to the estate.

On October 19, 2020, the Company entered into an agreement in principle with Australian engineering firm SmartConsult to explore joint-venture projects concerning the deployment of Zinc8's Zinc-Air System. The agreement would focus on deploying the Zinc-Air System at aquatic centers, remote mines and behind-the-meter applications using SmartConsult extensive contacts and relationships throughout Australia.

On September 22, 2020 the Company was announced as a winner of New York City's Department of Buildings Innovation Challenge. The Company's Zinc-Air System was the only energy storage solution chosen as a winner. The winners of the challenge will be supported for inclusion in the 2020 NYC Building Code.

On September 21, 2020 the Company entered into an agreement in principle with Vijai Electricals agreeing to explore joint-venture projects concerning the deployment of Zinc8's patented Zinc-Air System. Additionally, the companies will explore the potential of manufacturing components of the Zinc-Air System in India.

On September 4, 2020 the Company closed a non-brokered private placement issuing 8,750,000 units at $0.16 per unit for gross proceeds of $1,400,000. Each unit consist of one common share of the Company and one non-transferrable share purchase warrant. Each warrant has a two-year life and an exercise price of $0.30. The Company paid cash finders fees of $37,560 and issued 234,750 finders warrants.

On May 6, 2020 the Company was accepted in the ACRE Incubator Program at Urban Future Lab ("UFL") in Brooklyn New York. The UFL programs are focused on policy, education and market solutions to address climate change and ACRE is the UFL's flagship program. The ACRE program provides support to companies involved in the green economy through business advisory services, introductions to investors and access to mentors and channel partners.

On March 11, 2020 the Company announced it had entered into a deployment agreement with Digital Energy Corporation to install a 100kW/1.5MWh Zinc-Air System in Brooklyn, NY. The deployment will be supported by the New York State Energy Research and Development Authority ("NYSERDA").

On February 11, 2020 the Company closed a non-brokered private placement issuing 27,879,513 units at $0.11 per unit for gross proceeds of $3,066,746. Each unit consists of one common share and one non-transferrable share purchase warrant. The warrants have a two-year life and an exercise price of $0.155 during the year first year and $0.40 for the balance of the term. The Company paid $186,893 in finders fees and issued 632,887 finders warrants.

On January 17, 2020 the Company entered into a cooperation agreement with the New York Power Authority ("NYPA") for the installation of a 100kW/1MWh Zinc-Air Battery Energy Storage System. NYPA is the largest state public power organization in the USA.

During the year ended December 31, 2020 the Company agreed to a settlement of the loan with MGX for $1,500,000 and repaid $1,500,000. As per the terms of the settlement the remainder of the settlement is payable over. The Company recorded a gain on debt settlement of $3,736,152. Upon completion of the settlement, Jared Lazerson resigned from his position as a Director of Zinc8. Mr. Lazerson agreed to a severance agreement with the Company whereby the Company issued 800,000 units with each unit consisting of one common share and one share purchase warrant. Each warrant is exercisable for 2 years at a price of $0.50 per warrant and the units were issued on May 5, 2020. The units were fair valued at $420,881 and recorded as a severance expense.

During the year ended December 31, 2020 the Company received $1,109,706 in government grants as a reimbursement of past research and development expenditures. The Company may be eligible for additional grants upon further development of its zinc-air technology.

OVERALL PERFORMANCE

The Company's operations are not currently revenue generating and the Company will need to continue to rely on its ability to obtain the necessary financing through grants and other financings to complete the development of zinc-air flow batteries.

Zinc-Air Technology

The Company's zinc-air technology consists of three major components: the fuel tank where zinc particles and a potassium hydroxide (KOH) electrolyte are stored; the cell stack where the fuel is converted to electrical power; and the regenerator unit where the electrical power is converted back to fuel. In operation, electrical energy from a source is used to convert zinc oxide to zinc metal in the regenerator unit. The zinc "fuel" thus created is stored in the fuel tank until required. When stored energy is to be released, the zinc fuel is pumped into the cell stack where it reacts with atmospheric oxygen to produce electricity.

The modular system is currently designed to deliver power in the range of 20kW to 1MW and energy in the range of 160kWh to 8MWh. The system can be configured to support a wide range of discharge power, recharge power and duty cycle requirements.

The Company has commenced development of a scaled-up 20 kW/160-kilowatt hour ("kWh") system for use in utility-scale battery storage. The 20kW/160kWh modules represent a four-times increase in both energy and power as compared to its current 5kW systems. The 20kW system is expected to retain all attributes of the Company's existing 5kW systems, while providing additional benefits, including lower costs and higher energy density along with adaptability for new applications beyond mass energy storage. The containerized system may be easily scaled to megawatt storage and output capacities. To date, Zinc8 has been awarded 20 patents covering its mass storage technology.

COOPERATION AGREEMENT

The Company entered into a Cooperation agreement (the "Agreement") dated December 24, 2019 with The Power Authority of the State of New York (the "Authority") for the installation of a 100kW/1MWh Zinc-Air Battery Energy Storage System in New York State.

Under the Agreement with the Authority, the Authority agreed to collaborate with the Company and contribute to a research and development project through its participation in aspects of design and fabrication of a zinc air energy storage system, the demonstration of the system and the Company agreed to collaborate with the Authority to pursue the research and development project.

The Authority agreed to contribute the following monetary contributions to the Company for the research and development of the Product:

- First Contribution - $835,000 USD (CAD$ 1,109,632 received in 2020), to be paid within 30 days following the Effective Date of this Agreement.

- Second Contribution - $0 USD, to be paid after 6 months following the Effective Date of this Agreement, after receipt and approval of the first interim fiscal report for the first 6-month period, but not before actual qualified expenses and the Company's project expenses have equaled or exceeded the minimum required expenditures.

Minimum Required Qualified Expenses: $355,000 USD
Minimum Required Company's Project Expenses: $0

- Third Contribution - $0 USD, to be paid after 12 months following the Effective Date of this Agreement, after receipt and approval of the second interim fiscal report for the second 6-month period, but not before actual qualified expenses and the Company's project expenses have equaled or exceeded the minimum required expenditures.

  Minimum Required Qualified Expenses: $835,000 USD
  Minimum Required Company's Project Expenses: 80% of $2,950,000 USD

- Fourth Contribution - $160,000 USD, to be paid after 18 months following the Effective Date of this Agreement, after receipt and approval of the third interim fiscal report for the third 6-month period, but not before actual qualified expenses and the Company's project expenses have equaled or exceeded the minimum required expenditures.

  Minimum Required Qualified Expenses: $995,000 USD
  Minimum Required the Company's Project Expenses: 80% of $4,100,000 USD

- Fifth Contribution - $380,000 USD, to be paid after 24 months following the Effective Date of this Agreement, after receipt and approval of the fourth interim fiscal report for the fourth 6-month period, but not before actual qualified expenses and the Company's project expenses have been equaled or exceeded the minimum required expenditures, whichever is later.

  Minimum Required Qualified Expenses: $1,375,000 USD Minimum
  Required the Company's Project Expenses: 80% of $5,400,000 USD

- Sixth Contribution - $20,000 USD, to be paid after 30-months following the Effective Date of this Agreement, after receipt and approval of the fifth interim fiscal report for the fifth 6-month period, or after actual qualified expenses and the Company's project expenditures have been equaled or exceeded the required expenditure, whichever is later.

  Minimum Required Qualified Expenses: $1,395,000 USD
  Minimum Required the Company's Project Expenses: 80% of $6,450,000 USD

- Final Contribution – After receipt and approval of the final fiscal report, a final contribution of $155,000 will be paid for actual qualified expenses and the Company's project expenditures have equaled or exceeded the required expenditures.

  Minimum Required Qualified Expenses: $1,550,000 USD
  Minimum Required the Company's Project Expenses: 80% of $6,450,000 USD

The term of this Agreement (the "Term") shall begin on the Effective Date and shall be valid for an initial period of 10 years as of the Effective Date, with automatic renewals of one (1) year periods each unless either Party provides written notification to the other. The Authority, within its sole discretion and for any reason, may terminate this Agreement at any time upon 30 days' notice to the Company. Upon such termination, the Parties will conduct a final payment schedule, which will include any and all final payments due to each side.

DISCUSSION OF OPERATIONS

Year ended December 31, 2020

The Company recorded a net loss of $2,043,822 ($0.03 per share) for the year ended December 31, 2020 as compared to a loss of $5,146,870 ($0.14 per share) for the year ended December 31, 2019.

The change is due to the following:

- The Company recorded interest expense of $163,808 (2019 - $601,891) related to the promissory note from MGX. Interest was lower in the 2,717,795 (2019 - $1,857,466) as the Company was able to raise funds to further advance development of zinc-air battery technology.
- During the year ended December 31, 2020 the Company recorded a gain on debt settlement of $3,736,152 related to the settlement of the MGX Loan.
- During the year ended December 31, 2020 the Company recorded a severance expense of $504,004 related to the settlement with Jared Lazerson and Michael Reimann the former CFO.
- During the year ended December 31, 2020 the Company received $1,109,706 in government grants as a reimbursement of past research and development expenditures.

Three months ended December 31, 2020

The Company recorded net loss of $1,773,883 ($0.02 per share) for the three months ended December 31, 2020 as compared to a loss of $1,051,158 ($0.02 per share) for the three months ended December 31, 2019.

The change is due to the following:

- Interest expense of $100,321 (2019 - $159,816) decreased as the Company settled the promissory note with MGX during the period ended December 31, 2020.
- Amortization expense increased to $62,213 (2019 - $19,539) as the Company amortized its Right-of-use assets.
- Filing and listing fees decreased to $45,707 (2019 - $152,939) as the Company incurred listing fees during the period ended December 31, 2019.
- The Company incurred management fees of $110,500 (2019 - $156,500) related to compensation to the CEO, CFO and Directors of the Company.
- Marketing expense decreased to $311,836 (2019 - $753,846) as the Company focused spending on the development and potential deployment of the Zinc-Air technology.
- During the three months ended December 31, 2020 the Company incurred share-based compensation expense of $6,076 (2019 - $944,107), the decrease is due to the timing of option grants as more options were granted in the comparative period ended December 31, 2019.

RESEARCH AND DEVELOPMENT

In order to execute the Company's business strategy, Zinc8 focusses heavily on research and development. During the year ended December 31, 2020 the Company incurred $2,717,795 (2019 - $1,857,466) of research and development expense. A breakdown of research and development expenditures during the year ended December 31, 2020 and 2019 is as follows:

	December 31, 2020 $	December 31, 2019 $
Materials	602,467	189,651
Operations	85,527	62,632
Personnel	2,023,026	1,587,321
Testing	6,775	17,862
	2,717,795	**1,857,466**

SELECTED ANNUAL INFORMATION

The following is a summary of certain selected audited financial information of the Company for the years ended December 31, 2020, 2019 and 2018:

	2020 $	2019 $	2018 $
Net (loss) income	(2,043,822)	(5,146,870)	(2,595,544)
Net loss per share (basic and diluted)	(0.03)	(0.14)	(0.09)
Intangible assets	4,950,134	4,950,134	4,950,134
Total assets	7,181,613	5,594,352	5,220,115
Long term liabilities	61,000	-	4,104,558
Working capital deficit	328,464	(6,018,775)	(189,348)

SUMMARY OF QUARTERLY RESULTS

The following table sets out financial information for the past eight quarters:

	Three Months Ended ($)			
	December 31, 2020	**September 30, 2020**	**June 30, 2020**	**March 31, 2020**
Net and comprehensive income (loss)	(1,773,883)	(610,852)	(2,316,114)	2,657,027
Basic and diluted loss per share*	(0.02)	(0.01)	(0.03)	0.04
Total assets	7,181,613	6,628,246	6,425,973	8,092,779
Working capital (deficit)	328,464	126,557	(1,083,498)	699,915

	Three Months Ended ($)			
	December 31, 2019	**September 30, 2019**	**June 30, 2019**	**March 31, 2019**
Net and comprehensive income	(1,051,158)	(1,990,714)	(1,199,615)	(905,383)
Basic and diluted loss per share*	(0.02)	(0.05)	(0.04)	(0.02)
Total assets	5,594,352	5,780,848	6,135,264	5,258,462
Working capital	(6,018,775)	21,550	419,554	(234,884)

* No exercise or conversion is assumed during the periods in which a loss is incurred, as the effect is anti-dilutive.

The increase in loss during the quarters ended June 30, 2018 and March 31, 2018 are due to a decrease in funding for research and development.

The income during the quarter ended March 31, 2020 is due to a gain on debt settlement of $3,736,152. The loss for the quarter ended June 30, 2020 includes a $420,881 severance expense related to the settlement with Jared Lazerson.

OUTSTANDING SHARE DATA

The Company has authorized unlimited common shares without par value.

All share information is reported as of April 30, 2021, in the following table:

Type of Security	Number
Issued and outstanding common shares	93,819,727
Stock options with a weighted average exercise price of $0.25	7,675,951
Warrants with a weighted average exercise price of $0.21	41,721,294
Total	125,282,222

TRANSACTIONS BETWEEN RELATED PARTIES

Compensation paid to key management during the year ended December 31, 2020 and 2019 was as follows:

	2020 $	2019 $
Management fees	379,500	234,500
Payroll expense	139,500	132,000
Share-based compensation	491,031	520,697
	1,029,031	**887,197**

[1]Includes fees paid to CFO Michael Reimann, and current CEO Ron MacDonald
[2]Incldues fees paid to VP of Engineering John McLeod

Key management includes the CFO, CEO, VP of Engineering and the Board of Directors. All related party transactions are in the normal course of operations and have been measured at the agreed to amounts, which is the amount of consideration established and agreed to by the related parties. As at December 31, 2020, the Company had $nil (2019 - $113,460) owing to related parties included in accounts payable. The amounts owing are non-interest bearing and due on demand.

During the year ended December 31, 2018 the Company received $2,376,744 (2017 - $nil) in loans from MGX. On June 30, 2018 the Company entered into a promissory note agreement with MGX in the amount of $2,952,222 (the "Promissory Note"). The Promissory Note replaced the existing loans payable that were owing to MGX. The Promissory Note bore interest at 12%, was unsecured and due on December 31, 2020. Additional loans received from MGX subsequent to the Promissory Note had the same terms as the Promissory Note.

	$
Balance, December 31, 2018	**4,104,558**
Additions	739,038
Repayments	(251,499)
Interest	582,591
Balance, December 31, 2019	**5,174,688**
Interest	61,464
Gain on debt settlement	(3,736,152)
Repayment	(1,500,000)
Balance, December 31, 2020	**-**

On March 11, 2020 the Company settled its debt with MGX Minerals for $1,500,000 and recorded a gain on debt settlement of $3,736,152. During the year ended December 31, 2020 the Company repaid $1,380,000.

As part of the debt settlement, Jared Lazerson, a former director of the Company, agreed to resign from his board position. Mr. Lazerson agreed to a severance agreement with the Company whereby the Company issued 800,000 units at a deemed price of $0.38, with each unit consisting of one common share and one share purchase warrant. Each warrant is exercisable for 2 years at a price of $0.50 per warrant. The units were fair valued at $420,881 and recorded as a severance expense.

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2020 the Company had working capital of $328,464 (December 31, 2019 – working capital deficit $6,018,775), has not generated any revenue from operations and has an accumulated deficit of $17,823,527 (December 31, 2019 - $15,779,705).

To date the Company has been funded through government grants and shareholder funding for research and development. As at December 31, 2020 the Company had sufficient funds to cover working capital expenditures for the next 12 months. However, the Company will need additional funding to continue the development of its zinc-air technology. In order to execute the Company's business strategy the Company will need to continue capital development through research and development. The Company expects to fund its future capital requirements through additional government grants and shareholder funding. The circumstances that could affect such sources of financing include those set out under "*Risk Factors*" in the accompanying Circular. See also the "*Financial Instrument*s" section of this MD&A.

FINANCING ACTIVITIES AND CAPITAL EXPENDITURES

On February 24, 2021 the Company closed a private placement offering of 28,750,000 common shares at a price of $0.54 per share for gross proceeds of $15,525,000. The Company incurred cash commission costs of 6% of gross proceeds and issue 1,725,000 compensation warrants with each compensation warrant exercisable at a price of $0.54 per warrant until February 24, 2023.

On September 4, 2020 the Company closed a non-brokered private placement issuing 8,750,000 units at $0.16 per unit for gross proceeds of $1,400,000. Each unit consist of one common share of the Company and one non-transferrable share purchase warrant. Each warrant has a two-year life and an exercise price of $0.30. The Company paid cash finders fees of $37,560 and issued 234,750 finders warrants. The Company fair valued the finders warrants at $46,581 using the Black-Scholes option pricing model based on the following assumptions: risk free rate – 1.27%; expected dividend - nil; expected life – 2 years; expected volatility – 172%.

On February 11, 2020 the Company closed a non-brokered private placement issuing 27,879,513 units at $0.11 per unit for gross proceeds of $3,066,746. Each unit consists of one common share and one non-transferrable share purchase warrant. The warrants have a two-year life and an exercise price of $0.155 during the year first year and $0.40 for the balance of the term. The Company paid $186,893 in finders fees and issued 632,887 finders warrants. The Company fair valued the finders warrants at $128,469 using the Black-Scholes option pricing model based on the following assumptions: risk free rate – 1.90%; expected dividend - nil; expected life – 2 years; expected volatility – 145%.

During the year ended December 31, 2020, 20,227,262 warrants were exercised for gross proceeds of $2,938,668. The Company transferred $118,420 from contributed surplus to share capital related to the exercise of warrants.

During the year ended December 31, 2020, 442,263 options were exercised for gross proceeds of $92,875. The Company transferred $89,066 from contributed surplus to share capital related to the exercise of the options.

Subsequent to December 31, 2020, 15,492,565 warrants were exercised for gross proceeds of $2,487,418 of which $15,500 were received at December 31, 2020.

Subsequent to December 31, 2020, 400,983 options were exercised for gross proceeds of $87,899.

The Company repaid $1,500,000 of the promissory note due to MGX and $173,671 of advances payable.

During the year ended December 31, 2020 the Company incurred $278,223 of capital expenditures related to the purchase of equipment (2019 - $nil).

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not utilize off-balance sheet transactions.

PROPOSED TRANSACTIONS

The Company has no proposed transactions that will materially affect the performance of the Company.

ACCOUNTING POLICIES

The Company's accounting policies are disclosed in Note 2 of the audited consolidated financial statements for the year ended December 31, 2020.

FINANCIAL INSTRUMENTS

Fair Values

The Company has classified fair value measurements of its financial instruments using a fair value hierarchy that reflects the significance of inputs used in making the measurements as follows:

- Level 1: Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Valuation based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates; and
- Level 3: Valuation based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

As at December 31, 2020, the fair values of financial instruments measured on a recurring basis include cash, determined based on Level 1 inputs and consisting of quoted prices in active markets for identical assets. The fair values of other financial instruments, which include accounts payable and accrued liabilities, loans payable, approximate their carrying values due to the relatively short-term maturity of these instruments.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. As at December 31, 2020 the Company had working capital of $328,464 (December 31, 2019 – working capital deficit $6,018,775).

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's cash is largely held in large Canadian financial institutions. The Company does not have any asset-backed commercial paper. The Company's receivables consist of GST receivable due from the Federal Government of Canada. The Company has not experienced any significant credit losses and believes it is not exposed to any significant credit risk.

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. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company does not hold any financial liabilities with variable interest rates. The Company does maintain bank accounts which earn interest at variable rates but it does not believe it is currently subject to any significant interest rate risk.

Foreign Currency Exchange Rate Risk

The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the Company's exposure to foreign currency risk is minimal.

RISKS AND UNCERTAINTIES

Risk is inherent in all business activities and cannot be entirely eliminated. The Company's goal is to mitigate the risks arising from business activities, the markets and political environments in order to sustain and develop the Company's operations. The risks and uncertainties described in the accompanying Circular under "*Risk Factors*" are considered by management to be the most important in the context of the Company's business. Such risks and uncertainties are not inclusive of all risks and uncertainties the Company may be subject to and other risks may apply.

FINANCIAL AND DISCLOSURE CONTROLS AND PROCEDURES

In connection with National Instrument 52-109 (Certification of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the consolidated financial statements for the year ended December 31, 2020, and this accompanying MD&A (together the "Annual Filings").

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