

CIRRUS GOLD CORP.
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE PERIOD ENDED SEPTEMBER 30, 2021

REPORT DATE:
OCTOBER 21, 2021

This Management Discussion and Analysis (the “MDA”) provides relevant information on the operations of Cirrus Gold Corp. (the “Company”) to the Report Date and the financial condition of the Company for the three and nine month period ended September 30, 2021.

This document contains forward looking statements. Please see section “*Forward-Looking Statements*”.

This MDA should be read in conjunction with the Company’s previous financial statements and notes thereto for the year ended December 31, 2020, and dated April 30, 2021.

The Company completed its Initial Public Offering on the Canadian Securities Exchange (“CSE”) under the symbol (“CI”). The Company issued 3,500,000 common shares at a price of \$0.10 per share for gross proceeds of \$350,000. The Company paid an agent a 10% cash commission, a \$40,000 corporate finance fee, of which \$10,000 was payable in common shares of the Company, and the agent received warrants to acquire up to 350,000 common shares at a price of \$0.10 per share, exercisable on or before July 26, 2023.

The Company is in the business of mineral exploration. Activities include the evaluation, acquisition and exploration of mineral exploration properties, for the purpose of discovering an economic mineral deposit. The current focus is the Chuchi South Project in British Columbia Canada. The realization of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves and future profitable production or proceeds from the disposition of these assets. The carrying values of exploration and evaluation assets do not necessarily reflect their present or future values.

All monetary amounts in this MDA and in the interim financial statements are expressed in Canadian dollars, unless otherwise stated. Financial results are being reported in accordance with International Financial Reporting Standards (“IFRS”).

The Company’s certifying officers, based on their knowledge, having exercised reasonable diligence, are also responsible to ensure that these filings do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by these filings, and these consolidated financial statements together with other financial information included in these filings. The Board of Directors approves the consolidated financial statements and MDA and ensures that management has discharged its financial responsibilities.

The Company’s head office is located at 2710 – 200 Granville Street, Vancouver, BC, and its registered and records office is located at #2600 – 1066 West Hastings Street, Vancouver, B.C. The Company was incorporated under the Business Corporations Act (British Columbia) on February 5, 2020. To date, the Company has not earned operating revenue.

OVERALL PERFORMANCE

EXPLORATION AND PROJECTS

The principal asset of the Company is its option to acquire 100% interest in the Chuchi South Project.

Chuchi South Project

Pursuant to an option agreement dated February 10, 2020, the Company was granted an option to acquire a 100% undivided interest in the Chuchi South Project (the “Property”) in the Ominica Mining Division, British Columbia. The Property is located about 100 kilometers north-northwest of Fort St James in central British Columbia. It constitutes 13 contiguous mineral claims amounting to 3118.7 hectares. To exercise the option the Company must pay \$510,000 in cash, incur \$350,000 in exploration expenditures, reimburse the Optionor for \$20,000 in previous property expenditures (paid) and issue 1,500,000 common shares over a 5-year period as follows:

	Option Payments	Exploration Expenditures	Common Shares
Within five calendar days of the Effective date, February 13, 2020(paid)	\$ 5,000	\$ -	-
March 15, 2020 (issued)	-	-	150,000
February 13, 2021 (all paid / completed / issued)	25,000	100,000	150,000
February 13, 2022	30,000	100,000	200,000
February 13, 2023	50,000	150,000	1,000,000
February 13, 2024	50,000	-	-
February 13, 2025	350,000	-	-
Total	\$ 510,000	\$ 350,000	1,500,000

Pursuant to the Option Agreement the optionor will receive a 2.0% Net Smelter Return (“NSR”) royalty and the Company has the right at any time to purchase the NSR for \$1,500,000. On February 13, 2028, and each subsequent anniversary of the Effective Date, until Commercial Production begins, the Company will pay the optionor an advance royalty payment of \$25,000, where the cumulative advance royalty payments paid will be credited towards any future NSR payments due. The Company will pay to the optionor \$1,500,000 upon completion of a feasibility study resulting in a positive decision to commence commercial production on the Property.

An independent geological report (the “Technical Report”) prepared by Hardolph Wasteneys, Ph.D., P. Geo, who is a “Qualified Person” as defined in National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”), was completed in relation to the Property on December 21, 2020. The Technical Report recommends that the Company conduct a two-phase exploration program comprised of phase one, a limited program to determine the nature of mineralization in the Coho Zone by mapping, IP geophysics, and lithogeochemistry; and phase two contingent on finding positive indications of a porphyry system by means of the results of the first phase, involves completion of an IP geophysics across the Property and drill intensive exploration of targets.

Exploration Expenditures

Cirrus has incurred the following exploration expenditures with regards to the Property that were capitalized as incurred to September 30, 2021:

	Chuchi South
Balance December 31, 2020	\$ 114,101
Acquisition costs:	
Cash	25,000
Shares	7,500
	32,500
Balance June 30, 2021	\$ 146,601

Future Plans

In relation to the Property, the Company currently plans to follow recommendations made in the Technical Report. A two-phase exploration program was recommended. Phase 1 includes a 20-line kilometer IP survey over the Coho Zone coupled with additional mapping and prospecting on the Property and recompilation of existing soil geochemistry and geophysics. Lithogeochemistry and petrographic work on thin sections should be done at selected sites to establish the range of lithologic units. Historical soil geochemistry has been compiled and the recommended mapping/prospecting was completed in September 2021. A budget of \$110,657 is estimated for Phase 1. Contingent on positive results of Phase 1, which would include delineation of high priority IP chargeability anomalies spatially related to the magnetic highs and soil geochemical anomalies, a second phase would be proposed that is diamond drilling intensive. A budget for Phase 2 is estimated at \$837,850 to cover the remainder of the Property with IP surveying and to target the coincident anomalies defined in Phase 1 with up to 3000 meters of diamond drilling.

QUALIFIED PERSONS

James Walchuck P.Eng., the Company's President and Chief Executive Officer and a Director and a "Qualified Person" as defined by NI 43-101, has reviewed the scientific and technical information that forms the basis for the mineral property disclosure in this MDA and has approved the disclosure herein. Mr. Walchuck is not independent of the Company, as he is an Officer and Director of the Company.

SUMMARY OF QUARTERLY RESULTS

The following selected financial data have been prepared in accordance with IFRS and should be read in conjunction with the Company's financial statements. The following is a summary of selected financial data for the Company for its six completed financial quarters ended September 30, 2021.

Quarter Ended Amounts in 000's	Sept. 30, 2021	June 30, 2021	Mar. 31, 2021	Dec. 31, 2020	Sept. 30, 2020	June 30, 2020	Mar. 31, 2020
Net loss	(19)	(17)	(36)	(32)	(7)	(-)	(33)
Earnings (loss) per share – basic and diluted	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)	(0.01)
Total assets	410	269	243	287	97	39	37
Working capital(deficit)	263	73	79	119	51	2	(18)

During the quarter ended September 30, 2021, the company completed its initial public offering and received gross proceeds of \$350,000 and had share issuance costs of \$150,233 and had general and administrative expenditures of \$18,747.

During the quarter ended June 30, 2021, the Company had general and administration expenditures of \$17,396.

During the quarter ended March 31, 2021, the Company had general and administration expenditures of \$41,223 including \$32,020 in share-based compensation and exploration and evaluation expenditures of \$25,000.

During the quarter ended December 31, 2020, the Company completed a private placement for gross proceeds of \$185,000 and had general and administration expenditures of \$26,981 and exploration and evaluation expenditures of \$81,151.

During the quarter ended September 30, 2020, the Company completed a private placement net of subscription receipts received of \$65,500 and had general and administration expenditures of \$6,759.

During the quarter ended June 30, 2020, the Company received subscription receipts \$20,000.

During the quarter ended March 31, 2020, the Company completed a private placement for gross proceeds of \$10,000, received subscription receipts of \$10,000, had general and administrative expenditures of \$33,073 including \$30,000 in share-based compensation and exploration and evaluation assets of \$29,950.

Nine Months ended September 30, 2021 compared to nine months ended September 30, 2020

The Company's general and administrative costs were \$72,278 (2020 - \$39,879), and reviews of the major items are as follows:

- Consulting fees of \$22,500 (2020 - \$7,155) consisting of office administration;
- Professional fees of \$9,205 (2020 - \$Nil) consisting of legal of \$4,305 (2020 - \$Nil) and accounting and audit of \$4,900 (2020 - \$Nil);
- Regulatory and transfer agent fees of \$7,019 (2020 - \$Nil) which consisted of regulatory of \$7,019 (2020 -

\$Nil) for initial filing fee on the CSE and monthly maintenance fees; and

- Share-based compensation of \$32,020 (2020 - \$30,000) for options issued during the period and in 2020 the Company issued 2,000,000 common shares with an estimated fair value of \$40,000 for gross proceeds of \$10,000 to directors and officers of the Company. Accordingly, the Company recorded an amount of \$30,000 as share-based compensation.

Three Months ended September 30, 2021 compared to three months ended September 30, 2020

The Company's general and administrative costs were \$18,747 (2020 - \$6,759), and reviews of the major items are as follows:

- Consulting fees of \$7,500 (2020 - \$4,871) consisting of office administration;
- Professional fees of \$5,806 (2020 - \$Nil) consisting of legal of \$906 (2020 - \$Nil) and accounting and audit of \$4,900 (2020 - \$Nil); and
- Regulatory and transfer agent fees of \$2,019 (2020 - \$Nil) which consisted of regulatory of \$2,019 (2020 - \$Nil) for monthly maintenance fees.

LIQUIDITY AND CAPITAL RESOURCES

As of September 30, 2021, the Company had working capital of \$263,809 (December 31, 2020 - \$124,389). Because of economic conditions, globally, there is uncertainty in capital markets and the Company anticipates that it and others in the mineral resource sector may have limited access to capital. Although the business and assets of the Company have not changed, investors have increased their risk premium and their overall equity investment has diminished. The Company continually monitors its financing alternatives and expects to increase its treasury through private placements to support and bolster its exploration activities.

The quantity of funds to be raised and the terms of any equity financing that may be undertaken will be negotiated by management as opportunities to raise funds arise. There can be no assurance that such funds will be available on favorable terms, or at all.

During fiscal 2021

On February 10, 2021, the Company issued 150,000 common shares for the acquisition of exploration and evaluation assets at a value of \$7,500.

On July 26, 2021, the Company completed its Initial Public Offering and issued 3,500,000 common shares at a price of \$0.10 per share for gross proceeds of \$350,000. The Company paid cash finders fees of \$35,000, issued 350,000 agent warrants valued at \$18,311 and paid cash corporate finance fee of \$30,000 and issued 100,000 common shares valued at \$10,000. Each agent warrant is exercisable at an exercise price of \$0.10 per agent warrant to July 26, 2023. Additional share issue costs of \$75,233 were incurred in connection with this financing, and was recorded as an offset to share capital, as share issue costs.

During fiscal 2020

On February 5, 2020, the Company issued 1 share on incorporation for proceeds of \$1. This share was subsequently repurchased by the Company and cancelled on February 5, 2020.

On February 5, 2020, the Company issued 2,000,000 common shares at a price of \$0.005 per common share for gross proceeds of \$10,000. The fair value of the common shares was estimated to be \$40,000. Accordingly, the Company recorded share-based compensation of \$30,000 and a corresponding increase to contributed surplus.

On March 10, 2020, the Company issued 150,000 common shares at a price of \$0.02 per common share pursuant to the option agreement dated February 10, 2020 at a value of \$3,000.

On July 23, 2020, the Company issued 3,050,000 flow-through common shares at a price of \$0.02 per common share

for gross proceeds of \$61,000 which the Company is committed to spend on qualifying Canadian Exploration Expenses (“CEE”) and issued 1,725,000 common shares at a price of \$0.02 per common share for gross proceeds of \$34,500.

As at December 31, 2020 the Company has fully completed this obligation to incur CEE.

On December 23, 2020, the Company issued 700,000 common shares at a price of \$0.05 per common share for gross proceeds of \$35,000.

On December 31, 2020, the Company issued 3,000,000 common shares at a price of \$0.05 per common share for gross proceeds of \$150,000.

During the year ended December 31, 2020, the Company incurred aggregate share issue costs of \$18,150 in connection with the above financings, which was recorded as an offset to share capital, as share issue costs.

The Company has no long-term debt obligations.

SHARE CAPITAL

(a) As of the date of the MDA the Company has 14,375,000 issued and outstanding common shares. The authorized share capital is unlimited no-par value common shares.

(b) As at the date of the MDA the Company has 1,000,000 incentive stock options outstanding.

(c) As at the date of the MDA the Company has 350,000 share purchase warrants.

RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company has determined that key management personnel consist of executive and non-executive members of the Company’s Board of Directors and corporate officers.

The Company incurred share-based compensation of \$27,217 with key management personnel during the period ended September 30, 2021.

OFF BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

INVESTOR RELATIONS

The Company has no investor relations contracts and James Walchuck, CEO and President, handles any matters in regard to investor relations.

PROPOSED TRANSACTIONS

Currently the Company is not a party to any material proceedings. The Company continually evaluates new opportunities, including new properties by staking, acquisition or joint venture, and corporate consolidation or merger opportunities.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company’s 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 assets and liabilities at the date of the financial statements, and the reported amounts of expenses during the reporting year. Areas requiring the use of estimates in the preparation of the Company’s financial statements the carrying value and the recoverability of the exploration and evaluation assets included in the Statement of Financial Position, the assumptions used to determine the fair value of share-based payments in the Statement of Comprehensive Loss, and the estimated amounts of reclamation and environmental obligations. Management believes the estimates used are reasonable;

however, actual results could differ materially from those estimates and, if so, would impact future results of operations and cash flows.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

There were no changes in the Company's significant accounting policies during the period ended September 30, 2020 that had a material effect on its financial statements. The Company's significant accounting policies are disclosed in Note 2 to its audited annual financial statements for the year ended December 31, 2020.

NEW STANDARDS AND INTERPRETATIONS

Future changes in accounting policy

A number of new standards, and amendments to standards and interpretations, are not yet effective for the nine months ended September 30, 2021, and have not been applied in preparing the financial statements. These new standards are either not applicable or are not expected to have a significant impact on the Company's financial statements.

RISKS AND UNCERTAINTIES

The Company's business is mineral exploration. Companies in this industry are subject to many and varied kinds of risks, including but not limited to, environmental, mineral prices, political, and economic.

The Company will take steps to verify the title to any properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties. These procedures do not guarantee the Company's title. Property titles may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects or changes in government policy and regulations.

The Company has no significant sources of operating cash flow and no revenue from operations. Additional capital will be required to fund the Company's exploration program. The sources of funds available to the Company are the sale of equity capital or the offering of an interest in its project to another party. There is no assurance that it will be able to obtain adequate financing in the future or that such financing will be advantageous to the Company.

The property interests to be owned by the Company or in which it may acquire an option to earn an interest are in the exploration stages only, are without known bodies of commercial minerals and have no ongoing operations. Mineral exploration involves a high degree of risk and few properties, which are explored, are ultimately developed into production. If the Company's efforts do not result in any discovery of commercial minerals, the Company will be forced to look for other exploration projects or cease operations.

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous materials and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties in which it previously had no interest. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liabilities to the Company.

The COVID-19 pandemic has created a dramatic slowdown in the global economy. The duration of the COVID-19 outbreak and the resultant travel restrictions, social distancing, Government response actions, business closures and business disruptions, can all have an impact on the Company's operations and access to capital. There can be no assurance that the Company will not be further impacted by adverse consequences that may be brought about by the COVID-19 pandemic on global financial markets which may reduce share prices and financial liquidity and thereby severely limit the financing capital available to the Company.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial risk factors

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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

The fair value of cash is measured at Level 1 of the fair value hierarchy. The carrying value of receivables, and accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

Financial risk factors

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

Credit risk

Credit risk is the risk of loss associated with a counter party's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and receivables. Management believes that the credit risk concentration with respect to receivables is remote as they are due from the Government of Canada. The Company's cash is deposited in accounts held at a large financial institution in Canada. As such, the Company believes the credit risk with cash is remote. Receivables comprise input tax receivables due from the Government of Canada. The Company has no debt and considers the credit risk of receivables to be low.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have enough liquidity to meet liabilities when due. As of September 30, 2021, the Company had a cash balance of \$255,092 (December 31, 2020 - \$176,256) to settle current liabilities of \$Nil (December 31, 2020 - \$51,867). All the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

The Company intends to raise additional equity financing in the coming fiscal year to meet its obligations.

Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade demand investments issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. The Company has no debt and is not subject to significant exposure to interest rate risk.

Foreign currency risk

The Company is not exposed to foreign currency risk on fluctuations related to assets and liabilities that are denominated in foreign currencies.

Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's profit or loss, the ability to obtain financing, or the ability to obtain a public listing due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on profit or loss and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in value may be significant.

CAPITAL MANAGEMENT

The Company defines capital that it manages as shareholders' equity, consisting of issued common shares, stock options and warrants included in reserve, and subscriptions receivable.

The Company manages its capital structure and adjusts it, based on the funds available to the Company, to support the acquisition, exploration and development of exploration and evaluation assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest is in the exploration stage as such the Company has historically relied on the equity markets to fund its activities. The Company will also assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient economic potential and if it has, or as access to adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital restrictions. There are no changes to the Company's approach to capital management during the year.

FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking statements and forward-looking information (collectively, "forward-looking statements") within the meaning of applicable Canadian and U.S. securities legislation. These statements relate to future events or the future activities or performance of the Company. All statements, other than statements of historical fact, are forward-looking statements. Information concerning mineral resource/reserve estimates and the economic analysis thereof contained in preliminary economic analyses or prefeasibility studies also may be deemed to be forward-looking statements in that they reflect a prediction of the mineralization that would be encountered, and the results of mining that mineralization, if a mineral deposit were developed and mined. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate, plans and similar expressions, or which by their nature refer to future events. These forward-looking statements include, but are not limited to, statements concerning:

- the Company's strategies and objectives, both generally and in respect of its specific mineral properties or exploration and evaluation assets;
- the timing of decisions regarding the timing and costs of exploration programs with respect to, and the issuance of the necessary permits and authorizations required for, the Company's exploration programs;
- the Company's estimates of the quality and quantity of the resources and reserves at its mineral properties;
- the timing and cost of planned exploration programs of the Company and the timing of the receipt of result thereof;
- general business and economic conditions;
- the Company's ability to meet its financial obligations as they come due, and to be able to raise the necessary funds to continue operations; and
- the Company's expectation that it will be able to add additional mineral projects of merit to its existing property portfolio.

Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Inherent in forward looking statements are risks and uncertainties beyond the Company's ability to predict or control, including, but not limited to, risks related to the Company's inability to raise the necessary capital to be able to continue in business and to implement its business strategies, to identify one or more economic deposits on its properties, variations in the nature, quality and quantity of any mineral deposits that may be located, variations in the market price of any mineral products the Company may produce or plan to produce, the Company's inability to obtain any necessary permits, consents or authorizations required for its activities, to produce minerals

from its properties successfully or profitably, to continue its projected growth, and other risks identified herein under “Risk Factors”.

The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results are likely to differ, and may differ materially, from those expressed or implied by forward looking statements contained in this MD&A. Such statements are based on several assumptions which may prove incorrect, including, but not limited to, assumptions about:

- the level and volatility of the price of commodities;
- general business and economic conditions;
- the timing of the receipt of regulatory and governmental approvals, permits and authorizations necessary to implement and carry on the Company’s planned exploration;
- conditions in the financial markets generally;
- the Company’s ability to attract and retain key staff;
- the nature and location of the Company’s mineral exploration projects, and the timing of the ability to commence and complete the planned exploration programs; and
- the ongoing relations of the Company with its regulators.

These forward-looking statements are made as of the date hereof and the Company does not intend and does not assume any obligation, to update these forward-looking statements, except as required by applicable law. For the reasons set forth above, investors should not attribute undue certainty to or place undue reliance on forward-looking statements.

Historical results of operations and trends that may be inferred from the following discussion and analysis may not necessarily indicate future results from operations. The current state of the global securities markets may cause significant reductions in the price of the Company’s securities and render it difficult or impossible for the Company to raise the funds necessary to sustain operations.

APPROVAL

The Board of Directors of the Company has approved the disclosures in this MDA.

ADDITIONAL SOURCES OF INFORMATION

Additional disclosures pertaining to the Company, including its most recent, financial statements, management information circular, material change reports, press releases and other information, are available on the SEDAR website at www.sedar.com. Readers are urged to review these materials, including the technical reports filed with respect to the Company’s mineral properties.