



# Harfang Exploration Inc.

Management's Discussion and Analysis

Year ended January 31, 2022

# Harfang Exploration Inc.

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**Harfang Exploration Inc.**  
**Management Discussion & Analysis**  
For the year ended January 31, 2022

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The following management discussion and analysis (the “MD&A”) of the financial condition and results of the operations of Harfang Exploration Inc. (the “Corporation” or “Harfang”) constitutes management’s review of the factors that affected the Corporation’s financial and operating performance for the year ended January 31, 2022. This MD&A should be read in conjunction with the Corporation’s audited financial statements for the year ended January 31, 2022 (the “Financial Statements”), which are prepared in accordance with the International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). All figures are in Canadian dollars unless otherwise noted. This MD&A is current as of May 18, 2022.

The MD&A contains forward-looking statements not based on historical facts. Forward-looking statements express, as of the date of this report, our estimates, forecasts, projections, expectations and opinions as to future events or results. Forward-looking statements herein expressed are reasonable, but involve a number of risks and uncertainties, and there can be no guarantee that such statements will prove to be accurate. Therefore, actual results and future events could differ materially from those anticipated in such statements. Factors that could cause results or events to differ materially from current expectations expressed or implied by the forward-looking statements include, but are not limited to; economic conjuncture, fluctuations in the market price of precious metals, mining industry risks, uncertainty as to the calculation of mineral reserves and requirements of additional financing and the capacity of the Corporation to obtain financing.

Further information regarding the Corporation and its operations are filed electronically on the System for Electronic Document Analysis and Retrieval (SEDAR) in Canada and can be found on [www.sedar.com](http://www.sedar.com). The following abbreviations are used to describe the periods under review throughout this MD&A:

<b>Abbreviation</b>	<b>Period</b>
Q1-21	February 1, 2020 to April 30, 2020
Q2-21	May 1, 2020 to July 31, 2020
Q3-21	August 1, 2020 to October 31, 2020
Q4-21	November 1, 2020 to January 31, 2021
Fiscal 21	February 1, 2020 to January 31, 2021
Q1-22	February 1, 2021 to April 30, 2021
Q2-22	May 1, 2021 to July 31, 2021
Q3-22	August 1, 2021 to October 31, 2021
Q4-22	November 1, 2021 to January 31, 2022
Fiscal 22	February 1, 2021 to January 31, 2022
Q1-23	February 1, 2022 to April 30, 2022
Q2-23	May 1, 2022 to July 31, 2022
Q3-23	August 1, 2022 to October 31, 2022
Fiscal 23	February 1, 2022 to January 31, 2023
Q1-24	February 1, 2023 to April 30, 2023

**1. NATURE OF ACTIVITIES**

The Corporation was incorporated on March 30, 2010 under the *Business Corporations Act* (British Columbia) and on June 22, 2017, in conjunction with a reverse takeover, continued under the *Business Corporations Act* (Québec). The Corporation’s shares are listed on the TSX Venture Exchange (the “Exchange”) under symbol HAR. The Corporation’s head office is located at 1100, avenue des Canadiens-de-Montréal, Suite 300, Montréal, Québec, Canada.

The Corporation, an exploration and evaluation stage company, is in the business of acquiring and exploring mineral properties in Canada. Its focus is currently on the exploration and evaluation of its mineral properties in the James Bay area in the Province of Québec for precious metals.

## **2. CORPORATE UPDATE**

### **2.1 Financial Highlights**

On June 25, 2021, the Corporation closed a non-brokered private placement consisting of 4,000,000 flow-through common shares at a price of \$0.50 per flow-through common share for gross proceeds of \$2,000,000. Share issue expenses, including the finder's fees of \$52,425, totaled \$78,154. Certain directors and an officer of the Corporation purchased an aggregate of 154,000 flow-through shares for \$77,000.

During Fiscal 22, the Corporation received \$594,000 following the exercise of 1,485,000 warrants with an exercise price of \$0.40 per share, including \$552,000 from the exercise of warrants expiring on June 22, 2021.

On November 3, 2021, the Corporation closed a non-brokered private placement consisting of 1,089,007 flow-through common shares at a price of \$0.45 per flow-through common share for gross proceeds of \$490,053. Share issue expenses, including the finder's fees of \$16,702, totaled \$24,039. A director of the Corporation purchased an aggregate of 45,000 flow-through shares for \$20,250.

### **Agreement and related transactions**

On January 5, 2022, Harfang and LaSalle Exploration Corp. ("LaSalle") entered into an arrangement agreement pursuant to which Harfang agreed to acquire all of the issued and outstanding common shares of LaSalle (the "Transaction") by way of a court-approved plan of arrangement under the *Business Corporations Act* (British Columbia) (the "Arrangement"). In addition, on January 5, 2022 and in connection with the execution of the arrangement agreement, the Board of Directors of the Corporation further agreed to amend the stock option plan of the Corporation (the "Plan") to extend the expiry date of certain stock options granted thereunder to a period of up to 12 months following the date on which an optionee ceases to be an "Eligible Person" within the meaning of the Plan, subject to the approvals of the TSX Venture Exchange and the shareholders of the Corporation at its next annual meeting of shareholders.

The Arrangement was approved by the shareholders of LaSalle at a special meeting of the shareholders held on March 30, 2022. The Arrangement was approved by the Supreme Court of British Columbia on April 1, 2022 and closed on April 13, 2022.

On April 13, 2022, immediately prior to the closing of the Transaction, the Corporation performed a consolidation on a 2.1554 for 1 basis of the Corporation's issued equity instruments including common shares, warrants and options (the "Consolidation"). Any quantity relating to these instruments for Fiscal 2022 and up to April 13, 2022 or any per unit price such as exercise prices disclosed throughout the Financial Statements have not been retrospectively adjusted for the share consolidation except for the weighted average number of shares outstanding used in the calculation of basic and diluted net loss per share which have been retroactively adjusted to give effect to the share consolidation as required by IAS 33.

On February 4, 2022, Harfang completed a non-brokered private placement of 7,727,271 subscription receipts (the "Offering") for an amount of \$4,249,999. The Offering consisted of the issuance of subscription receipts (the "Subscription Receipts") at a price of \$0.55 per Subscription Receipt. The gross proceeds arising from the Offering have been held in escrow by an escrow agent pending completion of the Transaction. Each Subscription Receipt was exchangeable for one post-Consolidation common share of Harfang upon satisfaction of certain escrow release conditions, including the closing of the Transaction.

In connection with the Transaction, Monarch Mining Corporation ("Monarch") has agreed to participate in the Offering for an amount of \$1,500,000 (the "Monarch Investment"). In connection with the Monarch Investment, and as a condition precedent thereto, Harfang has also agreed, subject to the receipt of the required regulatory approvals, to subscribe for common shares of Monarch for a total amount of \$750,000.

## **2. CORPORATE UPDATE (CONT'D)**

On April 13, 2022, upon completion of the Arrangement, Harfang issued an aggregate of 17,739,540 common shares (on a post-Consolidation basis) to the former shareholders of LaSalle. In addition, the change in control of LaSalle will result in payments of approximately \$285,000 to former members of management of LaSalle. Also, on April 13, 2022, the total gross proceeds arising from the Offering were released from escrow and each Subscription Receipt was automatically converted into one (1) common share of Harfang (on a post-Consolidation basis) resulting in the issuance of 7,727,271 common shares. In addition, in connection with the closing of the Arrangement, Harfang subscribed for 1,250,000 common shares of Monarch, at a price of \$0.60 per share, for a total amount of \$750,000.

At the closing of the Arrangement on April 13, 2022, a new Board has been appointed and composed of Jean-Pierre Janson as Chairman, André Gaumont, Daniel Innes, Ian Campbell, Sylvie Prud'homme, Karen Rees and Vincent Dubé-Bourgeois. Frank Mariage and Robin Villeneuve remained directors of the Corporation until April 13, 2022. Also, Ian Campbell has been appointed as President and Chief Executive Officer, Ron Stewart has been appointed as Vice President, Corporate Development, François Huot remained Vice President Exploration, and Yvon Robert remained as Chief Financial Officer. François Goulet remained President and Chief Executive Officer of the Corporation until April 13, 2022.

### **Options granted**

On April 20, 2022, the Corporation granted, on a post-Consolidation basis, the CEO with 600,000 options exercisable at an exercise price of \$0.55, valid for 10 years. The options vested 100% at the grant date. Those options were granted at an exercise price over to the closing market value of the shares the previous day of the grant.

### **2.2 Claims acquisitions**

- The Corporation added 57 claims by map designation to the Serpent property during Q3-22.
- The Corporation continued its geological compilation program in Quebec for the acquisition of new strategic gold and other precious metal properties ("Projects Generation").

### **2.3 Corporation Executive Management and Directors update**

On September 1, 2021, the Corporation announced that François Goulet resigns as President and Chief Executive Officer of the Corporation, effective December 31, 2021. François Goulet accepted to remain as President and Chief Executive Officer of Harfang until the closing of the Transaction with LaSalle, at which time his resignation previously announced on September 1, 2021 will become effective. Mr. Goulet left his position as director of the Corporation, effective September 1, 2021.

Effective September 1, 2021, the Corporation also announced that Vincent Dubé-Bourgeois has been appointed to the Corporation's Board of Directors. Mr. Dubé-Bourgeois will also act as Chair of the Compensation and Governance Committee. Mr. Dubé-Bourgeois currently serves as Chief Executive Officer and a director of GoldSpot Discoveries Corp. He was previously employed by the Ontario Geological Survey (OGS) and Noront Resources Ltd. He holds a BSc in Geology from the University of Ottawa. Mr. Dubé-Bourgeois is the Founder of GoldSpot Discoveries Corp, a leading company in machine learning and artificial intelligence in the mineral exploration space.

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**2. CORPORATE UPDATE (CONT'D)**

**2.4 Next 12 months outlook**

The following is a summary of main goals for the next 12 months:

- Continued field work including prospecting, collecting soil and till samples, trenching and geological modeling on the Serpent and Radisson properties considering the recent success for a total estimated budget of \$1,200,000 to \$1,400,000 this summer.
- Anticipate additional drilling at Serpent and Radisson based on and results from the 2022 winter drilling and target generation during the summer exploration programs.
- Complete the soil survey and prospecting initiated in Fall 2021 at Egan for \$100,000 early in the summer season anticipated to be followed by trenching and drilling depending on previous results.
- Bring the Lake Ménarik and Ménarik East projects to the drill stage following surface exploration during summer and fall and a geological compilation aimed at drill targeting estimated to total \$600,000.
- First pass prospecting at Lake Aulneau including sampling of historical core, surface showings and geological compilation as part of a project reassessment for an estimated \$185,000.
- Regional exploration work on the Taïga, La Passe and Bonfait generative projects for an estimated budget of \$125,000 during summer and fall.
- Consider potential partnerships on our properties with other exploration companies.
- Pursue our generative program in Québec and Ontario for the acquisition of precious and critical and strategic metal projects.
- Consider financing up to \$2,000,000 subject to activities on the ongoing projects and the reality of the markets.

**3. EXPLORATION AND EVALUATION ACTIVITIES**

	<b>Q4-22</b>	<b>Q4-21</b>	<b>Fiscal 22</b>	<b>Fiscal 21</b>
	\$	\$	\$	\$
<b>Lake Ménarik</b>				
Salaries and benefits	195	-	1,210	9,437
Geology	281	500	4,551	4,422
Transportation	-	-	-	356
Supplies and equipment	-	-	-	46
	476	500	5,761	14,261
<b>Ménarik East</b>				
Salaries and benefits	-	-	-	3,700
Geology	203	-	203	-
	203	-	203	3,700
<b>Serpent</b>				
Salaries and benefits	123,101	121,703	517,959	460,406
Geology	9,572	42,086	648,696	519,917
Analysis	91,404	66,611	285,345	115,294
Transportation	3,184	2,779	30,508	14,108
Geophysics	-	143,431	48,201	326,961
Drilling	299,529	183,055	1,928,478	183,055
Lodging and food	2,679	1,150	9,164	37,907
Supplies and equipment	6,182	16,067	16,659	37,733
Taxes, permits and insurance	1,368	1,953	2,715	2,823
	537,019	578,835	3,487,725	1,698,204

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**3. EXPLORATION AND EVALUATION ACTIVITIES (CONT'D)**

	<b>Q4-22</b>	<b>Q4-21</b>	<b>Fiscal 22</b>	<b>Fiscal 21</b>
	\$	\$	\$	\$
<b>Lake Fagnant</b>				
Geology	-	-	219	1,024
Recharge to partners	-	-	(131)	(614)
	-	-	88	410
<b>Lake Aulneau</b>				
Salaries and benefits	-	-	263	-
Geology	-	406	907	926
	-	406	1,170	926
<b>Kali</b>				
Salaries and benefits	-	-	-	4,299
Geology	-	-	-	1,859
	-	-	-	6,158
<b>Bonfait</b>				
Salaries and benefits	-	756	1,920	3,578
Geology	-	344	1,686	4,547
Analysis	-	998	433	999
	-	2,098	4,039	9,124
<b>La Passe</b>				
Salaries and benefits	-	-	812	416
Geology	-	250	-	250
	-	250	812	666
<b>Taiga</b>				
Geology	234	-	890	-
	234	-	890	-
<b>Pontax</b>				
Salaries and benefits	-	1,507	3,360	1,507
Geology	324	1,359	13,428	1,359
Lodging and food	-	-	870	-
	324	2,866	17,658	2,866
<b>Generation</b>				
Salaries and benefits	5,926	6,815	10,015	23,516
Geology	-	281	5,236	27,437
Analysis	-	7,066	-	7,066
	5,926	14,162	15,251	58,019
<b>Total</b>				
Salaries and benefits	129,222	130,781	535,539	506,859
Geology	10,614	45,226	675,816	561,741
Analysis	91,404	74,675	285,778	123,359
Transportation	3,184	2,779	30,508	14,464
Geophysics	-	143,431	48,201	326,961
Drilling	299,529	183,055	1,928,478	183,055
Lodging and food	2,679	1,150	10,034	37,953
Supplies and equipment	6,182	16,067	16,659	37,733
Taxes, permits and insurance	1,368	1,953	2,715	2,823
Recharge to partners	-	-	(131)	(614)
	<b>544,182</b>	<b>599,117</b>	<b>3,533,597</b>	<b>1,794,334</b>

### **3. EXPLORATION AND EVALUATION ACTIVITIES (CONT'D)**

Mr. Ian Campbell, B.Sc. Geology, P.Geo, President and Chief Executive Officer of the Corporation and Mr. François Huot, Ph.D. Geology, P.Geo, Vice President Exploration of the Corporation, qualified persons as defined by National Instrument 43-101 have verified the technical content in this section.

Below is a summary of the significant properties in which the Corporation has an interest.

#### **3.1 Lake Ménarik Property**

##### ***Property Description***

As at January 31, 2022, the Corporation owns a 100% interest on 110 claims totalling 5,653 ha in NTS Sheet 33F06. The property is located 45 km south of Radisson and 7 km northeast of the junction between the Transtaïga Road and the Billy-Diamond Road. Most claims of the Lake Ménarik Property are subject to a 2% Net Smelter Return ("NSR") royalty which Osisko Gold Royalties Ltd ("Osisko") is retaining.

The property, contiguous to the Ménarik East Property, is known for its gold potential related to monzonite-associated and orogenic mineralization styles hosted in an Archean greenstone belt of the La Grande Subprovince. High-grade gold occurrences are abundant in the main monzonitic intrusion and adjacent volcano-sedimentary rocks, particularly associated with quartz veins and structural lineaments.

##### ***Exploration work on the property***

The Corporation has not conducted any exploration work on the property during Fiscal 22. A preliminary geological reassessment done during Fiscal 21 led to the elaboration of drill targets and additional prospecting opportunities. A more in-depth compilation was undertaken during Q1-23 followed by the first field exploration program on the property since 2018. The main objective of this new exploration program is to define drill targets for a drill program by the end of Fiscal 23 or during Q1-24.

#### **3.2 Ménarik East Property**

##### ***Property Description***

As at January 31, 2022, the Corporation owns a 100% interest on 64 claims covering 3,289 ha in NTS Sheet 33F06. This property, contiguous to the Lake Ménarik Property, is located 48 km southeast of Radisson. It is known for its chromium, platinum, palladium, nickel and copper potential hosted in an ultramafic-mafic complex, and its gold potential associated with structural lineaments. These lithologies are part of the La Grande Subprovince.

The Ménarik East Property exposes an ultramafic-mafic complex (Menarik Complex) containing historical mineral resources in chromium, platinum, palladium, nickel and copper. These historical resources include 6.34 Mt @ 7.73% Cr<sub>2</sub>O<sub>3</sub>, 398 ppb Pd and 105 ppb Pt and 1.06 Mt @ 0.38% Ni and 0.15% Cu. These estimates do not refer to any category of mineral resources or mineral reserves of the NI-43-101 such as stated in the 2014 CIM Definition Standards on Mineral Resources and Mineral Reserves. These estimates are treated as historical information and have not been verified by the Corporation. The Corporation is not treating these historical estimates as current mineral resources. Several gold and polymetallic showings are located at the periphery of the complex, more specifically in close association with arsenopyrite and quartz-rich shear zones at the contact between felsic intrusions and gabbroic dykes.

##### ***Exploration work on the property***

The Corporation has not done any fieldwork on the property during Fiscal 22. A geological compilation was undertaken during Q1-23 followed by the first field exploration program on the property since 2016. The main objective of this new exploration program is to define drill targets for a drill program by the end of Fiscal 23 or during Q1-24.



### **3. EXPLORATION AND EVALUATION ACTIVITIES (CONT'D)**

#### **3.3 Serpent Property**

##### ***Property Description***

As at January 31, 2022, the Corporation owns 902 mining claims covering 46,392 ha referred to as the Serpent Property in Eeyou Istchee James Bay. The property is located in NTS sheets 33F02, 33F03 and 33F06, 90 km SSE of Radisson and is adjacent to the Billy-Diamond Road. Its eastern limit is contiguous to the Sakami gold project (Quebec Precious Metals Corporation ("QPM")). All of these claims were staked by map designation and are 100% owned by the Corporation. The Serpent Property is known for its Au (more than 40 showings) and Cu-Au-Ag (Mista) potential hosted in an underexplored part of the Archean intrusive basement of the La Grande Subprovince. Gold occurrences are mainly associated with shear zones and quartz veins hosted in mafic and intermediate dykes injected into a large differentiated gabbroic and dioritic intrusion (Mascha Intrusion) or into foliated/gneissic tonalite and granodiorite. The Mista prospect, mapped over at least 350 m laterally, corresponds to a sulfide-bearing quartz-rich arenite injected by quartz veins.

##### ***Exploration work on the property***

A 2021 winter exploration program involving line cutting, an induced polarization survey and a drill campaign was deployed from January 4 to April 16, 2021. A total of 72.75 linear km were cut by MG Explo's lumberjacks. The geophysical survey, completed by TMC Geophysics, covered 67.075 linear km along lines spaced 100 m apart. Synec Drilling Inc., a subsidiary of Machines Roger International Inc., was mandated for the winter drill program. Twenty-seven drill holes were made for a total of 4,336 m. All rock samples were sent to ALS Canada Ltd. ("ALS") (Val-d'Or) for chemical analyses.

On February 9, 2021, the Corporation published a press release reporting that analytical results from the soil survey completed during fall 2020 confirm the gold-in-till anomaly. Thirty-five out of 560 samples returned over 50 ppb Au and 17 returned more than 0.1 g/t Au. One soil sample graded up to 1.54 g/t Au. That press release also disclosed the final 2020 till results. Five (out of 23) in-fill till samples collected during fall contained between 140 and 294 gold grains. Moreover, 37 heavy mineral concentrates among 82 till samples (collected during summer and fall) graded above 1 g/t Au, including 2 samples above 30 g/t Au.

On May 20, 2021, the Corporation published the initial results of the winter 2021 drill program. The press release disclosed results for the first 13 drillholes which were all drilled toward the south (N180°). SER-21-002 and SER-21-013, collared 740 m apart, returned the two most significant gold intervals with 1.44 g/t Au over 15.20 m and 3.47 g/t Au over 7.50 m (including 6.98 g/t Au over 3.20 m), respectively. Hole SER-21-002 also returned 47.10 g/t Au over 0.70 m (247 g/t Au in the coarse fraction by metallic sieve) at shallow depth under the 222.58 g/t Au quartz vein discovered in 2020 at surface. Visible gold was first observed in SER-21-002 and SER-21-027, and, after the publication of the press release, in SER-21-017.

Final results of that maiden drill campaign were disclosed in a press release dated on July 13, 2021. Several gold intervals were intersected in drillholes SER-21-014 to SER-21-027. The best one returned 3.61 g/t Au over 5.90 m (including 8.87 g/t Au over 2.05 m) in SER-21-017.

This first drill program was successful as it reveals the existence of extensive gold-bearing sheared corridors exceeding 1 km in length that connect with high-grade gold surface showings. All gold intervals intersected in these drillholes remain open laterally and at depth. Also noted was that SER-21-007 returned 0.37% Ni over 17.20 m, including 0.53% Ni over 7.00 m, in talc-rich and serpentized ultramafic schists.

The Corporation's field crew mobilized to the project on May 31, 2021 to undertake the summer exploration program. Activities completed during Q2-22 and Q3-22 included prospecting at the property scale, additional soil and till sampling, mechanical trenching, grab and channel sampling, and a second-phase drill program. Early during Q2-22, a LiDAR survey was flown over the entire property by XEOS Imaging Inc. ("XEOS") (Québec). A total of 28 trenches were done using a heliportable excavator operated by Nord-Fort Inc.

### **3. EXPLORATION AND EVALUATION ACTIVITIES (CONT'D)**

The Corporation published a press release on August 31, 2021 announcing that the second drill program at Serpent had commenced. The drilling contract was awarded to RJLL Drilling Inc. (Rouyn-Noranda, Québec). The campaign (19 holes, 3,759 m) mainly tested a series of high priority targets up-ice of the gold-in-till anomaly where surface gold showings and drilled auriferous shear zones are known. Other newly developed targets were drill-tested, including the southeastern extension of the Goldhawk structure discovered by LaSalle, just a few hundred meters west of the Serpent property limit. The Corporation announced, in a press release published on December 1, 2021, that significant gold intervals were intersected in some of the first 8 drill holes (SER-21-028 to 35). The two best intervals are 4.09 g/t Au over 8.0 m (SER-21-029) and 4.33 g/t Au over 7.0 m (SER-21-035).

On January 25, 2022, the Corporation disclosed by press release the analytical results of the remaining holes (SER-21-036 to 46). Best gold intervals (with a metal factor above 10) include 3.42 g/t Au over 3.50 m (SER-21-037), 12.40 g/t Au over 0.90 m (SER-21-039), 3.55 g/t Au over 3.50 m, 2.83 g/t Au over 3.75 m and 1.52 g/t Au over 7.70 m (SER-21-040), and 1.16 g/t Au over 9.15 m (SER-21-044). The latest interval corresponds to a fractured feldspar-phyric granodiorite dyke containing quartz-tourmaline veins with potassic alterations in the vein selvages and minor disseminated pyrite. Other intervals are hosted in diorite and gabbro.

Results of the Phase 2 drilling confirm that significant gold occurs over at least 1,700 m under the marshland and along the Stu structure. Moreover, the mineralized intervals in diorite and gabbro both at surface and in drillholes are included into a structurally-controlled gold footprint with samples commonly over 50 ppb Au. Gold values above 50 ppb in drill core are almost exclusively associated with non magnetic linear features underneath the marshland. This spatial relationship between the gold content and non magnetic features were prime targets for the 3<sup>rd</sup> drill program initiated during Q4-22. As of now, none of the mineralized intervals fully explains the gold-rich nature of the overlying glacial sediments suggesting that other gold zones have yet to be discovered under the marsh. The Corporation still considers that a series of important deformation zones in the gold-in-till anomaly area represents first-priority targets for additional exploration.

On September 28, 2021, the Corporation reported additional high grade gold results from bedrock samples collected during summer. Some of the highlights include up to 345 g/t Au from Trench TR-21-26 and up to 208 g/t Au over 0.75 m at the Powerline showing. Quartz-tourmaline boulders up-ice of the Moby-Dick structure returned up to 45.5 g/t Au. Gold structures more than 7 km long straddle the limit between the Corporation and LaSalle's Radisson property. Summer and fall prospecting included the description of 586 outcrops and boulders, and collecting of 603 grab and 599 channel samples.

The field crew also collected 699 soil (B-horizon) and 12 till samples. Twenty-six soil samples returned above 25 ppb Au (maximum at 586 ppb). Ten of the 12 till samples contain more than 20 gold grains (anomaly threshold), with a maximum of 191 grains extending the gold-in-till anomaly another 1 km to the southwest. These till results were disclosed in the news release published on January 25, 2022. The results suggest that the dispersal train of gold as long as 4 km may be caused by either a series of sources under the marshland or multiple gold occurrences in the bedrock underneath the gold train itself. The projected southeastern extension of the Goldhawk structure onto Serpent may also contribute to the gold content noted in 2021 tills.

A 3<sup>rd</sup> drill program was deployed from January 24 to March 7, 2022 on the Serpent property. Fourteen drillholes (SER-21-047 to 059, including 58A and 58B) were completed totaling 3,018 m. The first six holes tested lateral extensions of gold mineralization intersected in the 2021 drillholes. The remaining holes targeted specific features (eg. structural lineaments, surface showings) outside of the marshland perimeter. A total of 2,328 samples were collected (excluding standards and blanks). A news release disclosing the best results of all drillholes done last winter was published on May 17, 2022. Best gold intervals (metal factor above 10) include 2.52 g/t Au over 19.65 m (SER-22-047), 8.71 g/t Au over 2.25 m (SER-22-049) and 1.06 g/t Au over 9.85 m (SER-22-050).

### **3. EXPLORATION AND EVALUATION ACTIVITIES (CONT'D)**

Two technical reports were recently submitted for statutory work to the MERN. The report concerning the summer 2019 field program was submitted during Q1-22 whereas the report for the 2020 program was submitted during Q1-23.

Since the beginning of the actual pandemic, the Corporation's employees and its contractors operate under a COVID-19 management and mitigation plan. The Corporation ensures the health and safety of all individuals involved on the project. To date, our workforce remained healthy and free of symptoms of the virus when involved in field operations.

Prior to all field interventions, letters are sent to specific members of the Wemindji Cree community (Chief, Local Fur Administrator, Tallymen) to inform them about the Corporation's activities. Also, due to the COVID-19 issue, a document entitled "Management Plan and Precautionary Measures" was sent to the Cree Nation Government and the Cree Mineral Exploration Board. The Corporation continues strengthening its collaboration with the Cree Nation by offering multiple contracts to Tawich Construction Inc., Synee Drilling Inc., Eeyou Lumberjack Inc., Wolf Camp Corporation and Petronor Inc.

#### **3.4 Lake Fagnant Property (joint venture)**

##### ***Property Description***

As at January 31, 2022, the Lake Fagnant Property is an aggregate of 46 mining claims totaling 2,267 ha located in NTS sheets 33N02 and 33N03. These claims were staked by map designation by the Corporation, Kenorland Minerals Ltd. ("Kenorland") and Troilus Gold Corp. ("Troilus"). Twenty-two (22) claims were abandoned during Q4-22. The property is located 55 km east of Whapmagoostui/Kuujuarapik (Nunavik) and 155 km north of Radisson (Eeyou Istchee James Bay). It covers the northwestern portion of the Archean Great Whale greenstone belt in the Minto Subprovince of the Superior Province. The property is known for its gold potential associated with structural corridors.

There are five mining claims subjected to a 1% NSR royalty shared between Geotest Corporation (0.5%) and Wayne Holmstead (0.5%). Under the joint venture agreement, the initial respective participating interests of the participants are as follows: 40% for the Corporation, 40% for Kenorland and 20% for Troilus. The operator of the joint venture will be the Corporation for as long as its participating interest is equal to or greater than the others participants'. If the Corporation's or Kenorland's interest is diluted to less than 10%, it will be converted into a 1% NSR royalty on the Lake Fagnant Property. The operator will have the right to buy-back half of this royalty (0.5% NSR) for \$500,000 or, under certain circumstances, the aggregate royalty (1% NSR) for \$1,000,000. If Troilus's participating interest is diluted to less than 10%, then Troilus interest will be converted to a 0.5% NSR royalty on the initial claims. The operator will have the right to buy-back half of the NSR royalty (0.25% NSR) for \$250,000 or, under certain circumstances, the aggregate royalty (0.5% NSR) for \$500,000. As at January 31, 2022 the participating interests of the participants have not changed.

##### ***Exploration work on the property***

The Corporation has not done any fieldwork on the Lake Fagnant Property during Fiscal 22 and has not done fieldwork on the property during Q1-23. The Corporation, Kenorland and Troilus are looking for an additional partner to undertake exploration on the property.

### **3. EXPLORATION AND EVALUATION ACTIVITIES (CONT'D)**

#### **3.5 Lake Aulneau Property**

##### ***Property Description***

As at January 31, 2022, the Lake Aulneau Property is composed of 85 mining claims totaling 3,995 ha located in NTS sheets 24C15, 24C16 and 24F02 (Nunavik). All of these claims, 100% owned by the Corporation and staked by map designation, cover rocks belonging to the Labrador Trough. Fifty-eight (58) claims were abandoned during Q2-22. The property is located 125 km south of Kuujuaq and 265 km north of Schefferville. It is known for its copper, nickel, platinum and palladium potential hosted in mafic intrusions.

The property encompasses seven copper, nickel, platinum and palladium prospects and showings, namely Marymac I and II, Lepage, Island, Redcliff, Float, and Nine South. Historical resources were calculated from diamond drillholes completed in the 1970's and 1980's and published in previous exploration reports for four of the previously mentioned mineralized occurrences. They include 1,088,000 Mt @ 2.02% Cu, 0.45% Ni, 1.0 g/t Pt and 3.1 g/t Pd for the Lepage and Island zones combined, 1,068,000 Mt @ 2.09% Cu and 0.51% Ni for the Redcliff prospect, 930,000 Mt @ 1.60% Cu and 0.43% Ni for Marymac II, and 133,000 Mt @ 2.10% Cu and 0.43% Ni for the Float prospect. These estimates do not refer to any category of mineral resources or mineral reserves of the NI-43-101 such as stated in the 2014 CIM Definition Standards on Mineral Resources and Mineral Reserves. These estimates are treated as historical information and have not been verified by the Corporation. The Corporation is not treating these historical estimates as current mineral resources. Anomalous gold and silver values are locally associated with Cu-Ni-Pt-Pd occurrences.

##### ***Exploration work on the property***

The Corporation has not done any fieldwork on the Lake Aulneau Property during Fiscal 22 but is planning to be active on the project in the upcoming fiscal year. A compilation of all technical datasets will be completed and followed by a planned site visit including prospecting, and sampling of historical showings and available historic drillcore during Q2-23. A project reassessment will then follow.

#### **3.6 Lake Tapiatic Property**

##### ***Property Description***

As at January 31, 2022, the Lake Tapiatic Property is composed of 146 mining claims totaling 7,430 ha located in NTS sheets 33G12 and 33G13. All of these claims are 100% owned by the Corporation. The property is located in Eeyou Istchee James Bay, approximately 110 km east of the Radisson locality and just 2 km north of the La Grande-3 hydroelectric power plant. It is easily accessible all-year round by ground transportation. This property is considered as prospective for gold and copper mineralizations.

Dominant lithologies include highly folded wacke, paragneiss, iron formation and basalt forming one of the largest Archean volcano-sedimentary basins near the contact between the La Grande and Opinaca subprovinces. Three strong copper anomalies (>112 ppm Cu; >99.8 percentiles) in lake-bottom sediments were obtained in 1973 and 1974 surveys in the southern part of the property. No precious and/or base metal showing was known inside the limits of the property prior to the Corporation's field operations in 2019. Historical exploration was minimal and apparently guided towards the iron potential of the numerous oxide-facies iron formations found inside and outside the property. The Corporation's fieldwork led to the discovery of three copper showings grading 1.09, 2.88 and 3.60% Cu (grab samples). Channel sampling returned 0.61% Cu over 5 m, 0.41% Cu over 8 m and 0.26% Cu over 5 m on three channels 50 m apart in highly-deformed basaltic rocks. A few quartz veins located 1-2 km NNE of these channels returned anomalous copper contents (0.12 – 0.69% Cu). Gold in these veins reached up to 0.31 g/t Au.

##### ***Exploration work on the property***

The Corporation has not done any fieldwork on the Lake Tapiatic Property during Fiscal 22 and has not done any additional work on the property for Q1-23.

### **3. EXPLORATION AND EVALUATION ACTIVITIES (CONT'D)**

#### **3.7 Bonfait Property**

##### ***Property Description***

As at January 31, 2022, the Bonfait Property is composed of 194 mining claims totaling 9,940 ha in NTS sheets 33F08 and 33F09. All of these claims are 100% owned by the Corporation. The property is located in Eeyou Istchee James Bay, approximately 85 km southeast of the Radisson locality and 2 km south of the La Grande-3 airport. It is accessible by boat transportation from the Transtaïga Road and by air transportation. This property is considered as prospective for gold mineralization. Numerous gold occurrences surrounding the Au-Cu Zone 32 prospect (O3 Mining Inc.) are located 5 km west.

Geological knowledge of the area is limited to mapping done by the MERN. No historical exploration was done inside the actual limits of the property, except for a few claims in its northwestern portion. The project includes sedimentary rocks belonging to the Opinaca Subprovince in close proximity to the regional contact with the La Grande Subprovince. Dominant lithologies include folded wacke, paragneiss, polymictic conglomerate and pegmatite. No precious and/or base metal showing is yet known inside the limits of the property. The overall geological architecture of the area is considered favorable for gold mineralization especially because it straddles a metamorphic gradient (greenschist to lower amphibolite), a geological setting reminiscent of that in the region of the Éléonore mine.

##### ***Exploration work on the property***

The Corporation has not done any fieldwork on the property during Q1-22 and Q2-22 but spent one day (4 man/days) prospecting and sampling rocks during Q3-22. No significant gold or base metal value was obtained from these samples. Prospecting is planned on the Bonfait property during Q2-23.

#### **3.8 La Passe Property**

##### ***Property Description***

As at January 31, 2022, the La Passe Property is composed of 80 mining claims totaling 4,117 ha in NTS sheet 33F07. All of these claims are 100% owned by the Corporation. The property is located in Eeyou Istchee James Bay, approximately 78 km southeast of the Radisson locality. It is accessible by boat transportation on lake Sakami from the Transtaïga Road and by air transportation. This property is considered as prospective for gold mineralization. The La Pointe prospect (QPM) is located 16 km southwest whereas the JR gold showing and other nearby mineralized occurrences, also owned by QPM, are located 8 km southwest of the La Passe Property.

Geological knowledge of the area is limited to mapping done by the MERN and scarce exploration mainly located along the shore of lake Sakami. The project includes sedimentary rocks belonging to the Opinaca Subprovince in close proximity to the regional contact with the La Grande Subprovince. Dominant lithologies include folded wacke, paragneiss and pegmatite. No precious and/or base metal showing is yet known inside the limits of the property. The overall geological architecture of the area is considered favorable for gold mineralization especially because it straddles a metamorphic gradient (greenschist to lower amphibolite), a geological setting reminiscent of that in the region of the Éléonore mine.

##### ***Exploration work on the property***

The Corporation has not done any fieldwork on the La Passe Property during Fiscal 22 but is planning a prospecting phase for Q2-23.

### **3. EXPLORATION AND EVALUATION ACTIVITIES (CONT'D)**

#### **3.9 Taïga Property**

##### ***Property Description***

As at January 31, 2022, the Taïga Property is composed of 314 mining claims totaling 16,167 ha in NTS sheets 33F06 and 33F07. All of these claims are 100% owned by the Corporation. The property is located in Eeyou Istchee James Bay, approximately 72 km southeast of the Radisson locality. It is accessible by pickup truck along the Transtaïga Road and by helicopter. This property is considered as highly prospective for gold mineralization.

Most of the property includes rocks belonging to the Langelier Complex and Duncan Intrusions (Superior Province). These geological entities are made up of a wide variety of intermediate and felsic intrusive rocks which have been underestimated for their gold potential over the last decades. The Corporation's recent success in discovering structurally-controlled gold occurrences in these rocks at the Serpent project is the main reason for acquiring the Taïga property. Claims cover large unexplored structural breaks along which circular ultramafic bodies were intruded suggesting the deformation corridors are deeply rooted into the continental crust, a geological setting favorable for gold mineralization.

##### ***Exploration work on the property***

The Corporation is currently compiling scarce historical work done in the vicinity of the Taïga Property and has not done any fieldwork on these claims during Fiscal 22. A first-phase prospecting program is scheduled for Q2-23 and Q3-23.

#### **3.10 Pontax Property**

##### ***Property Description***

As at January 31, 2022, the Pontax Property is composed of 287 mining claims totaling 15,323 ha in NTS sheets 33N11 and 32N14. All of these claims are 100% owned by the Corporation. The property is located in Eeyou Istchee James Bay, approximately 220 km north of Matagami and 100 km northeast of Waskaganish. It is accessible by pickup truck as the Billy-Diamond Road cuts across the property. Boat transportation along the Pontax River provides good access to the middle portion of the property. This property is considered as highly prospective for gold and base metal mineralizations. A recent geological compilation by the Corporation has revealed the presence of pegmatite dykes that represent a potential for lithium occurrences.

The geological features of the immediate region were outlined by the MERN following mapping done over the past decades. Only limited historical exploration was carried in specific sectors in the eastern part of the property. The region is mainly underlain by folded volcanic and sedimentary units which are part of the Lower Eastmain River greenstone belt. The mafic to felsic volcanic rocks and subordinate associated iron formations and sedimentary rocks form the Anatacau-Pivert Formation (Eastmain Group). That formation is unconformably overlain by wacke and conglomerate of the Pontax Formation. The northwestern part of the property covers a portion of the structural limit between the La Grande and Nemiscau subprovinces.

##### ***Exploration work on the property***

The Corporation has compiled scarce historical work done on the property and in the adjacent areas. A LiDAR survey was flown by XEOS (Québec) over the entire property during Q2-22. Prospecting was planned during Q2-22 and/or Q3-22 but had to be postponed because of simultaneous drilling operations at Serpent. Finally, no exploration has been done at Pontax during Fiscal 22. The Corporation is currently looking for a partner to develop and advance the project.

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**3. EXPLORATION AND EVALUATION ACTIVITIES (CONT'D)**

**3.11 Projects Generation**

During Fiscal 22, the Corporation continued its geological compilation program for the acquisition of new strategic gold and base metal properties in Québec. Some prospecting was done in Eeyou Istchee James Bay during fall 2021. Thirteen rock samples were collected and sent to ALS (Val-d'Or) for analytical determination. No significant result was obtained in these samples.

A block of 73 contiguous claims (4,077 ha) located 5 km north of the Douay gold prospect owned by Maple Gold was acquired by map designation in Q2-21 following a geological compilation. This asset, referred to as the Douay North claims, is located along the northern Casa Berardi Deformation Corridor in the Abitibi greenstone belt. The Corporation has never proceeded to any exploration work on these claims since their acquisition.

**4. SELECTED ANNUAL INFORMATION**

	Fiscal 22	Fiscal 21	Fiscal 20
	\$	\$	\$
<b>Financial Results</b>			
Revenues	8,159	76	416
Exploration and evaluation expenditures, net of tax credits	3,533,597	1,794,334	947,671
Net loss	3,407,060	1,663,550	1,235,885
Net loss per share, basic and diluted <sup>(1)</sup>	0.11	0.08	0.07
<b>Financial Position</b>			
Cash	7,264,839	8,683,053	2,962,041
Total assets	8,924,540	10,019,247	3,909,794
Total current liabilities	931,353	1,303,377	318,404
Shareholders' equity	7,993,187	8,715,870	3,591,390
Working capital	6,454,249	7,466,502	2,714,848

<sup>(1)</sup> On April 13, 2022, the Corporation performed a consolidation of its common shares on a 2.1554 for (1) basis of the Corporation's issued equity instruments including common shares, warrants and options. All net loss per share values above have been retroactively adjusted to give effect to the share consolidation as required by IAS 33.

**5. RESULT OF OPERATIONS**

**5.1 Discussion on Fiscal 22**

The Corporation reported a net loss of \$3,407,060 in Fiscal 22 (\$1,663,550 in Fiscal 21). The main variations are as follow:

- Exploration and evaluation expenditures, net of tax credits \$3,533,597 (\$1,794,334 in Fiscal 21) (see section on exploration and evaluation activities for details of exploration and evaluation expenditures).
- Stock-based compensation of \$291,810 (\$65,717 in Fiscal 21) was estimated using the Black-Scholes model. On February 19, 2021 and on September 28, 2021, a total of 795,000 stock options (337,500 in Fiscal 21) was granted and their fair value was estimated at \$291,810 (\$64,800 in Fiscal 21). The options became fully vested upon the grant date.

## **5. RESULT OF OPERATIONS (CONT'D)**

- Consulting and professional fees of \$208,280, office and administrative of \$83,868, travel, conference and investor relations of \$40,733 and filing fees of \$45,317, for an aggregate of \$378,198 (\$316,463 in aggregate in Fiscal 21). There was an increase of consulting and professional fees specifically, as legal and accounting fees in Fiscal 22 were higher due to activities related to the exercise of warrants and other corporate activities. There was an increase of travel, conference and investor relations expenses resulting from a contract with a consultant which was terminated with cost cancellation (credit note) in Fiscal 21 as well as higher congress, marketing and certification expenses in Fiscal 22. And finally, there was a decrease in filing fees given the costs of a one-time warrant management contract given in Fiscal 21.
- Gain on disposal of exploration and evaluation assets for nil (\$599,982 in Fiscal 21). On September 21, 2020, the Corporation received QcX Gold shares for the sale of the Kali Project for a non-cash consideration valued at \$630,000.
- Impairment of exploration and evaluation assets (non-cash items) of \$11,112 (\$9,074 in Fiscal 21). See section on exploration and evaluation activities for the detailed explanations.
- An unfavorable change in fair value of listed shares (non-cash) of \$166,250 (\$385,000 in Fiscal 21) was recorded on the QcX Gold shares received as part of the sale of the Kali Project.
- Deferred income taxes recovery of \$1,120,073 (\$464,284 in Fiscal 21). This recovery consists mainly in the amortization, in proportion of the work completed, of the premium related to flow-through shares renunciations following the December 9 and 24, 2020 and June 25, 2021 private placements (March 20, 2019, December 16, 2019 and June 22, 2020 private placements in Fiscal 21).

### **5.2 Discussion on Q4-22**

The Corporation reported a net loss of \$657,269 in Q4-22 (\$419,389 in Q4-21). The main variations are as follow:

- Exploration and evaluation expenditures, net of tax credits \$544,182 (\$599,117 in Q4-21) (see section on exploration and evaluation activities for details of exploration and evaluation expenditures).
- Consulting and professional fees of \$41,336, office and administrative of \$20,234, travel, conference and investor relations of \$1,528 and filing fees of \$8,406, for an aggregate of \$71,504 (\$70,995 in an aggregate negative in Q4-21). There was an increase of travel, conference and investor relations expenses resulting from a contract with a consultant which was terminated with cost cancellation (credit note) in Fiscal 21.
- Impairment of exploration and evaluation assets (non-cash items) of \$11,112 (\$7,670 in Q4-21). See section on exploration and evaluation activities for the detailed explanations.
- An unfavorable change in fair value of listed shares (non-cash) of \$113,750 (\$8,750 in Q4-21) was recorded on the QcX Gold shares received as part of the sale of the Kali Project.
- Deferred income taxes recovery of \$124,500 (\$164,459 in Q4-21). This recovery consists mainly in the amortization, in proportion of the work completed, of the premium related to flow-through shares renunciation following the June 25, 2021 private placement (June 22, 2020 private placement in Q4-21).



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**6. SELECTED QUARTERLY INFORMATION**

The following table presents selected financial information for each of the most recent eight quarters:

	<b>Q4-22</b>	<b>Q3-22</b>	<b>Q2-22</b>	<b>Q1-22</b>
	\$	\$	\$	\$
Revenues	-	165	7,994	-
Exploration and evaluation expenditures, net of tax credits	544,182	1,130,545	850,557	1,008,313
Net loss	657,269	958,203	692,858	1,098,730
Net loss per share, basic and diluted <sup>(1)</sup>	0.02	0.03	0.02	0.04
Cash	7,264,839	7,760,649	9,198,155	7,225,296
Total assets	8,924,540	9,214,123	10,586,067	8,885,112
Total current liabilities	931,353	853,631	1,284,292	907,082
Shareholders' equity	7,993,187	8,360,492	9,301,775	7,978,030
Working capital	6,454,249	7,133,014	8,053,419	6,709,494

  

	<b>Q4-21</b>	<b>Q3-21</b>	<b>Q2-21</b>	<b>Q1-21</b>
	\$	\$	\$	\$
Revenues	-	-	-	76
Exploration and evaluation expenditures, net of tax credits	599,117	628,038	393,627	173,552
Net loss	419,389	404,490	535,372	304,299
Net loss per share, basic and diluted <sup>(1)</sup>	0.02	0.02	0.02	0.02
Cash	8,683,053	3,825,492	4,508,571	2,579,881
Total assets	10,019,247	5,061,250	5,512,093	3,564,437
Total current liabilities	1,303,377	549,106	595,459	276,429
Shareholders' equity	8,715,870	4,512,144	4,916,634	3,288,008
Working capital	7,466,502	3,358,798	3,986,874	2,403,656

<sup>(1)</sup> On April 13, 2022, the Corporation performed a consolidation of its common shares on a 2.1554 for (1) basis of the Corporation's issued equity instruments including common shares, warrants and options. All net loss per share values above have been retroactively adjusted to give effect to the share consolidation as required by IAS 33.

Highlights for each quarter are as follows.

**6.1 Q4-22**

- On January 5, 2022, Harfang and LaSalle have entered into a definitive Arrangement Agreement pursuant to which Harfang will acquire all of the issued and outstanding shares of LaSalle.
- On November 3, 2021, the Corporation closed a non-brokered private placement consisting of 1,089,007 flow-through common shares at a price of \$0.45 per flow-through common share for a gross proceed of \$490,053.
- Exploration and evaluation expenditures were mainly incurred on Serpent property for a sum of \$544,182 and are composed primarily of drilling, salaries and benefits, analysis expenses.

**6.2 Q3-22**

- The Corporation added 57 claims by map designation to the Serpent property.
- The Corporation granted to a director 60,000 options exercisable at an exercise price of \$0.32 and valid for 10 years.
- Exploration and evaluation expenditures were mainly incurred on Serpent properties for a sum of \$1,130,545 and are composed primarily of drilling, salaries and benefits and geology expenses.

## **6. SELECTED QUARTERLY INFORMATION (CONT'D)**

### **6.3 Q2-22**

- On June 25, 2021, the Corporation closed a non-brokered private placement consisting of 4,000,000 flow-through common shares at a price of \$0.50 per flow-through common share for gross proceeds of \$2,000,000.
- The Corporation received \$594,000 following the exercise of 1,485,000 warrants with an exercise price of \$0.40 per share.
- Exploration and evaluation expenditures were mainly incurred on Serpent property for a sum of \$850,557 and are composed primarily of geology, salaries and benefits and analysis expenses.

### **6.4 Q1-22**

- The Corporation granted to its directors, officers, employees and consultants 735,000 options exercisable at an exercise price of \$0.425 and valid for 10 years.
- Exploration and evaluation expenditures were mainly incurred on the Serpent property for a sum of \$1,008,313 and are composed primarily of drilling, salaries and benefits, and analysis expenses.

### **6.5 Q4-21**

- The Corporation staked by map designation mining claims (100% owned by the Corporation) and comprising the Taïga property and Pontax property.
- On December 9, 2020, the Corporation completed a non-brokered private placement for aggregate gross proceeds of \$4,238,350, issued 9,208,142 units at a price of \$0.35 per unit and of 2,031,000 flow-through common shares at a price of \$0.50 per flow-through common share.
- On December 24, 2020, the Corporation completed a non-brokered private placement consisting of 2,727,274 flow-through common shares at a price of \$0.55 per flow-through common share for gross proceeds of \$1,500,000.
- Exploration and evaluation expenditures were mainly incurred on Serpent property for a sum of \$599,117 and are composed primarily of salaries and benefits, geophysics and drilling expenses.

### **6.6 Q3-21**

- On September 6, 2020, the Corporation signed an agreement for the sale of 100% of its right, title and interest in the Kali Project to QcX Gold. In order to complete the Transaction and in accordance with the terms of the agreement, QcX Gold issued on September 21, 2020 to the Corporation an aggregate of 1,750,000 common shares valued at \$630,000 as per the Exchange price on this day, and granted in favour of the Corporation a 2.5% net smelter returns royalty, with no buyback option, in respect of the Kali Project.
- Exploration and evaluation expenditures were mainly incurred on Serpent and Generation properties for a sum of \$628,038 and are composed primarily of salaries and benefits, geology and geophysics expenses.

### **6.7 Q2-21**

- The Corporation staked by map designation mining claims (100% owned by the Corporation) and comprising the Bonfait property and La Passe property.
- On June 22, 2020, the Corporation completed a non-brokered private placement for aggregate gross proceeds of \$2,500,000, issued 5,604,000 units at a price of \$0.25 per unit and of 3,140,000 flow-through common shares at a price of \$0.35 per flow-through common share.
- The Board of Directors of the Corporation decided to extend until July 12, 2022 the expiry date of the 1,282,500 warrants issued in connection with a private placement closed on July 12, 2018.
- The Corporation granted to its directors, officers, employees and consultants 337,500 options exercisable at an exercise price of \$0.25 and valid for 10 years.

## **6. SELECTED QUARTERLY INFORMATION (CONT'D)**

- Exploration and evaluation expenditures were mainly incurred on Serpent property for a sum of \$393,627 and are composed primarily of salaries and benefits, geology and geophysics expenses.

### **6.8 Q1-21**

- Exploration and evaluation expenditures were mainly incurred on the Serpent property for a sum of \$173,552 and are composed primarily of salaries and benefits, geology and geophysics expenses.

## **7. LIQUIDITY AND CAPITAL RESOURCES**

The Corporation has working capital of \$6,454,249 as at January 31, 2022, (\$7,466,502 as at January 31, 2021). From this working capital, the Corporation has to dedicate \$977,475 and \$490,053 respectively, to Canadian mining properties exploration, pursuant to the terms of the June 25, 2021 and November 3, 2021 flow-through financings. The working capital position was favorably improved on June 25, 2021 and on November 3, 2021 when the Corporation completed its private placement for aggregate gross proceeds of \$2,000,000 and \$490,053 respectively.

Management is of the opinion that it will be able to maintain the status of its current exploration obligations and to keep its properties in good standing. Advanced exploration of some of the mineral properties would require substantially more financial resources. In the past, the Corporation has been able to rely on its ability to raise financing in privately negotiated equity offerings. There is no assurance that such financing will be available when required, or under terms that are favourable to the Corporation. The Corporation may also elect to advance the exploration and development of mineral properties through joint-venture participation.

## **8. OFF BALANCE SHEET ARRANGEMENTS**

At the date of this MD&A, the Corporation had no material off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Corporation.

## **9. SUBSEQUENT EVENTS**

See section 2.1 for details on subsequent events.

## **10. RELATED PARTY TRANSACTIONS**

Related party transactions are described in note 15 of the Fiscal 22 Financial Statements. Nevertheless, following are further details on related party transactions:

*In the normal course of operations:*

- A company controlled by Marc Pothier (corporate secretary, appointed June 22, 2017) charged an amount of \$124,957 (\$64,048 in Fiscal 21) of which \$51,182 (\$15,594 in Fiscal 21) was recorded as professional fees, \$19,115 (\$47,164 in Fiscal 21) as share issuance costs, \$28,086 (nil in Fiscal 21) as deferred share issuance costs, \$26,574 (nil in Fiscal 21) as deferred transaction costs and nil (\$1,290 in Fiscal 21) as warrants extension costs;
- A firm in which Frank Mariage (director until April 13, 2022) is a partner charged an amount of \$117,369 (nil in Fiscal 21) of which \$2,971 (nil in Fiscal 21) was recorded as professional fees and \$114,398 (nil in Fiscal 21) as deferred transaction costs;
- As at January 31, 2022, the balance due to those related parties amounted to \$105,605 (\$17,192 as at January 31, 2021).

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**10. RELATED PARTY TRANSACTIONS (CONT'D)**

*Out of the normal course of operations:*

- Directors and officers of the Corporation participated in the June 25, 2021 and November 3, 2021 flow-through private placements for \$77,000 and \$20,250 respectively (\$37,575 in the June 22, 2020 and \$80,000 in December 9, 2020 flow-through private placements). In Fiscal 22, the directors and officers of the Corporation did not participate in any private placement (\$20,000 in June 22, 2020 and \$15,750 and December 9, 2020 unit private placements). Where applicable, the directors and officers subscribed to the unit private placements and the flow-through private placements under the same terms and conditions set forth for all subscribers;
- In addition, the President of the Corporation's employment agreement, which came into force on June 22, 2017, provides for payments, on termination of employment without cause or following a change of control, of \$175,000 to \$262,500 representing 12 to 18 months of base salary, depending on circumstances. François Goulet remained President and Chief Executive Officer of the Corporation until April 13, 2022 and had no termination payment.

**11. CRITICAL ACCOUNTING POLICIES, ESTIMATES, JUDGEMENTS AND ASSUMPTIONS**

The preparation of the Financial Statements requires Management to make judgments and form assumptions that affect the reported amounts of assets and liabilities at the date of the Financial Statements and reported amounts of expenses during the reporting period. On an ongoing basis, Management evaluates its judgments in relation to assets, liabilities and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments. Actual outcomes may differ from these estimates under different assumptions and conditions. Critical estimates, judgments, and assumptions exercised in applying accounting policies with the most significant effect on the amounts recognized in the financial statements are described at note 5 of the 2022 Financial Statements. The critical accounting policies are described at note 3 of the 2022 Financial Statements.

**12. CHANGE IN ACCOUNTING POLICIES**

The most relevant standards, amendments and interpretations issued up to the date of the issuance of the 2022 Financial Statements are listed at note 4 of these.

**13. FINANCIAL INSTRUMENTS**

Financial instruments are described in notes 3.3, 7(11), 16 and 17 of the 2022 Financial Statements.

**14. OUTSTANDING SHARES DATA**

	<b>May 18, 2022</b>	<b>January 31, 2022</b>
	<b>Number <sup>(1)</sup></b>	<b>Number <sup>(1)</sup></b>
Capital stock	57,727,053	32,260,242
Warrants	6,780,814	3,977,404
Stocks options	2,613,335	1,070,575
<b>Fully diluted</b>	<b>67,121,202</b>	<b>37,308,221</b>

<sup>(1)</sup> Information presented on a post-consolidation basis. On April 13, 2022, pursuant to the terms of an arrangement agreement between Harfang and LaSalle dated January 5, 2022, Harfang purchased all of the issued and outstanding common shares of LaSalle and consolidated its common shares on the basis of 2.1554 common shares for one (1) new post consolidation common share.

## **15. STOCK OPTION PLAN**

The purpose of the Option Plan is to provide the Corporation with a share-related mechanism to attract, retain and motivate qualified directors, senior officers, employees and consultants of the Corporation, to reward such of these participants from time to time for their contributions toward the long-term goals of the Corporation and to enable and encourage such participants to acquire shares as long-term investments. There is no performance indicator relating to profitability or risk attached to the plan.

The number of options granted is determined by the Board of Directors. The exercise price of any option granted under the plan shall be fixed by the Board of Directors at the time of grant and shall not be lower than the closing price on the day preceding the grant. The term of the option will not exceed ten years from the date of grant. The options vesting period is determined by the Board of Directors. On July 14, 2021, the shareholders of the Corporation renewed the stock option plan which provides that the maximum number of common shares in the capital of the Corporation that may be reserved for issuance under the plan is limited to a maximum of 10% of the common shares outstanding.

On January 5, 2022 and in connection with the execution of the arrangement agreement pursuant to which Harfang agreed to acquire all of the issued and outstanding common shares of LaSalle, the Board of Directors of the Corporation further agreed to amend the stock option plan of the Corporation to extend the expiry date of certain stock options granted thereunder to a period of up to 12 months following the date on which an optionee ceases to be an “Eligible Person” within the meaning of the Plan, subject to the approvals of the TSX Venture Exchange and the shareholders of the Corporation at its next annual meeting of shareholders.

## **16. RISK FACTORS**

The following discussions review a number of important risks which Management believes could impact the Corporation’s business. There are other risks, not identified below, which currently, or may in the future exist in the Corporation’s operating environment.

### **16.1 Exploration and Mining Risks**

The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines.

Currently, there are no known bodies of commercial ore on the mineral properties of which the Corporation intends to acquire an interest and the proposed exploration program is an exploratory search for ore. Unusual or unexpected formations, formation pressures, fires, power outages, labor disruptions, flooding, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labor are other risks involved in the conduct of exploration programs. The Corporation, from time to time, increases its internal exploration and operating expertise with due advice from consultants and others as required.

The economics of developing gold and other mineral properties is affected by many factors including the cost of operations, variation of the grade of ore mined and fluctuations in the price of any minerals produced. There are no underground or surface plants or equipment on the Corporation’s mineral properties.

### **16.2 Titles to Property**

While the Corporation has diligently investigated title to the various properties in which it has interest, and to the best of its knowledge, title to those properties are in good standing, this should not be construed as a guarantee of title. The properties may be subject to prior unregistered agreements or transfer, or native or government land claims, and title may be affected by undetected defects.

## **16. RISK FACTORS (CONT'D)**

### **16.3 Permits and Licenses**

The Corporation's operations may require licenses and permits from various governmental authorities. There can be no assurance that the Corporation will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects.

### **16.4 Metal Prices**

Even if the Corporation's exploration programs are successful, factors beyond the control of the Corporation may affect marketability of any minerals discovered. Metal prices have historically fluctuated widely and are affected by numerous factors beyond the Corporation's control, including international, economic and political trends, expectations for inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and worldwide production levels. The effect of these factors cannot accurately be predicted.

### **16.5 Information Systems Security Threats**

The Corporation's operations depend upon information technology systems which may be subject to disruption, damage, or failure from different sources, including, without limitation, installation of malicious software, computer viruses, security breaches, cyber-attacks, and defects in design.

Although to date the Corporation has not experienced any material losses relating to cyber-attacks or other information security breaches, there can be no assurance that the Corporation will not incur such losses in the future. The Corporation's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, the Corporation may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

### **16.6 Competition**

The mining industry is intensely competitive in all its phases. The Corporation competes with many companies possessing greater financial resources and technical facilities than itself for the acquisition of mineral interests as well as for recruitment and retention of qualified employees.

### **16.7 Environmental Regulations**

The Corporation's operations are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions of spills, release or emission of various substances produced in association with certain mining industry operations, such as seepage from tailing disposal areas, which could result in environmental pollution.

A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations require submissions to and approval of environmental impact assessments. Environmental legislation is evolving in a manner, which means stricter standards, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. The Corporation intends to fully comply with all environmental regulations.

**16. RISK FACTORS (CONT'D)**

**16.8 Conflicts of Interest**

Certain directors and officers of the Corporation are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors or officers of the Corporation are required by law to act honestly and in good faith with a view to the best interests of the Corporation and to disclose any interest, which they may have in any project or opportunity of the Corporation. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Corporation will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Corporation may be exposed and its financial position at that time.

**16.9 Stage of Exploration**

The Corporation's properties are in the exploration stage and to date none of them have a proven ore body. The Corporation does not have a history of earnings or return on investment, and there is no assurance that it will produce revenue, operate profitably or provide a return on investment in the future.

**16.10 Industry Conditions**

Mining and milling operations are subject to government regulations. Operations may be affected in varying degrees by government regulations such as restrictions on production, price controls, tax and mining duty increases, expropriation of property, pollution controls or changes in conditions under which minerals may be mined, milled or marketed. The marketability of minerals may be affected by numerous factors beyond the control of the Corporation, such as government regulations. The Corporation undertakes exploration in areas that are or could be the subject of native land claims. Such claims could delay work or increase exploration costs. The effect of these factors cannot be accurately determined.

**16.11 Uninsured Hazard**

Hazards such as unusual geological conditions are involved in exploring for and developing mineral deposits. The Corporation may become subject to liability for pollution or other hazards, which cannot be insured against or against which the Corporation may elect not to insure because of high premium costs or other reasons. The payment of any such liability could result in the loss of Corporation assets or the insolvency of the Corporation.

**16.12 Coronavirus (COVID-19)**

The Corporation faces risks related to health epidemics and other outbreaks of communicable diseases, which could significantly disrupt its operations and may materially and adversely affect its business and financial conditions.

## **16. RISK FACTORS (CONT'D)**

To date, the coronavirus has led to a large number of temporary business closures, travel bans, self-imposed quarantine periods, and physical distancing have caused a general reduction in consumer activity and material disruptions to businesses globally resulting in an economic slowdown. The extent to which the coronavirus will continue to impact the Corporation's business, including its operations and the market for its securities, will depend on future developments, which are highly uncertain and cannot be predicted at this time, and include the duration, severity, and scope of the outbreak and the actions taken to contain or treat the coronavirus outbreak. In particular, the continued spread of the coronavirus globally could materially and adversely impact the Corporation's business including without limitation, employee health, workforce productivity, obligations regarding flow-through shares, increased insurance premiums, limitations on travel, the availability of industry experts and personnel, restrictions to its drill program and/or the timing to process drill and other metallurgical testing, and other factors that will depend on future developments beyond the Corporation's control, which may have a material and adverse effect on its business, financial condition and results of operations. While these effects are expected to be temporary, the duration of the various disruptions to businesses locally and internationally and the related financial impact cannot be reasonably estimated at this time. Such public health crises can result in volatility and disruptions in the supply and demand for gold and other metals and minerals, global supply chains and financial markets, as well as declining trade and market sentiment and reduced mobility of people, all of which could affect commodity prices, interest rates, credit ratings, credit risk, share prices and inflation, which could have an adverse effect on the demand for gold and the Corporation's future prospects.

There can be no assurance that the Corporation's personnel will not be impacted by these pandemic diseases and ultimately see its workforce productivity reduced or incur increased medical costs/insurance premiums as a result of these health risks.

In addition, the continued spread of the coronavirus could adversely affect global economies and financial markets resulting in an economic downturn that could have an adverse effect on the demand for precious metals and the Corporation's future prospects.

### **16.13 Capital Needs**

The exploration, development, mining and processing of the Corporation's properties will require substantial additional financing. The only current source of future funds available to the Corporation is the sale of additional equity capital. There is no assurance that such funding will be available to the Corporation or that it will be obtained on terms favourable to the Corporation or will provide the Corporation with sufficient funds to meet its objectives, which may adversely affect the Corporation's business and financial position. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration, development or production on any or all of the Corporation's properties or even a loss of property interest.

### **16.14 Key Employees**

Management of the Corporation rests on a few key officers, the loss of any of whom could have a detrimental effect on its operations.

### **16.15 Canada Revenue Agency and provincial agencies**

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



## **17. MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION**

The Corporation's Financial Statements are the responsibility of the Corporation's management. The Financial Statements were prepared by the Corporation's management in accordance with IFRS. The Financial Statements include certain amounts based on the use of estimates, judgements and assumptions. Management has established these amounts in a reasonable manner, in order to ensure that the Financial Statements are presented fairly in all material respects.

The Financial Statements have been approved by the board of directors based on the estimates, judgements and assumptions as presented by management.

## **18. FORWARD LOOKING INFORMATION**

This MD&A contains forward-looking information within the meaning of applicable securities legislation, which reflects the Corporation's current expectations regarding future events, including expectations regarding the completion of the Offering, the receipt of necessary authorizations from securities regulatory authorities and the use of the net proceeds from the Offering. Such statements can be recognized by the terms "forecast", "anticipate", "consider", "foresee" and other terms and similar expressions. In this MD&A there is forward-looking information based on a number of assumptions and subject to a number of risks and uncertainties, many of which are beyond the Corporation's control that could cause actual results and events to differ materially from those that are disclosed in or implied by such forward-looking information. Such risks and uncertainties include, but are not limited to, the factors discussed under "Risk Factors" in Section 16. Any forward-looking information included in this MD&A is based only on information currently available to the Corporation and speaks only as of the date on which it is made. Except as required by applicable securities laws, the Corporation assumes no obligation to update or revise any forward-looking information to reflect new circumstances or events.

May 18, 2022

(s) Ian Campbell  
Ian Campbell  
President and CEO

(s) Yvon Robert  
Yvon Robert  
CFO