



Harfang Exploration Inc.

Management's Discussion and Analysis.
Quarterly Highlights

Six months ended July 31, 2020

Harfang Exploration Inc.

Management's Discussion & Analysis – Quarterly Highlights

Six months ended July 31, 2020

The following quarterly highlights management's discussion and analysis (the "MD&A Highlights") of the financial condition and results of the operations of Harfang Exploration Inc. (the "Corporation") constitutes management's review of the factors that affected the Corporation's financial and operating performance for Q2-21.

The MD&A Highlights should be read in conjunction with the Corporation's unaudited condensed interim financial statements for the six months ended July 31, 2020 prepared in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") as well as with the management discussion and analysis for the year ended January 31, 2020. All figures are in Canadian dollars unless otherwise noted.

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. The following abbreviations are used to describe the periods under review throughout this MD&A:

Abbreviation	Period
Q1-20	February 1, 2019 to April 30, 2019
Q2-20	May 1, 2019 to July 31, 2019
Q2-20 YTD	February 1, 2019 to July 31, 2019
Q3-20	August 1, 2019 to October 31, 2019
Q4-20	November 1, 2019 to January 31, 2020
Fiscal 20	February 1, 2019 to January 31, 2020
Q1-21	February 1, 2020 to April 30, 2020
Q2-21	May 1, 2020 to July 31, 2020
Q2-21 YTD	February 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

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 22, 2020, the Corporation closed a non-brokered private placement consisting of 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 for an aggregate gross proceeds of \$2,500,000. Each unit was comprised one common share and one half of one common share purchase warrant, with each warrant being exercisable into one additional common share for 24 months from the closing date of the private placement at an exercise price of \$0.40 per common share. Share issue expenses, including the finder's fees of \$55,807, totalled \$95,353. Certain officers and directors of the Corporation purchased an aggregate of 80,000 units for \$20,000 and an aggregate of 107,357 flow-through shares for \$37,575.

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2. CORPORATE UPDATE (CONT'D)

The Corporation has working capital of \$3,986,874 as at July 31, 2020, (\$2,714,848 as at January 31, 2020). From this working capital, the Corporation has to dedicate \$113,305 and \$1,099,000 respectively, to Canadian mining properties exploration, pursuant to the terms of the December 16, 2019 and June 22, 2020 flow-through financings. The Corporation is constantly seeking financing or business opportunities.

The Corporation reported a net loss of \$839,671 in Q2-21 YTD (\$586,860 in Q2-20 YTD). The main variations are as follow:

- Exploration and evaluation expenditures, net of tax credits \$567,179 (\$469,922 in Q2-20 YTD) (see section on exploration and evaluation activities for details of exploration and evaluation expenditures).
- Stock-based compensation for \$65,717 (\$57,892 in Q2-20 YTD). On May 22, 2020, a total of 337,500 stock options (225 000 in Q2-20 YTD) were granted and their fair value was estimated at \$64,800 (\$51,975 in Q2-20 YTD). The options vested 100% at the grant date.
- Consulting and professional fees for \$94,328, office and administrative for \$43,353, travel, conference and investor relations for \$100,424 and filing fees for \$24,776, for an aggregate of \$262,881 (\$159,150 in Q2-20 YTD). There was a slight decrease of consulting and professional fees specifically for legal and accounting fees caused by a decrease in corporate activities. There was an increase of office and administrative costs explained by the increase in office rental costs and membership fees. There was also an increase of travel, conference and investor relations expenses resulting by a contract signed with a new consultant in Q4-20. And finally, there was an increase in filing fees given the costs of a contract for managing warrants.
- Deferred income taxes recovery for \$134,742 (\$137,993 in Q2-20 YTD). This recovery consists mainly in the amortization, in proportion of the exploration work completed, of the premium related to flow-through shares renunciations following the March 20, 2019 and December 16, 2019 private placements.

The Corporation reported a net loss of \$535,372 in Q2-21 (\$401,729 in Q2-20). The explanations for the main variations are the same as the Q2-20 YTD above.

On May 20, 2020 the Board of Directors of the Corporation has 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 total cost of the warrant extension is \$64,125 which has been recorded under warrants and the offsetting entry is recorded in the deficit. Warrants extension expenses totaled \$1,290.

On September 6, 2020, the Corporation signed an agreement for the sale (the "Transaction") of 100% of its right, title and interest in and to the Kali Project to QcX Gold Corp. ("QcX Gold"). In order to complete the Transaction and in accordance with the terms of the agreement, QcX Gold will issue to the Corporation an aggregate of 1,750,000 common shares, and grant in favour of the Corporation a 2.5% net smelter returns royalty (the "NSR Royalty"), with no buyback option, in respect of the Kali Project.

During the Q1-21, an outbreak of a new strain of coronavirus (COVID-19) resulted in a major global health crisis which continues to have impacts on the global economy and the financial markets. The Corporation has taken and will continue to take action to minimize the impact of the virus on its operations; however, there can be no certainty that it will not cause significant changes on the ability to complete planned exploration and evaluation activities, meet its obligations according to the terms of the flow-through financings or our ability to obtain debt and equity financing. It is impossible to determine the ultimate financial implications of these events at the current time.

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3. EXPLORATION ACTIVITIES

	Q2-21	Q2-20	Q2-21 YTD	Q2-20 YTD
	\$	\$	\$	\$
Lake Ménarik				
Salaries and benefits	114	1,427	9,438	6,382
Geology	422	2,888	2,406	3,138
Analysis	-	106	-	106
Transportation	-	-	356	342
Lodging and food	-	-	46	65
Supplies and equipment	-	-	-	28
	536	4,421	12,246	10,061
Ménarik East				
Salaries and benefits	-	247	3,700	247
	-	247	3,700	247
Serpent				
Salaries and benefits	135,840	91,844	168,984	122,610
Geology	119,558	65,883	170,095	77,189
Analysis	18,079	5,132	27,126	5,195
Transportation	4,342	57,454	4,840	57,972
Geophysics	72,535	-	124,085	85,000
Lodging and food	20,800	22,284	20,846	22,381
Supplies and equipment	14,631	27,325	16,334	28,176
Taxes, permits and insurance	870	-	870	-
	386,655	269,922	533,180	398,523
Lake Fagnant				
Salaries and benefits	-	493	-	2,100
Geology	-	-	1,024	279
Recharge to partner	-	(296)	(614)	(1,427)
	-	197	410	952
Lake Aulneau				
Salaries and benefits	-	247	-	365
Geology	109	-	359	-
	109	247	359	365
Lake Tapiatic				
Salaries and benefits	-	19,935	-	19,935
Geology	-	14,107	-	14,107
Transportation	-	1,146	-	1,146
Lodging and food	-	3,881	-	3,881
Supplies and equipment	-	3,598	-	3,598
	-	42,667	-	42,667
Kali				
Salaries and benefits	527	-	4,298	-
Geology	640	-	1,609	-
	1,167	-	5,907	-
Bonfait				
Salaries and benefits	853	-	853	-
Geology	656	-	656	-
	1,509	-	1,509	-
La Passe				
Salaries and benefits	416	-	416	-
	416	-	416	-
Generation				
Salaries and benefits	2,688	6,303	8,905	14,683
Geology	547	1,564	547	1,986
Transportation	-	438	-	438
	3,235	8,305	9,452	17,107

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3. EXPLORATION ACTIVITIES (CONT'D)

	Q2-21	Q2-20	Q2-21 YTD	Q2-20 YTD
	\$	\$	\$	\$
Total				
Salaries and benefits	140,438	120,496	196,594	166,322
Geology	121,932	84,442	176,696	96,699
Analysis	18,079	5,238	27,126	5,301
Transportation	4,342	59,038	5,196	59,898
Geophysics	72,535	-	124,085	85,000
Lodging and food	20,800	26,165	20,892	26,327
Supplies and equipment	14,631	30,923	16,334	31,802
Taxes, permits and insurance	870	-	870	-
Recharge to partner	-	(296)	(614)	(1,427)
	393,627	326,006	567,179	469,922

Mr. François Goulet, M.Sc. P.Geo, President and Chief Executive Officer of the Corporation, a qualified person as defined by National Instrument 43-101 has 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 July 31, 2020, 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 Transtaiga Road and the James Bay Road. Most claims of the Lake Ménarik Property are subject to a 2% net smelter return royalty which Osisko Gold Royalties Ltd ("Osisko") is retaining. The 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

During Q1-21, the Corporation submitted a technical geological report concerning exploration conducted on the property in 2018 as statutory work to the *Ministère de l'Énergie et des Ressources naturelles du Québec*. The geological reassessment done during Q1-21 lead to the elaboration of drill targets and additional prospecting opportunities. The Corporation is currently looking for a partner to develop and advance the project considered to be at the drilling stage. A new exploration program is ready to be deployed assuming further partnership.

3.2 Ménarik East Property

Property Description

As at July 31, 2020, 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.

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3. EXPLORATION ACTIVITIES (CONT'D)

The Ménarik East Property exposes an ultramafic-mafic complex containing historical mineral resources in chromium, platinum, palladium, nickel and copper. These historical resources include 6.34 Mt @ 7.73% Cr₂O₃, 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 is currently looking for a partner to develop and advance the project. A new exploration program, including targeted prospecting and drilling, is ready to be deployed assuming further partnership.

3.3 Serpent Property

Property Description

As at July 31, 2020, the Corporation owns 552 mining claims covering 28,312 ha referred to as the Serpent Property. The property is located in NTS sheets 33F02 and 33F03, 90 km SSE of Radisson and is adjacent to the James Bay 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 (up to 15 showings) and Cu-Au-Ag (Mista) potential hosted in an underexplored part of the Archean intrusive basement of the La Grande Subprovince. High-grade gold occurrences are all associated with WNW-ESE shear zones and decimetric (10-30 cm wide) quartz veins hosted in foliated/gneissic tonalite and gabbroic dykes or at the contact between both lithologies. 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

During Q1-21, the Corporation mandated TMC Geophysics Ltd. ("TMC") to conduct an induced polarization survey in two specific areas on the property. The first phase of the survey, completed in March 2020, included a total of 19.7 linear km covering the Mista prospect and its surroundings. Due to the COVID-19 situation, the Corporation and TMC postponed the second part of the survey which was planned over the large gold-in-till anomaly (>4 km²) in the southwestern part of the property.

On May 12, 2020, the Corporation published a press release disclosing results from the induced polarization survey completed in the Mista area and gave more details on the gold-in-till anomaly discovered in 2019. The geophysical survey successfully detected a more than 800 m long chargeability axis superposed to the Mista Cu-Au-Ag prospect (0.99% Cu, 0.20 g/t Au and 7.7 g/t Ag over 11.7 m in trenching). That prospect refers to a sulfide-bearing quartz-rich arenite injected by quartz veins already traced at surface over 350 m in length by the Corporation's team. The chargeability axis suggests the continuation of the mineralization underneath soil and vegetation toward the west.

The gold-in-till anomaly is defined by a cluster of 9 till samples containing between 26 and 324 gold grains. Gold analytical results of the non-magnetic heavy mineral concentrates of these tills, recently obtained from Actlabs (Ancaster, Ontario), returned very significant values including many samples grading from 1 to >30 g/t Au. According to Stuart Averill (P.Geo), founder and chairman of Overburden Drilling Management Ltd. ("ODM"), the gold-in-till anomaly at Serpent may be considered as a very significant gold-in-till anomaly in Canada. ODM was mandated to proceed with the gold grain count of the till samples. High-grade gold occurrences at Serpent are mainly associated with shear zone-hosted quartz veins. A major East-West structural break extending over more than 4 km, and interpreted from magnetic discontinuities, represents a prime exploration target up-ice of the gold-in-till anomaly.

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3. EXPLORATION ACTIVITIES (CONT'D)

Summer fieldwork operations on the project began on June 1, 2020 and ended on August 27, 2020. The Corporation's field crew, composed of 6 to 10 people, mainly prospected the area covered by the gold-in-till anomaly which is located in a portion of the property which was yet unexplored. In the first part of the summer, TMC resumed the second half of the IP survey which was halted in March 2020. That survey covered the eastern part of the gold-in-till anomaly for a total of 33.9 linear kilometers. In August, Nord-Fort Inc. was mandated to proceed to mechanical stripping of some of the gold showings and IP anomalies. Eighteen trenches and four test pits were realized using a mini-excavator moved by a helicopter.

The crew described 1,058 outcrops and boulders during the summer. A total of 1,313 rock samples were collected, including 855 grab and 458 channel samples, together with 90 till and 50 soil samples. All rock samples were sent to Lab Expert (Rouyn-Noranda, Québec). Till samples were sent to ODM (Nepean, Ontario) where they are being processed for the preparation of the heavy mineral concentrates and gold grain counts. The heavy mineral concentrates will then be sent to Actlabs for chemical analyses. Soil samples are being analysed by ALS Minerals (Val-d'Or, Québec). As of now, the majority of analytical results are still pending. The Corporation expects to publish the most significant results in a press release as soon as they are available.

The Corporation mandated Prospectair Geosurveys Inc. to realize a highly-detailed airborne magnetic survey in the most prospective part of the property. A total of 1,232 linear kilometers were flown along lines spaced 50 m apart in early September 2020.

Fieldwork has resumed on September 14, 2020 and is expected to last at least four weeks. Main objectives of the fall program are to do a follow-up on analytical results obtained during summer, complete a soil survey and add till samples in specific areas over the gold-in-till anomaly.

Since the beginning of summer operations, 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 remains healthy and free of symptoms of the virus.

Prior to the summer and fall field interventions, letters were 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 Precautional Measures" was sent to the Cree Nation Government and the Cree Mineral Exploration Board.

3.4 Lake Fagnant Property (joint venture)

Property Description

As at July 31, 2020, the Lake Fagnant Property is an aggregate of 68 mining claims totaling 3,352 ha located in NTS sheets 33N02 and 33N03. These claims were staked by map designation by the Corporation, Kenorland Minerals Ltd. ("Kenorland") and UrbanGold Minerals Inc. ("UrbanGold"). The property is located 55 km east of Whapmagoostui/Kuujuarapik (Nunavik) and 155 km north of Radisson (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.

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3. EXPLORATION ACTIVITIES (CONT'D)

There are five mining claims subjected to a 1% net smelter return royalty (NSR) 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 UrbanGold. 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 UrbanGold's participating interest is diluted to less than 10%, then UrbanGold 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 July 31, 2020, 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 Q2-21 YTD and is not planning fieldwork on the property during Fiscal 21. The Corporation, Kenorland and UrbanGold are looking for an additional partner to undertake exploration on the property.

3.5 Lake Aulneau Property

Property Description

As at July 31, 2020, the Lake Aulneau Property is composed of 133 mining claims totaling 6,250 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 Through. 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 Q2-21 YTD and is not planning any additional work on the property during Fiscal 21. The Corporation is currently looking for a partner to develop and advance the project.

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3. EXPLORATION ACTIVITIES (CONT'D)

3.6 Lake Tapiatic Property

Property Description

As at July 31, 2020, 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 the James Bay area, 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.

Exploration work on the property

The Corporation has not done any fieldwork on the Lake Tapiatic Property during Q2-21 YTD and is not planning any additional work on the property during Fiscal 21.

3.7 Selling of the Kali Property

Property Description

As at July 31, 2020, the Kali Property is composed of 194 mining claims totaling 10,180 ha. This group of claims is separated into two blocks and two isolated claims which are 100%-owned by the Corporation. The property is located in the James Bay area, 280 km north of Matagami. The western block of claims is located 20 km east of Eastmain's Cree Community and is accessible by air transportation or by boat along the Eastmain River. It is located 15 km southwest of Azimut's Patwon prospect. The eastern block is located immediately west of the James Bay paved road and is easily accessible by ground transportation (ATV trail) or by boat along the Eastmain River. This property is considered highly prospective for gold mineralization.

In a press release published on September, 9, 2020, the Corporation announced the sale of the Kali Project to QcX Gold. The transaction includes 193 mining claims covering approximately 10,127 hectares. One isolated claim was not included into the transaction. The transaction was being carried out pursuant to the terms of an arm's-length mining claim acquisition agreement on September 6, 2020, between the Corporation and QcX Gold. In order to complete the transaction and in accordance with the terms of the agreement, QcX Gold will issue to the Corporation an aggregate of 1,750,000 common shares, and grant in favour of the Corporation a 2.5% net smelter returns royalty, with no buyback option, in respect of the Kali Project.

Exploration work on the property

The Corporation compiled historical geological data along this portion of the Lower Eastmain greenstone belt during Q1-21 and Q2-21 and did not proceed to any field exploration on the Kali Property during Fiscal 21.

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3. EXPLORATION ACTIVITIES (CONT'D)

3.8 Acquisition of the Bonfait Property

Property Description

In Q2-21, the Corporation staked 194 mining claims by mag designation totalling 9,940 ha in NTS sheets 33F08 and 33F09. This group of claims now forms the Bonfait Property which is 100%-owned by the Corporation. The property is located in the James Bay area, approximately 85 km southeast of the Radisson locality and 2 km south of the La Grande-3 airport. It is easily accessible by boat transportation from the Transtaïga Road. This new property, developed as part of the Corporation's projet generation, is considered as highly prospective for gold mineralization. Numerous gold occurrences surrounding the Au-Cu Zone 32 prospect (O3 Mining) are located 5 km west.

Geological knowledge of the area is limited to mapping done by the *Ministère de l'Énergie et des Ressources naturelles du Québec*. No historical exploration was done inside the actual limits of the property, except for a few claims in the 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 is currently compiling historical geological data in the area covered by the project. This work will evolve in designing the first exploration program on this property which is planned for Q3-21.

3.9 Acquisition of the La Passe Property

Property Description

In Q2-21, the Corporation staked 80 mining claims by mag designation totalling 4,117 ha in NTS sheet 33F07. This group of claims now forms the La Passe Property which is 100%-owned by the Corporation. The property is located in the James Bay area, approximately 78 km southeast of the Radisson locality. It is accessible by boat transportation on lake Sakami from the Transtaïga Road. This new property, developed as part of the Corporation's projet generation, is considered as highly 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 *Ministère de l'Énergie et des Ressources naturelles du Québec* 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 is currently compiling historical geological data in the area covered by the project. A one-day geological reconnaissance was conducted during Q3-21 to locate outcropping areas and describe a few outcrops along the shore of the lake. A first-pass prospecting phase could be undertaken later during Q3-21.

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3. EXPLORATION ACTIVITIES (CONT'D)

3.10 Projects Generation

During Q2-21, the Corporation continued its geological compilation program for the acquisition of new strategic gold and base metal properties in Québec. The new Bonfait and La Passe projects were recently created from our generative program. Some of our geological targets have been tested by prospecting during Q3-21 and others will be tested before the end of Fiscal 21.

September 23, 2020

(s) François Goulet

François Goulet
President and CEO

(s) Yvon Robert

Yvon Robert
CFO