Annual Management Discussion and Analysis

As at and for the year ended December 31, 2021
(Expressed in Canadian Dollars)

This management discussion and analysis ("MD&A") dated February 23, 2022 of Anaconda Mining Inc. ("Anaconda" or the "Company") provides a discussion of the Company's consolidated financial position and the results of its consolidated operations for the year ended December 31, 2021. This MD&A should be read in conjunction with the Company's audited consolidated financial statements and the related notes for the year ended December 31, 2021 and the year ended December 31, 2020, which were prepared in accordance with International Financial Reporting Standards ("IFRS"). This MD&A should also be read in conjunction with the risk factors described in the "Risk Factors" section at the end of this document. Additional information including the audited consolidated financial statements for the year ended December 31, 2021 and press releases have been filed through the System for Electronic Document Analysis and Retrieval ("SEDAR") and are available online under the Anaconda Mining Inc. profile at www.sedar.com.

All amounts presented are in Canadian Dollars unless otherwise stated.

Certain non-IFRS measures are included in this MD&A, including operating cash cost per ounce and all-in sustaining costs ("AISC") per ounce. In the gold mining industry, these are common performance measures but may not be comparable to similar measures presented by other issuers. Anaconda believes that these measures, in addition to that information prepared in accordance with IFRS, provides investors with useful information to evaluate the Company's performance and ability to generate cash flow from its operations. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. For further information, refer to the "Non-IFRS Measures" section of this MD&A.

Company Overview

Anaconda Mining is a TSX and OTCQX-listed gold mining, development, and exploration company, focused on the top-tier Canadian mining jurisdictions of Newfoundland and Nova Scotia. The Company is advancing the Goldboro Gold Project ("Goldboro") in Nova Scotia, a significant growth project with Measured and Indicated Mineral Resources of 1.9 million ounces (16.0 million tonnes at 3.78 g/t) and Inferred Mineral Resources of 0.8 million ounces (5.3 million tonnes at 4.68 g/t), subject to a positive feasibility study filed on January 20, 2022. Anaconda also operates mining and milling operations in the prolific Baie Verte Mining District of Newfoundland which includes the fully-permitted Pine Cove Mill, tailings facility and deep-water port, as well as ~15,000 hectares of highly prospective mineral property, including those adjacent to the past producing, high-grade Nugget Pond Mine at its Tilt Cove Gold Project.

Anaconda's common shares trade on the Toronto Stock Exchange ("TSX") under the symbol "ANX" and on the OTCQX under the symbol "ANXGF". Anaconda Mining Inc. is incorporated under the laws of Ontario, with its registered head office located at 20 Adelaide Street East, Suite 915, Toronto, Ontario, M5C 2T6. Further information about Anaconda Mining can be found in the Company's regulatory filings, including the Annual Information Form, available on SEDAR at www.sedar.com and on the Company's website at www.anacondamining.com.

COVID-19 Pandemic and Preparedness

As of the date of this MD&A, Point Rousse continues to operate and appropriate health and safety protocols remain in place and are continually reviewed based on recommendations from medical authorities. During the third quarter of 2021, an outbreak of cases in the Baie Verte Peninsula affected certain staff of the Company's mining contractor, which impacted mine haulage for a short period. Otherwise, timely quarantining and comprehensive testing limited any further impact of the localized outbreak on operations.

A number of strict health and safety protocols have been established to minimize risk to our employees and contractors, with appropriate mitigation plans to limit the impact of any exposure (as described above). All work-related travel is being limited to essential travel with all employees following all applicable provincial public health regulations and are strongly being encouraged to vaccinate. Anaconda will continue to closely monitor the situation and will provide updates should they be required.

Corporate Update

On December 16, 2021, the Company announced the results of the Phase I Open Pit Feasibility Study ("Feasibility Study") for the Goldboro Gold Project, prepared in accordance with National Instrument 43-101 ("NI 43-101"). The Feasibility Study reported after-tax Net Present Value at a 5% discount rate ("NPV 5%") of $328 million and an after-tax Internal Rate of Return ("IRR") of 25.5%, with an after-tax payback of 2.9 years based on a gold price of $2,000 per ounce (US$1,600 at an exchange rate of 1.25 C$/US$). The Company also announced a maiden open pit Probable Mineral Reserves of 1,150,200 ounces of gold (15.8 million tonnes ("Mt") at 2.26 g/t gold).

On December 9, 2021, the Company announced the appointment of Rick Howes to the Board of Directors. Mr. Howes brings almost forty years of mining experience, which includes progressive technical, operating, management and project roles in mining companies throughout Canada and internationally. Dr. Michael Byron concurrently resigned his position from the Board but continues to provide geological insight as a member of the Company's Technical Advisory Committee.

On November 16, 2021, the Company announced the appointment of P.E. ("Ted") Kavanagh to the Board of Directors. Mr. Kavanagh brings over forty years of significant exploration and mine finance experience, including the origination and execution of project finance transactions during his employment with a series of international banking institutions.

On October 19, 2021, the Company announced an updated Mineral Resource for the Stog'er Tight Deposit, prepared in accordance with NI 43-101. The Stog'er Tight Mineral Resource includes Indicated Mineral Resources of 62,300 ounces of gold (642,000 tonnes at a grade of 3.02 g/t) and Inferred Mineral Resources of 9,600 ounces of gold (53,000 tonnes at a grade of 5.63 g/t).

Consolidated Results Summary

	Three months ended December 31		Year ended December 31	
Financial Results	**2021**	2020	**2021**	2020
Revenue ($)	**7,643,193**	9,988,251	**27,798,558**	41,582,990
Cost of operations, including depletion and depreciation	**7,410,862**	6,392,715	**30,534,089**	24,761,035
Mine operating income ($)	**232,331**	3,595,536	**(2,735,531)**	16,821,955
Net income (loss) ($)	**(1,358,219)**	792,203	**(7,136,219)**	8,228,243
Net income (loss) per share ($/share) – basic and diluted	**(0.01)**	0.01	**(0.04)**	0.06
Cash generated from operating activities ($)	**5,519,379**	2,080,151	**4,488,761**	14,087,867
Capital investment in property, mill and equipment ($)	**1,676,928**	1,383,079	**7,108,391**	2,960,787
Capital investment in exploration and evaluation assets ($)	**3,824,690**	2,514,733	**13,020,554**	7,152,794
Average realized gold price per ounce*	**US$1,783**	US$1,921	**US$1,804**	US$1,728
Operating cash costs per ounce sold*	**US$1,426**	US$1,014	**US$1,717**	US$871
All-in sustaining cash costs per ounce sold*	**US$2,297**	US$1,576	**US$2,660**	US$1,220

	December 31, 2021	December 31, 2020
Working capital* ($)	**1,397,113**	13,938,471
Total assets ($)	**95,551,004**	81,396,971
Non-current liabilities ($)	**8,235,993**	7,529,640

**Refer to Non-IFRS Measures section for reconciliation*

	Three months ended December 31,		Year ended December 31,	
Operational Results	**2021**	2020	**2021**	2020
Ore mined (t)	**102,395**	110,455	**209,157**	512,028
Waste mined (t)	**918,217**	453,859	**2,853,011**	1,964,689
Strip ratio	**9.0**	4.1	**13.6**	3.8
Ore milled (t) – including Bulk Sample	**118,011**	107,257	**446,562**	459,085
Grade (g/t Au)	**1.23**	1.39	**0.97**	1.42
Recovery (%)	**87.8**	86.8	**86.5**	87.4
Gold ounces recovered	**4,095**	4,171	**12,054**	18,268
Gold ounces sold	**3,368**	3,970	**12,218**	17,918

Highlights for the Year Ended December 31, 2021

- Anaconda produced 12,054 ounces of gold at Point Rousse in 2021, achieving its revised annual guidance of approximately 12,000 ounces. The revised annual guidance was based on the mine plan from an updated Probable Mineral Reserve[1] for Argyle as of September 1, 2021.
- Based on the updated Probable Mineral Reserve, Argyle demonstrates robust economics with undiscounted after-tax cash flows of $18.4 million and an after-tax NPV (5%) of $17.4 million with an IRR of 1,631%, using a base case gold price of $2,000 (US$1,550)[1].
- The Company sold 12,218 ounces of gold in 2021, generating metal revenue of $27.7 million at an average realized gold price[2] of C$2,261 (US$1,804) per ounce of gold.
- The Pine Cove Mill achieved annual throughput of 446,562 tonnes during 2021, attaining similar mill throughput compared to 2020 despite unplanned ball mill and crusher downtime in Q1 2021. The mill also achieved a strong average recovery of 86.5%, despite the relatively lower-grade profile of mill throughput during the year.
- Mining operations moved 209,157 ore tonnes and 2,853,011 waste tonnes during 2021, reflecting the heavy focus on mine development for Argyle up until Q3 2021. As a result, the mine was able to produce 102,395 tonnes in Q4 2021, almost 49% of the annual total, and is positioned to continue more productive mining into 2022.
- Operating cash costs per ounce sold[2] at the Point Rousse Project in Q4 2021 were $1,797 (US$1,426), and $2,152 (US$1,717) for the year ended December 31, 2021, at the lower end of the Company's revised 2021 annual operating cash cost guidance of C$2,150-C$2,200, reflecting the lower grade profile of mill throughput.
- All-in sustaining cash costs per ounce sold[2], including corporate administration and sustaining capital expenditures, was $2,895 (US$2,297) for Q4 2021, and $3,334 (US$2,660) for the full year.
- In 2021, the Company invested $13.0 million in its exploration and development projects, including $8.8 million on the Goldboro Gold Project in Nova Scotia relating to the completion of a Feasibility Study, the advancement of the significantly expanded Mineral Resource, and the progression of the environmental assessment process.
- Net loss for the year ended December 31, 2021 was $7,136,219, or $0.04 per share, compared to net income of $8,828,243, or $0.06 per share, for the year ended December 31, 2020, driven predominantly by lower production.
- As of December 31, 2021, the Company had a cash balance of $10.1 million, working capital[2] of $1.4 million, and additional available liquidity of $3.0 million from an undrawn revolving line of credit facility.
- In December 2021, the Company executed a $5.0 million gold prepayment facility to provide further un-dilutive liquidity as the Company completes the Feasibility Study and Environmental Assessment Registration Document for the Goldboro Gold Project. The facility will be repaid in gold deliveries totaling 2,273 ounces from January to September 2022.

[1] Refer to the technical report entitled "2021 NI 43-101 Technical Report, Mineral Resources and Mineral Reserve Update on the Point Rousse Project, Baie Verte, Newfoundland and Labrador, Canada" dated November 27, 2021. The technical report is available under the Company's profile on SEDAR at www.sedar.com and on the Company's website at www.anacondamining.com.

[2] Refer to Non-IFRS Measures Section below. Non-IFRS financial measures are not standardized financial measures under the financial reporting framework used to prepare the financial statements and may not be comparable to similar financial measures disclosed by other issuers.

2022 Guidance

Anaconda is projecting to produce between 21,500 and 23,000 ounces of gold in 2022, which would represent a record year of production for Point Rousse, with mill feed predominantly from mining at the Argyle Gold Mine and supplemented with lower-grade Pine Cove stockpiles. Operating cash costs per ounce* for the full year are expected to be between $1,150 and $1,250 per ounce of gold sold (US$920 - US$1,000 at an approximate exchange rate of 0.80), reflecting the lower strip ratio and increasing grade profile after heavy focus on mine development in 2021. The 2022 guidance reflects the updated Mineral Reserve and Resource Estimate for the Argyle Deposit prepared independently by Nordmin Engineering Ltd. ("Nordmin").

The Company expects to incur approximately $2,500,000 in sustaining capital expenditures in 2022 at Point Rousse, which mainly reflects remaining mine development at Argyle and capital upgrades for the Pine Cove Mill. Sustaining capital also reflects costs required to continue progressing the Stog'er Tight Deposit.

** Refer to Non-IFRS Measures Section below.*

2021 Operating and Financial Review

Operational Performance - Gold production for 2021 was 12,054 ounces, achieving revised annual guidance of approximately 12,000 ounces. The revised annual guidance was based on the mine plan from an updated Probable Mineral Reserve for Argyle as of September 1, 2021. The Company sold 12,218 ounces for the year, generating metal revenue of $27.7 million at an average realized gold price* of C$2,261 (US$1,804) per ounce of gold.

After heavy focus on mine waste development in the third quarter, the mining operation moved 102,395 tonnes of ore in Q4 2021, almost 49% of the total ore tonnes mined in 2021 of 209,157 tonnes. This is a significant decrease from the 512,028 tonnes of ore mined in 2020, when the operation was concentrated on the higher-tonnage Pine Cove mine during the first half of the year. Waste production was 2,853,011 tonnes for the full year, reflecting the focus on mine waste development at Argyle and resulting in a strip ratio of 13.6 waste tonnes to ore tonnes. The strip ratio of 3.8 waste tonnes to ore tonnes in 2020 reflects mining in the final lower benches of the Pine Cove open pit.

The Pine Cove Mill processed 446,562 tonnes in 2021, only 3% lower than 2020 despite unplanned maintenance relating to the ball mill and the jaw crusher in the first quarter of 2021. The significant decrease in year over year gold production was the result of a 32% decrease in the grade profile of mill throughput, the result of processing a high proportion of low-grade Pine Cove ore stockpiles. Notwithstanding the low-grade throughput, the mill was able to achieve an average recovery rate of 86.5% during 2021, a decrease of only 1.0% compared to 2020.

Financial Performance - Anaconda sold 12,218 ounces of gold in 2021 to generate metal revenue of $27.7 million at an average realized gold price* of C$2,261 (US$1,804) per ounce, representing a 33% decrease in metal revenue compared to 2020 due lower gold production.

	Three months ended December 31		Year ended December 31	
	2021	2020	**2021**	2020
Revenue	**7,643,193**	9,988,251	**27,798,558**	41,582,990
Cost of operations				
Operating expenses	**5,961,469**	5,295,872	**25,895,606**	20,953,142
Royalties	**164,040**	-	**566,075**	49,196
Depletion and depreciation	**1,285,353**	1,096,843	**4,072,408**	3,758,697
Total cost of operations	**7,410,862**	6,392,715	**30,534,089**	24,761,035
Mine operating income	**232,331**	3,595,536	**(2,735,531)**	16,821,955

Operating expenses for the year ended December 31, 2021 were $25,895,606, compared to $20,953,142 for the year ended December 31, 2020. The significant increase reflects a $2,597,000 write-down to net realizable value of gold-in-circuit and ore in stockpiles, primarily from Q1 2021, reflecting the significantly higher operating cash costs per ounce* due to the 35% decrease in mine grade in Q1 2021. Operating expenses for 2021 included mining costs of $11,446,874, an increase from $10,458,651 in the previous year, as the Company moved 24% more material in 2021 while mining at Argyle. Processing costs in 2021 were $11,250,316, an increase over $9,928,022 in 2020 primarily due to higher maintenance costs. Operating cash costs per ounce sold* during 2021 were C$2,152 (US$1,717), in line with the lower end of the Company's revised annual guidance of C$2,150 – C$2,200 per ounce sold, higher than previous years due to a significantly lower mill throughput grade profile.

The royalty expense for 2021 was $566,075, reflecting the 3% net smelter royalty that applies to Argyle. Depletion and depreciation for the year ended December 31, 2021 was $4,072,408, an increase from $3,758,697 recognized for the year ended December 31, 2020, reflecting the depreciation of Argyle capital development costs since Q3 2020.

Mine operating loss for the year ended December 31, 2021 was $2,735,531, compared to mine operating income of $16,821,955 in 2020, the result of lower revenue and higher comparable operating costs during 2021.

Corporate administration expenditures were $3,665,659 during 2021, consistent with $3,581,921 recorded in 2020. In July 2021, Novamera completed a $5,000,017 equity financing in which the Company did not participate, diluting its interests in Novamera to 19% such that the Company no longer exerts significant influence for accounting purposes. Based on the implied valuation of the financing, the Company recognized a gain of $1,020,432 which represents the excess of the fair value of the investment on that date as compared to the investment's carrying value under the equity method. In 2021, the Company also recognized a loss of $435,149 for the Company's share of loss from its equity accounted investments (year ended December 31, 2020 - $247,203).

Share-based compensation was $777,906 during the year ended December 31, 2021, compared to $380,733 in the comparative 2020 period, reflecting the greater value of share units granted compared to the previous year.

Finance expense for the year ended December 31, 2021 was $147,801, significantly less than $211,669 recognized for the year ended December 31, 2020 reflecting the continued repayment of the $5,000,000 term loan with the Royal Bank of Canada, of which $505,688 remained outstanding as of December 31, 2021.

In 2021, the Company recorded a recovery of $505,552 as a deferred premium on flow-through shares, representing the proportion of the remaining qualifying exploration expenditures that were spent from the July 2020 and May 2021 flow-through financings during the year ended December 31, 2021.

Net comprehensive loss for the year ended December 31, 2021, was $7,136,219, or $0.04 per share, compared to net comprehensive income of $8,228,243, or $0.06 per share, in the comparative period of 2020. The decline compared to the comparative period of 2020 was the result of lower production and higher operating costs, which was offset by a lower net income tax expense of $701,345 (year ended December 31, 2020 – $6,141,528).

** Refer to Non-IFRS Measures Section below.*

Fourth Quarter Review

Operational Performance - Anaconda produced 4,095 ounces of gold in the fourth quarter of 2021, an 85% increase over the third quarter of 2021 when mine activity was focused on mine waste development to provide access to higher grade ore at Argyle. After heavy focus on mine waste development in the third quarter, the mining operation moved 102,395 tonnes of ore in Q4 2021, almost 49% of the total ore tonnes mined in 2021 of 209,157 tonnes. Waste production in the fourth quarter was 918,217 tonnes reflecting the focus on mine waste development at Argyle and resulting in a strip ratio of 9.0 waste tonnes to ore tonnes. The Pine Cove Mill processed 118,011 tonnes during Q4 2021 and achieved an availability rate of 97.8%, resulting in a throughput rate of 1,312 tonnes per day, a slight increase compared to the corresponding period of 2020. Average grade during the fourth quarter was 1.23 g/t, an 84% increase over Q3 2021, and the mill achieved an average recovery rate of 87.8% for Q4 2021, representing increases over 86.2% in Q3 2021 and 86.8% in Q4 2020.

***Financial Performance* –** During the fourth quarter, the Company sold 3,368 ounces of gold from production from the Point Rousse Complex, generating metal revenue of $7,574,886 at an average realized gold price* of C$2,247 per ounce (US$1,783).

Operating expenses, excluding depreciation and depletion, were $6,125,509 during Q4 2021, an increase from $5,295,872 in the fourth quarter of 2020, reflecting the impact of higher relative haulage costs at Argyle, and higher mill throughput which resulted in higher processing costs. Operating cash costs per ounce sold* in Q4 2021 were $1,797 (US$1,426), compared to $1,321 (US$1,014) in Q4 2020, due to the higher mining costs in Q4 2021 as well as the higher ounces sold during Q4 2020. Depletion and depreciation for Q4 2021 was $1,285,353, representing an increase from Q4 2020 due to the lower denominator for depletion and depreciation on a units-of-production basis relative to the denominator used in the fourth quarter of 2020.

Overall, mine operating income for the fourth quarter was $232,331, a decrease from $3,595,536 in the corresponding period of 2020, due to higher operating expenses, an increase in depletion and depreciation, and lower revenues from a 15% reduction in gold ounces and a comparatively lower gold price.

Net comprehensive loss for the three months ended December 31, 2021 was $1,358,219, or $0.01 per share, compared to net comprehensive income for the three months ended December 31, 2020 of $792,203, or $0.01 per share, with the decrease primarily due to lower mine operating income.

** Refer to Non-IFRS Measures Section below.*

Company Strategy and Outlook

Anaconda Mining is an established gold producer in Atlantic Canada with a strong production growth profile in the near-term, with the aim of growing to annual production of 150,000 ounces per annum over the next five (5) years. The Company has been producing profitably in Newfoundland for over 10 years and has developed the infrastructure, management team, and experienced workforce to serve as the platform for its aggressive growth plan.

Major highlights and progress during 2021 to advance the Company's strategy include:

- Announced the results of the Phase I Open Pit Feasibility Study for the Goldboro Gold Project on December 16, 2021, which demonstrates the potential for strong economics over an estimated 11-year open pit life of mine, with an after-tax NPV at a 5% discount rate of $328 million and an after-tax IRR of 25.5% based on a gold price of $2,000 per ounce (US$1,600 at an exchange rate of 1.25 C$/US$).
- Announced an updated and significantly expanded Mineral Resource Estimate ("Mineral Resource") for the Goldboro Gold Project on February 22, 2021, which includes Measured and Indicated Mineral Resources of 1,946,100 ounces of gold and Inferred Mineral Resources of 798,100 ounces of gold.
- Announced an updated Mineral Reserve and Resource for the Argyle Deposit on October 13, 2021, which includes Probable Mineral Reserves of 529,100 tonnes at an average diluted grade of 1.99 g/t containing 33,850 ounces of gold.
- Announced an updated Mineral Resource for the Stog'er Tight Deposit on October 19, 2021, which includes Indicated Mineral Resources of 642,000 tonnes at a grade of 3.02 g/t (62,300 ounces of gold) and Inferred Mineral Resources of 53,000 tonnes at a grade of 5.63 g/t (9,600 ounces of gold), in anticipation of a potential development scenario at Stog'er Tight.
- Completed a flow-through private placement under an agreement with Raymond James for gross proceeds of $8.5 million on May 28, 2021, which will accelerate its highly prospective exploration programs in Atlantic Canada.
- Strengthened its financial position with a $3 million revolving credit facility with the Royal Bank of Canada, supported by ongoing cash flows from Point Rousse and providing further financial flexibility.
- Completed a new 3,500 metre diamond drill program at Goldboro, which is part of a broader 20,000 metre diamond drill program, with the aim of converting high priority Inferred Resources that reside within one of the constrained open pits outlined in the updated Mineral Resource.
- Continued to execute a 10,000-metre diamond drill program at the Tilt Cove Project, specifically at the highly prospective targets including the West Pond, East Pond, and Long Pond, which now comprises a total of 6,075 hectares of prospective mineral lands with a record of past gold and copper production.

- Commenced exploration programs at multiple locations at the Point Rousse Project and initiated preliminary environmental studies at the expanded Stog'er Tight Deposit, including environmental baseline work associated with Camp Pond geared towards attempting to extend the mine life at the Point Rousse complex.
- In December 2021, the Company executed a $5.0 million gold prepayment facility to provide further un-dilutive liquidity as the Company completes the Feasibility Study and Environmental Assessment Registration Document for the Goldboro Gold Project. The facility will be repaid in gold deliveries totaling 2,273 ounces over the next nine months.

THE GOLDBORO GOLD PROJECT, NOVA SCOTIA

The Goldboro Gold Project is a 100%-owned gold development project located in Guysborough County, Nova Scotia, located approximately 180 kilometres northeast of Halifax and covering 600 hectares. The Goldboro Mineral Resource occurs within a 2.1-kilometre section of the Upper Seal Harbour anticline.

➢ **Moving Towards Development**

In Q1 2021, Anaconda Mining announced an updated and significantly expanded Mineral Resource Estimate for Goldboro, which represents a step-change for the economic potential of the Project, especially with approximately 1.1 million ounces of Measured and Indicated Resources within constrained open pits. On December 16, 2021, the Company announced the results of the Phase I Open Pit Feasibility Study, which demonstrate strong economics with a mine life of approximately 11 years and average annual gold production of 100,000 ounces. Highlights of the Feasibility Study include:

- Total gold recovered of over 1.10 million ounces over an approximately 11-year open pit life of mine ("LOM") with average gold production of 100,000 ounces per annum and an average diluted grade of 2.26 g/t gold;
- Pre-tax Net Present Value at a 5% discount rate ("NPV 5%") of $484 million and a pre-tax Internal Rate of Return ("IRR") of 31.2%, with a projected pre-tax payback of 2.7 years;
- After-tax NPV 5% of $328 million and an after-tax IRR of 25.5%, projected after-tax payback of 2.9 years;
- Maiden Open Pit Probable Mineral Reserves of 1,150,200 ounces of gold (15.8 Mt at 2.26 g/t gold);
- Open Pit Measured and Indicated Mineral Resources of 1,422,000 ounces (15.7 Mt at 2.82 g/t gold) and Underground Measured and Indicated Mineral resources of 1,159,000 ounces (5.9 Mt at 6.09 g/t gold);
- Open Pit Inferred Mineral Resources of 66,000 (0.98 Mt at 2.11 g/t gold) and Underground Inferred Mineral Resources of 418,000 ounces (2.2 Mt at 5.89 g/t gold);
- Initial capital cost ("Capex") of $271 million and LOM sustaining capital of $63 million;
- Life-of-Mine Operating Cash Costs of $966 (US$773) per ounce* and All-In Sustaining Costs ("AISC") of $1,062 (US$849) per ounce*;

** Refer to Non-IFRS Financial Measures section below.*

Furthermore, the Project has strong opportunity for further value creation:

- Infill drilling has the potential to reduce the strip ratio and positively impact NPV and IRR by upgrading Inferred Mineral Resources coincident with the current open pit designs based on Measured and Indicated Mineral Resources only;
- Potential for Mineral Resource expansion, particularly towards the west with further exploration of a 1.5 kilometre long area along strike of the existing Deposit towards the past producing gold mine at Dolliver Mountain;
- The Deposit has been drill tested to only 500 metres and remains open at depth. A future study will consider upgrading and expanding potentially mineable underground Mineral Resources as part of the longer-term mine development plan.

The Company continues to work on an Environmental Assessment Registration Document ("EARD"), which is expected to be filed in Q2 2022. Throughout 2022, the Company will continue work to support Environmental Assessment and permitting activities, including Mi'kmaq engagement and public consultation, additional surface and groundwater modelling, detailed engineering, and ongoing baseline studies to support an Industrial Approval.

➢ **Expanding the Mineral Resource**

On February 22, 2021, the Company announced an updated and significantly expanded Mineral Resource prepared in accordance with NI 43-101 for Goldboro, with an effective date of November 15, 2021 as outlined in a technical report, entitled "NI 43-101 Technical Report and Feasibility Study for the Goldboro Gold Project, Eastern Goldfields District, Nova

Scotia". The Mineral Resource is based on validated results of 681 surface and underground drill holes, for a total of 121,540 metres of diamond drilling that was completed between 1984 and the effective date of November 15, 2021. The Mineral Resource includes 55,803 metres of drilling conducted by the Company including 7,488.3 metres of diamond drilling in 62 holes since the previous Mineral Resource Estimate of February 7, 2021.

<table>
<tr><th>Resource Type</th><th>Gold Cut-off (g/t gold)</th><th>Category</th><th>Tonnes (Rounded)</th><th>Grade (g/t gold)</th><th>Gold Troy Ounces (Rounded)</th></tr>
<tr><td rowspan="4">Open Pit</td><td rowspan="4">0.45</td><td>Measured</td><td>7,680,000</td><td>2.76</td><td>681,000</td></tr>
<tr><td>Indicated</td><td>7,988,000</td><td>2.89</td><td>741,000</td></tr>
<tr><td>Measured + Indicated</td><td>15,668,000</td><td>2.82</td><td>1,422,000</td></tr>
<tr><td>Inferred</td><td>975,000</td><td>2.11</td><td>66,000</td></tr>
<tr><td rowspan="4">Underground</td><td rowspan="4">2.40</td><td>Measured</td><td>1,576,000</td><td>7.45</td><td>377,000</td></tr>
<tr><td>Indicated</td><td>4,350,000</td><td>5.59</td><td>782,000</td></tr>
<tr><td>Measured + Indicated</td><td>5,925,000</td><td>6.09</td><td>1,159,000</td></tr>
<tr><td>Inferred</td><td>2,206,000</td><td>5.89</td><td>418,000</td></tr>
<tr><td rowspan="4">Combined Open Pit and Underground*</td><td rowspan="4">0.45 and 2.40</td><td>Measured</td><td>9,255,000</td><td>3.56</td><td>1,058,000</td></tr>
<tr><td>Indicated</td><td>12,338,000</td><td>3.84</td><td>1,523,000</td></tr>
<tr><td>Measured + Indicated</td><td>21,593,000</td><td>3.72</td><td>2,581,000</td></tr>
<tr><td>Inferred</td><td>3,181,000</td><td>4.73</td><td>484,000</td></tr>
</table>

***** *Combined Open Pit and Underground Mineral Resources; The Open Pit Mineral Resource is based on a 0.45 g/t gold cut-off grade, and the Underground Mineral Resource is based on 2.40 g/t gold cut-off grade.*

Mineral Resource Estimate Notes

1. *Mineral Resources were prepared in accordance with NI 43-101 and the CIM Definition Standards for Mineral Resources and Mineral Reserves (2014) and the CIM Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines (2019). Mineral Resources that are not mineral reserves do not have demonstrated economic viability. This estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues.*
2. *Mineral Resources are inclusive of Mineral Reserves.*
3. *Open Pit Mineral Resources are reported at a cut-off grade of 0.45 g/t gold that is based on a gold price of C$2,000/oz (~US$1,600/oz) and a metallurgical recovery factor of 89% around cut-off as calculated from ((GRADE-(0.0262*LN(GRADE)+0.0712))/GRADE*100)-0.083.*
4. *Underground Mineral Resource is reported at a cut-off grade of 2.60 g/t gold that is based on a gold price of C$2,000/oz (~US$1,600/oz) and a gold processing recovery factor of 97%.*
5. *Assays were variably capped on a wireframe-by-wireframe basis.*
6. *Specific gravity was applied using weighted averages to each individual wireframe.*
7. *Effective date of the Mineral Resource Estimate is November 15, 2021.*
8. *All figures are rounded to reflect the relative accuracy of the estimates and totals may not add correctly.*
9. *Excludes unclassified mineralization located within mined out areas.*
10. *Reported from within a mineralization envelope accounting for mineral continuity.*

The Mineral Resource was prepared by Independent Qualified Person, Glen Kuntz, P. Geo. of Nordmin Engineering Ltd. of Thunder Bay, Ontario, an "Independent Qualified Person" as defined under National Instrument 43-101 Standard for Disclosure for Mineral Projects. The effective date of this Mineral Resource is November 15, 2021 and includes historical diamond drilling as well as 55,803 metres of drilling conducted by Anaconda up to November 2021.

On January 20, 2022, the Company announced a maiden open pit Mineral Reserve Estimate ("Mineral Reserve") prepared in accordance with NI 43-101 for Goldboro, with an effective date of December 15, 2021 as outlined in a technical report, entitled "NI 43-101 Technical Report and Feasibility Study for the Goldboro Gold Project, Eastern Goldfields District, Nova Scotia". The Mineral Reserve was prepared by Independent Qualified Person, Joanne Robinson, P.Eng., of Nordmin.

Category	Area	Cut-off Grade (g/t gold)	Tonnes (t)	Diluted Grade (g/t gold)	Contained Gold Metal (Troy ounces)
Probable Mineral Reserve	East Pit	0.45 g/t	5,468,300	2.54	446,000
Probable Mineral Reserve	West Pit	0.45 g/t	10,330,600	2.12	704,200
	Total	**0.45 g/t**	**15,798,900**	**2.26**	**1,150,200**

Mineral Reserve Estimate Notes

1. *Mineral Reserves were prepared in accordance with NI 43-101 and the CIM Definition Standards for Mineral Resources and Mineral Reserves (2014) and the CIM Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines (2019). This estimate of Mineral Reserves may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues.*
2. *The Effective Date of the Mineral Reserves Estimate is December 15, 2021.*
3. *The Mineral Reserve Estimate is based metallurgical recovery algorithms which result in an overall average recovery of 95.8%.*
4. *Metal prices are set at US$1,600/oz gold with an exchange rate assumption of 1US$:1.25C$ resulting in C$2,000/oz*
5. *The Mineral Reserve was derived from a pit limit analysis and detailed pit design. A cut-off grade of 0.45 g/t gold was based on parameters described in Table 3.*
6. *The Mineral Reserve Estimate incorporates mining dilution and mining loss assumptions through regularization of block size to 2mx2mx4m. An additional 5% mining loss assumption was incorporated. The overall impact is approximately 26% additional tonnes and approximately 8% reduction in contained gold.*

➢ **Goldboro Bulk Sample**

In January 2020, the Company announced the positive results of an underground bulk sample program (the "Bulk Sample") undertaken at the Goldboro Gold Project. The objectives of the Bulk Sample were to confirm the geological interpretation of the deposit, test for spatial and grade continuity of the mineralized structures, validate key assumptions of the updated Mineral Resource model, and test certain types of mining methods. The Bulk Sample successfully tested a large area within the 2019 Mineral Resource Estimate with respect to continuity of gold grade and geological interpretation, confirming the position and continuity of mineralized zones. The average head grade of 3.81 g/t gold from the Pine Cove Mill showed a positive reconciliation of 8.5% to the mine grade of 3.51 g/t gold, demonstrating an upside bias within an acceptable range, while the high gravity recovery of 51% confirmed metallurgical test work.

Update on Bulk Sample Claim - In July 2019, the Company began shipping the bulk sample material to the Pine Cove Mill with NIL Group Limited (“NIL”). On July 23, 2019, the Company announced that NIL had filed a Statement of Claim (the “Claim”), alleging that the Company was responsible for certain additional costs in relation to the shipment. As a result, NIL issued and served an arrest warrant with respect to the 1,132 tonnes (“Arrested Ore”) which were yet to be discharged from the barge at the time of filing of the Claim, from a total initial delivery of 3,900 tonnes. On August 16, 2019, the Company filed its Statement of Defense and Counterclaim against NIL and its principals, alleging, among other things, contractual breach, negligent and/or fraudulent misrepresentation, and fraudulent deceit. The Company subsequently engaged Atlantic Towing Limited to ship the remaining tonnes, which were successfully unloaded at the end of September 2019 at Pine Cove. In October 2019, the Company obtained a Court order in order to process the Arrested Ore on condition that the proportional gross revenue generated from the Arrested Ore of $208,838 would be deposited to an escrow account with the Court pending further legal proceedings. In March 2020, the Company was named as a third-party defendant in a separate claim filed by a supplier which was engaged by NIL.

During the year end December 31, 2021, the Company, NIL, and the third-party supplier, through a mediation process with the Federal Court of Canada, agreed to a settlement whereby the Company would make a settlement payment of $415,000, inclusive of the $208,838 held in escrow. As part of the settlement agreement, all claims related to the bulk sample were discontinued by all parties and each party was indemnified against any potential claim related to the bulk sample. During the year end December 31, 2021, the settlement agreement was executed and the Company discharged the settlement amount of $415,000.

BAIE VERTE MINING DISTRICT, NEWFOUNDLAND

The Baie Verte Mining District in north-central part of Newfoundland is a prolific mining camp for gold deposits, hosting five known gold deposits and home to two past producing high-grade gold mines at Nugget Pond and Hammerdown. The Baie Verte Mining District is the location of two of the company's key projects – the Point Rousse Operation and the Tilt Cove Gold Project.

- **Production and Operating Cash Flow – The Point Rousse Operation**

The Company owns 100% of the Point Rousse Operation which is situated within the larger Baie Verte Peninsula on the north-central part of Newfoundland. Point Rousse is comprised of the Argyle Gold Mine, the Stog'er Tight deposit, the fully permitted Pine Cove Mill, a 7-million tonne capacity tailings facility, and a deep-water port. The Pine Cove Mill is capable of processing approximately 450,000 tonnes of ore annually based on throughput of approximately 1,300 tonnes per day.

As the only operating gold mine in the Newfoundland, Anaconda has developed a unique advantage from its excellent infrastructure and experienced local workforce. As a result, the Company is positioned to fast-track discoveries of gold resources through development and into production.

Anaconda is projecting to produce and sell between 21,500 and 23,000 ounces of gold in 2022, which would represent a record year of production for Point Rousse, with mill feed predominantly from mining at the Argyle Gold Mine and supplemented with lower-grade Pine Cove stockpiles.

- **Stog'er Tight**

On October 19, 2021, the Company announced an updated Mineral Resource prepared in accordance with NI 43-101 for the Stog'er Tight Deposit, with an effective date of September 1, 2021. The Mineral Resource is based on validated results of 690 surface drill holes (506 diamond drill holes and 184 percussive drill holes), for a total of 37,584 metres of diamond drilling that was completed between 1988 and the effective date of September 1, 2021.

Mineral Resource Statement for the Stog'er Tight Deposit

Resource Type	Au Cut-off (g/t)	Category	Tonnes (Rounded)	Au (g/t)	Troy Ounces (Rounded)
Open Pit	0.59	Indicated	642,000	3.02	62,300
		Inferred	53,000	5.63	9,600

Mineral Resource Estimate Notes

1. *Mineral Resources were prepared in accordance with NI 43-101 and the CIM Definition Standards for Mineral Resources and Mineral Reserves (2014) and the CIM Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines (2019). Mineral Resources that are not mineral reserves do not have demonstrated economic viability. This estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues.*
2. *Open Pit Mineral Resources are reported at a cut-off grade of 0.59 g/t gold that is based on a gold price of CAD$2,000/oz (~US$1,550/oz) and a gold processing recovery factor of 87%.*
3. *Assays were variably capped on the basis of the three Domain types Flat, Steep and Background.*
4. *SG was applied on a lithological basis after calculating weighted averages based on lithological groups.*
5. *Mineral Resource effective date September 1, 2021.*
6. *All figures are rounded to reflect the relative accuracy of the estimates and totals may not add correctly.*
7. *Reported from within a mineralization envelope accounting for mineral continuity.*
8. *Excludes unclassified mineralization located within mined out areas.*

The Mineral Resource was prepared by Independent Qualified Person, Glen Kuntz, P. Geo. of Nordmin Engineering Ltd. of Thunder Bay, Ontario, an "Independent Qualified Person" as defined under National Instrument 43-101 Standard for Disclosure for Mineral Projects. The effective date of this Mineral Resource is September 1, 2021 and includes a total of 37,584 metres of diamond drilling that was completed between 1988 and 2021.

Stog'er Tight Development and Permitting

Baseline studies to support an enhanced registration document were initiated in the spring of 2021. These studies have included avifauna, bat, and rare plant surveys, as well as fish and fish habitat assessments and surface and groundwater monitoring Fish and fish habitat data will be used to support the development of a Fisheries Act Authorization application and a fish habitat offsetting plan, which are also expected to be submitted in the first half of 2022.

➢ **Exploration Upside**

In January 2022, the Company announced the initiation of a 5,000 metre diamond drill program at Point Rousse, based on targets developed from a ground Induced Polarization ("IP") geophysical survey conducted in 2021 which was designed to locate anomalies at depths down to 250 metres not previously investigated at Point Rousse. The initial results from the IP survey have been received and used to develop five new drill targets all within four kilometres of the Pine Cove mill and in-pit tailings facility. Several of these targets are associated with the Goldenville Horizon, a suite of rocks that are equivalent to the Nugget Pond Horizon which hosted the historical Nugget Pond Mine. These targets have the potential to host high-grade gold systems analogous to Nugget Pond and demonstrate the continued potential to extend the mine life of the Point Rousse operation.

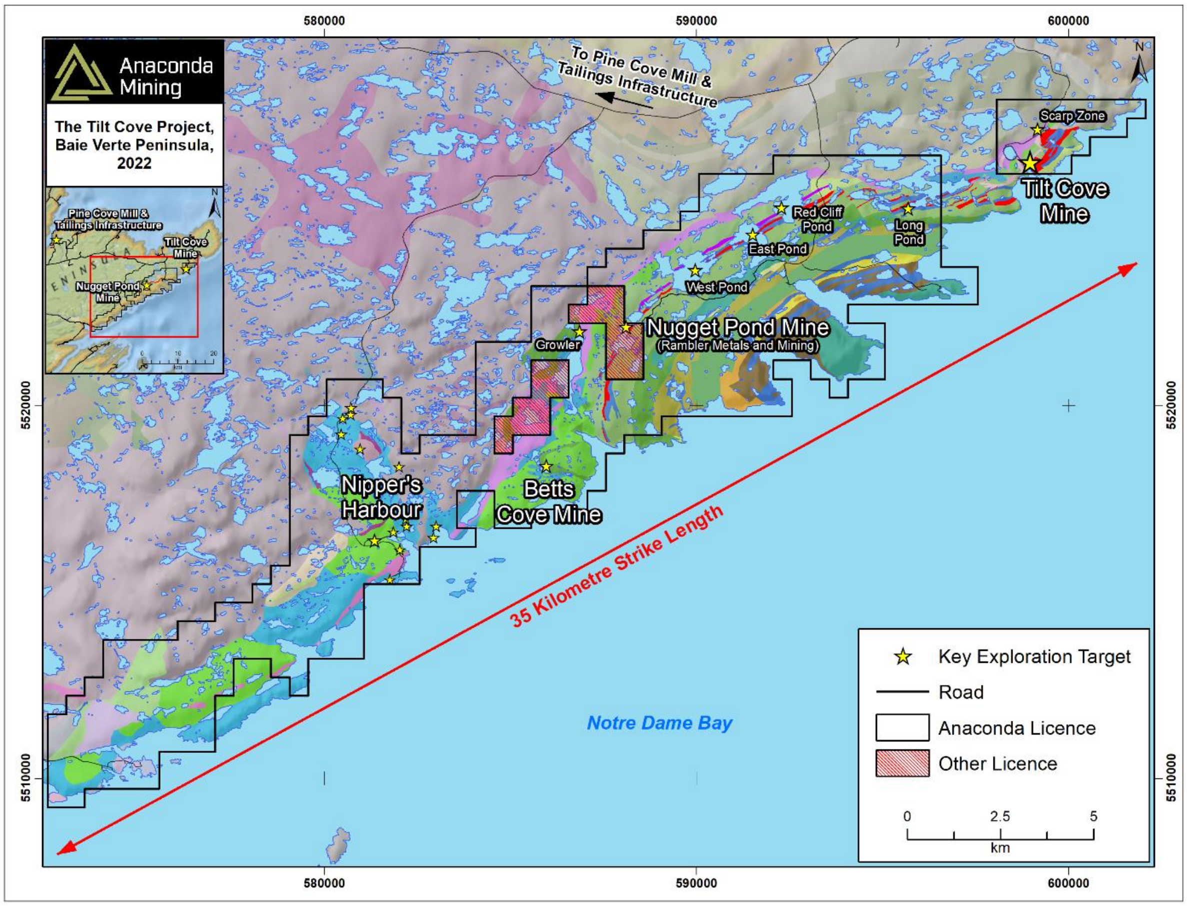
Highlights of the prospective targets include:

- **Pumbly Point:** A prospective geological sequence equivalent to the highly prospective Nugget Pond Horizon where recent drilling intersected 1.89 g/t gold over 7.8 metres, a drill program of 1,000 metres will target a further 850 metres of strike;
- **Corkscrew**: An altered, quartz-veined and pyrite bearing granodiorite of at least 400 metres long, that is between 40 and 100 metres thick and where historic drilling intersected 1.87 g/t gold over 11.5 metres;
- **Big Bear**: Hosted within altered and mineralized granodiorite characterized by quartz veins and disseminated pyrite, where historic chip samples returned 1.60 g/t gold over 4.0 metres and grab samples assayed up to 8.23 g/t gold;
- **Animal Pond**: Analogous to Stog'er Tight mineralization, geophysics and drilling will follow-up on historic chip samples assaying up to 3.96 g/t gold over 5.2 metres and drilling that outlined broad zones of alteration;
- **Pine Cove East**: The program will follow up on recent drilling that intersected Pine Cove-style alteration; and

- **Deer Cove Trend**: Consisting of a zone of prospective rocks approximately 3.5 kilometres in strike length with historic high-grade intercepts, drilling will test multiple priority gold targets along the Deer Cove Thrust.

➢ **Significant Exploration Potential – The Tilt Cove Gold Project**

The Tilt Cove Project is an exploration-stage gold-copper project located within the Baie Verte Mining District, near the community of La Scie, Newfoundland, approximately 45 kilometres by road from the Company's Pine Cove Mill. Anaconda has consolidated more than 11,000 hectares of prospective mineral lands including a significant property package covering 6,075 hectares of prospective mineral lands and 35 kilometres of high-potential strike length including the Nugget Pond Horizon, a geological unit that hosts the past producing, high-grade Nugget Pond Mine.



On January 7, 2021, the Company announced the expansion of the Tilt Cove Project to the southeast to include an additional prospective geology along strike with the Tilt Cove Project. The Tilt Cove Gold Project now includes a 35 kilometre strike extent of this highly prospective geological terrane, in addition to being adjacent to the Green Bay Fault, a crustal scale structure proximal and genetically linked to both the past producing, high grade, Nugget Pond and Hammerdown Mines.

On May 27, 2021, Anaconda announced the results from 6,327 metres of diamond drilling at Tilt Cove, which included 4.99 g/t gold over 4.0 metres (135.0 to 139.0 metres), including 17.40 g/t gold over 1.0 metre in diamond drill hole EP-21-09 along the Red Cliff Horizon and 1.74 g/t gold over 12.0 metres (89.0 to 100.0 metres), including 11.43 g/t gold over 1.0 metre in diamond drill hole BC-21-05. Gold mineralization was intersected at the East Pond and Betts Cove targets. At East Pond, drilling intersected significant mineralization associated with quartz veins within the Red Cliff Horizon. At Betts Cove, drilling intersected gold mineralization over a 100-metre strike associated with a past producing Betts Cove copper mine.

In January 2022, the Company commenced a winter exploration program which will consist of a 100-line-kilometre ground IP geophysical survey and 4,000 metres of diamond drilling. The IP geophysical survey is designed to locate anomalies analogous to the Nugget Pond Deposit to depths down to 250 metres, which have not been previously investigated at Tilt Cove. The program will also include 4,000 metres of diamond drilling at two target areas known as the Nugget Pond and Long Pond Target Areas. The Winter Exploration Program is based on information gathered during the late summer and fall of 2021, with remaining analytical results anticipated in Q1 2022.

Liquidity and Capital Resources

Anaconda manages its liquidity by generating positive cash flows from the Point Rousse operations, funding capital and growth expenditures with equipment leases and term loans, and raising funds through the issuance of equity (including flow-through financing) to support growth projects. The Company's primary uses of cash include the development of Goldboro, operating and sustaining expenditures at Point Rousse, exploration expenditures, and corporate expenses.

(In $)	**December 31, 2021**	December 31, 2020
Cash and cash equivalents	**10,121,724**	14,634,595
Inventory	**5,641,435**	6,830,360
Other current assets	**2,080,035**	1,499,921
	17,843,194	22,964,876
Trade and other payables	**9,528,294**	4,796,494
Current portion of loans	**1,363,383**	1,889,080
Unearned revenue	**5,000,000**	-
Other current liabilities	**554,404**	477,831
Current taxes payable	**-**	1,863,000
	16,446,081	9,026,405
Working capital*	**1,397,113**	13,938,471

**** Refer to Non-IFRS Measures section below***

As of December 31, 2021, the Company had working capital of $1,397,113, which included cash and cash equivalents of $10,121,724. The Company maintains further liquidity with a $3,000,000 revolving credit facility with the Royal Bank of Canada ("RBC"), which remains undrawn as of the date of this MD&A.

The increase in trade and other payables reflects the higher operating costs incurred in Q4 2021 and was also impacted by the timing of exploration activities at Goldboro and Point Rousse. Current taxes payable reflects the Newfoundland mining taxes payable for year ended December 31, 2020, which was paid in the first half of 2021. The increase in other current liabilities is a result of the flow-through premium recorded during Q2 2021 in relation to the flow-through private placement completed in May 2021, representing the difference between the market price of the Company's shares upon closing and the cash consideration received in exchange for the flow-through common shares, less the proportion of the transaction costs associated with the flow-through portion of the private placement.

The current portion of loans includes $505,688 outstanding from a $5,000,000 term loan with RBC (the "Facility"). The Facility, executed in March 2019 with an amortization period to April 2022, carries a fixed interest rate of 4.6% and performance guarantee fee by Export Development Canada ("EDC") of 1.85%, payable quarterly based on the proportional amount outstanding. As at December 31, 2021, the Company did not fulfill the debt service coverage ratio as required in the Facility. Subsequent to year end, the Company has agreed with RBC to waive any potential non-compliance with the Facility through the end of the amortization period, by when the Facility will be fully repaid by the Company. RBC agreed to remove the debt service coverage ratio covenant after the Facility is repaid. The breach does not impact the Company's other financing facilities with RBC.

As at the date of this MD&A, the Company currently maintains a $3,000,000 revolving credit facility under a Line of Credit Agreement, a $1,000,000 revolving demand facility, and a $750,000 revolving equipment lease line of credit with RBC. Under the terms of the Agreement, RBC maintains a first-ranking general security agreement including a specific security interest in the Company's ball mill and cone crushers. During 2020, the Company drew on its revolving demand facility in the form of an irrevocable letter of credit from RBC to use as collateral to support the Company's surety bonds that backstop its performance obligations with respect to the Company's reclamation obligations. Under the terms of the surety bonds, the Company has provided collateral of $908,119, equivalent to 25% of the value of the bonds. As of December 31, 2021, there were outstanding balances of $908,119 and $nil on the revolving demand facility and revolving equipment lease line of credit, respectively, and as at the date of this MD&A, the revolving credit facility remains undrawn.

Cash Flow Analysis

Anaconda generated $4,488,761 in operating cash flows during the year ended December 31, 2021, after accounting for corporate administration costs of $3,665,659 and a prepayment agreement with Auramet International LLC ("Auramet"), whereby the Company received $5,000,000, less fees, for 2,273 ounces of gold ($2,315 per ounce), to be delivered in 9 monthly deliveries from January 2022 to September 2022. The Point Rousse Project generated EBITDA* of $1,263,699, based on gold sales of 12,218 ounces at an average realized gold price* of C$2,261 per ounce sold and operating cash costs* of C$2,152 per ounce sold. Operating cash flows were also reduced by changes in working capital, namely the increase in accounts payable and the decrease in stockpiled inventory.

The Company continued to invest in its key growth projects in Newfoundland and Nova Scotia in 2021, spending $13,020,554 on exploration and evaluation assets (adjusted for amounts included in trade payables and accruals of December 31, 2021), primarily on the continued advancement of the Goldboro Gold Project ($8,783,450). The Company also invested $7,108,391 into the property, mill and equipment at the Point Rousse operation, with capital investment focused on development activity at Argyle during 2021.

Financing activities during 2021 included the net proceeds of $7,790,718 from a flow-through private placement completed in May 2021, the ongoing repayment of the RBC term loan, and the repayment of other loans and lease obligations. The Company also received $4,346,737 from the exercise of warrants and $948,525 from the exercise of stock options during 2021.

** Refer to Non-IFRS Measures Section below.*

Commitments

As of December 31, 2021, the Company has the following contractual obligations:

	1 year	1 - 3 years	More than 3 years	**Total**
	$	$	$	**$**
Trade payables and accrued liabilities	9,528,294	-	-	**9,528,294**
RBC loan	505,688	-	-	**505,688**
Provincial government loan	63,912	-	-	**63,912**
Federal government loan	46,400	-	-	**46,400**
Lease liabilities	183,902	225,590	9,980	**419,472**
Other loans	563,481	-	-	**563,481**
Flow-through commitment	4,892,722	-	-	**4,892,722**
Interest payable	35,687	9,571	203	**45,461**
	15,820,086	235,161	10,183	**16,065,430**

As of December 31, 2021, the Company has a commitment to spend $4,892,722 of flow-through funds on eligible exploration expenses, related to the private placement completed in 2021.

In December 2021, the Company locked into forward sales on a delivery basis for a total of 1,743 ounces of its production for the first quarter of 2022. The gold price for the orders was locked in at an average of $2,295 per ounce with delivery in the first quarter of 2022.

As at December 31, 2021, the Company has a commitment to deliver a total of 2,273 ounces of gold in 9 monthly deliveries to Auramet in relation to a gold prepayment agreement.

The Company has royalty obligations on its various mineral properties as follows:

- A net smelter return ("NSR") of 3% is payable to a third-party on gold sold from the Stog'er Tight Property.
- A $3,000,000 capped NSR on 4 mineral exploration licenses in the Point Rousse Project, which forms part of the Argyle property, is calculated at 3% when the average price of gold is less than US$2,000 per ounce for the calendar quarter and is 4% when the average price of gold is more than US$2,000 per ounce for the calendar quarter.
- A $3,000,000 capped NSR of 3% on a property that forms part of the Argyle Property. Once the aggregate limit has been met and 200,000 ounces of gold has been sold from the property, the NSR decreases to 1%.
- A net profits interest ("NPI") agreement over the Point Rousse Mining Leases with Royal Gold Inc. whereby the Company is required to pay Royal Gold Inc. 7.5% of net profits, calculated as the gross receipts generated from the claims less all cumulative development and operating expenses. At December 31, 2021, the Company has determined it has approximately $17 million in expenditures deductible against future receipts.

The Company also has royalties payable to various vendors of mineral leases located outside the currently anticipated mining areas.

Off-Balance Sheet Items

As of December 31, 2021, the Company did not have any off-balance sheet items, except for an irrevocable letter of credit from the Royal Bank of Canada in the amount of $908,119 which was issued as collateral against the Company's surety bonds with respect to its reclamation obligations (equivalent to 25% of the value of surety bonds).

Outstanding Share and Equity Instrument Information

The Company's share capital and equity instruments outstanding are comprised of the following:

	December 31, 2021	December 31, 2020
Authorized: Unlimited number of common shares		
Issued: Fully paid common shares	**180,306,657**	153,953,798
Issued: Stock options	**2,489,584**	5,930,834
Issued: Share units	**1,750,798**	1,466,567
Issued: Common share purchase warrants	**-**	11,810,665

As at the date of this MD&A, the fully paid common shares outstanding of Anaconda was 180,827,352. Subsequent to December 31, 2021, 283,750 stock options were exercised and the Company received proceeds of $108,588, and 236,945 share units were redeemed.

The terms and details of the Company's equity incentive plans, including the stock options plan and share unit plan, are outlined in the Company's consolidated financial statements for the year ended December 31, 2021.

Financial Instruments Risk Exposure

The Company is exposed to financial risks sensitive to changes in commodity prices, foreign exchange, and interest rates. The Company's Board of Directors has overall responsibility for risk management oversight. Currently, the Company has not entered into any options and future contracts to manage its price-related exposures. Similarly, derivative financial instruments are not currently used to reduce these financial risks. The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit Risk
The Company's credit risk is primarily attributable to trade and other amounts receivable, which consist primarily of goods and services tax due from the Federal Government of Canada. The maximum exposure of credit risk is best represented by the carrying amount of the financial instruments. The Company considers credit risk negligible.

The Company's cash and restricted cash are held with an established Tier-1 Canadian financial institution, and consequently management believes that the credit risk with respect to this financial instrument is low and that the Company has no significant concentration of credit risk arising from operations.

Liquidity Risk
The Company monitors the expected settlement of financial assets and liabilities on an ongoing basis; there are no significant payables that are outstanding past their due dates.

The Company undergoes an in-depth budgeting process each year which is supplemented by a continuous detailed cash forecasting process. Anaconda currently funds its obligations from the cash flow generated by the Point Rousse Project. If necessary, the Company may seek financing for capital projects or general working capital purposes. Such financing, if required, will depend on several unpredictable factors, which are often beyond the control of the Company. These would include the realized price of the actual gold produced from the Company's operating mines, and the expected expenditures for exploration and development.

At December 31, 2021, the carrying value and fair value amounts of the Company's financial instruments are approximately equal.

Market Risk
Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, commodity prices and/or stock market movements ("price risk").

Foreign Currency Risk
The Company's functional currency is the Canadian Dollar. The Company sells its gold production and transacts business using the Canadian Dollar.

There are minimal operational expenses incurred by the Company in US dollars. The assets and liabilities of the Company are recorded in Canadian dollars. As a result, management has assessed that fluctuations in the US dollar against the Canadian dollar are negligible to the financial results of the Company.

Interest Rate Risk
The Company has no interest-bearing assets and only fixed-interest debts. Anaconda invests excess cash, when available, in a cashable money market account. The Company reviews its interest rate exposure periodically, giving consideration to potential renewals of existing positions and alternative financial investments.

Commodity price risk
Commodity price risk is the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company is exposed to commodity price risk with respect to gold prices. The Company closely monitors gold prices to determine the appropriate course of action to be taken by the Company.

Quarterly Information

($ thousands unless otherwise stated)	**Q4 2021**	**Q3 2021**	**Q2 2021**	**Q1 2021**	**Q4 2020**	**Q3 2020**	**Q2 2020**	**Q1 2020**
Revenue	7,643	5,855	6,940	7,360	9,988	12,704	8,356	10,535
Mine operating income	232	(390)	(1,277)	(1,302)	3,596	7,163	2,429	3,633
Net income (loss)	(1,358)	(1,079)	(2,202)	(2,497)	792	3,983	1,982	1,471
Net income (loss) per share (basic and diluted) *($ per share)*	(0.01)	(0.01)	(0.01)	(0.02)	0.01	0.03	0.01	0.01
Cash flow from operations	5,519	251	(1,818)	536	2,080	6,184	1,444	4,380
Total assets	95,551	89,145	87,229	83,469	81,397	77,257	67,083	65,769
Non-current liabilities	8,236	7,645	7,023	7,084	7,530	5,778	6,024	6,670

Related Party Transactions

Remuneration of Key Management and Transactions with Related Parties

Key management personnel include the members of the Board of Directors, the Chief Executive Officer, the President, the Chief Financial Officer, and the Chief Operating Officer. Compensation of key management personnel (including directors) for the reporting period was as follows:

	Year ended December 31, 2021	Year ended December 31, 2020
Salaries, bonuses, fees and short-term benefits ($)	**739,532**	890,364
Share-based compensation ($)	**368,860**	223,414
	1,108,392	1,113,778

As at December 31, 2021, included in trade and other payables is $112,250 (December 31, 2020 - $215,000) of amounts due for directors' fees, bonuses, and severance payments.

Magna Terra Minerals Inc.

The Company and Magna Terra have certain key management personnel in common. As described in note 14 of the consolidated financial statements, the Company completed a transaction with Magna Terra on July 30, 2020, whereby Magna Terra acquired all of the issued and outstanding common shares of the Company's wholly-owned subsidiary, ExploreCo. The Company and Magna Terra have entered into a service level agreement whereby the Company provides certain services to Magna Terra, including technical geology services and exploration program management, corporate services, and finance and accounting support. As at December 31, 2021, included in trade and other receivables is $57,426 (December 31, 2020 - $81,612) of amounts charged under the service level agreement.

Non-IFRS Measures

Anaconda has included in this MD&A certain non-IFRS performance measures as detailed below. In the gold mining industry, these are common performance measures but may not be comparable to similar measures presented by other issuers. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate the Company's performance and ability to generate cash flow. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

Operating Cash Costs per Ounce of Gold – Anaconda calculates operating cash costs per ounce sold by dividing operating expenses per the consolidated statement of comprehensive income (loss), net of silver sales by-product revenue, by the gold ounces sold during the applicable period. Operating expenses include mine site operating costs such as mining, processing and administration as well as royalties, however excludes depletion and depreciation and rehabilitation costs.

All-In Sustaining Costs per Ounce of Gold – Anaconda has adopted an all-in sustaining cost performance measure that reflects all of the expenditures that are required to produce an ounce of gold from current operations. While there is no standardized meaning of the measure across the industry, the Company's definition conforms to the all-in sustaining cost definition as set out by the World Gold Council in its guidance dated June 27, 2013. The World Gold Council is a non-regulatory, non-profit organization established in 1987 whose members include global senior mining companies. The Company believes that this measure will be useful to external users in assessing operating performance and the ability to generate free cash flow from current operations.

The Company defines all-in sustaining costs as the sum of operating cash costs (per above), sustaining capital (capital required to maintain current operations at existing levels), corporate administration costs, sustaining exploration, and rehabilitation accretion and amortization related to current operations. All-in sustaining costs excludes capital expenditures for significant improvements at existing operations deemed to be expansionary in nature, exploration and evaluation related to growth projects, financing costs, debt repayments, and taxes. Canadian and US dollars are noted for realized gold price, operating cash costs per ounce of gold and all-in sustaining costs per ounce of gold. Both currencies are considered relevant and the Company uses the average foreign exchange rate for the period.

The operating cash costs per ounce and all-in sustaining costs per ounce are reconciled to the consolidated statement of comprehensive loss as follows:

	Three months ended December 31, 2021	Three months ended December 31, 2020	**Year ended December 31, 2021**	Year ended December 31, 2020
Operating expenses per the consolidated statement of comprehensive loss, including royalties	**6,125,509**	5,295,872	**26,461,681**	21,002,338
By-product silver sales credit	**(5,801)**	(14,934)	**(23,773)**	(48,988)
By-product aggregates sales credit	**(68,307)**	(38,159)	**(147,181)**	(38,159)
Operating cash costs ($)	**6,051,401**	5,242,779	**26,290,727**	20,915,191
Sustaining expenditures – property, mill and equipment	**1,676,928**	1,383,079	**7,108,391**	2,960,787
Sustaining expenditures – exploration and evaluation	**884,956**	502,550	**2,869,035**	1,462,896
Corporate administration costs	**967,839**	939,503	**3,665,659**	3,581,921
Share-based compensation	**161,028**	79,733	**777,906**	380,733
Rehabilitation – accretion and amortization (operating)	**8,165**	3,850	**19,651**	7,921
All-in sustaining cash costs (“AISC”) ($)	**9,750,317**	8,151,494	**40,731,369**	29,309,449
Gold ounces sold	**3,368**	3,970	**12,218**	17,918
Operating cash costs per ounce sold ($ / ounce)	**1,797**	1,321	**2,152**	1,167
AISC per ounce sold ($ / ounce)	**2,895**	2,053	**3,334**	1,636
Average US Dollar exchange rate during period	**0.7936**	0.7676	**0.7980**	0.7461
Operating cash costs per ounce sold (US$ / ounce)	**1,426**	1,014	**1,717**	871
AISC per ounce sold (US$ / ounce)	**2,297**	1,576	**2,660**	1,220

Average Realized Gold Price per Ounce Sold – In the gold mining industry, average realized gold price per ounce sold is a common performance measure that does not have any standardized meaning. The most directly comparable measure prepared in accordance with IFRS is gold revenue. The measure is intended to assist readers in evaluating the revenue received in a period from each ounce of gold sold.

Average realized gold price per ounce sold is reconciled to the consolidated statement of comprehensive loss as follows:

	Three months ended December 31, 2021	Three months ended December 31, 2020	**Year ended December 31, 2021**	Year ended December 31, 2020
Gold revenue ($)	**7,569,085**	9,935,158	**27,627,604**	41,495,843
Gold ounces sold	**3,368**	3,970	**12,218**	17,918
Average realized gold price per ounce sold ($)	**2,247**	2,503	**2,261**	2,316
Average US Dollar exchange rate during period	**0.7936**	0.7676	**0.7980**	0.7461
Average realized gold price per ounce sold (US$)	**1,783**	1,921	**1,804**	1,728

Earnings before Interest, Taxes, Depreciation and Amortization (“EBITDA”) - EBITDA is earnings before transaction costs, finance expense, current and deferred income tax expense and depletion and depreciation.

Point Rousse Project EBITDA is EBITDA before corporate administration, share-based compensation, deferred premium on flow-through shares, and all other expenses and other income.

The EBITDA and Point Rousse Project EBITDA amounts are reconciled to the consolidated statement of comprehensive loss as follows:

	Three months ended December 31, 2021	Three months ended December 31, 2020	**Year ended December 31, 2021**	Year ended December 31, 2020
Net (loss) income, per the consolidated statements of comprehensive (loss) income	**(1,358,219)**	792,203	**(7,136,219)**	8,228,243
Adjustments:				
Finance expense	**31,354**	39,955	**147,801**	211,669
Current income tax expense	**-**	312,000	**30,345**	1,872,528
Deferred income tax expense	**306,000**	1,480,000	**671,000**	4,269,000
Depletion and depreciation	**1,285,353**	1,096,843	**4,072,408**	3,758,697
EBITDA	**264,488**	3,721,001	**(2214,665)**	18,340,137
Corporate administration	**967,839**	939,503	**3,665,659**	3,581,921
Gain on loss of significant influence on equity accounted investment	**-**	-	**(1,020,432)**	-
Share of loss from equity accounted investments	**91,132**	93,858	**435,149**	247,203
Gain on partial or full sale of a subsidiary	**-**	-	**-**	(1,355,247)
Stock-based compensation	**161,028**	79,733	**777,906**	380,733
Deferred premium on flow-through shares	**(124,138)**	(145,424)	**(505,552)**	(594,570)
Other expenses (income)	**144,709**	(8,659)	**125,634**	(116,252)
Write-down of exploration assets	**-**	-	**-**	15,310
Point Rousse Project EBITDA	**1,505,058**	4,680,012	**1,263,699**	20,499,235

Working Capital – Working capital is a common measure of near-term liquidity and is calculated by deducting current liabilities from current assets. Working capital is reconciled to the amounts in the consolidated statement of financial position in the Liquidity and Capital Resources section of this MD&A.

Risk Factors

The exploration, development and mining of mineral deposits involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. Anaconda is subject to several financial and operational risks that could have a significant impact on its cash flows and profitability. The most significant risks and uncertainties faced by the Company include: the ability to obtain or generate additional funding for development and exploration; the fluctuating price of gold; success of exploration, development and operations activities; health, safety and environmental risks and hazards; uncertainty in the estimation of mineral reserves and mineral resources; replacement of depleted mineral reserves; the potential of production and cost overruns; risks relating to obtaining and maintaining licenses and permits; obligations as a public company; risks relating to government and taxation regulation; volatility in the market price of the Company's securities; risks relating to title and indigenous relations and consultation; risks relating to the construction and development of new mines; limitations on insurance coverage; competition within the mining industry; currency exchange rates (such as the Canadian dollar versus the United States dollar); risks relating to potential litigation; and risks from potential conflicts of interest. Risk related to taxation exists with respect to tax audits and the interpretation of tax regulations by the responsible tax authority. Possible areas of tax audit and interpretation may include the Company's judgements in respect of qualifying Canadian exploration expenses and the related tax deductions renounced to investors under flow-through common share financings.

The Company's ability to generate positive cash flow to generate returns and fund capital requirements and future growth and development is primarily dependent on the price of gold and the Company's ability to meet its production estimates at expected costs. The gold price is impacted by numerous macroeconomic factors outside of the Company's control, and a sustained decrease in the price of gold could impact the Company's profitability and financial position. Furthermore, actual production results may vary from Company estimates due to various factors, including but not limited to: mine dilution, lower than expected grades, recovery issues, power outages, weather related matters, or equipment and/or supply shortages. Lower than expected production could impact the Company's ability to generate cash flows to cover the cost of operations and fund sustainable capital expenditures. The Company mitigates the above risks by diligently tracking the gold price and production performance compared to forecast and budget and re-forecasting production plans accordingly so that required financial decisions can be made in a timely manner.

Readers are encouraged to read a full outline and description of the risk factors described in the Company's Annual Information Form ("AIF") for the year ended December 31, 2021 filed on SEDAR under the Anaconda Mining profile. The occurrence of any one, or combination of, the aforementioned risks could materially adversely impact the Company's business and as a result, the trading price of the Company's common shares could decline and investors could lose part or all of their investment.

COVID-19 Pandemic

The 2019 novel strain of coronavirus causing a contagious respiratory disease known as COVID-19, which was declared a global pandemic by the World Health Organization on March 11, 2020, represents a material risk to the Company. If a significant portion of our workforce became unable to work due to illness or provincial or federal government restrictions (included travel restrictions, lockdowns, and similar orders restricting certain activities that may be issued or extended by authorities), the Company may be forced to reduce or suspend operations, which could reduce production and limit exploration and development activities, and impact liquidity and financial results. Illnesses or government restrictions related to COVID-19 may also disrupt the supply of raw goods, equipment, supplies, and services upon which the Company's operations rely. The refinery upon which the Company relies to refine and process its gold doré are also subject to these risks and may be required to reduce or suspend operations, which could impact the Company's ability to sell its products and generate revenues.

To the extent the COVID-19 pandemic adversely affects the Company's business and financial results, it may also have the effect of heightening many of the other risks described in the Company's AIF, such as those relating to the Company's operation and indebtedness and financing. Because of the highly uncertain and dynamic nature of events relating to the COVID-19 pandemic, it is not currently possible to estimate the impact, if any, of the pandemic on the Company's business. However, these effects could have a material impact on operations, and the Company will continue to monitor the COVID-19 situation closely.

Climate Change Risks

As part of the risk factors outlined in the Company's AIF, management and the Board have considered risks to the business from climate change. Climate change is an international concern and as a result poses risk of both climate changes and government policy in which governments are introducing climate change legislation and treaties at all levels of government that could result in increased costs, and therefore, decreased profitability at some of our operations. Climate change regulations may become more onerous over time as governments implement policies to further reduce carbon emissions, including the implementation of taxation regimes based on aggregate carbon emissions. Some of the costs associated with reducing emissions can be offset by increased energy efficiency and technological innovation. However, the cost of compliance with environmental regulation and changes in environmental regulation have the potential to result in increased cost of operations, reducing the profitability of the Company's operations.

In addition, our operations could be exposed to a number of physical risks from climate change, such as changes in rainfall rates, rising sea levels, reduced water availability, higher temperatures, increased snow pack and extreme weather events. While the Company has not experienced these events at this point, such events or conditions such as flooding or inadequate water supplies could disrupt mining and transport operations, mineral processing and rehabilitation efforts, could create resource shortages and could damage our property or equipment and increase health and safety risks on site. Such events or conditions could have other adverse effects on our workforce and on the communities around our mines.

Critical Accounting Estimates and Judgments

The Company's significant accounting policies are described in Note 2 to the consolidated financial statements for the year ended December 31, 2021. The preparation of the consolidated financial statements require management to make estimates and assumptions that affect the reported amounts of assets and liabilities in the consolidated financial statements and reported amounts of expenses during the reporting period. Such estimates and assumptions affect the carrying value of assets and are based on historical experience and other factors considered relevant. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised. For details of these estimates, assumptions and judgments, please refer Note 3 to the Company's consolidated financial statements for the year ended December 31, 2021, which are available on the Company's website and on SEDAR.

COVID-19 Pandemic

The 2019 novel coronavirus ("COVID-19") was characterized as a global pandemic by the World Health Organization on March 11, 2020. Point Rousse continues to operate and the Company's exploration programs are being executed, with robust health and safety protocols and policies in place. The Company continually reviews its policies and procedures based on recommendations from public health authorities.

Given the uncertainty, management exercised significant judgment in determining the impact of COVID-19 on the Company's condensed interim consolidated financial statements, including with respect to financial risks, including liquidity, and the assessment of going concern, life of mine estimates, and the carrying values of the Company's property, mill, and equipment assets and exploration and evaluation assets. The Company has assessed whether there are any impairment indicators for the Company's property, mill, and equipment assets and exploration and evaluation assets in relation to the COVID-19 pandemic and did not note any indicators as of December 31, 2021. Based on management's judgment, as at the date of the consolidated financial statements, there has been no impact from COVID-19 on the Company's estimates and assumptions that has resulted in the need to recognize any further impairment. The Company will continue to assess the impact of COVID-19 on commodity, credit, and equity markets, which may impact management's judgements in the future.

Adoption of New Accounting Standards

Certain new accounting standards and interpretations have been issued that are not mandatory for reporting periods ending December 31, 2021 and have not been early adopted by the Company. These standards are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

Controls and Procedures

Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that all material information is gathered and reported to senior management, including the President and Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") on a timely basis so that appropriate decisions can be made regarding public disclosure.

Anaconda's management, including the CEO and CFO, have as at December 31, 2021, designed Disclosure Controls and Procedures (as defined in National Instrument N1 52-109 of the Canadian Securities Administrators), or caused them to be designed under their supervision, to provide reasonable assurance that material information relating to the issuer is made to them by others, especially in a period where public filings are being prepared; and information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation.

The Company's management, with the participation of the CEO and the CFO, has evaluated the design of the Company's disclosure controls and procedures as defined in *National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings of the Canadian Securities Administrators* and has concluded that disclosure controls and procedures were effective as of December 31, 2021.

Internal Control over Financial Reporting

Anaconda's management, including the CEO and CFO, is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed by, or under the supervision of, the CEO and CFO and effected by management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Management used the Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") to evaluate the effectiveness of the Company's internal controls for the year ended December 31, 2021.

Based on this evaluation, management concluded that the internal control over financial reporting was operating effectively as of December 31, 2021, to provide reasonable assurance that the financial information is recorded, processed, summarized and reported in a timely manner.

Changes in Internal Control over Financial Reporting

There have been no changes in the Company's internal control over financial reporting during 2021, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting. ***Specifically, while the COVID-19 pandemic has resulted in certain changes to the Company's business with respect to social distancing and working remotely, this has not resulted in any material change to the Company's disclosure controls or internal controls over financial reporting.***

Limitations of Controls and Procedures

Anaconda's management, including the CEO and CFO, believe that disclosure controls and procedures and internal control over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgements in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the controls. The design of any control system also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed.

Cautionary Statement

This MD&A contains forward-looking information and forward-looking statements about Anaconda Mining Inc. under Canadian securities legislation. Except for statements of historical fact relating to the Company, forward-looking information includes, but is not limited to, disclosure regarding the economics and project parameters presented in the Feasibility Study, including, without limitation, Mineral Resource and Mineral Reserve Estimates, IRR, operating cash costs, all-in sustaining costs, NPV and other costs and economic information, possible events, conditions or financial performance that is based on assumptions about future economic conditions and courses of action; information with respect to the Company's expected production from, and the further potential of, the Company's properties; the Company's ability to raise additional funds; the future price of minerals, particularly gold; the estimation of mineral resources and mineral reserves; conclusions of economic evaluations; the realization of mineral reserve estimates; the timing and amount of estimated future production; costs of production; capital expenditures; success of exploration activities; mining or processing issues; currency exchange rates; government regulation of mining operations; and environmental risks. Generally, forward-looking information can be identified by the use of forward-looking terminology such as “plans”, “expects” or “does not expect”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved”. Forward-looking information is based on the opinions and estimates of management as of the date such statements are made. Estimates regarding the anticipated timing, amount and cost of exploration and development activities are based on assumptions underlying mineral resource and reserve mineral estimates and the realization of such estimates. Capital and operating cost estimates are based on extensive research of the Company, purchase orders placed by the Company to date, recent estimates of construction and mining costs and other factors. Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors include: the requirement for additional funding for development and exploration; the fluctuating price of gold; success of exploration, development and operations activities; health, safety and environmental risks and hazards; uncertainty in the estimation of mineral reserves and mineral resources; replacement of depleted mineral reserves; the potential of production and cost overruns; obligations as a public company; risks relating to government and taxation regulation; volatility in the market price of the Company’s securities; risks related to the COVID-19 pandemic; risks relating to title and indigenous consultation; risks relating to the construction and development of new mines; the availability of adequate infrastructure; limitations on insurance coverage; the prevalence of competition within the mining industry; currency exchange rates; risks relating to potential litigation; risks relating to the dependence of the Company on outside parties and key management personnel; risks in the event of a potential conflict of interest; and cyber security risks.

Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

Technical Information

Kevin Bullock, P. Eng., President and Chief Executive Officer, and Paul McNeill, P. Geo., Vice President Exploration, each with Anaconda Mining., are “qualified person(s)” as such term is defined under National Instrument 43-101 – Standards of Disclosure for Mineral Projects and have reviewed and approved the scientific and technical information and data included this MD&A.