

**Management Discussion and Analysis**  
**Dated August 24, 2021**

This management's discussion and analysis (MD&A) for Tarku Resources Ltd. (the "Company" or "Tarku") should be read in conjunction with the condensed consolidated interim financial statements (the "financial statements") as at and for the three and nine months ended June 30, 2021 and the audited annual consolidated financial statements of September 30, 2020. The Company's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The Company presents its results in Canadian (CDN) dollars. All amounts in this MD&A are in Canadian dollars unless otherwise indicated.

The Company's projects and their history are disclosed in press releases, technical reports and other continuous disclosure filings which may be viewed on the internet on the System for Electronic Document Analysis and Retrieval (SEDAR) at [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.tarkuresources.com](http://www.tarkuresources.com).

### **Forward-Looking Information**

This MD&A contains certain forward-looking statements and information relating to the Company that are based on the beliefs of management as well as assumptions made by and information currently available to the Company. When used in this document, the words "anticipate", "believe", "estimate", "expect" and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, amongst other things, regulatory compliance, the sufficiency of current working capital, the estimated cost and availability of funding for the continued exploration of the Company's properties. Such statements reflect the current views of the Company with respect to future events and are subject to certain risks, uncertainties, and assumptions. Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements.

The scientific and technical information regarding exploration activities as defined in National Instrument (NI) 43-101 s. 1.1, was prepared, reviewed and/or approved by Julien Davy, géo/P.Geo., M.Sc., President and CEO, Directors for the Company and Qualified Persons under NI 43-101 guidelines.

### **Business Overview**

The Company's principal business activity is the exploration for mineral resources in Arizona, U.S.A and in the Canadian province of Quebec. The Company's corporate office is located at Suite 602, 224 4th Ave S., Saskatoon, Saskatchewan.

### **Strategy**

The Company's strategy is to generate or acquire sustainable precious, base and strategic metal projects in the mineral-rich landscapes, in an environmentally-responsible and socially-acceptable manner. Project generation and/or the acquisition of quality early-stage project is the foundation of mining development, and the Company's strategy is to generate exploration projects with excellent potential for partners or buyers to build into mining properties. To execute on this strategy, the Company relies on an experienced management team with a successful track record.

**Vision**

A sustainable project unites the interests of everyone. The Company will explore places with reasonable prospects for developing a mine. A good exploration project relies on understanding the concerns of all the stakeholders. Exploration projects can have significant impacts on the lives and surroundings of everyone involved, including suppliers and the local communities, not just the proponent. The Company believes that exploration projects that are well received by and integrated into local communities should bring long-lasting benefits for these same communities. Therefore, it is important that a project be at the right distance from nearby communities.

**Mineral Exploration Projects**

Projects	Balance at September 30, 2020	Acquisitions and renewals	Impairment and disposal	Balance at June 30, 2021
Silver Strike	\$ -	\$ 1,161,796	\$ -	\$ 1,161,796
Apollo	168,400	-	-	168,400
Admiral	43,028	-	-	43,028
Atlas	151,644	-	-	151,644
	\$ 363,072	\$ 755,698	\$ -	\$ 1,524,868

The following is a summary of exploration and evaluation expenditures for the nine months ended June 30, 2021:

	Apollo	Atlas	Admiral	Silver Strike	Total
Project management	\$ 9,000	\$ 9,000	\$ 9,000	\$ 81,000	\$ 108,000
Drilling and field programs	-	-	-	671,733	671,733
Lab	-	-	-	83,892	83,892
Compilation, mapping and planning	-	-	-	18,131	18,131
Geological consulting	5,805	2,340	-	93,595	101,740
IP/Mag Survey	77,995	82,750	-	-	160,745
Other	2,000	-	2,000	-	4,000
<b>Total exploration expenditures</b>	<b>\$ 92,800</b>	<b>\$ 94,090</b>	<b>\$ 11,000</b>	<b>\$ 948,351</b>	<b>\$1,148,241</b>

**Tarku's Silver Strike Project**

**a) Project description**

On October 12, 2020, the Company signed an earn-in and joint venture agreement with arm's length individuals, to earn up to a 75% interest over 3 years in the project by funding project expenditures of up to US\$3,000,000.

Tarku's Silver Strike Project is located in Cochise County, Arizona in the famous Tombstone Mining district, one of the earliest silver mining areas in western United States that start producing numerous silver mines in 1877. Despite the attractive quantity of silver found in the district, the low metal prices of the 1915's led past producers to focus mainly on high-grade veins. During the 38 year-period from 1877 to 1915, when most of the ore was produced at Tombstone, declining silver prices, financial panic, and the removal of the United States currency from the silver standard, had immeasurably more effect on the mines than the Earp/Clanton feud, bandits, and their technical inability to deal with underground waters.

---

The area has produced approximately 32 million ounces of silver at an average grade of almost 26 oz/t as well as 260,000 ounces of gold at 6.5g/t and in lesser amounts other base metals as lead, zinc, copper, zinc and manganese.

Some sporadic production in the area was recorded at different periods also stimulated by a higher gold price. During World War II, there was some study of the manganese deposits in the district in relation to the war effort. Exploration work in late 1950 showed values in lead and zinc and in 1965, limited drilling was completed probing for porphyry-copper-type model recovering alteration zones in the vicinity of breccia pipes and extensive but low-grade mineralization.

Between 1980 and 1985, Tombstone Exploration, Inc. operated an open pit mine on the Contention vein and produced up to 3,000 tons per day of ore averaging in the range of 1.25 oz/t Ag and 0.6 g/t Au. No exploration drilling was ever done, and no ore reserves of significance were measured ahead of mining.

Such data, as well as Tarku's sampling results of up to 2,030 g/t Silver on grab samples in the Ground Hog area strongly encourage Tarku's management to believe the Tombstone area has the potential to host a significant deposits as epithermal silver-rich vein deposit and porphyry copper system with associated gold and silver.

#### **b) Exploration work completed and anticipated**

Best results of field visit done in December 2020 returned 2,030 g/t Ag in an outcropping N015° trending mineralized vein system at Ground Hog. Other significant results returned 45 g/t Ag at the Solstice past mine and 35 g/t Ag at Ace in the Hole past mine.

*\*Rock grab samples are selective by nature and may not represent the true grade or style of mineralization across the property.*

Tarku mandated JAPOSAT Satellite Mapping a remote sensing work using high-resolution satellite images to analyse and interpret the lineaments (faults, folds, fractures, stress of lineaments) from all data. Fifty (50) cm Pleiades 4-band multispectral data was acquired, processed in order to enhance the geologic, geomorphologic, land cover and geobotanical features. Therefore, 50cm Natural Color, False InfraRed Color, 2m GeoBotLitho, 30m Thermal InfraRed, 10m DEM SLOPE and 5m STRESS images and maps were produced and analysed. This study was used by Tarku to help in targeting the upcoming 3,000 m drill program and will be used to conduct methodical exploration which will include detailed mapping, geochemistry sampling and geophysical surveys during 2021.

#### **Drill program – spring 2021**

Tarku announced the initiation a 3,000 m (10,000 ft) reverse circulation drill program with Major Drilling. The program will test various more advanced to early-stage targets: the initial targets to be tested will include the Lucky Cuss, the Luck Sure, the Telephone and the Bunker Hill past mines which have produced high-grade silver and have been explored only to a maximum depth of 200 m. Today's interpretations suggest that those mines have sub-vertical high-grade silver mineralization ore-shoots that are extending at depth and that could repeat themselves along regional structure on their lateral extensions. The second part of the program will target area further to the South West along regional NNE and EW fault systems as the Prompter and the Rattlesnake Faults (see figure 1). Targeted area will encompass area as the Ground hog, the Sunset, the Ace in the Hole and the Solstice area. This program will allow our geological team to further increase its knowledge of the area.

IMPORTANTLY, the above projected exploration activities are subject to Covid-19 restrictions in Arizona. While the Company's recent work programs have been relatively unimpeded, there is a risk that tighter restrictions may impact the Company's ability to conduct fieldwork.

Tarku's first drill program on the Silver Strike project commenced in March 2021 and was completed on May 28, 2021. Tarku's drill program confirmed the presence of several high-grade silver veins and structures along with copper lead and zinc. The results additionally demonstrated the presence of a possible Carbonate Replacement Deposit ("CRD") System, similar to the nearby Hermosa project in Arizona. Significant results include 720 g/t silver, 6.44 g/t gold, 5.08% lead and 5.05% zinc or 1,515 g/t silver equivalent (AgEq) over 1.5 m in hole SS21-007 targeting north-south structure located in the historic Lucky Cuss mine area. The program totaling 8,921 feet aimed to test the potential of high-grade silver in 5 different zones:

1. the north-south structures (Lucky Cuss Fault) around the Lucky Cuss, Luck Sure and East Side historic mines areas,
2. the east-west structure (Prompter Fault) around the Bunker Hill historic mine area,
3. the regional north-east structure around the Ground Hog historic mine,
4. the west extension of the east-west Prompter fault and
5. the Solstice and Ace-in-the-Hole historic mines areas.

Drill program successfully demonstrates high-grade mineralization with results as follows:

- 720 g/t silver, 6.44 g/t gold, 0.64% copper and 10.13% lead-zinc combined or 1,515 g/t silver equivalent (AgEq) over 1.5 m at 7.6 meters in hole SS21-007 (Lucky Cuss),
- 203 g/t silver, 0.31 g/t gold, 0.19% copper and 0.64% lead-zinc combined or 264 g/t silver equivalent (AgEq) over 1.5 m at 74.7 meters in hole SS21-007 (Lucky Cuss),
- 214 g/t Silver at 70.1 meters in hole SS21-004 (East Side),
- 204 g/t silver, 0.38 g/t gold and 1.19% lead-zinc combined or 262 g/t silver equivalent (AgEq) over 1.5 m at 74.7 meters in hole SS21-012 (Ground Hog),
- Surface exploration demonstrates high-grade mineralization at Ground Hog, 4km away from Lucky Cuss (see figure 1 & 2):
- 2,030 g/t silver, 0.13 g/t gold, 0.72% copper and 12.26% lead-zinc combined or 2,447 g/t silver equivalent (AgEq) at surface in a grab sample at Ground Hog,
- 778 g/t silver, 0.65 g/t gold, 1.63% copper and 0.79% lead-zinc combined or 1,018 g/t silver equivalent (AgEq) at surface in a grab sample at Ground Hog,

Drill program results have allowed Tarku to further its understanding of regional geology and to refine its exploration approach for next phases at Silver Strike:

- The new data seem to better fit a CRD type model similar to the nearby Hermosa Project in Arizona,
- Fines samples returned assay results up to 1,000% higher than Regular Samples suggests underestimated assay results through the RC drill program,

The variety of mineralization within the sediments at Lucky Cuss and Ground Hog, suggest that the Carbonate Replacement Deposit (CRD) model could be more extensively spread over the Silver Strike property than originally expected and that the limits have not yet been found. CRD is typically a high-temperature carbonate-hosting Ag-Pb-Zn deposit formed by the replacement of sedimentary, usually carbonate rock, by metal-bearing solutions in the vicinity of igneous intrusions that play the role of heat source. With some local variations, ore body geometries could vary from chimneys to veins to the blanketlike body along the bedding plane of the rock, it is then commonly called a *manto*. Those Polymetallic replacements/mantos are often stratiform wall-rock replacement orebodies distal to porphyry

deposits (copper or molybdenum). The presence of abundant manganese on the Silver Strike Project is typical in that environment and reinforces the potential CRD deposit.

This model is similar to what is found at the Hermosa Project, located 80km west in Santa Cruz County, Arizona which South32 acquired for USD 1.8 billion in 2018. The Hermosa project See figure 1, which hosts the Taylor Deposit, is hosted in the related age and comparable sediment types and is classified as a CRD style zinc-lead-silver massive sulphide deposit. The updated Mineral Resource reported under the JORC Code (2012) at 138 million tonnes, averaging 3.82% zinc, 4.25% lead, and 81 g/t silver with a contained 5.3 million tonnes of zinc, 5.9 million tonnes of lead and 360 million ounces of silver.

### **Chateau Fort Au-Ag-Cu project, Quebec – 100% owned**

#### **a) Project description**

The Chateau Fort project which consists of 35 claims located within the Cree communities of Mistissini (category III lands) of the Eeyou Istchee James-Bay territory, 300 km north of Chibougamau and five kilometers east of the all-season road 167 to the Stornoway Renard diamond mine.

There is a 1% royalty on the project that the Company has the right to buy down for \$500,000.

The project is located in the Upper Eastmain River greenstone belt adjacent and along strike with 2 southeast gold trends identified by Eastmain resources including the past producing Eastmain Mine that extracted 118,356 t @ 10.6 g/t of gold between 1994 and 1995 (Ressources MSV, Quebec government statutory report GM 56083, 1997). The project had only been tested by 6 drill holes over the years and contains the Colline du Château Fort showing (3.3 g/t Au, grab sample, Ministry of Energy and Natural Resources, MB 88-16, 1988). The Chateau Fort project has favourable context for gold and base metals mineralization associated with massive sulphides and quartz-sulphides veins in shear zones.

b) Exploration work completed and anticipated

No work was done on the project in the current period.

### **Richardson Au-Cu-Ni-EGP-Zn project, Quebec – 100% owned**

#### **a) Project description**

The Richardson project is located 20 km NNE of Chibougamau within the Cree communities of Oujé-Bougoumou and Mistissini (category III lands) of the Eeyou Istchee James-Bay territory. The project covers 42 claims and is year-round accessible via the Route du Nord highway.

The project is located in the upper part of the Abitibi greenstone belt and contains a sequence of volcanic rocks in contact with sedimentary rocks along the Barlow regional fault. The Company believes that the geological context represents a favourable setting for orogenic gold mineralization. The project also includes a mafic-ultramafic intrusive complex representing a favourable context for Ni-Cu-PGE (platinum group elements) mineralization. The only historical showing present on the mining titles is a mineralization of 2.75% Zn over 0.6 m (historical drill hole, Quebec government statutory report GM 38170, 1979) hosted in felsic volcanoclastic rocks highlighting also the potential for Zn-Cu-Ag-Au volcanogenic massive sulphides (VMS) mineralization. Several untested geophysical anomalies are presents (VTEM and Input).

After identifying areas of interest by reinterpretation of the VTEM survey conducted in 2010 by Geotech for Murgor Resources (Quebec government statutory report GM 66620, 2010), Eureka Exploration completed a geological mapping, rock sampling and prospection work in summer 2016. This work lead to the discovery of the first gold showing of the project (1.7 g/t Au, grab sample) proving the proposed potential for gold discovery in the area by Eureka.

**b) Exploration work completed and anticipated**

No work was done on the project in the current period.

**Bullion Au-Cu-Zn project, Quebec – 100% owned**

**a) Project description**

The Bullion project is located 25 km NNE of Chibougamau within the Cree communities of Mistissini (category III lands) of the Eeyou Istchee James-Bay territory. The project covers 8 claims and is year-round accessible via the Route du Nord highway and secondary bush roads.

The project straddles 5 km along the Barlow regional Fault that is located along the margin of the most northerly sedimentary basin of the Abitibi geological Subprovince. Its geological context represents a favourable context for gold mineralization as highlighted by historical result of 2 g/t Au over 2 m (Not listed in the SIGÉOM database), associated with 10% Po-Py within the amphibolite, close to their contact with a volcano-sedimentary sequence (drill hole T-1, MERN report MB 87-10). Cu and Zn traces within historical drill holes are also present and highlighted the potential for massive sulphides type mineralization.

**b) Exploration work completed and anticipated**

No work was done on the project in the current period.

**Apollo gold project, Quebec – 100% owned**

**a) Project description**

The Apollo project is located 50 km east of Matagami within the Cree communities of Waswanipi (category III lands) of the Eeyou Istchee James-Bay territory. The project covers 94 claims and is year-round accessible via the Route de la Baie-James highway or the Route 1055 bush road.

On December 14, 2017, the Company entered into a purchase agreement, with an arms length party, to acquire 100% undivided interest in 1 claim (containing the Rivière Waswanipi gold showing) on the Apollo project.

Under the terms of the agreement the consideration required to be given by the company is:

- (i) \$600 cash payment, in total, upon approval of the TSX Venture Exchange (paid)
- (ii) Issuance of 12,500 common shares, in total upon approval of the TSX Venture Exchange (issued)

The Apollo project is centered on the Rivière Waswanipi ductile shear zone (RWSZ). This regional structure is characterized by the presence of porphyritic and alkaline intrusions bearing anomalous gold values on the order of hundreds of parts per billion (Quebec government statutory report GM 52712, 1994). This corridor, altered to carbonate-hematite-magnetite, contains the Rivière Waswanipi gold showing (2.36 g/t Au over 1 m; Quebec government statutory report GM 51193, 1991) hosted in a porphyritic dyke and tuffs altered to pyrite-fuchsite. Collectively, these metalotects present a favourable setting for orogenic gold mineralization associated with alkaline rocks and porphyry intrusions.

Between 2004 and 2006, mapping programs revealed that the RWSZ is associated with alkaline lavas, polygenic conglomerates (Timiskaming type) and porphyry intrusions (MERN reports; Goutier et al., 2004 and 2006), a geological setting that the Company interprets as similar to that of the Sunday Lake Deformation Zone, host of the Detour Lake mine. *The Company cautions that the mineralization at the Detour Lake mine may not be indicative of the mineralization that may be identified on the Company's Matagami properties, and is used as conceptual exploration model only.*

In 1987, Finnith Exploration found that more than 60% of their till samples contained gold grains (from 1 to 19 gold grains; Quebec government statutory report GM 46862, 1987). In 1988, Inco's till sampling program yielded several gold values exceeding 0.5 g/t Au in the heavy mineral fractions, including a maximum value of 4.94 g/t Au (GM 48222). All these historical results are down-ice from the Rivière Waswanipi shear zone that hosts the Rivière Waswanipi showing (2.36 g/t Au over 1 m; 1991, GM 51193).

## **b) Exploration work completed and anticipated**

During the quarter, the Company conducted an Induced Polarization Survey on the project, followed by an aerial mag survey in May 2021, covering the Apollo and Admiral projects. A 750 line-km geophysical High-resolution magnetic (MAG) and time-domain electromagnetic (TDEM) survey was completed partly over the Apollo, and Atlas Projects. Additionally, Tarku's recent ground IP survey along the regional Rivière Waswanipi shear zone reaffirms the strong gold and base metal mineralization similarities with the geological context found at the Detour Lake Mine and the Kirkland Lake Mining Camp.

### **MAG and TDEM Survey Highlights:**

- Well-defined geological environments promoting the formation of two different deposit models: Orogenic Gold on Apollo and Gold-rich VMS on Atlas.
- Magnetic data shows historical gold values associated with porphyritic and alkaline rocks in historical drill holes are mostly located at the edge of magnetic highs and none of the drill holes directly intersected high magnetic anomalies.
- Survey identifies crosscutting NE-SW structures where the magnetic pattern abruptly disappears or is displaced within the Rivière Waswanipi shear zone.
- A new interpretation of the survey data has generated many high-priority drill targets focusing on structural intersections, interpreted intrusions, and historic untested geophysical anomalies.

### **MAG - TDEM Survey Results I**

In May 2021, Tarku completed a 750 line-km combined magnetic (MAG) and time-domain electromagnetic (TDEM) helicopter-borne survey over the main targeted areas of the Apollo and Atlas projects. Flight lines were surveyed at a 100- metre spacing and were conducted by Prospectair (Gatineau, Quebec) and Dynamic Discovery Geoscience (Ottawa, Ontario) aided in interpretation of the mineralized systems and identified new gold and base metals targets within the favourable zone.

On Apollo, the preliminary analysis of the MAG and TDEM survey clearly demonstrated the extension of the Rivière Waswanipi Shear zone to the east and the west, and all reported metallotects present a favourable setting for Orogenic gold mineralization associated with alkaline rocks and porphyry intrusions, which Tarku interprets as being similar in nature to those of the regional Sunday Lake Fault, host of the Detour Lake mine or the Kirkland Lake Mining Camp. As previously described, Tarku's 2017 till sampling program identified a 6-km wide favourable zone along the regional Rivière Waswanipi shear zone (RWSZ) that may be the source of the gold grains sampled (see press release dated April 10th, 2019).

On Atlas, preliminary interpretations of the MAG and TDEM survey also demonstrated the continuity of the contact between the calc-alkaline intermediate to felsic volcanoclastic (tuff) sequence with the sedimentary rocks, indicating a favourable context for Gold-rich Volcanogenic massive sulphides (Au-Zn-Ag-Cu VMS). The survey also allowed Tarku to identify crosscutting structures where the magnetic pattern abruptly disappears or is displaced.

**Atlas Au-Zn-Ag-Cu project, Quebec – 100% owned**

**a) Project description**

The Atlas project is located 50 km east of Matagami within the Cree communities of Waswanipi (category III lands) of the Eeyou Istchee James-Bay territory. The project covers 89 claims and is year-round accessible via the Route 1055 bush road.

The Atlas Project is characterized by the presence of a volcanic sequence with facies and geochemical affinities similar to those of the Bousquet Formation in the southern Abitibi (host to the Au-Zn-Cu-Ag LaRonde mine). This volcanic sequence that is in contact with sedimentary rocks is affected by aluminous sericite-chloritoid alteration. These observations are favourable indicators for the presence of gold-rich volcanogenic massive sulphide mineralization (Au-Ag-Cu-Zn). *The Company cautions that the mineralization at the LaRonde mine may not be indicative of the mineralization that may be identified on the Company's Matagami properties and is used as a conceptual exploration model only.*

In 1987, Finnith Exploration found that more than 60% of their till samples contained gold grains (from 1 to 19 gold grains; Quebec government statutory report GM 46862, 1987). In 1988, Inco's till sampling program yielded several gold values exceeding 0.5 g/t Au in the heavy mineral fractions, including a maximum value of 4.94 g/t Au (GM 48222). All these historical results are down-ice from the Rivière Waswanipi shear zone that hosts the Rivière Waswanipi showing (2.36 g/t Au over 1 m; 1991, GM 51193).

**b) Exploration work completed and anticipated**

No work was done on the project in the current period.

In 2021, the Company plans to complete the first drilling program on the Apollo-Atlas projects targeting identified priority targets.

**Admiral gold project, Quebec – 100% owned**

**a) Project description**

The Admiral project is located 25 km east of Matagami within the Cree communities of Waswanipi (category III lands) of the Eeyou Istchee James-Bay territory. The project covers 30 claims and is year-round accessible via the Route de la Baie-James highway.

On December 14, 2018 the Company entered into a purchase agreement, with an arms length party, to acquire 100% undivided interest in 1 claim (containing the Lac Olga West gold showing) adjacent to the Admiral Project.

Under the terms of the agreement the consideration required to be given by the company is:

- (i) \$600 cash payment, in total, upon approval of the TSX Venture Exchange (Paid)
- (ii) Issuance of 12,500 common shares, in total upon approval of the TSX Venture Exchange (Issued)

The Admiral project is centered on the junction of the two regional and ductile Rivière Waswanipi and Lac Olga shear zones. Few drill holes have been completed on this project that contains the Lac Olga West showing (5.9 g/t Au in a quartz-carbonate-pyrite vein; Quebec government statutory report GM 49140, 1989). This project has potential for mesothermal orogenic gold type mineralization as well as for orogenic gold mineralization associated with alkaline rocks and porphyry intrusions. Furthermore, the geological context of the project is interpreted as similar to the Goldcorp's high-grade quartz-tourmaline deposit Indice Principal zone Olga (14.75 g/t Au, 1.14% Cu and 10.3 g/t Ag over 1.50 m, GM 50632) that is located east of the Admiral project.



**b) Exploration work completed and anticipated**

The Company performed a 750 Line aerial mag survey in May 2021, covering the Apollo and Admiral projects. See results under Apollo project.

**Net Smelter Royalty**

Each of the Richardson, Bullion, Apollo, Atlas and Admiral projects is subject to a:

- 1% NSR in favour of Julien Davy, a director and officer of the Company, half of which can be bought back by the Company for \$500,000.
- 1% NSR in favour of Benoit Lafrance, a former director of the Company; half of which can be bought back by the Company for \$500,000.

**Virgin River Au-Cu-U project, Saskatchewan**

**a) Project description**

The Virgin River project, constituted of 1 mining dispositions (13.34 km<sup>2</sup>), is located 20 km south of the Athabasca Basin in the Northern mining district of Saskatchewan. The project is accessible by float or ski equipped aircraft from the community of Buffalo Narrows located 115 km south of the project.

The Company maintains a 1% net smelter royalty to the Company, which the purchaser has the right to buy down the royalty to 0.5% for \$500,000 on or before commencement of commercial production.

**Results for the three and nine months ended June 30, 2021 and June 30, 2020**

For the three and nine months ended June 30, 2021, the Company had a net loss of \$922,127 and \$2,373,165 compared to a net loss of \$56,754 and \$271,933 for the three and nine months ended June 30, 2020. Components of the net loss are as follows:

	<b>Three months ended June 30,</b>		<b>Nine months ended June 30,</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>Expenses</b>				
Administrative expenses	\$ 14,433	\$ 3,515	\$ 45,529	\$ 11,875
Consulting fees	89,251	37,600	424,532	85,080
Exploration costs	679,375	(1,182)	1,148,242	19,818
Investor relations expenses	109,509	10,975	145,505	12,263
Listing and filing fees	19,307	5,467	73,177	23,089
Professional fees	21,423	7,392	45,011	35,884
Share-based compensation	-	-	502,400	-
	(933,298)	(63,767)	(2,384,396)	(188,009)
Impairment of exploration and evaluation assets	-	-	-	(93,870)
Gain on shares for debt settlement	-	7,013	-	7,013
Loss on foreign exchange	11,171	-	11,231	-
Other income - flow-through premium	-	-	-	2,933
<b>Loss and comprehensive loss for the period</b>	<b>\$(922,127)</b>	<b>\$(56,754)</b>	<b>\$(2,373,165)</b>	<b>\$(271,933)</b>

The total expenditures for the three and nine months ended June 30, 2021 increased compared to the same period in 2020. Notably, there are significant changes in administrative expenses, exploration costs, consulting fees, listing and filing fees and professional fees resulting from an increase in corporate activity, as the Company was able to raise capital, acquire a project, and conduct exploration work (namely the drill program on the Silver Strike project). Other changes to specific expense categories are as follows:

- Increase in consulting fees primarily due to fees related to business development costs.
- Investor relations increased as in late fiscal 2020, the Company commenced various investor news and marketing campaign.
- The increase in listing and filing fees was due to fees related to commencing a listing on the OTC.

Furthermore, in fiscal 2020, the Company had difficulty obtaining significant financing until later in the fiscal year and after the fiscal year. In the first half of the 2020 fiscal year, management reduced expenditures and assessed the direction of the Company and its projects.

#### **Quarterly Information**

	<b>June 30, 2021</b>	<b>March 31, 2021</b>	<b>December 31, 2020</b>	<b>September 30, 2020</b>
Total Interest and other income	\$ nil	\$ nil	\$ nil	\$ nil
Net Income (loss) for the period	(922,127)	(524,846)	(926,193)	(231,011)
Net loss per common share	(0.02)	(0.01)	(0.03)	(0.01)
Total assets	1,586,351	2,522,079	2,934,905	1,033,200
Total long-term liabilities	-	-	-	-

	<b>June 30, 2020</b>	<b>March 31, 2020</b>	<b>December 31, 2019</b>	<b>September 30, 2019</b>
Total Interest and other income	\$ nil	\$ nil	\$ 2,933	\$ nil
Net income (loss) for the period	(56,754)	(171,793)	(43,386)	(472,085)
Net income (loss) per common share	(0.00)	(0.01)	(0.00)	(0.01)
Total assets	419,793	418,825	527,621	526,941
Total long-term liabilities	-	-	-	-

#### **Disclosure of Outstanding Share Data**

The Company has an unlimited number of common shares without par value authorized for issuance.

As at the date of this MDA, the Company has 57,604,038 common shares outstanding, of which nil (September 30, 2019 – nil) shares are held in escrow.

As at the date of this MDA, the Company has 24,460,956 warrants outstanding with exercise prices of \$0.085 and \$0.015 and expiry dates of August 13, 2022 to October 30, 2022.

As at the date of this MDA, the Company has 4,502,306 stock options outstanding with exercise prices of \$0.10 and \$0.11 with expiry dates of October 26, 2021 to July 30, 2025.

---

The Company's continuing operations are totally dependent upon the Company's ability to obtain the necessary financing or making alternative financial arrangements to meet its obligations and pay its liabilities.

### **Liquidity and Capital Resources**

At June 30, 2021, the Company held cash and cash equivalents of \$145,357 (September 30, 2020 - \$512,672), current assets of \$391,483 (September 30, 2020 - 670,128) and current liabilities of \$163,517 (September 30, 2020 - \$134,854), resulting in a working capital of \$227,966 (September 30, 2020 working capital - \$535,274).

At its current operating level, the Company will not have sufficient funds to cover short-term operational needs. The Company expects to still operate at a loss for at minimum the next 12 months. As such, the Company will need additional financing for costs related to corporate operations and exploration activities. The Company is currently addressing its liquidity concerns by proactively planning future financings through the sale of equity and/or the possible sale of mineral properties. The Company has been successful in the past at raising necessary funds but the timing and ability to do so will depend on the liquidity of the financial markets, economic conditions, as well as the acceptance of investors to small cap companies. There can be no guarantee that the Company will be able to secure any required financing.

The primary need for liquidity is to fund exploration programs and to maintain general corporate operations. The primary source of liquidity in the past has primarily been private financings and the sale of the Company's mineral properties.

Overall, given the working capital at June 30, 2021, the Company will not be able to meet its general operational requirements for fiscal 2021, and will require additional capital for project commitments, exploration programs in fiscal 2021 and working capital.

The below summarizes the Company's contractual commitments as at the date of this MD&A:

#### **Silver Strike project, Arizona**

On October 12, 2020, the Company signed an earn-in and joint venture agreement with arm's length individuals, to earn up to a 75% interest over 3 years in the project by funding project expenditures of up to US\$3,000,000 million as follows:

- Tarku will acquire 25% of the Property after spending US\$1,000,000 in exploration expenses within the first year of earn-in period
- Tarku will acquire an additional 26% (total of 51%) of the Property after spending an additional US\$1,000,000 in exploration expenses and the production of a 43-101 report on the Property within the first 2 years of earn-in period
- Tarku will acquire an additional 24% (total of 75%) of the Property after spending an additional US\$1,000,000 for a cumulative US\$ 3,000,000 in exploration expenses within the first 3 years of earn-in period.

At each anniversary date over the 3 years, Tarku will pay US\$175,000 to the vendors of which a minimum of US\$50,000 will be a cash payment and US\$125,000 will be paid either in shares or in cash at the Companies discretion. In addition, the signing of the agreement, also allows Tarku to acquire additional 33 patented claims in the historical area of Tombstone under agreement between third parties and the Vendors, namely the Rohe, Corkran, and Turner Options (The "Options"). These agreements are separate and independent from the Unpatented Claims Agreement. These Options require various cash payments with a total cost of US\$ 700,000. The payments are spread out until July 2025 for the Rohe Option, until October 2021 for the Corkran Option, and July 2023 for the Turner Option. Tarku will also issue 50,000 shares for the Corkran Option. At the end of each Option acquisition, the patented claims

---

will be added to the above Unpatented Claim Agreement to form the 75% Tarku, 25% Vendor JV Partnership.

As described above, management is continuing to actively pursue additional ways to realize on the potential of its assets or secure financing in order to continue to provide funds for operations in light of the current difficult economic circumstances. Flow-through financings can be used for domestic work programs but do not provide the funding necessary to meet corporate or expenditures on its Silver Strike project which do not qualify for flow-through eligibility.

The Company's management continues to hold discussions on securing financing. There are no assurances that the Company will be successful in obtaining any form of financing on a timely basis or on reasonable or acceptable terms, or at all. If the Company cannot obtain financing or otherwise improve liquidity, then the Company's treasury will be depleted and it will be required to curtail all of its operations and may be required to liquidate its assets under a formal process. Failure to continue as a going concern would require that the Company's assets and liabilities be restated on a liquidation basis, which would differ from the going concern basis.

### **New standards, amendments and interpretations not yet adopted**

The IASB and International Financial Reporting Interpretations Committee ("IFRIC") issue new and revised standards and interpretations which are not yet effective for the quarter ended December 31, 2020 and have not been applied in preparing these consolidated financial statements unless stated otherwise. However, the revised standards and interpretations are not applicable to the Company or are expected to have minimal impact.

### **Risks and Uncertainties**

Management's estimates of mineral prices, mineral resources and operating costs are subject to certain risks and uncertainties which may affect the Company's operation. Although management has made its best estimate of these factors, it is possible that material changes could occur which may adversely affect management's estimate of operating requirements. The Company's success will be dependent upon the extent to which it can discover mineralization or acquire mineral properties and the economic viability of developing its properties. Substantially all of the Company's operating and exploration funding must be derived from external financing. Should changes in equity market conditions prevent the Company from obtaining additional external financing; the Company will need to review its exploration and development programs and future planning.

### **Commitments and contingencies**

As of June 30, 2021, the Company has \$nil (September 30, 2020 - \$1,100) in term deposits with a Canadian financial institution for the guarantee of business credit cards.

For commitments on projects, please see liquidity and capital resources section.

### **Financial risk management**

The Company is exposed in varying degrees to a variety of financial instrument related risks by virtue of its activities. The overall financial risk management program focuses on preservation of capital, and protecting current and future Company assets and cash flows by reducing exposure to risks posed by the uncertainties and volatilities of financial markets.

The types of risk exposure and the way in which such exposures are managed are as follows:

*Credit Risk* - The Company's credit risk is primarily attributable to its liquid financial assets. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash and cash equivalents

---

with high-credit quality financial institutions. The Company does not have financial assets that are invested in asset backed commercial paper.

*Liquidity Risk* – – The Company ensures that there is sufficient capital in order to meet short term business requirements.

*Interest rate risk* – In respect to the Company's financial assets, the interest rate risk mainly arises from the interest rate impact on our cash and cash equivalents. For the nine months ended June 30, 2021, every 1% fluctuation in interest rates up or down would have had little impact on net loss.

*Commodity price risk* – The value of the Company's mineral resource properties is related to the price of various commodities and the outlook for them. Commodity prices have historically fluctuated widely and are affected by numerous factors outside of the Company's control, including, but not limited to, industrial retail demand, central bank lending, forward sales by producers and speculators, level of worldwide production and short-term changes in supply and demand.

## **Risk Factors**

### **Exploration and Development**

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. The Company's properties are in the exploration stage. There is no assurance that the Company's mineral exploration and development activities will result in any discoveries of commercial bodies of minerals. The long-term profitability of the Company's operations will in part be directly related to the costs and success of its exploration and development programs, which may be affected by a number of factors.

Development of the Company's properties will only be potentially pursued if favourable exploration results are obtained that demonstrate that potential economic extraction of minerals is justified.

The business of exploration for minerals and mining involves a high degree of risk. Whether a mineral deposit can be commercially viable depends upon a number of factors, including, but not limited to, the particular attributes of the deposit, including size, grade and proximity to infrastructure; metal prices, which can be highly variable; and government regulations, including environmental and reclamation obligations. Few properties that are explored are ultimately developed into profitable, producing mines.

Substantial expenditures are required to establish the continuity of mineralized zones through drilling and to develop and maintain the mining and processing facilities and infrastructure at any site chosen for mining. No assurance can be given that funds required for any proposed development of the Company's properties can be obtained on a timely basis, if at all.

The marketability of any minerals acquired or discovered by the Company in the future may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection, the combination of which may result in the Company not receiving an adequate return on investment capital.

There is no assurance that the TSX-V or any regulatory authority having jurisdiction will approve the acquisition of any additional properties by the Company, whether by way of option or otherwise.

### **Financial Capability and Additional Financing**

The Company has limited financial resources, and there is no assurance that additional funding will be available to it for further exploration and development of its projects. There can be no assurance that it

will be able to obtain sufficient financing in the future to carry out exploration and development work on its projects. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions as well as the business performance of the Company.

#### **Mining Titles**

There is no guarantee that the Company's title to or interests in the Company's project interests will not be challenged or impugned. The acquisition of title to mineral properties is a very detailed and time-consuming process. Title to the area of mineral properties may be disputed. There is no guarantee of title to any of the Company's properties. The Company's properties may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects. With the exception of certain Crown Granted Mineral Claims and legacy tenures, the Company has not surveyed the boundaries of its properties and consequently the boundaries may be disputed.

There can be no assurance that the Company's rights will not be challenged by third parties claiming an interest in the properties.

#### **Management**

The success of the Company is currently largely dependent on the performance of its officers. The loss of the services of these persons could have a materially adverse effect on the Company's business and prospects. There is no assurance the Company can maintain the services of its officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Company and its prospects.

#### **Conflicts of Interest**

Certain directors and officers of the Company are, and may continue to be, involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures which are potential competitors of the Company. Situations may arise in connection with potential acquisitions in investments where the other interests of these directors and officers may conflict with the interests of the Company. Directors and officers of the Company with conflicts of interest will be subject to the applicable corporate and securities legislation, regulation, rules and policies.

#### **Dilution**

There are a number of outstanding warrants pursuant to which additional common shares of the Company may be issued in the future. Exercise of such warrants may result in dilution to the Company's shareholders. In addition, if the Company raises additional funds through the sale of equity securities, shareholders may have their investment further diluted.

#### **History of Losses and No Assurance of Profitable Operations**

The Company has incurred a loss since inception. There can be no assurance that the Company will be able to operate profitably during future periods. If the Company is unable to operate profitably during future periods, and is not successful in obtaining additional financing, the Company could be forced to cease its exploration and development plans as a result of lacking sufficient cash resources.

The Company has not paid dividends in the past and has no plans to pay dividends for the foreseeable future.

#### **Uninsurable Risks**

In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions may occur. These unexpected or unusual conditions may include rock bursts, cave-ins, fires, flooding and earthquakes. It is not always possible to fully insure against such risks and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Company.

### **Environmental and Safety Regulations and Risks**

Environmental laws and regulations may adversely affect the operations of the Company. These laws and regulations set various standards regulating certain aspects of health and environmental quality. They provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted. Furthermore, the permission to operate could be withdrawn temporarily where there is evidence of serious breaches of health and safety, or even permanently in the case of extreme breaches.

Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of acquired properties or non-compliance with environmental laws or regulations.

### **Fluctuating Mineral Prices**

The Company's revenues, if any, are expected to be in large part derived from the sale of gold, copper, and possibly other metals. The prices of gold, copper, and other commodities have fluctuated widely in

recent years and are affected by factors beyond the control of the Company including, but not limited to, economic and political trends, currency exchange fluctuations, economic inflation and expectations for the level of economic inflation in the consuming economies, interest rates, global and local economic health and trends, speculative activities and changes in the supply of gold and copper due to new mine developments, mine closures, and advances in various production and technological uses for gold and copper. All of these factors will have impacts on the viability of the Company's exploration projects that are impossible to predict with certainty.

### **Competitive Conditions**

The mining industry is intensely competitive in all its phases, and the Company competes with other companies that have significantly greater financial resources and technical facilities. Competition in the precious metals mining industry is primarily for mineral rich properties which can be developed and produced economically; the technical expertise to find, develop, and produce such properties; the labour to operate the properties; and the capital for the purpose of financing development of such properties.

Many competitors not only explore for and mine precious metals, but conduct refining and marketing operations on a world-wide basis and some of these companies have much greater financial and technical resources than the Company. Such competition may result in the Company being unable to acquire desired properties, recruit or retain qualified employees or acquire the capital necessary to fund its operations and develop its properties. The Company's inability to compete with other mining companies for these mineral deposits could have a material adverse effect on the Company's results.

### **Price Volatility of Publicly Traded Securities**

In recent years, the securities markets in the United States and Canada have experienced high levels of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. Any quoted market for the common shares may be subject to market trends generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings.

### **Inadequate Infrastructure May Affect the Company's Operations**

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, community, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations, financial condition and results of operations.

**Related party transactions**

The Company had the following related party transactions during the nine months ended June 30, 2021 and June 30, 2021:

- (a) The Chief Executive Officer and director of the Company provided consulting services to the Company. Fees incurred during the period were \$126,000 (2020 - \$72,000). At June 30, 2021, \$16,096 (September 30, 2020 - \$81,619) is recorded in trade and other payables.
- (b) The Chief Financial Officer and director of the Company provided consulting services to the Company. Fees incurred during the period were \$30,000 (2020 - \$nil). At June 30, 2021, \$4,200 (September 30, 2020 - \$nil) is recorded in trade and other payables.
- (c) The former Chief Financial Officer and director of the Company provided consulting services to the Company. Fees incurred during the period were \$12,240 (2019 - \$46,080). At June 30, 2021, \$nil (September 30, 2020 - \$12,840) is recorded in trade and other payables.
- (d) A director of the Company provided geological consulting services to the Company. Fees incurred during the period were \$8,000 (2020 - \$nil). At June 30, 2021 and September 30, 2020, \$nil is recorded in trade and other payables.

Key Management Compensation:

Nine months ended June 30,	2021	2020
Consulting fees	\$ 60,240	\$
Exploration expense	92,000	33,000
Share-based compensation to directors and officers	392,500	-
	\$ 544,740	\$ 118,080

**Events after the reporting period**

On July 20, 2021, 1,000,000 common shares were issued on the exercise of 1,000,000 warrants for proceeds of \$85,000.

**Critical Accounting Estimates**

The Company's financial statements have been prepared in accordance with IFRS. The preparation of financial statements in accordance with IFRS required management to make estimates and assumptions that affect the reported amounts of assets and liabilities as at the date of the financial statements. Actual results could differ from these estimates. The significant accounting policies used by the Company in this regard are discussed in detail in the note 3 of the September 30, 2020 audited financial statements.

**Financial Instruments**

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

Level 1 – Values based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.



---

**Tarku Resources Ltd.**  
Management Discussion and Analysis  
Three and Nine months ended June 30, 2021

---

Level 2 – Values based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.

Level 3 – Values based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

---

June 30, 2021	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Cash and cash equivalents	\$ 145,357	\$ -	\$ -	\$ 145,357

---

On behalf of the Board of Directors

*“Julien Davy”*

Julien Davy  
President, CEO and Director