



SRG
MINING

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE-MONTH PERIOD ENDED ON MARCH 31, 2022**

As of May 27, 2022

TSX-V: SRG

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SRG Mining Inc.

Management's discussion and analysis for the period ended March 31, 2022

SCOPE OF MD&A AND NOTICE TO INVESTORS

This management discussion and analysis of financial position and results of operations ("MD&A") is prepared as of May 26, 2022 and complements the unaudited condensed consolidated interim financial statements of SRG Mining Inc. (the "Company" or "SRG"), which include: SRG Guinee SARL ("SRG Guinee"), SRG Graphite International Inc. ("SRG Intl"), SRG Liberia Inc. ("SRG Liberia") and SRG Lithium ("SRG Lithium"), its wholly owned subsidiaries, for the period ended on March 31, 2022. These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Except as otherwise disclosed, all dollar figures included therein and in the following MD&A are quoted in Canadian dollars. The Company has prepared this MD&A following the requirements of National Instrument 51-102, Continuous Disclosure Obligations.

The unaudited condensed consolidated interim financial statements and related notes have been prepared in accordance with IAS 34, Interim Financial Reporting, as issued by the International Accounting Standards Board. They do not contain all the information required to be disclosed in annual financial statements. Certain information and notes usually provided in the annual financial statements have been omitted or condensed when not deemed essential to the understanding of the interim financial information of the Company. Therefore, this MD&A should be read in conjunction with the information contained in the annual audited consolidated financial statements of the Company and the notes thereto for the year ended December 31, 2021.

Management of the Company is responsible for the preparation and presentation of the condensed interim and annual consolidated financial statements and notes thereto, MD&A and other information contained in this MD&A. Additionally, it is management's responsibility to ensure the Company complies with the laws and regulations applicable to its activities.

The audited consolidated financial statements and the MD&A have been reviewed by the audit committee and approved by the Company's Board of Directors on May 26, 2022. These documents and more information about the Company are available on SEDAR at www.sedar.com.

FORWARD LOOKING STATEMENTS

Certain statements made in this MD&A are forward-looking statements or information. The Company is hereby providing cautionary statements identifying important factors that could cause the Company's actual results to differ materially from those projected in the forward-looking statements. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as "may", "is expected to", "anticipates", "estimates", "intends", "plans", "projection", "could", "vision", "goals", "objective" and "outlook") are not historical facts and may be forward-looking and may involve estimates, assumptions and uncertainties which could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements. In making these forward-looking statements, the Company has assumed that the current market will continue and grow and that the risks listed below will not adversely impact the business of the Company. By their nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predicted outcomes may not occur or may be delayed. The risks, uncertainties and other factors, many of which are beyond the control of the Company that could influence actual results are summarized below under the heading "Risks and Uncertainties".

Further, unless otherwise noted, any forward-looking statement speaks only as of the date of this MD&A, and, except as required by applicable law, the Company does not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for management to predict all such factors and to assess in advance the impact of each such factor on the business of the Company, or the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement.

COMPANY OVERVIEW

The Company was incorporated on April 16, 1996 under the Canada Business Corporations Act. SRG Mining Inc. common shares are currently listed on the TSX-V under the trading symbol "SRG.V". The Company's head office is located at #132 – 1320 Graham boulevard, Mont-Royal, Quebec, Canada, H3P 3C8.

SRG Mining Inc. is a Canadian-based mining company focused on developing the Lola Graphite Project located in the Republic of Guinea, West Africa. The Lola Graphite Project has Proven and Probable Reserves of 42Mt at a grade of

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4.2% Cg. SRG aims to develop a fully integrated source of battery anode material to supply the European lithium-ion battery end energy storage markets. With attractive operating costs, proximity to European end-markets and strong ESG credentials, SRG is poised to become a reliable supplier while promoting sustainability and supply chain transparency. SRG is committed to generating sustainable, long-term benefits that are shared with the host countries and communities where it operates.

The Lola Graphite occurrence has a prospective surface outline of 3.22 km² of continuous graphitic gneiss, one of the largest graphitic surface areas in the world. SRG owns 100% of the Lola Graphite Property. **Figure 1** presents the Company's Lola Graphite mining permit and the surrounding village along with a map showing the deposit's location in the country and the possible import/export routes.

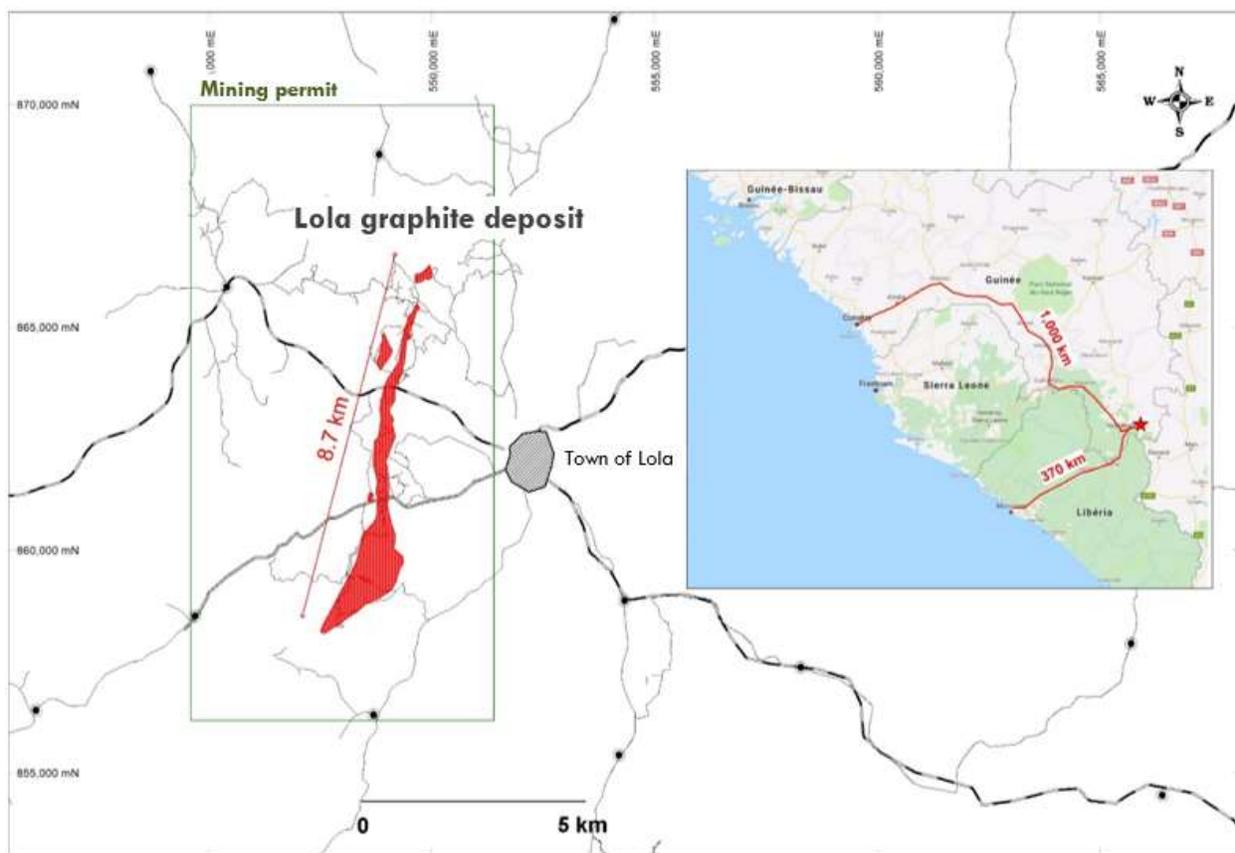


Figure 1 Exploration permits in Guinea

HIGHLIGHTS

- On February 22, 2022, the Company completed a non-brokered private placement for a total of \$270,000 at a price of \$0.54 per share, issuing 500,000 shares.
- On February 28, 2022, the Company announced the appointment of two experienced senior executives. Matthieu Bos was appointed Chief Executive Officer and President of SRG and Patrick Moryoussef as Chief Operating Officer. The nomination of the executive team coincided with an expansion of SRG's strategic plan to develop its Lola Graphite Project in the Republic of Guinea into a fully integrated supplier of battery anode material to the European market. The integrated business model would result in the creation of a mine-to-market active anode material producer, hosting a large high-purity graphite production mine and concentrator in Africa and a value-added, coated spherical purified graphite ("CSPG") conversion facility in Europe. This strategy would serve the European energy storage markets with high-quality, low-cost African graphite, coupled with the supply chain security of a domestic manufacturer supplier.
- On March 31, 2022, the Company completed a non-brokered private placement for a total of \$12,568,047 issuing

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22,442,941 shares to a fund advised by La Mancha Capital Advisory LLP ("La Mancha"), representing approximately 19.9% of the issued and outstanding common shares, establishing it as one of SRG's largest shareholders. Subsequently, on May 19th, 2022, La Mancha acquired an additional 5,000,000 shares from Sama Resources, increasing its shareholding of SRG to 24.3%, making them SRG's largest shareholder.

- On April 25, 2022, the Company announced that Sprott Private Resource Lending II (Collector), LP ("Sprott"), converted the full outstanding amount of capital owed under the previously announced Sprott convertible debt facility to common shares of the Company. The total principal amount of US\$482,371 was converted at the pre-agreed conversion price of C\$0.69 per share. As a result, SRG issued 881,550 common shares to Sprott. In addition to the shares, the Company has paid Sprott accrued interest and certain expenses.
- On May 18, 2022, the Company announced further details on the strategic corporate plan to develop its Lola Graphite Project in the Republic of Guinea into a fully integrated supplier of battery anode material to the European market.

The Company announced the start of an independent, updated feasibility study (the "UFS"), which will include basic engineering, to confirm technical opportunities and capital and operating costs for target initial production of 100,000 tonnes per annum of graphite as concentrate from the Lola Project. The UFS follows the 2019 Feasibility Study which was prepared by DRA Global Limited. The Updated Feasibility Study will also be prepared by DRA and is scheduled to be completed in Q4 2022.

In parallel with the UFS the Company also announced the start of an independent, preliminary economic assessment ("PEA") of initial options for the start-up of a second transformation step to produce CSPG from the Lola Project graphite concentrate. The PEA will be prepared by Dorfner Analysenzentrum und Anlagenplanungsgesellschaft mbH, a leading consultancy and engineering company for industrial, specialty mineral and metal projects, based in Hirschau, Germany. The PEA is scheduled to be completed in Q1 2023.

OVERALL PERFORMANCE

Over the past 3 months, the Company was focused on arranging financing required for general working capital, construction, obtaining, and maintaining the necessary permits and regulatory approvals for its Lola graphite project.

Business Objectives and Milestones

As the COVID-19 pandemic impact is receding, in conjuncture with the uncertainty surrounding the war in Ukraine, demand for raw materials for anode battery materials, and graphite specifically, is expected to grow in the medium to long-term, becoming a strategic and critical element for years to come. Following the appointment of new senior management and the closing of the La Mancha private placement, SRG is in a position to accelerate its updated development plans in 2022. The UFS is critical to advance the project finance and offtake discussions.

FINANCING

On February 22, 2022, the Company completed a non-brokered private placement for a total of \$270,000 issuing 500,000 shares. The net proceeds from the financing were \$267,900 as follows:

| <u>Source of Funds</u> | <u>Amount</u> |
|--|------------------|
| Gross Proceeds from the Offering | \$270,000 |
| Less Expenses of the Offering | (2,100) |
| Funds Available Following Closing | \$267,900 |

On March 31, 2022, the Company completed a non-brokered private placement for a total of \$12,568,047 issuing 22,442,941 shares to a fund advised by La Mancha. The net proceeds from the financing were \$12,531,479 as follows:

| <u>Source of Funds</u> | <u>Amount</u> |
|--|---------------------|
| Gross Proceeds from the Offering | \$12,568,047 |
| Less Expenses of the Offering | (73,298) |
| Funds Available Following Closing | \$12,494,749 |

MINERAL PROPERTY PORTFOLIO

The Company's exploration programs are designed, managed and reviewed by Marc-Antoine Audet, P. Geo, PhD, Lead Geologist for SRG. The Company's technical reports and metallurgical tests are managed and reviewed by Patrick Moryoussef, P. Eng, Chief Operation Officer for SRG. Both individuals are 'qualified persons' ("QP"), as defined by National Instrument 43-101, Standards for Disclosure for Mineral Projects ("NI 43-101") in their respective fields.

Lola Graphite Property – Mining Exploitation Permit

On November 6, 2019, the Government of Guinea awarded SRG Guinée, through presidential order N°D/2019/291/PRG/SGG awarded the fifteen (15) year renewable mining permit for its Lola graphite project near the town of Lola in eastern Guinea, West Africa. The mining permit covers an area of 94.38 square kilometers. SRG Guinée has agreed to develop the mine and has an obligation to invest US\$110,000,000 within the first year of the permit being granted. The Company has asked for a deferment and suspension of its obligations due to force majeure events including the COVID-19 Pandemic as well as the coup d'état in the Republic of Guinea. Furthermore, on June 5, 2021, the Company and the government of Guinea signed an agreement which stipulates that the Company must begin work on its Lola project within six months of being formally reissued the Gogota permit. As of this date, the Company has yet to receive formal notice of reissuance of the Gogota permit.

Project Information:

On May 18, 2022, SRG announced the start of an updated feasibility study, which will include basic engineering, to confirm technical opportunities and capital and operating costs for target initial production of 100,000 tonnes per annum ("tpa") of graphite as concentrate from the Lola Project. The UFS follows the 2019 Feasibility Study which was prepared by DRA Global Limited ("DRA").

Following extensive consultation with its partners, technical consultants, industry participants and potential offtake partners SRG has concluded that an increase in concentrate production, from 50,000 tpa as disclosed in the 2019 Feasibility Study to 100,000 tpa, is expected to significantly increase capital efficiency and project economics. The Updated Feasibility Study will also be prepared by DRA and is scheduled to be completed in Q4 2022.

New management is currently reviewing the Lola Graphite Project development strategy with the aim to double mine production and review associated capital and operating costs.

Mineral Resources

The Feasibility Study was prepared using data from the Mineral Resource Estimate published on June 18, 2019 which represented 638 boreholes for 22,239 meters ("m") drilled up to December 31, 2018. To maximize the life of mine of the project, the FS uses the resource at a cut-off grade of 1.65% graphitic carbon ("Cg"), which includes measured resources of 6.84 million tons ("Mt") grading 4.39% Cg, indicated resources of 39.2Mt grading 4.07% Cg and inferred resources of 4.25Mt grading 3.75% Cg. The resource has been pit-constrained at US\$1,300/t.

Figure 2 depicts the resource locations on the deposit and represents approximately 40% of the deposit outline.

Mineral Reserves

A Mineral Reserve is the economically mineable part of a Measured and/or Indicated Mineral Resource, including diluting materials. A Probable Mineral Reserve is the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Mineral Reserve is lower than that applying to a Proved Mineral Reserve. A Proved Mineral Reserve is the economically mineable part of a Measured Mineral Resource. A Proved Mineral Reserve implies a high degree of confidence in the Modifying Factors. Modifying Factors are considerations used to convert Mineral Resources to Mineral Reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.

Mineral Reserves Estimate (1.70% Cg Cut-Off)

| Resources | M Tonnes | Volume (Mm³) | Grade (% Cg) |
|---|-----------------|--------------------------------|---------------------|
| Proved - Oxide | 6.67 | 4.13 | 4.43 |
| Probable – Oxide | 20.89 | 12.92 | 4.11 |
| Probable – Fresh Rock | 14.50 | 7.56 | 4.15 |
| Total Proved and Probable Reserves | 42.06 | 24.61 | 4.17 |

* due to rounding, totals may not add-up exactly.

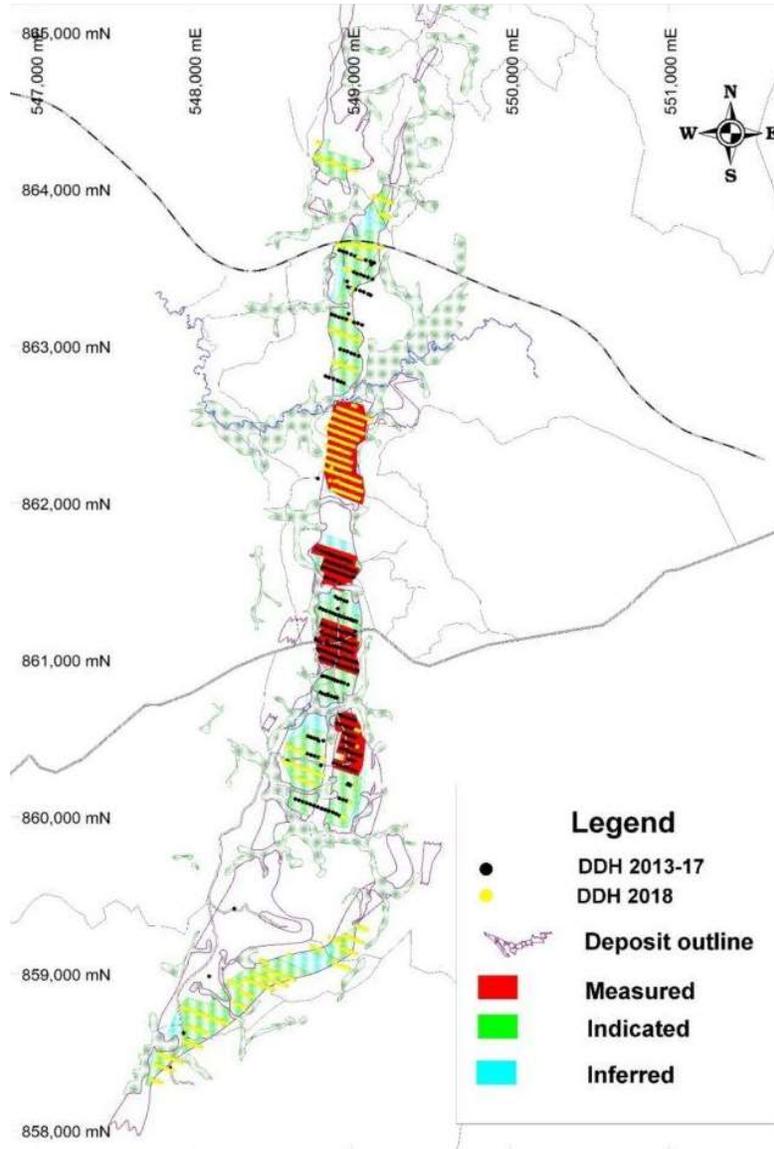


Figure 2 Map of the deposit with resource classification

Mining

The Lola deposit is characterized with its saprolite surface mineralization, which continues at depth into the fresh rock bed. For the FS, mining operations are a mix of the weathered zone, and fresh rock. The first 32 meters of the deposit represents the weathered material.

According to the 2019 Feasibility Study, the average grade fed to the processing plant over the 29-year mine life is 4.17% Cg, and the total material mined per year is 2.45Mt (mineralized material and waste) with an average strip ratio

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of 0.69. Mining costs were established at US\$2.23/t, considering preliminary pit design and access roads. **Table 1** provides a summary of Mining highlights. The mining and processing will be totally reviewed in the Updated Feasibility Study with the main aim of doubling up on production concentrate to better respond in the demand for graphite concentrate.

Table 1 Mining highlights

| | |
|--|-----------|
| Mining costs (US\$/t material mined) | 2.23 |
| Average graphite grade (% Cg) | 4.17% |
| Stripping ratio (waste/mineralized) | 0.69 |
| Average graphite bearing material mined per year (t/y) | 1,450,344 |
| Average waste mined per year (t/y) | 1,008,276 |
| Mine of Life (years) | 29 years |

Process

The processing plant and waste dump are located on a plateau, west of the main pit, where the land is already flat and barren of trees. It is currently less than one kilometer from the visual mineralization. This proximity will ensure short cycle times and contribute to the control of production costs.

Efforts were made to keep a simple flowsheet with limited polishing and flotation stages. Sapolite ore beneficiation process has an overall graphite recovery of 73.1%, producing a graphite concentrate grade of 95.4 % Cg. The addition of up to 45% of fresh rock in the feed blend improves the overall graphite recovery to 84.2%. A suitable process flowsheet able to handle sapolite as well as a feed blend with fresh rocks has been developed for the feasibility study. Reagents used for processing are diesel as a collector and methyl isobutyl carbinol ("MIBC") as a frother, both commonly available and routinely used reagents in the graphite sector. The processing costs are US\$8.91/t of processed material resulting in US\$280/t of graphite concentrate produced in sapolite and US\$10.86/t of processed material resulting in US\$304/t of graphite concentrate. Table 2 provides a summary of results.

Table 2 Process highlights

| | |
|--|-----------|
| Processing costs (US\$/t plant feed) | 9.36 |
| Processing costs (US\$/t concentrate) | 294 |
| Average concentrate grade (%Cg) | >95% |
| Graphite plant recovery | 81% |
| Average material fed to the plant (t/year) | 1,530,000 |

Process description:

Mineralized material handling, crushing, scrubbing, grinding and de-sliming circuits were designed considering the mix of saprolitic and hard rock properties of the deposit. The relatively low competency of the material allows the design to use two mineral sizers at the front end instead of a jaw crusher or cone crusher. These processing units are known for their low operational cost and reliability compared with conventional jaw and cone crushers.

The crushed material is fed into a scrubber which promotes flake preservation and consumes less energy compared with conventional milling methods. The scrubber discharge is screened, where the coarse fraction is fed to a closed-circuit ball mill, before being recombined with the screen fines. The combined slurry is then fed through a de-sliming stage, where ultra-fines, including slime, clay and organic material are removed. This leads to an upgraded and cleaner material feeding the flotation circuit, resulting in an overall simpler flowsheet.

After de-sliming, the material is fed to the rougher flotation bank producing a rougher concentrate. A first polishing stage further liberate the graphite flakes. The polished rougher concentrate goes through a first cleaning stage and is then fed into a splitting screen, dividing the fine from the coarse graphite, in order to apply the relevant specific polishing energy to each stream. After their respective polishing and cleaning stages, the two streams are recombined, thickened, filtered and dried. The dried concentrate is then screened into four different size fractions before being bagged, and finally stored and shipped to clients. **Figure 3** provides a summary of the Process flowsheet.

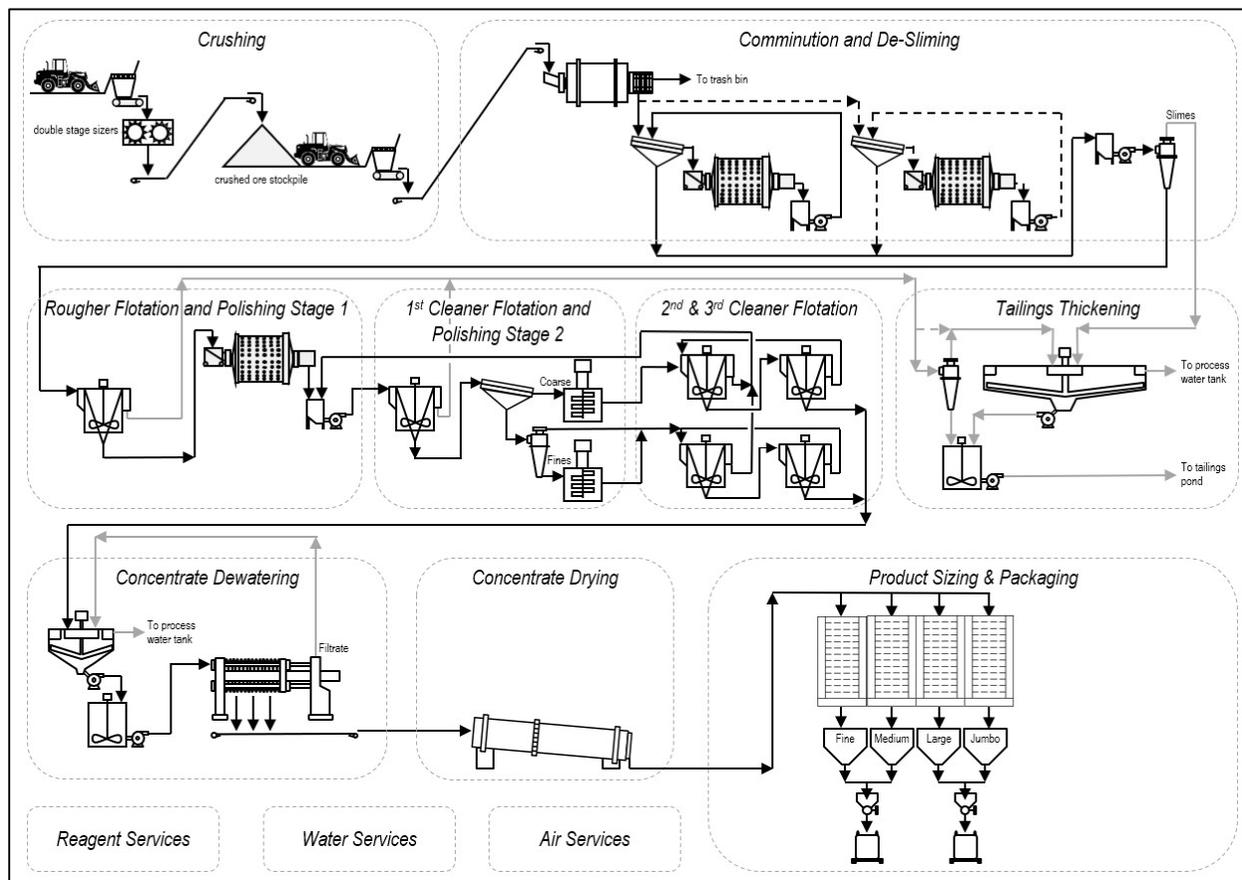


Figure 3 Process flowsheet

Environment

The Environmental Baseline Study (“EBS”) was launched March 10, 2017. The Company worked with external consultants and the Guinean Environment Services to produce a study which meets Guinea’s standards and the International Finance Corporation’s (“IFC”) 2012 edition of the Environmental and Social Performance Standards. On March 22, 2019, the Company received its Environmental Conformity Certificate from the government of Guinea for its Lola Graphite project.

The Company will also develop a resettlement action plan (“RAP”), which will follow IFC Performance Standards, namely PS5 pertaining to land acquisition and resettlement. While only 150 economic relocations and 6 physical relocations are expected, a well-detailed RAP is required to ensure best practices are followed.

Estimated expenditures

The current estimate for expenditures on the Lola Graphite Property (both corporate and capitalized expenditures) for the next year is approximately \$4,000,000. The estimated expenditures will be used for the following work:

- Corporate and local general and administration costs;
- Updated Feasibility Study for the Lola Graphite Project and PEA for the integrated development plan;
- Negotiate and finalize a mining convention with the Government of Guinea;
- Continue to advance the project financing and offtake contracts for the Lola Graphite Project.

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MARKET INFORMATION

Graphite

The natural flake graphite market in 2021 was approximately 1.1 million tonnes, of which battery demand comprises approximately 250kt. The adoption of electric vehicles ("EV") is likely to drive robust demand growth from this segment over the next 5-10 years. Benchmark Minerals' assessment of demand growth is that ~650ktpa of graphite is required by 2024 and 4Mtpa by 2030 for the lithium-ion battery market only. Both natural flake graphite from mining and synthetic graphite will continue to compete on cost and performance. Graphite mine supply will need to expand substantially to meet this need at an acceptable cost. It is estimated that 1Mt of new flake mine supply will be needed by 2025.

SELECTED FINANCIAL INFORMATION

Financial Position Analysis

| | March 31, 2022 | December 31, 2021 |
|-------------------|----------------|-------------------|
| | \$ | \$ |
| Total assets | 17,142,255 | 4,965,281 |
| Total liabilities | 3,107,051 | 3,189,809 |
| Total equity | 14,035,204 | 1,775,472 |
| Working capital* | 13,730,284 | 1,455,848 |

*Working capital is a measure of current assets less current liabilities.

Assets

Total assets as at March 31, 2022, were \$17,142,255 compared to \$4,965,281 at December 31, 2021, an increase of \$12,176,974 mainly due to an increase of \$12,146,940 in cash and an increase of \$52,710 in sales taxes receivables. These were offset by a decrease in property and equipment of \$17,048 as amortization was greater than acquisitions. The increase in cash is related to the items listed in the "Financing" section.

Liabilities

Total liabilities as at March 31, 2022 were \$3,107,051 compared to \$3,189,809 at December 31, 2021, a decrease of \$82,758. The decrease is mostly related to the payment of \$175,760 of accounts payables and \$53,458 of interests payable. This was offset by an increase in convertible debt by \$124,233.

Equity

As at March 31, 2022, the Company had an equity balance of \$14,035,204 compared to \$1,775,472 as at December 31, 2021, an increase of \$12,259,732. The increase is due to issuance of 22,442,941 shares through a non-brokered private placement for \$12,568,047. The increase was also due in part by the recognition of stock-based compensation of \$392,728. The increase was offset by the comprehensive loss for the period of \$895,645.

Operating Results analysis

| | Three-month period ended March 31, 2022 | Three-month period ended March 31, 2021 |
|--------------------|---|---|
| | \$ | \$ |
| Revenues | - | - |
| Net loss | 895,645 | 840,050 |
| Net loss per share | 0.01 | 0.01 |

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THREE-MONTH PERIOD ENDED MARCH 31, 2022, COMPARED TO THE THREE-MONTH PERIOD ENDED MARCH 31, 2021.

For the three-month period ended March 31, 2022, the Company recorded a net loss of \$895,645 compared to \$840,050 for the same period in 2021, an increase of \$55,595.

The exploration and evaluation expenditures have been stable, with a slight increase of \$13,904 from the same period in 2021.

General and administrative expenses decreased by \$56,934 from the same period in 2021. Most of the decrease is due to a decrease in professional fees by \$72,730 and in consulting fees by \$50,832. It is offset by an increase in travel and representation by \$19,468, in salaries and benefits by \$33,726 and in general and office expenses of \$20,991.

Share-based payments increased by \$115,141 from the same period in 2021.

A gain on extinguishment of debt of \$82,617 has been recorded, due to Sprott waiving their entitlement to an early repayment fee, following the conversion of the convertible debt.

A change in fair value of embedded debt of \$102,238 has been recorded compared to \$20,960 from the same period in 2021, an increase of \$81,278.

Cash Flows analysis

| | Three-month period ended March 31, 2022 | Three-month period ended March 31, 2021 |
|---|--|--|
| | \$ | \$ |
| Cash required by operating activities | (605,635) | (357,741) |
| Cash (required) generated by investing activities | - | (400,000) |
| Cash generated by financing activities | 12,752,575 | 1,054,965 |

THREE-MONTH PERIOD ENDED MARCH 31, 2022, COMPARED TO THE THREE-MONTH PERIOD ENDED MARCH 31, 2021.

Operating Activities

For the three-month period ended March 31, 2022, operating activities required cash flows of \$605,635 compared to \$357,741 for the same period in 2021, an increase of cash consumption of \$247,894. The variation is mostly due to accounts payables and accrued liabilities quarterly variation, which had an increase of \$175,760 compared to a decrease of \$60,962 for the same period in 2021, a difference of \$236,722.

Investing Activities

For the three-month period ended March 31, 2022, there were no investing activities.

Financing Activities

For the three-month period ended March 31, 2022, financing activities increased cash flows by \$12,752,575 compared to an increase of \$1,054,965 for the same period in 2021, a difference of \$11,697,610, mainly due to the non-brokered private placements financing of \$12,838,047 completed in February 2022 and March 2022.

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Quarterly Results Trends

The operating results for each of the last eight quarters are presented in the following table. Management considers that the information for each of those quarters was determined in the same way as for our financial statements for the year ended March 31, 2022.

| | Mar 31, 2022 | Dec 31, 2021 | Sep 30, 2021 | Jun 30, 2021 | Mar 31, 2021 | Dec 31, 2020 | Sep 30, 2020 | Jun 30, 2020 |
|--------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Revenues | - | - | - | - | - | \$ - | \$ - | \$ - |
| Net loss | (895,645) | (780,044) | (582,579) | (461,906) | (840,050) | (542,733) | (514,762) | (1,379,488) |
| Net loss per share | (0.01) | (0.01) | (0.01) | (0.01) | (0.01) | (0.01) | (0.01) | (0.02) |

RELATED PARTIES TRANSACTIONS

Related parties include the Company's key management personnel and related companies. Unless otherwise stated, balances are usually settled in cash.

Transactions with key management personnel

Key management personnel are the members of the Board of Directors, the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Vice-President Corporate and Legal Affairs, and Vice-President Operations, Metallurgy, and Process Design.

Remuneration of key management personnel

During the period ended March 31, 2022, the Company incurred fees of \$15,556 (2021 – \$35,972) with one officer. These fees are recorded under legal fees in administration expenses. As at, March 31, 2022, \$130,821 was due to this officer (December 31, 2021 – \$115,404).

During the period ended March 31, 2022, the Company incurred salaries of \$87,308 (2021 – \$29,333) to four employees who are officers of the Company, recorded under general and administrative expenses. As at, March 31, 2022, \$324,920 was due to these officers (December 31, 2021 – \$278,920).

During the period ended March 31, 2022, the Company recognized stock-based compensation of \$256,653 (2021 – \$277,587) in connection with stock options granted to officers and directors solely, of which nil was expensed under Exploration & Evaluation expenses (2021 – \$16,762) and \$256,653 was expensed under general and administrative expenses (2021 – \$260,825).

Transactions with related parties

During the period ended March 31, 2022, the Company incurred no fees from a consultant who is also a director and the Qualified Person under National Instrument NI 43-101 (2021 – nil). As at, March 31, 2022, \$40,000 was due to that consultant (December 31, 2021 – \$40,000).

During the period ended March 31, 2022, the Company incurred consulting fees and administrative fees of \$6,250 (2021 – \$18,863) with a corporation where the Company's Executive Chairman is also a shareholder of that corporation. As at, March 31, 2022, \$70,360 was due to that corporation (December 31, 2021 – \$45,360).

During the period ended March 31, 2022, SRI and one of its subsidiaries charged the Company \$1,861 for services recorded as Exploration & Evaluation expenses as well as services recorded as general and administrative expenses (2021 – \$1,255). As at, March 31, 2022 and December 31, 2021 no amount was due to Sama Resources Inc. and its subsidiary.

In 2019, SRI has loaned \$1,000,000 of which \$728,959 remains unpaid as at March 31, 2022 (December 31, 2021 – \$711,699). See Note 6.

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Termination and change of control provisions

Certain agreements between the executive team and the Company contain termination without cause and change of control provisions. Assuming that these agreements would be terminated without cause during the year ending December 31, 2022, the total amounts payable in respect of severance would amount to \$1,123,001. If a change of control would occur during the year ending December 31, 2022, the total amounts payable in respect of severance, if elected by the executive members, would amount to \$1,627,750.

COMMITMENTS

The Company must pay \$8,852 in superficial rights every year for the next thirteen years to the government of Guinea to retain the rights of its mining title.

Minimum annual payments relating to the above commitments in the next five fiscal years and thereafter are as follows:

| Year | \$ |
|------------|--------|
| 2022 | 8,852 |
| 2023 | 8,852 |
| 2024 | 8,852 |
| 2025 | 8,852 |
| 2026 | 8,852 |
| Thereafter | 61,962 |

OUTSTANDING SHARE DATA

| | Number of Shares Outstanding (Diluted) |
|--|---|
| Outstanding as of May 26, 2022 | 113,660,146 |
| Shares reserved for issuance pursuant to warrants outstanding | 14,880,203 |
| Shares reserved for issuance pursuant to stock options outstanding | 8,960,500 |
| Shares reserved for issuance under the deferred stock unit plan | 171,570 |
| Shares reserved for issuance under the restricted stock unit plan | 1,750,000 |
| | 139,422,419 |

As at the date of this MD&A, the Company had outstanding stock options enabling holders to acquire common shares of the Company as follows:

| Number Outstanding | Exercise Price | Expiry Date |
|--------------------|----------------|-------------------|
| | \$ | |
| 200,000 | 0.41 | June 21, 2022 |
| 150,000 | 1.20 | October 24, 2023 |
| 1,802,007 | 0.365 | February 20, 2027 |
| 100,000 | 0.50 | March 31, 2027 |
| 100,000 | 0.50 | April 25, 2027 |
| 25,000 | 0.36 | June 14, 2027 |
| 325,000 | 1.30 | November 22, 2027 |
| 125,000 | 1.72 | January 14, 2028 |
| 2,285,000 | 1.10 | August 8, 2028 |
| 1,108,493 | 0.37 | May 11, 2030 |
| 950,000 | 0.51 | June 18, 2030 |
| 490,000 | 0.69 | February 9, 2031 |
| 1,300,000 | 0.70 | March 1, 2032 |
| 8,960,500 | | |

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As at the date of this MD&A, the Company had outstanding warrants enabling holders to acquire common shares of the Company as follows:

| Number Outstanding | Exercise Price | Expiry Date |
|--------------------|----------------|------------------|
| | \$ | |
| 4,039,800 | 1.00 | March 4, 2023 |
| 946,780 | 1.00 | March 9, 2023 |
| 180,000 | 1.00 | March 31, 2023 |
| 2,000,000 | 1.00 | July 2, 2023 |
| 2,913,623 | 0.69 | July 31, 2023 |
| 4,800,000 | 0.75 | November 5, 2023 |
| 14,880,203 | | |

Deferred stock unit plan

On April 26, 2019, the Company adopted a Deferred Stock Unit Plan ("DSU Plan"). Shareholders voted in favor of the DSU Plan on June 20, 2019, and it was accepted by the TSX Exchange on July 31, 2019.

The DSU Plan will be required to be approved and ratified by the shareholders on an annual basis. The DSU Plan is a non-dilutive long-term incentive plan in which employees, including named executive officers, directors and any other person designated by the Board can participate. The DSU Plan is intended to advance the interests of the Company through the motivation, attraction and retention of directors, executive officers, employees, service providers or any other person designated by the Board to participate in the DSU Plan.

A maximum of 6,940,000 shares of the Company may be issued in settlement of DSUs. It is understood that the Company may grant a higher number of DSUs, subject however to having to pay the excess in cash. To date, 171,570 DSUs were granted to directors.

Restricted stock unit plan

In February 2022, the Corporation adopted a RSU Plan to reward certain employees, officers and directors of the Corporation (the "Participants"), subject to approval by its shareholders at the Corporation's Annual and Special Meeting of Shareholders on June 9, 2022. Following the implementation of the RSU Plan, the Corporation granted to Participants a number of restricted share units ("RSUs") based on the volume weighted average trading price of the common shares for the five days immediately preceding the grant date. If approval is not granted, the Corporation will issue cash bonuses to its Participants. The RSU Plan provides for a maximum number of common shares available and reserved for issuance to 10% of the Corporation's issued and outstanding common shares, less any shares reserved for issuance under the Stock Option Plan and the DSU Plan. The RSUs are time-based awards and all the amount of RSUs granted will vest upon the continuous employment of the Participants on the third anniversaries of the RSU grant, starting from the date of the grant or such other period not exceeding three years determined by the Board of Directors.

To date, 1,750,000 RSUs were granted to employees and consultants.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

CONFLICTS OF INTEREST

The Company's directors and officers may serve as directors and/or officers, or may be associated with, other reporting companies, or have significant shareholdings in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions or ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding terms respecting the transaction. If a conflict of interest arises, the Company will follow the provisions of the Canada Business

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Corporations Act dealing with conflict of interest. These provisions state that where a director has such a conflict, that director must, at a meeting of the Company's directors, disclose his or her interest and refrain from voting on the matter unless otherwise permitted by the Corporations Act. In accordance with the federal laws of Canada, the directors and officers of the Company are required to act honestly, in good faith, and in the best interests of the Company.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of financial statements in conformity with IFRS requires management to apply accounting policies and make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. There is full disclosure of the Company's critical accounting policies and accounting estimates in Note 2 of the audited consolidated financial statements for the year ended December 31, 2021.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Significant changes in the underlying assumptions could result in significant changes to these estimates. Consequently, management reviews these estimates on a regular basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Information about these significant judgments, assumptions and estimates that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses are disclosed in Note 3 of the audited consolidated financial statements for the year ended December 31, 2021.

RISKS AND UNCERTAINTIES

The Company is in the business of acquiring and exploring mineral properties. It is exposed to a number of risks and uncertainties that are common to other mineral exploration companies in the same business. The industry is capital intensive at all stages and is subject to variations in commodity prices, market sentiment, exchange rates for currency, inflation and other risks. The Company currently has no source of revenue other than interest on cash balances. The Company will rely mainly on equity financing to fund activities on its mineral properties.

The risks and uncertainties described in this section are not inclusive of all the risks and uncertainties to which the Company may be subject.

Impact of Epidemics

SRG's operations are subject to the risk of emerging infectious diseases or the threat of viruses or other contagions or epidemic diseases, including COVID-19. Any outbreak or threat of an outbreak of a virus or other contagions or epidemic disease could have a material adverse effect on the Company's business, results of operations and financial condition.

Early Stage – Need for Additional Funds

The Company has no history of profitable operations, and its present business is at an early stage. As such, the Company is subject to many risks common to other companies in the same business, including under-capitalization, cash shortages and limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations.

Exploration and Evaluation

Mineral exploration and evaluation 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 of insufficient size and/or grade to return a profit from production.

The mineral claims to which the Company has a right to acquire an interest are in the exploration stages only and are without a known body of commercial ore. Upon discovery of a mineralized occurrence, several stages of exploration and assessment are required before its economic viability can be determined. Development of the subject mineral

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properties would follow only if favorable results are determined at each stage of assessment. Few precious and base metal deposits are ultimately developed into producing mines.

Supplies, Health and Infrastructure

The Company's property interests are often located in remote, undeveloped areas and the availability of infrastructures such as surface access, skilled labour, healthy labour, fuel and power at an economic cost cannot be assured. These are integral requirements for exploration, production and development facilities on mineral properties. In Guinea, power may need to be generated onsite.

Mining Title Risks

Although the Company has exercised the usual due diligence with respect to determining title to its mining properties in which it has a material interest, there is no guarantee that title to such mining properties will not be challenged or impugned. The Company's mineral property interest may be subject to prior unregistered agreements, transfers, or native claims, and title may be affected by undetected defects.

Environmental Regulations, Permits and Licenses

The Company's operations are subject to various laws and regulations governing the protection of the environment, exploration, development, production, taxes, labour standards, occupational health, waste disposal, safety and other matters. Environmental legislation in most countries provides restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact statements. Environmental legislation is evolving in a direction of stricter standards and enforcement, and higher fines and penalties for non-compliance. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and their directors, officers and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations. The Company intends to fully comply with all environmental regulations.

The Company believes that it is in compliance with all material laws and regulations which currently apply to its activities. However, there can be no assurance that all permits which the Company may require for its operations and exploration activities will be obtainable on reasonable terms or on a timely basis, or that such laws and regulations would not have an adverse effect on any mining project which the Company might undertake.

Competition and Agreements with Other Parties

The mining industry is intensely competitive in all its phases and the Company competes with other companies that have greater financial resources and technical capacity. Competition could adversely affect the Company's ability to acquire suitable properties or prospects in the future.

The Company may, in the future, be unable to meet its share of costs incurred under such agreements to which it is a party and it may have its interest in the properties subject to such agreements reduced as a result. Also, if other parties to such agreements do not meet their share of such costs, the Company may not be able to finance the expenditures required to complete recommended programs.

Political and Economic Risks of Doing Business in Guinea

The Company's mineral properties are currently located in Guinea. The fiscal laws and practices are well established and generally consistent with Western rules and regulations. However, there is no assurance that future political and economic conditions in this country will not result in its government adopting different policies respecting foreign development and ownership of mineral properties. Any changes in laws, regulations or shifts in political attitudes regarding investment in the Guinea mining industry are beyond its control and may adversely affect its business. The Company's exploration and evaluation activities may be affected in varying degrees by a variety of economic and political risks, including cancellation or renegotiation of contracts, changes in Guinean domestic laws or regulations, changes in tax laws, royalty and tax increases, restrictions on production, price controls, expropriation of property, fluctuations in foreign currency, restrictions on the ability to repatriate earnings and pay dividends offshore, restrictions on the ability to hold foreign currencies in offshore bank accounts, environmental legislation, employment practices and

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mine safety. In the event of a dispute regarding any of these matters, the Company may be subject to the jurisdiction of courts outside of Canada which could have adverse implications on the outcome.

Dependence on Management

The Company is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate the Company.

Information Systems Security Threats

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

Operating Hazards and Risks

Mining operations involve many risks which even a combination of experience, knowledge and careful evaluation may not be able to overcome. In the course of exploration, development and production of mineral properties, certain risks, and in particular unexpected or unusual geological operating conditions, including rock bursts, cave-ins, fires, flooding and earthquakes, may occur. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of mineral deposits, any of which could result in damage to or destruction of mines and other producing facilities, damage to life and property, environmental damage and possible legal liability for any or all damage.

Although the Company maintains liability insurance in an amount which it considers adequate, the nature of these risks is such that liabilities could exceed policy limits, in which event the Company could incur significant costs that could have a materially adverse effect upon its financial conditions.