

# Kingfisher Metals Corp.

(formerly Seashore Resource Partners Corp.)

## MANAGEMENT'S DISCUSSION AND ANALYSIS FORM 51-102F1

FOR THE THREE ENDED MARCH 31, 2021

885 West Georgia St., Suite 2040  
Vancouver, BC, Canada, V6C 3E8

---

The following Management's Discussion and Analysis ("MD&A") is dated May 31, 2021, for the period ended March 31, 2021 and should be read in conjunction with the Kingfisher Metals Corp. ("Kingfisher" or the "Company") accompanying condensed interim financial statements for the period ended March 31, 2021 and the audited financial statements for the year ended December 31, 2020.

These condensed interim financial statements for the period ended March 31, 2021 have been prepared in accordance with and comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and its interpretation of the International Financial Reporting Interpretations Committee ("IFRIC"). These condensed interim financial statements have been prepared on a historical cost basis and have been prepared using the accrual basis of accounting, except for cash flow information. The MD&A supplement does not form part of the unaudited condensed interim financial statements for the three-month period ended March 31, 2021 or the audited financial statements of the Company and the notes thereto for the year ended December 31, 2020. All amounts are expressed in Canadian dollars unless otherwise indicated. In addition, readers are directed herein to discussions under the headings "*Forward-Looking Statements*", "*Critical Accounting Estimates*" and "*Risk Factors*".

Kingfisher's management is responsible for the integrity of the information contained in this report and for the consistency between the MD&A and the financial statements.

---

## COMPANY OVERVIEW

Kingfisher Metals Corp. (formerly Seashore Resource Partners Corp) (the "Company" or "Kingfisher") was incorporated under the Business Corporations Act (British Columbia) on September 7, 2017 as a Capital Pool Corporation defined in the Policy 2.4 of the TSX Venture Exchange (the "TSX-V"). The principal business of the Company was the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction ("QT"). The Company's registered office is 1050 – 400 Burrard Street, Vancouver, BC, V6C 3A6.

On March 12, 2021, the Company completed the share exchange transaction with Kingfisher Resources Ltd. ("KFR") which constituted the Company's QT. KFR was incorporated under the Business Corporations Act (British Columbia) on January 21, 2019 and its principal business focus is the exploration and development of mineral prospects in Canada. Upon completion of the QT, the Company began trading under its new name on the TSX-V with the symbol "KFR" (and on the Frankfurt Stock Exchange under the symbol "970").

The Company is a junior mineral exploration company engaged in the business of acquiring, exploring, and evaluating natural resource properties. The Company has acquired three mineral properties to date including the Ecstall, Goldrange, and Thibert properties. The Company is currently focusing its financial resources on conducting an exploration program on the Ecstall and Goldrange properties. The Company has not yet determined whether these properties contain reserves that are economically recoverable. The recoverability of amounts shown for resource property and related deferred exploration expenditures are dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development of the resource property, and upon future profitable production or proceeds from the disposition thereof.

## EXPLORATION PROJECTS

### *Ecstall*

The 284 km<sup>2</sup> Ecstall project is located at tidewater, 60 km northwest of the resource town of Kitimat, B.C.

The Company will undertake a property-wide LiDAR survey in addition to detailed gravity geophysical surveys over high-priority Cu-Au VMS targets in preparation for drilling in 2022. The proposed program totals ~\$0.4 million and is expected to commence in mid-July 2021.

On April 10, 2019, the Company completed the Ecstall purchase of 18 mineral claims totalling 20,735 hectares in Northwestern B.C. for 8,200,000 shares (at a value of \$205,000) from two shareholders.

The Company also acquired and staked 10 additional claims on adjacent land (totalling approximately 4,281 hectares) by incurring costs of \$13,393.

### *Thibert*

The 124 km<sup>2</sup> Thibert project is located 40 km north of Dease Lake, B.C. The project covers 25 km of strike length of the crustal-scale Teslin-Thibert Fault where approximately 200,000 oz of placer gold has been produced.

The Company has contracted Precision GeoSurveys to complete property-wide airborne magnetics and radiometrics at Thibert. Additionally, detailed stream-sediment sampling will be completed across the project area aimed at refining orogenic gold targets for more advanced exploration in 2022. The proposed program totals ~\$0.3 million and is expected to commence in June or July 2021.

On June 24, 2020, the Company entered into an asset purchase agreement to acquire the Thibert claims from Kenorland Mineral Ltd. ("Kenorland") (a company with a common director), consisting of 8 mineral claims totaling 12,475 hectares in Northwestern B.C. for the following:

- 1,000,000 common shares of the Company (issued);
- common shares of the Company equal to a value of \$100,000 on the first anniversary date of the listing on the TSX-V; and
- a 2% net smelter return royalty.

In March 2021, as the Company became listed on the TSX-V, the Company recorded a liability of \$100,000 for the above common shares to be issued.

### *Goldrange*

The Goldrange project is located approximately 25 km south of the town of Tatla Lake in Southwestern B.C. with logging road access to the north end of the 367 km<sup>2</sup> project.

The Company has been informed that its Notice of Work Application for a 5-year drill permit at its Goldrange project has been approved. The multiyear area based (MYAB) permit for Goldrange includes diamond drilling from 20 drill pads and induced polarization (IP) geophysical surveys in year one. The proposed exploration program at the Goldrange project will include 5000 m of diamond drilling, IP surveys, and detailed regional exploration across the 367 km<sup>2</sup> project. The Company has contracted Omineca Diamond Drilling to complete the drill program which will begin in early July 2021 with the proposed program totaling ~\$3.3 million. Camp construction, regional field work, and IP geophysics commenced in May 2021.

On April 6, 2020, the Company completed a purchase from Kenorland (a company with a common director) of three mineral claims totaling 4,504 hectares in Southwestern B.C. (referred to here as Goldrange) for 500,000 common shares of the Company (at a value of \$50,000) plus a 2% net smelter return royalty.

Subsequently during the 2020 year, the Company acquired and staked 24 additional mineral claims (totaling approximately 16,574 hectares) by incurring costs of \$73,940 and issuing 70,000 common shares (at a value of \$14,000).

On February 15, 2021, the Company staked 12 additional mineral claims adjacent to the existing claims totaling 18,920 hectares for a cost of \$33,110.

	<b>Ecstall Claims</b>	<b>Thibert Claims</b>	<b>Goldrange Claims</b>	<b>Total</b>
<b>Claims as at December 31, 2019</b>	\$ 215,548	\$ -	\$ -	\$ 215,548
Acquisition of claims, agreement for sale	-	100,000	109,318	209,318
Claims staked during period	2,845	-	28,622	31,467
<b>Claims as at December 31, 2020</b>	<b>218,393</b>	<b>100,000</b>	<b>137,490</b>	<b>456,333</b>
Acquisition of claims, agreement for sale	-	100,000	-	100,000
Claims staked during period	-	-	33,110	33,110
<b>Claims as at March 31, 2021</b>	<b>218,392</b>	<b>200,000</b>	<b>171,050</b>	<b>589,443</b>
<b>Exploration costs, December 31, 2019</b>	<b>541,688</b>	-	-	<b>541,688</b>
Expenditures during the period:				
Permit applications	4,200	-	-	4,200
Geologist and sundry exploration costs	33,990	-	99,831	133,821
Digitization	10,216	-	4,661	14,877
Airborne survey	25,300	-	137,950	136,550
Assays	3,566	-	41,268	44,834
Camp	13,299	-	26,682	39,981
Field gear	2,081	-	28,272	39,981
Helicopters	4,475	-	131,107	135,582
Labour	14,608	1,141	46,204	61,953
Reports	5,000	-	4,244	9,244
Transportation and travel	9,348	-	29,584	38,932
<b>Exploration costs, December 31, 2020</b>	<b>126,083</b>	<b>1,141</b>	<b>549,804</b>	<b>677,028</b>
<b>Balance December 31, 2020</b>	<b>\$ 667,771</b>	<b>\$ 101,141</b>	<b>\$ 687,744</b>	<b>\$ 1,675,049</b>
Expenditures during the period:				
Geologist and sundry exploration costs	5,697	-	41,163	46,860
Digitization	24	972	421	1,417
Airborne survey	6,125	-	-	6,125
Assays	1,852	-	21,322	23,174
Camp	-	-	509	509
Field gear	-	-	10,964	10,964
Labour	2,869	-	8,419	11,288
Transportation and travel	-	-	770	770
	16,567	972	83,568	101,107
<b>Exploration costs, March 31, 2021</b>	<b>684,338</b>	<b>2,113</b>	<b>633,372</b>	<b>1,319,823</b>
<b>Recovery – BCMETC, March 31, 2021</b>	<b>(83,800)</b>	-	-	<b>(83,800)</b>
<b>Balance March 31, 2021</b>	<b>\$ 818,931</b>	<b>\$ 202,113</b>	<b>\$ 804,422</b>	<b>\$ 1,825,466</b>

## CORPORATE

In July of 2020, the Company and KFR entered into a share exchange agreement, which set out the principal terms upon which the Company was to acquire all of the issued and outstanding securities of KFR. The transaction would allow KFR to obtain a public listing by completing a reverse take-over transaction whereby KFR, substantively and for accounting purposes, was considered to be the acquiring and the continuing entity. The Company, after giving effect to the completion of the transaction, was referred herein as the resulting issuer. On March 12, 2021, the Company announced that it had completed its QT by acquiring all the issued and outstanding shares of KFR.

In connection with the transaction, the Company completed a concurrent financing totaling \$6,030,000 and the Company had 68,945,801 shares issued and outstanding.

Accordingly, Kingfisher has accounted for the acquisition as a reverse takeover, and no goodwill or intangible asset been recorded (only a listing expense). Therefore, for accounting purposes, KFR, the legal subsidiary, has been treated as the accounting acquirer, and the Company, the legal parent, has been treated as the accounting acquiree in these consolidated financial statements.

## FINANCIAL RESULTS OF OPERATIONS

### SUMMARY OF QUARTERLY RESULTS

	Three Months Ended			
	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020
Sales	\$ -	\$ -	\$ -	\$ -
Gross profit	\$ -	\$ -	\$ -	\$ -
Loss for the period	\$ (1,932,937)	\$ (246,406)	\$ (66,407)	\$ (92,009)
Loss per share	\$ (0.04)	\$ (0.01)	\$ (0.00)	\$ (0.00)
	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019
Sales	\$ -	\$ -	\$ -	\$ -
Gross profit	\$ -	\$ -	\$ -	\$ -
Loss for the period	\$ (80,154)	\$ (43,866)	\$ (22,715)	\$ (2,840)
Loss per share	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)

The Company's operations for the three months ended March 31, 2021 produced a loss of \$1,932,937 compared to a loss of \$80,154 in the previous quarter. The increase in loss of \$1,852,783 in the quarter is mostly made up the listing expense of \$1,261,465, an increase in share-based compensation of \$490,886, shareholder relations of \$50,593 and management fee of \$36,465 and a decrease in legal fees of \$13,021.

## LIQUIDITY AND CAPITAL RESOURCES

	2021 Q1	2020 Q4	2020 Q1	Three months ended March 31,	
				2021	2020
Cash and cash equivalents	\$ 5,949,772	\$ 116,735	\$ 251,710	\$ 5,949,772	\$ 251,710
Working capital	\$ 5,820,392	\$ 84,879	\$ 259,897	\$ 5,920,392	\$ 259,897

As at the date of this MD&A, the Company has adequate cash and working capital to fund its operations and planned capital expenditures for the next 12 months. Any additional material capital expenditures or commitments may require a source of additional financing, which may come from funds through equity financing.

	2021 Q1	2020 Q4	2020 Q1	Three months ended March 31,	
				2021	2020
Issued and outstanding shares	68,945,801	39,173,801	26,648,801	68,945,801	26,648,801
Issued and outstanding shares, fully diluted	86,245,445	54,038,801	26,648,801	86,245,445	26,648,801

## RELATED PARTY TRANSACTIONS

The aggregate value of transactions and outstanding balances relating to key management personnel were as follows:

	2021 Q1	2020 Q4	2020 Q1	Three months ended March 31,	
				2021	2020
Share-based compensation	\$ 296,720	\$48,333	\$ -	\$ 296,720	\$ -
Directors Fees	4,100	-	\$ -	4,100	\$ -
Management Fees	87,499	168,333	\$ -	87,499	\$ -
Exploration and operating fees	500	8,363	\$ -	500	\$ -
	\$ 388,819	\$225,029	\$ -	\$ 388,819	\$ -

All transactions and balances are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

## OBLIGATION TO ISSUE SHARES

The Company has committed to issue the following shares upon its successful listing of its shares on the TSX-V:

	Dollar value of shares to be issued greater than one year
	\$
Kenoraland Minerals Ltd. – Thibert <sup>(1)</sup>	100,000
	-
<b>Total</b>	<b>100,000</b>

<sup>(1)</sup> The Company acquired mineral claims on June 24, 2020 in exchange for an agreement to issue \$100,000 in common shares issued on the first anniversary of listing on the TSX-V.

## SHARE CAPITAL

- At March 31, 2020, there were 68,945,801 common shares, 6,200,000 stock options and 35,186,850 warrants outstanding.
- At May 31, 2021, there were 69,895,801 common shares, 6,200,000 stock options and 34,236,850 warrants outstanding.

The Company has one class of common shares. No class A or class B preference shares have been issued.

## **SUBSEQUENT EVENTS**

On April 23, 2021, the Company issued a total of 950,000 common shares at \$0.125 on the exercise of 950,000 warrants.

On April 27, 2021, the Company entered into an agreement with PI Financial Corp. ("PI Financial") as sole bookrunner, in connection with a marketed best efforts private placement of up to 4,760,000 charity flow-through units and 1,965,000 flow-through units of the Company to raise aggregate gross proceeds of up to approximately \$4.0 million.

On May 10, 2021, the Company entered into an agreement with PI Financial to increase the size of the previously announced marketed best efforts private placement from \$4.0 million to up to approximately \$4.6 million.

On May 26, 2021, the Company announced the grant of 360,000 stock options exercisable for a period of five years at a price of \$0.55 per share to various consultants. The options will be subject to deferred vesting over one year.

## **CAPITAL MANAGEMENT**

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support future business opportunities. The Company defines its capital as shareholders' equity, loans and advances payable. The board of directors of the Company does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

## **COMPETITION**

Competitors for acquisition opportunities include well-capitalized companies, independent companies and other companies having financial and other resources far greater than those of Kingfisher, thus a degree of competition exists between those engaged in acquiring attractive assets.

## **CRITICAL ACCOUNTING ESTIMATES**

Management is required to make decisions with respect to estimates and assumptions for certain accounting policies that affect the reported amounts of assets, liabilities, revenues, and expenses. These accounting policies are discussed below and are included to highlight the critical accounting policies and practices used by the Company. Note the use of different policies and practices could create different results being reported. The Company's management reviews these estimates regularly. New information and changes in circumstance may result in changes to estimated amounts that differ materially from current estimates.

The following assessment of significant accounting policies and associated estimates is not meant to be exhaustive. In the future, the Company might realize different results from the application of new accounting standards issued by regulatory bodies.

To recognize the share-based payment expense, the Company estimates the fair value of stock options granted using assumptions related to interest rates, expected life of the option, volatility of the underlying security and expected dividend yields. These assumptions may vary over time.

The accrual method of accounting requires management to incorporate certain estimates of costs as at a specific reporting date.

## **CHANGES IN ACCOUNTING POLICIES**

None noted.

## **PROPOSED TRANSACTIONS**

None noted.

## **FINANCIAL INSTRUMENTS RISK**

The Company's financial instruments are exposed to the following risks:

### *Credit Risk*

Credit risk is the risk of financial loss to the Company if counterparties do not fulfill their contractual obligations.

Cash and cash equivalents consist of cash bank balances and short-term deposits. There are currently no short-term investments.

The carrying amount of accounts receivable and cash and cash equivalents represents the maximum credit exposure. The Company does not have an allowance for doubtful accounts. As of June 30, 2020, there were no significant amounts past due or impaired.

### *Market Risk*

Market risk is the risk that changes in foreign exchange rates and interest rates will affect the Company's cash flows, net income and comprehensive income. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns.

### *Liquidity Risk*

Liquidity risk is the risk that the Company will not be able to meet its purchases and capital commitments, and other financial obligations as they are due. The Company's approach to managing liquidity is to ensure, to the extent possible, that it will have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking harm to the Company's reputation.

The Company's liquidity is dependent upon maintaining its current working capital balances, operating cash flows and ability to raise funds. To forecast and monitor liquidity, the Company prepares operating and capital expenditure budgets which are monitored and updated as considered necessary. Considering these circumstances and the Company's cash balance liquidity risk is assessed as low.



### *Foreign Exchange Risk*

The Company currently does not have significant exposure to other currencies, and this is not expected to change in the foreseeable future as the capital commitments that are expected to be carried out in United States dollars will be limited.

### *Interest Rate Risk*

The Company is exposed to interest rate risk on its cash and cash equivalents. The majority of these deposits have been in discounted instruments with pre-determined fixed yields. Interest rate movements will affect the fair value of these instruments, so the Company manages maturity dates of these instruments to match cash flow needs, enabling realization at no loss in almost all cases.

### *Fair Value of Financial Instruments*

The fair value of the Company's financial assets and liabilities approximates the carrying amount. 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 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

## **FINANCIAL INSTRUMENTS**

The Company's financial instruments consist of short-term investments; cheques issued in excess of funds on deposit, accounts payable and accrued liabilities. Terms of the financial instruments, where relevant, are fully disclosed in the Company's financial statements. It is management's opinion that the Company is not exposed to significant currency, or credit risks but is exposed to interest rate cash flow risk arising from its financial instruments and that their fair values approximate their carrying values unless otherwise noted.

## **RISKS**

The Company is a junior mineral exploration company and has adequate cash for its current obligations but may not have sufficient cash to sustain operations indefinitely. With limited financial resources and limited revenue, there is no assurance that future funding will be available to the Company to pursue future endeavours. There is a risk that the Company could be forced to cease operations and become insolvent.

There is no guarantee that the Company will be able to attract further exploration or to participate in an acquisition or another business opportunity. There can be no assurance that the Company's current activity and the liquid market for the Company's securities will develop and shareholders may find it difficult to resell the securities of the Company.

The factors identified above are not intended to represent a complete list of the risks faced by Kingfisher. Kingfisher's management believes that the foregoing risks and uncertainties are a fair indication of the risks and uncertainties material to Kingfisher's business; however, additional risks and uncertainties,

including those currently unknown to Kingfisher or not considered to be material by Kingfisher, may also adversely affect the business of Kingfisher.

## **OFF-BALANCE SHEET ARRANGMENTS**

None noted.

## **ADDITIONAL INFORMATION**

Additional information relating to the Company and results of its operations may be found on its website at [www.kingfishermetals.com](http://www.kingfishermetals.com).

## **FORWARD LOOKING STATEMENTS**

The foregoing information contains forward-looking statements within the meaning of securities laws. Forward-looking statements are statements that are not historical fact and often, but not always, forward-looking information can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “estimates”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases, or states that certain actions, events or results “may”, “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved. Forward-looking information by its nature requires assumptions and involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of Kingfisher to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information.

Forward-looking statements in this MD&A include, but are not limited to, Kingfisher’s overall strategic plan for assessing acquisition opportunities. In making the forward-looking statements in this MD&A, Kingfisher has applied certain factors and assumptions that are based on information currently available to Kingfisher as well as Kingfisher’s current beliefs and assumptions made by Kingfisher, including that Kingfisher will maintain its business plan for the near and mid-term range. Although Kingfisher considers these beliefs and assumptions to be reasonable based on information currently available to it, they may prove to be incorrect, and the forward-looking statements in this release are subject to numerous risks, uncertainties and other factors that may cause future results to differ materially from those expressed or implied in such forward-looking statements. Such risk factors include, among others, that Kingfisher will be unable to fulfill or will experience delays in fulfilling a strategic plan for the near and mid-term range. Additional risk factors are noted under the heading “*Risks*”. The factors identified above and in the “*Risks*” section of this MD&A are not intended to represent a complete list of the factors that could affect Kingfisher. Although Kingfisher has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended.

Because forward-looking information addresses future events and conditions, it involves risks and uncertainties that could cause actual results to differ materially from those contemplated by the forward-looking information. These risks and uncertainties include, but are not limited to access to capital, commodity price volatility, well performance and marketability of production, transportation and refining availability and costs.

There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. Kingfisher does not undertake to update any forward-looking information, whether as a result of new information, future events or otherwise, except in

accordance with applicable securities laws.