



AM Resources Corp.
Management Discussion and Analysis
For the year ended December 31, 2021

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AM Resources Corp.

Management Discussion and Analysis

For the year ended December 31, 2021

This management discussion and analysis ("MD&A") of AM Resources Corp ("AMR" or the "Company") complies with Rule 51-102A of the Canadian Securities Administrators regarding continuous disclosure.

The MD&A is a narrative explanation, through the eyes of the management of AMR, of how the Company performed during the year ended December 31, 2021 and of the Company's financial condition and future prospects. This discussion and analysis complement the audited consolidated financial statements for the year ended December 31, 2021, but does not form part of them.

All figures are in Canadian dollars unless otherwise stated. Additional information on the Company can be found on SEDAR at www.sedar.com.

1.0 DATE

This MD&A has been prepared on the basis of information available as of February 2, 2023

2.0 FORWARD-LOOKING STATEMENTS

This MD&A includes forward-looking statements that reflect the Company's current expectations regarding future events. To the extent that such statements contain information that is not historical in nature, such statements are essentially forward-looking, and often contain words like "anticipate", "expect", "estimate", "intend", "project", "plan" and "believe". Forward-looking statements involve risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements. There are many factors that could cause such differences, including volatility of metal market prices, the impact of changes in foreign exchange or interest rates, imprecision in reserve estimation, environmental risks including increased regulatory burdens, unexpected geological conditions, adverse mining conditions, changes in government regulations and policies, including laws and policies, the failure to obtain the necessary permits and approvals from government authorities, and other development and operating risks.

While the Company believes that the assumptions inherent in the forward-looking statements are reasonable, readers should not place undue reliance on such statements, which only apply as at the date of this MD&A. The Company disclaims any intention or obligation to update or revise forward-looking statements as a result of new information, future events or otherwise, unless required to do so by applicable securities laws.

3.0 BUSINESS DESCRIPTION AND CONTINUITY OF OPERATIONS

The Company, incorporated under Canada Business Corporation Act, is a mining exploration company with exploration activities conducted in Colombia.

For the year ended December 31, 2021, the Company recorded net loss of \$ 3,008,561 (Net loss of \$ 474,591 as at December 31, 2020). Besides the usual needs for working capital, the Company must obtain funds to be able to meet its existing commitments under the exploration programs and to pay its overhead and administrative costs.

Management is periodically seeking to obtain financing through the issuance of equity securities, exercise of outstanding warrants for common shares and options to purchase shares in order to continue operations, and despite the fact it has been successful in the past, there is no guarantee of future success.

If management were unable to secure new funding, the Company may then be unable to continue its operations and the amounts carried as assets may be less than its amounts reflected in these financial statements.

Although management has taken steps to verify the ownership rights in mining properties in which the Company holds an interest in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the title property for the Company. The title may be subject to unregistered prior agreements and may not comply with regulatory requirements.

The Company's financial statements were prepared according to the International financial reporting standards (IFRS) and with the going concern assumption. They do not reflect adjustments that should be made to the book value of assets and liabilities, the reported amounts of income and expenses and the classification of balance sheet if the going concern assumption was unfounded. These adjustments could be important.

These events are likely to cause significant changes to the assets or liabilities in the coming year or to have a significant impact on future operations. Following these events, the Company has taken and will continue to take action to minimize the impact. However, it is impossible to determine the financial implications of these events for the moment.

4.0 MINING ASSETS AND EXPLORATION EXPENSES

Mina Luz Property: Coal

The Mina Luz property is located to the south-west of the town of Popayan in the department of Cauca, approximately 150 Km south-west of the town of Cali in Colombia. It consists of a mining concession covering 40 hectares. The Company owns 80% of the mining rights.

In September 2019, the Colombian National Mining Agency (the "Agency") suspended the mining operation for allegedly being outside the granted area. The Company's Colombian subsidiary, AM Resources SAS, is working with local counsel to undertake the necessary legal action in order to clarify this situation and requested the lifting of the suspension. The Company is fully committed to work diligently with the Colombian regulator authorities to resolve this situation.

As of December 31, 2021, the management of the Company, decided to write-off the property in order to focus the activities on the Mico and Esperanza mining properties. In September 2019, the Agency suspended the mining operation for allegedly being outside the granted area. In summary, the management of the mining titles was elevated from regional to a national level and any discrepancies needed to be reconciled by the Agency. The Company is actively working with local counsel to undertake the necessary legal action to ending this situation and has requested the lifting of the suspension. The Company has the reasonable expectation of probability to obtain a financial compensation from the Colombian authorities. The effect of this situation is a change of focus of the management and prioritizing the exploration of the Mico (gold) and Esperanza (asphaltite) properties.

The write-off of mining rights and exploration and evaluation expenses totaled \$ 1,876,137.

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4.0 MINING ASSETS AND EXPLORATION EXPENSES (continued)

Rio Negro Property: Asphaltite

The Rio Negro asphaltite property is owned 60% by the Company. The property covers 97.5 hectares.

The Rio Negro asphaltite Project is located approximately 50 km NNW of the Colombian city of Bucaramanga, in the northern portion of the department of Santander, within the municipality of Rio Negro.

Colombia produces various types of hydrocarbons including a variety called asphaltite. Asphaltite was apparently discovered in the region in 1972, probably during a petroleum exploration program (which were numerous in the region). Along with asphaltite and petroleum, coal was also discovered in the region around the Rio Negro title.

The area of the Rio Negro property is well known for its asphaltite occurrences and limited production took place on the property. It is believed that production at La Tigra, neighbour of Rio Negro, reaches 3,000 tonnes per month.

As of December 31, 2021, the management decided to write-off the property in order to focus the activities on the Mico and Esperanza properties. The management decided to keep the Esperanza property instead of the Rio Negro or both of the properties because the exploration results were better for Esperanza. The effect of this decision will allow the management to focus on the Esperanza property in order to continuing the exploration on the property for a better understanding of the geological facts on the property.

The write-off of mining rights and exploration and evaluation expenses totaled \$ 633,778.

Mico Property: Gold

The Mico gold property consists of one concession covering an area of 10.4 hectares and situated in the department of Bolivar, Colombia, some 470 km to the north of Bogota. The property is easily accessible from the village of Barranco de Loba which is linked by ferry to El Banco Magdalena, the largest city in the region. The Company can earn a 60% interest over a 12 month period.

During the year ended December 31, 2021, the Company has not incurred exploration expenses.

Esperanza Property: Asphaltite

On May 31, 2019, the Company announced the closing of an arm's length acquisition of 60% indirect interest in the La Esperanza asphaltite property. The Company acquired a 60% interest in Asfaltitas Colombiana SAS from a private company controlled by Adriana Rios, director of the Company. Under the revised terms and based on a fairness opinion report, the Company agreed to issue 4,700,000 common shares to the private company as a consideration for the 60% interest.

The Esperanza asphalt property is composed of a unique mineral concession (Mineral Concessions GGOI-05-La Esperanza license L-206 covering an area of 298 hectares and owned (60%) by AMR. Is located in the western portion of the department of Norte de Santander, Colombia.

During the year ended December 31, 2021, the company incurred \$ 90,636 in exploration expenses.

5.0 BUSINESS HIGHLIGHTS

On March 9, 2021, the Company has closed a non-brokered private placement of 32,500,000 units for gross proceeds of \$1,300,000.

On March 12, 2021, the Company has concluded a debt settlement for \$ 1,138,631 by issuing an aggregate of 18,460,184 shares.

On March 12, 2021, the Company has granted a total of 4,050,000 incentive stock options to directors, officers and consultants.

6.0 SELECTED ANNUAL INFORMATION

	<u>December 31, 2021</u>	<u>December 31, 2020</u>	<u>December 31, 2019</u>
	\$	(restated) \$	(restated) \$
Statements of Financial Position			
Cash	265,798	76,017	3,295
Total assets	1,292,979	3,998,799	3,843,864
Total liabilities	696,323	2,504,442	1,737,384
Equity	596,657	1,494,357	2,106,482
Statements of Financial Position			
Total revenue	2,066,178	458	1,022,593
Total operating expenses	2,506,719	352,951	1,098,030
Net loss for the year	3,008,561	(474,591)	-
Basic and diluted loss per share	0,029	(0,008)	(0,019)

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7.0 OPERATIONS RESULTS

For the year ended December 31, 2021, the Company recorded a net loss of \$ 3,008,561 compared to a net loss of \$ 474,591 for the year ended December 2020.

The increase of the net loss is explained as following:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>	<u>Variation</u>
	\$	\$	\$
Write-off of mining properties (a)	1,876,137	-	1,876,137
General and administrative expenses (b)	975,986	306,397	669,589
Share-based payments (c)	259,607	-	259,607

- a) During the year the Company wrote off the Mina Luz and Rio Negro properties for a total write-off of \$1,876,137.
- b) During the year, the Company recorded bad debts totally \$ 254,000 (\$ nil in 2020), had higher publicity and promotion expenses \$ 92,480 (\$ 456 in 2021) higher consulting fees \$ 143,785 (\$ 7,787 in 2020) to increase the visibility of the Company.
- c) During the year, the Company granted 4,050,000 options (nil in 2020).

8.0 FOURTH QUARTER RESULTS

For the three-month period ended December 31, 2021, the Company recorded a net loss of \$ 2,318,530 compared to a net profit of \$ 325,452 for the three-month period ended December 31, 2020.

	<u>December 31, 2021</u>	<u>December 31, 2020</u>	<u>Variation</u>
	\$	\$	\$
Write-off of mining properties (a)	1,876,137	-	1,876,137
General and administrative expenses (b)	194,006	86,429	107,577

- a) During the quarter the Company wrote off the Mina Luz and Rio Negro properties for a total write-off of \$ 1,876,137.
- b) During the quarter, the Company had higher general and administration expenses to increase the visibility of the Company.

9.0 QUARTERLY REVIEW

Summary of quarterly results

	<u>December 31, 2021</u>	<u>September 30, 2021</u>	<u>June 30, 2021</u>	<u>March 31, 2021</u>
	\$	\$	\$	\$
Income	76,146	480,004	967,727	542,301
Total earnings (loss)	(2,318,530)	(426,012)	279,518	(543,537)
Basic and diluted net earnings (loss) per share	(0,013)	(0,006)	0,003	(0,007)
	<u>December 31, 2020</u>	<u>September 30, 2020</u>	<u>June 30, 2020</u>	<u>March 31, 2020</u>
	\$	\$	\$	\$
Income	(36,177)	36,635	-	-
Total loss	325,452	(213,706)	(50,337)	(536,000)
Basic and diluted net loss per share	0,005	(0,004)	(0,001)	(0,01)

10.0 FINANCIAL HIGHLIGHTS

10.1 REVENUES

	<u>For the year ended</u>	
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
	\$	\$
Gold sales	2,066,178	-
Other revenues	-	458
	<u>2,066,178</u>	<u>458</u>

During the year ended December 31, 2021, the Company began gold trading transactions.

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10.0 FINANCIAL HIGHLIGHTS (continued)

10.2 COSTS OF SALES

		For the year ended
	December 31, 2021	December 31, 2020
	\$	\$
Gold purchase	2,042,315	-
	2,042,315	-

During the year ended December 31, 2021, the Company began gold trading transactions.

10.3 GENERAL AND ADMINISTRATION EXPENSES

		For the year ended
	December 31, 2021	December 31, 2020
	\$	\$
Salaries and other employee benefits	17,112	34,987
Rental expenses	2,400	3,350
Consulting and professional fees	311,233	121,519
Management fees	115,500	80,076
Other operational expenses	529,741	66,465
	975,986	306,397

The hiring of more consultants during the current period to promote the activities of the Company causes the increase in consulting fees. The increase of the professional fees is a result of an increase in legal fees mainly related to the Mina Luz negotiation with the Colombian National Mining Agency.

The increase in other operational expenses is caused by the bad debt of \$ 254k, the higher publicity and the higher promotion expenses.

11.0 LIQUIDITY AND FUNDING

On December 31, 2021, the Company had a negative working capital of \$ 7,739 which includes \$ 265,798 in cash.

	December 31, 2021	December 31, 2020
	\$	\$
Cash flows provided by (used in)		
Operating activities before the net change in non-cash working capital items	(1,100,690)	(500,812)
Net change in non-cash working capital items	(83,089)	496,847
Operating activities	(1,183,780)	(3,970)
Investment activities	(60,432)	(475,292)
Financing activities	1,440,827	551,984
Foreign currency translation differences	(6,834)	-
Increase in cash and cash equivalents	196,615	72,727

For the year ended December 31, 2021, cash outflows from operating activities totaled \$ 1,183,780 (\$ 3,970 of cash outflows for the year ended December 31, 2020). The Company spent more in 2021 than in 2020 following the closing of a private placement and a relaunch of the activities.

12.0 STATEMENT OF FINANCIAL POSITION

	December 31, 2021	December 31, 2020
	\$	\$
Cash	265,798	76,017
Receivables and other financial assets	174,330	703,919
Prepaid expenses	6,150	28,090
Property, plant and equipment	112,398	240,503
Exploration and evaluation assets	734,302	2,950,270
Total assets	1,292,979	3,998,799
Trade and other payables	189,018	1,296,775
Debentures	-	763,920
Promissory notes	242,305	406,470
Current portion of the long-term debt	-	9,738
Subscription to be reimbursed	265,000	-
Long-term debt	-	27,539
Shareholder's equity	596,657	1,494,357
Total liabilities and equity	1,292,979	3,998,799
Share price at closing	0.06	0.045

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12.0 STATEMENT OF FINANCIAL POSITION (continued)

At December 31, 2021, total assets amounted to \$ 1,292,979 including \$ 265,798 in cash (\$ 3,998,799 including \$ 76,017 in cash as at December 31, 2020).

Accounts receivables amount to \$ 174,330 (\$ 703,919 as at December 31, 2020) and are mostly comprised of advances to private companies, without interests.

Property, plant and equipment amount to \$ 112,398 (\$ 240,503 as at December 31, 2020).

Debentures and promissory notes

13. DEBENTURES

On August 14, 2018, the Company issued debentures units of \$ 600,000 USD (\$ 763,920 as at December 31, 2020). Each debentures units is comprised of \$ 1,000 USD principal amounts of unsecured debentures of the Company due initially on August 14, 2019 and 250 warrants. Each warrant entitles the holder to purchase a share until August 14, 2019 at a price of \$ 0.30 per share. The debentures bear interest at an annual rate of 15%. No value was attributed to the 150,000 issued warrants. During the year ended December 31, 2019, the term of the principal amount was extended to December 31, 2020.

On January 27, 2021, the Company concluded a debt settlement to extinguish the principal amount and accrued interest. The transaction is detailed in the following section.

14. PROMISSORY NOTES AND LOANS

On May 17, 2019, the Company signed a promissory note with a private lender of \$ 70,000. The principal amount of the promissory note is due on May 17, 2020. During the year ended December 31, 2019, the term of the principal and interest amount were extended to December 31, 2020. The promissory note bears interest at an annual rate of 10%.

On June 4, 2019, the Company signed a promissory note with a private lender of \$ 50,000. The principal amount of the promissory note is due on June 4, 2020. During the year ended December 31, 2019, the term of the principal and interest amount were extended to December 31, 2020. The promissory note bears interest at an annual rate of 10 %.

On August 16, 2019, the Company signed a promissory note with a private lender of \$ 63,660 (\$ 50,000 USD). The principal amount of the promissory note is due on August 16, 2020. During the year ended December 31, 2019, the term of the principal and interest amount were extended to December 31, 2020. The promissory note sees interest at an annual rate of 10 %.

On March 5, 2020, the Company signed a loan agreement with a private lender of \$ 190,980 (\$ 150,000 USD). The loan bear interest of \$ 31,830 (\$ 25,000 USD). The principal and interest are due on March 5, 2021.

On March 10, 2020, the Company signed a loan agreement with a private lender of \$ 31,830 (\$ 25,000 USD). The principal and interest are due on March 5, 2021. The loan bear interest of \$ 6,366 (\$ 5,000 USD). On March 30, 2021, the Company paid \$ 37,926 for the reimbursement of the \$ 31,830 (\$ 25,000 USD) loan plus interest \$ 6,366 (\$ 5,000 USD).

On January 27, 2021, the Company concluded a debt settlement and release agreement for the capital and accrued interest of the debenture, of three of the promissory notes and the loan of \$ 150,000 USD. On March 12, 2021, the carrying value of the debt that was extinguish was \$ 1,510,849. The capital portion for an aggregate amount of \$1,119,400 consists of the debentures (\$ 749,580; US\$ 600,000), the promissory notes of \$ 70,000, \$ 50,000 and \$ 62,465 (US\$ 50,000) and the loan (\$ 187,395; US\$ 150,000). The total accrued interest as of March 12, 2021 was \$ 391,409 for which the company issued a new non-interest-bearing promissory note of \$ 340,000 maturing on January 26, 2024. The net present value of the promissory note is \$ 211,871 on the extinguishment date and is \$ 242,305 as at December 31, 2021. As part of the debt settlement, the Company also issued 18,460,184 shares to an arm's length creditor at a price of \$ 0.07 per share discounted by 24.75 % because the shares cannot be traded for a period of four months, for a total value of \$ 972,390. The whole transaction results in a gain on debt settlement of \$ 326,588.

Capital resources and capital management

The Company's capital structure consists of common shares, warrants, brokers warrants and stock options. The Company manages its capital structure and makes changes pursuant to economic conditions and conditions related to its assets.

The Company is not subject to any externally imposed capital. The Company's objectives in managing capital are the following:

- i. To preserve the capacity to continue its operations in order to maximise the return to its shareholders and maintain an optimal capital structure in order to increase the shareholders' equity in the long term.
- ii. To ensure the Company has sufficient capital to meet its short-term needs and ensure the development of its projects and mining activities
- iii. To satisfy the external requirements with regards to capital needed in respect of any lending agreements.
- iv. To maintain an optimal capital structure in order to minimize the cost of debt financing.

The management's perspectives for the Company are to focus on the continuous negotiations with the Colombian National Mining Agency in order to receiving a financial compensation for the non-activities on the Mina Luz property since 2019, to continue the exploration work on the Mico and Esperanza properties for a better understanding of the geology on the properties, to conclude an operational agreement on the Esperanza property for generating funds from the sale of asphaltite, and to seek debt financing for supporting the gold trading and generating additional funds to avoid the issuance of additional share capital.

The management aim to generate sufficient funds from the above operations to finance the activities of the Company.

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15.0 RELATED PARTY TRANSACTIONS

The Company's related parties include affiliated companies, Board of Director members and key management personnel.

Unless otherwise stated, none of the transactions incorporated special term and conditions and no guarantees has been given or received. Outstanding balances are usually settled in cash.

15.1 Transactions with key management personnel

Key management personnel of the Company are members of the board of directors and other management. The key management personnel compensation includes the following:

	<u>December 31, 2021</u>	—	<u>December 31, 2020</u>
	\$		\$
Management fees (a)	115,000		80,076
Consulting fees (b)	35,000		30,000
Share-based payments (c)	<u>189,097</u>	—	:
Total remuneration	<u><u>339,097</u></u>	=	<u><u>110,076</u></u>

- a) The Company accounted \$60,000 (\$80,076 in 2020) in management fees to A&M Resources 2015 LLC, a company controlled by Adriana Rios, president and Chief Operating Officer and director of the Company and \$55,000 (nil in 2020) in management fees to Gestion DRLG Inc., a company controlled by David Grondin, President and Chief Executive Officer and director of the Company.
- b) The Company accounted \$35,000 (nil 2020) in consulting fees to MGM Services Conseil Inc., a company controlled by Patrick Musampa, Chief Financial Officer of the Company and \$30,000 in 2020 to Corporation Financière SKTM Ltee., a company controlled by Martin Nicoletti, former Chief Financial Officer of the company.
- c) During the year, the Company granted 2,950,000 options (nil in 2020) to directors of the Company worth \$189,097 (nil in 2020).

16.0 OFF-BALANCE SHEET TRANSACTIONS

There are no off-balance sheet transactions.

17.0 CONTRACTUAL OBLIGATIONS AND OFF-BALANCE-SHEET ARRANGEMENTS

There are no contractual and off-balance-sheet arrangements.

18.0 JUDGMENTS, ESTIMATES AND ASSUMPTIONS

When preparing the financial statements, management makes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses.

18.1 Significant management judgment

The following are significant management judgments in applying the accounting policies of the Company that have the most significant effect on the financial statements.

Recognition of deferred income tax assets and measurement of income tax expense

Management continually evaluates the likelihood that its deferred tax assets could be realized. This requires management to assess whether it is probable that sufficient taxable income will exist in the future to utilize these losses within the carry-forward period. By its nature, this assessment requires significant judgment. To date, management has not recognized any deferred tax assets in excess of existing taxable temporary differences expected to reverse within the carry-forward period.

Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meets its liabilities for the ensuing year, and to fund planned and contractual exploration programs, involves significant judgment based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances.

18.2 Estimation uncertainly

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

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Impairment of exploration and evaluation assets

Determining if there are any facts and circumstances indicating impairment loss or reversal of impairment losses is a subjective process involving judgment and a number of estimates and assumptions in many cases.

When an indication of impairment loss or reversal of an impairment loss exists, the recoverable amount of the individual asset or the cash-generating units must be estimated.

In assessing impairment, the Company must make some estimates and assumptions regarding future circumstances, in particular, whether an economically viable extraction operation can be established, the probability that the expenses will be recover from either future exploitation or sale when the activities have not reached a stage that permits a reasonable assessment of the existence of reserves, the Company's capacity to obtain financial resources necessary to complete the evaluation and development and to renew permits. Estimates and assumptions may change if new information becomes available.

If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditures is unlikely, the amount capitalized is written off in profit or loss in the period when the new information becomes available.

Share-based payments

To estimate expenses for share-based payments, it is necessary to select an appropriate valuation model and obtain the inputs necessary for the valuation model chosen. The Company estimated the volatility of its own shares and the expected life and the exercise period of options and warrants granted. The model used by the Company is the Black-Scholes.

Provisions and contingent liabilities

The judgment is used to determine whether a past event has created a liability that should be recognized in the consolidated financial statements or whether it should be disclosed as a contingent liability. Quantifying these liabilities involves judgments and estimates. These judgments are based on several factors, such as the nature of the claim or dispute, legal procedures and the potential amount to be paid, legal advice received, previous experience and the probability of the realization of a loss. Many of these factors are sources of estimation uncertainty.

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19.0 OUTSTANDING SHARE INFORMATION

	February 2, 2023
	Number
Common shares	139,259,826
Warrants	45,655,000
Options	6,150,000
Total common shares fully diluted	191,064,826

20.0 SUBSEQUENT EVENTS

On February 11, 2022, the Company signed a demand promissory note of \$ 100,000 in exchange of a subscription in a private placement which was not completed included in subscription to be reimbursed in the consolidated statements of financial position as at December 31, 2021. The promissory note will bear annual rate interest of 37% and due on April 30, 2022. On April 29, 2022, the Company paid the principal and the interests of this demand promissory note for a total amount of \$ 120,000.

On April 6, 2022, the Company announced that is has closed a first tranche of \$ 869,500 of a non-brokered private placement of up to \$ 2,000,000, consisting of the issuance of 17,390,000 units at a price of \$ 0,05 per unit. Each unit is comprised of one common share of the Company and one-half warrant. Each full warrant entitles the holder to acquire one common share of the Company at a price of \$ 0,075 for a period of 24 months following the closing of the Offering. As at December 31, 2021, the Company received \$ 165,000 related to the private placement.

In connection with this first tranche, the Company paid certain finders, which are all arms' length with the Company, finders' fees for a total of \$ 18,000 in cash and issued 360,000 common shares.

On April 29, 2022, the Company announced that is has closed a second tranche of \$ 446,000 of a non-brokered private placement of up to \$ 2,000,000, consisting of the issuance of 8,920,000 units at a price of \$ 0,05 per unit. Each unit is comprised of one common share of the Company and one-half warrant. Each full warrant entitles the holder to acquire one common share of the Company at a price of \$ 0,075 for a period of 24 months following the closing of the Offering.

In connection with this second tranche, the Company paid certain finders, which are all arms' length with the Company, finders' fees for a total of \$ 1,500 in cash and issued 30,000 common shares.

On April 21, 2022, AM Resources Trading Corp. a wholly owned subsidiary of the Company signed a financing agreement with Series 4 of ConsolFreight Pilot LLC for the financing of up to \$ 6M USD in the procurement of gold from various sources in Colombia and potentially other countries.

21.0 BUSINESS RISKS

The company is exposed to various risks in relation to financial instruments. The main types of risks the Company is exposed to are credit risk and liquidity risk.

a) Credit risk

Credit risk is the risk that a party to a financial instrument will default on one of its obligations and thereby cause the other party to incur a financial loss. Cash, other receivables, advances and loans receivable are the Company's principal financial instruments that are potentially subject to credit risk.. The credit risk on loans receivable is limited since the contracting party is the private Company holding the Mina Luz property in Colombia. As a result, the Company does not expect the other parties to default. The book values represent the Company's maximum exposure to credit risk.

Receivables

In assessing expected credit losses, trade receivables have been measured on a collective basis since they share common credit risk characteristics. They have been grouped according to the number of days they are past due and the geographic location of the client.

Expected credit loss rates are based on historical credit loss rates in prior years and current and prospective macroeconomic data that affect the client's ability to pay amounts owing. Trade receivables are written off, in other words derecognized, when there is no reasonable expectation of recovery. Failure to pay within 180 days of the date of invoice and no commitment to the Company regarding an alternative payment arrangement are, among other things, considered as indicators that there is no expectation reasonable recovery. Based on the above, expected credit losses over the total life of trade receivables as at December 31, 2021 are insignificant.

Advances to individuals and private companies

All Company advances measured at amortized cost are considered to have a low credit risk given that the Company regularly validates the credit quality. The impairment loss adjustment recorded is based on expected losses for 12 months. This one is not significant.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet the obligations associated with its financial liabilities. Liquidity risk management serves to maintain a sufficient amount of cash and to ensure that the Company has sufficient financing sources. The Company establishes budgets to ensure it has the necessary funds to fulfill its obligations.

When the counterparty has a choice of when an amount is paid, the liability is included on the earliest date in which the payment can be required.

As at December 31, 2021, the negative working capital is \$ 7,739. In order to continue its operation, the Company will have to find additional fund and despite the fact it has been successful in the past, there is no guarantee for the future. Actually, there remains a significant risk that the Company is unable to find cash if even the management is optimistic to find the necessary cash for the implementation of its strategic plan.

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21.0 BUSINESS RISKS (continued)

c) Interest rate risk

The long term debt and debentures bear interest at a fixed rate and the Company is, therefore, exposed to the risk of changes in fair value resulting from interest rate fluctuations.

d) Foreign currency risk

The Company is exposed to foreign currency risk arising from the degree of volatility of the exchange rate. The Company is exposed to the foreign currency risk through its bank account, its advances to private companies and its debenture that are initially in US dollars. The Company does not use derivative financial instruments to reduce its exposure to foreign exchange risk.

22.0 OUTLOOK

- The management intends to ;
- Implement better internal control procedures
- Analyze offers to potential disposals and potential acquisitions
- Finance its activities

23.0 INFORMATION COMMUNICATION CONTROLS AND PROCEDURES

In accordance with national instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") of the Corporation will file a Venture Issuer Basic Certificate with respect to the financial information contained in the interim financial statements and respective accompanying Management's Discussion and Analysis.

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certification includes a "Note to Reader" stating that CEO and CFO do not make any representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

22.0 ADDITIONAL INFORMATION AND CONTINUOUS DISCLOSURE

This MD&A was prepared as of February 2, 2023. The Company regularly discloses additional information by filing press releases and quarterly financial statements on SEDAR (www.sedar.com). More information about the Company can be also found on SEDAR (www.sedar.com).

(signed) David Grondin
David Grondin
President and Chief Executive Officer

(signed) Patrick Mpoyi Musampa
Patrick Mpoyi Musampa, CPA
Chief Financial Officer