QUADRO RESOURCES LTD.

(the "Company" or "Quadro")

FORM 51-102F1

MANAGEMENT DISCUSSION & ANALYSIS

FOR THE YEAR ENDED JULY 31, 2021

The following management discussion and analysis ("MD&A") has been prepared by management as of November 5, 2021 and should be read in conjunction with the audited financial statements and related notes of the Company for the year ended July 31, 2021, and 2020. The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All amounts are stated in Canadian dollars unless otherwise indicated.

FORWARD LOOKING STATEMENTS

This MD&A contains certain forward-looking information and statements. These forward-looking statements are based on current expectations and various estimates, factors and assumptions as at the date of this MD&A. The words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential", "interprets", "may", "will" and similar expressions identify forward-looking statements. Information concerning the interpretation of drill results may also be considered a forward-looking statement; as such information constitutes a prediction of what mineralization might be found to be present if and when a project is actually developed. The forward-looking statements reflect the current beliefs of the management of the Company, and are based on currently available information. Readers are cautioned not to place undue reliance on these statements as they are subject to known and unknown risks, uncertainties and other factors, which could cause the actual results, performance, or achievements of the Company to differ materially from those expressed in, or implied by, such forward-looking statements. The Company assumes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or any other reason.

OVERVIEW

Quadro Resources Ltd. was incorporated under the laws of British Columbia and currently trades on the TSX Venture Exchange (the "TSX-V") under the symbol "QRO", on the OTCQB under the symbol "QDROF", and on the Frankfurt Stock Exchange under the symbol "G4O2". The Company's principal business activity is the exploration and development of mineral properties.

The Company holds a 100% interest in the Staghorn property, located in Newfoundland and Labrador, through a purchase agreement with Metals Creek Resources Corp. ("Metals Creek") and Benton Resources Inc. ("Benton") in 2017. In addition, the Company holds a 100% interest in the Costigan Lake property located in central Newfoundland, which was acquired by staking. In November 2019 the Company entered into an option agreement to acquire a 100% interest in the Long Lake property, located in Newfoundland and Labrador, by making staged cash payments totaling $100,000 ($10,000 paid) and share issuances totaling 5,000,000 common shares over three years (500,000 common shares issued). The Staghorn property together with the Costigan Lake property and the Long Lake property form the Company's Victoria Lake Project. A drill program was initiated on the Long Lake and Staghorn Properties in August, 2021. The program is on going and all assays are pending.

In February 2020, the Company entered into a letter of intent ("LOI") whereby the Company has the option to acquire a 70% interest in the Seagull Lake property near Thunder Bay, Ontario, by making staged cash payments totaling $275,000 ($50,000 paid), issuing 6,500,000 common shares (1,000,000 common shares issued) and spending $1,550,000 of exploration expenditures over three years. Upon the Company earning the 70% interest, the Company and the optionor will form a joint venture for the further development of the property.

On October 8, 2020, the Company signed a LOI with Metals Creek to earn a 100% interest in the Careless Cove and Yellow Fox properties in Newfoundland. To exercise its option, the Company is required to pay Metals Creek a total $100,000 ($15,000 paid) and 1,500,000 common shares of the Company (300,000 shares issued) over three years.

On July 26, 2021, the Company signed a binding LOI with Buchans Minerals Corporation ("BMC") for the gold prospective Tulks South Property (the "Property"), located proximal to Quadro's Long Lake project, Newfoundland. The LOI sets out a proposed transaction (the "Proposed Transaction") pursuant to which Quadro has acquired from BMC an option to acquire a 51% interest (the "Initial Option") in BMC's claims which comprise the Property, followed by the right to acquire an additional

19% interest (the “Second Option” or “Joint Venture”) in the event that BMC elects not to participate in work programs after Quadro has earned its initial 51% interest.

Previous work in 2020, by Quadro, on the Long Lake project included soil sampling and prospecting which defined a 700 m long gold target (Ricky Target) highlighted by a strong Au-in-soil anomaly and a number of float samples with values up to 33.65 g/t Au (see Quadro press releases dated January 5, 2021, and November 30, 2020, for more details). A field program was completed consisting of geophysics, prospecting and geochemistry and this program was expanded to cover the BMC claims. Detailed ground magnetics and induced polarization was completed on the Ricky target in late summer, 2021 A total of five diamond drill holes were recently completed to test the Ricky Zone. All assay results are pending.

In addition, the Company holds a one/third ownership in a 41-claim license located in the St. Anthony area on the Great Northern Peninsula, Newfoundland and Labrador.

<u>IMPACT OF COVID-19</u>

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. It has adversely affected global workforces, economies, and financial markets, triggering an economic downturn. It is not possible at this time for the Company to predict the duration or magnitude of the adverse results of the outbreak nor its effects on the Company’s business or operations.

The health and economic effects of this pandemic have been catastrophic. While the Company is a development stage enterprise and is not reliant on revenue streams to fund operations, the effects of the pandemic will no doubt impact the Company’s operations moving forward as the world’s health authorities and governments navigate through these unprecedented times. Below is a discussion on key areas the Company has been impacted and how it intends to manage both the short and long-term challenges presented.

Health and Safety of Employees

The health and safety of the Company’s employees is paramount. As such the Company, through the advice of Canadian health authorizes, adopted a work-from-home policy for all employees in order to adhere to social distancing recommendations and keep employees healthy. The Company will continue to follow these recommendations until such time as authorities update employers on next steps. In addition, the Company has suspended field activities temporarily in some cases and modified field work substantially in others in order to comply with recommendations. As restrictions are lifted, the Company will re-evaluate its own policies on office re-opening and field activities in order to ensure continued health and safety of employees and the communities within which they operate.

Business and Supply Chain Interruption

The Company relies heavily on contracted services to complete certain field exploration activities such as diamond drilling. The companies that provide these services have also been significantly impacted by the COVID-19 crisis in the form of operational shutdowns. These companies operate crews that are often in close proximity to each other, which presents health risks to these individuals. In addition, the Company’s employees are often in close contact with these service providers as work is carried out compounding the risks. There are no alternatives to these services and therefore the risk does exist that the Company will not be able to conduct certain exploration initiatives for the foreseeable future. The Company will, however, endeavor to work closely with these service providers on safety protocols and distancing policies as restrictions are lifted to ensure the continued health and well-being of all personnel and to ensure that exploration related goals can be achieved safely. In the meantime, the Company will continue to compile information related to its projects and prepare plans in order to move forward in the field once it is feasible to do so.

Government Relief Measures

The government of Canada has introduced several relief measures aimed at fiscal easing for both employers and employees alike. Many of the business-related relief measures were designed for companies that have suffered catastrophic declines in revenues from operations. As the Company does not have revenue from operations, many of these measures do not apply but the Company continues to monitor these programs and will pursue relief if practical and beneficial to do so.

Capital Management

While the Company does not presently rely on revenues from operations given it is a development stage enterprise, it does rely solely on capital raised on the public equity markets in order to fund operations. The COVID-19 pandemic has created drastic volatility on the equity markets and as such will have a foreseeable negative impact on capital raising initiatives moving forward as economic growth projections have contracted significantly. While the Company feels it can effectively manage its capital in the short term, there is no guarantee that future fundraising attempts will be successful. In this case, the Company would look to alternative sources of capital such as disposition or option of non-core exploration assets to reduce exposure and preserve capital or through disposition of equity holdings at opportune times to replenish cash reserves.

Commodity Prices

The COVID-19 pandemic has sharply contracted world demand of many commodities and as a result prices for these commodities have declined significantly. While the Company does not currently operate any producing mines, this commodity price volatility still impacts the valuations of exploration companies. It can hamper investor interest in capital raising scenarios if the underlying commodities of interest in the property portfolio of the Company are out of favor.

Guidance on Essential Services and Functions in Canada During the COVID-19 Pandemic

Canada's National Strategy for Critical Infrastructure defines critical infrastructure as the processes, systems, facilities, technologies, networks, assets, and services essential to the health, safety, security or economic well-being of Canadians and the effective functioning of government. The Strategy classifies critical infrastructure in Canada according to ten sectors, including manufacturing businesses that ensure global continuity of supply of mining and mineral materials and products, and that support supply chains in Canada. This includes mineral exploration and development which is deemed an essential service.

The Company is an exploration-stage company and will adhere to all prescribed protocols, and as mining has been declared a critical industry the Company will be proceeding with its previously announced field programs preparatory to drilling.

MINERAL EXPLORATION ACTIVITIES

Victoria Gold Project, Newfoundland

The Company's Victoria Lake Gold project is located in west-central Newfoundland and comprises the 100% owned Staghorn property, the Long Lake property, and the Costigan Lake property. Quadro recently optioned the Tulks South Property and this will add another 212 claim units to the package.

Staghorn Property

The Staghorn gold property consists of 148 claim units covering 40 sq. km. located in southwestern Newfoundland. Quadro has identified three gold rich systems that require follow-up drill testing. Quadro has completed three drill programs to date and drilling continues into 2021, focused on the Marks Pond area, including step out drilling on the new zone and allow for testing of the other soil anomalies in the area.

The winter 2020-2021 program saw a total of 1403 meters completed in ten holes, all targeted on the Marks Pond gold zone. The drilling consisted of a series of 50-meter spaced step-out and undercut holes to the northeast of the discovery hole MP20-02. Drilled in late 2020, this hole intersected a gold zone assaying 3.22 g/t Au over 5.0m, within a wider intersection of 1.98 g/t Au over 12.0m.

The recent exploration at Staghorn has continued to define gold mineralization associated with the Cape Ray Fault zone. The program helped outline the Marks Pond zone over 300 meters and succeeded in vectoring on areas of potential higher grade below the existing holes. The drilling was successful in extending the Marks Pond Zone 300 meters to the northeast. All holes intersected a 20 to 30 meter wide zone of strongly altered diorite (albitized, silicified) with appreciable amounts of quartz veining and sulphide mineralization with variable gold results. The most noteworthy gold values were obtained from undercut drill holes on either end of the zone. On the northeast portion of the zone hole MP21-18 intersected 20.37 g/t Au over 0.5m within a wider zone of 0.53 g/t Au over 23.8m. To the southwest hole MP21-20 undercut the discovery hole drilled in 2020 (MP20-02 which intersected 3.22 g/t Au over 5.0m). This undercut intersected 3.89 g/t Au over 2.5m within a wider interval of 1.23 g/t Au over 15.0m.

The winter 2020-2021 program was designed to access drill sites, as described above, in an area where wet and boggy ground may make summer access difficult. Drilling resumed on the Marks Pond zone in October, 2021 however assay results are pending from the ongoing program. This drilling will focus on drilling below the intersections in holes MP21-18 and 20 at

Marks Pond and follow-up drilling in the Ryan's Hammer area.

Both Staghorn and Long Lake projects cover portions of the auriferous Cape Ray Fault system which hosts a number of active gold exploration programs including Sokoman Minerals Corp., and Marathon Gold Corp.'s Valentine Lake deposits (Total Measured Mineral Resources (inclusive of the Mineral Reserves) comprise 1.9 Moz (31.7 Mt at 1.86 g/t) with Indicated Mineral Resources (inclusive of the Mineral Reserves) of 1.19 Moz (23.2 Mt at 1.60 g/t). Additional Inferred Mineral Resources are 0.96 Moz (16.77 Mt at 1.78 g/t Au). (N.I. 43-101 Technical Report & Pre-Feasibility Study on the Valentine Gold Project Newfoundland and Labrador, Canada Report date: April 21, 2020 Effective date: April 18, 2020 Prepared for: Marathon Gold Corporation 10 King St. East, Suite 501, Toronto, ON, M5C 1C3 Prepared by: Ausenco Engineering Canada). Marathon Gold's Valentine Lake deposits and Quadro's Staghorn and Long Lake properties are on strike from each other and are traversed by the auriferous Cape Ray Fault and associated Rogerson Lake Conglomerate unit. The Marathon property hosts the multi-million oz Valentine Lake gold trend which terminates to the southwest at the shore of Victoria Lake. The northeast part of Quadro's Staghorn property extends to the opposite shore of Victoria Lake (Ryan's Hammer area), where similar gold mineralization has been found in float and drill holes. Quadro's 2021 work programs include continued and step-out drilling at several target zones. Mineralization hosted on these established operations is not necessarily indicative or representative of the mineralization that may be hosted on the Company's property.

<u>Long Lake Property</u>

The Long Lake property consists of 272 claim units covering 68 sq. km. in southwestern Newfoundland. Quadro has an option to earn a 100% interest in this property located proximal to Marathon Gold's Valentine Lake deposits. The property is located along the northwest boundary of the Marathon Gold project within an under-explored belt of mineralized volcano-sedimentary and intrusive rocks. Highlights from the property includes two areas of strong gold in soil and tills which have never been followed up. The property provides an opportunity for new gold discoveries in the emerging Cape Ray Gold district and is complimentary to Quadro's Staghorn claims located 35 km southeast of the newly acquire claims. Recent rock samples focused on areas with anomalous Au-in-soils and tills delineated from historic work as well as areas underlain by a diorite/monzonite geological unit, similar to the host rock at the Valentine Lake deposits. Samples include 33.65 g/t Au, 8.66 g/t Au, and 33.65 g/t Au from angular quartz. New assay results include high grade gold from three additional float samples collected from an area up to 500 meters west of the initial discovery. One sample of quartz float with fine specs of visible gold, located 440 m west of the initial occurrence assayed 20.12 g/t Au. The other two samples assayed 15.05 and 7.06 g/t Au. Prospecting and soil sampling are continuing, focused on this area. A trenching program was completed on the Tower Au-in-till anomaly which had up to 4.53 g/t Au in Heavy Mineral Concentrate and included numerous grains of pristine gold grains. A total of 15 samples from four trenches were taken during the trenching program and assays are pending. Quadro's 2021 work programs include geochemical and magnetics/IP work, as well as reconnaissance drilling. Mineralization hosted on these established operations is not necessarily indicative or representative of the mineralization that may be hosted on the Company's property.

Conche Property, Newfoundland

The Company holds a one third interest in a 41-unit claim license in the St. Anthony area on the Northern Peninsula, Newfoundland, and Labrador. Quadro is the operator of the project.

In June, 2018, reconnaissance prospecting carried out on crown land and led by three personnel of Quadro, Metals Creek and Benton discovered a new galena, copper, zinc and fluorite showing with strike length potential of greater than 300 meters. Assay results had highs of 192 g/t Ag, 15.5% Pb, 0.45% Cu and 0.26% Zn. Quadro, Metals Creek and Benton decided to jointly stake the Conche property and have subsequently reduced the property to six units covering the main showing. A follow-up soil sampling program and prospecting/geological mapping is proposed.

Careless Cove Property, Newfoundland

The Careless Cove property consists of 40 claim units comprised of two claim blocks: Careless Cove and Yellow Fox. Quadro has an option to earn a 100% interest in the Yellow Fox and Careless Cove properties. Previous work on the two claim blocks resulted in gold mineralization up to 11.38g/t Au and 59.413 g/t Au. The property is located within the Central Newfoundland Gold Belt, eleven km southwest of New Found Gold Corp.'s ("NFG") Keats Zone where drilling is defining a very high grade mineralized zone which includes recent intersections up to 261.3 g/t Au over 7.2m and 146.2 g/t Au over 25.6m. Quadro's claims are partially surrounded by NFG's Queensway Project and are immediately west of the south-southwest striking Appleton Fault Zone corridor, which hosts the Keats Zone mineralization. Other nearby explorers include Labrador Gold Corp. and Sokoman Minerals Corp. Quadro's 2021 work programs include sampling, prospecting, and reconnaissance drilling. Mineralization hosted on these established operations is not necessarily indicative or representative of the mineralization that may be hosted on the Company's property.

Seagull Lake Property, Ontario

The Seagull Lake Property is located one hour north of the city of Thunder Bay in Northwest Ontario and 28 kilometers north of the new copper, nickel, platinum, palladium discoveries of Rio Tinto and Magma Metals, now Panoramic Resources Ltd. The North American Palladium mine, the only primary producing palladium mine in Canada, is located 50 kilometers northwest of the Seagull Lake property.

The Seagull intrusion is described as being a10 kilometers diameter circular intrusive that is composed of ultramafic rocks with a high olivine content that has been derived from a deep mantle source. Layering and multiple phases of intrusion have been recognized which creates a favorable setting for Norilsk-type sulphide accumulation. From the July 27, 2000 news release of Canadian Golden Dragon Resources Ltd. "This is the first cumulate PGE-Ni-Cu sulphide zone to the Company's knowledge to be identified in the Proterozoic ultramafic rocks of the Nipigon Plate and confirms that these intrusions have undergone an evolutionary process capable of generating large PGE copper-nickel deposits".

The Seagull Intrusion is also located in the Nipigon Plate, which is interpreted to represent the failed third arm of a Proterozoic-aged, mid-continent rift system, the bulk of which lies beneath Lake Superior. This rifting event is known to host significant Cu-Ni-PGE deposits such as the Duluth Gabbro Complex deposits (Dunka Road, Minnamax, Local Boy etc.) and the Great Lakes Nickel deposit. Three styles of PGE mineralization have been identified in the Seagull Intrusion: PGE-rich detrital "black sands", magnetite-PGE-rich layered "reef-type", and basal Cu-Ni-PGE-rich sulphide-bearing cumulates Norilsk-type. Although the detrital and reef-type mineralization was intersected in the initial drilling, the discovery of the Norilsk-type Cu-Ni-PGE-rich basal sulphide mineralization has become a focus of further exploration, producing grades of up to 3.6 g/t PGE, 0.34% Cu, 0.21% Ni over 2.1 meters, and 1.04 g/t PGE, 0.14% Cu, and 0.16% Ni over 16 meters. (After N Pettigrew, 2002.) Also it is important to note that the Seagull intrusion is highly anomalous in Rhodium, Iridium, Osmium and Ruthenium values (Rh, Ir, Os and Ru the rarer PGEs).

On January 11, 2021, the Company announced that it had withdrawn from the Seagull option agreement signed February 18, 2020. An impairment charge of $162,877 was recorded against the property.

Tulks South Property, Newfoundland

The Tulks Property consists of 212 claim units covering a portion of the Tulks volcanic belt. These claims are tied onto Quadro's Long Lake property and the entire package now consists of 482 units (120.5 sq km) covering a broad Monzonite intrusive unit which trends northeast across the properties. This unit is parallel to the Valentine Lake Monzonite which hosts Marathon Gold's Valentine Lake deposits located 7 km to the southeast of the Quadro claims. (Total Measured Mineral Resources (inclusive of the Mineral Reserves) comprise 1.9 Moz (31.7 Mt at 1.86 g/t) with Indicated Mineral Resources (inclusive of the Mineral Reserves) of 1.19 Moz (23.2 Mt at 1.60 g/t). Additional Inferred Mineral Resources are 0.96 Moz (16.77 Mt at 1.78 g/t Au). (N.I. 43-101 Technical Report & Pre-Feasibility Study on the Valentine Gold Project Newfoundland and Labrador, Canada Report date: April 21, 2020 Effective date: April 18, 2020 Prepared for: Marathon Gold Corporation 10 King St. East, Suite 501, Toronto, ON, M5C 1C3 Prepared by: Ausenco Engineering Canada). (Mineralization hosted on these established operations is not necessarily indicative or representative of the mineralization that may be hosted on the Company's property.)

Qualified Person

The technical contents in this document have been reviewed and approved by Wayne Reid, P. Geo., V.P. Exploration for Quadro, a qualified person as defined by National Instrument (NI) 43-101.

SELECTED ANNUAL INFORMATION

	Fiscal 2021 ($)	Fiscal 2020 ($)	Fiscal 2019 ($)
Revenues	-	-	-
Income (loss) from continuing operations	(800,976)	(670,753)	(314,157)
Net income (loss)	(800,976)	(670,753)	(314,157)
Income (loss) from continuing operations per share - basic and diluted	(0.02)	(0.02)	(0.01)
Net loss (loss) per share - basic and diluted	(0.02)	(0.02)	(0.01)
Total assets	4,292,427	2,683,687	1,609,614
Total non-current liabilities	-	-	-
Dividends	-	-	-

Factors That Affect the Comparability of the Annual Financial Data Disclosed Above

During fiscal 2021, 2020, and 2019, the Company incurred net losses of $800,976, $670,753, and $314,157 respectively. The increase in loss in fiscal 2021 was mainly due to the increased acquisition and financing activities during the year. The total assets have increased at July 31, 2021 due to the acquisition of mineral property assets and the completion of private placement financings of $1,638,470.

DISCUSSION OF OPERATIONS

Quadro is an exploration stage company and has no operating revenue. Expenditures related to exploration and evaluation assets are capitalized.

Year ended July 31, 2021

During the year ended July 31, 2021, the Company incurred $195,627 (2020 - $200,000) in acquisition costs and $1,265,525 (2020 - $104,614) in exploration expenditures. The details of the mineral expenditures are included in the Note 6 to the financial statements

During the year ended July 31, 2021, the Company incurred a net loss of $800,976 compared to a net loss of $670,753 for the year ended July 31, 2020. The increase in general operating expenses was due to the increase in mineral property and corporate activities during the current year and the variance was mainly attributable to:

- Accounting and audit of $29,357 (2020 - $34,989) relate to accounting, audit and tax compliance work.
- Consulting fees of $143,419 (2020 - $372,423) include $45,145 (2020 - $48,047) to contract consultants for corporate and administrative work and $98,274 (2020 - $337,079) to marketing advisory firms.
- Office and miscellaneous of $36,392 (2020 - $30,005) have decreased from the comparative period due to the decrease in corporate activities in the 2021.
- Transfer agent and regulatory fees of $62,959 (2020 - $30,226) have increased from the comparative period due to the issuances of private placements and increased property acquisition activities.
- Write-down of exploration and evaluation assets of $162,877 (2020 - $nil) have increased from the comparative period due to the termination of exploration activities in Seagull Lake Property in the 2021 period.
- Share-based payments of $314,965 (2020 - $41,410) have increased from the comparative period due to options granted to the Company's directors and officers.

SUMMARY OF QUARTERLY RESULTS

The following table sets forth selected unaudited financial information for the Company's eight most recent quarters ending with the last quarter for the three months ended on July 31, 2021.

	For the Three Months Ending							
	Fiscal 2021				Fiscal 2020			
	Jul. 31, 2021	Apr. 30, 2021	Jan. 31, 2021	Oct. 31, 2020	Jul. 31, 2020	Apr. 30, 2020	Jan. 31, 2020	Oct. 31, 2019
	($)	($)	($)	($)	($)	($)	($)	($)
Total revenues	-	-	-	-	-	-	-	-
Income (loss) from continuing operations	49,271	(444,546)	(290,414)	(115,287)	(481,603)	(94,635)	(62,805)	(31,710)
Net income (loss)	49,271	(444,546)	(290,414)	(115,287)	(481,603)	(94,635)	(62,805)	(31,710)
Income (loss) from continuing operations per share - basic and diluted	0.00	(0.01)	(0.01)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Net income (loss) per share - basic and diluted	0.00	(0.01)	(0.01)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)

FOURTH QUARTER

In the fourth quarter ended July 31, 2021, the Company incurred a net income of $49,271 (2020 - $481,603 net loss). The current period's income was mainly attributable to Flow-through recovery of $143,145 (2020 - $Nil) and write-down of accounts payable $31,031 (2020 - $Nil). The decrease in general operating expenses and the variance was mainly attributable to share-based payment of $nil (2020 - $26,970).

LIQUIDITY AND CAPITAL RESOURCES

As at July 31, 2021, the Company had a cash balance of $1,450,445 compared to $812,187 as at July 31, 2020. The Company had working capital of $1,154,896 as at July 31, 2021 compared to working capital of $871,027 as at July 31, 2020.

During the year ended July 31, 2021, the cash balance increased by $638,258 (2020 - $651,082). The Company spent $326,201 (2020 - $739,300) in operating activities, $1,717 (2020 - $2,183) on computer equipment purchase and $1,040,111 (2020 - $182,299) on its exploration assets. The Company received $2,097,820 (2020 - $1,560,255) of net proceeds from share issuance through exercise of warrants.

Going Concern

At present, the Company's operations do not generate cash flow and its financial success is dependent on management's ability to continue to raise adequate financing on reasonable terms and to commence profitable operations in the future. However, management believes that it has sufficient working capital to fund its operations for the next twelve months. Should the Company be unable to realize its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the balance sheets. The Company's financial statements do not include adjustments that would be necessary should the Company be unable to continue as a going concern. These adjustments could be material.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

Included in amounts due to related parties are $5,000 (July 31, 2020 - $6,313) in advances from the President of the Company.

Amounts due to related parties are unsecured, non-interest bearing, and have no specific terms of repayment.

Included in receivables are $19,471 (July 31, 2020 - $16,313) of sublease payment due from a company with directors in common with the Company.

Key management personnel include directors (executive and non-executive) and officers of the Company. The compensation paid or payable to key management personnel during the year ended July 31, 2021 is as follows:

	Years ended	
	July 31, 2021	July 31, 2020
Geological consulting fees	$ 72,000	$ -
Management fees	136,198	107,500
Rent	38,194	15,000
Share-based payments	314,965	14,440
	$ 561,357	$ 136,940

The Company entered into the following related party transactions during the year ended July 31, 2021:

a) Paid or accrued management fees of $88,000 (2020 - $78,000) to a company controlled by the Chief Executive Officer of the Company for management services provided.

b) Paid or accrued management fees of $48,198 (2020 - $29,500) to the Chief Financial Officer of the Company for management services provided.

c) Incurred geological consulting of $72,000 (2020 - $nil) to a company controlled by an officer of the Company.

d) Incurred rent expenses of $38,194 (2020 - $15,000) to a company which a director of the Company is an officer.

SUMMARY OF OUTSTANDING SHARE DATA

The Company's issued and outstanding share capital as at the date of this report is as follows:

(1) Authorized: Unlimited common shares without par value.
(2) As at the date of this report, the Company has 72,921,441 common shares, 5,485,000 stock options, and 12,470,900 warrants issued and outstanding.

CRITICAL ACCOUNTING ESTIMATES

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the period. Actual results could differ from these estimates. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised. Significant areas requiring the use of management estimates include:

i) The determination of the fair value of stock options and warrants using stock pricing models, require the input of highly subjective assumptions, including the expected price volatility. Changes in the subjective input assumptions could materially affect the fair value estimate; therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options and warrants.
ii) The determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry-forwards. Changes in these assumptions could materially affect the recorded amounts, and therefore do not necessarily provide certainty as to their recorded values.

FINANCIAL INSTRUMENTS

The Company has classified cash as FVTPL, and receivables, trade and other payables and amounts due to related parties at amortized cost.

As of July 31, 2021, the carrying amounts of receivables, trade and other payables, and amounts due to related parties carried at amortized cost are considered a reasonable approximation of their fair values due to the relatively short period to maturity of these financial instruments.

Financial risk management

The Company's financial risks arising from its financial instruments are credit risk, liquidity risk, and interest rate risk. The Company's exposures to these risks and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Credit risk

Credit risk is the risk of potential loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The credit risk of the Company is associated with its cash. The credit risk with respect to its cash is minimal as they are held with high-credit quality financial institutions. The Company's receivables consist of rental recovery due from a sublease office tenant and sales tax recoverable due from the Canadian government. Management does not expect these counterparties to fail to meet their obligations. Management does not expect these counterparties to fail to meet their obligations.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at July 31, 2021, the Company had a cash balance of $1,450,445 to settle trade and other payables of $229,605 and due to related parties of $5,000. The Company's trade and other payables have contractual maturities of 30 days or are due on demand and are subject to normal trade terms.

At present, the Company's operations do not generate positive cash flows. The Company's primary source of funding has been the issuance of equity securities through private placements and the exercise of stock options and warrants. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Current financial assets and financial liabilities are generally not exposed to interest rate risk because of their short-term maturity.

RISKS AND UNCERTAINTIES

Exploration of mineral properties involves a high degree of risk and the successful achievement of a profitable operation cannot be assured. Costs of finding and evaluating an ore body are substantial, and may take several years to complete. The Company must overcome many risks associated with an early stage exploration property. Specific items include, but are not limited to, identification and quantification of a commercially viable ore body, confirmation of the Company's interest in the underlying claims and leases, completion of a feasibility study, funding of all costs related to a commercial operating venture, completion of the permitting process, detailed engineering and the procurement of a processing plant, and constructing a facility to support the property. Construction and operational risks including, but not limited to, equipment and plant performance, metallurgical, environmental, cost estimation accuracy, and workforce performance and dependability will all affect the profitability of an operating property.

Operating Hazards and Risks

Mineral exploration involves many risks. The operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, any of which could result in work stoppages and damage to persons or property or the environment and possible legal liability for any and all damage. Fires, power outages, labour disruptions, flooding, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are some of the risks involved in the conduct of exploration programs.

Environmental Factors

The Company currently conducts exploration activities in the Canadian Provinces of Newfoundland and Ontario. Such activities are subject to various laws, rules and regulations governing the protection of the environment. In Canada, extensive environmental legislation has been enacted by federal and provincial governments. Such legislation imposes rigorous standards on the mining industry to reduce or eliminate the effects of wastes generated by extraction and processing operations and subsequently deposited on the ground or emitted into the air or water.

All phases of the Company’s operations are subject to environmental regulation in the jurisdictions in which it operates. Environmental legislation is evolving in a manner which requires stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed properties and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company’s operations. The cost of compliance with changes in governmental regulations has the potential to preclude entirely the economic development of a property.

The Company is able to conduct its exploration within the provisions of the applicable environmental legislation without undue constraint on its ability to carry on efficient operations. The estimated annual cost of environmental compliance for all properties held by the Company in the exploration stage is minimal and pertains primarily to carrying out diamond drilling, trenching or stripping. Environmental hazards may exist on the Companies properties, which hazards are unknown to the Company at present, which have been caused by previous or existing owners or operators of the properties.

Governmental Regulation

Exploration activities on the Company’s properties are affected to varying degrees by: (i) government regulations relating to such matters as environmental protection, health, safety and labour; (ii) mining law reform; (iii) restrictions on production, price controls, and tax increases; (iv) maintenance of claims; (v) tenure; and (vi) expropriation of property. There is no assurance that future changes in such regulation, if any, will not adversely affect the Company’s operations. Changes in such regulation could result in additional expenses and capital expenditures, availability of capital, competition, reserve uncertainty, potential conflicts of interest, title risks, dilution, and restrictions and delays in operations, the extent of which cannot be predicted.

The Company is at the exploration stage on all of its properties. Exploration on the Company’s properties requires responsible best exploration practices to comply with company policy, government regulations, maintenance of claims and tenure. The Company is required to be registered to do business and have a valid prospecting license (required to prospect or explore for minerals on Crown Mineral Land or to stake a claim) in any Canadian province in which it is carrying out work.

Mineral exploration primarily falls under provincial jurisdiction. However, the Company is also required to follow the regulations pertaining to the mineral exploration industry that fall under federal jurisdiction, such as the Fish and Wildlife Act.

If any of the Company’s projects are advanced to the development stage, those operations will also be subject to various laws and regulations concerning development, production, taxes, labour standards, environmental protection, mine safety and other matters.

Additional Funding Requirements

Further exploration on and development of, the Company's projects will require additional resources and funding. The Company currently does not have sufficient funds to fully develop these projects. In addition, any positive production decision, if achieved, would require significant funding for project engineering and construction. Accordingly, the continuing development of the Company's properties will depend upon the Company's ability to obtain financing through debt financing, equity financing, the joint venturing of projects, or other means. There is no assurance that the Company will be successful in obtaining the required financing for these or other purposes, including for general working capital.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

New accounting policies

There were no new or amended IFRS pronouncements effective January 1, 2021 that impacted the Company's audited financial statements.

DISCLOSURE CONTROLS

In connection with Exemption Orders issued by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the audited annual financial statements and respective accompanying Management's Discussion and Analysis.

In contrast to the certificates under National Instrument ("NI") 52-109 (Certification of disclosure in an Issuer's Annual and Interim Filings), the Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting as defined in NI 52-109.

ADDITIONAL INFORMATION

Additional information is available concerning the Company and its operations on SEDAR at www.sedar.com and on the Company website at www.quadroresources.com.

APPROVAL

The Board of Directors of Quadro Resources Ltd. has approved the contents of this MD&A on November 5, 2021.