

FORM 5

QUARTERLY LISTING STATEMENT

Name of Listed Issuer: TERRA BALCANICA RESOURCES CORP. (the "Issuer").

Trading Symbol: TERA

This Quarterly Listing Statement must be posted on or before the day on which the Issuer's unaudited interim financial statements are to be filed under the *Securities Act*, or, if no interim statements are required to be filed for the quarter, within 60 days of the end of the Issuer's first, second and third fiscal quarters. This statement is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the Exchange Policies. If material information became known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the Exchange website.

General Instructions

- (a) Prepare this Quarterly Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Listed Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

There are three schedules which must be attached to this report as follows:

SCHEDULE A: FINANCIAL STATEMENTS

Financial statements are required as follows:

For the first, second and third financial quarters interim financial statements prepared in accordance with the requirements under Ontario securities law must be attached.

If the Issuer is exempt from filing certain interim financial statements, give the date of the exempting order.

SCHEDULE B: SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in Schedule A.

1. Related party transactions

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

- (a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.
- (b) A description of the transaction(s), including those for which no amount has been recorded.
- (c) The recorded amount of the transactions classified by financial statement category.
- (d) The amounts due to or from Related Persons and the terms and conditions relating thereto.
- (e) Contractual obligations with Related Persons, separate from other contractual obligations.
- (f) Contingencies involving Related Persons, separate from other contingencies.

2. Summary of securities issued and options granted during the period.

Provide the following information for the period beginning on the date of the last Listing Statement (Form 2A):

- (a) summary of securities issued during the period,

| Date of Issue | Type of Security (common shares, convertible debentures, etc.) | Type of Issue (private placement, public offering, exercise of warrants, etc.) | Number | Price | Total Proceeds | Type of Consideration (cash, property, etc.) | Describe relationship of Person with Issuer (indicate if Related Person) | Commission Paid |
|---------------|--|--|--------|-------|----------------|--|--|-----------------|
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |

(b) summary of options granted during the period,

| Date | Number | Name of Optionee if Related Person and relationship | Generic description of other Optionees | Exercise Price | Expiry Date | Market Price on date of Grant |
|------|--------|---|--|----------------|-------------|-------------------------------|
| | | | | | | |
| | | | | | | |
| | | | | | | |

3. Summary of securities as at the end of the reporting period.

Provide the following information in tabular format as at the end of the reporting period:

- (a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,
- (b) number and recorded value for shares issued and outstanding,
- (c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and
- (d) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

4. List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

Provide Interim MD&A if required by applicable securities legislation.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated June 29, 2022.

Catherine Cox
Name of Director or Senior Officer

(Signed) "Catherine Cox"
Signature

Corporate Secretary
Official Capacity

| | | |
|--|---|--|
| Issuer Details | | |
| Name of Issuer Terra Balcanica Resources Corp. | For Quarter Ended April 30, 2022 | Date of Report YY/MM/D June 28, 2022 |
| Issuer Address 250-200 Burrard Street | | |
| City/Province/Postal Code Vancouver, BC V6C 3L6 | Issuer Fax No. (N/A) | Issuer Telephone No. (604) 999-4136 |
| Contact Name Catherine Cox | Contact Position Corporate Secretary | Contact Telephone No. 604-999-4136 |
| Contact Email Address CCox@catcorporateservices.com | Web Site Address Terrabresoures.com | |

SCHEDULE A

Terra Balcanica Resources Corp.
Condensed Interim Consolidated Financial Statements
For the three months ended
April 30, 2022
Unaudited – Prepared by Management
(Expressed in Canadian Dollars)

**NOTICE OF NO AUDITOR REVIEW
OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

The accompanying condensed interim consolidated financial statements of Terra Balcanica Resources Corp. (the "Company") as at April 30, 2022, and for the three months ended April 30, 2022 and April 30, 2021, have been prepared by the management of the Company and approved by the Company's Audit Committee.

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by CPA Canada for a review of the condensed interim financial statements by an entity's auditor.

Terra Balcanica Resources Corp.
Condensed Interim Consolidated Statements of Financial Position
Unaudited – Prepared by Management

As at April 30, 2022 and January 31, 2022

| | Note | April 30, 2022 | January 31, 2022 |
|--|------|-------------------|---------------------|
| Assets | | | |
| Current assets | | | |
| Cash | 3 | 1,226,863 | 1,652,607 |
| Prepaid expenses | 4 | 194,297 | 246,212 |
| Receivables | 4 | 21,546 | 10,919 |
| Long-term deposits | 6 | 2,716 | 2,850 |
| | | 1,445,422 | 1,912,588 |
| Non-current assets | | | |
| Equipment | 5 | 104,905 | 118,062 |
| Mineral property interests | 7 | 1,273,078 | 1,071,296 |
| Right-of-use asset | 6 | 19,548 | 28,201 |
| | | 1,397,531 | 1,217,559 |
| Total assets | | 2,842,953 | 3,130,147 |
| Liabilities and shareholders' equity (deficiency) | | | |
| Current liabilities | | | |
| Accounts payable and accruals | | 442,290 | 242,757 |
| Lease liability | 6 | 13,227 | 21,916 |
| Advances payable | 8 | 19,774 | 20,723 |
| Total liabilities | | 475,291 | 285,396 |
| Shareholders' equity (deficiency) | | | |
| Share capital | 9 | 5,990,615 | 5,836,865 |
| Reserves | | 50,600 | 48,200 |
| Foreign currency reserve | | (124,146) | 28,893 |
| Deficit | | (3,568,399) | (3,039,894) |
| Shareholders' equity (deficiency) attributable to owners of the Company | | 2,348,670 | 2,874,064 |
| Non-controlling interest | 13 | 18,992 | (29,313) |
| Total shareholders' equity (deficiency) | | 2,367,662 | 2,844,751 |
| Total liabilities and shareholders' equity (deficiency) | | 2,842,953 | 3,130,147 |
| Nature of operations and going concern | 1 | | |
| Events after the reporting period | 14 | | |

Approved on behalf of the Board of Directors on June 28, 2022:

"Aleksandar Miskovic" Director

"Brandon Bonifacio" Director

Terra Balcanica Resources Corp.

Condensed Interim Consolidated Statement of Changes in Shareholders' Equity (Deficiency)

Unaudited – Prepared by Management

For the three months ended April 30, 2022 and April 30, 2021

| | Number of shares # | Share capital \$ | Foreign currency reserve \$ | Deficit \$ | Attributable to owners \$ | Non-controlling interests \$ | Total shareholders' equity \$ |
|--|--------------------------|------------------------|--------------------------------------|--------------------|---------------------------------|------------------------------------|--|
| January 1, 2021 | 1 | 3 | - | (156,064) | (156,061) | 20,247 | (135,814) |
| Equity of Terra Balcanica Resources Corp. | 27,759,721 | 1,574,642 | - | (1,201,300) | 373,342 | - | 373,342 |
| Elimination of equity of Terra Balcanica Resources Corp. | - | (1,251,200) | - | 1,201,300 | (49,900) | - | (49,900) |
| Shares acquired of legal parent | (1) | - | - | - | - | - | - |
| Acquisition - Tera Balkanika | 24,525,000 | 2,452,500 | - | - | 2,452,500 | - | 2,452,500 |
| Private placements | 1,010,000 | 101,000 | - | - | 101,000 | - | 101,000 |
| Share issuance costs - cash | - | - | - | - | - | - | - |
| Loss and comprehensive loss for the period | - | - | (1,255) | (1,555,495) | (1,556,750) | (11,264) | (1,568,014) |
| April 30, 2021 | 53,294,721 | 2,876,945 | (1,255) | (1,711,559) | 1,164,131 | 8,983 | 1,173,114 |

| | Number of common shares # | Number of special warrants # | Share capital \$ | Special warrants \$ | Reserves \$ | Foreign currency reserve \$ | Deficit \$ | Attributable to owners \$ | Non-controlling interests \$ | Total shareholders' equity \$ |
|--|---------------------------------|------------------------------------|------------------------|---------------------------|----------------|-----------------------------------|--------------------|---------------------------------|------------------------------------|--|
| February 1, 2022 | 61,244,721 | 11,467,500 | 3,622,175 | 2,214,690 | 48,200 | 28,893 | (3,039,894) | 2,874,064 | (29,313) | 2,844,751 |
| Special warrants | - | 800,000 | - | 160,000 | - | - | - | - | - | - |
| Conversion of special warrants | 6,742,500 | (6,742,500) | 1,348,500 | (1,348,500) | - | - | - | - | - | - |
| Finders' fees - cash | - | - | - | (3,850) | - | - | - | - | - | - |
| Finders' warrants | - | - | (2,400) | - | 2,400 | - | - | - | - | - |
| Loss and comprehensive loss for the period | - | - | - | - | - | (153,039) | (528,505) | (525,394) | 48,305 | (477,089) |
| April 30, 2022 | 67,987,221 | 5,525,000 | 4,968,275 | 1,022,340 | 50,600 | (124,146) | (3,568,399) | 2,348,670 | 18,992 | 2,367,662 |

Terra Balcanica Resources Corp.
Condensed Interim Consolidated Statement of Loss and Comprehensive loss
Unaudited – Prepared by Management
For the three months ended April 30, 2022 and April 30, 2021

| | Note | April 30, 2022 | April 30, 2021 |
|--|------|-------------------|--------------------|
| Expenses | | | |
| Administrative | | 54,146 | 25,583 |
| Advertising | | 102,349 | 3,804 |
| Consulting | | 90,308 | - |
| Depreciation | 5,6 | 15,508 | 2,320 |
| Finance costs | 6 | 472 | - |
| Transaction cost | 13 | - | 1,290,446 |
| Miscellaneous | | 32,155 | 34,144 |
| Professional fees | | 171,323 | 46,462 |
| Project costs | | 16,547 | 24,002 |
| Transportation costs | | 17,708 | 5,369 |
| Wages and salaries | | 62,595 | 78,782 |
| Loss from operating expenses | | (563,111) | (1,510,912) |
| Other income | | 1,282 | 281 |
| Foreign exchange gain (loss) | | 23,001 | (7,112) |
| Foreign currency translation adjustment | | 10,323 | (37,752) |
| Loss and comprehensive loss for the period | | (528,505) | (1,555,495) |
| Loss and comprehensive loss for the period attributable to: | | | |
| Owners of the Company | | (576,810) | (1,544,230) |
| Non-controlling interests | | 48,305 | (11,264) |
| | | (528,505) | (1,555,494) |
| Loss per share | | | |
| Weighted average number of common shares outstanding | | | |
| - Basic # | | 61,699,272 | 29,970,119 |
| - Diluted # | | 61,699,272 | 29,970,119 |
| Basic loss per share \$ | | (0.01) | (0.05) |
| Diluted loss per share \$ | | (0.01) | (0.05) |

Terra Balcanica Resources Corp.
Condensed Interim Consolidated Statement of Cash Flows
Unaudited – Prepared by Management
For the three months ended April 30, 2022 and April 30, 2021

| Note | April 30, 2022 | April 30, 2021 |
|---|-------------------|-------------------|
| Operating activities | | |
| Loss for the period | (528,505) | (1,555,495) |
| Adjustments for non-cash items: | | |
| Depreciation | 19,790 | 2,320 |
| Foreign exchange | 42,191 | 152 |
| Accretion | 494 | - |
| Excess consideration | - | 1,290,446 |
| Non-controlling interest | 48,305 | - |
| Changes in non-cash working capital items: | | |
| Receivables | (10,627) | 9,301 |
| Prepaid expenses | 51,915 | (10,072) |
| Accounts payable and accruals | 198,584 | (56,266) |
| Intercompany | - | 594,860 |
| | (177,853) | 275,246 |
| Financing activities | | |
| Lease payments | (8,390) | - |
| Proceeds from common share issuance and special warrants, net of share issuance costs | 156,150 | 101,000 |
| | 147,760 | 101,000 |
| Investing activities | | |
| Acquisition of equipment | - | (99,272) |
| Acquisition of exploration and evaluation assets | (242,612) | (103,349) |
| Cash acquired on Tera Balkanikda acquisition | - | 429,925 |
| | (242,612) | 227,304 |
| Effect of foreign exchange on cash | (153,039) | (120,331) |
| Change in cash | (425,744) | 483,219 |
| Cash, beginning of period | 1,652,607 | 19,207 |
| Cash, end of period | 1,226,863 | 502,426 |

Supplemental cash flow information

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1. Nature of operations and going concern

Terra Balcanica Resources Corp. (formerly 1250598 B.C. Ltd.) (“Terra” or the “Company”) was incorporated on May 19, 2020 under the laws of the Province of British Columbia, Canada. In March 2021, the Company changed its name to Terra Balcanica Resources Corp. Head office is located at 910 – 800 West Pender Street, Vancouver, British Columbia, Canada, V6C 2V6. The principal business of the Company is the identification, evaluation and acquisition of mineral property assets.

The Company is in the process of exploring its mineral property interests and has not yet determined whether its mineral property interests contain mineral reserves that are economically recoverable. The Company's continuing operations and the underlying value and recoverability of the amounts shown for mineral property interests are entirely dependent upon the existence of economically recoverable mineral reserves and the ability of the Company to obtain the necessary financing to complete the exploration of the mineral property interests.

These condensed interim consolidated financial statements (“financial statements”) are prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of operations. As an exploration stage company, the Company does not have traditional sources of revenue, and historically has relied on advances payable to cover its operating expenses. As at April 30, 2022, the Company had working capital of \$970,131 and shareholders' equity of \$2,367,662. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's ability to raise capital or conduct exploration activities. There are various community travel restrictions and health and safety concerns that may prohibit or delay exploration programs from proceeding. Operations will depend on obtaining necessary field supplies, obtaining contractor services and safeguarding all personnel during the outbreak, which may be prohibitive or too costly.

On September 14, 2020, the Company acquired, through acquisition of common shares, a 90% interest in Drina Resources D.O.O. Banja Luka (“Drina”) a corporation existing under the laws of Bosnia which holds certain mineral property interests in Bosnia (Note 13).

On January 25, 2021, the Company entered a definitive Share Purchase Agreement (the “Agreement”) closed on March 19, 2021, for Terra Balcanica Resources Corp. (formerly 1250598 B.C. Ltd.) (“Terra Balcanica”) to acquire the Company a corporation existing under the laws of the Republic of Serbia mineral exploration company which holds certain mineral property interests in Serbia and Bosnia (Note 13).

2. Significant accounting policies

a) Basis of presentation

These financial statements have been prepared in conformity with International Accounting Standard (“IAS”) 34, Interim Financial Reporting, using the same accounting policies as detailed in the Company's annual audited consolidated financial statements for the year ended January 31, 2022, and do not include all the information required for full annual financial statements in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). It is suggested that these financial statements be read in conjunction with the annual audited consolidated financial statements.

These financial statements have been prepared on an historical cost basis, except for financial instruments which are measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. All amounts on these financial statements are presented in Canadian dollars which is the functional currency of the Company and its subsidiaries.

2. Significant accounting policies (continued)

b) Basis of consolidation

These financial statements include the accounts of the Company and its subsidiary. The results of each subsidiary will continue to be included in the consolidated financial statements of the Company until the date that the Company's control over the subsidiary ceases. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

| Entity | Incorporation | Status | Functional Currency | Ownership Percentage |
|----------------|----------------------|---------------|----------------------------|-----------------------------|
| Tera Balkanika | Serbia | Active | Serbian Dinar | 100% |
| Drina | Bosnia | Active | Bosnian Mark | 90% |

3. Cash

Cash consist of the following:

| | April 30, 2022 | January 31, 2022 |
|------|---------------------------|-----------------------------|
| Cash | 1,226,863 | 1,652,607 |

4. Receivables and prepaid expenses

Receivable and prepaid expenses consists of the following:

| | April 30, 2022 | January 31, 2022 |
|------------------|---------------------------|-----------------------------|
| VAT Receivable | 21,546 | 10,919 |
| Prepaid expenses | 194,297 | 246,212 |
| | 215,843 | 257,131 |

Value Added Tax (VAT) receivable consists of amounts paid on business related expenses in the period ending April 30, 2022.

5. Equipment

| Cost | Software | Computer Equipment | Vehicle | Total |
|-----------------------------------|---------------|-----------------------|---------------|----------------|
| Balance - January 31, 2022 | 44,059 | 13,829 | 85,327 | 143,215 |
| Additions | - | - | - | - |
| Disposals | - | - | - | - |
| Foreign currency difference | - | - | - | - |
| Balance - April 30, 2022 | 44,059 | 13,829 | 85,327 | 143,215 |
| Accumulated Depreciation | | | | |
| Balance - January 31, 2022 | 10,842 | 2,816 | 11,495 | 25,153 |
| Additions | - | - | - | - |
| Disposals | - | - | - | - |
| Depreciation | 3,615 | 668 | 7,928 | 12,211 |
| Foreign currency difference | (645) | (158) | 1,749 | 946 |
| Balance - April 30, 2022 | 13,812 | 3,326 | 21,172 | 38,310 |
| Carrying Value | | | | |
| Balance - January 31, 2022 | 33,217 | 11,013 | 73,832 | 118,062 |
| Balance - April 30, 2022 | 30,247 | 10,503 | 64,155 | 104,905 |

6. Right-of-use asset

Under IFRS 16 Leases, the Company is required to assess whether a contract is, or contains, a lease. For contracts that are, or contain, leases, the Company recognizes a right-of-use asset and lease liability at the commencement date.

The Company had identified one contract that was a lease as defined under IFRS 16. In analysing the agreement, the Company applied the lessee accounting model pursuant to IFRS 16 and considered all of the facts and circumstances surrounding the inception of the contract. A lease liability was calculated with a discount rate of 10%. Based on all the facts and circumstances at the inception of the contract, the Company had determined that the identified office lease in Belgrade contained a lease as defined by IFRS 16.

A continuity of the carrying amount of the right-of-use asset for the periods ended January 31, 2022 and April 30, 2022 is as follows:

| | Office Lease |
|-----------------------------------|---------------|
| Balance - January 31, 2022 | 28,201 |
| Additions | - |
| Depreciation | (7,579) |
| Foreign currency difference | (1,074) |
| Balance - April 30, 2022 | 19,548 |

Right-of-use (“ROU”) asset relates to the lease of the Company’s head office which commenced on October 1, 2020 and is for the period of two years. Additionally, the Company provided a lease deposit of \$2,716 which is classified as a short-term deposit, as it is refundable at the end of the lease term.

6. Right-of-use asset (continued)

Lease liability

The following is a reconciliation of the carrying amount of the lease liability as at April 30, 2022. The lease commenced on October 1, 2020.

| | <u>Office Lease</u> |
|-----------------------------------|---------------------|
| Balance - January 31, 2022 | (21,916) |
| Additions | - |
| Interest expense | (494) |
| Lease payments | 8,390 |
| Foreign currency difference | 793 |
| Balance - April 30, 2022 | (13,227) |

As at April 30, 2022, the total undiscounted amount of the estimated future cash flows to settle the Company's lease liability over the remaining lease term is 16,000 Euros for year 2022. As at April 30, 2022, the deposit of \$2,716 represents a security deposit on the office premises, which the Company expects to have refunded. Short-term leases are leases with a lease term of twelve months or less.

7. Mineral property interests

Kaludra License

Ministry of Mining and Energy passed approval on September 28, 2017 approving Rockstone Group DOO Kač ("RSG") a company related by virtue of common director, to conduct geological research of lead (Pb), zinc (Zn), copper (Cu), gold (Au), Antimony (Sb) and accompanying metals in the exploration area "Kauldra", municipality Novi Pazar.

On January 25, 2021, Tera entered into an option agreement with RSG to purchase all the interests in the Kaludra License located central Serbia. In order to exercise the option, Tera must make a \$50,000 cash payment within 30 days from the January 25, 2021 (completed March 4, 2021). On January 26, 2022, the Company and RSG amended the option agreement as follows

In addition, the Company must make the following share issuances to RSG:

- 500,000 common shares of Terra on or before the second anniversary of the Grant Date ("Grant Date") which is the date the Ministry of Mining and Energy in the Republic of Serbia grants a new license over the Kaludra License area in the name of the Company.

RSG is eligible to receive bonus payments as follows from the Company:

- \$1,000,000 within 90 days of the commencement of commercial production.

Upon commencement of commercial production, the Company will pay RSG a Net Smelter Royalty ("NSR") being equal to 0.5% of the Net Smelter Returns.

Ceoviste License

On March 2, 2020, Tera acquired the right for applied geological research of lead (Pb), zinc (Zn), silver (Ag), copper (Cu), gold (Au) at the Ceoviste site.

On January 25, 2021, Tera entered into a finders' fee agreement with RSG whereby RSG had previously located and introduced the Company to the Ceovishte Project. On January 26, 2022, the Company amended the agreement as follows:

The finder's fee obligated Tera to make a \$50,000 cash payment within 30 days of the closing of the Company's first equity financing after February 1, 2022. On or before the second anniversary, issue 500,000 common shares of Terra and grant a 0.5% NSR within 30 days from which the Ministry of Mines and Energy of the Republic of Serbia grants the licenses.

7. Mineral property interests (continued)

Drina Licenses

On August 5, 2019, Drina received approval to conduct detailed geological research of lead (Pb), zinc (Zn), copper (Cu) and accompanying metals in the exploration area "Čumavići" and "Olovina". The deadline for completion of the research is May 8, 2022 at the site "Čumavići" and October 2, 2023, at the site "Olovine".

Drina paid 7,758 BAM, for the site "Čumavići" (paid in fiscal 2019) and 8,941 BAM for the site "Olovine" (paid in fiscal 2019).

On March 26, 2021, the Company received approval to conduct detailed geological research of lead (Pb), zinc (Zn), copper (Cu) and accompanying metals in the exploration area "Caus" for 11,368 BAM. The deadline for completion of the research is March 26, 2024.

| | Ceoviste Project | Kaludra Project | Drina Projects | Total |
|----------------------------------|---------------------|-----------------|------------------|------------------|
| | \$ | \$ | \$ | \$ |
| Balance, February 1, 2021 | - | - | 355,866 | 355,866 |
| Administration | - | 34,009 | 56,819 | 90,828 |
| Assay testing | - | 36,728 | 70,810 | 107,538 |
| Equipment rentals | - | 1,020 | 38,536 | 39,556 |
| Geologist and consulting | - | 93,374 | 116,213 | 209,587 |
| Geophysics | - | - | 267,921 | 267,921 |
| Balance, January 31, 2022 | - | 165,131 | 906,165 | 1,071,296 |
| Balance, February 1, 2022 | - | 165,131 | 906,165 | 1,071,296 |
| Administration | - | 5,760 | - | 5,760 |
| Assay testing | - | 2,033 | 88,768 | 90,801 |
| Drilling | - | - | 136,950 | 136,950 |
| Geologist and consulting | - | 431 | - | 431 |
| Road construction | - | - | 8,670 | 8,670 |
| Foreign currency difference | - | - | - | (40,830) |
| Balance, April 30, 2022 | - | 173,355 | 1,140,553 | 1,273,078 |

8. Advances payable

Total advances payable of \$480,385 comprise funds advanced from Grand Rock Capital, Gestion Carl Desjardins, and Terra to finance operations during the year ended December 31, 2020. All advances are non-interest bearing and were due on close of the acquisition of the Company by Terra (Note 14).

During the year ended January 31, 2022, the Company entered into a Share Exchange Agreement ("SEA") with Terra. Terra agreed to purchase all the shares in the capital of the Company by issuing 24,525,000 common shares of Terra representing approximately 46.95% of Terra total issued and outstanding shares on March 19, 2021. The Company has subsequently accounted for this transaction as an acquisition of assets, under the guidance of IFRS 2 and the Company is now a consolidated subsidiary of Terra. All advances payable were classified to intercompany payables and eliminated upon consolidation. Total advances from Terra to the Company amount to \$740,000 Canadian dollars as at the acquisition date March 19, 2021.

9. Share Capital

Transactions for the issue of share capital during the period ended April 30, 2022:

On February 7, 2022 for a total of 900,000 Special Warrants of at a price of \$0.20 per Special Warrant for gross proceeds of \$180,000 were issued. Each Special Warrant will be deemed exercised for one Common Share upon satisfaction of the conditions contained in the Special Warrant Certificate. The Company paid \$3,850 in finders fees and issued 19,250 finders' warrants, exercisable at \$0.20 convertible into one common share of the Company for two years from the date of issuance.

The Company measured the fair value of the finders' warrants using the Black-Scholes option pricing model with the following weighted average assumptions: expected life of warrants – two years, stock price volatility – 120%, no dividend yield, and a risk-free interest rate yield – 2%.

On April 24, 2022, the 6,742,500 Special Warrants issued on December 23, 2021 were converted into 6,742,500 common shares.

Transactions for the issue of share capital during the period ended April 30, 2021:

- On January 25, 2021, the Company entered into a Share Exchange Agreement ("SEA") with Terra. The Company agreed to purchase all the shares in the capital of Tera ("TB Shares") by issuing 24,525,000 common shares of the Company representing approximately 46.95% of the Company total issued and outstanding shares on March 19, 2021 (Note 14).
- On April 22, 2021, the Company completed its first tranche of a non-brokered private placement of 1,010,000 common shares at \$0.10 per common share for gross aggregate proceeds of \$101,000.

Warrants

As an incentive to complete a private placement the Company may issue units which include common shares and common share purchase warrants. Using the residual value method, the Company determines whether a value should be allocated to the warrants attached to private placement units. Finders' warrants may be issued as a private placement share issue cost and are valued using the Black-Scholes option pricing model.

A summary of the status of the Company's warrants as at April 30, 2022 and January 31, 2022 and changes during the years then ended is as follows:

| | Period ended April 30, 2022 | | Period ended January 31, 2022 | |
|--|--------------------------------|---|----------------------------------|---|
| | Warrants # | Weighted average exercise price \$ | Warrants # | Weighted average exercise price \$ |
| Warrants outstanding, beginning of period/year | 394,100 | 0.20 | - | - |
| Issued | 19,250 | 0.20 | 394,100 | 0.20 |
| Warrants outstanding, end of period/year | 413,350 | 0.20 | 394,100 | 0.20 |

As at April 30, 2022, the Company had warrants outstanding and exercisable as follows:

| Warrants outstanding # | Warrants exercisable # | Exercise price \$ | Expiry date |
|------------------------------|------------------------------|-------------------------|-------------------|
| 135,100 | 135,100 | 0.20 | December 23, 2023 |
| 259,000 | 259,000 | 0.20 | January 26, 2024 |
| 19,250 | 19,250 | 0.20 | February 7, 2024 |
| 413,350 | 413,350 | 0.20 | |

10. Related party payables and transactions

The Company's related parties include key management personnel and Directors and companies in which they have control or significant influence over the financial or operating policies. There were no loans to management personnel or Directors, or entities over which they have control or significant influence for the period ended December 31, 2020, and Directors receive no salaries, non-cash benefits, or other remuneration directly from the Company, other than noted below, and there are no employment contracts with them that cannot be terminated without penalty on a thirty-day advance notice. Key management personnel and Directors can participate in the Company's stock option plan. During the period that ended April 30, 2022 and the period that ended January 31, 2022 no stock options were granted to Officers or Directors.

As at April 30, 2022, upon acquisition of Tera, Rockstone Group D.O.O. is wholly held by Aleksandar Ilić, who was the project vendor pursuant to the option agreements on mineral property interests. Mr. Ilić is a current director of the Company. Mr. Ilić was paid \$50,000 on March 4, 2021 for the option of the Kaludra License. (see Note 7) Mr. Ilić is also due another \$50,000 as a finder's fee for the Ceoviste License within 30 days of the closing of the Company's first equity financing after February 1, 2022. (see Note 7).

- (a) Brandon Bonifacio is a Company Director. Mr. Bonifacio provides the Company with management and administrative services.
- (b) Stephen Brohman is the Company's CFO. He is a principal of Donaldson Brohman Martin CPA Inc. ("DBM CPA"), a firm in which he has significant influence. DBM CPA provides the Company with accounting and tax services (included within professional fees).
- (c) Kim Oishi is a Company Director. He is a shareholder and has significant influence over Grand Rock Capital Corp. ("Grand Rock Capital") which is a professional services firm. Grand Rock Capital provides the Company with professional services.
- (d) Alex Miskovic is a Company Director and the Company's CEO. He is a shareholder and has significant influence over Geotarget Solutions Inc. ("Geotarget Solutions") which is a geological consulting firm. Geotarget Solutions provides the Company with geological consulting services and CEO services (included within professional fees).
- (e) Catherine Cox is the Company's Corporate Secretary. She provides the Company with Corporate Secretary services (included within consulting fees).

| | Transactions Three months ended April 30, 2022 \$ | Transactions Three months ended April 30, 2021 \$ | Balances outstanding April 30, 2022 \$ | Balances outstanding January 31, 2022 \$ |
|---------------------|---|---|--|--|
| Brandon Bonifacio | 31,500 | 35,000 | - | - |
| Grand Rock Capital | - | 10,500 | - | - |
| Geotarget Solutions | 32,250 | 24,002 | - | - |
| Catherine Cox | 6,300 | 11,025 | - | - |
| DBMCPA | 50,634 | - | 29,176 | 24,373 |
| Aleksandar Ilić | - | - | 22,913 | 22,913 |
| | 120,684 | 80,527 | 52,089 | 47,286 |

11. Supplemental cash flow information

The Company did not incur any non-cash investing activities during the period ended April 30, 2022 and April 30, 2021.

During the period ended April 30, 2022, and April 30, 2021 there were no amounts paid on account of interest or income taxes.

12. Financial risk management

Capital management

The Company is a junior exploration company and considers items included in shareholders' equity as capital. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares, purchase shares for cancellation pursuant to normal course issuer bids or make special distributions to shareholders. The Company is not subject to any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital. As at April 30, 2022, the Company's capital structure is comprised of shareholders' deficiency of \$2,409,137.

The Company currently has no source of revenues. In order to fund future projects and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company's ability to continue as a going concern on a long-term basis and realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation is primarily dependent upon its ability to sell or option its mineral properties and its ability to borrow or raise additional financing from equity markets.

Financial instruments - fair value

The Company's financial instruments consist of cash, receivables, accounts payable and accruals, and advances payable.

The carrying value of receivables, accounts payable and accruals, and advances payable approximates their fair value because of the short-term nature of these instruments.

Financial instruments measured at fair value on the statements of financial position are summarized into the following fair value hierarchy levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

| | Level 1 | Level 2 | Level 3 | Total |
|-------------------------|------------------|---------|---------|------------------|
| | \$ | \$ | \$ | \$ |
| April 30, 2022 | | | | |
| Cash | 1,226,863 | - | - | 1,226,863 |
| | 1,226,863 | - | - | 1,226,863 |
| January 31, 2022 | | | | |
| Cash | 1,652,607 | - | - | 1,652,607 |
| | 1,652,607 | - | - | 1,652,607 |

12. Financial risk management (continued)

Financial instruments – risk

The Company's financial instruments are exposed to certain financial risks, including credit risk, interest rate risk, market risk, and liquidity risk.

a) Credit risk

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with major financial institutions. The Company has minimal receivables exposure as its refundable credits are due from the Serbian government.

b) Interest rate risk

The Company is not exposed to interest rate risk because of fluctuating interest rates. Fluctuations in market rates do not have a significant impact on the Company's operations due to the short term to maturity.

c) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due. The Company manages this risk by careful management of its working capital to ensure its expenditures will not exceed available resources (Note 1).

13. Purchase price allocation

On September 14, 2020, the Company acquired, through purchase of common shares, 90% interest in Drina for a cash payment of \$138,938 USD. The shareholders' structure of Drina comprises three shareholders. Drina is a corporation existing under the laws of Bosnia and is a mineral exploration company which holds certain mineral property interests in Bosnia.

This acquisition has been accounted for as an asset acquisition as Drina does not meet the definition of a business under IFRS 3, Business Combinations.

| | September 14, 2020 |
|--|-----------------------|
| Net assets (liabilities) of Drina acquired: | \$ |
| Cash | 3,264 |
| Mineral interests | 248,315 |
| Accounts payable | (28,992) |
| Advances | (20,047) |
| Non-controlling interest | (20,254) |
| Net assets acquired | 182,286 |
| Consideration paid in acquisition of Drina: | \$ |
| Cash (\$138,938 USD equivalent) | 182,286 |
| Total consideration paid | 182,286 |

As described in Note 1, on March 19, 2021, the Company completed a Transaction which constituted a reverse acquisition.

The Transaction resulted in the shareholders of the Company obtaining control of the combined entity by obtaining control of the voting rights, governance, and management decision making processes, and the resulting power to govern the financial and operating policies of the combined entities.

13. Purchase price allocation (continued)

The Transaction constitutes an RTO of the Company and has been accounted for as a reverse acquisition transaction in accordance with the guidance provided in IFRS 2, Share-based Payments and IFRS 3, Business Combinations. As the Company did not qualify as a business according to the definition in IFRS 3, the RTO does not constitute a business combination; rather it is treated as an issuance of common shares by the Company for the net assets Tera Balkanikda, with the Company as the continuing entity. Accordingly, no goodwill or intangible assets were recorded with respect to the Transaction as it does not constitute a business.

For accounting purposes, the Company is treated as the accounting subsidiary (legal parent) and Tera Balkanidka as the accounting parent (legal subsidiary) in these financial statements. As Tera Balkanikda was deemed to be the acquirer for accounting purposes, its assets, liabilities and operations since incorporation are included in these financial statements at their historical carrying values. The Company's results of operations have been included from March 19, 2021.

| | March 19, 2021 |
|---|---------------------------|
| Net assets (liabilities) of Tera acquired: | \$ |
| Cash | 429,925 |
| Accounts receivable | 10,000 |
| Advances | 1,065,000 |
| Accounts payable | (19,399) |
| Net assets acquired | 1,485,526 |
| Consideration paid for reverse acquisition of the Company: | \$ |
| Common shares issued (27,759,721 fair value price per share \$0.10) | 2,775,972 |
| Total consideration paid | 2,775,972 |
| Transaction cost | 1,290,446 |

14. Events after the reporting period

On May 27, 2022, the 4,625,000 Special Warrants issued on January 26, 2022 were converted into 4,625,000 common shares.

On June 8, 2022, the Company granted 3,900,000 incentive stock options to certain directors, officers and consultants. The options have an exercise price of \$0.20 per common share and are exercisable until June 16, 2027.

On June 22, 2022, the Company announced a voluntary Escrow. In addition to the Canadian Securities Exchange ("CSE") and British Columbia Securities Exchange ("BCSC") escrow provisions, the Company has executed further voluntary escrow agreements for an additional 5,430,625 shares with 12-month or 36-month release schedules from key strategic shareholders and close associates. The Company currently has 73,512,223 issued and outstanding common shares, with 34,800,001 shares, or 47.3%, escrowed or voluntarily escrowed with 12-month or 36-month release schedules.

The Company granted 1,995,000 incentive stock options to certain advisors, employees, and consultants. The options are exercisable for \$0.20 per common share for periods ranging from 2 years to 5 years from date of issuance.

The Company has engaged Paradox Public Relations Inc. ("Paradox") for a 36 month period that began on June 22, 2022 and ends on June 22, 2025 and may be terminated at any time without charge by either party by giving 30 days' notice in writing. Paradox will provide marketing and investor relation services to the company to increase public awareness. Paradox has been granted 500,000 options, with 125,000 options vesting quarterly for the next year, eligible to be exercised at a price of \$0.20 per common share for a period of 36 months from the date of issuance. Paradox is being paid a monthly fee of \$10,000.

SCHEDULE C

1

Terra Balcanica Resources Corp.

Management Discussion and Analysis

For the three months ended April 30, 2022 and April 30, 2021

The following discussion and analysis of the results of operations and financial condition of Terra Balcanica Resources Corp. (formerly 1250598 B.C. Ltd.) (the “Company”) for the three months ended April 30, 2022 and 2021 and should be read in conjunction with the Company’s audited financial statements and related notes for the thirteen months ended January 31, 2022 and period ended December 31, 2020. The Company’s financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”).

Management is responsible for the preparation and integrity of the financial statements including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible for ensuring that information disclosed externally, including the financial statements and this Management Discussion and Analysis document (“MD&A”) is complete and accurate.

The Company financial statements, MD&A and all other continuous disclosure documents are filed with Canadian securities regulators and are available for review under the Company profile at www.sedar.com. This MD&A has been prepared effective as of June 28, 2022.

FORWARD-LOOKING STATEMENTS

Except for statements of historical fact, certain information contained herein constitutes forward-looking statements. Forward-looking statements are usually identified by The Company’s use of certain terminology, including “will”, “believes”, “may”, “expects”, “should”, “seeks”, “anticipates” or “intends” or by discussions of strategy or intentions. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause The Company’s actual results or achievements to be materially different from any future results or achievements expressed or implied by such forward-looking statements.

Forward-looking statements are statements that are not historical facts, and include but are not limited to, estimates and their underlying assumptions; statements regarding plans, objectives and expectations with respect to the effectiveness of The Company’s business model; future operations, products and services; the impact of regulatory initiatives on The Company’s operations; the size of and opportunities related to the market for The Company’s products; general industry and macroeconomic growth rates; expectations related to possible joint or strategic ventures; and statements regarding future performance.

Forward-looking statements used in this MD&A are subject to various risks and uncertainties, most of which are difficult to predict and generally beyond the control of The Company. If risks or uncertainties materialize, or if underlying assumptions prove incorrect, the actual results may vary materially from those expected, estimated or projected. Forward-looking statements in this MD&A are not a prediction of future events and circumstances and those future events or circumstances may not occur. Given these uncertainties, the reader of the information included herein is cautioned not to place undue reliance on such forward-looking statements. The Company disclosure of a technical or scientific nature has been reviewed and approved by Aleksandar Miskovic, PhD, P. Geo, a Qualified Person (“QP”) under the definition of National Instrument 43-101 - Standards of Disclosure for Mineral Projects.

DESCRIPTION OF BUSINESS

The Company was incorporated on May 19, 2020 under the laws of British Columbia. The registered office is located at 910 - 800 West Pender Street, Vancouver, BC V6C 2V6, and its principal business address is Suite 250 – 200 Burrard Street, Vancouver, BC, Canada, V6C 3L6.

On January 25, 2021, the Company entered into a Share Exchange Agreement (“SEA”) with Tera. The Company agreed to purchase all the shares in the capital of Tera (“TB Shares”) by issuing 24,525,000 common shares of the Company representing approximately 46.95% of the Company total issued and outstanding shares on March 19, 2021.

In connection to the agreement the Company acquired two subsidiaries – Tera Balkanika d.o.o., in which it holds 100% interest, and Drina Resources d.o.o in which it holds a 90% interest. Tera Balkanika d.o.o. is located at 87 Generala Mihajla Nedeljkovica Street, 11077 Belgrade, Serbia. Drina Resources d.o.o. is located at Marsala Tita bb, 75430 Srebrenica, Republic of Srpska, Bosnia and Herzegovina.

The Company is a natural resource corporation principally engaged in the exploration and development of the Viogor-Zanik Project located in eastern Bosnia and Herzegovina. It also seeks to identify, investigate, evaluate and acquire other mineral property opportunities located in the Balkan region of Eastern Europe, and currently has one mineral property under option in Serbia, being the Kaludra Project, as well as an application for a mineral exploration license from the Ministry of Mines and Energy of the Republic of Serbia regarding applied geological research of lead, zinc, silver, copper, gold and any accompanying metals by Terra on March 2nd, 2020 for the location named Ceovishte in SW Serbia, which has not been granted and for which remains subject to appropriate regulatory approval. It is the intention of the Company to build a portfolio of properties in the Balkan region.

MINERAL PROPERTY INTEREST

Terra Balcanica Resources Corp., through its Bosnian and Serbian subsidiaries, has been granted three separate exploration licenses in both Bosnia and Herzegovina and Serbia.

Viogor-Zanik, Bosnia and Herzegovina

The Viogor-Zanik Project comprises 3 mineral exploration licences (Čauš, Čumavići, Olovine) totalling 367 km². The project overlaps the Srebrenica Magmatic Complex as the northwesternmost extension of the Serbo-Macedonian Metallogenic Province of SE Europe. The Srebrenica district is hosted by Oligo-Miocene, intermediate to mafic subvolcanic rocks emplaced into Paleozoic slates and covered by Neogene felsic pyroclastics. The district hosts two types of mineralization, including greisen mineralization related to quartz-tourmaline-muscovite facies, and Pb-Zn-Ag bearing hydrothermal veins with variable additional concentrations of Sn and Sb. The Srebrenica district shares many mineralogical similarities to those of the Andean Ag-Sn belt, the Lavrion deposit in Greece, and the Baia Mare Metallogenic District of East Carpathians, in Romania.

Terra Balcanica has completed detailed surface geology work at Viogor-Zanik including geophysical analysis, geochemical analysis, surface mapping, and structural analysis and has identified a number of drill-ready targets.

Kaludra, Serbia

The Kaludra mineral exploration licence in Serbia totals 50 km². The license is situated in the Rashka District which is a northerly extension of the world class Trepča Pb-Zn-Ag skarn deposit of northern Kosovo, as well as the Rudnica Cu-Au porphyry district. Kaludra features key targets of polymetallic, vein hosted Pb-Zn-Ag sulfide mineralization.

Ceovishte, Serbia

The Ceovishte mineral license in Serbia totals 100 km². The mineral license claims straddle the northern edge of the Kopaonik metallogenic zone, a 10 x 20 km area of the Serbo-Macedonian Metallogenic Province that features many Pb and Zn deposits, as well as Cu-Au porphyries and satellite epithermal deposits hosted by Tertiary andesitic to dacitic volcanics and granodiorites. Historical exploration is minimal, and no exploration drilling has been completed in the modern era.

OVERALL PERFORMANCE AND RISK FACTORS

The Company does not own interests in any producing mines. At present, management is concentrating most of its efforts on advancing its subsequent acquisition in Terra. See "Property Transactions and Exploration" for additional information.

SELECTED ANNUAL INFORMATION

| | Thirteen months ended January 31, 2022 | December 31, 2020 |
|---|---|--------------------------|
| Revenues | Nil | Nil |
| Net (Loss) | (\$2,904,497) | (\$156,064) |
| Net (Loss) per Share - Basic and Diluted | (\$0.06) | (\$780) |
| Total Assets | \$3,130,147 | \$463,981 |
| Total Long-term Financial Liabilities | Nil | \$25,517 |
| Cash Dividends Declared per Share | Nil | Nil |

Total assets increased from December 31, 2020 to January 31, 2022 by approximately \$2,666,166, mainly due to proceeds received from equity financings, which have been advanced to Terra and spent on property acquisition and exploration.

SUMMARY FINANCIAL INFORMATION

The following table shows the results for the last quarter compared to those from the previous seven quarters

| Period Ending | Revenues | Loss | Loss per Share |
|----------------------|-----------------|-------------|-----------------------|
| April 30, 2022 | Nil | \$528,505 | \$0.01 |
| January 31, 2022 | Nil | \$2,904,497 | \$0.06 |
| October 31, 2021 | Nil | Nil | Nil |
| July 31, 2021 | Nil | Nil | Nil |
| April 30, 2021 | Nil | \$1,555,494 | \$0.05 |
| January 31, 2021 | Nil | Nil | Nil |
| October 31, 2020 | Nil | Nil | Nil |
| July 31, 2020 | Nil | Nil | Nil |

RESULTS OF OPERATIONS

The loss from operating expenses for the three months and period ended April 30, 2022 compared to the three months period ended April 30, 2021 decreased by approximately \$947,801. The activity for the period ended April 30, 2022 was caused, for the most part, by an increase in all expense accounts which was offset by the prior period primarily costs related to the Reverse Takeover transaction of approximately \$1,290,446, consulting fees of approximately \$90,308, an increase in professional fees by approximately \$124,861, an increase in advertising by \$98,545 which were directly attributed with the Company's preparation of acquisition as well as engaging in a prospectus application in addition to the acquisition of Tera and their administrative staff which is facilitating exploration activities on the mineral interests.

On January 25, 2021, the Company entered into a Share Exchange Agreement ("SEA") with Tera. The Company agreed to purchase all the shares in the capital of Tera ("TB Shares") by issuing 24,525,000 common shares of the Company representing approximately 46.95% of the Company total issued and outstanding shares on March 19, 2021.

The Transaction constitutes an RTO of the Company and has been accounted for as a reverse acquisition transaction in accordance with the guidance provided in IFRS 2, Share-based Payments and IFRS 3, Business Combinations. As the Company did not qualify as a business according to the definition in IFRS 3, the RTO does not constitute a business combination; rather it is treated as an issuance of common shares by the Company for the net assets Tera Balkanika, with the Company as the continuing entity. Accordingly, no goodwill or intangible assets were recorded with respect to the Transaction as it does not constitute a business.

| | |
|---|---------------------------|
| | March 19, 2021 |
| | \$ |
| Net assets (liabilities) of Tera acquired: | |
| Cash | 429,925 |
| Accounts receivable | 10,000 |
| Advances | 1,065,000 |
| Accounts payable | (19,399) |
| Net assets acquired | 1,485,526 |
| | |
| | \$ |
| Consideration paid for reverse acquisition of the Company: | |
| Common shares issued (27,759,721 fair value price per share \$0.10) | 2,775,972 |
| Total consideration paid | 2,775,972 |
| Transaction cost | 1,290,446 |

LIQUIDITY AND CAPITAL RESOURCES**(a) Working Capital**

The Company has working capital in the amount of \$970,131 as at April 30, 2022.

On February 7, 2022 for a total of 900,000 Special Warrants of at a price of \$0.20 per Special Warrant for gross proceeds of \$180,000 were issued. Each Special Warrant will be deemed exercised for one Common Share upon satisfaction of the conditions contained in the Special Warrant Certificate. The Company paid \$3,850 in finders fees and issued 19,250 finders' warrants, exercisable at \$0.20 convertible into one common share of the Company for two years from the date of issuance.

The Company measured the fair value of the finders' warrants using the Black-Scholes option pricing model with the following weighted average assumptions: expected life of warrants – two years, stock price volatility – 120%, no dividend yield, and a risk-free interest rate yield – 2%.

On April 24, 2022, the 6,742,500 Special Warrants issued on December 23, 2021 were converted into 6,742,500 common shares.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not utilize off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

The Company's related parties include key management personnel and Directors and companies in which they have control or significant influence over the financial or operating policies. There were no loans to management personnel or Directors, or entities over which they have control or significant influence for the period ended December 31, 2020, and Directors receive no salaries, non-cash benefits, or other remuneration directly from the Company, other than noted below, and there are no employment contracts with them that cannot be terminated without penalty on a thirty-day advance notice. Key management personnel and Directors can participate in the Company's stock option plan. During the period that ended April 30, 2022 and the period that ended January 31, 2022 no stock options were granted to Officers or Directors.

As at April 30, 2022, upon acquisition of Tera, Rockstone Group D.O.O. is wholly held by Aleksandar Ilić, who was the project vendor pursuant to the option agreements on mineral property interests. Mr. Ilić is a current director of the Company. Mr. Ilić was paid \$50,000 on March 4, 2021 for the option of the Kaludra License. Mr. Ilić is also due another \$50,000 as a finder's fee for the Ceoviste License within 30 days of the closing of the Company's first equity financing after February 1, 2022.

- (a) Brandon Bonifacio is a Company Director. Mr. Bonifacio provides the Company with management and administrative services.
- (b) Stephen Brohman is the Company's CFO. He is a principal of Donaldson Brohman Martin CPA Inc. ("DBM CPA"), a firm in which he has significant influence. DBM CPA provides the Company with accounting and tax services (included within professional fees).
- (c) Kim Oishi is a Company Director. He is a shareholder and has significant influence over Grand Rock Capital Corp. ("Grand Rock Capital") which is a professional services firm. Grand Rock Capital provides the Company with professional services.
- (d) Alex Miskovic is a Company Director and the Company's CEO. He is a shareholder and has significant influence over Geotarget Solutions Inc. ("Geotarget Solutions") which is a geological consulting firm. Geotarget Solutions provides the Company with geological consulting services and CEO services (included within professional fees).
- (e) Catherine Cox is the Company's Corporate Secretary. She provides the Company with Corporate Secretary services (included within consulting fees).

| | Transactions Three months ended April 30, 2022 | Transactions Three months ended April 30, 2021 | Balances outstanding April 30, 2022 | Balances outstanding January 31, 2022 |
|---------------------|---|---|--|--|
| | \$ | \$ | \$ | \$ |
| Brandon Bonifacio | 31,500 | 35,000 | - | - |
| Grand Rock Capital | - | 10,500 | - | - |
| Geotarget Solutions | 32,250 | 24,002 | - | - |
| Catherine Cox | 6,300 | 11,025 | - | - |
| DBM CPA | 50,634 | - | 29,176 | 24,373 |
| Aleksandar Ilić | - | - | 22,913 | 22,913 |
| | 120,684 | 80,527 | 52,089 | 47,286 |

RISKS AND UNCERTAINTIES

In conducting its business, the Company faces a number of risks and uncertainties related to the mineral exploration industry. Some of these risk factors include risks associated with land title, exploration and development, government and environmental regulations, permits and licenses, competition, fluctuating metal prices, the requirement and ability to raise additional capital through future financings and price volatility of publicly traded securities. See "Risk Factors" in the Prospectus (as defined below).

Risks to Operations in the Bosnia and Herzegovina

The Company's exploration activities on the Viogor-Zanik Project may be affected by political instability, social unrest and government regulations relating to foreign investment, corporate activity, and the mining business in the Bosnia and Herzegovina. Operations may also be affected in varying degrees by terrorism, military conflict or repression, crime, extreme fluctuations in currency rates and high inflation. The License granted by the Government of the Bosnia and Herzegovina enables the Company to conduct exploration and development activities. Notwithstanding this arrangement, the Company's ability to conduct exploration and development activities or to later expand its operations will be subject to obtaining and/or renewing licenses, permits or concessions, changes in laws or government regulations or shifts in political attitudes beyond its control.

The laws and regulations on mining in Bosnia and Herzegovina have experienced continued growth and development since the nation's recovery from the Bosnian War and surrounding conflict during the 1990s. As a result of the continual changes to the law, some areas of the mining laws and regulations are unclear. This lack of certainty in the laws and regulations may impact the Company's ability to ensure compliance with the same.

Political Instability

The Bosnia and Herzegovina has experienced political difficulties in past years, including a civil war in the 1990s, with portions of the region still subject to hidden landmines including the area consisting of the Viogor-Zanik Project. Although the Company has retained demining consultants, there is no guarantee that the presence of landmines or other dangers resulting from the past civil war would not impede access, progress, or safety of operations.

The Company may consider carrying political risk insurance to cover its activities on the Viogor-Zanik Project. There can be no assurance that, if the Company chose to obtain it, political risk insurance would be available to it, or that particular losses the Company may suffer with respect to its foreign investments will be covered by any insurance that it may obtain in the future. Any such losses could have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

Governmental Regulations

The activities of the Company in connection with the Drina Licenses will be subject to Bosnia and Herzegovina approvals, various laws governing development, land resumptions, production taxes, labour standards and occupational health, mine safety, toxic substances, and other matters. Although the Issuer believes that activities on the Viogor-Zanik Project are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail development or production. Amendments to current laws and regulations governing operations and activities of mining, or more stringent implementation thereof, could have a material adverse impact on the business, operations and financial performance of the Company. Further, the Drina Licenses and any future licenses and permits may be subject to conditions which, if not satisfied, may lead to the revocation of such licenses and permits. In the event of revocation, the value of the Company's investments in the Viogor-Zanik Project will decline. If the Reporting Issuer does not comply with the laws and regulations of the Bosnia and Herzegovina, the Government could conduct a review into the activities of the Reporting Issuer and may issue decrees to revoke land use rights of the Company.

Regulatory Requirements in the Bosnia and Herzegovina

The proposed or future activities of the Company will require permits from various governmental authorities, and such operations are and will be governed by laws and regulations governing exploration, development, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land and water use, environmental protection, site safety and other matters. Companies engaged in the exploration and development of mineral properties generally experience increased costs and delays in development and other schedules as a result of the need to comply with the applicable laws, regulations and permits. There can be no assurance that all permits which the Company may require for the facilities and conduct of development operations will be obtainable on reasonable terms or that such laws and regulation would not have an adverse effect on the Viogor-Zanik Project.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing activities to cease or be curtailed and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in development and production operations may be required to compensate those suffering loss or damage by reason of the development and production activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations. Amendments to current laws, regulation and permits governing operations and activities of

mineral companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures and development costs or require abandonment or delays in the development of the Viogor-Zanik Project.

The Company may encounter regulatory and/or permitting delays. The Company will utilize its best efforts to ensure timely application for any government permits necessary for carrying out its operations in the Bosnia and Herzegovina. However, its past ability to obtain all necessary permits in a timely fashion is not a guarantee of future results as events like bureaucracy and minor changes in legislation that are beyond the Company's control could substantially impede the timing of receiving essential permits and delay or stall the Company's exploration efforts.

Environmental Risks

The Company's exploration and development activities on the Viogor-Zanik Project will, in general, be subject to approval by regulatory bodies. Additionally, all phases of the mining business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and federal and state and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with mining operations. The legislation also requires that facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs.

If the environmental laws and regulations relating to the Company's activities were to change, or the enforcement of such laws and regulations were to become more rigorous, the Company could be required to incur significant expenditures to comply, which could have a material adverse effect on its future cash, flows, earnings, results of operations and financial condition, its ability to develop projects further, and increase its reserves and resources.

The Company may also be required to establish a decommissioning and reclamation plan for the Viogor-Zanik Project. Provision made for the cost of decommissioning and reclamation can be significant and are subject to change. It cannot be predicted what level of decommissioning and reclamation may be required in the future by regulators. If the Company is required to comply with significant additional regulations or if the actual cost of future decommissioning and reclamation is significantly higher than current estimates, this could have an adverse impact on its future cash flows, earnings, results of operations and financial condition.

Canadian Regulatory Requirements

The Company will also be subject to Canadian regulations while operating in the Bosnia and Herzegovina, specifically the Corruption of Foreign Public Officials Act (the "Anti-Corruption Legislation"). The Anti-Corruption Legislation will prohibit the Company or any officer, director, employee or agent of the Company or any shareholder of the Company acting on its behalf from paying, offering to pay, or authorizing the payment of anything of value to any foreign government official, government staff member, political party, or political candidate in an attempt to obtain or retain business or to otherwise influence a person working in an official capacity. The Anti-Corruption Legislation also requires Canadian public companies to make and keep books and records that accurately and fairly reflect their transactions and to devise and maintain an adequate system of internal accounting controls.

The Company's operations in the Bosnia and Herzegovina may create the risk of unauthorized payments or offers of payments by the Company's employees, consultants or agents. Any failure by the Company and its subsidiaries to adopt appropriate compliance procedures and ensure that its employees and agents comply with the Anti-Corruption Legislation and applicable laws and regulations in foreign jurisdictions could result in substantial penalties or restrictions on the Reporting Issuer's ability to conduct business in certain foreign jurisdictions, which may have a material adverse impact on the Reporting Issuer and its share price.

License for the Viogor-Zanik Project

The Company owns the Drina Licenses for the Viogor-Zanik Project through its subsidiary corporation, Drina Resources. The Company's right to maintain and exercise the Drina Licenses will require payments to the government pursuant to the terms of the Drina Licenses. There is no assurance that such rights provided for by the Drina Licenses will not be revoked or significantly altered to the detriment of the Company. There can also be no assurance that the Company's rights will not be challenged or impugned by third parties, including local governments. Though the Company may not be aware of any uncertainties in the Drina Licenses, there is no assurance that such uncertainties will not arise and result in future losses or additional expenditures, which could have an adverse impact on its future cash flows, earnings, results of operations and financial condition.

Substantial Capital Requirements and Liquidity

The Company will have limited financial resources and no revenues. If the Company's exploration and development of the Viogor-Zanik Project is successful, substantial additional funds will be required for the purposes of further development and future operations. No assurances can be given that the Company will be able to raise the additional funding that may be

required for such activities on acceptable terms or at all. Mineral prices, environmental rehabilitation or restitution, revenues, taxes, transportation costs, capital expenditures and operating expenses and geological results are all factors which will have an impact on the amount of additional capital that may be required. To meet such funding requirements, the Company may be required to undertake additional equity financing, which would be dilutive to shareholders. Debt financing, if available, may also involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope and/or amend the timing of its development plans and/or operations.

No Mineral Resources or Reserves

The Viogor-Zanik Project is considered to be in the early exploration and development stage. As of the date of this Prospectus, no 43-101 compliant mineral resources have been defined at the Viogor-Zanik Project. There is no certainty that further exploration and development will result in the definition of indicated, or measured resources, or probable or proven reserves, at the Viogor-Zanik Project, the Kaludra Project, or any mineral exploration project that the Company pursues, or that if any mineral resources or reserves are defined at such projects that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized.

Development and Operating Risks

The development of minerals involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. There can be no guarantee that the estimates of quantities and qualities of minerals which may be disclosed will be economically recoverable. With all mining operations there is uncertainty and, therefore, risk associated with operating parameters and costs resulting from the scaling up of extraction methods tested in pilot conditions. Mineral development and production are speculative in nature.

The Company's operations will be subject to all of the hazards and risks normally encountered in the development and production of mineral properties. These include unusual and unexpected geological formations, rock falls, seismic activity, flooding and other conditions involved in the extraction of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although precautions to minimize risk will be taken, operations are subject to hazards that may result in environmental pollution, and consequent liability that could have a material adverse impact on the business, operations and financial performance of the Company.

Reliance on Management and Dependence on Key Personnel

The success of the Company is currently largely dependent upon on the performance of its directors and officers and the ability to attract and retain its key personnel. The loss of the services of these persons may have a material adverse effect on the Company's business and prospects. The Company will compete with numerous other companies for the recruitment and retention of qualified employees and contractors. There is no assurance that the Company can maintain the service of its directors and officers, or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Company and its prospects.

The Company may also experience difficulty acquiring visas for foreign workers and key personnel which could have a material adverse effect on the Company and its operations.

Health and Safety Risks

The Company must comply with the health and safety laws, regulations, guidelines and permitting requirements in the Bosnia and Herzegovina. These laws are in place to protect the health and safety of employees while working at the Viogor-Zanik Project. The possibility of more stringent laws or more rigorous enforcement of existing laws could have a material adverse effect on the Company's exploration activities and the viability of the Viogor-Zanik Project.

Limited Operating History

The Company will be a relatively new company with limited operating history and no history of business or mining operations, revenue generation or production history. The Company has yet to generate a profit from its activities. The Company will be subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its growth objectives.

Fluctuating Mineral Prices

The economics of mineral development are affected by many factors beyond the Company's control including, commodity prices, the cost of operations, and fluctuations in the market price of minerals. Depending on the price of minerals, it may be determined that it is uneconomic to continue the Company's activities on the Viogor-Zanik Project. Mineral prices are prone to fluctuations and the marketability of minerals is affected by government regulation relating to price, royalties, allowable production and the importing and exporting of minerals, the effect of which cannot be accurately predicted. There is no assurance that a profitable market will exist for the sale of any metals which may be identified on the Viogor-Zanik Project.

Currency Fluctuations

Currency fluctuations may materially affect the financial position and results of the Company. The Company's earnings and cash flow may also be affected by fluctuations in the exchange rate between the Canadian dollar and other currencies, such as the Bosnian mark, the Serbian dinar, and the Euro. The Company will not engage in currency hedging to offset any risk of currency fluctuations.

Supply Chain Interruptions

Due to limited suppliers of equipment, materials, supplies and services available in the Bosnia and Herzegovina and in Serbia, any disruption at supplier facilities could result in curtailment or suspension of activities. Any disruption in the transportation of or restriction in the flow of these goods or the imposition of customs clearance requirements may result in production delays.

The Company is also exposed to price volatility in respect of key inputs, such as fuel. Increases in global fuel prices can materially increase operating costs, erode operating margins and project investment returns, and potentially reduce viable reserves. Conversely, a significant and sustained decline in world oil prices may offset other costs and improve returns.

Competition

There is competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Company will compete with other mining companies, many of which have greater financial, technical and other resources than the Company, for, among other things, the acquisition of minerals claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel.

Risks of Foreign Operations

The Company operates in countries with varied political and economic environments. Any changes in regulations or shifts in the political environment are beyond the control of the Company and may adversely affect its operations. Within Canada, the Company's activities may be adversely affected by laws and policies of Canada affecting foreign trade, taxation and investment. Beyond Canada's borders, the Company's foreign operations are subject to certain risks including extreme fluctuations in currency, political and economic instability, risks of war or civil unrest, labour unrest, expropriation and nationalization, acts of terrorism, illegal mining and mineral exploration, government regulations that favour or require the country's domestic contractors, suppliers or resources, opposition from environmental or other non-governmental organizations and renegotiation or nullification of existing concessions, licenses, permits and contracts, all of which may affect the Company and its operations in varying degrees.

The Drina Licenses pertain to the Viogor-Zanik Project which is located in the Bosnia and Herzegovina. The Company's activities may be adversely affected by laws and policies of Canada affecting foreign trade, taxation, and investment. In the event of a dispute arising in connection with the Company's operations in the Bosnia and Herzegovina, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdictions of the courts of Canada or enforcing Canadian judgments in such other jurisdictions. The Company may also be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. Accordingly, the Company's development activities on the Viogor-Zanik Project could be substantially affected by factors beyond the Company's control, any of which could have a material adverse effect on the Company.

The Company has a license application with respect to an additional exploration project in Serbia pending before the Ministry of Mines and Energy of the Republic of Serbia and may in the future acquire resource properties and operations outside of the Bosnia and Herzegovina as part of its strategy to develop a portfolio of properties in the Balkan region. Such expansion may present challenges and risks that the Company has not faced in the past, any of which could adversely affect the results of operations and/or financial condition of the Company.

Conflicts of Interest

Certain of the proposed directors and officers of the Company engage in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies (including mineral resource companies) and, as a result of these and other activities, such directors and officers of the Company may become subject to conflicts of interest.

Uninsurable Risks

Development and production operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes, and other environmental occurrences. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could have an adverse impact on the Company's results of operations and financial condition and could cause a decline in the value of the Company Shares. The Company does not intend to maintain insurance against environmental risks.

Litigation

The Company and/or its directors may be subject to a variety of civil or other legal proceedings, with or without merit.

Dividends

To date, the Company has not generated any earnings and or paid any dividends on their outstanding shares. Any decision to pay dividends on the shares of the Company will be made by its board of directors on the basis of the Company's earnings, financial requirements and other conditions. If the Company generates earnings in the foreseeable future, it expects that they would be retained to finance growth.

Risks associated with COVID-19

The current outbreak of COVID-19, and any future emergence and spread of similar pathogens, could have a material adverse effect on global and local economic and business conditions which may adversely impact the Company's business and results of operations and the operations of contractors and service providers. The outbreak has spread throughout the world, including where the Company conducts its principal business operations. The Company's plans to advance the exploration and evaluation of its mineral properties are dependent upon its ability to complete the work required in connection with these activities through its employees and contractors. Due to government efforts to curtail the COVID-19 outbreak, personnel may be delayed in completing the work that it is pursuing in connection with these activities due to quarantine, self-isolation, social distancing, restrictions on travel, restrictions on meetings and work from home requirements. The extent to which the COVID-19 pandemic impacts its operations will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the duration of the outbreak, new information that may emerge concerning the severity of the coronavirus and the actions taken to contain the coronavirus or treat its impact, among others. Moreover, the spread of the coronavirus globally is expected to have a material adverse effect on global and regional economies and to continue to negatively impact stock markets, including the trading price of the Company's Common Shares. These adverse effects on the economy, the stock market and the Company's common share price could adversely impact the Company's ability to raise capital, with the result that its ability to explore its mineral properties could be adversely impacted, both through delays and through increased costs. Any of these developments, and others, could have a material adverse effect on the Company's business and results of operations and could delay its plans for exploration and evaluation of our mineral properties.

Management's responsibility over financial information

The Company's management is responsible for presentation and preparation of the quarterly and annual consolidated financial statements and the MD&A. These financial statements have been prepared in accordance with IFRS.

The quarterly and annual consolidated financial statements and information in the MD&A necessarily include amounts based on informed judgments and estimates of the expected effects of current events and transactions with appropriate consideration to materiality. In addition, in preparing the consolidated financial information we must interpret the requirements described above, make determinations as to the relevancy of information to be included, and make estimates and assumptions that affect reported information. The MD&A also includes information regarding the impact of current transactions and events, sources of liquidity and capital resources, operating trends, risks and uncertainties. Actual results in the future may differ materially from our present assessment of this information because future events and circumstances may not occur as expected.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

Financial instruments - fair value

The Company's financial instruments consist of cash, receivables, accounts payable and accrued liabilities, and advances payable.

The carrying value of receivables, accounts payable and accrued liabilities, and advances payable approximates their fair value because of the short-term nature of these instruments.

Financial instruments measured at fair value on the statements of financial position are summarized into the following fair value hierarchy levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

| | Level 1 | Level 2 | Level 3 | Total |
|-------------------------|------------------|----------|----------|------------------|
| | \$ | \$ | \$ | \$ |
| April 30, 2022 | | | | |
| Cash | 1,226,863 | - | - | 1,226,863 |
| | 1,226,863 | - | - | 1,226,863 |
| January 31, 2022 | | | | |
| Cash | 1,652,607 | - | - | 1,652,607 |
| | 1,652,607 | - | - | 1,652,607 |

Financial instruments – risk

The Company's financial instruments are exposed to certain financial risks, including credit risk, interest rate risk, market risk, and liquidity risk.

(a) Credit risk

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with major financial institutions. The Company has minimal receivables exposure as its refundable credits are due from the Serbian government.

(b) Interest rate risk

The Company is not exposed to interest rate risk because of fluctuating interest rates. Fluctuations in market rates do not have a significant impact on the Company's operations due to the short term to maturity.

(c) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due. The Company manages this risk by careful management of its working capital to ensure its expenditures will not exceed available resources.

CRITICAL ACCOUNTING ESTIMATES

The Company's significant and future accounting policies are detailed in Note 2 to the audited financial statements for the period from December 30, 2020 to January 31, 2022.

INVESTOR RELATIONS

All investor relations functions are performed by The Company management and employees.

PROPERTY TRANSACTIONS AND EXPLORATION

The Company is focused on growth through the acquisition and systematic advancement of established mineral exploration projects. The Company is a natural resource corporation principally engaged in the exploration and development of the Vlogor-Zanik Project located in eastern Bosnia and Herzegovina. It also seeks to identify, investigate, evaluate and acquire other mineral property opportunities located in the Balkan region of Eastern Europe, and currently has one mineral property under option in Serbia, being the Kaludra Project, as well as an application for a mineral exploration license from the Ministry of Mines and Energy of the Republic of Serbia regarding applied geological research of lead, zinc, silver, copper, gold and any accompanying metals by Tera on March 2nd, 2020 for the location named Ceovishte in SW Serbia, which has not been granted and for which remains subject to appropriate regulatory approval. It is the intention of the Company to build a portfolio of properties in the Balkan region.

TECHNICAL REVIEW

Technical information disclosed in this MD&A has been approved by the Aleksandar Miskovic, PhD., a "Qualified Person" as defined by National Instrument 43-101 – Standards of Disclosure for Mineral Projects.

SHARE CAPITAL INFORMATION

The authorized share capital of the Company consists of the following classes of shares:

An unlimited number of common shares and preferred shares without par value.

As of June 28, 2022, the Company issued share capital consisted of 73,512,223 common shares, of which, 31,320,001 are subject to escrow.

Stock Options

As of June 28, 2022, The Company has 6,395,000 stock options outstanding.

Warrants

As of June 28, 2022, The Company has 413,350 brokers' warrants outstanding.

SUBSEQUENT EVENTS

On May 27, 2022, the 4,625,000 Special Warrants issued on January 26, 2022 were converted into 4,625,000 common shares.

On June 8, 2022, the Company granted 3,900,000 incentive stock options to certain directors, officers and consultants. The options have an exercise price of \$0.20 per common share and are exercisable until June 16, 2027.

On June 22, 2022, the Company announced a voluntary Escrow. In addition to the Canadian Securities Exchange ("CSE") and British Columbia Securities Exchange ("BCSC") escrow provisions, the Company has executed further voluntary escrow agreements for an additional 5,430,625 shares with 12-month or 36-month release schedules from key strategic shareholders and close associates. The Company currently has 73,512,223 issued and outstanding common shares, with 34,800,001 shares, or 47.3%, escrowed or voluntary escrowed with 12-month or 36-month release schedules.

The Company granted 1,995,000 incentive stock options to certain advisors, employees, and consultants. The options are exercisable for \$0.20 per common share for periods ranging from 2 years to 5 years from date of issuance.

The Company has engaged Paradox Public Relations Inc. ("Paradox") for a 36 month period that began on June 22, 2022 and ends on June 22, 2025 and may be terminated at any time without charge by either party by giving 30 days' notice in writing. Paradox will provide marketing and investor relation services to the company to increase public awareness. Paradox has been granted 500,000 options, with 125,000 options vesting quarterly for the next year, eligible to be exercised at a price of \$0.20 per common share for a period of 36 months from the date of issuance. Paradox is being paid a monthly fee of \$10,000.

CORPORATE INFORMATION

Aleksandar Miskovic, Montreal, QC
 Giulio Bonifacio, Vancouver, BC
 Brandon Bonifacio, Vancouver, BC
 Kim Oishi, Vancouver, BC
 Catherine Cox, Vancouver, BC
 Stephen Brohman, Port Moody, BC

Chief Executive Officer and Director
 Chairman and Director
 Director
 Director
 Corporate Secretary
 Chief Financial Officer

Auditors

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