MURCHISON MINERALS LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED MARCH 31, 2022

This Management's Discussion and Analysis ("MD&A") is intended to supplement the condensed interim consolidated financial statements and notes of Murchison Minerals Ltd. (the "Company" or "Murchison") for the three months ended March 31, 2022. The unaudited condensed interim consolidated financial statements including comparative figures have been prepared by the Company in accordance with International Financial Reporting Standards ("IFRS") applicable to preparation of interim financial statements. This MD&A should be read in conjunction with the Company's audited consolidated financial statements and accompanying notes for the year ended December 31, 2021, which have been prepared in accordance with IFRS and available on the Company's website (www.murchisonminerals.com). This MD&A covers the most recently completed financial quarter and the subsequent period up to May 10, 2022. The information is presented in Canadian dollars unless stated otherwise.

OVERALL PERFORMANCE

Description of Business

Murchison is a Canadian-based exploration company focused on nickel-copper-cobalt exploration at the 100%-owned Haut-Plateau Manicouagan ("HPM") project in Quebec and the exploration and development of the 100%-owned Brabant-McKenzie VMS zinc-copper-silver deposit (the "Deposit") located on the Brabant McKenzie project ("BMK") in north-central Saskatchewan. The Company also has an option to earn 100% interest in the Barraute-Landrienne zinc-silver-gold project in Quebec. The Company expects to acquire additional properties as attractive opportunities are identified. The Company does not have any projects that generate revenue at this time. The Company's ability to carry out its business plan in the future rests entirely on its ability to secure equity and other financings or realize cash from the sale of assets.

Trends

The financing, exploration and development of any properties the Company holds or may acquire in the future will be subject to a number of factors including the commodity prices for minerals, applicable laws and regulations, political conditions, currency fluctuations, the hiring of qualified people, and obtaining necessary services in jurisdictions where the Company operates. The current trends relating to these factors could change at any time and negatively affect the Company's operations and business. Apart from these, the risk factors noted under the heading "Uncertainties and Risk Factors" and "Forward Looking Statement" included in MD&A for the year ended December 31, 2021, management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

The Company's operations could be significantly adversely affected by the effects of the global spread of the contagious coronavirus causing the outbreak of COVID-19 respiratory disease, which was declared a pandemic by the World Health Organization in March 2020. The Company has followed the instructions and advice of Federal and Provincial health authorities, as well as industry-wide best practice guidelines, and has limited travel and field activities to help control the spread of COVID-19 and protect local communities. The Company cannot accurately predict the impact the COVID-19 pandemic will have on its operations, including uncertainties relating to the duration of the pandemic, the ultimate severity of the disease, the duration of travel and quarantine restrictions imposed by governmental authorities, and the impact on schedules and timelines for planned operations or exploration programs.

OUTLOOK

On March 17, 2022, the Company announced an Early Warrant Incentive Program designed to encourage the early exercise of up to 27,118,788 outstanding warrants exercisable at $0.12. The program ended on April 15, 2022 and 10,657,500 warrants were converted by warrant holders during the program for gross proceeds of $1,278,906. Murchison is now well funded to cover all its 2022 administrative expenses and beyond.

Cash on the balance sheet at March 31, 2022 is approximately $2.8 million and the Company intends to continue its exploration activities at the HPM project in Quebec in the coming months. The Company is planning to expand the Versatile Time Domain Electromagnetic (VTEM) coverage over the entirety of the HPM project area. The VTEM survey is currently underway. Subsequently, the Company will then be commencing a prospecting program this spring/summer. In addition to the prospecting program, the Company is moving forward with preparations for a summer drill program on the HPM property. Drilling at HPM will focus on expansion and delineation at Barre de Fer (BDF), where assays have returned grades up to 52.15 metres of 2.04% Ni Equivalent (1.52% Ni, 0.79% Cu, 0.08% Co) in previous drill programs. Drilling beyond BDF will centre on the prospective Syrah target which is located approximately 300 metres from BDF and is situated above a 600-metre-long conductive area with a similar EM signature to BDF. Assays from outcrops at Syrah have returned grades as high as 0.83% Ni Equivalent (0.58% Ni, 0.24% Cu, 0.05% Co) during previous prospecting programs.

Additionally, the Company will be advancing the BMK project through commencing comprehensive desktop studies on results to date, with the following objectives i) define drilling plan to optimize the BMK mineral resource focussing on expanding high-grade domains and testing open areas on strike and down dip, and ii) define exploration plans to test blue sky potential along the BMK trend.

The Company also plans to continue to strengthen its investor relations activities with the objective of getting wider recognition of the Company's exploration activities to current and potential investors. This will also be achieved by Murchison's attendance at several resource specific conferences.

There are no known legal, political, environmental or other risks that could materially affect the potential development of Company's exploration projects. Management is of the opinion that it will be able to maintain the status of its current exploration obligations and to keep its properties in good standing. Advancing exploration at the mineral properties will require substantially more financial resources. In the past, the Corporation has been able to rely on its ability to raise financing via equity private placements.

Management's main objective is to advance its current projects and maximize their potential via the use of different exploration techniques available. The long-term goal remains to develop the Company's properties and achieve commercial production. The Company may enter into partnerships in order to fully exploit the production potential of its exploration assets.

MINERAL PROPERTIES – EXPLORATION ACTIVITIES

HPM PROPERTY – QUEBEC

At HPM, a VTEM airborne geophysical survey commenced on April 11, 2022 to provide full coverage over the recently expanded (December 8th, 2021) mineral dispositions. The survey is ongoing and the Company anticipates results following the completion of the survey. In early December, 2021 Murchison quadrupled it mineral tenements from 13,897 hectares to 57,586 hectares. The claims cover the majority of the eastern Haut-Plateau region in one contiguous claim block and Murchison now has a dominant land package in the region. The new claims cover an area where rafts of paragneiss reside within a highly prospective assemblage of norite, gabbro, and anorthosite intrusive rocks which host the nickel-copper-cobalt occurrences. These rock assemblages are similar to those rock types found at other prestigious nickel mining camps, such as Voisey's Bay.

During the first quarter of 2022 the Barre de Fer zone ("BDF") was the focus of a signification recompilation of previous work as well as a reinterpretation of the data. The results of this work were released on April 4, 2022 (see press release dated April 4, 2022 for full assay and interval details) and were considered highly encouraging. The mineralization at BDF was remodeled and the Zone outcrops on surface, has a strike length of 315 m, and is composed of multiple stacked lenses over a maximum 150 m wide zone. Individual lenses have a maximum thickness of 28 m. The modelled mineralization extends to a vertical depth of 295 m. Extensive mineralization has also been intersected outside the current model, up to a vertical depth of 440 m. The Zone remains undrilled and unconstrained along strike and at depth. The model is currently defined by 25 diamond drill holes with 5,564 metres of drilling completed between 2001 and 2008. The mineralization at BDF consists of magmatic nickel-copper-cobalt bearing sulphide and is considered high grade. The best results to date at BDF are from hole HPM-08-03 drilled to a depth of 345 m and intersected five zones of Ni-bearing sulphide mineralization totaling 60.07 m of composite mineralization including 52.15 m grading 2.04% Ni Eq (1.52% Ni, 0.79% Cu, 0.08% Co).

The Company commenced an inaugural drill program in the fall of 2021 designed to test the subsurface continuation of the significant nickel-copper-cobalt surface mineralization discovered at the PYC target during a prospecting program in the summer of 2021. The inaugural drill program was announced on November 2, 2021 and was completed in early December. In total 1,781 metres of drilling were completed in 8 holes with all holes completed at the PYC target. Of the 1.95 km long PYC target, 550 metres of strike length was ultimately tested with significant sulphide mineralization noted in all holes. The Company first received and released the assays for 2 holes (PYC21-007 and 008) of which both intersected broad intervals of nickel-copper-cobalt sulphide mineralization. Hole PYC21-007 intersected a composite thickness of 62.21 metres of mineralization at 0.24% nickel equivalent (0.14% Ni, 0.07% Cu, 0.03% Co) and Hole PYC21-008 intersected a composite thickness of 69.9 metres at 0.24% nickel equivalent (0.13% Ni, 0.06% Cu, 0.03% Co) (see press release dated March 7, 2022 for full assay and interval details).

The results for remaining holes were subsequently received and were released April 21, 2022 (see press release dated April 21, 2022 for full assay and interval details). These results were from the remaining 6 holes (PYC21-001 to PYC21-006) all of which were drilled at PYC and confirmed broad intervals of low grade nickel-copper-cobalt mineralization. Highlights of the drilling include PYC21-005 which intersected 54.97 m of composite mineralization including 9.38 m grading 0.51% Ni Eq (0.31% Ni, 0.15% Cu, 0.06% Co) and 19.12 m grading 0.37% Ni Eq (0.23% Ni, 0.11% Cu, 0.04% Co). Hole PYC21-006 which intersected 66.93 m of composite mineralization including 21.5 m grading 0.42% Ni Eq (0.25% Ni, 0.12% Cu, 0.05% Co) and 12.68 m grading 0.31% Ni Eq (0.18% Ni, 0.07% Cu, 0.04% Co). Hole PYC21-002 intersected 36.86 m of composite mineralization including 15.12 m grading 0.51% Ni Eq (0.31% Ni, 0.15% Cu, 0.06% Co) and 2.0 m at 0.84% Ni Eq (0.54% Ni, 0.10% Cu, 0.11% Co). The mineralization intersected is prospective for low grade bulk tonnage.

Simultaneous with the Q4/2021 drill program, prospecting at the Syrah target was also completed. The crews have now mapped sulphide mineralization over a strike length of approximately 375 metres corresponding with a 600 metre long geophysical anomaly. Results of the prospecting were released Feb 9, 2022 which consisted of 3 backpack drill cores and 1 grab sample assaying as high as 0.69 Ni Eq (0.42% Ni, 0.10% Cu, 0.08% Co) (see press release dated Feb 9th, 2022 for full assay details). Sampling in the summer of 2021 returned up to 0.83% Ni Eq. (0.58% Ni, 0.24% Cu, 0.05% Co). The Syrah target is located adjacent to the Barre de Fer Zone and is considered highly prospective to host similar mineralization at depth and is a high priority drill target.

Murchison considers the HPM highly prospective to host additional nickel-copper-cobalt mineralization particularly at BDF and Syrah where significant mineralization has already been encountered. The HPM project continues to show tremendous promise with its numerous gossanous nickel-copper-cobalt-bearing outcrops spatially linked to historical airborne electro-magnetic (EM) anomalies. The HPM property has developed into an exploration project with mining camp scale prospectivity. Murchison is currently advancing a combined summer exploration program to drill test Syrah as well as to continue testing the mineralization at BDF. The program will also continue prospecting the already defined regional geophysical anomalies as well as any of the new anomalies that are predicted to be located by the currently ongoing VTEM survey.

BRABANT LAKE PROPERTY – SASKATCHEWAN

The Property is owned 100% by Murchison is strategically located along Highway 102 approximately 175 kilometres northeast of the town of La Ronge and near major infrastructure, including grid power. The Property consists of the Brabant-McKenzie VMS Deposit and multiple known mineralized showings and identified geophysical conductors over approximately 57-kilometre strike length of favourable geological horizon, all of which remain under-explored and mostly untested. The 627 km^2 Property shares geological characteristics, including similar age, with the Flin Flon and Lynn Lake volcanogenic massive sulphide (VMS) mining camps in Manitoba.

Murchison has recently recompiled all the historic data from the project and will be launching soon into a remodeling of the Brabant-McKenzie deposit. The modelling will be focused on defining locations to either expand the existing mineralization defining deposit or further defined the high-grade core of the deposit. The most recent drill program conducted at the deposit in March 2021 intersected significant mineralization in hole BM21-004 which assayed 9.07% zinc, 0.81% copper, 0.26% lead, 0.11 g/t gold and 35.11 g/t silver over 15.35 metres (80 to 95% true thickness) with the intercept approximately 50 metres outside of the indicated resources and indicates significant opportunity to define additional high grade mineralization within the core of the deposit.

The Company plans to commence a large reinterpretation of all of the historical geophysical data collected to date. The goals of the reinterpretation will be to define new drill targets at the T2T and TOM2 targets which both have a similar geophysical response to the Brabant-McKenzie deposit as well as are located along strike. These targets were both drill tested by a single drill hole in the winter of 2020 which did not adequately explain the geophysical anomaly. The reinterpretation will also focus on defining additional drill targets at the Main Lake and Betty Zone areas where VMS alteration and mineralization was intersected in 2020 and 2021 respectively. The most recent drilling at Main Lake intersected encouraging sulphide mineralization in hole ML21-002 intersecting two lens of sulphide mineralization. First interval assayed 0.84% zinc, 0.36% copper and 8.5 g/t silver over 3.59 metres (149.5 to 153.15m) and includes 0.47 metres of 3.6% zinc, 0.2% copper and 6.6 g/t silver. The second interval assayed 1.27% zinc, 0.03% copper, and 14.75 g/t silver over 4.08 metres (176.5 to 180.59m) and includes 1.01 metres of 4.71% zinc, 0.04% copper and 21.2 g/t silver. At the Betty Zone 4 holes were completed in 2021 with the best intercept to date in hole BZ21-0The best intercept was observed in hole BZ21-002 which intersected 4.40% zinc, 1.33% copper, 12.95 g/t silver from 280.73 to 281.65 metres (0.92 m) including 0.42 m at 3.76% zinc, 2.40% copper, 21.70 g/t silver and 0.12 g/t gold.

The Company plans to continue exploration drilling as well as additional drilling within in the Brabant-McKenzie deposit in the winter of 2023.

BARRAUTE-LANDRIENNE PROPERTY - QUEBEC

On April 28, 2021, the Company entered into an agreement with Gestion Aline Leclerc Inc. ("GAL") granting Murchison an option to earn 100% in 75 mineral claims covering 2,377 hectares, by making payments totaling $500,000 and property expenditures of $1.0 million over a 6-year period. The first payment of $20,000 is due on April 28, 2022. GAL will retain a royalty of 1% of net smelter returns (NSR) on future production. The 1% NSR can be acquired anytime by the Company for $1.0 million.

The claims, split into 4 blocks are located in the Barraute-Landrienne mining camp, approximately 60 km north of Val-d'Or, and about 4 km northwest of the municipality of Barraute in Québec and were selected targeting new zinc-silver-gold deposits. These four blocks of claims are believed to host some of the best untested geological/geophysical base-metal targets in the area and are considered ready for drilling.

Exploration work completed throughout the past several years by GAL and others resulted in a new geological interpretation suggesting the correlation of the Abcourt-Barvue Mine stratigraphy within the Barraute property. Further west, the Landrienne property hosts several untested isolated Megatem geophysical anomalies, near felsic-mafic volcanic contacts.

TMC Geophysics out of Val-d'Or was contracted to complete a combined magnetic, electromagnetic and induced polarization ground survey over the historic Megatem geophysical anomalies at the Barraute A, B and Landrienne B properties. The work was commenced on July 22, 2021 and completed on August 25th, 2021. In total 15.735 km of mag, 5.8 km of IP, and 15.2 km of EM was completed. EM anomalies were located and interpretation of the results is ongoing.

The Barraute mining camp hosts several mineralized showings and polymetallic metal deposits including the substantial 15.7 Mt zinc-silver Abcourt-Barvue deposit located at only 2 km from the Barraute property.

Zinc-silver mineralization was discovered in the region in 1950. The Abcourt-Barvue deposit of Abcourt Mines Inc. was in operation during two periods: between 1952 and 1957 by Barvue Mines Limited and between 1985 and 1990 by Abcourt. In all, 5,002,190 metric tonnes grading 38.74 g/t silver and 2.98% zinc were mined from the Barvue open pit and 632,319 metric tonnes grading 131.65 g/t silver and 5.04% zinc were mined from underground production.

These newly acquired properties are located near all infrastructure and human resources for exploration and possible future operations.

Qualified Persons

The scientific and technical disclosures included in this MD&A have been reviewed by John Shmyr, P.Geo., VP Exploration, a registered member of the Professional Engineers and Geoscientists of Saskatchewan and current holder of a special authorization with the Ordre des Géologues du Québec. Mr. Shmyr is a Qualified Person as defined by National Instrument 43-101.

Access to Properties

The Company's access to its Canadian properties is dependent on climate and weather conditions. The Brabant property in Saskatchewan is accessible all year round. All projects in Québec can be accessed from January to September as weather limits the activities during other times of the year.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS

The following table sets out the exploration expenses for the three months ended:

	March 31, 2022	March 31, 2021
HPM		
Geology	$ 108,094	$ 1,240
Geophysics	16,125	10,509
Drilling	5,687	-
General Administrative	3,486	-
Exploration Tax Credits	(7,631)	-
Mineral Property and Staking	3,763	-
Total HPM	**$ 129,524**	**$ 11,749**

	March 31, 2022	March 31, 2021
Brabant Lake		
Amortization	$ 7,582	$ 4,113
Drilling	1,500	1,064,745
General Administrative	1,000	2,084
Geology	35,165	38,517
Geophysics	54,820	32,400
Mineral Property and Staking	4,000	300
Total Brabant Lake	**$ 104,067**	**$ 1,142,159**

		March 31, 2022		March 31, 2021
Barraute-Landrienne, Quebec				
Geology	$	1,087	$	1,240
Geophysics		-		10,509
Mineral Property and Staking		-		-
Total Barraute-Landrienne	**$**	**1,087**	**$**	**-**
Total exploration expenses	**$**	**234,678**	**$**	**1,277,846**

RESULTS OF OPERATIONS

For the three months ended March 31, 2022, the Company incurred a loss of $557,687 (Q1/21 - $1,267,860). The decrease of $686,173 is mainly related to the following factors: **1.** lower exploration expenses of $919,230 (Q1/22 - $234,678 vs Q1/21 - $1,153,908) as the Company completed drilling at the Brabant project in Q1/21 and no drilling in Q1/22. offset by; **2.** higher investor relations expenses of $94,430 (Q1/22 - $128,809 vs Q1/21 - $34,379) related to the hire of a full-time IR manager and overall increased IR activities by the Company; and **3.** higher regulatory and transfer agent expenses of $72,219 directly related to the Company's application to trade its common shares on the OTCQB in the Unites States which was completed during the quarter.

LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2022, the Company had a cash of $2,848,518 and working capital (excluding flow-through share premium liability) of $3,277,206 (December 31, 2021, 2,848,518 – $1,792,033 and $1,889,546, respectively). The Company's excess cash, when available, is deposited into interest-bearing accounts or invested in redeemable GICs with major Canadian chartered banks.

As at March 31, 2022, the Company had amounts receivable and prepaid expenses totaling $476,809 which included a $267,518 deposit paid to a geophysical contractor as well as sales tax receivable of $172,071, other prepaid expenses of $27,050 and a other receivable of $10,170.

During 2021, the Company acquired exploration equipment at a cost of $65,136, which included the purchase of an exploration vehicle in the amount of $43,586. This amount was financed via a loan bearing an annual interest rate of 7.89% and is repayable over 60 monthly payments of $881. The balance payable at March 31, 2022 was $38,084.

The March 31, 2022, condensed interim consolidated financial statements were prepared in accordance with accounting principles applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge liabilities in the normal course of business. The Company's ability to continue as a going concern is always dependent on its ability to raise new funds to meet its obligations and continue its exploration activities.

Equity Financing

The Company's exploration projects are at an early stage and it has not yet been determined whether any of its properties contain economically recoverable ore. As a result, the Company has no current sources of revenue and has relied on the issuance of shares to generate the funds required to further its projects.

Warrants

Between January 10 and February 10, 2022, 7,025,000 warrants exercisable at $0.12 and expiring on January 23 and February 13, 2022 were exercised for gross proceeds of $843,000.

On March 23, 2022, following the implementation of a warrant exercise incentive program, 9,306,550 warrants at a price of $0.12 were exercised for gross proceeds of $1,116,786. As part of the incentive program, the Company issued 4,653,275 incentive warrants exercisable at $0.18 until April 15, 2023.

In April 2022, an additional 1,351,000 warrants were exercised at $0.12 under the warrant exercise incentive program for gross proceeds of $162,120 and an additional 675,500 incentive warrants were issued.

During the period, 1,884,600 warrants expired on January 23, 2022 and 100,000 expired on February 13, 2022.

General

The Company's ability to successfully acquire mineral projects or recover amounts expended on mineral properties is conditional on its ability to secure financing when required. The Company expects to meet additional financing requirements through equity financing. The Company may seek other alternatives for financing in the future depending on market conditions and exploration results; however, there can be no assurance that such financing attempts will be successful. The impact on our business and the cost and availability of financing remain uncertain and could affect our overall liquidity.

Commitments and Obligations

Management Contracts

The Company entered into consulting agreements for the services of its President and CEO, CFO and Executive Chairman. Under the agreements, additional payments totalling $775,000 are be made upon the occurrence of a change of control. As a triggering event has not taken place, the contingent payments have not been reflected in the consolidated financial statements. The commitment upon termination of the agreements is $295,000, in aggregate. The minimum commitment due within one year under the terms of the agreements is $296,400, in aggregate.

Property Option Agreement

On April 28, 2021, the Company optioned certain claims forming the Barraute-Landrienne property whereby Murchison can earn 100% in 75 mineral claims, by making payments totaling $500,000 and property expenditures of $1.0 million over a 6-year period. The $20,000 first year anniversary payment was paid on May 3, 2022.

Flow-Through Obligation

As at March 31, 2022, the Company has to incur $990,888 in qualifying exploration expenditures by December 31, 2022 to meet its flow-through commitments. At this time, management anticipates meeting that obligation and as a result, no additional provisions are required.

The flow-through agreements require the Company to renounce certain tax deductions for Canadian exploration expenditures incurred on the Company's mineral properties to flow-through participants. The Company indemnified the subscribers for any related tax amounts that become payable by the subscribers as a result of the Company not meeting its expenditure commitments.

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The Company has no long-term contractual obligations.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

a) Remuneration of directors and the officers was as follows:

Three months ended March 31,	**2022**	**2021**
Salaries and benefits	$ 114,256	$ 90,781
Share-based payments	8,850	-
	$ 123,106	**$ 90,781**

For the three-month period ended March 31, 2022, the salaries and benefits amount above includes $55,156 (2021 - $48,281) for fees invoiced by a corporation controlled by the CFO of the Company for his services and $21,600 (2021 - $42,500) for fees invoiced by the Executive Chairman (former CEO until October 11, 2021) of the Company for his services as Executive Chairman. The salaries and benefits also include $37,500 (2021 - $nil) for fees invoiced by a corporation controlled by the CEO of the Company for his services as CEO fees.

b) Warrant Incentive Program
As part of the warrant exercise incentive program implemented on March 17, 2022, officers and directors of the Company exercised 9,306,550 warrants at a price of $0.12 for gross proceeds of $1,116,786. As part of the incentive program, the Company issued 4,653,275 warrants exercisable at $0.18 until April 15, 2023.

PROPOSED TRANSACTIONS

The Company continues to evaluate quality exploration projects and financing opportunities. There are no material transactions currently pending.

FINANCIAL INSTRUMENTS

	March 31 2022	**December 31 2021**
Financial assets:		
Amortized cost		
Cash and cash equivalents	$ 2,848,518	$ 1,792,033
Amounts receivable	10,170	-
FVPL		
Investments	2,411	2,584
Financial liabilities:		
Amortized cost		
Accounts payable and accrued liabilities	$ 37,543	$ 211,305
Loan payable to	38,084	39,963

As of March 31, 2022 and December 31, 2020, the fair value of all the Company's financial instruments approximates the carrying value, due to their short-term nature, except as for the investment which is presented at fair value.

As at March 31, 2022, the Company's Investment on the consolidated statements of financial position was recorded at level 1 with a fair value of $2,411 (December 31, 2021 - $2,584).

Significant accounting judgments and estimates:
The preparation of consolidated financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions about future events that affect the amounts reported in the consolidated financial statements and related notes to the financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates.

The areas that require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to the following:

- ***Assets' carrying values and impairment charges***
  In the determination of carrying values and impairment charges, management looks at the higher of recoverable amount or fair value less costs to sell in the case of assets and at objective evidence, significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.

- ***Income and other taxes***
  Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

  Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

  Deferred tax is provided using the statement of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date.

  A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

- ***Share-based payments***
  Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based non-vested share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgments used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates. The Company currently estimates the expected volatility of its common shares based on historical volatility taking into consideration the expected life of the options and warrants.

Capital Management:

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by Management and the Board of Directors on an ongoing basis.

The Company considers its capital to consist of equity, comprising share capital, reserves and deficit. The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is regularly updated based on its exploration and development activities. Selected information is regularly provided to the Board of Directors of the Company. The Company’s capital management objectives, policies and processes have remained unchanged during the quarter ended March 31, 2022 and the year ended December 31, 2021. The Company is not subject to any capital requirements imposed by a regulator or lending institution.

ADDITIONAL INFORMATION

Outstanding Shareholders’ Equity Data
As of May 10, 2022, the following are outstanding:

- Common Shares 171,292,335
- Stock Options 14,280,000
- Warrants 23,969,010

Uncertainties and Risk Factors

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position.

In addition to the risks outlined the December 31, 2021 annual MD&A, Murchison has identified the extreme volatility occurring in the financial markets as a significant risk for the Company. As a result of the market turmoil, investors are moving away from assets they perceive as risky to those they perceive as less so. Companies like Murchison are considered risk assets and as mentioned above are highly speculative. The volatility in the markets and investor sentiment may make it difficult for the Company to access the capital markets to raise the funds required for its future expenditures.

FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements based on the Company's current expectations. Forward-looking information can often be identified by forward looking words such as "anticipate", "believe", "expect", "goal", "plan", "intend", "estimate" or similar words suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance.

These forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from those presented in this document. Accordingly, the Company undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change, unless required by law. Readers are cautioned not to place undue reliance on forward-looking information.