

**SYLLA GOLD CORP.**  
**(formerly, Atlantic Industrial Minerals Incorporated)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(for the nine month period ended November 30, 2021)**

January 27, 2022

**INTRODUCTION**

This management's discussion and analysis ("MD&A") has been prepared by Sylla Gold Corp.'s, formerly, Atlantic Industrial Minerals Incorporated, ("Sylla" or the "Company") management and provides a review of the Company's operating and financial performance for the nine month period ended November 30, 2021, as well as a view of future prospects. The MD&A should be read in conjunction with Sylla's unaudited condensed interim consolidated financial statements for the nine month period ended November 30, 2021; and, audited consolidated financial statements for the year ended February 28, 2021. Additional information related to the Company is filed electronically on the System for Electronic Document Analysis and Retrieval (SEDAR) and is available online at [www.sedar.com](http://www.sedar.com).

Basis of presentation

Sylla's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are expressed in Canadian dollars, unless otherwise noted.

NOTE: in this MD&A references to years, such as F2022 or F2021, refers to the fiscal year ending February 28.

This MD&A may contain forward-looking statements, which may be influenced by factors described in the "Cautionary Statements" section of the MD&A. The "Risks and Uncertainties" section of this MD&A further describes other factors that could cause results or events to differ from expectations.

**CORPORATE PROFILE**

Sylla is a publicly-listed exploration company involved in the business of acquiring, exploring and developing mineral properties. During F2022, Sylla was recapitalized and reorganized and on September 15, 2021, Sylla entered into an option agreement to acquire a 100% interest in the Niaouleni Gold Project located in Mali, West Africa. Sylla is currently listed on the NEX board (the "NEX") of the TSX Venture Exchange ("TSX-V") and its common shares trade under the symbol SYG.H. The Company expects to graduate from the NEX to a TSX-V tier 2 mining issuer upon receipt of TSX-V approval for the transaction.

**HIGHLIGHTS**

Niaouleni Gold Project

On September 15, 2021, Sylla entered into a definitive option agreement pursuant to which the Company was granted an option to acquire an indirect 100-per-cent interest in a gold prospective exploration permit that encompasses 9,400 hectares located in the Republic of Mali, West Africa. The option agreement for the Niaouleni project received shareholder approval on November 12, 2021, and TSX-V approval is pending.

Name change and share consolidation

On April 23, 2021, the Company changed its name to Sylla Gold Corp. and consolidated its common shares on the basis of one new share for five old shares. All share information in the MDA, including references to the number of common shares, warrants, prices of issued shares, and earnings (loss) per share, have been adjusted to reflect the impact of the share consolidation.

Financing Activities

On April 9, 2021, Sylla issued 324,231 common shares to settle debt of \$81,058 at a price of \$0.175 per share. A deemed price of \$0.25 per share was used to determine the number of shares to issue.

## **SYLLA GOLD CORP.**

### **Management's Discussion & Analysis (for the nine month period year ended November 30, 2021)**

On June 22, 2021, Sylla settled \$410,000 of debt owed to a Company director and a former director by issuing 1,640,000 common shares at \$0.265 per share. A deemed price of \$0.25 per share was used to determine the number of shares to issue.

On June 22, 2021, Sylla completed a \$1 million private placement by issuing 10,000,000 units at \$0.10 per unit. Each unit is comprised of one common share and one-half of a common share purchase warrant, which is exercisable at \$0.15 for a period of twelve months.

On January 27, 2022, the Company announced that it intends to complete a private placement of up to 15,000,000 units at \$0.20 per unit for potential gross proceeds of \$3,000,000.

#### COVID-19 Pandemic

In March 2020, the World Health Organization declared a global pandemic related to COVID-19. Its impact on global economies has been far-reaching and business around the world have had to cease or limit operations for long or indefinite periods of time. There is significant ongoing uncertainty surrounding COVID-19 and the extent and duration of the impacts that it may have on our financial position and results, exploration activities, workers, partners, consultants, suppliers and on global financial markets. The Company is proceeding with its search for exploration properties and plans on conducting related exploration activities, as long as the work environment remains safe.

## **MINERAL PROPERTIES**

### **Niaouleni Gold Project – Mali, West Africa**

On September 15, 2021, Sylla entered into a definitive option agreement (the "Option Agreement") with Niaouleni Gold Inc. and Niaouleni Gold Mali SARL, a wholly owned subsidiary of Niaouleni Gold inc., pursuant to which the Company was granted an option (the "Option") to acquire an indirect 100% interest in the Niaouleni gold exploration permit located in the Republic of Mali.

The Niaouleni Gold Project encompasses 9,400 hectares and is accessible by paved highway and includes extensive artisanal mining activity within the interpreted extensions of gold-bearing structures. Past exploration at Niaouleni includes extensive reverse circulation (RC) and diamond drilling, which have identified several structural gold-bearing zones that appear to extend from the adjacent Kobada gold deposit. Historical exploration and drilling results are currently being compiled into a digital database and will be interpreted for the purposes of designing a drilling program to further test these structural gold-bearing zones and possibly extend them further. In addition, the Company prepared its initial NI 43-101 technical report for the project.

A Company director and officer, is also a director, officer and shareholder of Niaouleni Gold Inc. The Company received shareholder approval for the Option Agreement on November 12, 2021, and TSX-V approval is pending. Upon receipt of regulatory approval, the Company expects to graduate from the NEX and become a TSX-V Tier 2 mining issuer.

As at November 30, 2021, the prepaid expenses and deposits account includes \$97,193 of expenditures related to the Niaouleni Gold Project. Upon receipt of TSX-V approval of the Option Agreement these costs will be written-off to the exploration and evaluation account. Subsequent to November 30, 2021, the Company paid \$10,134 to Niaouleni Gold Inc. for additional project expenditures.

## **SYLLA GOLD CORP.**

### **Management's Discussion & Analysis (for the nine month period year ended November 30, 2021)**

#### Option Agreement

In order to exercise the Option, the Company shall:

- (a) pay an aggregate of \$\$700,000\* over a three (3) year period (the "Option Period") as follows:
  - (i) \$50,000 upon receipt of TSX Venture Exchange approval (the "Effective Date");
  - (ii) \$50,000 on the first anniversary of the Effective Date;
  - (iii) \$100,000 on the second anniversary of the Effective Date; and,
  - (iv) \$500,000 on the third anniversary of the Effective Date.

\* The Company has the right to defer any of these cash payments until such time the Company has completed a private placement of at least \$1,000,000.

- (b) Issue 9,000,000 common shares of the Company in four (4) instalments as follows:
  - (i) issue 1,000,000 common shares on the Effective Date;
  - (ii) issue 1,000,000 common shares on the first anniversary of the Effective Date;
  - (iii) issue 2,000,000 common shares on the second anniversary of the Effective Date; and,
  - (iv) issue 5,000,000 common shares on the third anniversary of the Effective Date.
- (c) Incur an aggregate of \$1,380,000 of exploration expenditures over the Option Period, as follows:

|                  |           |
|------------------|-----------|
| (i) first year   | \$220,000 |
| (ii) second year | \$460,000 |
| (iii) third year | \$700,000 |

In the event the Option is exercised, Niaouleni Gold Inc. shall retain a 3-per-cent net smelter return royalty (NSR). The Company reserves the right to purchase up to 2 per cent of the NSR (resulting in the remaining NSR being at least 1 per cent) for a cost of up to \$2-million.

During the Option Period the Company is required to keep the permit in good standing. The Company is not entitled to any partial interest in the permit in the event the Option is not exercised.

#### **Disposition of the Glencoe Carbonate Property – Cape Breton, Nova Scotia**

During F2021, Sylla held a 100% interest in the Glencoe carbonate property ("Glencoe" or the "Glencoe Property"), which is located in Inverness County, Cape Breton, Nova Scotia. Glencoe encompassed approximately 528 hectares that covered a deposit of limestone and dolomite.

On February 11, 2021, the Company disposed of its 100% interest in the Glencoe Property for proceeds of \$5,000. The disposition was made pursuant an option agreement made between the Company and a Company director, which was approved by Company shareholders on July 12, 2019.

## SYLLA GOLD CORP.

### Management's Discussion & Analysis (for the nine month period year ended November 30, 2021)

#### SUMMARY OF QUARTERLY RESULTS

|                    | Corporate<br>and<br>administrative | Exploration<br>and<br>evaluation | Expense<br>recovery | Gain (loss)<br>on debt<br>settlement | Net<br>income<br>(loss) | Net<br>income<br>(loss)<br>per share |
|--------------------|------------------------------------|----------------------------------|---------------------|--------------------------------------|-------------------------|--------------------------------------|
|                    | \$                                 | \$                               | \$                  | \$                                   | \$                      | \$                                   |
| <b>Fiscal 2022</b> |                                    |                                  |                     |                                      |                         |                                      |
| Q3 November 30     | (127,206)                          | -                                | -                   | -                                    | (93,805)                | (0.006)                              |
| Q2 August 31       | (87,139)                           | -                                | -                   | (24,600)                             | (145,497)               | (0.010)                              |
| Q1 May 31          | (38,838)                           | -                                | -                   | 24,318                               | (14,520)                | (0.003)                              |
| <b>Fiscal 2021</b> |                                    |                                  |                     |                                      |                         |                                      |
| Q4 February 28     | (35,473)                           | 5,000                            | 123,605             | -                                    | 93,132                  | 0.019                                |
| Q3 November 30     | (8,284)                            | -                                | -                   | -                                    | (8,284)                 | (0.002)                              |
| Q2 August 31       | (10,221)                           | (1,650)                          | -                   | -                                    | (11,222)                | (0.002)                              |
| Q1 May 31          | (4,515)                            | -                                | -                   | -                                    | (4,515)                 | (0.001)                              |
| <b>Fiscal 2020</b> |                                    |                                  |                     |                                      |                         |                                      |
| Q4 February 29     | (32,208)                           | 16,457                           | -                   | -                                    | (15,751)                | (0.003)                              |

For F2022, fluctuations in quarterly results were influenced by: (1) corporate and administrative expenses, which were impacted by costs - in Q2 and Q3 for additional management and administrative services - in Q1 and Q2 to recapitalize and reorganize the Company - in Q2 and Q3 to facilitate the acquisition of the Niaouléni Gold Project and return the Company to the TSX-V as a tier 2 mining issuer; and (2), the settlement of debt in Q1 and Q2.

For F2021, fluctuations in quarterly results were influenced by: (1) corporate and administrative expenses, which were impacted by costs - in Q2 and Q3 for the Company's annual shareholder meeting - and, the Company's reorganization and annual audit and tax reporting in Q4; (2) the expense recovery, which resulted from the write-off of liabilities from prior years in Q4; and, (3) the exploration and evaluation recovery, which resulted from the proceeds received from the disposition of the Glencoe Property in Q4.

#### RESULTS OF OPERATIONS

##### **Three month period**

The net loss for the third quarter of F2022 was \$93,805 versus a net loss of \$8,284 for F2021, representing an increase of \$85,521. During the current quarter, the Company entered into the Option Agreement to acquire the Niaouléni Gold Project and began the process of becoming a TSX-V tier 2 mining issuer. These activities were partially responsible for the increase in corporate administrative expenses (F2022 - \$127,206 vs F2021 - \$8,284) and led to the increase in filing and transfer agent fees and professional fees. Consulting reflects the use of administrative and accounting services to support the added corporate activity. Management fees are attributable to the appointment of a Chief Executive Officer and President on August 3, 2021. Shareholder relations and promotion costs grew due to an increase in the frequency of news releases and the development of investor marketing materials.

##### **Nine month period**

The net loss for the nine month period ended November 30, 2021 was \$253,822 versus a net loss of \$24,021 for the comparable period of F2021, representing an increase of \$229,801. During the current nine month period, corporate activity revolved around recapitalizing and reorganizing the Company, obtaining the Option Agreement for the Niaouléni Gold Project and becoming a tier 2 TSX-V mining issuer. As part of the Company's recapitalization efforts, the Company recognized a loss on debt settlement of \$282 (F2021 - \$nil), as the Company issued 1,964,231 common shares to extinguish \$491,340 of payables.

These activities were partially responsible for the increase in corporate administrative expenses (F2022 - \$253,183 vs F2021 - \$23,020) and led to the increase in filing and transfer agent fees, office and general costs, professional fees

## **SYLLA GOLD CORP.**

### **Management's Discussion & Analysis (for the nine month period year ended November 30, 2021)**

and shareholder relations and promotion costs. Consulting reflects the use of administrative, accounting and project management services to support the added corporate activity. Management fees are attributable to the appointment of a Chief Executive Officer and President on August 3, 2021.

#### **LIQUIDITY AND CAPITAL RESOURCES**

##### ***Cash flows***

Operating activity cash flows for the current nine month period of F2022 was impacted by the issuance of \$491,340 of common shares to settle trade payables of \$491,058.

Financing activity cash flows for the current nine month period of F2022 represent the completion of 10 million unit private placement for gross proceeds of \$1 million and the repayment of cash loans provided by Company directors and a former director.

##### ***Working capital***

As at November 30, 2021, Sylla had cash of \$188,046 and a working capital surplus of \$56,730. Sales tax receivables represent amounts expected to be refunded by the Canadian government. Loans payable consist of \$186,000 payable to a Company director.

During the current nine month period of F2022, the Company settled trade payables of \$491,058 by issuing 324,231 common shares at \$0.175 per share and 1,640,000 common shares at \$0.265 per share. On June 22, 2021, the Company closed a \$1 million private placement. The private placement consisted of 10,000,000 units at \$0.10 per unit, whereby each unit is comprised of one common share and one-half of a common share purchase warrant. Each whole warrant entitles the holder to acquire an additional common share at \$0.15, expiring June 22, 2022.

To enhance its working capital, on January 27, 2022, the Company announced that it intends to complete a private placement of up to 15,000,000 units at \$0.20 per unit for potential gross proceeds of \$3,000,000 (the "Private Placement"). Each unit is comprised of one common share and one common share purchase warrant. Each whole warrant entitles the holder to acquire an additional common share at \$0.32 for a period of twenty-four (24) months. The private placement is expected to close on or before February 28, 2022.

For fiscal 2023, Sylla believes it will have sufficient working capital to fund its planned operations provided it graduates to the TSX-V as a tier 2 mining issuer and completes all or a significant portion of the Private Placement. There is a risk that the Company may not graduate from the NEX or be able to raise sufficient funds, thus jeopardizing the Company's ability to maintain the Niaouléni Gold Project Option Agreement or continue as a going-concern. Currently, the Company is listed on the NEX and is restricted to raising \$500,000 in any twelve month period.

#### **RELATED PARTY TRANSACTIONS AND BALANCES**

Consulting fees of \$12,500 (F2021 - \$nil) for the three month period and \$29,167 (F2021 - \$nil) for the nine month period were paid to RCBI Geological Inc. ("RCBI"), a company controlled by Company director and officer, Mr. Regan Isenor. RCBI provides bookkeeping services, which began on July 1, 2021, and project management services.

Management fees of \$25,000 (F2021 - \$nil) for the three month period and \$33,333 (F2021 - \$nil) and for the nine month period were paid to RCBI for the services of the Company's Chief Executive Officer and President, Mr. Regan Isenor. The agreement for Mr. Isenor's services was effective, August 3, 2021.

Prepaid expenses and deposits include \$76,977 (F2021 - \$nil) paid or payable to Niaouléni Gold Inc., a company in which Company director and officer, Mr. Gregory Isenor, is also a director, officer and shareholder. Niaouléni Gold Inc. is party to the Option Agreement for the Niaouléni Gold Project. Subsequent to November 30, 2021, the

## SYLLA GOLD CORP.

### Management's Discussion & Analysis (for the nine month period year ended November 30, 2021)

Company paid an additional \$10,134 to Niaouleni Gold Inc. These payments were made to fund Niaouleni Gold Project expenditures.

Accounts payable and accrued liabilities include \$12,049 (February 28, 2021 – \$499,842) payable to: Company directors and officers; Niaouleni Gold Inc., companies controlled by Company directors and officers; and, Mr. John Cumming, a former Company director who departed the Company on June 25, 2018. On June 22, 2021, the Company settled \$410,000 of F2021 payables owing to Mr. Gregory Isenor and Mr. Cumming by issuing 1,640,000 common shares at a deemed price of \$0.25 per share. Mr. Isenor and Mr. Cumming were each owed \$205,000. The Company shareholders' approved the debt settlement on June 4, 2022. These payables were comprised of \$360,000 for consulting and professional fees and \$50,000 for property payments related to the acquisition of the Company's former Kewstoke Carbonate property. Of the \$410,000, the payment of \$350,000 was originally deferred until June 14, 2020, pursuant to an agreement dated June 24, 2014 and as amended on February 1, 2017.

Loans payable of \$186,000 (February 28, 2021 - \$475,779) consist of: \$186,000 (February 28, 2021 - \$416,355) payable to Mr. Gregory Isenor; \$nil (February 28, 2021 - \$12,500) payable to a Company director; and, \$nil (February 28, 2021 - \$46,924) payable to Mr. Cumming. During the current nine month period of F2022, the Company received loans of \$6,000 and repaid loans of \$295,779. All of these amounts represent cash loans and are or were unsecured, non-interest bearing with no fixed terms of repayment.

#### SHARE CAPITAL

As of the date of this MD&A, Sylla has the following securities outstanding:

| Security      | Number     |
|---------------|------------|
| Common shares | 16,890,914 |
| Warrants      | 5,000,000  |
| Options       | nil        |

#### FINANCIAL INSTRUMENTS

*Disclosure on Sylla's financial instruments and related risks may be found in Note 14 of Sylla's unaudited condensed interim consolidated financial statements for the nine month period ended November 30, 2021.*

The Company does not have a risk management committee or written risk management policies. The Company has not entered into any specialized financial agreements to minimize its credit or foreign currency risks. There are no off-balance sheet arrangements.

#### CAUTIONARY STATEMENTS

This MD&A may contain forward-looking statements relating to, but not limited to, Sylla's assumptions, estimates, expectations and statements that describe Sylla's future plans, intentions, beliefs, objectives or goals, that are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those expressed or anticipated by such forward-looking statements. Statements that address activities, events or developments that the Company expects or anticipates will or may occur in the future are forward-looking statements or forward-looking information, including, but not limited to, statements preceded by, followed by or that include words such as "may", "will", "would", "could", "should", "believes", "estimates", "projects", "potential", "expects", "plans", "intends", "anticipates", "targeted", "continues", "forecasts", "designed", "goal", or the negative of those words or other similar or comparable words. Examples of such forward-looking statements, without limiting the generality of the foregoing, include:

- potential to earn an interest in mineral properties or projects;
- ability to satisfy permitting requirements and/or complete property acquisitions/transactions;

## **SYLLA GOLD CORP.**

### **Management's Discussion & Analysis (for the nine month period year ended November 30, 2021)**

- ability to conduct exploration work and satisfy work commitments;
- reference to competitors exploration results;
- potential of exploration properties;
- establishing economic deposits or resources;
- outlook for metals and/or mining sector;
- financial or capital market conditions;
- evaluation of the potential impact of future accounting changes;
- capital requirements and ability to obtain funding;
- ability to continue as a going concern.

Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements and forward-looking information. Such factors include, but are not limited to:

- condition of underlying commodity markets and prices;
- ability to raise necessary capital;
- fluctuations in interest rates and stock market volatility;
- receipt or retention of necessary permits or approvals;
- access to properties and contests over title to properties;
- obtaining exploration, environmental and mining approvals;
- timing of commencement of exploration or development activities;
- geological and exploration results and conditions;
- geological, technical, drilling and operating difficulties;
- establishment of sufficient and economic resources or reserves;
- availability and cost of contractors, equipment, supplies, labour and insurance;
- performance of our partners and their financial wherewithal;
- the speculative nature of exploration and development and investor sentiment;
- degree of support from local communities;
- competition for, among other things, capital, acquisitions of resources and/or reserves, undeveloped lands and skilled personnel;
- changes in government legislation, taxation, controls, regulations and political or economic developments in which the Company conducts or may conduct business;
- business opportunities that may be presented to or pursued by us;
- our ability to correctly value and successfully complete acquisitions;
- effectiveness of corporate and investor relations.

Although Sylla believes that the assumptions, estimates and expectations reflected in our forward-looking statements are reasonable, results may vary, and we cannot guarantee future results, levels of activity, performance or achievements. Readers are cautioned not to place undue reliance on these forward-looking statements due to the inherent uncertainty. Sylla disclaims any intent or obligation to update or revise any forward-looking statement, whether as a result of new information, future events or other such factors which affect this information, except as required by law.

### **RISKS AND UNCERTAINTIES**

Sylla is in the business of exploring for minerals and, if successful, ultimately mining them. The mining sector is by its nature, cyclical, competitive and risky. Many of these risks are beyond the Company's control. Investment in the mining sector in general and the exploration sector, in particular, involves a great deal of risk and uncertainty and Sylla's common shares should be considered as a highly speculative investment. Current and potential investors should give special consideration to the risk factors involved.

## **SYLLA GOLD CORP.**

### **Management's Discussion & Analysis (for the nine month period year ended November 30, 2021)**

#### ***Acquisition Risk***

Sylla uses its best judgment in the acquisition of mineral properties and in pursuit of such opportunities, the Company may fail to select appropriate acquisition candidates or negotiate acceptable agreements, including agreements to finance the acquisition and development of the mineral properties or business venture. The Company cannot provide assurance that it can complete any acquisition that it pursues, on favourable terms, or that any acquisition will ultimately benefit the Company.

#### ***Competition Risk***

Sylla must compete with a number of other companies that possess greater financial and technical resources. Competition in the mining and business sectors could adversely affect the Company's ability to acquire mineral properties or projects.

#### ***Conflicts of Interest Risk***

Certain directors and officers of Sylla, in their personal capacities or as directors or officers of other companies, are engaged or have interests in mineral exploration and development activities outside of the Company. Accordingly, exploration opportunities or prospects of which they become aware of may not necessarily be made available to the Company.

#### ***Counterparty Risk***

Counterparty risk is the risk that each party to a contract will not fulfill its contractual obligations. The entering into a transaction for a business opportunity exposes the Company to this risk.

#### ***Dependence on Directors, Management and Consultants***

Sylla is very dependent upon the efforts and commitment of its directors, management and consultants to the extent that if the services of these parties were not available a disruption in the Company's operations may occur, which may have an adverse effect on the Company's objectives and financial condition.

#### ***Environmental Risk***

Exploration and development activities conducted on Sylla's mineral properties are subject to the environmental laws and regulations of the country in which the activities take place. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties, more stringent environmental assessments and a heightened degree of responsibility for companies and their officers, directors and employees.

Environmental laws and regulations may change at any time prior to the granting of necessary approvals. The support of local communities may be required to obtain necessary permits. Although the Company undertakes to comply with current environmental laws and regulations, there is no assurance that changes in environmental laws or regulations will not adversely affect the Company's operations.

#### ***Exploration Risk***

There is no assurance that the activities of Sylla will be successful and result in economic deposits being discovered and in fact, most companies are unsuccessful due to the low probability of discovering an economic deposit. Once mineralization is discovered, it may take several years until production is possible during which time the economics of a project may change. Substantial expenditures are required to establish reserves through drilling. Sylla's ability to establish a mining operation is subject to a host of variables, such as the physical, technical and economic attributes of a deposit, availability of capital, cyclical nature of commodity markets and government regulations.

Exploration activities involve risks which even a combination of experience, knowledge and prudence may not be able to overcome. Exploration activities are subject to hazards and risks which could result in injury or death, property damage, adverse environmental conditions and legal liability. Fires, power disruptions and shortages and the inability to access land or obtain suitable or adequate equipment or labour are some of the hazards and risks involved in conducting an exploration program.

## **SYLLA GOLD CORP.**

### **Management's Discussion & Analysis (for the nine month period year ended November 30, 2021)**

#### ***Financing and Liquidity Risk***

Sylla's ability to continue as a going concern, retain its mineral properties, finance its exploration and development activities and make acquisitions is highly dependent on its working capital and its ability obtain additional funds in the capital/equity markets. The Company does not have production income or a regular source of cash flow to fund its operating activities. In addition, Sylla's financial success is dependent on the extent to which it can discover mineralization in economic quantities and the economic viability of developing its properties or projects.

Sylla will require significant capital to finance its overall objectives and there can be no assurance that the Company will be able to raise the capital required, thus jeopardizing the Company's ability to achieve its objectives, meet its obligations or continue as a going-concern. Given the nature of the Company's operations, which consist of exploration, evaluation, development and acquisition of mineral properties or mining projects, the Company believes that the most meaningful financial information relates primarily to current liquidity and solvency. There can be no assurance that the Company's directors/officers will fund the Company's working capital needs.

Failure to obtain sufficient and timely financing may result in delaying or indefinitely postponing exploration or development activities. If the Company obtains debt financing, it may expose its operations to restrictive loan and lease covenants and undertakings. If the Company obtains equity financing, existing shareholders may suffer dilution.

#### ***Infrastructure Risk***

Exploration and development activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. The lack of availability of acceptable terms or the delay in the availability of any one or more of these items could prevent or delay exploration or development of Sylla's projects. If adequate infrastructure is not available, there can be no assurance that the exploration or development of the Company's projects will be commenced or completed on a timely basis, if at all.

#### ***Pandemic Diseases and Viruses Risk***

Sylla's operations are exposed to the risk of pandemic diseases and viruses (such as COVID-19), which could have adverse economic and social impacts on global societies and in areas in which the Company operates. Such pandemics pose a threat to maintaining our operations as planned, due to shortages of workers and contractors, supply chain disruptions, insufficient healthcare, changes in how people socialize and interact, government or regulatory actions or inactions, declines in the price of our underlying commodities, as well as capital market volatility. There can be no assurance that our workers, partners, suppliers, consultants and contractors will not be impacted by such diseases or viruses. As a result, the Company may not be able to predict and effectively mitigate the impact from such diseases or viruses on its operations and these diseases and viruses could have a material adverse effect on our business, operating results, financial condition and share price.

#### ***Permit Risk***

Sylla's current or anticipated future exploration and development activities on its properties, require permits from various governmental authorities. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could prevent, delay or restrict the Company from proceeding with certain exploration or development activities. There can be no guarantee that the Company will be able to obtain or maintain all necessary licenses and permits that may be required to explore and develop its properties,

There can be no assurance that all permits that the Company requires will be obtainable on reasonable terms, or at all. Delays or a failure to obtain such permits, or a failure to comply with the terms of any such permits that the Company has obtained, could have a material adverse impact on the Company.

#### ***Price Risk***

The ability of Sylla to finance the acquisition, exploration and development of its mineral properties and the future profitability of the Company is strongly related to: the price of the underlying commodity; the market price of the Company's equities; and, commodity and investor sentiment. Commodity and equity prices fluctuate on a daily basis

## **SYLLA GOLD CORP.**

### **Management's Discussion & Analysis (for the nine month period year ended November 30, 2021)**

and are affected by a number of factors beyond the Company's control. A decline in either the price of the primary commodity, the Company's issued equities or investor sentiment could have a negative impact on the Company's ability to raise additional capital. Management monitors the commodity and stock markets to determine the applicable financing strategy to be taken when needed.

#### ***Property Title Risk***

Although Sylla takes reasonable measures to ensure proper title in the properties in which it holds or is acquiring an interest, there may still be undetected title defects affecting such properties. Accordingly, the properties in which Sylla holds or is acquiring an interest may be subject to prior unregistered liens, agreements, transfers or claims, or unsatisfied work commitments, all of which could have a material adverse impact on Sylla's operations. In addition, the Company may be unable to access or operate its properties as permitted or to enforce its rights with respect to its properties. If a title defect exists, it is possible that the Company may lose all or part of its interest in the properties to which such defects relate.

Further, there can be no assurance that the Company will be able to secure the grant or the renewal of exploration permits or other tenures on terms satisfactory to it, or that governments having jurisdiction over the Company's mineral properties will not revoke or significantly alter such permits or other tenures or that such permits and tenures will not be challenged or impugned.

#### ***Share Volatility and Dilution Risk***

The securities markets are subject to a high level of price and volume volatility, and the securities of many mineral exploration companies can experience wide fluctuations in price, which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. The price of Sylla's common shares may also be significantly affected by short term changes in mineral prices or in the Company's financial condition or results of operations as reflected in its financial reporting.

In order to finance future operations and development efforts, the Company may raise funds through the issue of common shares or the issue of securities convertible into common shares. The Company cannot predict the size of future issues of common shares or the issue of securities convertible into common shares or the effect, if any, that future issues and sales of the Company's common shares will have on the market price of its common shares. Any transaction involving the issue of shares, or securities convertible into shares, could result in dilution, possibly substantial, to present and prospective holders of shares.

#### ***Uninsured Hazards Risk***

The Company may not always be able or may choose not to obtain insurance for many of the risks that it faces. During the exploration, development and production of mineral properties, several risks including unexpected or unusual geological or operating conditions, may occur. It is not possible to fully insure against such risks, and the Company may decide not to seek insurance against such risks because of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in an increase in costs and a decline in the value of the Company's securities. The Company is currently not insured against environmental risks. Insurance against environmental risks (including potential liability for pollution or other hazards resulting from the disposal of waste products occurring from exploration and production) has not been generally available to companies within the industry. The Company may periodically evaluate the cost and coverage of such insurance as is available against certain environmental risks to determine if it would be appropriate to obtain such insurance. Without such insurance, and if the Company becomes subject to environmental liabilities, the payment of such liabilities would reduce or eliminate the Company's available funds or could exceed the available funds that the Company has and result in bankruptcy. Should the Company be unable to fully fund the remedial cost of an environmental problem, it might be required to agree to interim compliance measures pending completion of the required remedy.