AZINCOURT ENERGY CORP.
Management Discussion and Analysis ("MD&A")
for the year ended September 30, 2021

The following discussion and analysis of the operations, results, and financial position of Azincourt Energy Corp. ("the Company") for the year ended September 30, 2021 should be read in conjunction with the Company's audited financial statements and related notes for the year ended September 30, 2021. The Company's management is responsible for the preparation and presentation of the financial statements and this MD&A. The effective date of this report is January 24, 2022. All figures are presented in Canadian dollars, unless otherwise indicated.

COMPANY OVERVIEW

The Company was incorporated pursuant to the provisions of the *Business Corporations Act* (British Columbia) on April 7, 2011. The Company is in the business of exploration, development and exploitation of mineral resources in Canada. The Company's primary objective is to explore mineral properties to a stage where they can be developed profitably or sold to a third party.

The Company is conducting exploration activities on the East Preston Project in Saskatchewan, Canada, the ELC Project and Hatchet Lake Project in Peru.

HIGHLIGHTS FOR THE YEAR ENDED SEPTEMBER 30, 2021 AND SUBSEQUENT PERIOD UP TO JANUARY 24, 2022:

a) On January 19, 2021, the Company completed a private placement of 30,000,000 flow-through units at $0.05 per unit for total proceeds of $1,500,000. The Company incurred share issue costs of $34,578, issued 2,240,896 finders' fee warrants, and issued 2,240,896 finders' fee common shares relating to the private placement.

b) On January 26, 2021, the Company completed the first tranche of a private placement by issuing 17,750,000 non flow-through units at $0.05 per unit for total proceeds of $887,500. The Company incurred share issuance costs of $21,542 and issued 168,000 finders' fee warrants relating to the private placement.

c) On March 3, 2021, the Company closed the second tranche of a private placement by issuing 2,000,000 flow-through and 65,080,000 non flow-through units at $0.05 per unit for gross proceeds of $100,000 and $3,254,000, respectively. The Company incurred share issuance costs of $143,718, issued 4,796,000 finders' fee warrants, and issued 3,180,000 finders' fee common shares valued at $365,700 relating to the private placement.

d) On March 5, 2021, the Company issued 10,000,000 common shares to 1177865 BC Ltd. as part of the ELC Project option agreement, valued at $950,000. The Company incurred $5,425 of costs relating to the share issuances.

e) On September 29, 2021, the Company completed the first tranche of a non-brokered private placement of 60,805,988 non flow-through units at $0.07 per unit, 10,933,459 flow-through units at $0.075 per unit and 14,285,714 charity flow-through units at $0.093 per unit for gross proceeds of $6,405,000. In relation to the private placement, the Company incurred finders' fees of $491,725, share issue costs of $44,916 and issued 6,593,437 finders' fee warrants valued at $382,000.

f) During the year ended September 30, 2021, 6,350,000 stock options were exercised for gross proceeds of $317,500.

g) During the year ended September 30, 2021, 12,568,657 warrants were exercised for gross proceeds of $879,806.

h) On April 7, 2020, the East Preston option agreement with Skyharbour and Dixie Gold was amended to extend the due date of the $400,000 payment to March 31, 2021. In consideration for the extension, the Company issued 2,500,000 common shares each to Skyharbour and Dixie Gold at $0.05 per share valued at $250,000. $200,000 cash option payment was paid to Dixie Gold as at September 30, 2021. On February 12, 2021, the Company amended its agreement with Skyharbour whereby in lieu of paying $200,000 of cash, the Company would pay exploration expenditures on the property of up to $200,000 and any deficiency by March 31, 2021 would be paid in cash. Total work expenditures paid by the Company as at March 31, 2021 were $108,830 which was recorded as exploration and evaluation costs and the remaining $91,170 was paid in cash as option payment during the year ended September 30, 2021.

i) On October 12, 2021, the Company completed a non-brokered private placement of 17,071,428 non flow-through units at $0.07 per unit and 6,666,667 flow-through units at $0.075 per unit for gross proceeds of $1,695,000. In relation to the private placement, the Company paid finders' fees of $135,600, paid share issue costs of $34,145 and issued 1,899,047 finders' fee warrants.

j) On November 9, 2021, the Company entered into an option agreement with ValOre Metals Corp. ("ValOre") to earn up to 75% interest in the Hatchet Lake Uranium Project ("Hatchet Lake") which consists of six mineral claims located in Saskatchewan, Canada. Pursuant to the agreement, the Company will make staged cash payments totalling $850,000, issue common shares with a value of $1,750,000 and incur certain exploration expenditures totalling $4,000,000 over 3 years. In connection with the grant of the Option, the Company paid a finders' fee of $105,000. On December 1, 2021, the Company paid $100,000 of option payment, issued 2,837,684 common shares valued at $250,000 and paid $105,000 of finders' fee.

k) On November 10, 2021, the Company completed a non-brokered private placement of 7,034,570 non flow-through units at $0.07 per unit and 14,333,334 flow-through units at $0.075 per unit for gross proceeds of $1,567,420. In relation to the private placement, the Company paid finders' fees of $70,000, paid share issue costs of $17,875 and issued 933,333 finders' fee warrants.

l) On January 12, 2022, the Company signed an agreement with FOBI AI Inc. ("FOBI"), to settle $250,000 of debt owing to FOBI with issuance of 3,333,333 common shares at a deemed price of $0.075 per share. The indebtedness relates to consulting fees performed by FOBI. The issuance of the shares is still subject to approval of the TSX-V Exchange.

m) Subsequent to September 30, 2021, 5,100,000 warrants were exercised for proceeds of $357,000.

MINERAL PROPERTY EXPLORATION

EAST PRESTON PROJECT – Athabasca Basin, Canada

As at September 30, 2021, the Company incurred total acquisition costs of $2,225,065 (September 30, 2020 - $1,933,895) pursuant to an option agreement to acquire a 70% interest in the East Preston Project. Earn in under the option agreement was completed in February of 2021, with Azincourt holding a 70% interest in the Project. Following the acquisition of the interest, the Company formed a joint venture with Skyharbour Resources Ltd. and Dixie Gold Inc. with the remaining 30% interest split evenly between Skyharbour and Dixie Gold. Dixie Gold has elected to not participate in subsequent programs and dilute interest, and as such, current ownership stands with Azincourt at 72.8%, Skyharbour Resources at 15%, and Dixie Gold at 12.2%

The East Preston project is part of the formerly larger Preston Project explored by Skyharbour, and its predecessor partners. In excess of $4.7 million has been spent on the Preston uranium project to date, including ground gravity, airborne and ground electromagnetics, radon, soil, silt, biogeochem, lake sediment, and geological mapping surveys, as well as two exploratory drill programs. Fifteen high-priority drill target areas associated with six prospective exploration corridors have been successfully delineated at Preston through methodical, multiphased exploration work. AREVA has recently optioned the adjacent Preston Project for up to $7.3 million in exploration expenditures, highlighting the exploration prospectivity of the area.

The East Preston project has had extensive regional exploration work including: airborne electromagnetic (VTEM), magnetic and radiometric surveys, ground based Horizontal Loop EM (HLEM) and gravity, prospecting, sampling, and diamond drilling. Three prospective conductive, low magnetic signature corridors have been discovered on the property. The three distinct corridors having a total strike length of over 25 km, each with multiple EM conductor trends have been identified.

An approximately $1.2 million winter 2020 drill program focused on prospective targets generated from previous ground and airborne geophysical surveys in the Five Island Lakes area. Nine diamond drill holes totalling 2,431 meters were completed in three zones within a 7km x 2km area. All drill holes targeted combined electromagnetic ± gravity geophysical and geochemical anomalies in concert with structural/topographic discontinuities. East Preston hosts multiple closely spaced discreet graphitic conductor trends with coincident gravity low anomalies often indicative of alteration or thicker overburden due to enhanced glacial scouring over altered, or structurally disrupted basement.

The majority of proposed holes tested multiple subparallel EM conductors (A-zone and B-zone conductor corridors), in an area of marked structural disruption. Portions of the A-zone were drilled during the 2019 winter campaign verifying that the conductor hosts significant graphite in strongly deformed (sheared) host rocks that offer both fluid pathways and a reducing host rock conducive to uranium deposition.

Three main target areas were drill tested with promising basement lithologies and graphitic structures intersected along with associated, anomalous Rare Earth Element (“REE”) mineralization and favourable alteration. The basement lithologies and litho-tectonic setting at

East Preston are very similar and appear analogous to the Patterson Lake South-Arrow-Hook Lake/Spitfire uranium deposits' host rocks and setting, and the recognition of REE mineralization setting appears to represent a basement mineralizing system similar to sandstone-hosted REE mineralization associated with uranium deposition observed at the Wheeler River project in the eastern Athabasca. The East Preston basement-hosted REE mineralization is LREE>HREE, whereas, the sandstone-hosted MAW Zone is HREE dominant, which could be related to original source-rock contents, fluid travel pathways/chemistries and depositional conditions (basement versus sandstone style). However, the presence of similar HREE mineralization in basement structures displaying silica and boron enrichment at East Preston confirms mineralizing basement fluid systems were active and, although this system is not uranium-bearing, the litho-tectonic setting and conditions remain highly prospective for basement-host uranium mineralization discovery in the vicinity. Follow-up drilling is warranted at both A-Zone and B-Zone conductor trends as both infill drilling and strike extension testing.

The 2020 drill program included additional drilling in the Swoosh zone, an over seven-kilometre-long east-west structural lineament with strongly anomalous, spatially consistent geochemical anomalies (lake sediments, radon, soil) and coincident magnetic and gravity geophysical anomalies. This zone is located along strike -- approximately five kilometres southwest of the A-zone. No graphitic rocks or anomalous geochemistry was intersected at Swoosh, and no additional follow up work is planned.

An early winter 2021 ground geophysical targeting program was completed in January to generate and refine targets supporting future drill programs based on the existing property-wide heli-borne VTEM survey results where numerous untested graphitic conductive corridor trends have been identified for follow up. The program consisted of 40.5 line-km of helicopter-supported Horizontal Loop Electromagnetic (HLEM) ground geophysical surveying in six grid target areas. The survey was successful in delineating several conductors over the six selected target areas, G1, G2, G3, K, Q and H (see Figure 2). Many of the conductors show strong well-defined responses and have been recommended for drill test follow-up.

A winter 2021 exploration program was planned to follow-up encouraging results from previous drilling and incorporate new targets generated during the latest ground geophysical program. The program was to be a minimum 10+ hole, up to 2,500 metre diamond drill campaign. The program was terminated after the completion of 1,195 meters in 5 drill holes due to unseasonably warm weather in early March, with safety and security concerns resulting from the early break-up. Preliminary results indicate that the conductive corridor through the A to G Zones contains a thick graphitic package and associated complex structural pattern ideal for the placement of uranium mineralization. Anomalous and elevated uranium levels were encountered in three of the five holes completed with all five drill holes wide zones of breccia and sheared graphitic faulting over a 50 m interval. Elevated uranium was identified above a graphitic breccia.

A summer 2021 exploration program was carried out with a 2,514 km airborne radiometric survey over the previously unsurveyed southern portion of the property in early August. The survey was successful in highlighting radiometric anomalies worthy of follow-up, particularly in the previously identified G- and Q-zones. Geological mapping and prospecting to follow-up on the identified anomalies was conducted in late August to early September and will be of benefit in refining drill targets in the area.

An extensive 6,000 to 7,000 meter program consisting of 25-35 drill holes is being planned for the winter of 2022. This program will continue where the Winter 2021 drill program halted prematurely and focus on the G-zone and move on to the K- and Q-zones.

ELC PROJECT – Peru

As at September 30, 2021, the Company has incurred total acquisition costs of $1,689,750 (September 30, 2020 - $739,750).

On September 5, 2018, and amended on October 16, 2019, July 29, 2020 and on February 3, 2021, the Company entered into an option agreement with 1177865 BC Ltd. whereby the Company may acquire an undivided 100% interest in the Escalara ("ELC") Project, located in Peru. The Company was required to issue a further 1,000,000 common shares, complete cash payments of $350,000 and incur exploration expenditures of $2,500,000 to acquire the property. Under the terms of the amended agreement on February 3, 2021, the Company agreed to exercise the option immediately with the issuance of 10,000,000 common shares. 1177865 BC Ltd. has waived all further cash payments and expenditures under the option agreement and assigned ownership of the ELC Project to the Company.

The ELC project consists of six Escalara project concessions covering a combined area of 5,500 hectares of prospective exploration targets for volcanic hosted supergene/surficial uranium and lithium on the Picotani Plateau, Puno, Peru. Located in a mineral-rich district where mining giants like Minsur and Rio Tinto operate, as well as growing mid-tiers and juniors like Bear Creek Mining and Plateau Energy Metals. Surface rock samples obtained in 2017 from the ELC project were processed by ALS Minerals, in Lima, Peru, and returned values of up to 3,560 ppm uranium and 153 ppm lithium. Historical samples taken from the ELC project have yielded values up to 6,812 ppm uranium.

In 2018 Azincourt initiated first phase ground work that included detailed reconnaissance to locate favourable outcroppings and known host rock formations, focused ground radiometric geophysical surveys using hand portable scintillometers to test for elevated radioactivity at surface, and a comprehensive channel sampling program. Sampling at the priority ELC project has identified two new prospective uranium areas measuring an estimated combined 6.5 kilometers. Rock grab samples yielded highlight laboratory results of up to 8,061 ppm uranium (0.95% U_3O_8). Additional highlight samples return 6,812 ppm, 6,126 ppm, 3,560 ppm and 3,438 ppm uranium. 11 rock samples reporting above 1,000-ppm uranium (0.12% U_3O_8)*.

* Rock grab samples are selective by nature and do not necessarily represent average grades on the property

LITHIUM PROJECTS – Manitoba, Canada

The Company has decided not to pursue acquiring interest in the Lithium Projects, therefore total acquisition costs of $228,603 have been written off as at September 30, 2020.

QUALIFIED PERSON

The technical information respecting East Preston, in this MD&A, has been prepared in accordance with the Canadian regulatory requirements set out in National Instrument 43-101 and reviewed on behalf of the company by C. Trevor Perkins, P.Geo., Vice President of Exploration of Azincourt Energy, and a Qualified Person ("QP") as defined by National Instrument 43-101.

The technical information regarding the ELC project has been reviewed by Michael Moore (P. Geo.). Mr. Moore is a QP as defined in the "Canadian Institute of Mining, Metallurgy and Petroleum, CIM standards on Mineral Resources and Reserves" and NI 43-101.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

As the Company did not have significant revenue from operations, the following is a breakdown of the material costs capitalized at September 30, 2021 or incurred during the years ended September 30, 2021, 2020 and 2019:

	2021	2020	2019
Capitalized mineral acquisition costs	$3,914,815	$2,673,645	$2,377,248
Expensed mineral exploration costs	$1,184,417	$1,274,364	$1,150,828
General and administrative expenses	$1,804,744	$1,347,146	$1,461,283
Any material costs (capitalized, deferred or expensed) not referred to above:			
Share-based compensation	$491,836	$195,795	$7,000

SUMMARY OF QUARTERLY RESULTS

The following is a summary of the Company's quarterly for the previous eight quarters:

	Sep 30, 2021	**Jun 30, 2021**	**Mar 31, 2021**	**Dec 31, 2020**	**Sep 30, 2020**	**Jun 30, 2020**	**Mar 31, 2020**	**Dec 31, 2019**
Expenses (Recovery)	$858,701	$555,173	$1,609,915	$457,208	$442,787	$676,839	$1,285,056	$412,623
Loss (income) for the period	$840,936	$546,816	$1,533,705	$441,808	$661,276	$674,639	$1,283,145	$406,920
Weighted average shares outstanding	289,897,396	344,629,402	268,209,023	199,715,359	167,651,942	173,146,439	152,414,152	149,006,627
Loss (earnings) per share	$0.00	$0.00	$0.01	$0.00	$0.00	$0.00	$0.01	$0.00
Mineral property acquisition costs	-	-	$1,241,170	-	$150,000	$250,000	-	$125,000
Mineral property interests write-off	-	-	-	-	$228,603	-	-	-
Mineral property exploration costs	$154,901	$85,039	$751,341	$193,136	$7,783	$77,856	$1,110,321	$78,404

The Company's operating losses are due to ongoing mineral exploration and general and administrative costs, such as management, consulting, legal, accounting and audit incurred during the process of managing the Company's operations and to ensure regulatory compliance and can vary from quarter to quarter based on planned exploration activities, resource constraints, and share-based compensation.

DISCLOSURE OF OUTSTANDING SHARE DATA

As of the date of this MD&A, the Company had 487,771,147 shares outstanding. The following table summarizes maximum number of common shares outstanding as at September 30, 2021 and as of the date of this MD&A if all outstanding options and warrants were exercised to purchase common shares:

	September 30, 2021	As of the date of this MD&A
Common shares	434,727,464	487,771,147
Warrants to purchase common shares	298,496,460	293,396,460
Options to purchase common shares	13,290,000	12,790,000
	746,513,924	793,957,607

SELECTED ANNUAL INFORMATION

	2021	**2020**	**2019**
	$	$	$
Revenue	Nil	Nil	Nil
Loss and comprehensive loss for the year	3,363,265	3,025,980	3,335,931
Loss per common share, basic and diluted	0.01	0.02	0.03
Weighted average number of common shares outstanding	289,897,396	167,651,942	108,204,439
Statement of Financial Position Data			
Working capital (deficit)	9,662,013	755,948	1,523,882
Total assets	14,856,699	3,500,837	3,971,774
Dividends paid	Nil	Nil	Nil

RESULTS OF OPERATIONS

Year ended September 30, 2021 ("2021") compared with year ended September 30, 2020 ("2020").

The loss for the year ended September 30, 2021 was $3,363,265, compared with $3,025,980 for the year ended September 30, 2020. The increase in the loss from 2020 to 2021 was mainly due to an increase in consulting and directors' fees and share-based compensation expense, offset by a decrease in exploration and evaluation costs, marketing, conferences, and shareholder communications, and write-off of mineral property interests. Major differences are explained as follows:

- Consulting and directors' fees increased from $494,421 in 2020 to $893,971 in 2021. The increase is due to an increase in fees paid to management and third party business consultants from 2020 to 2021;

- Exploration and evaluation expenditures decreased from $1,274,364 in 2020 to $1,184,417 in 2021. During 2021, the Company decreased exploration expenditures on the East Preston and ELC Project;

- Marketing, conferences and shareholder relations decreased from $621,971 in 2020 to $543,754 in 2021. The decrease is due to decreased marketing and branding efforts to promote the Company's properties;

- Share-based compensation expense increased from $195,795 in 2020 to $491,836 in 2020. The share-based compensation expense in 2021 was from the 12,750,000 stock options issued to various consultants, directors and officers. The share-based compensation expense in 2020 was from the 8,600,000 stock options issued to various consultants, directors and officers.

- Write-off of mineral property interests decreased from $228,603 in 2020 to $Nil in 2021. During 2020, the Company wrote off $228,603 of accumulated acquisition costs relating to the Lithium projects. There were no property write-offs in 2021.

Three months ended September 30, 2021 ("Q4 2021") compared with the three months ended September 30, 2020 ("Q4 2020").

The loss for the quarter ended September 30, 2021 was $840,935, compared with $661,276 for the quarter ended September 30, 2020. The increase in the loss from Q4 2020 to Q4 2021 was mainly due to an increase in exploration and evaluation costs and share-based compensation expense, offset by a decrease in write-off of mineral property interest. Major differences are explained as follows:

- Exploration and evaluation costs increased from $7,783 in Q4 2020 to $154,901 in Q4 2021. The increase is due increased exploration expenditures on the East Preston and ELC Project.

- Share-based compensation expense increased from $4,287 in Q4 2020 to $229,000 in Q4 2021. The share-based compensation expense in Q4 2021 was from the issuance of 5,500,000 stock options issued to various consultants and an officer. The share-based compensation expense in Q4 2020 was from the vesting of 1,300,000 stock options issued to various consultants, directors and officers.

- Write-off of mineral property interests decreased from $228,603 in Q4 2020 to $Nil in Q4 2021. During Q4 2020, the Company wrote off $228,603 of accumulated acquisition costs relating to the Lithium projects. There were no write-off of mineral properties during Q4 2021.

LIQUIDITY AND CAPITAL RESOURCES

The Company's ability to meet its obligations and its ability to finance exploration and development activities depends on its ability to generate cash flow through the issuance of common shares pursuant to private placements, the exercise of warrants and stock options or through the issuance of debt. There are no assurances that the Company will continue to obtain additional financial resources and/or achieve positive cash flows or profitability. If the Company is unable to obtain adequate additional financing, the Company will be required to curtail operations and exploration activities.

Working Capital

As of September 30, 2021, the Company's working capital was $9,662,013, compared with $755,948 as at September 30, 2020. The increase in working capital was a result of cash received from various private placements, warrants and options exercised, offset by cash spent on operating expenses and exploration and evaluation expenditures, and mineral property acquisition costs.

Cash

On September 30, 2021, the Company had $10,477,865 of cash, compared with $722,125 of cash on September 30, 2020. Cash was mostly spent on consulting and directors' fees, exploration and evaluation expenditures, marketing, conferences and shareholder relations and acquisition of mineral property interests. The Company also received net proceeds of $13,137,892 from issuance of shares, exercises of options and warrants during the current year.

Cash Used in Operating Activities

Cash used in operating activities during the year ended September 30, 2021 was $3,090,982. Cash was mostly spent on consulting and directors' fees, exploration and evaluation expenditures, and marketing, conferences and shareholder relations. Cash used in operating activities during the year ended September 30, 2020 was $2,633,621. Cash was mostly spent on consulting and directors' fees, exploration and evaluation expenditures, and marketing, conferences and shareholder relations.

Cash Used in Investing Activities

Cash used in investing activities during the year ended September 30, 2021 was $291,170 (2020: $Nil). During the year ended September 30, 2021, the Company paid $291,170 of acquisition costs relating to the East Preston property.

Cash Generated by Financing Activities

During the year ended September 30, 2021, the Company received gross cash proceeds of $12,146,500 from four private placements and spent $205,914 of costs associated with the private placements. The Company also received $317,500 from the exercise of options and $879,806 from the exercise of warrants during the 2021 fiscal year. During the year ended September 30, 2020, the Company received gross cash proceeds of $1,706,905 from three private placements and spent $134,867 of costs associated with the private placements. The Company also received $181,500 from the exercise of options and $87,500 from the exercise of warrants during the 2020 fiscal year.

Requirement of Additional Equity Financing

The Company relies primarily on equity financings for all funds raised to date for its operations. The Company needs more funds to finance its ongoing operating costs. During the year ended September 30, 2021, the Company raised $13,137,892 in net proceeds from financing. Until the Company starts generating profitable operations from extraction of minerals and precious metals, the Company intends to continue relying upon the issuance of securities to finance its operations and acquisitions. There are no assurances that the Company will continue to obtain additional financial resources and/or achieve positive cash flows or profitability. If the Company is unable to obtain adequate additional financing, the Company will be required to curtail operations and exploration activities.

PROPOSED TRANSACTIONS

The Company continues to evaluate new opportunities to expand its exploration project portfolio, however, there are no proposed transactions as at the date of this report.

OFF BALANCE SHEET ARRANGEMENTS

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

TRANSACTIONS WITH RELATED PARTIES

Related parties include the Board of Directors, Executive Officers and any companies owned or controlled by them.

Compensation of Key Management Personnel

Key management personnel consist of current and former directors and senior management including the Chief Executive Officer and Chief Financial Officer. Key management personnel compensation for the year ended September 30, 2021 and 2020 includes:

		Years ended September 30	
Name of related party	Nature of transactions	2021	2020
0949570 BC Ltd.	Consulting and directors' fees	$ 267,500	$ 142,500
TKLD Geological Inc.	Consulting and directors' fees	25,000	-
Westview Consulting Ltd.	Consulting and directors' fees	25,000	-
Westview Consulting Ltd.	Exploration and evaluation expenditures	30,000	30,000
Perkins Exploration Consulting	Exploration and evaluation expenditures	14,298	-
VC Consulting Corp.	Consulting and directors' fees	33,500	18,000
Total		$ 395,298	$ 190,500

Share-based compensation expense for the fair value of options granted to related parties for the year ended September 30, 2021 was $117,000 (2020: $Nil).

The accounts payable and accrued liabilities of the Company include amounts due to related parties. The amounts owing are interest free, unsecured, current and without fixed terms and are as follows:

	September 30, 2021	September 30, 2020
Key management personnel	$ 12,702	$ 13,125

PLAN OF OPERATIONS AND FUNDING

The Company's plan of significant operations for the next twelve months is as follows:

- to continue exploration on the East Preston
- to begin the earn-in with ValOre Metals at the Hatchet Lake project
- to evaluate and consider an exploration program at the ELC property

To finance the above plans, the Company completed a private placements in September and October 2021.

FINANCIAL INSTRUMENTS

The Company has classified fair value measurements of its financial instruments using a fair value hierarchy that reflects the significance of inputs used in making the measurements as follows:

> Level 1: Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.
>
> Level 2: Pricing inputs are other than quoted prices in active markets included in level 1. Prices in level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market place.
>
> Level 3: Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The fair value of cash, amounts receivable, and accounts payables and accrued liabilities approximates their carrying value due to their short term maturity.

The Company is exposed to potential loss from various risks including commodity price risk, credit risk, liquidity risk and interest rate risk. These risks are described in more details in Risk and Uncertainties section of this MD&A.

RISK AND UNCERTAINTIES

The exploration and development of mineral properties are highly speculative activities and are subject to significant risks, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in size to return a profit from production. The Company's ability to realize on its investments in exploration projects is dependent upon a number of factors: management's ability to continue to raise the financing necessary to complete the exploration and development of those projects and the existence of economically-recoverable reserves within the projects.

At the present time the Company does not hold any interest in a mining property in commercial production. The Company has incurred net losses since inception, and has limited financial resources and no positive mineral operating cash flow. No assurance can be given that additional funding will be available for further exploration and development of the Company's projects or to fulfil the Company's obligations under any applicable agreements. Other risks and uncertainties include:

<u>Competitive industry</u>

The mining industry is intensely competitive and the Company will compete with other companies that have far greater resources.

Exploration risks

Mineral exploration is highly speculative in nature. The Company's exploration projects involve many risks, and success in exploration is dependent upon a number of factors including, but not limited to, quality of management, quality and availability of geological expertise and availability of exploration capital. The Company cannot give any assurance that its future exploration efforts will result in the discovery of mineral resources or mineral reserves.

Fluctuating metal and share prices

Factors beyond the control of the Company may affect the marketability of precious any other metals or minerals discovered. Commodity prices fluctuate widely and are affected by numerous factors beyond the Company's control whose effect cannot accurately be predicted.

In recent years, the securities markets in the United States and Canada have experience a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered exploratory and development stage companies, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying assets values or prospects of such companies. There can be no assurance that continual and extreme fluctuations in price will not occur.

The following are risks related to the Company's financial instruments:

(i) **Credit Risk** – Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and amounts receivable. Cash is held with a major Canadian financial institution and the receivables are from Government entities. Management is of the view that these amounts are fully collectible.

(ii) **Liquidity Risk** – Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. The Company's financial obligations are limited to accounts payable and accrued liabilities, all of which have contractual maturities of less than a year. The Company is also required to incur certain expenditures related to flow-through shares.

(iii) **Interest Rate Risk** – Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. If interest rates decrease, the Company will generate smaller interest income. Presently, the Company is not at risk of realizing a loss as a result of a decline in the fair value of its financial instruments as the Company has no interest-bearing debt and due to the short-term nature of cash investments.

(iv) **Commodity Price Risk** - The Company's future success is linked to the price of minerals, because the value of mineral resources is tied to prices of minerals. Worldwide production levels also affect the prices. The prices of minerals are occasionally subject to rapid short-term changes due to speculative activities.

CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders, and to bring its resource properties to commercial production.

The Company depends on external financing to fund its activities. The capital structure of the Company currently consists of common shares, stock options and share purchase warrants. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets, being resource properties. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements, or sell assets to fund operations. Management reviews its capital management approach on regular basis. The Company is not subject to externally imposed capital requirements.

The Company invests all capital that is surplus to its immediate operational needs in short-term, liquid and highly-rated financial instruments, such as cash, which is held with a major financial institution.

RECENT ACCOUNTING PRONOUNCEMENTS

Other recent accounting pronouncements issued by IFRS as issued by IASB and IFRIC did not, or are not believed by management to, have a material impact on the Company's present or future financial position, results of operations or cash flows.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A may constitute forward-looking statements. These statements relate to future events or the Company's future performance. All statements, other than statements of historical fact, may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", “propose”, "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon by investors as actual results may vary. These statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement.

In particular, this MD&A contains forward-looking statements, pertaining to the following: capital expenditure programs, development of resources, treatment under governmental regulatory and taxation regimes, expectations regarding the Company's ability to raise capital, expenditures to be made by the Company to meet certain work commitments, and work plans to be conducted by the Company.

With respect to forward-looking statements listed above and contained in this MD&A, the Company has made assumptions regarding, among other things: the legislative and regulatory environment, the impact of increasing competition, unpredictable changes to the market prices for minerals, that costs related to development of mineral properties will remain consistent with historical experiences, anticipated results of exploration activities, and the Company's ability to obtain additional financing on satisfactory terms.

The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth in this MD&A: volatility in the market prices of minerals, uncertainties associated with estimating resources, geological problems, technical problems, exploration problems, processing problems, liabilities and risks including environmental liabilities and risks inherent in the exploration and mining, fluctuations in currency and interest rates, incorrect assessments of the value of acquisitions, unanticipated results of exploration activities, competition for capital, competition for acquisitions of reserves, competition for undeveloped lands, competition for skilled personnel, political risks and unpredictable weather conditions.

ADDITIONAL INFORMATION

For further detail, see the Company’s financial statements for the years ended September 30, 2021 and 2020. Additional information about the Company can also be found on www.sedar.com.

CORPORATE DIRECTORY

Trading Symbol – AAZ
Exchange - TSX-V

Head Office
Azincourt Energy Corp.
Suite 1430 - 800 West Pender Street
Vancouver, BC V6C 2V6, Canada
Tel: 604-638-8063
Fax: 604-648-8105

Officers and Directors
Alex Klenman (President, Chief Executive Officer and Corporate Secretary)
Paul Reynolds (Director)
Vivien Chuang (Chief Financial Officer)
Terrence O’Connor (Director)

Members of the Audit Committee
Paul Reynolds (Chair)
Alex Klenman
Terrence O’Connor

Legal Counsel
Owen Bird Law Corporation
2900 – 595 Burrard Street
Vancouver, BC, V7X 1J5

Auditors
Davidson and Company LLP
1200 – 609 Granville Street
Vancouver, BC, V7Y 1G6

Transfer Agent
TSX Trust Company
Suite 2700 - 650 West Georgia St.
Vancouver, BC, V6B 4N9