

ARCHER EXPLORATION CORP.
(formerly Lift Capital Corp.)

Management's Discussion & Analysis

For the three and six months ended March 31, 2022 and 2021

Dated: May 30, 2022

Management's Discussion & Analysis

This Management's Discussion and Analysis ("MD&A") supplements, but does not form part of, the financial statements of Archer Exploration Corp. (formerly Lift Capital Corp.) ("Archer" or the "Company") and the notes thereto for the three and six months ended March 31, 2022 and 2021 (collectively referred to hereafter as the "interim financial statements").

The following MD&A of the financial condition and results of operations of the Company has been prepared by management and should be read in conjunction with the interim financial statements of the Company in addition to the audited annual financial statements and related notes for the years ended September 30, 2021 and 2020. Additional information relating to the Company is available on SEDAR at www.sedar.com.

The first, second, third, and fourth quarters of the Company's fiscal years are referred to as "Q1", "Q2", "Q3" and "Q4", respectively. All amounts are presented in Canadian dollars, the Company's presentation currency unless otherwise stated.

The interim financial statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee applicable to the preparation of interim financial statements including International Accounting Standard 34 *Interim Financial Reporting*. All amounts are expressed in Canadian dollars unless otherwise stated. Other information contained in this document has also been prepared by management and is consistent with the data contained in the interim financial statements.

The Company's certifying officers are responsible for ensuring that the financial statements and MD&A do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made. The Company's certifying officers certify that the financial statements together with the other financial information included in the filings fairly present in all material respects the financial condition, financial performance and cash flows of the Company as of the date of and for the periods presented in the filings.

The Company's Audit Committee and the Board of Directors provide an oversight role with respect to all public financial disclosures by the Company. The Board of Directors approves the financial statements and MD&A after the completion of its review and recommendation for approval by the Audit Committee, which meets periodically to review all financial reports, prior to filing.

The effective date of this MD&A is May 30, 2022.

Forward-looking statements

Certain statements contained in this document constitute "forward-looking statements". All statements other than statements of historical fact contained in this MD&A, including, without limitation, those regarding the Company's future financial position and results of operations, strategy, proposed acquisitions, plans, objectives, goals and targets, and any statements preceded by, followed by or that include the words "believe", "expect", "aim", "intend", "plan", "continue", "will", "may", "would", "anticipate", "estimate", "forecast", "predict", "project", "seek", "should" or similar expressions or the negative thereof, are forward-looking statements. These statements are not historical facts but instead represent only the Company's expectations, estimates and projections regarding future events. These statements are not guarantees of future performance and involve assumptions, risks and uncertainties that are difficult to predict. Therefore, actual results may differ materially from what is expressed, implied or forecasted in such forward-looking statements.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to risks associated with: geological risks; limited operating history; inability to generate earnings or pay dividends for the foreseeable future; no current assets other than cash and prepaid expenses; uncertain ability to raise additional funds when required; reliance on a small number of key managers lacking backup; potential conflicts of interest among directors and officers of the Company; lack of liquidity for shareholders of the Company; ability to secure needed permits, ability to physically access and work the Company's property assets due to poor weather, a potential lack of key contract personnel and services providers needed to execute elements of the Company's exploration plans, and market risk consisting of fluctuations in the Company's share price, metal prices, credit market conditions and investor appetite for early stage exploration companies. See "Risks and Uncertainties".

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Management provides forward-looking statements because they believe such statements deliver useful guidance and information to readers when considering their investment objectives. Though management believes such statements to be as accurate as possible in the context of the information available to management at the time in which they are made, management cautions readers that the guidance and information contained in such statements may rapidly be superseded by subsequent events. Consequently, all of the forward-looking statements made in this MD&A are qualified by these cautionary statements and other cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments suggested by such forward-looking statement will be realized or, even if substantially realized, that they will have the expected results, or effects upon, the Company. These forward-looking statements are made as of the date of this MD&A and the Company assumes no obligation to update or revise them to reflect subsequent information, events or circumstances or otherwise, except as required by law.

The forward-looking statements in this MD&A are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future, including assumptions regarding business and operating strategies.

Description of the business

The Company was incorporated on October 26, 2018 and focuses on the exploration of mineral claims located in Quebec, Canada. The Company is focusing on the exploration of mineral claims located in Quebec, Canada. The Company's registered and records office is 401 – 353 Water Street, Vancouver, BC, V6B 1B8, Canada. On February 11, 2021, the shares of the Company began trading on the Canadian Securities Exchange under the symbol "RCHR".

The Company expenses all exploration, evaluation and development expenditures until management concludes that a future economic benefit is more likely than not to be realized.

Costs relating to the acquisition and claim maintenance of exploration and evaluation assets (including option payments and annual fees to maintain the property in good standing) are capitalized and deferred by property until the project to which they relate is sold, abandoned, impaired, or placed into production.

The Company has no operating cash flow and its level of expenditures is dependent on debt and equity to finance its exploration operations. Therefore, it is difficult to identify any meaningful trends or develop an analysis from cash flows.

Financial performance

As at March 31, 2022, current assets were \$1,910,939 (September 30, 2021 - \$1,498,277) and current liabilities were \$48,887 (September 30, 2021 - \$224,611), resulting in working capital of \$1,862,052 (September 30, 2021 - \$1,273,666). The increase in working capital during the six months ended March 31, 2022 is due to the increase in cash, GST/HST receivable, prepaid expenses, and the decrease in trade and other payables.

As at March 31, 2022, the Company had total assets of \$2,058,429 (September 30, 2021 - \$1,535,777) which is comprised of \$760,548 of cash (September 30, 2021 - \$731,346), GST/HST receivable of \$60,133 (September 30, 2021 - \$5,597), \$1,090,258 of prepaid expenses (September 30, 2021 - \$761,334), and exploration and evaluation assets of \$147,490 (September 30, 2021 - \$37,500).

As at March 31, 2022, the Company had total liabilities of \$48,887 (September 30, 2021 - \$224,611), all of which are trade and other payables.

As at March 31, 2022, shareholders' equity was comprised of share capital of \$3,111,142 (September 30, 2021 - \$1,174,961), warrants reserve of \$699,457 (September 30, 2021 - \$429,952), share-based payments reserve of \$278,084 (September 30, 2021 - \$21,956), shares to be issued of \$nil (September 30, 2021 - \$427,500), and a deficit of \$2,079,141 (September 30, 2021 - \$743,203) for a total shareholders' equity of \$2,009,542 (September 30, 2021 - \$1,311,166).

The weighted average number of common shares outstanding for the three months ended March 31, 2022 was 26,864,915 (2021 - 13,348,250).

Liquidity and capital resources

The Company is in the exploration stage and therefore has no cash flow from operations. Its only source of funds since incorporation has been from the issuance of common shares, special warrants, and units.

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On October 1, 2021, the Company closed a non-brokered private placement for gross proceeds of \$1,499,999 from the issuance of 5,999,998 units (the "Units") at a price of \$0.25 per Unit (the "Private Placement"). Each Unit consists of one common share and one-half warrant. A whole warrant may be exercised for one common share at price of \$0.50 for a period of twenty-four months from the closing date of the Private Placement. Gross proceeds were allocated between share capital and warrants reserve using the relative fair value method. As a result, \$1,230,494 was allocated to share capital and \$269,505 was allocated to warrants reserve.

During the six months ended March 31, 2022, the Company used cash of \$1,638,807 in operating activities (2021 - \$56,107) primarily related to exploration activities, filing and legal fees as well as professional fees, and changes in non-cash working capital.

During the six months ended March 31, 2022, the Company used cash of \$109,990 in investing activities (2021 - \$37,500) for expenditures on exploration and evaluation assets.

During the six months ended March 31, 2022, the Company received cash of \$1,777,999 from financing activities (2021 - \$120,000) related to proceeds from issuance of units, proceeds from options exercise and warrants exercise.

The Company is in the process of exploring mineral claims. The Company has not yet determined whether or when the claims could be economically viable.

While the information in the financial statements has been prepared in accordance with IFRS on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future, there are conditions and events that cast significant doubt on the validity of this presumption. The Company's ability to continue as a going concern is dependent upon achieving profitable operations and upon obtaining additional financing. While the Company is making its best efforts in this regard, the outcome of these matters cannot be predicted at this time.

As of the date of the interim financial statements, COVID-19 has had no impact on the Company's ability to access and explore its current properties but may impact the Company's ability to raise funding or explore its properties should travel restrictions related to COVID-19 be extended or expanded in scope.

Results of operations

The net loss and comprehensive loss for six months ended March 31, 2022 was \$1,335,938 (2021 - \$216,717), attributable to exploration and evaluation costs of \$153,744 (2021 - \$nil), filing and legal fees of \$398,936 (2021 - \$nil), general and administrative costs of \$79,637 (2021 - \$138), management fees of \$124,797 (2021 - \$13,513), marketing costs of \$10,974 (2021 - \$nil), professional fees of \$254,848 (2021 - \$36,367), rent of \$24,000 (2021 - \$nil), and share-based payments of \$256,315 (2021 - \$2,301), foreign exchange loss of \$32,687 (2021 - \$nil), all of which have increased over the prior year comparable period due to the Company having increased activity. Professional fees consist of audit, accounting, and consulting fees to operate the business within compliance requirements.

The net loss and comprehensive loss for three months ended March 31, 2022 was \$137,331 (2021 - \$185,406), attributable to exploration and evaluation costs of \$(44,682) (2021 - \$nil), filing and legal fees of \$(43,978) (2021 - \$nil), general and administrative costs of \$44,510 (2021 - \$74), management fees of \$51,048 (2021 - \$6,013), marketing costs of \$4,281 (2021 - \$nil), professional fees of \$45,107 (2021 - \$14,605), rent of \$12,000 (2021 - \$nil), and share-based payments of \$69,045 (2021 - \$301). Except for exploration and evaluation expenses and filing and legal fees, all of the expenses have increased over the prior year comparable period due to the Company having increased activity.

During the three months ended March 31, 2022, the exploration and evaluation expenses were \$(44,682) (2021 - \$nil) because the Company capitalized \$109,990 of expenses paid on the Castor Property and the filing and legal fees were \$(43,978) (2021 - \$nil) because the Company reversed \$67,198 of legal fees accrued in Q4 2021.

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Selected quarterly financial information

Three months ended	Net loss	Weighted average number of shares	Basic and diluted loss per share
	\$	#	\$
March 31, 2022	137,331	26,864,915	0.01
December 31, 2021	1,198,607	25,528,248	0.05
September 30, 2021	408,457	18,342,815	0.02
June 30, 2021	109,623	13,788,250	0.01
March 31, 2021	185,406	13,348,250	0.01
December 31, 2020	31,311	12,159,348	0.00
September 30, 2020	8,406	4,796,721	0.00
June 30, 2020	-	-	-

Disclosure of outstanding security data

As of the date of this MD&A, the Company has:

- 32,983,248 common shares issued and outstanding.
- 7,644,999 warrants outstanding.
- 2,060,136 options outstanding

Financial instruments and other instruments

The carrying values of cash, trade and other payables approximate their fair values because of the short-term maturity of these financial instruments.

Off-balance sheet arrangements

The Company does not have any off-balance sheet arrangements and does not contemplate having them in the foreseeable future.

Proposed transactions

On September 7, 2021 Echelon Minerals Ltd. ("Echelon"), pursuant to which the Company may acquire all of the issued and outstanding common shares of Echelon, which owns the rights to the Zanzui Prospecting Licence. Pursuant to the letter of intent, the Company paid Echelon a refundable deposit of \$761,334 (USD \$600,000).

Use of estimates and significant accounting policies

Preparing financial statements requires management to make estimates and assumptions that affect the reported results. The estimates are based on historical experience and other assumptions believed to be reasonable under the circumstances. Critical accounting policies are disclosed in the annual financial statements for the years ended September 30, 2021 and 2020.

Transactions between related parties

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and Corporate Officers.

During the three and six months ended March 31, 2022 and 2021, the Company incurred the following expenses in the ordinary course of business with related parties that are not a subsidiary of the Company.

	Three months ended March 31, 2022	2021	Six months ended March 31, 2022	2021
	\$	\$	\$	\$
Management fees	23,548	5,901	97,297	13,513
Share-based payments	10,950	301	37,336	2,301

As at March 31, 2022, the Company had \$nil (September 30, 2021 - \$46,916) due to related parties included in trade and other payables. Interest is not charged on outstanding balances and there are no specific terms of repayment.

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Risks and uncertainties

A thorough description of the risks associated with the Company's exploration and other business activities can be found in the Form 2A - Listing Statement dated February 5, 2021 and posted under the Company's profile on SEDAR (www.sedar.com) as of that date.

An investment in the Company's common shares is highly speculative and subject to very real risks and uncertainties, the occurrence of any one or more of which could have a material adverse effect on the value of any investment in the Company and the business, prospects, financial position or operating results of the Company. The risk factor listing noted below is in no particular order and is not an exhaustive list of all risk factors associated with an investment in the Company's common shares or in connection with the operations of the Company.

- Geological risk and the highly uncertain and speculative nature of mineral exploration
- Early-stage nature of the Company: i.e. a limited operating history and financial resources, no earnings, limited cash assets
- Lack of insurance against operating risks in the field and elsewhere
- Changes to government regulations, including environmental regulations
- Ability to secure and comply with government permits
- Reliance on a small number of key managers and experts and a lack of immediate backup or replacements
- Competition for key personnel and mineral properties
- Potential conflicts of interest among the Company's directors and/or officers
- Potential cost overruns and delays
- Timely availability of labour, contractors and key services
- Weather risks
- Property title disputes
- Metal price fluctuations
- Receptivity of capital markets to junior exploration projects
- Stock price volatility and lack of liquidity
- Litigation

Additional information

Additional information relating to the Company is available at www.sedar.com.

Subsequent event

On April 5, 2022, 400,000 warrants were exercised at the price of \$0.10 for gross proceeds of \$40,000.