Level 14 Ventures Ltd

MANAGEMENT DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2021

1) Introduction

This Management Discussion and Analysis ("MD&A") of Level 14 Ventures Ltd ("Level 14" or the "Company") has been prepared by management as of March 29, 2022 and should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2021 and related notes thereto (the "Financial Statements"). Unless otherwise specified, all financial information has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. All dollar amounts herein are expressed in Canadian dollars (the presentation and functional currency of the Company's financial statements).

This MD&A contains forward-looking statements and should be read in conjunction with the risk factors described under "Other risks and uncertainties" and "Forward Looking Statements" towards the end of this MD&A.

2) Corporate profile and overall performance

Level 14 was incorporated under the Business Corporations Act (British Columbia) on November 7, 2018. Level 14 is an exploration-stage mining company with a focus on precious metals. The Company has one exploration asset, the Green Mountain Property, owned through its wholly-owned subsidiary, located in British Columbia, Canada. The Green Mountain Property consists of 3 contiguous digitally registered mineral tenures totaling approximately 5,593.5 hectares, upon which the Company completed Phase I of its exploration program during 2021.

The head office, principal address and registered office of the Company are located at Suite 1400, 400 Burrard Street, Vancouver, British Columbia, V6C 3A6.

On November 17, 2021, the Company entered into a share exchange agreement ("the Agreement") to acquire all outstanding shares of Bridle Capital Ltd., a private company controlled by a related party which holds an option to acquire a 100% interest in the Peru-based Colpayoc gold property through its Peruvian subsidiary in consideration for 36,000,000 shares of the Company, USD$625,000 and a 1% NSR on the property. Pursuant to the Agreement, the Company is required to complete a concurrent private placement through the issuance of up to 15,000,000 common shares at $0.20 per share. The proposed transaction is subject to shareholder and Exchange approval as well as standard due diligence procedures.

The Company advanced Bridle USD$335,000(CAD$424,713) in order to pay exploration and operating expenses until such time as the proposed transaction closes; the advance is payable on demand and bears no interest. In the event that the Transaction does not close, this advance shall accrue interest at 6% per annum.

On April 30, 2021 the Company closed a financing issuing 18,546,000 units at $0.055 per unit (each unit consisting of one common share of the Company and one whole warrant), for proceeds of $1,020,030 (the "2021 Private Placement") (see "5. Liquidity and capital resources"). Each whole warrant issued as part of the unit entitles the holder to purchase one common share of the Company at a price of $0.10 per share for a period of five years from the date of the financing. Legal costs of $10,693 were incurred in connection with the 2021 Private Placement for net consideration of $1,009,337.

On November 30, 2020, the Company filed a final non-offering prospectus in relation to the listing of the Company on the Canadian Securities Exchange ("the Exchange"). The Company's shares commenced trading on the Exchange on December 14, 2020 under the symbol "LVL".

On October 22, 2020, the Company invested $100,000 in 1246931 B.C. Ltd in the form of flow-through shares. In return for the consideration, 1246931 B.C. Ltd issued 33,333 common shares on a flow through basis to the Company.

On October 14, 2020 the Company completed the acquisition of all of the issued and outstanding shares of 1246931 B.C. Ltd., a private company with mineral rights to an exploration asset. 1246931 B.C. Ltd was purchased for consideration of 4,000,000 shares of the Company, $28,000 cash and a 1.5% net smelter returns royalty on the exploration asset of 1246931 B.C. Ltd. The Company incurred $6,182 in legal fees in relation to the acquisition of 1246931 B.C. Ltd in 2020.

On September 30, 2020, a director of the Company subscribed for 2,000,000 units at $0.05 per unit (each unit consisting of one flow-through share of the Company and one whole warrant), for a total receipt of $100,000 (the "Flow-through Financing") Each whole warrant issued as part of the unit entitles the holder to purchase one common share of the Company at a price of $0.10 per share for a period of five years from the date of the Flow-through Financing. Legal costs of $14,260 were incurred in connection with this unit issuance for net proceeds of $85,740.

On September 30, 2020, the Company closed a round of financing, issuing 6,620,000 units at $0.05 per unit (each unit consisting of one common share of the Company and one whole warrant) for proceeds of $331,000 (the "2020 Private Placement"). Each whole warrant issued as part of the unit entitles the holder to purchase one common share of the Company at a price of $0.10 per share for a period of five years from the closing date of the 2020 Private Placement. No costs were incurred in connection with this unit issuance.

On April 23, 2020, 1246931 B.C. Ltd entered into a consulting agreement with C.J. Greig and Associates Ltd. for exploration services. In addition to consulting fees paid as incurred, the Company issued an additional 50,000 common shares upon successful completion of a 43-101 technical report by an independent qualified person on an exploration property owned by 1246931 BC Ltd. (these common shares were issued on October 19, 2020) and another additional 50,000 common shares upon the occurrence of the Company becoming listed on a public exchange (these common shares were issued on December 14, 2020).

3) Summary of annual data and quarterly results

The following table is a summary of the Company's financial results and position for the last 3 completed years.

In Canadian dollars	**Year ended December 31, 2021**	**Year ended December 31, 2020**	**Year ended December 31, 2019**
Revenue	-	-	-
Loss from operations	272,523	245,186	43,402
Net Loss	272,523	245,186	43,402
Total Assets	1,414,524	688,188	229,716
Total non-current liabilities	-	-	-
The presentation currency of the Company has been the Canadian dollar in every year presented and financial statements have been prepared in accordance with IFRS.			

The following table is a summary of the Company's financial results and position for the 8 most recently completed quarters.

	Three months ended							
In Canadian dollars unless otherwise stated	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20
Net loss and comprehensive loss	91,980	65,692	77,803	37,048	164,460	68,267	6,072	6,387
Basic loss per share	0.00	0.00	0.00	0.00	0.01	0.01	0.00	0.00
Diluted loss per share	0.00	0.00	0.00	0.00	0.01	0.01	0.00	0.00
Weighted average shares (basic and diluted)	39,080,501	39,080,501	33,170,237	20,534,501	19,919,284	7,909,226	7,814,501	7,814,501
Total assets	1,414,524	1,489,189	1,550,916	632,632	688,188	643,457	217,046	223,438
Long-term liabilities	-	-	-	-	-	-	-	-

The vast majority of the Company's assets was its cash balance until Q4 2020 when the Company purchased the Green Mountain Property. The cash balance has remained relatively stable throughout all quarters shown until two financings which closed on September 30, 2020, which increased the cash and therefore Total assets balance. An additional financing closed April 30, 2021 which increased the cash balance again in Q2 2021. The Company has been preserving cash while searching for a suitable mining transaction for the business; such an acquisition was identified in November 2021 (see "2. Corporate profile and overall performance). The Company has incurred some general and administrative expenses during the periods shown, resulting in a small net loss in each period and a commensurate reduction in the total assets of the Company. The loss per share has remained reasonably consistent throughout the periods shown until the quarter ended September 30, 2020, which had a higher net loss due to a $32,016 non-cash share-based compensation charge, as well as professional fees and business development fees associated with the Company's acquisition of 1246931 B.C. Ltd and proposed listing on the Exchange. In the quarter ended December 31, 2020 the Company had a higher net loss due to additional professional, filing and consulting fees associated with the listing of the Company on the Exchange, which was completed on December 14, 2020 (see "2. Corporate profile and overall performance"). Since the quarter ended June 30, 2021 there has been an increase in the net loss due to Phase 1 exploration expenses incurred on the Green Mountain property which had not previously been incurred by the Company.

4) Results of operations

Three months ended December 31, 2021 compared to the three months ended December 31, 2020

As at December 31, 2021, the Company is an exploration mining company and has no sources of revenue, accordingly, the Company has not recorded any revenues, and depends upon share issuances to fund its expenses.

The Company incurred a net loss of $91,980 in the three months ended December 31, 2021 as compared to $164,460 in the same period in the prior year. The table below details the changes in the expenditures for the three months ended December 31, 2021 as compared to the three months ended December 31, 2020.

Expense/Other income	Increase/Decrease from prior year	Explanation for the change
Exploration expenses	Decrease of $12,671	The decrease in the expense is primarily a result of additional expenses for the Green Mountain technical report in the prior year.
General and administrative	Increase of $2,689	The increase in the expense is a result of business development expenses in Q4 2021. Of note, the Company was in discussions to acquire Bridle Capital Ltd. (see "2. Corporate profile and overall performance").
Insurance expense	Increase of $2,750	The increase in the expense is a result of the purchase of Directors & Officers insurance commensurate with the Company's listing on the Exchange.
Listing and filing fees	Decrease of $17,672	The decrease in the expense is a result of the Company's listing on the Exchange. The shares began trading on December 14, 2020 and additional fees were incurred with the initial listing.
Management fees	No change	Consistent in both periods
Professional fees	Decrease of $34,270	The decrease in the expense is a result of additional legal and consulting fees associated with the listing of the Company on the Exchange in the prior year.
Salaries and wages	Decrease of $12,067	The decrease in the expense as compared to prior year is as a result of a change of management. On November 17, 2021 there was a change in CFO and the new CFO's fees are covered under the agreement with Pathway (see "6. Transactions with related parties").
Share-based compensation	No change	Consistent in both periods
Foreign exchange loss	Increase of $1,239	The increase in other income is attributable to the cash advance to Bridle Capital in US dollars which was not in place in the prior year (see "2. Corporate profile and overall performance").

Cash flows

In the three months ended December 31, 2021, the Company's cash balance decreased by $499,991. This decrease is as a result of: incurring $93,219 in cash operating expenses, a cash advance of $423,474 (see "2. Corporate profile and overall performance"), and an inflow of $16,702 relating to timing differences with respect to non-cash working capital.

Year ended December 31, 2021 compared to the year ended December 31, 2020

As at December 31, 2021, the Company is an exploration mining company and has no sources of revenue, accordingly, the Company has not recorded any revenues, and depends upon share issuances to fund its administrative expenses.

The Company incurred a net loss of $272,523 expenses in the year ended December 31, 2021 as compared to $245,186 in the same period in prior year. The table below details the changes in the expenditures for the year ended December 31, 2021 as compared to the year ended December 31, 2020.

Expense/Other income	Increase/Decrease from prior year	Explanation for the change
Exploration expenses	Increase of $33,517	The increase in the expense is a result of sampling and other field expenses in the exploration of the Green Mountain Property (see "2. Corporate profile and overall performance"). The Company obtained the Green Mountain Property in Q4 2020 and as such, had minimal exploration expenses in the prior year.
General and administrative	Decrease of $2,552	The decrease in the expense is a result of higher business development expenses in 2020 relating to the acquisition of 1246931 BC Ltd.
Insurance expense	Increase of $11,000	The increase in the expense is a result of the purchase of Directors & Officers insurance commensurate with the Company's listing on the Exchange.
Listing and filing fees	Decrease of $3,019	The decrease in the expense is a result of the Company's listing on the Exchange. The shares began trading on December 14, 2020 and additional fees were incurred with the initial listing in the prior year.
Management fees	Increase of $24,000	The increase in the expense is a result of a management fee agreement which began on September 1, 2020 (see "6. Transactions with related parties"). This resulted in four months of management fees in the prior year compared to one full year in the current.
Professional fees	Increase of $189	Consistent in both periods
Salaries and wages	Decrease of $2,543	The decrease in the expense as compared to prior year is as a result of a change of management. On November 17, 2021 there was a change in CFO and the new CFO's fees are covered under the agreement with Pathway (see "6. Transactions with related parties").
Share based compensation	Decrease of $32,016	The decrease in the expense is a result of stock options issued during Q3 2020, these options all vested on grant date and were expensed in the quarter issued (see "7. Disclosure of data for outstanding common shares and stock options"). There were no options issued in 2021.
Foreign exchange loss	Increase of $1,239	The increase in other income is attributable to the cash advance to Bridle Capital in US dollars which was not in place in the prior year (see "2. Corporate profile and overall performance").

Cash flows

In the year ended December 31, 2021, the Company's cash balance increased by $300,055. This increase is as a result of: incurring $273,762 in cash operating expenses, a cash advance of $423,474 (see "2. Corporate profile and overall performance"), an outflow of $12,046 relating to timing differences with respect to non-cash working capital and a net inflow of $1,009,337 relating to the issuance of 18,546,000 shares of the Company on April 30, 2021 (see "5. Liquidity and capital resources).

5) Liquidity and capital resources

As at December 31, 2021, the Company had a cash balance of $748,423 (December 31, 2020 - $448,368) and a working capital surplus of $1,138,877 (December 31, 2020 – $402,063).

On April 30, 2021 the Company closed a financing issuing 18,546,000 units at $0.055 per unit (each unit consisting of one common share of the Company and one whole warrant), for proceeds of $1,020,030. Each whole warrant issued as part of the unit entitles the holder to purchase one common share of the Company at a price of $0.10 per share for a period of five years from the date of the financing. Legal costs of $10,693 were incurred in connection with the 2021 Private Placement for net consideration of $1,009,337.

Management believes that the Company has sufficient funds on hand to meet its current exploration program and anticipated administrative expenses and legal costs associated with ongoing operations, however, may need to raise additional capital through further rounds of equity financing.

As of the date hereof, the Company did not have any commitments for capital expenditures or other contractual obligations other than those discussed elsewhere in this MD&A. The Company has no debt other than its accounts payable balance.

6) Transactions with related parties

Related parties are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, either directly or indirectly. Related parties of the Company include the members of the Board of Directors, officers of the Company, close family members of these individuals, and any companies controlled by these individuals. Pathway Capital Ltd ("Pathway") is considered a related party of the Company as it is controlled by Marcel de Groot, the Chief Executive Officer and a director of the Company.

On November 26, 2018, Level 14 entered into an administrative services agreement with Pathway to pay for rent and other administrative services. On September 1, 2020, this agreement was modified to include management fees in addition to the services already provided by Pathway. During the year ended December 31, 2021, Level 14 paid or accrued $60,000 to Pathway under the agreement (2020 - $36,000), these expenses are included under general and administrative expenses and management fees in the consolidated statement of loss and comprehensive loss. As at December 31, 2021, Level 14 had an accounts payable balance of $nil owing to Pathway (December 31, 2020 - $16,003).

On November 17, 2021, the Company entered into a Share Exchange Agreement (the "Agreement") to acquire all outstanding shares of Bridle from a related party for 36,000,000 shares of the company, USD$625,000 and a 1% NSR on the property.

Members of the Board of Directors and certain officers of the Company and their close family members purchased a total of 14,436,800 shares of the Company in the private placement on April 30, 2021.

On October 7, 2020 the Company acquired 1246931 B.C. Ltd. from a related party of the Company, for 4,000,000 common shares of the Company (valued at $200,000) and a 1.5% NSR on the Green Mountain property.

A director of the Company purchased 2,000,000 flow-through shares of the Company in the private placement on September 30, 2020.

Members of the Board of Directors and certain officers of the Company and their close family members purchased a total of 6,120,000 shares of the Company in the 2020 Private Placement on September 30, 2020.

Compensation of key management personnel:

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. Level 14 considers its Board of Directors, as well as the CEO and CFO to be key management personnel.

During the year ended December 31, 2021, the Company's compensation cost for key management personnel was as follows:

	Year ended December 31, 2021 $	**Year ended December 31 2020 $**
Salaries and Wages[1]	52,723	31,266
Share-based compensation	-	28,014
Total	52,723	59,280

[1]Included in Salaries and Wages are management fees relating to the Pathway agreement of $36,000 for the year ended December 31, 2021 (2020 - $12,000)

As at December 31, 2021, the Company had an accounts payable balance of $nil owing to the CFO in Salaries and Wages in the table above (December 31, 2020 - $2,276).

7) Disclosure of data for outstanding common shares and stock options

Common Shares

As at the date of this report, the Company had 39,080,501 common shares outstanding.

Stock Options

The Company's stock option plan provides for the issuance of stock options to its officers, directors, employees and consultants. Stock options are non-transferable and the aggregate number of shares that may be reserved for issuance pursuant to stock options may not exceed 10% of the issued shares of the Company at the time of granting. The exercise price and vesting terms of stock options is determined by the Board of Directors of the Company at the time of grant.

On December 14, 2018, the Company issued 700,000 stock options to directors and officers of the Company. On September 18, 2020, the Company issued 1,000,000 stock options to directors, officers of the Company, and consultants. All stock options issued vested upon grant and expire five years from the date of grant and are outstanding as of the date of this MD&A.

Warrants

Pursuant to the completion of the 2021 Private Placement, on April 30, 2021, the Company issued 18,546,000 transferable share purchase warrants at an exercise price of $0.10 per share for a period of five years from the date of closing the financing. All warrants will vest after a four-month period and are exercisable on September 1, 2021.

Pursuant to the completion of the Flow-through Financing, on September 30, 2020, the Company issued 2,000,000 share purchase warrants at an exercise price of $0.10 per share for a period of five years from the date of issuance. All warrants are exercisable upon issuance as there are no vesting conditions attached.

Pursuant to the completion 2020 Private Placement on September 30, 2020, the Company issued 6,620,000 share purchase warrants at an exercise price of $0.10 per share for a period of five years from the date of closing the financing. All warrants are exercisable upon issuance as there are no vesting conditions attached.

As of the date of this MD&A, the fully diluted share count of the Company is 67,946,501.

8) Off-balance sheet transactions

The Company did not have any off-balance sheet arrangements as at December 31, 2020, December 31, 2021 or as of the date of this MD&A.

9) Significant judgements and estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Management believes the estimates and assumptions used in the Financial statements are reasonable; however, actual results could differ from those estimates and could impact future results of operations and cash flows.

The Company's significant accounting judgments and estimates applied in the Financial Statements are as follows:

Judgments

- Management makes judgments related to expectation of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities.

Estimates

- In calculating the fair value of the share-based compensation and warrants, management makes estimates related to the Company's share price volatility and expected life of the instruments. To the extent that these estimates are not correct, the value of these instruments within equity may differ.

- In calculating the fair value of the flow-through shares and warrants, management makes estimates related to the Company's share price volatility and expected life of the instruments. To the extent that these estimates are not correct, the value of these instruments within equity may differ.

- The fair value of the assets and liabilities purchased with 1246931 B.C. Ltd on October 7, 2020 have been estimated by management.

- The assessment of indicators of impairment for the mineral properties and the related determination of the recoverable amount and write-down of the properties where applicable. To the extent that these estimates are not correct, the value of the mineral properties may differ.

10) Changes in accounting standards

There are no upcoming changes in accounting standards which impact the Company.

11) Financial Instruments

As at December 31, 2021, the Company's financial instruments consist of cash, receivables, the cash advance and accounts payable. The Company classifies cash, receivables and the cash advance as financial assets held at amortized cost. The Company classifies accounts payable as financial liabilities, and these are held at amortized cost. The fair value of all of the Company's financial instruments approximates their carrying value.

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1– fair values based on unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – fair values based on inputs that are observable for the asset or liability, either directly or indirectly; and

Level 3 – fair values based on inputs for the asset or liability that are not based on observable market data.

The Company's policy for determining when a transfer occurs between levels in the fair value hierarchy is to assess the impact at the date of the event or the change in circumstances that could result in a transfer. There were no transfers between the levels during the year ended December 31, 2021.

The risk exposure arising from these financial instruments is summarized as follows:

(a) Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's financial assets are cash, receivables, and the cash advance. The Company holds it cash in a bank account with a highly rated Canadian financial institution, therefore minimizing the Company's credit risk. Receivables are due from a government agency.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company has sufficient funds as of December 31, 2021 to cover its liabilities. The Company's ability to continue to meet its liabilities when due, beyond the current cash balance, is dependent on future support of shareholders through public or private equity offerings.

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or value of its holdings or financial instruments. The Company holds a cash advance in US dollars. The Company has not hedged its exposure to currency fluctuations. Based on the value of the cash advance at December 31, 2021, a 10% change in the value of the Canadian dollar against the above foreign currency would result in an increase/decrease of approximately $42,471.

The Company carries no interest-bearing debt and so is not at risk of interest rate movements at present.

Capital Management

In the management of capital, the Company includes the components of shareholders' equity. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral projects for the benefit of its stakeholders. As the Company is in the exploration stage, it has no income from operations, and its principal source of funds is from the issuance of its common shares.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, enter into joint venture arrangements, or dispose of assets.

The Company's investment practice is to invest its excess cash in highly liquid short-term interest-bearing investments selected with regards to expected timing of its expenditures. The Company is not subject to any externally imposed capital requirements.

12) Forward looking statements

All statements, other than statements of historical fact, made by the Company that address activities, events or developments that the Company expects or anticipates will or may occur in the future are forward-looking statements, 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. Readers are cautioned that these statements which describe the Company's plans, objectives, and budgets may differ materially from actual results and as such should not be unduly relied upon by investors. Forward-looking statements contained in this MD&A speak only as to the date of this MD&A, or such other date as may be specified herein, and are expressly qualified in their entirety by this cautionary statement.