



VULCAN MINERALS INC.

**MANAGEMENT DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS**

For the Year Ending December 31, 2021

This discussion includes certain statements that may be deemed “forward-looking statements”. All statements in this discussion, other than statements of historical facts, that address exploration, drilling, exploration activities and events or developments that Vulcan Minerals Inc. (the “Company”) expects are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in the forward-looking statements include market prices, exploration and exploration successes, continued availability of capital and financing and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and those actual results or developments may differ materially from those projected in the forward-looking statements.

GENERAL BUSINESS:

The Company is an exploration venture company engaged in mineral exploration on properties in Newfoundland and Labrador. The Company at December 31, 2021 holds a 36.80% interest in Atlas Salt Inc., a publicly traded company. Atlas Salt is engaged in industrial mineral exploration development and production on properties in Newfoundland and Labrador.

This Management Discussion and Analysis (“MDA”) should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2021 and accompanying notes. The consolidated financial statements include the accounts of the Company and its subsidiaries.

As of December 31, 2020, the Company had 63.03% ownership interest in Atlas Salt Inc. (“Atlas Salt” or “Atlas”) (previously Red Moon Resources Inc.) and determined that it had control over Atlas. The Company assessed its investment in Atlas and judged that it had maintained control over Atlas as defined by IFRS 10 and continued to consolidate Atlas from January 1, 2021 to October 31, 2021. Pursuant to four private placements in Atlas during the year, as well as additional warrants and options exercised during the year, Vulcan’s ownership interest in Atlas was reduced to 37.44% as of October 31, 2021. On October 31, 2021, management determined that Atlas no longer required to be consolidated and now accounts for the retained investment in Atlas as an investment using the equity method. A gain resulting from loss of control of a subsidiary of \$38,943,667 and an equity investment in Atlas of \$42,469,770 was recognized as of October 31, 2021.

On August 24, 2021 Red Moon Resources Inc. announced that it changed its name to Atlas Salt Inc. Atlas Salt’s common shares commenced trading under the new stock symbol “SALT” on September 1, 2021.

Date

The date of this MDA is May 2, 2022.

The Company reported a net income in the amount of \$32,453,983 for the year ended December 31, 2021 (December 31, 2020 – net loss of \$421,016) (an increase in net income of \$32,874,999).

The Company recorded \$617,880 in marketing and communications cost and \$62,000 in investor relations expenses in the year ended December 31, 2021 with no similar amount in the year ended December 31, 2020.

The Company recorded stock-based compensation expense in the amount of \$1,121,252 for the year ended December 31, 2021 (year ended December 31, 2020 – \$107,544). This was related to a five stock option grants in 2021 (two in Vulcan for the year ended December 31, 2021 and three in Atlas Salt for the ten months ended October 31, 2021).

The following table outlines the significant components of consolidated general and administrative expenses for each of the years ended December 31, 2020 and 2021.

	2021	2020
	\$	\$
Office and administrative Management, salaries and contract fees and benefits	539,573	91,196
Marketing and communications	166,146	96,891
Investor Relations	617,880	-
Transfer agent and professional fees	62,000	-
Travel and accommodation	165,863	108,627
	3,524	9,290
	1,554,986	306,004
Expenses attributable to subsidiary, Atlas Salt Inc. to October 31, 2021 (Note 2 of financial statements)	1,085,531	118,539
Expenses attributable to parent, Vulcan Minerals Inc.	469,455	187,465
	1,554,986	306,004

OPERATIONS:

Mineral Properties

Colchester Copper Gold Project

The Company announced in May 2016 the acquisition, by staking, of the Colchester copper-gold property in north-central Newfoundland. The property is accessible by paved road approximately 25 kilometres off the Trans Canada Highway. The area is serviced by an airport at Deer Lake 110 kilometres to the southwest. The property

contains four past producing historic mines which operated in the late 1800's, namely the Colchester, West Colchester, McNeilly and Old English.

In 1967, Colchester Mines Ltd. evaluated the previous work on the property and provided a resource calculation based on diamond drilling, that the known workings contained 1,000,000 tons (including 20% dilution) of copper grading 1.3%. This is an historic reference that is not compliant with National Instrument 43-101. As such the Company is not treating the historical estimate as a current resource or reserve. Rather, it is used to demonstrate the potential for the property to contain significant copper mineralization.

In November 2016, the Company re-established a 20-line km grid on the Old English portion of the property and carried out a high resolution Induced Polarization (IP) geophysical program followed by an 800 metre drill program which confirmed the tenor of mineralization and the positive correlation with the IP survey results. Several drill targets with significant potential for copper and gold discoveries have been identified both within and outside the historic resource area. Further drilling on the property is warranted based on these results.

Based on the regional compilation work carried out on the original Colchester property, additional claims were staked including the Little Bay copper mine (dormant) and adjacent gold showings which are now collectively referred to as the Springdale project. A program of prospecting was carried out on a portion of this project in 2016. Further mapping, prospecting and geological surveying were carried out on the Colchester and Little Bay properties in the summer of 2017 confirming historic sampling and identifying areas for future trenching and geophysics. Field work consisting of prospecting and soil sampling was carried out on the Springdale project in October 2019 and October 2020. The Company completed a 1,511m drill program on the project over 8 holes in October and November 2021 and is awaiting assay results from various mineralized sections.

Gander Belt Gold

The Company acquired, through staking, a significant land position in the Gander Belt of central Newfoundland. The claims contain or are on trend with known gold showings, epithermal mineralization characteristics or favorable geochemical signatures from regional lake and till samples. The Gander Belt extends over 100 kilometers from the north coast of Newfoundland to the south-central part of the island and is constrained by two regional structures, the Dog Bay Line to the west and the GRUB Line to the east. Newfoundland Gold Corp. has reported drill results within the belt of up to 92.86 grams/tonne gold over 19.0 meters including 285.2 g/t gold over 6.0 meters (Queensway project) as per a news release dated January 28, 2020. This, combined with other gold developments in the province and the rising price of gold, has resulted in a staking rush through out the belt. Vulcan's new claims are accessible by paved and woods roads.

On February 12, 2021, the Company entered into an Option Agreement with Sassy Resources Corporation (CSE: SASY, Sassy) whereby Vulcan has agreed to option to Sassy a 100% interest in the Gander Belt Gold properties (624 claims) in central

Newfoundland. Pursuant to the terms of the agreement, total consideration payable by Sassy to Vulcan is \$400,000 cash over four years (\$100,000 received in 2021), exploration expenditures of \$2 million over four years (\$200,000 in Year 1), and 2.5 million shares of the company over four years (1,000,000 shares received in 2021).

Vulcan will retain a 3% net smelter royalty (NSR) covering the 624 claims. Sassy has the right to repurchase one-half of that NSR (1.5%) for \$2,000,000 in cash and 500,000 common shares within one year following delivery to Vulcan of a Feasibility Report on any deposit advanced on the properties. This deal provides the Company with a credible partner to advance exploration on these properties. Sassy has been carrying out various geochemical surveys on the properties in 2021. Subsequent to the date of this agreement, Sassy assigned the option to Gander Gold. The first anniversary and subsequent option payments will now be paid by Gander Gold including the issuance of Gander Gold shares. Subsequent to the Sassy Option, the Company has staked further claims in the province and is compiling data related thereto. The Company may carry out field programs and/or option these properties to third parties.

Red Cross Lake Nickel/Copper/Cobalt/Gold Project

The Company completed a review of the Red Cross Lake property in central Newfoundland for its nickel, copper and cobalt potential in 2019. The property contains the Red Cross Lake intrusive suite, a layered mafic-ultramafic intrusion that received a preliminary evaluation of its nickel potential by Falconbridge in 2005. The property is situated in a structural setting considered favourable for the formation of magmatic nickel-copper-cobalt mineralization. The property structurally offsets the Marathon gold deposit to the west, which is currently being delineated by Marathon Gold Corp. As such, gold was the initial focus of attention on this property and will remain a target of interest based on the positive results of the 2017 soil geochemical survey. However, the nickel potential of the project warrants evaluation. There are several factors that highlight the potential for nickel sulphide development, including evidence of nickel depletion in certain units of the intrusion. This may indicate that an immiscible sulphide melt could have preferentially extracted this nickel, which is a critical process for forming nickel sulphide mineralization. The continuing review has included inspection and sampling of drill core from historical exploration, as well as a compilation and analysis of historical geophysical data. The geophysical data indicates the potential for electrical conductors on the property which may represent drill targets. A modern time-domain deep penetrating electro magnetic (VTEM) survey was flown over the property in February 2021 by Geotech. Final results from that survey have been received by the Company and were forwarded to an external geophysicist for review and interpretation. The final report has been received with recommendations for a drilling campaign. The Company is reviewing the recommendations in light of its geologic interpretations and has applied for drilling permits with the provincial regulator.

South Voisey's Bay Nickel/Copper/Cobalt

The Company owns a strategic land position in the South Voisey's Bay nickel-copper-cobalt project in Labrador. The Project comprises three licences containing a total of 30 claims.

The South Voisey's Bay project area contains the Pant's Lake mafic intrusive complex which was first explored for nickel following the 1993 discovery of the Voisey's Bay nickel-copper-cobalt mine, approximately 80 kilometers north. Several rounds of drilling and geophysics have established the intrusion's potential for significant accumulations of massive magmatic sulphides.

On September 20, 2021, the Company entered into an option agreement with Fjordland Exploration Inc. ("Fjordland") in relation to the Company's South Voisey's Bay mineral licenses (30 claims). Fjordland has an option to earn a 100% interest in the property over a three-year period by incurring work commitment of \$250,000 (\$250,000 in year 2024) and by making option payments of 1,350,000 common shares (600,000 shares received in 2021), and \$70,000 cash (\$25,000 received in 2021). After Fjordland earns its 100% interest, the Company can retain a 2% net smelter returns royalty (NSR) covering the 30 claims. Fjordland has the right to buy down 50% of the NSR (1%) at any time within one year following the start of commercial production on the Property in consideration for the payment of \$2,000,000 in cash payable to the Company.

Villa Marie Quartzite Project

The Company has acquired, through staking, the dormant Villa Marie Quartzite open pit mine approximately 30 kilometers east of the deep-water port of Argentia and 75 kilometers west of St. John's, Newfoundland and Labrador. The quartzite was a source of silica used as a metallurgical flux in an industrial plant that operated in the area 1968-1989. The Company believes the quartzite has potential for use in the cement manufacturing business and as a metallurgical flux.

Historically, the property contains 52 drill holes over approximately 2,600 meters which formed the basis for an historic resource estimate upon which the original mining was conducted. This drilling data has been digitized and interpreted. The Company has also mapped the property and sampled the various outcroppings of bedded quartzite. Analysis of these samples is consistent with historic results. An average analysis over three quartzite beds is 95.32% silicon dioxide with correspondingly low total alkalis, compared to 94.7% silicon dioxide from historic government sources. Because of its proximity to a deep-water port, road access and electrical power supply, the company is investigating potential markets for this material.

Atlas Salt Inc.

Atlas Salt Inc., in which Vulcan holds a 36.80% ownership interest (December 31, 2021), owns a 100% interest in mineral licences covering a portion of the Bay St. George Basin in Western Newfoundland.

The Company manages Atlas Salt's exploration work including its development of the Great Atlantic salt deposit (formally known as the Captain Cook salt deposit), the

Ace gypsum development and production and the nepheline syenite project. A National Instrument 43-101 (NI 43-101) compliant mineral resource report with respect to the salt deposit was completed in 2016 by APEX Geoconsultants Ltd. The resource estimate concluded that using a 95.0% lower base cut-off for sodium chloride, the Halite Resource Estimate is classified as “Inferred” and demonstrates that there is 908 million tonnes of high purity halite (96.9% salt) for 880 million in-situ tonnes of salt. To demonstrate that the salt has reasonable prospects of economic extraction, the mineral resource is reported at a lower base case cut-off of 95.0% NaCl. This is the general standard used in the purchase of road salt and follows the specification outlined in American Society for Testing and Materials (ASTM) Designation D632-12 (2012), which is applicable for sodium chloride intended for use as a de-icer and for road construction or maintenance purposes. Accordingly, with respect to reporting a resource estimate that abides by the General Guidelines of NI 43-101, the Atlas Salt salt test work results show that the Great Atlantic halite deposit has good prospects of economic viability for an industrial mineral deposit.

During 2021, Atlas Salt raised equity to complete a feasibility study on the Great Atlantic salt deposit project. SLR Consulting was selected in July 2021 to undertake the feasibility analysis and that process has commenced with the objective of producing a bankable feasibility study. The Company owns a 3% net production royalty on the project.

Atlas Salt also owns the mineral rights to the Fischell’s Brook salt dome in the Bay St. George area of western Newfoundland approximately 15km south of the Great Atlantic salt deposit. The salt dome has potential as an underground fluid storage facility.

Atlas Salt commenced production at its Ace gypsum mine in western Newfoundland in late 2018. The deposit is part of the historic Flat Bay gypsum mines that have been dormant since 1990. Atlas Salt identified markets that warranted the permitting and revitalization of the mine commensurate with market demand for gypsum. Total sales up to December 31, 2021 of \$1,133,035 have been netted against mineral exploration costs as incidental revenue.

In 2017, Atlas Salt acquired a bulk sample from its Black Bay nepheline deposit in southern Labrador where the company conducted a mapping and sampling program in late 2016. That program confirmed that the potential tonnage of the deposit warrants further work and that the chemical composition of the material is within commercial specifications subject to certain beneficiation processes. The bulk sample of the deposit was analyzed and processed at the laboratory to better gauge the beneficiation characteristics of the raw nepheline syenite. Results indicate favourable characteristics and Atlas Salt is planning further sampling and drilling work and is also soliciting partners to advance the project.

During the ten months ended October 31, 2021, Atlas Salt Inc. closed four financings for a total of \$8.45 million. The proceeds of these offerings are being used to complete a Feasibility Study for Atlas Salt’s Great Atlantic Salt Project, for mineral

exploration and development activities in Newfoundland and Labrador, and for general working capital purposes.

Plans for 2022/2023

Given the renewed interest in mineral exploration in Newfoundland and the Company's strategic land position in three of the most active exploration belts, the Company is accelerating exploration work on both the Springdale (Colchester) and Red Cross lake projects. In late 2020 the Company raised \$1,000,000 by way of an equity financing. A portion of these funds are being used to carry out the accelerated exploration program including the airborne mag-em survey at Red Cross Lake and the drilling program at Colchester. The Company continues to generate and stake new exploration projects for option to third parties or internal evaluation. In June 2021, the Company raised \$4.5 million by way of a private placement to further fortify its ability to advance exploration on its current projects.

SUMMARY OF QUARTERLY RESULTS:

Quarter	Total Income (Loss)	Net Income (Loss)	Net Income (Loss) per share
	\$	\$	\$
December 31, 2021	39,305,271	34,788,278	0.321
September 30, 2021	13,470	(518,999)	(0.005)
June 30, 2021	4,092	(1,287,099)	(0.016)
March 31, 2021	1,363	(528,197)	(0.005)
December 31, 2020	Nil	(167,659)	(0.005)
September 30, 2020	Nil	(91,396)	(0.001)
June 30, 2020	Nil	(66,026)	(0.001)
March 31, 2020	(15,742)	(94,935)	(0.002)

Revenue for each quarter is represented by interest income except for Q4 2021 and Q1 2020. In Q4 2021, income results from the gain on the loss of control of Atlas Salt. Loss from equity accounting investments was the loss in Q1 2020. Income from the Ace gypsum mine is considered pre-production income and therefore \$1,133,035 total to date is netted against the exploration and evaluation asset until such time that the mine is technically feasible and commercially viable.

The loss for June 30, 2021 and September 30, 2021 is mainly due to marketing and communications expenses, investor relations expenses as well as share-based compensation. The net income for December 31, 2021 was related primarily to the gain on the loss of control of Atlas Salt.

LIQUIDITY

On December 31, 2021, the Company had current assets of \$5,582,049 which includes \$5,449,161 cash held by the Company. The cash is readily available and is not subject to subprime debt issues nor asset backed commercial debt.

The Company has no long-term debt and as such is not sensitive to interest rate fluctuation on debt instruments. The Company's cash and cash equivalents are held in bank accounts with no exposure to equity market fluctuations.

CAPITAL RESOURCES

The Company holds 44 mineral licences in Newfoundland and Labrador. These tenure instruments require annual work obligations in order to maintain ownership. Failure to fulfill work obligations would result in loss of ownership interest. The Company holds a 3% net production royalty on certain of the mineral licences currently held by Atlas Salt including the Great Atlantic Salt deposit.

TRANSACTIONS WITH RELATED PARTIES

The Company and its previous subsidiary, Atlas Salt (up to and including October 31, 2021 at which point the results were deconsolidated due to the loss of control) paid key management personnel, which includes the President and Chief Executive Officer, and the Chief Financial Officer, management fees, salaries and benefits in the amount of \$282,846 for the year ended December 31, 2021 (December 31, 2020 – \$87,089).

The Company also recognized \$1,121,252 in share-based compensation for the year ended December 31, 2021 (December 31, 2020 – \$107,544).

The Company (and Atlas Salt up to October 31, 2021) expensed premises rent totalling \$35,000 for the year ended December 31, 2021 (December 31, 2020 – \$36,000) to a private company owned and controlled by the President of the Company.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Management is of the opinion that these transactions were undertaken under the same terms and conditions as transactions with non-related parties.

STOCK OPTIONS

Vulcan Minerals Inc.

The Company recorded stock-based compensation expense in the amount of \$1,121,252 for the year ended December 31, 2021 (December 31, 2020 – \$107,544). In the year ended December 31, 2021 the company granted 2,700,000 stock options to directors with each option entitling the holder to purchase one common share at \$0.15 per share for a period of five years. 1,350,000 options vested on the date of the grant March 9, 2021 and the remaining 1,350,000 options vest June 1, 2022.

On September 20, 2021, the company granted 250,000 stock options to a consultant with each option entitling the holder to purchase one common share at \$0.25 per share for a period of one year. The options vest quarterly on December 20, 2021, March 20, 2022, June 20, 2022 and September 20, 2022.

In the year ended December 30, 2020 the company granted 700,000 stock options to one director with each option entitling the holder to purchase one common share at \$0.10 per share for a period of five years. 350,000 options vested on the date of the grant August 26, 2020 and the remaining 350,000 options vested December 31, 2021.

At the date of this MDA 9,275,000 stock options are outstanding of which 6,750,000 are exercisable in the Company.

Atlas Salt Inc.

On April 9, 2021, the Company issued 1,700,000 Directors' and Officers' stock options exercisable at \$0.50 for a period of five years. 50% of the stock options vested immediately and 50% vest on July 1, 2022.

The Company granted 200,000 stock options to a consultant on April 19, 2021. These options are exercisable at \$0.60 for a period of two years and vest quarterly on July 19, 2021, October 19, 2021, January 19, 2022 and April 19, 2022.

The Company granted 200,000 stock options to a consultant on June 15, 2021. These options are exercisable at \$0.80 for a period of two years and vest quarterly on September 15, 2021, December 15, 2021, March 15, 2022 and June 15, 2022.

FINANCIAL INSTRUMENTS AND OTHER RISKS

The Company's financial instruments include cash and cash equivalents, and accounts payable and accrued liabilities. The carrying amount of each approximates fair value due to their short-term nature.

The Company also holds financial instruments in the form of fair value through other comprehensive income. The investments had a carrying value of \$636,723 at December 31, 2021.

Business Risk

The Company is a junior exploration company principally involved in mineral exploration which is inherently high-risk activities. The business of exploring for, developing, and acquiring, mineral projects is subject to many risks and uncertainties, several of which are beyond the control of the Company. These risks are operational, financial, legal and regulatory in nature. Operational risks include unsuccessful exploration and development drilling activity, safety and environmental concerns, access to cost effective contract services, escalating industry costs for

contracted services and equipment, product marketing and hiring and retaining qualified employees. The Company is subject to financial risk as exploration is capital intensive though Atlas Salt has initiated production at its Ace gypsum mine, this operation is at an early stage as it establishes its presence in the marketplace and secures a reliable cash flow. The Company has traditional sources of funding available including equity and joint venture financing arrangements. Only the skills of management and staff in mineral and exploration financing serve to mitigate these risks. The Company is subject to a variety of regulatory risks that it does not control. Government and Securities regulations are monitored to ensure the Company continues to be in compliance.

The Company also mitigates many of the above risks by having diversified exploration projects capable of financing by joint venture partners.

Financial Risk

Other financial risk factors to which the Company is exposed are outlined below:

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company is exposed to credit risk on its cash and accounts receivable. The credit risk on cash is limited because the counterparty is a chartered bank with a high credit rating. The Company assesses its credit risk on cash and accounts receivable as not significant.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they come due. The Company has cash of \$5,449,161. During the year the Company completed an equity financing of \$4,500,000.

Commodity Price Risk

The recoverability of the costs of exploration and evaluation properties is partially related to the market price of minerals. The Company does not hedge this exposure to fluctuations in commodity prices.

Interest Rate Risk

The Company's cash balances are held in Canadian chartered bank accounts. The Company has no material debt. The Company believes its interest rate risk is not significant.

Market price risk

The value of the Company's investments is exposed to fluctuations in value depending on a number of factors, including the quoted market price and the market

value of the commodities that the companies may focus on. The Company does not utilize any derivative contracts to reduce this exposure.

CONTINGENCIES

- a. The legal case initiated by Geophysical Service Incorporated (GSI) in 2011 against the Company has been discontinued (dropped) by GSI.
- b. The Company has been added as a co-defendant in an ongoing legal action Geophysical Service Incorporated (GSI) has with NWest Energy Corp. (now Ceylon Graphite Corp. by way of name change) regarding an alleged breach of an agreement between those parties. GSI has submitted a Statement of Claim and the Company has filed a Statement of Defence. Procedurally the action has moved slowly through the Alberta courts as multiple GSI actions in Alberta involving other parties were awaiting the resolution of the “common issues” trial noted (a) above. The Company believes the claims against it are without basis or merit and no amounts have been recorded in the Company’s accounts related to this claim. The Company is fully defending its interest.

SHARE CAPITAL

As of the date of this management discussion and analysis the Company has 111,577,765 voting common shares outstanding. The Company’s share capital consists of an unlimited number of voting common shares, and an unlimited number of preferred shares of which there are none outstanding.

The Company has 9,275,000 stock options outstanding at May 2, 2022 summarized in the table below. There were 6,750,000 options vested and exercisable at May 2, 2022.

Vulcan Minerals has 36,559,500 share purchase warrants outstanding at May 2, 2022.

Vulcan Minerals Inc. as follows:

Date Issued	Number	Exercise Price	Details	Expiry
Stock Options Outstanding				
Jan 10, 2022	1,800,000	\$0.30	Directors Options	Jan 10, 2032
Jan 10, 2022	300,000	\$0.30	Employee and Advisory Committee Options	Jan 10, 2027
Sep 20, 2021	250,000	\$0.25	Consultant Options	Sep 20, 2022
Mar 9, 2021	2,700,000	\$0.15	Directors Options	Mar 9, 2026
Aug 26, 2020	700,000	\$0.10	Directors Options	Aug 26, 2025
Dec 30, 2019	700,000	\$0.10	Directors Options	Dec 30, 2024
Apr 27, 2018	1,625,000	\$0.10	Directors and Advisory Committee Options	Apr 27, 2023
Feb 17, 2016	1,200,000	\$0.10	Directors Options	Feb 17, 2026
Warrants				
June 22, 2021	22,679,500	\$0.30	Share Purchase Warrants	Dec 23, 2023
Aug 26, 2020	13,000,000	\$0.10	Share Purchase Warrants	Aug 26, 2023
Jan 31, 2019	880,000	\$0.12	Share Purchase Warrants	Jan 31, 2024

ADDITIONAL INFORMATION:

All corporate disclosure documents are filed on www.sedar.com.

Additional information regarding the Company's projects and activities are available at www.vulcanminerals.ca.