



TSX.V:CBI

COLIBRI RESOURCE CORPORATION

Form 51-102F1

Management Discussion & Analysis

Three months Ended May 31, 2021

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Overview

The following Management Discussion and Analysis (“MD&A”) for Colibri Resource Corporation (“the Company”) prepared as of July 28, 2021 should be read together with the unaudited condensed consolidated interim financial statements for the three months ended May 31, 2021 and related notes attached thereto, which were prepared in accordance with International Financial Reporting Standards (“IFRS”).

All dollar amounts referred to in this discussion and analysis are expressed in Canadian dollars unless otherwise noted.

This MD&A contains forward-looking information. Please see “Forward-Looking Information” and “Risk and Uncertainties” for a discussion of the risks, uncertainties and assumptions relating to such information.

FORWARD-LOOKING INFORMATION

Forward-looking information is included in this MD&A, which involves known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Forward-looking information is identified by the use of terms and phrases such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “intend”, “may”, “plan”, “predict”, “project”, “will”, “would”, and similar terms and phrases, including references to assumptions. Such information may involve but are not limited to comments with respect to strategies, expectations, planned operations or future actions.

Forward-looking information reflects current expectations of management regarding future events and operating performance as of the date of this MD&A. Such information involves significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking information, including, but not limited to, the following factors: financial health of the Company’s subsidiary and the related cash flows, competitive and economic environment, seasonality and fluctuations in results, expansion, interest rates, foreign exchange, cash distributions are not guaranteed and will fluctuate with the performance of its subsidiary, and federal income tax changes in Mexico and Canada.

Although the forward-looking information contained in this MD&A is based upon what the Company’s management believes to be reasonable assumptions, the Company cannot assure investors that actual results will be consistent with such information. Forward-looking information reflects management’s current beliefs and is based on information currently available to the Company. Such information reflects current assumptions regarding future events and operating performance including, without limitation, a strong economy in Canada, stable interest rates and continued strength in the mining exploration industry in which the Company operates, and speaks only as of the date of this discussion. The forward-looking information is made as of the date of this MD&A and the Company assumes no obligation to update or revise such information to reflect new events or circumstances.

Description of the Business

The Company was incorporated on February 20, 2004 in the province of British Columbia. On August 5, 2005, the Company’s common shares and purchase warrants began trading on the TSX Venture Exchange under the symbols CBI and CBI.WT respectively.

Through its subsidiary companies, Minera Bestep S.A. de C.V. and Yaque Minerales S.A. de C.V., the Company is engaged in the acquisition, exploration, and if warranted, development of gold, silver, copper, molybdenum and other metal deposits in Mexico. Minera has acquired a majority interest in four mineral properties and a minority interest in one mineral property located in Sonora, Mexico. Sonora is the northernmost state in Mexico and borders the United States of America. All of the Company’s property interests are located within or adjacent to, a free trade zone within the State, a fact that facilitates cross-border access and general business. The properties are characterized by ease of accessibility, well developed infrastructure, access to a ready and skilled labour pool and a large degree of common logistics due to their relative proximity to each other.

The Company's mineral property interests are the Colibri Property, the Evelyn III Property, the Pilar Property, the El Mesquite Property and the Jackie Property. These properties are in the exploration stage only and are without a known body of commercial ore. On February 24, 2021, the Company announced that it had entered into an option agreement to acquire a 100% interest in the Diamante Property.

Additional information related to the Company is available for view on the Company's website at www.colibriresource.com and on SEDAR at <http://www.sedar.com>.

Overall Performance

Agnico-Eagle Mines Ltd. (AEM), through one of its subsidiaries, is maintaining the former Colibri gold project, now known as "Pitaya". Some preliminary drilling and exploration work was completed pursuant to the Earn-In and Shareholders Agreement completed with AEM on May 27, 2011. As of November 30, 2018, AEM has incurred US\$2,797,013 in exploration and related costs on the "Pitaya" project with the Company holding a 24% interest in the project. Preliminary results of AEM's drilling program to-date are available on the Company's website as well as on SEDAR.

The Company has also continued with preliminary surveying and groundwork, and collecting of surface soil samples, on its Evelyn property. A total of 703 surface soil samples were collected in two campaigns. Processing of surface soil samples and lab assay work was also completed, and details are available on the Company's website as well as SEDAR.

The Company acquired the Pilar and Sun properties in August 2017 and has completed a phase 1 drilling program on the Pilar property. Results of the drilling program are available on SEDAR.

During the 2018 fiscal year, the Company entered into an agreement with Agnico with respect to the sale of the Colibri Project whereby Agnico will manage the sale process. In the event of a sale, if the consideration is any combination of cash and securities the Company will receive its proportionate share of such cash and securities. If the consideration received is other than a combination of cash and securities, the Company will receive cash proceeds from Agnico in the amount of \$US500,000. During the current year, Agnico advanced \$US300,000 in the form of an interest-bearing promissory note which is expected to be repaid from the proceeds of sale.

The Company acquired two additional properties during the year, the El Mesquite Property and the Jackie Property, both located in Sonora, Mexico.

During the 2020 year, the Company optioned the Pilar property to Tocvan Ventures Corp. and received as consideration 2,000,000 common shares of Tocvan, whose shares are listed on the Canadian Securities Exchange, and cash of \$125,000. Tocvan can earn a 51% interest in the Pilar property by issuing 3,000,000 common shares, making cash payments of \$275,000 to the Company, and carrying out exploration and evaluation expenditures of \$2,000,000, over a 60-month period.

During the 2020 year, the Company entered into an option agreement with Silver Spruce Resources Inc. ("Silver Spruce") whereby Silver Spruce can earn a 50% interest in the Jackie property by making cash payments of US \$50,000 and the issuance of CDN \$50,000 Silver Spruce shares to the Company over a two-year period. In addition, Silver Spruce is required to carry out US \$100,000 of exploration and evaluation expenditures of which US \$50,000 of expenditures must be incurred during the first year of the option.

During the period, the Company negotiated an option agreement to acquire a 100% interest in the El Diamante property which is located in Sonora, Mexico. The Company can acquire a 50% interest in the El Diamante property by making a cash payment of \$100,000 USD and incurring the cost of a 2,000-metre drill program and other costs over a two-year period. Upon completion of its earn-in, the Company can continue to carry out exploration and evaluation activities pursuant to a joint venture agreement or acquire the remaining 50% of the property by payment of \$2.1 million USD or payment of \$1.4 million USD and granting of a 2%NSR

During the period, the Company entered into an option agreement with Silver Spruce Resources Inc. ("Silver Spruce") whereby Silver Spruce can acquire a 50% interest in the Company's interest in the El Diamante property by making

cash payment of \$75,000 USD and agreeing to incur 75% of the costs in connection with the El Diamante property including drilling costs.

The Company sold 221,300 shares of Tocvan Venture Corp. during the period from the end of the quarter to the date of this MD&A for proceeds of \$320,572.

Quarterly Information.

The following table provides a brief summary of the Company's financial operations. For the more detailed information, refer to the Consolidated Financial Statements.

	Three months Ended May 31, 2021	Three months ended May 31, 2020
Total Revenue	\$ -	\$ -
Net (loss) before extraordinary items	(138,863)	(151,335)
Net income (Loss) and comprehensive loss	51,800	(167,696)
Basic and diluted earnings (loss) per share	(0.00)	(0.00)
Total assets	5,932,543	2,453,309
Total long-term liabilities	873,751	807,128
Cash dividends	-	-

The Company no intention of paying dividends on its common shares as it anticipates that all available funds will be invested to finance the growth of its business.

Results of Operations

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may be different from those estimates. Additional significant accounting policies are detailed in Note 3 attached to the financial statements.

For the three months Ended May 31, 2021

Operations in the three months ended May 31, 2021 were focused on carrying out exploration and evaluation expenditures on the Evelyn property, maintaining the Company's interests in its other properties in Sonora, Mexico, as well as continued efforts to seek option arrangements for any of these properties.

The net loss for the three months ended May 31, 2021 was \$138,863, which was a loss of \$0.00 per share on both a basic and a fully diluted basis. This loss was attributed to operating expenses offset by realized and unrealized gains on investments. Major components of the administrative expenses were wages and benefits of \$21,574, audit and accounting of \$12,000, transfer agent and filing fees of \$9,927, travel costs of \$1,974, advertising and promotion costs of \$55,206, consulting fees of \$26,500 and management fees of \$24,000. Also included in the loss for 2021 was non-cash share-based compensation expense of \$222,515, unrealized gain on investments of \$314,700, realized gains on sale of investments of \$60,305 and accretion expense of \$31,532.

For the three months Ended May 31, 2020

Operations in the three months ended May 31, 2020 were focused on exploration and evaluation expenditures on the Evelyn property as well as maintaining the Company's interests in its properties in Sonora, Mexico, and in continued efforts to seek option arrangements for any of these properties.

The net loss for the three months ended May 31, 2020 was \$151,335, which was a loss of \$0.00 per share on both a basic and a fully diluted basis. This loss was attributed to general and administrative expenses. Major components of the administrative expenses were wages and benefits of \$19,921, audit and accounting of \$20,765, transfer agent and filing fees of \$5,996, travel costs of \$1,886, advertising and promotion costs of \$16,390, consulting fees of \$25,500 and management fees of \$18,000. Also included in the loss for 2020 was non-cash share-based compensation expense of \$61,234, unrealized gain on investments of \$100,000 and accretion expense of \$21,014.

Summary of Quarterly Results

The following table sets forth selected unaudited quarterly financial information for each of the last eight most recently completed quarters:

	Three Months Ended							
	May 31, 2021	February 28, 2021	November 30, 2020	August 31, 2020	May 31, 2020	February 29, 2020	November 30, 2019	August 31, 2019
Total assets	\$ 5,932,543	\$3,752,523	\$3,185,271	\$2,380,725	\$2,453,309	\$2,218,657	\$2,442,209	\$743,317
Mineral property costs	2,320,395	2,320,395	2,024,106	1,785,402	1,769,505	1,720,510	1,685,614	650,000
Working capital	2,655,414	73,667	(81,888)	(473,302)	(361,689)	(561,578)	(256,257)	(525,747)
Shareholders' equity	4,277,893	1,770,847	874,212	514,490	615,510	589,289	874,212	743,217
Revenues	-	-	-	-	-	-	-	-
Net income (loss)	138,863	224,187	414,058	(95,645)	(151,335)	(117,162)	308,012	(138,863)
Earnings (loss) per share	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)

Liquidity

The Company has no history of profitable operations and its mineral projects are at an early stage. Therefore, it is subject to many risks common to comparable junior venture resource companies, including under-capitalization, cash shortages and limitations with respect to personnel, financial and other resources as well as a lack of revenues.

The Company's ability to continue as a going concern in the short term is dependent upon its ability to obtain financing. The Company has obtained financing by the issuance of share capital. Although the Company has been successful in the past in obtaining financing, there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favourable.

	May 31, 2021	May 31, 2020
Working capital (deficit)	\$ 2,655,414	\$ (361,689)
Deficit	(14,333,725)	(14,737,275)

Net cash used in operating activities during the period was \$688,491 compared to \$284,747 during the previous period. The net cash used in operating activities primarily consists of the operating loss and a change in non-cash working capital.

Financing activities provided net cash of \$2,192,521 during the current three months and \$110,602 during the previous three months.

Net cash provided by investing activities was \$289,504 during the current three months and \$67,328 in the previous three months. Cash in the amount of \$105,326 was expended on the acquisition and maintenance of mineral claims and exploration work conducted on the claims in Mexico.

Capital Resources

On May 20, 2020, the Company completed a non-brokered private placement for gross proceeds of \$100,000. The non-brokered private placement consisted of 2,000,000 common shares at a price of \$0.05 per share. The Company incurred fees of \$1,250 in connection with the private placement.

On May 1, 2020, the Company issued an unsecured convertible debenture for gross proceeds of \$200,000. The debenture bears interest at 8% per annum payable quarterly in arrears, has a term of twenty-four months and is convertible into common shares of the Company at \$0.05 during the initial twelve months and at \$0.10 during the second twelve period. The Company incurred finder's fees and other costs of \$16,845 in connection with the issue of the debenture.

On November 5, 2020, the Company completed a non-brokered private placement for gross proceeds of \$77,000. The non-brokered private placement consisted of 962,500 units with each unit consisting of one common share and one share purchase warrant exercisable at \$0.08 for a period of two years from the date of issue. The Company incurred fees of \$1,135 in connection with the private placement.

On April 9, 2021, the Company completed a non-brokered private placement for gross proceeds of \$2,388,114. The non-brokered private placement consisted of 23,881,139 units with each unit consisting of one common share and one share purchase warrant exercisable at \$0.15 for a period of two years from the date of issue. The Company incurred cash fees of \$83,738 and issued 30,000 finders' warrants in connection with the private placement.

On May 3, 2021, the Company received \$50,000 from the exercise of share purchase warrants.

Additional disclosure concerning the Company's general and administrative expenses and resource property obligations and commitments are provided in the Company's consolidated statements of operations and deficit and notes therein. The Company does not have any commitments for specific capital expenditures, as the agreements under which it may earn the interests in the mineral exploration properties are option agreements. However, the Company anticipates incurring the following expenditures from its available funds over the next fiscal year:

Description:		
(1)	To make property option payments and mineral property tax estimated payments on the Evelyn III, Pilar, El Mesquite and Jackie properties	\$ 16,000
(2)	(a) Colibri Property (see Note 6 to financial statements), NSR option payment.	\$ 0
	(b) To maintenance and storage on the Jackie Property.	\$ 1,000
	(c) To exploration on the Evelyn III Property.	\$ 500,000
	(d) To exploration on the El Mesquite	\$ 0
(3)	To cover estimated general and administrative expenses for a 12-month period	\$ 450,000

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

Transactions with Related Parties

During the three months ended May 31, 2021, the Company entered into the following transactions with related parties:

Name	Relationship	Purpose of Transaction	Amount
617337 NB Inc.	Company controlled by the President and CEO of the Company	Management	\$24,000
Brant Capital Partners Inc.	Company controlled by the CFO of the Company	Accounting	\$4,000
Ian McGavney	Chief Operating Office	Management	\$12,000
James Lavigne	Director of the Company	Consulting	\$8,500

During the three months ended May 31, 2021, the following stock options were granted to insiders.

Name	Relationship	Grant Date	Number Granted	Exercise Price
Ronald Goguen	President and CEO of the Company	April 21, 2021	400,000	\$0.10
Brian Crawford	CFO of the Company	April 21, 2021	125,000	\$0.10
Ian McGavney	Chief Operating Officer of the Company	April 21, 2021	400,000	\$0.10
William Macdonald	Director of the Company	April 21, 2021	125,000	\$0.10
Jacques Monette	Director of the Company	April 21, 2021	200,000	\$0.10
Roger Doucet	Director of the Company	April 21, 2021	125,000	\$0.10
Terrence Byberg	Director of the Company	April 21, 2021	125,000	\$0.10
James Lavigne	Director of the Company	April 21, 2021	200,000	\$0.10

These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Accounts payable and accrued liabilities to related parties for 2021 of \$190,211 (2020 – \$386,472) is comprised of loans plus accrued interest due to companies controlled by officers of the Company. Amounts payable to related parties bear interest at 6% per annum, are due on demand, and are unsecured.

Risk and Uncertainties

The Company holds certain mineral property interests in Mexico, and as such is exposed to numerous risks and uncertainties common to other junior exploration companies.

The Company's business, results of operations, financial condition, and the trading price of its common shares could be materially adversely affected by any of the foregoing risks and by other risks, including risks related to development of mineral deposits, metal prices, title matters, reclamation costs, metal price volatility, competition, additional funding requirements, insurance, currency fluctuations, conflicts of interest, and share trading volatility. Any of these risks could have a material adverse effect on the business, operations or financial condition of the Company.

The Company and its mineral exploration programs are at an early stage. The Company is not profitable and has no sources of revenue. The Company is reliant on raising equity and while this has been successful in the past, there is no assurance that it will be able to do so in the future.

The mineral claim that the Company has an interest in are in the exploration stage only. There is no assurance that the exploration activities of the Company will result in the discovery of a commercially viable mineral deposit.

Mineral exploration activities could result in injury and damage to life and property, possible adverse environmental impacts and possible legal liability.

The Company's financial results are denominated and reported in Canadian dollars. The Mexican operations involve payments in US dollars and Mexican pesos. Significant fluctuations of these currencies against the Canadian dollar could have a material effect on the Company's financial performance.

The Company faces risks related to health epidemics and other outbreaks of communicable diseases, which could significantly disrupt its operations and may materially and adversely affect its business and financial conditions. The Company's business could be adversely impacted by the effects of the COVID-19 coronavirus which was declared a global pandemic by the World Health Organization in March 2020. COVID-19 infections have been reported globally, including Canada, USA, Mexico and Guatemala, countries in which the Company operates. The extent to which COVID-19 may impact the Company's business, including its operations and the market for its securities, will depend on future developments which cannot be predicted, and include the duration, severity and scope of the outbreak and the actions taken to contain or treat the outbreak. The continued spread of COVID-19 globally could materially and adversely impact the Company's business, financial condition and results of operations including without limitation, employee health, workforce productivity, increased insurance premiums, limitations on travel, the availability of industry experts and personnel, restrictions to any drill programs and/or the timing to process drill and other metallurgical testing, and other factors that will depend on future developments beyond the Company's control. The international response to the spread of COVID-19 has led to significant restrictions on travel, temporary business closures, quarantines, global stock market volatility and a general reduction in consumer activity. Such public health crises can result in operating and supply chain delays and disruptions, global stock market and financial market volatility, declining trade and market sentiment, reduced movement of people and labour shortages, and travel and shipping disruption and shutdowns, including as a result of government regulation and prevention measures, or a fear of any of the foregoing, all of which could affect commodity prices, interest rates, credit ratings, credit risk and inflation.

Critical Accounting Estimates

The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and may affect both the period of revision and future periods. Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position date, that could result in a material

adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- The carrying value and recoverable amount of exploration and evaluation assets;
- The determination of the Company's functional currency;
- The inputs used in accounting for share-based compensation expense in the statements of operations and comprehensive loss;
- The valuation of shares issued in non-cash transactions;
- The valuation allowance applied against deferred income tax assets; and
- Management's assumption of no material provisions or obligations, based on the facts and circumstances that existed during the period.

Carrying value and recoverable amount of exploration and evaluation assets

Management has determined that exploration, evaluation, and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including, geologic and other technical information, a history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

Determination of functional currency

The Company determines the functional currency through an analysis of several indicators such as expenses and cash flow, financing activities, retention of operating cash flows, and frequency of transactions with the reporting entity.

Valuation of share-based compensation

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based compensation. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserve

Accounting standards issued but not yet applied:

For the purposes of preparing and presenting the Company's consolidated financial statements, the Company has adopted all applicable standards and interpretations issued other than those discussed below. These standards have not yet been adopted because they are not effective for the Company until subsequent to May 31, 2021.

Amendments to IFRS 3, Business Combinations (IFRS 3) - Definition of a Business In October 2018, the IASB issued amendments to the definition of a business in IFRS 3 to help entities determine whether an acquired set of activities and assets is a business or not. The amendments are effective January 1, 2020, with early adoption permitted. The amendments are applied prospectively to transactions or other events that occur on or after the date of first application.

Amendments to IAS 1, Presentation of Financial Statements (IAS 1) and IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors (IAS 8) - Definition of Material- In October 2018, the IASB issued amendments to IAS 1 and IAS 8 to align the definition of "material" across the standards and to clarify certain aspects of the definition. The new definition states that, "Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." These amendments are effective January 1, 2020.

Amendment to IAS 1, Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current- In January 2020, the IASB issued amendments to paragraphs 69-76 of IAS 1 to clarify the requirements for classifying liabilities as current or non-current. The amendments specify that the conditions which exist at the end of a reporting period are those which will be used to determine if a right to defer settlement of a liability exists. The amendments also

clarify the situations that are considered a settlement of a liability. The amendments are effective January 1, 2022, with early adoption permitted.

The amendments are not expected to have an impact on the Company's consolidated financial statements.

Financial Instruments and Other Instruments

The Company has designated its financial instruments as follows: cash is classified as held-for-trading which is measured at fair value. Cash is measured at fair value on a recurring basis. Accounts receivable are classified as receivables and are recorded at amortized cost. Accounts payable and accrued liabilities and amounts due to related party are classified as other liabilities. They are initially measured at fair value. Subsequent valuations are recorded at amortized cost using the effective rate method.

IFRS 7, Financial Instruments – Disclosure; increases the disclosures currently required to enable users to evaluate the significance of financial instruments for an entity's financial position and performance. This standard establishes a three-tier hierarchy as a framework for disclosing fair value of financial instruments based on inputs used to value the Company's investments. The hierarchy of inputs and description of inputs is described as follows:

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

Level 2 – fair values are based on inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); or

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

Financial instruments classified as level 1 – quoted prices in active markets include cash. The Company has no financial instruments classified as level 2 or 3.

Financial Risk Factors

The Company, through its financial assets and liabilities is exposed to various risks. The following analysis provides a measurement of risks as at the balance sheet date, May 31, 2021.

(a) Fair Value

The carrying values of cash, accounts receivable, accounts payable to related parties, and accounts payable and accrued liabilities approximate their fair values due to the short terms to maturity of the instruments.

(b) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has cash balances primarily in large Canadian chartered banks. The Company's current policy is to invest cash Canadian bank savings accounts with interest that varies at prime.

(c) Credit Risk

The Company's credit risk is primarily attributable to cash and accounts receivable. Cash is held with reputable financial institutions, primarily in Canada, and is kept in highly liquid accounts that are closely monitored by management. Credit risk with respect to its accounts receivable is minimal due to the insignificant balances that are primarily due from government agencies.

The Company's maximum exposure to credit risk is as follows:

May 31, 2021	Canada	Mexico	Total
Cash and cash equivalents	\$ 2,232,675	\$ 54,354	\$ 2,287,029
Receivable	74,007	140,493	215,500
	\$ 2,306,682	\$ 194,487	\$ 2,501,529

May 31, 2020	Canada	Mexico	Total
Cash and cash equivalents	\$62,202	\$ 6,238	\$68,440
Receivable	8,399	7,294	15,693
	\$70,601	\$ 13,532	\$84,133

(d) Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in foreign exchange rate. The Company's cash flow exposure to foreign currency is due mainly to cash, option payments and costs incurred for the development of its mineral properties in Mexico. As at May 31, 2021, the Company's consolidated balance sheets included \$1,707 (2020 – \$19,649) of cash denominated in U.S. currency and \$52,646 (2020 – \$22,580) denominated in Mexican currency; \$NIL (2020 – \$NIL) of accounts payable which were U.S. currency denominated and \$69,953 (2020 – \$82,472) of accounts payable which were Mexico currency denominated. The Company does not use, hold or issue financial instruments for trading or speculative purposes. At May 31, 2021 there were no foreign exchange contracts outstanding.

(e) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage as outlined below. The Company has sufficient funds as at May 31, 2021 to settle its current accounts payable of \$800,899 and taking into account funds received subsequent to the quarter end, is sufficient to meet the current amount of its long-term commitments on mineral claims as outlined in Note 7.

In the opinion of management, working capital of \$2,655,414 at May 31, 2021 is sufficient to support the Company's normal operating requirements through its current reporting period. The Company is continuing to review expenditures in order to ensure adequate liquidity and flexibility to support its exploration and development strategies.

Other Risk

Global Uncertainty

The Company's business could be adversely affected by the effects of health epidemics, including the global COVID-19 pandemic. In December 2019, a novel strain of COVID-19 was reported in China. Since then, the COVID-19 has spread globally, to include Canada, the United States and several European countries. The spread of COVID-19 from China to other countries has resulted in the World Health Organization (WHO) declaring the outbreak of COVID-19 as a "pandemic," or a worldwide spread of a new disease, on March 11, 2020. Many countries around the world, including Canada, have imposed quarantines and restrictions on travel and mass gatherings to slow the spread of the virus, and

have closed non-essential businesses. The spread of COVID-19, which has caused a broad impact globally, may materially affect the Company economically. While the potential economic impact brought by, and the duration of, COVID-19 may be difficult to assess or predict, a widespread pandemic could result in significant disruption of global financial markets, reducing the Company's ability to access capital, which could in the future negatively affect the Company's liquidity. In addition, a recession or market correction resulting from the spread of COVID-19 could materially affect the Company's business and the value of the Company's common shares. The global outbreak of COVID-19 continues to rapidly evolve. The extent to which COVID-19 may impact the Company's business, operations and clinical trials will depend on future developments, including the duration of the outbreak, travel restrictions and social distancing in Canada and other countries, the effectiveness of actions taken in Canada, the United States and other countries to contain and treat the disease and whether Canada and other countries are required to move to complete lock-down status. The ultimate long-term impact of COVID-19 is highly uncertain and cannot be predicted with confidence.

Outstanding Share Data

The Company has the following shares issued and outstanding as at May 31, 2021 and July 28, 2021:

	May 31, 2021	May 31, 2020
Authorized		
Common shares without par value unlimited		
Issued and Outstanding	96,126,625	66,782,986
Issued subsequent to the period end	600,000	-
Issued and outstanding July 28, 2021 and August 5, 2020	96,726,625	66,782,986

On September 24, 2016, the Company implemented a share consolidation of all its outstanding common shares on the basis of one post-consolidation share for every fifteen pre-consolidated shares.

Stock options

The Company has in place a rolling stock option plan whereby the Company may grant stock options to eligible persons to acquire a total of up to 10% of the then existing number of shares outstanding. Awarded stock options generally vest at the discretion of the directors and are exercisable over a period not exceeding ten years at exercise prices determined by the directors. The exercise price of each option is subject to a minimum price of \$0.10 and cannot be less than the discounted market price of the Company's stock as calculated pursuant to the policies of the TSX Venture Exchange.

The number of stock options outstanding at July 28, 2021 is summarized as follows:

	Number of Options	Weighted Average Exercise Price
Balance May 31, 2021	7,200,000	\$ 0.09
Options granted	250,000	\$ 0.10
Options expired	(300,000)	\$ 0.15

Balance July 28, 2021	7,150,000	\$	0.09
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At May 31, 2021, the following stock options were outstanding:

Number of Options	Exercise Price	Expiry Date
300,000	\$0.15	June 14, 2021
1,200,000	\$0.10	April 16, 2028
1,975,000	\$0.10	April 16, 2023
625,000	\$0.15	April 13, 2024
1,200,000	\$0.05	May 25, 2025
1,900,000	\$0.10	April 21, 2026
7,200,000		

At May 31, 2021, the 7,200,000 options outstanding have a weighted average life remaining of 3.86 years.

Warrants

The following common share purchase warrants entitle the holders thereof the right to purchase one common share for each common share purchase warrant. Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, November 30, 2019	24,000,980	\$ 0.13
Issued during the 2020 fiscal year	962,500	\$ 0.12
Balance November 30, 2020	24,963,480	\$ 0.13
Issued during the period	23,881,139	\$ 0.15
Exercised during the period	(500,000)	\$ 0.10
Balance May 31, 2021	48,366,619	\$ 0.14

The following warrants are outstanding at May 31, 2021:

Number of warrants	Exercise price per warrant	Expiry date
5,840,000	\$0.10	March 13, 2022
2,228,000	\$0.10	August 7, 2022
3,260,000	\$0.10	October 9, 2022
962,500	\$0.12	November 5, 2022
10,770,980	\$0.15	February 26, 2023
1,350,000	\$0.15	March 15, 2023
23,881,139	\$0.15	April 9, 2023
48,344,619		

In addition, there are 375,000 broker warrants outstanding of which 272,000 are exercisable at \$0.15 per share and expire on February 26, 2023, 73,000 which are exercisable at \$0.10 per shares and expire on March 13, 2022, and 30,000 which are exercisable at \$0.15 per share and expire April 9, 2023.

During the period ended May 31, 2021 and the date of this MD&A, 600,000 warrants exercisable at \$0.10 were exercised.

Segmented Information

The Company primarily operates in one reportable business segment, being the acquisition and exploration of mineral properties located in Mexico. The net loss and assets identifiable with these geographic areas are as follows:

May 31, 2021	Canada	Mexico	Total
Net income (loss) for the three months	\$238,457	\$(14,270)	\$224,187
Current assets	3,258,047	198,266	3,456,313
Capital assets	136,394	80,161	216,555
Mineral properties	-	2,259,675	2,259,675
Total assets	\$3,394,441	\$2,538,102	\$5,932,543
Total liabilities	\$ 1,541,168	\$ 113,482	\$1,654,650

May 31, 2020	Canada	Mexico	Total	
Net loss for the three months		\$ (136,921)	\$ (14,414)	\$ (151, 335)
Current assets		635,970	33,011	668,982
Mineral properties		-	1,769,505	1,769,505
Capital assets		5,190	9,632	14,822
Total assets		\$ 641,160	\$1,812,148	\$2,453,309
Total liabilities		\$ 1,589,566	\$ 82,472	\$1,672,038

Additional Disclosure for Venture Issuers Without Significant Revenue

	Three months Ended May 31, 2021	Three months Ended May 31, 2020
Capitalized or expensed exploration and development costs	\$ 105,326	\$ 90,856
General and administrative expenses	\$ 513,868	\$ 230,321

Capitalized or Expensed Exploration and Development Costs

For the Colibri property, we capitalized \$NIL during the three months ended May 31, 2021 and \$NIL during the previous three months.

For the Evelyn property, we capitalized \$105,326 during the three months ended May 31, 2021 and \$90,243 during the previous three months.

For the Pilar property, we capitalized \$NIL during the three months ended May 31, 2021 and \$NIL during the previous three months.

For the El Mesquite and Jackie properties, we capitalized \$Nil during the three months ended May 31, 2021 and \$Nil during the previous three months.

Management's Responsibility for Financial Information

The Company's financial statements and other information included in this management report are the responsibility of the Company's management and have been examined and approved by the Board of Directors. The financial statements were prepared by management in accordance with International Financial Reporting Standards and include certain amounts based on management's best estimates using careful judgment. The selection of accounting principles and methods is management's responsibility.

The Company maintains internal control systems designed to ensure that financial information is relevant and reliable and that assets are safeguarded.

Management recognizes its responsibility for conducting the Company's affairs in a manner to comply with the requirements of applicable laws and established financial standards and principles, and for maintaining proper standards of conduct in its activities.

Evaluation of Disclosure Controls and Procedures

Management has evaluated the effectiveness of its disclosure controls and procedures and has concluded that they are sufficiently effective to provide reasonable assurance that material information relating to the Company is made known to management and disclosed in accordance with applicable securities regulations.

Approval

The Board of Directors of Colibri Resource Corporation has approved the disclosure contained in this Management Discussion & Analysis. A copy of this Management Discussion & Analysis will be provided to anyone who requests it.

Additional Information

Additional information relating to our Company is available for viewing on the SEDAR website at <http://www.sedar.com>.