("Turmalina" or "the Company")

FORM 51-102F1
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED MARCH 31, 2021

Introduction

This Management's Discussion and Analysis ("MD&A") of Turmalina Metals Corp. (formerly Turmalina Copper Corp., and formerly 1112002 B.C. Ltd.). including its subsidiaries, Aurora Mining S.A (Argentina) and Aurora Copper Peru S.A.C (Peru) and is the responsibility of management and covers the three months period ended March 31, 2021. The MD&A takes into account information available up to and including May 20, 2021 and should be read together with the condensed consolidated interim financial statements for the period ended March 31, 2021 and with the audited consolidated financial statements for the year ended December 31, 2020.

The Company's shares commended trading on the TSX Venture Exchange on December 3, 2019, under the symbol TBX.

Throughout this document the terms *we, us, our, the Company* and *Turmalina* refer to Turmalina Metals Corp. All financial information in this document is prepared in accordance with International Financial Reporting Standards ("IFRS") and is presented in Canadian dollars unless otherwise indicated.

This document contains forward-looking statements. Please refer to "Note Regarding Forward-Looking Statements."

Description of Business

The Company is a mineral resource company engaged in the business of acquiring and exploring mineral resource properties in South America. The Company's principal property is the San Francisco Project, located in San Juan Province, Argentina, which the Company has an option to acquire up to a 100% interest. In addition, the Company has an option agreement to acquire up to a 100% interest in the Miranda project, Argentina and the Chanape Project, located in Peru. Please refer to the *"Exploration Projects"* section below for the acquisition and project details.

Performance Summary and Subsequent Events

During the period ended March 31, 2021, the Company:

- Announced on January 25, 2021 that the final hole in the 2020 drilling program at the San Francisco project returned multiple intercepts of high-grade copper-gold-silver mineralization below all previous drilling at the San Francisco de Los Andes (SFdLA) breccia pipe, doubling the known depth of the strongly mineralized system.

  Drill hole SFDH-039 aimed to test the continuation of the breccia pipe to over 450 metres of depth and intercepted the following downhole mineralized intervals:

  - 86 m @ 0.47 % Cu, 1.8 g/t Au & 67 g/t silver (3.4 g/t AuEq or 2.5 % CuEq) from 28 m;
  - 27 m @ 0.83 % Cu, 1.5 g/t Au & 127 g/t Ag (4.3 g/t AuEq or 3.2 % CuEq) from 163 m;
  - 54 m @ 0.96 % Cu, 0.28 g/t Au & 51 g/t Ag (2.3 g/t AuEq or 1.7 % CuEq) from 201 m;
  - 36 m @ 1.83 % Cu, 0.12 g/t Au & 118 g/t Ag (4.2 g/t AuEq or 3.1 % CuEq) from 329 m;
  - 72 m @ 3.47 % Cu, 0.71 g/t Au & 100 g/t Ag (6.7 g/t AuEq or 5.0 % CuEq) from 397 m.

  In addition to the lengthy high-grade intercepts in hole 39 (the deepest hole drilled to date), four shallower drill holes also completed at SFdLA in December 2020, intersected broad intervals of gold-silver-copper mineralization in the oxide gold zone. Within these lengthy intercepts, there were multiple high-grade intervals such as hole 34, which recorded nine m at 10.4 g/t Au and 124 g/t Ag, including four m at 19.40 g/t Au and 212 g/t Ag.

- Announced on January 29, 2021 the appointment of Laura Bastias to the board of the company as an independent director.

  Ms. Bastias is a highly respected San Juan-based lawyer with extensive experience in mining and corporate law. She is currently a partner at San Juan legal firm Bastias Yacante Abogados, where she acts as the mining legal adviser to numerous major and junior mining firms operating in the region. She has also held various legal, environmental and permitting roles with Minera Los Pelambres, Golden Mining SA and Sable Resources Ltd. Ms. Bastias has particular experience in legal and legislative analysis, due diligence, negotiations, structuring agreements, and capital risk analysis.

- Announced on March 30, 2021 that Phase 3 deep drilling at Turmalina Metals Corp.'s San Francisco project on the San Francisco de Los Andes (SFdLA) breccia pipe has continued to extend zones of high-grade copper-gold-silver mineralization while shallower drilling has also returned multiple intercepts of high-grade copper-gold-silver mineralization.

  Phase 3 drilling at SFdLA follows up high-grade mineralization reported at depth in drill hole SFDH-039 (see Turmalina Metals press release dated Jan. 25, 2021), with holes SFDH-042 and SFDH-043 being the first holes of an east-west-oriented long section below phase 2 drilling.

  SFDH-043 tested the base of drilling at the eastern lobe and the deeper western boundary of the breccia pipe and intersected:

- 35 m @ 1.99 % Cu, 0.79 g/t Au and 150 g/t Ag (6.3 g/t AuEq), 3.8 % CuEq) from 109 m, including 4.2 m @ 8.35 % Cu, 1.84 g/t Au & 743 g/t Ag (26.7 g/t AuEq; 16.0 % CuEq) from 110.8 m;
- 46 m @ 0.37 % Cu, 0.55 g/t Au & 32 g/t Ag (1.6 g/t AuEq; 1.0 % CuEq) from 157 m, including 20 m @ 0.42 % Cu, 1.09 g/t Au & 49 g/t Ag (2.5 g/t AuEq; 1.5 % CuEq) from 157 m.

SFDH-042 tested the full length of the breccia pipe along its long axis below previous drilling and shows that the breccia pipe is widening at depth, with intersections in a new western extension including:

- 11 m @ 1.28 % Cu, 0.13 g/t Au & 102 g/t Ag (3.8 g/t AuEq; 2.3 % CuEq) from 161 m;
- 19 m @ 0.95 % Cu, 0.41 g/t Au & 31 g/t Ag (2.5 g/t AuEq; 1.5 % CuEq) from 251 m, including 8 m @ 1.44 % Cu, 0.80 g/t Au & 46 g/t Ag (3.9 g/t AuEq; 2.3 % CuEq) from 251 m.

In addition to the results of current phase 3 drilling all remaining assays have been returned for shallower phase 2 holes drilled in late 2020. Drill holes SFDH-038 and SFDH-041 returned multiple intervals of near-surface oxide mineralization including 30 m at 4.88 g/t Au, 149 g/t Ag and 0.50 per cent Cu (7.9 g/t AuEq; 4.7 per cent CuEq; SFDH-038 from 30 m) and 9.6 m at 5.26 g/t Au, 31 g/t Ag and 0.19 per cent Cu (6.0 g/t AuEq; 3.62 per cent CuEq; SFDH-041 from 49 m. SFDH-040 tested hypogene gold-copper-silver mineralization below the oxide zone and intersected 18 m at 0.30 per cent Cu, 0.59 g/t Au and 51 g/t Ag (1.8 g/t AuEq; 1.1 per cent CuEq) from 120 m.

- Received $150,000 from the exercise of 300,000 stock options.

Please refer to the news releases for additional information. Unless described elsewhere in this report, there were no other significant events or transactions during or subsequent to the period to the date of this report.

Outlook

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

The Company has entered into four option agreements on exploration projects in South America during the last 24 months (project names in brackets), has secured financing to fund initial exploration programs and has listed on the TSX-Venture exchange under the symbol TBX. The Company is funded to meet Phase I and II exploration on the San Francisco projects as described in the Company's 43-101 technical report.

The Company is currently undertaking Phase II exploration at the San Francisco project, which remains the Company's main focus. The Company has commissioned a 43-101 technical report on the Chanape project, which will be filed prior to any significant exploration expenditure on the project.

As the Company has no source of revenue at this time, it will continue to require additional capital to fund future office and administrative expenditures and to advance the Company's projects and complete project investigation activities.

EXPLORATION PROJECTS

Below is a description of the acquisition terms of the El Tapau Project, the Cerro Negro Project and the Miranda Project, together the San Francisco Project.

El Tapau Project, Argentina

On September 24, 2018, the Company entered into an option agreement with third parties to acquire a 100% interest in certain claims known as the El Tapau Project, Argentina. The Company can acquire a 100% interest in the property by making payments and incurring exploration expenditures and drilling as follows:

	Cash Payment (USD $)	Minimum Exploration Expenditures (USD $)	Minimum Drilling (Meters)
September 24, 2018 (paid)	40,000	-	-
September 24, 2019 (paid and completed)	70,000	300,000	-
November 24, 2020* (paid and completed)	100,000	-	3,000
November 24, 2021*	250,000	-	4,000
November 24, 2022*	1,000,000	750,000	-
	1,460,000	1,050,000	7,000

*Due to COVID-19 global pandemic and the Company being unable to advance the projects, the parties agreed to a 2-month extension under the force majeure clause.

The third parties retain a 2.5% Net Smelter Returns royalty, which the Company may purchase for a payment of USD$2,500,000.

Cerro Negro Project, Argentina

On September 25, 2018, the Company entered into an option agreement with third parties to acquire a 100% interest in certain claims known as the Cerro Negro Project, Argentina. The Company can acquire a 100% interest in the property by making payments and incurring exploration expenditures as follows:

	Cash Payment (USD $)	Minimum Exploration Expenditures (USD $)
Upon signing LOI (paid)	5,000	-
September 25, 2018 (paid)	15,000	-
Upon receiving drilling permits (paid)	30,000	-
September 25, 2019 (paid and completed)	50,000	300,000
November 25, 2020* (paid and completed)	100,000	500,000
November 25, 2021*	250,000	500,000
November 25, 2022*	1,000,000	750,000
	1,450,000	2,050,000

*Due to COVID-19 global pandemic and the Company being unable to advance the projects, the parties agreed to a 2-month extension under the force majeure clause.

Miranda Project, Argentina

On July 1, 2020, the Company entered into an option agreement with third parties to acquire a 100% interest in certain claims known as the Miranda Project, Argentina. The Company can acquire a 100% interest in the property by making payments as follows:

	Cash Payment (USD $)
Upon signing definitive agreement (paid)	5,000
January 7, 2021 (paid)	5,000
July 7, 2021	15,000
July 7, 2022	20,000
July 7, 2023	30,000
July 7, 2024	150,000
	225,000

The third parties retain a 1% Net Smelter Returns royalty, which the Company may purchase for a payment of USD$300,000.

Chanape Project, Peru

On March 13, 2020, the Company entered into an option agreement, with third parties, to acquire a 100% interest in certain claims located in Peru, comprising the Chanape Project. The Company can acquire a 100% interest in the property by making total cash payments of $3,410,000 and by incurring exploration expenditures of US$2,000,000 as follows:

	Cash Payment (USD $)	Minimum Exploration Expenditures (USD $)
Upon signing LOI (paid)	10,000	-
February 22, 2020 (paid)	18,727	-
Execution of definitive agreement (paid)	22,000	-
April 30, 2020 (paid)	9,273	-
December 30, 2020* (paid)	40,000	-
June 30, 2021*	50,000	250,000
December 30, 2021*	60,000	
June 30, 2022*	100,000	500,000
December 30, 2022*	120,000	-
June 30, 2023*	180,000	500,000
December 30, 2023*	250,000	-
June 30, 2024*	350,000	750,000
June 30, 2025*	2,200,000	-
	3,410,000	2,000,000

*These payments were conditional to the register of public deeds, which was delayed due to the COVID-19 global pandemic. Due to the delay registering the agreement, the due dates of these payments were extended 108 days.

The third parties retain a 2% Net Smelter Returns royalty, of which the Company may purchase 1%,(50%) of the NSR for a payment of USD$1,200,000.

The Company has commenced an initial field review at Chanape and has commissioned a 43-101 technical report on the project that will be filed prior to commencing any significant exploration expenditure.

San Francisco Project

The Project is located in the Calingasta Department in the west-central San Juan Province of Argentina, approximately 130 km northwest from the capital of San Juan. The Project is a 3,399-hectare property located within the Frontal Cordillera mountain chain. The San Francisco Project is comprised of two separate sets of tenements, comprising of six mining claims, that have been farmed in to by Turmalina. The smaller group of tenements comprised of 24 hectares and covers the old San Francisco de los Andes mine and the surrounding regional tenements of 3375 hectares owned by the Petra Gold Group

The geology at San Francisco consists of Late Permian diorite, granodiorite and quartz monzonite intrusives emplaced into Carboniferous sediments of the Agua Negra Formation. The intrusive rocks are part of a regional magmatic suite that are known to host porphyry-style copper and tourmaline breccia polymetallic base and precious metal type mineralization. Gold-silver-copper mineralization at the San Francisco project is hosted within tourmaline breccias, with minor gold-silver-copper mineralization hosted in quartz veins that appear to be synchronous with the tourmaline breccias.

The exploration concept at San Francisco is to test the multiple breccia pipes present within the project, which may create sufficient ores for a central processing facility.

To date five companies have conducted small scale mining or exploration at the San Francisco project, collecting over 2000 rock chip and soil samples. Two independent ground geophysical surveys have been completed with IP geophysics over various target areas and four limited drilling campaigns have occurred within the project, all with encouraging results for a total of 63 holes. Thirty-nine of these holes have been drilled at the San Francisco copper-gold mine (10 of which were drilled by the Company in 2019 and 22 in 2020) and the remaining holes have been drilled by the Company and previous companies as scout holes on various prospects.

For a summary on the projects please refer to the Prospectus or to the NI 43-101 Technical Report titled "NI 43-101 Technical Report, San Francisco Copper Gold Project, San Juan Province, Argentina" dated August 1, 2019 prepared by Neil Motton of Flitegold (Australia) Pty Ltd., released by the Company on August 9, 2019. Readers are encouraged to consult the Technical Report for additional information.

Future Exploration Plans

The Company used the proceeds raised during the listing process to complete the first phase work program, which is detailed in 43-101 Technical Report (the "Technical Report") dated November 13, 2019. The recommended work program included a drill program to evaluate the resource potential at the San Francisco Project, with ten holes drilled during 2019 to test to 170m below the surface within the primary ore zone. The phase one exploration program was completed in December 2019.

Based on the results of the first phase work program the Company commenced a second phase exploration program in 2020 which included drilling 31 holes on the breccia targets identified by the Technical Report and a nine months field mapping and sampling program. This second work program was completed in December 2020.

Contingent on the results of the second phase program it is the intention of the Company to conduct a third phase exploration program in 2021 to meet the contractual commitments and requirements of the Option Agreements. This third phase program would include drilling on identified breccia targets, follow up of mineralization intersected in the first and second phase drill holes, a field mapping and sampling program and geophysical surveys. This program is expected to take 12 months.

During the period ended March 31, 2021 the Company has incurred acquisition costs as follows:

Acquisition Costs	El Tapau Project	Cerro Negro Project	Canchaque Project	Chanape Project	Miranda Project	Total
December 31, 2019	$ 147,830	$ 134,310	$ 255,104	$ -	$ -	$ 537,244
Additions	130,388	130,834	68,621	124,923	6,979	461,745
Write-off	-	-	(323,725)	-	-	(323,725)
December 31, 2020	278,218	265,144	-	124,923	6,979	675,264
Additions	-	-	-	-	6,391	6,391
March 31, 2021	$ 278,218	$ 265,144	$ -	$ 124,923	$ 13,370	$ 681,655

During the period ended March 31, 2021, the Company incurred exploration costs as follows:

Exploration Expenditures	El Tapau Project	Cerro Negro Project	Chanape	Total
Assay	$ 54,921	$ 87,011	$ 12,731	$ 154,663
Drilling	77,685	181,265	-	258,950
Equipment rental	2,302	5,370	-	7,672
Field expenditures	20,152	44,244	16,433	80,829
Geological consulting	34,965	57,935	5,440	98,340
Project administration & community relations	3,799	11,808	34,988	50,595
Project management	38,232	38,232	-	76,464
Taxes	36,294	84,685	-	120,979
Travel	-	-	812	812
	$ 268,350	$ 510,550	$ 70,404	$ 849,304

Dr. Rohan Wolfe, (MAIG, B.Sc.(Hon), PhD.), a Qualified Person under the meaning of Canadian National Instrument 43-101 and an officer of Turmalina, is responsible for the technical content of this Management's Discussion and Analysis.

Results of Operations

The condensed consolidated interim financial statements reflect the financial condition of the Company's business for the period ended March 31, 2021. The significant events during the period which impact the financial results of the Company, some of which are discussed above in the performance summary, are:

- The ongoing drill program at the San Francisco project and exploration programs.
- Exploration and travel restrictions due to COVID-19.

Results of operations for the three-month period ended March 31, 2021:

During the period ended March 31, 2021, the Company incurred a net loss of $1,241,389 as compared to a net loss of $1,108,355 for the period ended March 31, 2020.

Significant expenditures / movements included:

- Exploration expenditures on the Argentina and Peru projects of $849,304 (2020 - $347,516). The Company had an active drill and field exploration program during Q1 2021. Please refer to the exploration section above for a breakdown of the Expenditures.
- Professional fees of $43,581 (2020 - $82,207). Professional fees decreased due to a focus on exploration and less corporate activity during the quarter.
- Marketing and shareholder communications of $148,699 (2020 - $270,440) and Investor relations of $28,125 (2020 - $44,198). The Company has continued to raise awareness of its projects and the successful exploration completed.
- Travel of $2,877 (2020 - $164,669). Travel was down since March 2020 due to the travel restrictions from COVID-19.

Summary of Quarterly Results

		March 31, 2021		December 31, 2020		September 30, 2020		June 30, 2020
Working capital	$	8,908,648	$	10,146,511	$	12,247,925	$	13,008,264
Exploration expenditures		849,304		1,349,014		1,185,889		499,571
Share-based payments		9,917		18,976		36,502		1,918,907
Net loss		1,241,389		2,407,567		(2,065,689)		(2,886,683)
Net loss per share - basic		(0.02)		(0.04)		(0.03)		(0.05)
		March 31, 2020		December 31, 2019		September 30, 2019		June 30, 2019
Working capital	$	12,867,658	$	5,202,028	$	34,157	$	1,346,039
Exploration expenditures		347,514		706,519		947,615		177,433
Share-based payments		-		-		1,573,784		-
Net loss		(1,108,355)		(1,551,113)		(2,892,937)		(372,182)
Net loss per share - basic		(0.02)		(0.04)		(0.01)		(0.01)

Discussion of Quarterly Results

The significant items impacting Turmalina's net loss are primarily from the changing levels of financing available, our project investigation and exploration activities, share-based compensation, and office and administrative expenses. Changing levels in exploration program and general and administrative costs fluctuate independently according to field activities at our properties or general corporate activities.

During the previous quarters, the Company has completed various financings, completed significant project investigation, culminating in the Company entering into four separate project option agreements.

Liquidity

Turmalina's mineral exploration and development activities do not provide a source of income and we therefore have a history of losses, working capital deficiencies and an accumulated deficit. However, given the nature of our business, the results of operations as reflected in the net losses and losses per share do not provide a complete interpretation of our valuation.

As at March 31, 2021, the Company had working capital of $8,908,648, a decrease of $1,237,863. This balance included current assets of $8,999,064 to settle current liabilities of $90,416.

While the Company currently has sufficient funds to complete the next phase of the exploration program, the Company does not have a source of income available to maintain liquidity indefinitely into the future. To maintain liquidity in the future, the Company continues to investigate additional project and financing opportunities and would consider raising capital via share issuances, debt facilities, joint venture arrangements, or a combination of these options. The Company has financed its operations to date primarily through the issuance of common shares.

Operating Activities: The Company does not generate cash from operating activities. Net cash used in the Company for operating activities, which includes exploration activities, for the period ended March 31, 2021 was $1,173,733.

Investing Activities: During the period ended March 31, 2021 the Company paid $6,391 as option payments on the Miranda project.

Financing Activities: During the period ended March 31, 2021, the Company did not have any financing activities.

The condensed consolidated interim financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company's continuing operations rely on the ability of the Company to continue to raise capital.

Related Party Transactions

The consolidated financial statements include the financial statements of the Company and its subsidiaries Aurora Mining S.A (Argentina) and Aurora Copper Peru S.A.C (Peru):

Key management personnel includes those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of members of the Board and corporate officers, including the Company's Chief Executive Officer and Chief Financial Officer.

During the period ended March 31, 2021, the Company entered into the following transactions with related parties, not disclosed elsewhere in these consolidated financial statements:

a) Fees of $57,826 (2020 - $40,396) to Rohan Wolfe, an officer and director of the Company, of which $28,913 (2020 – $20,198) is recorded in management fees and $28,913 (2020 - $20,198) is recorded in exploration expenditures.

b) Exploration expenditures of $47,550 (2020 - $40,396) to Francisco (Chico) Azevedo, an officer and director of the Company.

c) Management fees of $38,241 (2020 – $30,000) to Bryan Slusarchuk, a director and officer of the Company.

d) Professional fees of $19,088 (2020 - $15,000) to Red Fern Consulting Ltd., a company controlled by Jonathan Richards, an officer of the Company.

e) Director fees of $19,173 (2020 - $18,000) paid to Mark Eaton and Maria Laura Bastias, directors of the Company.

As at March 31, 2021, $9,797 (December 31, 2020 - $3,820) and $13,335 (December 31, 2020 - $Nil) was included in accounts payable and accrued liabilities owing and prepaid to officers and directors of the Company in relation to professional fees and reimbursement of expenses respectively.

Outstanding Share Data

Common Shares:

As at the date of this report the Company had 66,599,518 common shares issued and outstanding.

Stock Options and Warrants:

The following stock options and warrants were outstanding at the date of this report:

	Number	Exercise price	Expiry date	Remaining Life (years)
Stock Options				
	3,475,000	$ 0.50	August 9, 2024	3.36
	2,070,000	1.30	June 24, 2025	4.24
Warrants				
	4,557,925	0.90	February 28, 2022	0.92
Agents Warrants				
	873,667	0.70	February 28, 2022	0.92

Contractual Obligations

Except as described herein or in the Company's condensed consolidated interim financial statements at March 31, 2021, the Company had no material contractual obligations.

Off-Balance Sheet Arrangements

At March 31, 2021, the Company had no material off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Company.

Proposed Transactions

Except as elsewhere disclosed in this document, there are no other proposed transactions under consideration.

Capital Resources

The Company has no commitments for capital expenditures at the date of this report.

The Company will continue to seek capital. In the past the Company has raised capital through the issuance of common shares pursuant to private placement. The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital and is not subject to externally imposed capital requirements. barter

FINANCIAL AND CAPITAL RISK MANAGEMENT

Financial assets and liabilities are classified in the fair value hierarchy according to the lowest level of input that is significant to the fair value measurement. Assessment of the significance of a particular input to the fair value measurement requires judgement and may affect placement within the fair value hierarchy levels. The hierarchy is as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying value of receivables and accounts payable and accrued liabilities approximates fair value due to the short-term nature of the financial instruments. Cash and cash equivalents is valued at a level 1 fair value measurement and is classified as fair value through profit or loss. Receivables are classified at amortized cost. Accounts payable and accrued liabilities are classified as amortized cost.

Risk management

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations.

The Company's cash and cash equivalents is held at a large Canadian financial institution in interest bearing accounts. The Company has no investment in asset backed commercial paper.

The Company's receivables consist of goods and services tax receivable from the government of Canada.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company manages liquidity risk through its capital management as outlined below. Accounts payable and accrued liabilities are due within one year.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a) Interest rate risk

The Company's exposure to interest rate risk arises from the interest rate impact on cash and cash equivalents. The Company's practice has been to invest cash and cash equivalents at floating rates of interest, in order to maintain liquidity, while achieving a satisfactory return for shareholders. There is minimal risk that the Company would recognize any loss as a result of a decrease in the fair value of any guaranteed bank investment certificates included in cash and cash equivalents as they are generally held with large financial institutions. During the period ended March 31, 2021, the Company was not exposed to significant interest rate risk.

b) Foreign currency risk

The majority of purchases are transacted in the Canadian dollar. Management believes the foreign exchange risk derived from currency conversions is not significant and therefore does not hedge its foreign exchange risk.

c) Price risk

The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue acquisition, exploration and evaluation of mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes its components of shareholders' equity.

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, issue debt, acquire or dispose of assets or adjust the amount of cash.

The Company currently is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management.

Risk Factors

Companies in the exploration stage face a variety of risks and, while unable to eliminate all of them, the Company aims at managing and reducing such risks as much as possible. The Company faces a variety of risk factors such as project feasibility and practically, risks related to determining the validity of mineral property title claims, commodities prices, changes in laws and environmental laws and regulations. Management monitors its activities and those factors that could impact them in order to manage risk and make timely decisions. Risks and uncertainties the Company considers material in assessing its financial statements are described below.

Turmalina will require additional funding.

At March 31, 2021, the Company held cash and cash equivalents of $8,825,532 and accounts payable and accrued liabilities of $90,416. While the Company is well financed to complete the next two phases of the exploration program in the 43-101, the Company does not have any source of revenue and will require additional funding. The Company has relied upon equity subscriptions to satisfy its capital requirements and will likely continue to depend upon these sources to finance its activities. There can be no assurances that the Company will be successful in raising the desired level of financing on acceptable terms.

Turmalina is subject to government regulation.

The Company's mineral exploration is, and any development activities will be, subject to various laws governing exploration, development, production, taxes, labour standards and occupational health, mine safety, environmental protection, toxic substances, land use, water use and other matters. Failure to comply with applicable laws and regulations may result in civil or criminal fines or penalties or enforcement actions, including orders issued by regulatory authorities curtailing the Company's operations or requiring corrective measures, any of which could result in the Company incurring substantial expenditures. No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration or development.

Exploration, development and mining activities can be hazardous and involve a high degree of risk.

The Company's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of base or precious metals, including, without limitation, unusual and unexpected geologic formations, seismic activity, rock bursts, pit-wall failures, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and legal liability. Milling operations, if any, are subject to various hazards, including, without limitation, equipment failure and failure of retaining dams around tailings disposal areas, which may result in environmental pollution and legal liability.

Turmalina may be adversely affected by fluctuations in metal prices.

The value and price of the Company's common shares, the Company's financial results, and exploration, development and mining activities of the Company, if any, may be significantly adversely affected by declines in the price of metals. Mineral prices fluctuate widely and are affected by numerous factors beyond the Company's control such as interest rates, exchange rates, inflation or deflation, global and regional supply and demand, and the political and economic conditions of mineral producing countries throughout the world.

Infrastructure

Exploration, development and ultimately mining and processing activities depend, to one degree or another, on the availability of adequate infrastructure. Reliable air service, roads, bridges, power sources and water supply are significant contributors in the determination of capital and operating costs. Inadequate infrastructure could significantly delay or prevent the Company exploring and developing its projects and could result in higher costs.

Turmalina does not and likely will not insure against all risks.

The Company's insurance will not cover all the potential risks associated with a mining company's operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. The Company might also become subject to environmental liability or other hazards which may not be insured against or which we may elect not to insure against because of premium costs or other reasons. Losses from these events may cause Turmalina to incur significant costs that could have a material adverse effect upon its financial condition and results of operations.

Turmalina may be subject to disputes.

The Company may be involved in disputes with other parties in the future, which may result in litigation or arbitration. The results of litigation or arbitration cannot be predicted with certainty. If the Company is unable to resolve these disputes favorably, it may have a material adverse impact on the Company.

All industries, including the mining industry, are subject to legal claims that are with and without merit. Due to the inherent uncertainty of the litigation process and dealings with regulatory bodies, there is no assurance that any legal or regulatory proceeding will be resolved in a manner that will not have a material and adverse effect on the Company.

Turmalina is dependent on key personnel.

The Company's success depends in part on its ability to recruit and retain qualified personnel. Due to its relatively small size, the loss of the services of one or more of such key management personnel could have a material adverse effect on the Company. In addition, despite its efforts to recruit and retain qualified personnel, even when those efforts are successful, people are fallible and human error could result in a significant uninsured loss to the Company.

Turmalina's officers and directors may have potential conflicts of interest.

Turmalina's directors and officers may serve as directors and/or officers of other public and private companies and devote a portion of their time to manage other business interests. This may result in certain conflicts of interest. To the extent that such other companies may participate in ventures in which the Company is also participating, such directors and officers may have a conflict of interest in negotiating and reaching an agreement with respect to the extent of each company's participation. However, applicable law requires the directors and officers to act honestly, in good faith, and in the best interests of the Company and its shareholders and in the case of directors, to refrain from participating in the relevant decision in certain circumstances.

Permits, licenses and approvals

In countries where we carry out exploration activities, the mineral rights or certain portions of them are owned by the relevant governments. These governments have entered into contracts with us, or granted permits or concessions that allow us to carry out operations or development and exploration activities there, but government policy could change. Any change that affects our rights to conduct these activities could have a material and adverse effect on the Company.

In addition, mineral exploration and mining activities can only be conducted by entities that have obtained or renewed exploration or mining permits and licenses in accordance with the relevant mining laws and regulations. The duration and success of each permitting effort are contingent upon many factors we do not control. In the case of foreign operations, governmental approvals, licenses and permits are, as a practical matter, subject to the discretion of the applicable governments or governmental officials. There may be delays in the review process. There is no guarantee that we will be granted the necessary permits and licenses, that they will be renewed, or that we will be in a position to comply with all conditions that are imposed.

All mining projects require a wide range of permits, licenses and government approvals and consents. It is not certain that we will be granted these at all, or in a timely manner. If we do not receive them for our mineral projects or are unable to maintain them, it could have a material and adverse effect on the Company.

Title to our mineral properties

We have investigated title to all of our mineral properties and, to the best of our knowledge we have or are entitled to title to all of our properties subject to the items described in the MD&A and in our condensed consolidated interim financial statements dated March 31, 2021. Challenges may be made to the title to any of our properties and, if successful, they could impair development and/or operations at our mines or projects. There is no assurance that title to any of our properties will not be challenged.

New laws and regulations, or amendments to laws and regulations relating to mineral tenure and land title and usage, including expropriations and deprivations of contractual rights, if proposed and enacted, may affect our rights to our mineral properties. There is no assurance that we will be able to operate our properties as currently permitted or that we will be able to enforce our rights with respect to our properties.

Corruption and bribery

Our operations are governed by, and involve interactions with, many levels of government in foreign countries. We may not be able to complete some business transactions if we are subject to corruption or demands for bribes. Like most companies, we are required to comply with anti-corruption and anti-bribery laws, including the Canadian Corruption of Foreign Public Officials Act, as well as similar laws in the countries in which we conduct our business. In recent years, there has been a general increase in both the severity of penalties and frequency of enforcement under such laws, resulting in greater punishment and scrutiny to companies convicted of violating anti-bribery laws. Furthermore, a company may be found liable for violations by not only its employees, but also any third-party agents. If we find ourselves subject to an enforcement action or are found to be in violation of such laws, this may result in significant penalties, fines and/or sanctions being imposed on us resulting in a material adverse effect on the Company.

Reputational risk

Damage to our reputation can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity, whether true or not. Although we believe that we operate in a manner that is respectful to all stakeholders and take care in protecting our image and reputation, we do not have control over how we are perceived by others. Any reputation loss could result in decreased investor confidence and increased challenges in developing and maintaining community relations which may have adverse effects on the Company and the price of the Company's securities.

Changes in Accounting Policies including Initial Adoption

The accounting policies applied in preparation of these condensed consolidated interim financial statements are consistent with those applied and disclosed in the Company's audited consolidated financial statements for the year ended December 31, 2020.

Critical Accounting Policies and Estimates

Turmalina's accounting policies are described in Notes 2 and 3 of its annual audited consolidated financial statements for the year ended December 31, 2020. Management considers the following policies to be the most critical in understanding the judgments that are involved in the preparation of our consolidated financial statements and the uncertainties that could impact its results of operations, financial condition and cash flows:

Use of Estimates

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation and judgment uncertainty that management has made at the end of the reporting period, 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.

The most significant estimates relate to the valuation of deferred income tax amounts, impairment testing and calculation of share-based payments. Share-based payments, as measured with respect to the fair value of common shares issued. The Company has reviewed its exploration and evaluation assets for indications of impairment and adjusted the carrying values of the exploration and evaluation assets to reflect management's decision to impair certain properties. The value of deferred tax assets is evaluated based on the probability of realization; the Company has assessed that it is improbable that such assets will be realized and has accordingly not recognized a value for deferred tax assets. The most significant judgments relate to the functional currency of the Company and its subsidiaries.

Exploration and evaluation assets

Exploration and evaluation assets include the costs of acquiring licenses (including option payments) and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. All costs related to the acquisition of mineral properties are capitalized by property as an intangible asset. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in the profit and loss statement. The Company expenses costs related to the exploration and development of mineral properties and they are incurred.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial mining, or alternatively, sale of the respective areas of interest.

Share-based payments

The Company grants stock options to acquire common shares of the Company to directors, officers, employees, and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to capital stock.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

If and when the stock options are exercised, the applicable amounts of contributed surplus are transferred to share capital. When vested options are forfeited or not exercised at the expiry date the amount previously recognized in share-based payments is revised from share-based payment reserve to deficit. Amounts recorded for forfeited or expired unexercised warrants are transferred to share capital.

Note Regarding Forward-Looking Statements

Except for historical information, this MD&A may contain forward-looking statements. These statements involve known and unknown risks, uncertainties, and other factors that may cause the Company's actual results, levels of activity, performance, or achievements to be materially different from any future results, levels of activity, performance or achievement expressed or implied by these forward-looking statements.

The factors that could cause actual results to differ materially include, but are not limited to, the following: Turmalina has no assurance that the licenses will be issued nor if issued, that they will be issued in a timely manner, general economic conditions; changes in financial markets; the impact of exchange rates; political conditions and developments in countries in which the Company operates; changes in the supply, demand and pricing of the metal commodities which the Company hopes to find and successfully mine; changes in regulatory requirements impacting the Company's operations; the sufficiency of current working capital and the estimated cost and availability of funding for the continued exploration and development of the Company's exploration properties.

This list is not exhaustive and these and other factors should be considered carefully, and readers should not place undue reliance on the Company's forward-looking statements. As a result of the foregoing and other factors, no assurance can be given as to any such future results, levels of activity or achievements and neither the Company nor any other person assumes responsibility for the accuracy and completeness of these forward-looking statements.

This MD&A contains certain forward-looking statements. Although forward-looking statements and information contained in this MD&A are based on the beliefs of Turmalina management, which we consider to be reasonable, as well as assumptions made by and information currently available to Turmalina management, there is no assurance that the forward-looking statement or information will prove to be accurate. The forward-looking statements and information contained in this MD&A are subject to current risks, uncertainties and assumptions related to certain factors including, without limitations, obtaining all necessary approvals, feasibility of mine and plant development, exploration and development risks, expenditure and financing requirements, title matters, operating hazards, metal prices, political and economic factors, competitive factors, general economic conditions, relationships with vendors and strategic partners, governmental regulation and supervision, seasonality, technological change, industry practices, and one-time events as well as risks, uncertainties and other factors discussed in our quarterly and annual and interim management's discussion and analysis. Should any one or more of these risks or uncertainties materialize or change, or should any underlying assumptions prove incorrect, actual results and forward-looking statements and information may vary materially from those described herein. Accordingly, readers should not place undue reliance on forward-looking statements and information contained in this MD&A. We undertake no obligation to update forward-looking statements or information except as required by law.