CANEX Metals Inc.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED JUNE 30, 2022

The following management discussion and analysis (MD&A) is management's assessment of the results and financial condition of CANEX Metals Inc. ("CANEX Metals" or "the Company) for the three- and nine-month periods ended June 30, 2022 and should be read in conjunction with the Unaudited Condensed Interim Consolidated Financial Statements as at and for the three- and nine-month periods ended June 30, 2022 ("Q3 2022") and related notes thereto as well as the Audited Consolidated Financial Statements for the year ended September 30, 2021 and related notes thereto. The date of this MD&A is July 28, 2022. CANEX Metals' common shares trade on the TSX Venture Exchange under the symbol "CANX". The Company's most recent filings are available on the System for Electronic Document Analysis and Retrieval ('SEDAR') and can be accessed at www.sedar.com.

The Company's Unaudited Condensed Interim Consolidated Financial Statements for the nine months ended June 30, 2022 have been prepared in accordance with IAS 34 "Interim Financial Reporting" and the IFRS accounting policies the Company adopted in its initial IFRS Annual Consolidated Financial Statements as at and for the year ended September 30, 2021. The Company's accounting policies are provided in Note 3 "Summary of significant accounting policies" to the annual Consolidated Financial Statements as at September 30, 2021. All dollar amounts are in Canadian dollars, unless otherwise noted.

The "Qualified Person" under the guidelines of National Instrument 43-101 of the Canadian Securities Administrators ("NI 43-101") for CANEX Metals' exploration projects in the following discussion and analysis is Dr. Shane Ebert, P. Geo., a Professional Geologist, registered in the Province of British Columbia and the President and Director of CANEX Metals. The scientific and technical information concerning such properties contained herein has been reviewed by Dr. Ebert.

Statements and/or financial forecasts that are unaudited and not historical, including without limitation, exploration budgets, data regarding potential mineralization, exploration results and future plans and objectives, are to be regarded as forward-looking statements that are subject to risks and uncertainties that can cause actual results to differ materially from those anticipated. Such risks and uncertainties include risks related to the Company’s business including, but not limited to: general market and economic conditions, continued industry and public acceptance, regulatory compliance, potential liability claims, additional capital requirements and uncertainty of obtaining additional financing and dependence on key personnel. Actual exploration and administrative expenditures can differ from budget due to unforeseen circumstances, changes in the marketplace that will cause suppliers’ prices to change, and additional findings that will dictate that the exploration plan be altered to result in more or less work than was originally planned.

All forward-looking information is stated as of the effective date of this document and is subject to change after this date. There can be no assurance that forward-looking information will prove to be accurate and future events and actual results could differ materially from those anticipated.

1) Principal Business of the Company

CANEX Metals, including its wholly owned subsidiary, Canexco Inc. (“Canexco”), is engaged exclusively in the business of mineral exploration and development and, as the Company has no mining operations and no earnings there from, is in the exploration stage. The recoverability of the amounts comprising exploration and evaluation assets is dependent upon the existence of economically recoverable mineral reserves; the acquisition and maintenance of appropriate permits, licenses and rights; the ability of the Company to obtain financing to complete the development of the mineral properties where necessary and upon future profitable production; or, alternatively, upon the Company’s ability to recover its costs through a disposition of its interests. The Company’s philosophy is to acquire projects at the grass roots level and advance them to a point where partners can be brought in to further the properties to the stage where a mine is commercially feasible, or the property can be sold outright.

The Company has no operating income and no earnings; exploration and operating activities are financed by the sale of common shares and warrants. None of the Company’s mineral properties are in production. Consequently, the Company’s net income is a limiting indicator of its performance and potential.

2) Highlights – Three months and nine months ended June 30, 2022

- The third drill program on the Gold Range project commenced from September of 2021 and concluded in March 2022. The results from this program further confirmed the presence of a large 3,200 metre by 500 metre mineralized corridor with new additional sub parallel exploration targets identified. Highlights include:
  - 1 g/t over 59.45 metres - Hole GR21-57 Excelsior zone - (press release 2021-12-16)
  - 1.8 g/t gold over 19.8 metres - Hole GR21-59 Excelsior zone - (press release 2021-12-16)
  - 0.5 g/t gold over 22.87 metres - Hole GR21-49 Excelsior zone - (press release 2022-02-10)
  - 0.6 g/t gold over 30.5 metres - Hole GR21-73 Eldorado Zone - (press release 2022-06-13)
  - 1.0 g/t gold over 48.8 metres - Hole GR21-82 Excelsior zone - (press release 2022-06-27)
  - 0.9 g/t gold over 44.2 metres - Hole GR21-83 Excelsior zone - (press release 2022-06-27)
- A mix of chip and grab rock samples from the Excelsior-Malco-Eldorado trend had grades ranging from Nil to 66.6 g/t gold, with an average from all 42 samples of 2.8 g/t gold, has given the team additional targets to expand mineralized district through new drilling.
- In May 2022, as a result of a very successful third drill program and excellent field work, Canex announced a $2.5 Million financing to fund its fourth drill program. The oversubscribed financing was headlined by a new, over 10% filing shareholder, Michael Gentile, CFA. Michael is a well-respected investor known for identifying and investing in undervalued mining projects.
- Also participating in the financing, and now a 5.3% shareholder is Blair Schultz. Blair was also added to the board of directors and brings with him tremendous experience while adding a significant shareholder amongst the board and management.
- The fourth drill program began in June 2022 and will run through the fall. First assays are expected in September.

Gold Range Property, Arizona, USA

- The Gold Range Property is in Northern Arizona within an area that has seen historic lode and placer gold production but limited modern gold exploration. Since assembling the Gold Range property as a grass roots exploration target, the Company has conducted extensive surface mapping, flown a drone magnetic survey, collected 692 surface rock samples, 3,078 surface soil samples, conducted positive bottle roll metallurgical test work, and drilled 6,853 meters in 78 holes. Ongoing surface exploration is adding to the Company's understanding of existing targets and continually identifying new ones which will be systematically advanced, prioritized and drill tested.

  To date, multiple large gold exploration targets have identified in the 3-kilometre-long mineralized corridor stretching from the Eldorado to the Excelsior Zones. This mineralized corridor hosts structurally controlled high grade and bulk tonnage style gold mineralization and initial drill testing has returned multiple intercepts of oxide gold mineralization starting at surface.

  Results from 670 soil samples and 42 rock samples were received and released during Q2 2022 (News Release 22-3, dated March 9, 2022); and combined with geologic mapping have added new exploration targets, and increased the Company's understanding and confidence in, the 3-kilometre-long oxide gold exploration target at Eldorado-Malco-Excelsior. Additionally, 40 new claims were staked to cover the projected strike zone of the Excelsior mineralized trend.

- The third drilling program, which commenced in September 2021, was completed during Q2 2022. A total of 48 holes were drilled for 5,382 metres (17,657 feet) exceeding the planned target of 5,000 metres. To date, results for 37 holes have been received and released; the remaining 11 holes are in the process of being analyzed, the results of which will be released in batches as they are completed. This program initially focused on the Excelsior Zone; and was then extended to the Eldorado and Malco zones, testing a large portion of the 3-kilometre-long mineralized corridor from Eldorado to Excelsior.

Additional targets in the northern part of the property were also drill tested during this program. For more detailed information regarding the third drill program, refer to News Releases NR 21-18 dated December 16, 2021, NR 22-1 dated January 13, 2022, NR 22-2 dated February 10, 2022, NR 22-4 dated March 21, 2022, NR22-8 dated June 13, 2022 and NR 22-9 dated June 27, 2022.

- Results from 670 soil samples and 42 rock samples were received and released during Q2 2022 (News Release 22-3, dated March 9, 2022); and combined with geologic mapping have added new exploration targets, and increased the Company's understanding and confidence in, the 3-kilometre-long oxide gold exploration target at Eldorado-Malco-Excelsior. Additionally, 40 new claims were staked to cover the projected strike zone of the Excelsior mineralized trend.

- A fourth drill program commenced in early June 2022 and is expected to extend into the fall of 2022. The planned reverse circulation drilling program is expected to exceed 5000 metres of drilling; starting with Excelsior, and then testing priority targets at Malco, Eldorado and the northern part of the claim block. Once the pending permit amendment is received, CANEX will look to systematically test the larger scale potential of the main mineralized district scale structure at Gold Range, which shows potential to contain multiple parallel mineralized zones across a 500 metre width.

- On February 16, 2022, the Company made a US$15,000 ($18,993) option payment in respect of the Never Get Left Claim in accordance with the terms of the option agreement. For more information, refer to Section 3) "Mineral properties – Gold Range, Arizona, USA" outlined below.

- On June 2, 2022, the Company made a US$20,000 ($25,536) option payment in respect of the option agreement with a prospector, in accordance with the terms of the agreement. For more information, refer to Section 3) "Mineral properties – Gold Range, Arizona, USA" outlined below.

- Key exploration events at Gold Range include:
  - Option agreement signed on 3 key claims over a new gold discovery – June 2019
  - CANEX stakes 11 claims surrounding the new gold discovery – June 2019
  - CANEX stakes 23 additional claims – October 2019
  - Trenching and Drilling permits received – October 2019
  - Trenching and mapping program conducted – October 2019
  - CANEX stakes 32 additional claims – November 2019
  - Drone airborne magnetic survey results received – January 2020
  - CANEX stakes 73 additional claims – January 2020
  - Amended exploration permit received – February 2020
  - CANEX options Never Get Left Claim – February 2020
  - Field mapping, prospecting, and soil sampling conducted – Feb to May 2020
  - Field mapping and soil sampling conducted – July to August 2020
  - Drill program conducted – August to September 2020
  - CANEX stakes 47 additional claims – November 2020
  - Second drill program conducted – January 28 to March 1, 2021
  - Results from the second drill program released – April 15 to July 6, 2021
  - Excelsior Mine Property definitive option agreement signed – June 2, 2021
  - Results from metallurgical bottle roll testing – September 8, 2021
  - Third drill program conducted – September, 2021 – March, 2022
  - Results from surface sampling and mapping – March, 2022
  - Results from the third drill program – December, 2021 to June, 2022
  - Fourth drill program conducted – Commencing June, 2022 - ongoing

Gibson Prospect, British Columbia

- During the year ended September 30, 2021, the Company determined that further exploration on this property would no longer be a priority unless a third-party partner could be found to further advance the exploration program; however, the Company continues to hold claims which expire in January 2029. Accordingly, the Company impaired the full amount of exploration expenditures to September 30, 2021. In November 2021, the Company received a further extension to meet its minimum exploration expenditures to August 30, 2022. All other terms of the option agreement remain unchanged. For more information, refer to Section 3) “Mineral properties – Gibson Prospect, British Columbia” below.

Corporate

- During the nine-month period ended June 30, 2022, the Company received a dividend-in-kind of common shares of Canada Nickel Company Inc. (“Canada Nickel”) from Spruce Ridge Resources Ltd. One Canada Nickel share was paid under the dividend declared for every 71.14 Spruce Ridge shares held on October 29, 2021, the record date. On October 29, 2021, the Company held 5,633,500 Spruce Ridge shares. As a result, the Company received a dividend of 79,189 Canada Nickel shares valued at $2.92 per share, for a total value of $231,232. During the nine-month period ended June 30, 2022, the Company sold 100% of its Canada Nickel holdings for net proceeds of $238,582 and incurred a realized gain on the sale of $7,350.

- During the nine-month period ended June 30 2022, the Company held its Annual General Meeting (“AGM”) approving the annual Audited Consolidated Financial Statements for the years ended September 30, 2020 and September 30, 2021, and re-electing the Board of Directors.

- On May 27, 2022, the Company closed a non-brokered private placement financing consisting of 19,230,927 Units (“Common Units”) at a price of $0.13 per Common Unit for aggregate gross proceeds of $2,500,021. The proceeds will be used to drill test and further explore the Gold Range Property and to fund general working capital. Refer to Section 6) “Financing” for more information related to this transaction.

- Mr. Blair Schultz, who was appointed to the board of Directors during the three-month period ended June 30, 2022, participated in the above noted financing and currently owns 5.3% of the Company. Mr. Schultz has over 25 years of capital markets and financial experience including several mining senior executive roles and brings significant merger and acquisition experience to the board.

- The Company also welcomes Mr. Michael Gentile, CFA, as a key shareholder and new insider of the Company with 10.7% ownership. Mr. Gentile is considered one of the leading strategic investors in the junior mining sector, owning significant positions in over 15 small-cap mining companies. Mr. Gentile is currently a strategic advisor to Arizona Metals (TSXV:AMC) and a director of Northern Superior Resources (TSXV:SUP), Roscan Gold (TSXV:ROS), Radisson Mining Resources (TSXV:RDS) and Solstice Gold (TSXV:SGC). Mr. Gentile recently co-founded Bastion Asset Management, an investment management firm based out of Montreal, Quebec and was previously a Senior Portfolio Manager with Formula Growth Limited.

- During the three-month period ended June 30, 2022, 1,413,406 warrants were exercised for proceeds of $112,670. As well, 400,000 options were exercised for proceeds of $24,000. Refer to Section 6) “Financing” for more information related to these transactions.

The Company continues to actively search for new early-stage exploration opportunities and avenues for growth in stable jurisdictions within North America. The Company has not entered into any business combination, acquisition or similar agreements except as noted below in Section 3) “Mineral Properties”).

3) Mineral Properties

Gold Range Property, Arizona, USA

As at June 30, 2022 the Company holds 241 lode mining claims and 2 patented claims (1,504 hectares) in respect of the Gold Range Property, including acquisitions via the option agreements noted below as well as staking. The area has seen historic lode and placer gold production but limited systematic modern lode gold exploration. The gross costs and impairments recorded to the Gold Range Property at June 30, 2022 are $3,626,847 and $nil, respectively (September 30, 2021 - $1,947,701and $nil).

On June 11, 2019, the Company’s wholly owned subsidiary, Canexco Inc., entered into an Option Agreement to acquire a 100% interest in the Gold Range Property, Arizona, USA from a Prospector, the

"Optionor". The Gold Range Property, under option, is comprised of three staked lode mineral claims with a total area of 61.98 acres and is in Mohave County, Arizona, USA. Since the acquisition through the option agreement, the Company has continued to stake additional lode mining claims increasing its holdings to 192 mining lode claims (1,415 hectares) covering prospective ground surrounding the area of interest optioned. The area has seen historic lode and placer gold production but limited modern lode gold exploration.

Under the terms of the agreement, the Company is committed to make options payments and minimum exploration expenditures totaling US$90,000 and US$80,000 over four years, respectively. On June 11, 2019, the Company paid US$10,000 ($13,405), on June 6, 2020, the Company paid US$15,000 ($20,306), on June 1, 2021, the Company paid US$15,000 ($18,423) and on June 2, 2022, the Company paid US$20,000 ($25,536) in accordance with the agreement. The Company met its minimum exploration expenditure commitment during the three-month period ended December 31, 2019. In addition, the Optionor will retain a 2% NSR, half of which can be bought back by the Company for US$500,000; the remaining half can be bought back for US$1,000,000. Refer to Section 7) b) "Contractual obligations" for the remaining commitments under the terms of the agreement at June 30, 2022.

On February 24, 2020, the Company's wholly owned subsidiary, Canexco Inc., entered into an arm's length Option Agreement to acquire a 100% interest in the Never Get Left Claim, Mohave County, Arizona, USA from Onyx Exploration Inc., the "Optionor", which is adjacent to the Company's Pit Zone target on the Gold Range Property. The Never Get Left Claim, under option, is comprised of one staked lode mineral claims with a total area of 20.99 acres and is located in Mohave County, Arizona, USA.

Under the terms of the agreement, the Company is committed to make option payments totaling US$90,000 over four years. On February 24, 2020, the Company paid US$10,000 ($13,397) on February 18, 2021, the Company paid US$15,000 ($19,063) and on February 10, 2022, the Company paid US$15,000 ($18,993), in accordance with the agreement. In addition, the Optionor will retain a 2% NSR, half of which can be bought back by the Company for US$500,000; the remaining half can be bought back for US$500,000. Additionally, the Company must pay 10% of any profits realized from the processing and recovery of metals from the existing leach pad materials located within the Optionor's claim. Refer to Section 7) c) "Contractual obligations" for the remaining commitments under the terms of the agreement at June 30, 2022.

On January 12, 2021, the Company and its wholly owned subsidiary, Canexco Inc., signed a Letter of Intent ("LOI") allowing the Company to earn into the Excelsior Mine Property ("the Property") from a private vendor over 3 stages. The definitive agreement was signed on June 2, 2021 and received TSX-V approval on June 17, 2021. During stage 1, CANEX can earn a 25% interest in the Property by issuing 750,000 common shares of CANEX and spending US$500,000 on exploration. During stage 2, CANEX can earn 51% interest in the Property by issuing 1 million shares of CANEX, spending US$2,000,000 and paying a bonus payment equivalent to 1% of the gold price on recoverable gold equivalent ounces defined in the measured and indicated resource categories. Stages 1 and 2 must be completed over 2.5 years. On June 25, 2021, the Company issued 750,000 common shares valued at $84,375, in accordance with the agreement.

During stage 3 CANEX can earn a 90% interest in the Property by issuing 1,000,000 CANEX shares and spending US$2,000,000 on exploration and development including an economic study. To complete the stage 3 earn in, CANEX must make another bonus payment to the Vendors equivalent to 1.5% of the gold price on recoverable gold equivalent ounces defined in the proven and probable reserve categories.

CANEX has 2 years to complete the stage 3 earn in once Stage 2 is complete. Once CANEX has earned a 90% interest in the Property, the Vendors can elect to maintain their 10% ownership by contributing their 10% share to exploration and development or to give up 100% ownership to CANEX and revert to a 1.5% NSR.

Refer to Section 7) d) "Contractual obligations" for the remaining commitments under the terms of the agreement at June 30, 2022.

CANEX first became interested in the Gold Range property in 2019, following the discovery of a quartz vein containing abundant visible gold by a local prospector. This area is termed the Discovery Zone, and subsequent work by CANEX has demonstrated that soil sampling is an effective tool for identifying these covered gold zones, with a test soil line over the Discovery Zone returning up to 838 parts per billion gold in proximity to the discovery. CANEX conducted soil sampling, mapping, and surface chip sampling around the

Discovery Zone defining a 1000-metre-long linear trend of historic workings and exposed quartz veins centered around the Adit zone. During Q4 2019, the Company submitted a reclamation bond of US$20,450, for its proposed exploration program. Permitting for trenching and drilling activities was received in October 2019. The Company commenced an excavator trenching, surface rock and soil sampling and geologic mapping program during Q1 2020. This program was subsequently followed up by a property wide airborne magnetic survey, additional trenching and drilling.

An amended exploration permit was received in February 2020, and a surface exploration program was initiated in March 2020. This program was ended prior to completion to comply with health and travel advisories related to the Corona virus pandemic (see Section 20) "Novel corona virus pandemic"). However, during Q3 2020, the Company engaged a local contractor to complete a seven-day field program of soil sampling. Results for 303 soil samples and one rock sample from the Central zone are reported in News Release 20-13 dated April 27, 2020. Results related to the February and March field programs are reported in News Release 20-14 dated May 11, 2020. Additional results related to the May field program are reported in News Release 20-17 dated June 29, 2020.

On July 2, 2020, the Company resumed surface exploration and mapping activities focusing on expanding existing zones and discovering new zones of gold mineralization. Multiple new gold exploration targets were identified and prepared for testing. Over 100 rock samples and 214 soil samples were collected from these targets and submitted for assay, the results of which were disclosed in News Release 20-19 dated September 10, 2020, and News-Release 20-20 dated September 29, 2020.

The maiden drill program on the property began on August 25, 2020. Equipment limitations forced early termination of the drill program with 88 percent of the planned drilling being completed. This program resulted in a new bulk tonnage target being identified at the Eldorado zone highlighted by hole GR20-9 which returned 0.9 g/t gold over 27.4 metres from surface. Results from this program were released in News Releases 20-20, 20-21 and 20-22 dated October 7, 2020, November 2, 2020, and November 16, 2020. Based on these results, the Company planned and completed a second drill program.

The second drill program was conducted between January 28, 2021, and March 1, 2021, and consisted of 34 drill holes across 2.5 kilometres of strike length along the southern portion of the Gold Range Property. In total, 2357.6 metres were drilled in holes ranging from 38 to 192 meters deep. 1642 drill samples were collected and submitted for assay. Fifteen holes were drilled at the Eldorado Zone to test and expand the Company's previously announced bulk tonnage oxide discovery, 5 holes tested various targets across the southern part of the property and 14 holes tested the Excelsior Mine area. Refer to News Releases 21-5 dated January 28, 2021, 21-6 dated March 1, 2021, 21-7 dated April 15, 2021, 21-8 dated April 26, 2021, 21-9 dated May 27, 2021, 21-11 dated June 7, 2021, 21-12 dated June 14, 2021, 21-13 dated June 28, 2021, and 21-14 dated July 6, 2021 for more information regarding the drill program and results.

Additional metallurgical test work was conducted on 8 bottle roll samples achieving final cyanide soluble gold recoveries ranging from 94 to 99%, averaging 97%. The test work showed rapid leach kinetics with the majority of gold extracted with the first 6 hours, and maximum extraction almost complete within 24 hours. As well, sodium cyanide and lime consumption are well with acceptable levels and the overall results indicate Gold Range gold mineralization is well suited for heap leach recovery. These exceptional recoveries throughout the mineralized zone, demonstrate that the system could be amenable to heap leach processing and significantly de-risk the bulk tonnage heap-leach concept at Gold Range. For more information relating to these test results, refer to News Release 21-16 dated September 8, 2021.

During Q4, 2021 the Company conducted a field program including additional geologic mapping, collecting soil samples and construction of drill pads in preparation for the third drilling program, which commenced in September 2021. The third drilling program was completed during Q2 2022. A total of 48 holes were drilled for 5,382 metres (17,657 feet) exceeding the planned target of 5,000 metres. To date, results for 37 holes have been received and released; the remaining 11 holes are in the process of being analyzed, the results of which will be released in batches as they are completed. This program initially focused on the Excelsior Zone; and was then extended to the Eldorado and Malco zones, testing a large portion of the 3-kilometre-long mineralized corridor from Eldorado to Excelsior. Additional targets in the northern part of the property were also drill tested during this program. For more detailed information regarding the third drill program, refer to News Releases NR 21-18 dated December 16, 2021, NR 22-1 dated January 13, 2022, NR 22-2 dated February 10, 2022, NR 22-4 dated March 21, 2022, NR22-8 dated June 13, 2022 and NR 22-9 dated June 27, 2022. Results from 670 soil samples and 42 rock samples were received and released during Q2 2022 (News Release 22-3, dated March 9, 2022); and combined with geologic mapping have added new exploration targets, and increased the main exploration target extending from Eldorado-Malco-Excelsior to 3.2 kilometres long by 500 metres wide. Additionally, 40 new claims were staked to cover an additional 2 kilometres of projected strike length extending northeast of the Excelsior mineralized trend under basin cover.

A fourth drill program commenced in early June 2022 and is expected to extend into the fall of 2022. The planned reverse circulation drilling program is expected to exceed 5000 metres of drilling; starting with Excelsior, and then testing priority targets at Malco, Eldorado and the northern part of the claim block. Once the pending permit amendment is received, CANEX will look to systematically test the larger scale potential of the main mineralized district scale structure at Gold Range, which shows potential to contain multiple parallel mineralized zones across a 500 metre width. If new exploration permits are not received in a timely manner CANEX Metals might pause the fourth drill program and resume it again at a later time.

Gibson Prospect, British Columbia

The Gibson prospect ("Gibson") is 887 hectares in size and located in central British Columbia, approximately 95 kilometres northwest of Fort St. James. The area is accessible via a network of all-weather logging roads. Gibson contains mesothermal gold-silver mineralization hosted in highly altered volcanic and sedimentary rocks adjacent to the Hogem Batholith. The zone was discovered and explored by Noranda Exploration Company from 1989 to 1991. Following soil sampling and induced polarization geophysical surveys, Noranda exposed precious metal mineralization in hand trenches with surface samples returning 12.86 g/t gold and 144.7 g/t silver over 1.5 meters and 5.35 g/t gold and 2136 g/t silver over 1.7 meters. Noranda subsequently drilled 9 holes with 8 of the 9 holes intersecting significant gold and silver mineralization. The best drill intercept returned 4.26 meters grading 6.77 g/t gold and 1828 g/t silver. The mineralized zone appears to be about 4.5 metres wide and at least 400 metres long and remains open in all directions. Prior to recent work by CANEX no follow up trenching or drilling has been conducted at Gibson since the highly successful Noranda program.

The Noranda hand trenching and drill results are reported in BC Assessment report 21762 for Noranda Exploration Company by Stewart and Walker 1991. This drilling was done prior to NI 43-101 and should be considered historic in nature. The results have not been verified by CANEX Metals and should not be relied upon.

On April 4, 2017, the Company announced it had signed a Letter of Intent to acquire a 100% interest in the Gibson property from Altius Resources Inc. ("Altius"), a wholly held subsidiary of Altius Minerals (TSX: ALS). The Option agreement (“the Agreement”) was executed on May 12, 2017; and received Exchange approval on May 17, 2017. The Company also assumed the obligation of an underlying option agreement with Steven Scott, an arm’s length party (the “Underlying Agreement”).

Under the terms of the Agreement, the Company is committed to issue a maximum 3,545,000 common shares to Altius, in three stages plus incur minimum exploration expenditures up to $500,000 within 18 months and make $90,000 in cash or share equivalent payments to Steven Scott, to earn a 100% interest in Gibson. The Company issued 1,125,000 common shares to Altius on signing of the Option Agreement and Exchange approval valued at $78,750 and paid $5,000 to Steven Scott pursuant to the Underlying Agreement. On February 14, 2018, the Company paid Steven Scott $15,000 pursuant to the Underlying Agreement. On October 5, 2018, the Company issued 1,180,000 common shares to Altius valued at $82,600 pursuant to the Agreement. The Company issued 400,000 common shares valued at $20,000, 121,951 common shares valued at $25,000 and 185,185 common shares valued at $25,000 on February 21, 2019, February 27, 2020 and February 26, 2021, respectively to Steven Scott pursuant to the Underlying Agreement. Effective February 26, 2021, under the terms of the Underlying Agreement with Steven Scott, the Company has fulfilled its obligations with respect to cash or cash equivalent payments and minimum exploration expenditures. On November 12, 2018, the Company was granted an extension to meet its minimum exploration expenditures of $500,000 by November 12, 2018 to July 15, 2019, as lack of access during 2018, in part, prevented the Company from completing the required expenditures with in the allotted time. The Company was subsequently

granted further extensions to meet its minimum exploration expenditures of $500,000. The agreement has been amended to allow the Company to meet minimum exploration expenditures by August 30, 2022. All other terms of the Agreement remain unchanged. For more information relating to this transaction see News Release 17-1 issued April 4, 2017 and Section 7) Contractual obligations in this report.
Prior to 2019, Shane Ebert through his company, Vector Resources (see Note 17 - "Related parties and transactions and key management remuneration" to the Audited Consolidated Financial Statements for the year ended September 30, 2021, which accompany this MD&A) was involved in British Columbia project generation activities for Altius. Vector Resources is entitled to 5% of the compensation, 177,250 shares, due to Altius under the Gibson agreement.

In addition, Altius will retain a right to purchase an underlying 1.5% Net Smelter Royalty ("NSR") and preferential rights on any future royalties or streams granted on the Property. If the Company achieves measured and indicated mineral resources in excess of 1 million gold equivalent ounces, a Milestone Payment of 1,275,000 shares will be issued to Altius. Altius will have a pro rata right to participate in future equity financings of the Company for two years.

Pursuant to the Underlying Agreement, Steven Scott is also entitled to the additional milestone bonuses of 1) $25,000 in cash or securities upon a Bankable Feasibility Study; and 2) $50,000 in cash or securities upon Commercial Production.

Exploration permits for Gibson were received allowing the Company to establish an access road into the zone and conduct trenching and drilling. During August 2017, the Company completed an access trail into Gibson and excavated 8 trenches, uncovering considerable zones of alteration and silver-gold mineralization. Detailed trench mapping and sampling was conducted with 161 surface rock samples and 464 soils collected. Highlights of the trenching results include 4.0 g/t gold equivalent (Au Eq) over 12 metres, 24.1 g/t Au Eq over 1 metre, 5.9 g/t Au Eq over 3 metres, 10.7 g/t Au Eq over 1 metre, 1.3 g/t Au Eq over 16 metres, 2.8 g/t Au Eq over 9 metres, and 5.5 g/t Au Eq over 3 metres. As a condition of permitting, the Company has issued a $10,000 reclamation security deposit to British Columbia Ministry of Energy and Mines.

The Company completed its summer 2018 drilling program on the Gibson Prospect in October 2018. Ten shallow drill holes were completed, testing a small portion of a soil anomaly measuring 850 metre long by up to 500 metres wide. The results for all holes have been received and are summarized in the News Release 19-2, dated January 16, 2019. The main Gibson Vein Zone (“GVZ”) shows high grade and bulk minable potential. Five of six holes drilled into the GVZ have returned high grade and indicate continuity over the 200 metres of strike drilled to date. Two to three subparallel veins ranging from 0.5 to 3.7 metres wide occur within the GVZ and the veins remain open in all directions.

During Q4 2021, the Company allowed an exploration permit application for Gibson to expire as it remains focused on its Arizona project. Accordingly, the Company impaired the full amount of exploration expenditures incurred at Gibson to September 30, 2021. The Company, however, does continue to hold the property claims, which expire January 2029, keeping possibilities open for the Company to find a third-party partner to further the exploration program. The gross costs and impairment recorded to the Gibson Prospect as at June 30, 2022 are $Nil and $Nil respectively (September 30, 2021 - $473,527 and $nil).

4) Operating Results

A summarized statement of operations appears below to assist in the discussion that follows:

	Three months ended June 30		Nine months ended June 30	
	2022	**2021**	**2022**	**2021**
General and administrative	**$ (445,815)**	$ (79,421)	**$ (592,431)**	$ (310,715)
Reporting to shareholders	**(2,253)**	(744)	**(20,492)**	(18,466)
Professional fees	**(3,042)**	(5,262)	**(12,746)**	(15,548)
Stock exchange and transfer agent fees	**(2,897)**	(2,493)	**(10,169)**	(9,843)
Depreciation	**-**	(4)	**(30)**	(13)
Dividend income	**-**	-	**231,232**	-
Interest and other	**4,893**	(3,180)	**(3,157)**	(6,496)
(Loss) gain on short-term investments	**(281,675)**	(56,335)	**(330,660)**	359,046
Net and comprehensive (loss) income	**$ (730,789)**	$ (147,439)	**$ (738,453)**	$ (2,035)

Significant variances in results are discussed below:

- Variances in general and administrative expenditures and professional fees are examined in further detail in the chart below.
- Reporting to shareholders' expenditures during the nine-month period ended June 30, 2022 include fees for filing the fiscal 2021 annual audited financial statements (Q1 2022) as well as expenditures for the Annual General Meeting ("AGM") held during Q2 2022, relating to the fiscal 2020 and 2021 annual audited financial statements. Reporting to shareholders' expenditures during the nine-month period ended June 30, 2021 include fees for filing the fiscal 2020 annual audited financial statements as well as expenditures for the AGM relating to the fiscal 2019 annual audited financial statements, both of which took place during Q1 2021.
- There is no significant variance between the current three- and nine-month periods and the comparative three- and nine-month periods for Stock exchange and transfer agent fees. Transfer agent fees relate directly to the number of security exchange transactions during the respective periods.
- On October 22, 2021, Spruce Ridge declared a dividend in-kind of common shares of Canada Nickel that was payable on or before November 5, 2021. The dividend was paid on October 29, 2021, to shareholders of Spruce Ridge at the close of business on October 29, 2021, the record date. One Canada Nickel share was paid under the dividend declared for every 71.14 Spruce Ridge shares held. At October 29, 2021, the Company held 5,633,500 Spruce Ridge shares. As a result, the Company received a dividend of 79,189 Canada Nickel shares at $2.92 per share valued on October 29, 2021, for a total value of $231,232. There was no similar transaction during the current three-month period and the comparative three- and nine-month periods.
- Interest and other income include interest earned from a high interest savings account, management fees and foreign exchange gains and losses. During the current three- and nine-month period, the Company recognized foreign exchange gain of $4,700 and loss of $3,600 respectively, versus losses of $3,360 and $6,980 during the comparative three- and nine-month respective periods, resulting in the majority of the variance between the periods.
- During the nine-month period ended June 30, 2022, the Company recognized a net loss of $330,660 on its short-term investments, including a net realized gain of $7,350 on the sale of certain short-term investments and net cash proceeds of $238,600. During the nine-month period ended June 30, 2021, the Company recognized a net gain of $359,046 on its short-term investments, including a net realized gain of $51,711 on the sale of certain short-term investments and net cash proceeds of $121,826. Refer to Note 7 "Short-term investments" to the Unaudited Condensed Interim Consolidated Financial Statements for the three- and nine-month period ended June 30, 2022, which accompany this document, for further information regarding these transactions. The remainder of the gains or losses in each respective period result from adjusting the Company's holdings in common shares to fair value at the respective period ends. These market price changes result in significant valuation adjustments from period to period.

General and administrative expenses

A summarized statement of operations appears below to assist in the discussion that follows:

	Three months ended June 30		Nine months ended June 30	
	2022	**2021**	**2022**	**2021**
Administrative consulting fees	**$ 236,525**	$ 41,328	**$ 311,648**	$ 204,320
Stock-based compensation	**169,633**	-	**169,633**	-
Occupancy costs	**4,697**	4,697	**14,092**	14,092
Office, secretarial and supplies	**20,193**	9,950	**42,376**	44,300
Travel and promotion	**10,004**	19,818	**40,671**	37,755
Insurance	**3,366**	2,211	**9,523**	5,766
Directors' fees	**1,000**	1,000	**3,000**	2,600
Computer network and website maintenance	**397**	417	**1,488**	1,882
Total general and administrative expenses	**$ 445,815**	$ 79,421	**$ 592,431**	$ 310,715

- Administrative consulting fees, which consist of fees for the President, CFO, the controller, and services provided by other consultants, have increased by $195,200 and $107,300 during the three- and nine-month periods ended June 30, 2022, in accordance with planned expenditures for 2022. Fees for the nine-month period ended June 30, 2022 include fees to the President of $24,500 (June 30, 2021 - $33,000), fees to the CFO of $nil, (June 30, 2021 - $nil), fees to the controller of $19,200 (June 30, 2021 - $20,250) and fees to other consultants of $267,900 (June 30, 2021 - $151,100). Current and comparative period fees to the President and other consulting fees relate to managing investor relations and marketing to secure corporate financing.
- During the nine-month period ended June 30, 2022, the Company granted, pursuant to its stock option plan, a total of 1,525,000 options to Officers, Directors and consultants of the Company, exercisable at $0.18 per share to May 1, 2027. The options were valued at $169,633 using the Black-Scholes Options Pricing model assuming a 5-year term, volatility of 102.32%, a risk-free discount rate of 2.75% and a dividend rate of 0%. There were no options issued during the comparative three- and nine-month periods.
- There is no change in occupancy costs between the current and comparative periods. See Note 17 - "Related party balances and transactions and key management remuneration" to the Unaudited Condensed Interim Consolidated Financial Statements dated June 30, 2022, which accompany this document.
- There is an increase of $10,200 and a decrease of $1,900 in office, secretarial and supplies between the current three- and nine-month periods respectively, and the comparative three- and nine-month periods. The majority of the variance relates to contract fees for administrative services and office supply expenditures. The three-month period ended June 30, 2022, also includes $1,083 in payroll expenses relating to the exercise of 400,000 options during the period. Refer to Note 12) “Share capital, stock options and warrants to the Unaudited Consolidated Condensed Interim Financial Statements for the nine-month period ended June 30, 2022, for more information relating to that transaction. There was no similar expenditure in the comparative three and nine month periods. The change is consistent with the activities and expenditures incurred during the respective period ends.
- Travel and promotional expenditures have decreased by $9,800 during the current three-month period from the comparative three-month period and increased overall by $2,900 between the current nine-month period from the comparative nine-month period. The Company has continued its promotional efforts with respect to investor relations through a number of avenues, including presenting to potential investors at virtual conferences, and investments in various on-line investor relations management tools. The current three- and nine-month periods include expenditures for investor and lead generation subscriptions which were not incurred during the comparative three- and nine-month periods.
- Insurance premiums have increased during the current three- and nine month periods. Specifically, premiums related to Directors and Officers liability, have increased commencing June 1, 2021, and June 1, 2022 by $4,100 and $2,280 respectively. These increases are reflected in insurance expense for the current three- and nine-month periods.
- Commencing January 1, 2021, the Company increased payments to directors who are not officers of the Company to $500 for meeting attendance in person or by telephone. Prior to January 1, 2021, the

Company paid directors who were not officers $500 for meeting attendance in person and $300 for meeting attendance by telephone. There are currently three directors who are not officers and the amounts above reflect directors' fee paid or payable for meetings attended during the above-noted periods.

Professional fees

A summarized statement of operations appears below to assist in the discussion that follows:

	Three months ended June 30		Nine months ended June 30	
	2022	**2021**	**2022**	**2021**
Audit and accounting	**$ -**	$ -	**$ 5,143**	$ 2,144
Legal and filing fees	**3,042**	5,262	**7,603**	13,404
Total professional fees	**$ 3,042**	$ 5,262	**$ 12,746**	$ 15,548

- Professional fees consist of annual auditing fees plus legal and other filing fees. The current and comparative nine-month period audit and accounting fees relate to the audited financial statements, and filing US tax returns on account of Canexco, for the years ended September 30, 2021 and 2020 respectively.
- Legal and filing fees incurred during the nine-month period ended include $2,300 for miscellaneous legal consultations and audit support; the remainder relate to news releases during the period. Legal and filing fees incurred during the nine-month period ended June 30, 2021 legal and filing fees $8,400 for miscellaneous legal consultations and audit support; the remainder relate to news releases during the period.

5) Liquidity and Capital Resources

The Company's working capital position at June 30, 2022 was $2,078,290 (September 30, 2021 - $1,707,055) an increase of $371,235. Changes to working capital and cash flow in the current and comparative periods are discussed below:

- The current three- and nine-month periods operating expenditures resulted in a cash outflow of $337,467 and $515,376 respectively, compared to $59,309 and $424,365 during the respective comparative three- and nine-month periods. The increases are consistent with the factors described in Section 4) "Operating results".
- During Q1, Q2 and Q3 2022, the Company incurred both foreign exchange losses and gains on its US dollar denominated bank account resulting in net cash inflow of $4,893 and net cash outflow of $3,157 in each respective period. During Q1, Q2 and Q3 2021, the Company incurred foreign exchange losses on its US dollar denominated bank account resulting in net cash outflows of $3,180 and $6,496 in each respective period.
- A decrease in the fair market value of the short-term investments from September 30, 2021 to June 30, 2022 resulted in a net loss of $338,010 and a decrease in working capital (2021 – net increase of $307,335).
- During the nine-month period ended June 30, 2022, the Company disposed of 79,189 Canada Nickel common shares resulting in a net realized gain of $7,350 and net cash proceeds of $238,582. During the nine-month period ended June 30, 2021, the Company disposed of 20,000 Commander Resources Ltd. shares, 31,500 Maple Gold Mines Ltd. shares and 54,867 Canada Nickel Co. Inc. shares resulting in a net realized gain of $51,711 for net cash proceeds of $121,626. See Note 7 – "Short-term investments" to the Unaudited Condensed Interim Consolidated Financial Statements dated June 30, 2022 for more information.
- During the nine-month period ended June 30, 2022, the Company invested $1,706,759 (June 30, 2021, - $602,272) in exploration and evaluation assets for exploration activities, which primarily relate to the Gold Range property in Arizona, USA. See Note 8 – "Exploration and evaluation assets" to the Unaudited Condensed Interim Consolidated Financial Statements dated June 30, 2022, which accompany this document and Section 3) "Mineral Properties" for more information. During the nine-month period ended June 30, 2021, the Company also received $4,450 for a British Columbia Mining

Exploration Tax credit on account of the Echo property, British Columbia for expenditures relating to the year ended September 30, 2020.

- During the three-month period ended June 30, 2022, the Company closed a non-brokered private placement financing for aggregate gross proceeds of $2,500,021. During the nine-month period ended June 30, 2021, the Company closed a non-brokered private placement financing for aggregate gross proceeds of $1,700,000. (refer to Section 6) “Financing”).
- During the three-month period ended June 30, 2022, 400,000 options exercisable at $0.06 per share, expiring July 6, 2022, were exercised for total proceeds of $24,000. There was no similar transaction during the comparative three- and nine-month periods.
- During the three-month period ended June 30, 2022, 1,399,990 warrants exercisable at $0.08 per share, expiring June 6, 2022 and 13,416 warrants exercisable at $0.05 per share, expiring June 6, 2022, were exercised for total proceeds of $112,670. During the nine-month period ended June 30, 2021, 2,300,000 warrants exercisable at $0.10 per share, expiring October 20, 2020, were exercised for total proceeds of $230,000.
- During the three-month period ended June 30, 2022, the Company incurred cash share issuance costs of $17,520 (2021 - $248). During the nine-month period ended June 30, 2021, the Company incurred cash share issuance costs of $28,370.

The Company is continually investigating financing options. The continuing operations of the Company are dependent upon its ability to obtain adequate financing or to commence profitable operations in the future. The Company feels that it has sufficient working capital to finance general and administration and other operating expenses for 12 months assuming similar activity levels to the previous twelve-month period. However, increases in activity levels, new property acquisitions and increased levels of exploration on it mineral properties will require additional financing. There can be no assurance that the Company will be successful in obtaining financing. Refer to Note 1 "Nature and continuance of operations" in the Unaudited Condensed Interim Consolidated Financial Statements dated June 30, 2022.

6) Financing

Nine-month period ended June 30, 2022

On April 29, 2022, 500,000 warrants exercisable at $0.08 per share, expiring June 6, 2022, were exercised for total proceeds of $40,000.

On May 27, 2022, the Company closed a non-brokered private placement financing of 19,230,927 units (“Common Units”) at a price of $0.13 per Common Unit for gross proceeds of 2,500,021. Each Common Unit consists of one common share and one-half of one common share purchase warrant. Each whole common share purchase warrant will entitle the holder to purchase one common share at a price of $0.18 per share for a period to two years, May 27, 2024. After a 6-month non-callable period, the warrants will be subject to acceleration at the Company’s discretion if at any time the Company’s 20-day volume weighted average share price trades above $0.25.

During June, 2022, 899,990 warrants exercisable at $0.08 per share, expiring June 6, 2022, were exercised, and 13,406 warrants exercisable at $0.05 per share, expiring June 6, 2022 were exercised, for total proceeds of $73,464.

During June 2022, 400,000 options exercisable at $0.06 per share, expiring July 6, 2022, were exercised for total proceeds of $24,000.

Year ended September 30, 2021

On October 15, 2020, 2,300,000 warrants exercisable at $0.10 per share, expiring October 20, 2020, were exercised for total proceeds of $230,000 including 100,000 warrants exercised by related parties.

On January 7, 2021, the Company closed the first tranche of its non-brokered private placement, issuing 16,292,500 common shares at $0.10 per share for aggregate gross proceeds of $1,629,250. On January 11, 2021, the Company closed the final tranche of its non-brokered private placement, issuing 707,750 common shares at $0.10 per share for aggregate gross proceeds of $70,750. A total of $16,500 was paid in finder's fees in connection with this financing.

On February 26, 2021, the Company issued 185,185 common shares valued at $25,000 pursuant to an option agreement on the Gibson property. The share issuance was valued using the closing share price on the transaction date. See Section 3) "Mineral properties – Gibson Prospect, British Columbia" for more information.

On March 23, 2021, 460,000 warrants, exercisable at $0.25 per share, expired without exercise.

On June 25, 2021, the Company issued 750,000 common shares valued at $84,375 pursuant to an option agreement on the Gold Range property. The share issuance was valued using the closing share price on the transaction date. See Section 3) "Mineral properties – Gold Range property, Arizona, USA".

7) Contractual Obligations

a) On April 4, 2017, the Company announced it had signed a Letter of intent to acquire a 100% interest in the Gibson property from Altius Resources Inc. ("Altius"). Gibson is 887 Ha in size and located in central British Columbia, approximately 95 kilometres northwest of Fort St. James. The purchase agreement was executed on May 12, 2017 and received Exchange approval on May 17, 2017. The Company has also assumed the obligations of an underlying option agreement with Steven Scott.

As at June 30, 2022, under the terms of the Agreement, the Company is committed to the following remaining share issuances, cash payments and minimum exploration expenditures:

The remaining commitments of the agreement are as follows:	**Altius**	
	Share issues	Minimum Exploration Expenditures (Note 1)
		($)
Expenditure commitment, on or before August 30, 2022	-	500,000
Following the completion of the Expenditure Commitment	1,240,000	-
Total remaining commitment	1,240,000	500,000

Note 1 - As at June 30, 2022, the Company has incurred exploration expenditures of $293,500

In addition, Altius will retain a right to purchase an underlying 1.5% Net Smelter Royalty ("NSR") and preferential rights on any future royalties or streams granted on the Property. If the Company achieves measured and indicated mineral resources in excess of 1 million gold equivalent ounces, a Milestone Payment of 1,275,000 shares will be issued to Altius. Altius will have a pro rata right to participate in future equity financings of the Company for two years.

Pursuant to the Underlying Agreement, Steven Scott is also entitled to the additional milestone bonuses of: 1) $25,000 in cash or securities upon a Bankable Feasibility Study; and 2) $50,000 in cash or securities upon Commercial Production.

On November 12, 2018, the Company was granted an extension to meet its minimum exploration expenditures of $500,000 by November 12, 2018, to July 15, 2019, as lack of access during 2018, in part, prevented the Company from completing the required expenditures within the allotted time. The Company was subsequently granted further extensions to meet its minimum exploration expenditures of $500,000. The agreement has been amended to allow the Company to meet minimum exploration expenditures by August 30, 2022. All other terms of the agreement remain unchanged.

b) On June 11, 2019, the Company's wholly owned subsidiary, Canexco Inc., entered into an Option Agreement to acquire a 100% interest in the Gold Range Property, Arizona, USA from a Prospector, the "Optionor". As at June 30, 2022, under the terms of the Agreement, the Company is committed to the following cash payments:

Due date	Option Payments US$
June 11, 2023	30,000

The committed option payments and exploration expenditures of US$30,000 would equate to $38,658 using the June 30, 2022 Bank of Canada exchange rate. An increase or decrease of 10% to the exchange rate would result in an increase or decrease in required option payments $3,866.

c) On February 24, 2020, the Company's wholly owned subsidiary, Canexco Inc., entered into an arm's length Option Agreement to acquire a 100% interest in the Never Get Left Claim, Mohave County, Arizona, USA from Onyx Exploration Inc.

As at June 30, 2022 under the terms of the Agreement, the Company is committed to the following cash payments:

Due date	Option Payments US$
February 24, 2023	20,000
February 24, 2024	30,000
Total committed cash payments	50,000

The remaining committed option payments of US$50,000 would equate to $64,430 using the June 30, 2022 Bank of Canada exchange rate. An increase or decrease of 10% to the exchange rate would result in an increase or decrease in required option payments of $6,443.

d) On January 12, 2021, the Company and its wholly owned subsidiary, Canexco Inc., signed a Letter of Intent ("LOI") allowing the Company to earn into the Excelsior Mine Property ("the Property") from a private vendor over 3 stages. Stages 1 and 2 must be completed over 2.5 years. To complete the stage 3 earn in CANEX must make another bonus payment to the Vendors equivalent to 1.5% of the gold price on recoverable gold equivalent ounces defined in the proven and probable reserve categories. CANEX has 2 years to complete the stage 3 earn in once Stage 2 is complete. Once CANEX has earned a 90% interest in the Property, the Vendors can elect to maintain their 10% ownership by contributing their 10% share to exploration and development or to give up 100% ownership to CANEX and revert to a 1.5% NSR.

As at June 30, 2022, under the terms of the Agreement, the Company is committed to the following share issuances and minimum exploration expenditures:

	Option payments Common Shares	Minimum exploration expenditures (US$)	Earn in on completion of obligation (%)
Stage 1	750,000	500,000	25
Stage 2	1,000,000	2,000,000	26
Stage 3	1,000,000	2,000,000	39
Total	2,750,000	4,500,000	90
Less obligations fulfilled to June 30, 2022	(750,000)	(1,065,000)	-
Total remaining commitments to June 30, 2021	2,000,000	3,435,000	

The remaining committed minimum exploration expenditures of US$3,435,000 equate to $4,426,341 using the June 30, 2022 Bank of Canada exchange rate. An increase or decrease of 10% to the exchange rate would result in an increase or decrease in required option payments of $442,634.

8) Exploration Expenditures

Refer to Note 8 "Exploration and evaluation assets," in the Unaudited Condensed Interim Consolidated Financial Statements for exploration and evaluation asset expenditures for the three- and nine-month periods ended June 30, 2022.

9) Off-Balance Sheet Transactions

There are no off-balance sheet transactions to report.

10) Selected Quarterly Financial Information

The following selected financial data has been extracted from the unaudited condensed interim consolidated financial statements for the fiscal periods indicated and should be read in conjunction with those unaudited financial statements.

Three months ended	**Jun 30 2022 (Q3 2022)**	**Mar 31 2022 (Q2 2022)**	**Dec 31 2021 (Q1 2022)**	**Sep 30 2021 (Q4 2021)**	**Jun 30 2021 (Q3 2021)**	**Mar 31 2021 (Q2 2021)**	**Dec 31 2020 (Q1 2021)**	**Sep 30 2020 (Q4 2020)**
	$	$	$	$	$	$	$	$
Loss before recovery (impairment) of exploration and evaluation assets	(454,007)	(79,063)	(102,797)	(170,212)	(87,924)	(131,615)	(135,047)	(84,258)
Recovery (impairment) of exploration and evaluation assets	-	-	-	(473,527)	-	-	-	4,450
Loss before other items	(454,007)	(79,063)	(102,797)	(643,739)	(87,924)	(131,615)	(135,047)-	(79,808)
Dividend income	-	-	231,232	-	-	-	-	98,575
Interest and other	4,893	(3,589)	(4,461)	9,264	(3,180)	(1,610)	(1,705)	(1,537)
Gain (loss) on short-term investments	(281,675)	(112,670)	63,685	(169,005)	(56,335)	84,503	330,878	128,998
Comprehensive profit (loss)	(730,789)	(195,322)	187,659	(803,480)	(147,439)	(48,722)	194,126	146,228
Basic and diluted earnings (loss) per share	(0.01)	0.00	0.00	(0.01)	0.00	0.00	0.00	0.00

Generally, the most significant influences on the variability of profit or loss are the amount of stock-based compensation, the amount of exploration and evaluation asset impairments or recoveries, and gains or losses on short-term investments. However, the increase in activity in the junior mining sector in recent years has also resulted in increased expenditures.

The Company's improved working capital position in recent periods has allowed the Company to expand its operations into fiscal 2020, 2021 and 2022 which is reflected above including expenditures for administrative consulting fees, office expenditures and travel and promotional activities as described in Section 4) "Operating results, General and administrative expenses". Q3 2022, Q4 2021 and Q4 2020 loss before impairment of exploration and evaluation assets includes stock option compensation, a non-cash charge, of $169,633, $74,749 and $37,417 respectively, granted to officers, directors, and consultants of the Company. Additionally, the most recent AGMs were held in Q2 2022 and Q1 2021.

The timing of the impairments and gains on sale of the Company's Exploration and evaluation assets cannot be predicted in advance and will vary from one reporting period to the next. As a result, there may be dramatic changes in the financial results and balance sheet position reported by the Company on a period-by-period basis. Q4 2021 impairment is related to the Gibson Prospect mineral property of which the full amount of expenditures was impaired. Q4 2020 recovery is related to the British Columbia Mining Exploration Tax credit applied for at September 30, 2020 on account of the Echo property, British Columbia which was fully impaired during Q2 2020.

Interest and other reflect foreign exchange gains and losses incurred on a US dollar denominated bank account held by the Company to conduct its business in the United States.

The Company received common shares in four separate publicly traded Companies as partial consideration for the sale of mineral property interests in past years. Comprehensive Profit or Loss will fluctuate as the carrying value of these investments is adjusted to fair value at the respective period ends. In addition, on June 23, 2020, Spruce Ridge declared a dividend-in-kind of common shares of Canada Nickel, based on the number of shares held at July 6, 2020, the record date, at a ratio of 1 Canada Nickel share to 53.72 Spruce Ridge shares. On September 4, 2020 (Q4 2020), the Company received 104,867 shares valued at $0.94 per share for a total value of $98,575. A similar transaction occurred during Q1 2022, where Spruce Ridge again declared a dividend-in-kind of Canada Nickel common shares, based on the number of shares held on October 29, 2021, the record date at a ratio of 1 CNC share to 71.14 Spruce Ridge shares. On October 29, 2021, the Company received 79,189 CNC shares valued at $2.92 per share for a total value of $231,232.

11) Directors and Officers

Shane Ebert	*Director and President*	Gregory Hanks	*Director*
Jean Pierre Jutras	*Director and Vice-President*	Chantelle Collins	*Chief Financial Officer*
Barbara O'Neill	*Corporate Secretary*	Lesley Hayes	*Director*
Blair Schultz	*Director*		

12) Related Party balances and transactions and key management remuneration

Transactions and balances are disclosed and explained in Note 17 to the Unaudited Condensed Interim Consolidated Financial Statements for the three- and nine-month periods ended June 30, 2022 which accompany this MD&A.

13) Share capital and equity reserves

Refer to Note 12 to the financial statements and the Condensed Interim Statement of Changes in Equity for common share capital, stock option and warrant transactions during the three- and nine-month periods ended June 30, 2022, 2022, and balances as at that date.

During the subsequent period from July 1, 2022 and up to July 28, 2022, the date of this report, there were no shares issued or cancelled and returned to treasury. No warrants were issued or exercised, and none expired. No options were issued or exercised; however, 525,000 options expired without exercise.

14) Financial instruments

The carrying value of financial assets and liabilities measured at amortized cost approximates fair value due to the short-term nature of the instruments. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest or credit risks arising from these financial instruments.

The Company undertakes transactions denominated in US currency through its exploration in the US; consequently, it is exposed to exchange rate fluctuations. The Company will acquire US funds from time to time to settle US dollar denominated liabilities. The Company had US$141,464 ($182,291) in a US denominated bank account at June 30, 2022 (September 30, 2021 – US$248,777, ($316,967)). The effect of a foreign currency increase or decrease of 10% on this cash holding would result in an increase or decrease of $18,229 (September 30, 2021 – $31,697). Additionally, at June 30, 2022, accounts payable and accrued liabilities include liabilities of US$101,846 ($131,239) (September 30, 2021 – US$106,101 ($135,183)), that must be settled in US$. The effect of a foreign currency increase or decrease of 10% on this liability would result in an increase or decrease of $13,124 (September 30, 2021 – $13,518) to the amount payable.

15) Financial risk management

a) Credit risk

Credit risk is the risk of financial loss to the Company if counterparties to a financial instrument fail to meet their contractual obligations. The Company's financial instruments that could be subject to credit risk consist of receivables and government grant receivables. The Company has had a history of prompt receipt of their receivables and considers credit risk to be low on these instruments as at June 30, 2022 and September 30, 2021.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they are due. The Company's approach to managing liquidity risk is the utilization of budgets, to attempt to maintain sufficient liquidity in order to meet operational and exploration requirements as well as property acquisition commitments. The Company raises capital through equity issues and its ability to do so is dependent on several factors including market acceptance, stock price and exploration results. The continuing operations of the Company are dependent upon its ability to obtain adequate financing or to commence profitable operations in the future. The Company feels that it has sufficient working capital to finance general and administration and other operating expenses for twelve months assuming similar activity levels to the previous twelve-month period. However, increases in activity levels, new property acquisitions and increased levels of exploration on its mineral properties will require additional financing. There can be no assurance that the Company will be successful in obtaining financing. Refer to Note 1 "Nature and continuance of operations" in the Unaudited Condensed Interim Consolidated Financial Statements dated June 30, 2022.

The Company's significant remaining contractual maturities for financial liabilities at June 30, 2022 and September 30, 2021 are as follows:

- Accounts payable and accrued liabilities are due within one year.

c) Market risk

The Company's equity investments are subject to market price risk. The investments in common shares are recorded at fair value at the respective period ends with the resultant gains or losses recorded in earnings. The price value of these investments can vary from period to period. During the nine-month period ended June 30, 2022, the market price fluctuation resulted in a net loss of $338,010 (year ended September 30, 2021 – net gain of $138,330) on short-term investments. In 2022, a 10% change in fair value of the Company's marketable investments would result in a charge to income of $28,167 (September 30, 2021 - $61,969). The Company does not intend to hold these investments for more than one year.

The Company has not yet developed producing mineral interests; it is not exposed to commodity price risk associated with developed properties at this time.

d) Interest rate risk

The Company has no debt facilities and has minimal amounts of interest income; it is not exposed to significant interest rate risk at this time. All market risk is associated with the Company's investments in common shares, which are recorded at fair value at the respective period ends with the resultant gains or losses recorded in earnings.

e) Foreign exchange risk

The Company undertakes transactions denominated in US currency through its exploration in the US; consequently, it is exposed to exchange rate fluctuations. The Company has disclosed US$ commitments pertaining to three option agreements in Note 8 – "Exploration and evaluation assets" to the Unaudited Condensed Consolidated Interim Financial Statements at June 30, 2021 and Section 7) b), c) and d) "Contractual obligations".

16) Outlook

The Company's primary objective is to discover mineral resources in economic quantities capable of supporting an operating mine. Should the Company discover such a promising property, it would likely attempt to ally with a more senior mining company that might option-in on the property or purchase the property outright, as the Company does not have expertise in operating a mine.

- During fiscal 2021, the Company's treasury was increased by a number of different events including the exercise of warrants, a private placement financing and the sale of short-term investments bringing in $230,000, $1,700,000 and $121,600 in cash, respectively. During fiscal 2022, the Company's treasury was also increased by a number of different events including the sale of short-term investments, a private placement financing, the exercise of certain warrants and the exercise of certain options bringing in $238,000, $2,500,021, $112,670 and $24,000 in cash, respectively.

  The increase in the Company's treasury, in addition to funding the Companies working capital for general operations, has allowed the Company to implement an extensive drilling program on its Gold Range Property in Arizona, USA, that commenced in mid-September 2021 and was completed in March 2022.

A fourth drill program commenced during June 2022, and is expected to be completed in the fall of 2022. For more details regarding the Gold Range property and the exploration activities conducted to date, refer to Section 3) "Mineral properties, Gold Range Property, Arizona, USA).

- With respect to the Gibson Prospect, throughout fiscal 2019, 2020 and 2021, the Company has met its contractual obligations except for the expenditure commitment as outlined in Section 7a) "Contractual obligations". The Company has received several extensions to meet that expenditure commitment. Under the current terms, the expenditure deadline has been extended to August 30, 2022. To date the Company has expended $293,500 on exploration activities on the Gibson Prospect. Due to limited resources, including manpower, the Company has focussed its attention on exploration activities on the Gold Range property discussed above. During Q4 2021, the Company determined that it would not move forward with further exploration unless a third-party partner can be found to further exploration programs. As a result, the Company impaired the full amount of expenditures incurred to September 30, 2021. However, the Company continues to hold core claims which expire January 2029, keeping possibilities open for the Company to find a third-party partner to further the exploration program.

The Company continues to actively search for new early-stage exploration opportunities and avenues for growth in stable jurisdictions within North America. The Company has not entered into any business combination, acquisition, or similar agreements except as noted above.

17) Risks

The business and operations of the Company are subject to numerous risks, many of which are beyond the Company's control. The Company considers the risks set out below to be some of the most significant to potential investors in the Company, but not all of the risks associated with an investment in securities of the Company. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the Company is currently unaware or which it considers to be material in relation to the Company's business actually occur, the Company's assets, liabilities, financial condition, results of operation (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the price of the Company's securities could decline, and investors may lose all or part of their investment.

The Company is a natural resource company engaged in the acquisition, exploration and development of mineral properties. Given the nature of the mining business, the limited extent of the Company's assets and the present stage of exploration, the following risk factors, among others, should be considered:

- **Exploration, development and operating risks**
  The Company is in the process of exploring its properties and has not yet determined whether its properties contain economically recoverable reserves and, therefore, does not generate any revenues from production. The recovery of expenditures on mineral properties and the related deferred exploration expenditures are dependent on the existence of economically recoverable mineralization, the ability of the Company to obtain financing necessary to complete the exploration and development of its properties, and upon future profitable production, or alternatively, on the sufficiency of proceeds from disposition. Mineral exploration is highly speculative in nature, involves many risks and frequently is non-productive. There is no assurance that exploration efforts will be successful.

- **Substantial capital requirements and liquidity**
  Substantial additional funds for the establishment of the Company's current and planned mining operations will be required. No assurances can be given that the Company will be able to raise the additional funding that may be required for such activities, should such funding not be fully generated from operations. Mineral prices, environmental rehabilitation or restitution, revenues, taxes, transportation costs, capital expenditures and operating expenses and geological results are all factors which will have an impact on the amount of additional capital that may be required. To meet such funding requirements, the Company may be required to undertake additional equity financing, which would be dilutive to shareholders. Debt financing if available, may also involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operation and pursue only those projects that can be funded through cash flows generated from its existing operations, if any.

- **Fluctuating mineral prices**
  The economics of mineral exploration are affected by many factors beyond the Company's control, including commodity prices, the cost of operations, variations in the grade of minerals explored and fluctuations in the market price of minerals. Depending on the price of minerals, the Company may determine that it is impractical to continue a mineral exploration operation. Mineral prices are prone to fluctuations and the marketability of minerals is affected by government regulation relating to price, royalties, allowable production and the importing and exporting of minerals, the effect of which cannot be accurately predicted. There is no assurance that a profitable market will exist for the sale of any minerals found on the Company's properties.

- **Regulatory, permit and license requirements**
  The current or future operations of the Company require permits from various governmental authorities, and such operations are and will be governed by laws and regulations concerning exploration, development, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, site safety and other matters. Companies engaged in the exploration and development of mineral properties generally experience increased costs and delays in development and other schedules as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that all permits which the Company may require for facilities and the conduct of exploration and development operations on the Properties will be obtainable on a reasonable term, or that such laws and regulation will not have an adverse effect on any exploration or development project which the Company might undertake.

  Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in exploration and development operations may be required to compensate those suffering loss or damage by reason of the exploration and development activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations. Amendments to current laws, regulations and permits governing operations and activities of mineral companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or exploration and development costs, or require abandonment or delays in the development of new or existing properties.

- **Financing risks and dilution to shareholders**
  The Company has limited financial resources, no operations and no revenues. If the Company's exploration program on it properties is successful, additional funds will be required for the purposes of further exploration and development. There can be no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be available on favourable terms or at all. It is likely such additional capital will be raised through the issuance of additional equity which will result in dilution to the Company's shareholders.
- **Title to properties**
  Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. The Company cannot give an assurance that title to its properties will not be challenged or impugned. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify. A successful claim that the Optionors or the Company, as the case may be does not have title to its properties could cause the Company to lose any rights to explore, develop and mine any minerals on its properties without compensation for its prior expenditures relating to its properties.

- **Competition**
  The mineral exploration and development industry is highly competitive. The Company will have to compete with other mining companies, many of which have greater financial, technical and other resources than the Company, for, among other things, the acquisition of mineral claims, leases and other mineral interest as well as for the recruitment and retention of qualified employees and other personnel. Failure to compete successfully against other mining companies could have a material adverse effect on the Company and its prospects.

- **Reliance on management and dependence on key personnel**
  The success of the Company will be largely dependent upon the performance of its directors and officers and the ability to attract and retain key personnel. The loss of the services of these persons may have a material adverse effect on the Company's business and prospects. The Company will compete with numerous other companies for the recruitment and retention of qualified employees and contractors. There is no assurance that the Company can maintain the service of its directors and officers, or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Company and its prospects. The Novel Corona Virus pandemic discussed below may result in one or more of the Company’s employees and/or officers and directors becoming ill and unable to provide services for a period of time. This is at least partially mitigated by the fact that certain individuals have overlapping competencies and they do not reside or work together.

- **Environmental risks**
  The Company's exploration and appraisal programs will, in general, be subject to approval by regulatory bodies. Additionally, all phases of the mining business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and provincial and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with mining operations. The legislation also requires that drill sites and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increase capital expenditures and operating costs.

- **Conflicts of interest**
  Certain of the Directors and Officers of the Company are engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies and, as a result of these and other activities, such Directors and Officers of the Company may become subject to conflicts of interest. Canadian corporate laws provide that in the event that a Director has an interest in a contract or proposed contract or agreement, the director shall disclose his interest in such contact or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided under those laws. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the applicable Canadian corporate laws.

- **Uninsurable risks**
  Exploration, development and production operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences, any of which could result in damage to, or destruction of mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although precautions to minimize risk will be taken, operations are subject hazards that may result in environmental pollution and consequent liability that could have a material adverse impact on the business, operations and financial performance of the Company. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could have an adverse impact on the Company's results of operations and financial condition and could cause a decline in the value of the Company's shares.

- **Litigation**
  The Company and/or its directors may be subject to a variety of civil or other legal proceedings, with or without merit.

18) Critical Accounting Estimates

The most significant accounting estimate for the Company relates to the carrying value of its exploration and evaluation assets. Exploration and evaluation assets consist of the capitalized costs of exploration and mining concessions. Acquisition and leasehold costs and exploration costs are capitalized and deferred until such time as the property is put into production or the properties are disposed of either through sale or abandonments. The estimated values of exploration and evaluation assets are evaluated by management on a regular basis to determine whether facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount. Reference is made to project economics, including the timing of the exploration and/or development work, the work programs and exploration results experienced by the Company and others, financing, the extent to which optionees have committed, or are expected to commit to, exploration on the property and the imminent expiry of the right to explore, among other factors. When it becomes apparent that the carrying value of a specific property will not be realized, an impairment provision is made for the estimated decline in value.

The Company’s estimate for decommissioning obligations is based on existing laws, contracts and other policies. The value of the obligation is based on estimated future costs for abandonments and reclamations which require that certain assumptions be made. By their nature, these estimates are subject to measurement uncertainty.

Another significant accounting estimate relates to valuing stock-based compensation and warrants. The Company uses the Black-Scholes Option Pricing Model. Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company’s stock options granted and vested, or warrants issued, during the year.

The Company estimates the fair value of its short-term equity investments at each period end as they are carried at fair value in the Statements of Financial Position. The Company uses the closing price of the common shares on the period-end date and uses the Black-Scholes Option Pricing Model discussed above to estimate the value of its investment in warrants. The price at which these instruments can ultimately be sold will vary from these estimates due to the timing of their sale, the volume of trading in the securities at any given time and changes in the market over time, among other factors.

19) New Accounting Policies

The Company did not adopt any new accounting policies during the nine-month period ended June 30, 2022.

20) Novel coronavirus pandemic

In early January 2020, a human infection originating in China was traced to a novel strain of coronavirus. The virus has since spread to other parts of the world including North America and Europe, causing unprecedented disruptions in the global economy as efforts to contain the spread of the virus has intensified. On March 11, 2020, the World Health Organization declared this outbreak of coronavirus (“COVID-19”) as a pandemic as the virus continues to spread throughout North America. Throughout the duration of the pandemic, the Company has been able to complete its planned exploration programs with minimal disruption. At this time, the full extent and duration of the impact of COVID-19, including recent new strains, on the Company’s operations and financial performance is currently unknown, and depends on future developments that are uncertain and unpredictable, including the duration and spread of the pandemic, its impact on capital and financial markets on a macro-scale and any new information that may emerge concerning the severity of the virus, its spread to other regions and the actions to contain the virus or treat it impact, among others.

21) Other

Additional information relating to the Company may be found on SEDAR at www.sedar.com.