Big Tree Carbon Inc.
(formerly AurCrest Gold Inc.)

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2022
(Expressed in Canadian Dollars)

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of Big Tree Carbon Inc. (formerly "AurCrest Gold Inc.") ("Big Tree" or the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the year ended December 31, 2022 as compared to the year ended December 31, 2021. This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion, dated April 28, 2023, should be read in conjunction with the Company's audited annual consolidated financial statements for the years ended December 31, 2022 and 2021, together with the notes thereto Results are reported in Canadian dollars and have been prepared in accordance with International Financial Reporting Standards ("IFRS").

The Company trades on the TSX Venture Exchange under the symbol "BIGT". Further information about the Company and its operations can be obtained from the offices of the Company or at the Company's website at www.aurcrest.ca or from www.sedar.com.

Mission statement

The mission statement of the Company, is as follows:

- Create and maintain important relationships with the local indigenous peoples to share the benefits industry has to offer through employment and ownership in the Company's efforts;
- Capitalize on the experience and technical abilities of the Company's management team to effectively explore for gold and associated metals deposits in Northwestern Ontario;
- Introduce our vision of nature as a natural resource - through the development and sale of Carbon Offsets, biodiversity and all other natural attributes.
- Enter into strategic relationships and generate sufficient capital to maintain a high level of Natural Asset Resource development activity; and
- Increase shareholder value by adhering to Big Tree's objectives.

Executive summary

Big Tree is an Ontario-based natural resources development company focused on the advancement of indigenous partnerships in the spirit of the 92nd Call To Action of the Truth and Reconciliation Commission's Final Report. The Company has established two subsidiary corporations to accommodate natural resource economic growth opportunities. The Company benefits from the inclusion of indigenous perspectives to holistic resource development at the management and Board levels, including a majority indigenous composition on the Board.

Big Tree Carbon Corp. ("BTCC"), as a subsidiary corporation, is focused on the development of long-term greenhouse gas Emissions Reduction Benefits ("ERBs") in partnership with First Nations and indigenous groups, primarily through the development of forestry-based carbon sequestration projects.

Wiigwaasaatig Energy Inc. ("WEI"), as a subsidiary corporation, is focused on the development of renewable energy in partnership with First Nations and indigenous groups, through the development of local renewable energy infrastructure projects and the deployment of innovative renewable energy technologies.

On April 22, 2022, the Company changed its name to Big Tree Carbon Inc. to better reflect the new opportunity in the carbon resource business. As the parent publicly-listed corporation, Big Tree continues to operate as a mineral exploration company focused on the acquisition, exploration, and development of mineral resources while actively pursuing the development of other natural resource assets such as carbon sequestration offset credits and other developing environmental attributes. The Company has actively engaged and involved local First Nations communities in advancing exploration projects to date and will continue to develop indigenous inclusion and participation with the Company's exploration activities and overall corporate development.

Greenhouse gas emissions

Big Tree Carbon Inc. is involved with the development of long-term greenhouse gas emissions reduction benefits ("ERBs") through sequestration of carbon dioxide by implementing improved forest management techniques (the "Forest Carbon Model") and other potential environmental attributes in the traditional territories of the Company's partner First Nations.

The Company is working with the Lac Seul First Nation ("LSFN") and Anew Climate LLC (formerly Blue Source Canada ULC)("Anew") to develop an ERB project for the LSFN reserve lands and investigate similar opportunities within the LSFN traditional territory.

The Company is working with the Agoke Development Limited Partnership ("ADLP"), a corporation owned by the Eabametoong, Aroland, and Marten Falls First Nations, to develop an ERB project for the Ogoki Forest within the traditional territories of the ADLP-owner First Nations.

Big Tree's business model creates forest carbon offset partnerships where the FN's receive 75% of the revenue and Big Tree 25%. After 5 years FN's can purchase the outstanding 25% interest at fair market value or wait 5 years and receive 100% of the project at no cost on the 10th anniversary.

Exploration and evaluation assets

Big Tree holds several mineral exploration properties in the Red Lake and Birch-Uchi metamorphic belts, on which the Company is focusing its exploration activities: The following exploration property descriptions reflect minor readjustments to sub property cell claim arrangement following the April 22nd 2022 change of Company name.

- The ***Ranger Lake Area Gold Property*** consists of 236 mineral cell claims totaling approximately 4,790 hectares, staked by the Company and held 100% by the Company with no underlying royalty to third parties. The property lies in the Ranger and Little Otter Lake mining townships, partly within the Municipality of Red Lake, and is located approximately 10 kilometres east of the Red Lake and Campbell mining complex.

  The Company is currently permitted to conduct exploration activities on the property, including diamond drilling. With the assistance of Windfall Geotek's ("Windfall") CARDS AI ("AI") system and Activation Laboratories ("ActLabs") spatiotemporal geochemical hydrocarbon ("SGH") geochemical modelling, in 2021 the Company completed and announced the results of its initial diamond drilling program. Work has continued while the Company interprets information gathered from this first drill program, including SGH soil sampling surveys completed on further targets, and completion of a drone-supported magnetometry survey. Field work is ongoing.

  The Company has subdivided the holdings into two subproperties, being the *Ranger* and *Ranger East* groupings. The *Ranger* subproperty consists of 125 mineral cell claims totalling approximately 2,540 hectares, and includes all cell claims subjected to exploration projects conducted by the Company through 2021. The *Ranger East* subproperty consists of 111 mineral cell claims totalling approximately 2,250 hectares that were subject of grassroots prospecting through 2021, and remain an area of future exploration activities.

- The ***Richardson Lake Area Gold Property*** consists of 175 mineral single, boundary and multicell cell claims totaling approximately 3,276 hectares, held 100% by the Company with no underlying royalty to third parties. The property lies in the Casummit Lake Area and Brownstone Lake Area mining townships, approximately 8 kilometres from the Springpole gold deposit and adjacent to the past-producing Argosy Mine.

  The Company has completed several exploration programs on the property, including gold discoveries from drilling programs in 2012 and 2014. In 2021, the Company has completed an SGH soil sampling program on the western shore of Richardson Lake. In 2022, the Company completed an innovative lake bottom sediment SGH sampling program on the western embayments of Richardson Lake, with results pending.

- The ***Trout Lake South Gold Property*** (formerly *Dancing Man Gold Property)* consists of 654 mineral cell claims totaling approximately 13,280 hectares, held 100% by the Company with no underlying royalties to third parties. The property lies in the Joyce River Area, South of the Otter Lake, Gerry Lake, and Knott mining townships, spanning approximately 16.2 kilometres north to south and 33.3 kilometres east to west. The Company completed a limited grassroots prospecting program in 2021 and 2022 where existing forestry roads permitted access. The Company plans to let these claim lapse as they come due and has write-off the acquisition costs.

The Company also retains an interest in several non-core mineral claim assets across Northwestern Ontario:

- The **Western *Fold Gold Property*** was an exploration prospect for the Company, contiguous to the Richardson Lake Area Gold Property, consisting of 110 mineral cell claims totaling approximately 2,170 hectares in the Brownstone Lake Area and Casummit Lake Area mining townships. The property was subject to an option agreement with Newrange Gold Corp. ("Newrange" and the "Newrange Option") for the property. Newrange completed the exercise of the Newrange Option on December 23, 2021; the 110 mineral cell claims transferred to Newrange are subject to a 2% net smelter return royalty, of which 1% may be acquired by Newrange at any time for a $1,000,000 cash payment to the Company, and further subject to a 2-kilomentre Area of Influence for future mineral cell claims staked by Newrange. These cells form a part of Newrange's "Birch North Property".

- The Company holds a 100% interest in the **McFaulds Lake** base metals property in Ontario's 'Ring of Fire' area.

- The Company retains a 35% interest in the **Bridget Lake** property in the Red Lake Mining District. The Bridget Lake property's 65% interest is held by Evolution Gold Mining Operations Ltd. (the "Bridget JV Operator") The Company expects that this JV property will revert to an NSR holding, given the Bridget JV Operator's potential exploration activities in this area.

Energy

Wiigwaasaatig Energy Inc. is mandated to establish renewable energy business partnerships with First Nations and the mineral exploration/development industry proximal to those First Nations. WEI is intended to reduce diesel dependency for electrical generation in remote First Nations and mineral development sites, provide an economic base contributor for partner First Nations, and develop supplier-consumer relationships with mineral developments proximal to First Nations communities.

WEI continues to work with Cat Lake First Nation ("CLFN") to investigate and develop up to 40 MW of renewable energy in the CLFN traditional territory, including a phased blend of wind, solar, geothermal and biomass technologies.

WEI continues to promote innovative energy generation partnerships on a more regional scale, including First Nations located in other provincial jurisdictions.

Activites

2022 Calendar Year

- On December 15, 2022, the Company signed an engagement letter with Colliers and R&B Cormier Inc. to assist with, raising project and operations capital, securing project development partners and technical services, to determine feasibility of carbon based and traditional forestry and power-based projects fostering Big Tree's stated mandate of providing expertise and project funding to First Nations led resource projects.

- In July 2022, the Company completed an innovative lake bottom sediment sampling program for SGH analysis, retrieving 253 total samples from the western embayment of Richardson Lake in the *Richardson Lake Area Gold Property*; the results of the SGH analysis are pending.
- On May 19, 2022, the Company amalgamated 30 boundary cell mineral claims within the Richardson Lake Area Gold Property held 100% by the Company with no underlying royalty interests, resulting in 15 new single cell mineral claims.
- On April 19, 2022, the Company conducted its Annual Shareholders' Meeting, and secured shareholder assent to change the Company name from AurCrest Gold Inc. to Big Tree Carbon Inc.
- On April 7, 2022, the Company engaged IBK Capital Corp. to investigate strategic alternatives for mineral sector holdings to increase shareholder value, including potential transactions with interested parties for the Company's various claim holdings.
- On March 1, 2022, the Company's subsidiary corporation Big Tree Carbon Corp. announced its participation in the business plan submission by Agoke Development LP to the Ontario government as part of the Ogoki Forest management unit license renewal process, for forest carbon sequestration project development in the management unit, with said license being renewed for ADLP on April 1, 2022.

2021 Calendar Year

- On December 23, 2021, Newrange made their required payment of $100,000 and 500,000 common shares of Newrange to fully exercise their option to the Western Fold Gold Property.
- During the late fall of 2021, the Company completed a drone-borne magnetometry program at the Ranger Lake Gold Property, providing flight line coverage over both SGH survey zones previously surveyed by the Company.
- In November 2021, the Company announced the signing of an ERB management agreement ("ERBMA") with ADLP for the realization of carbon credit value potential of 974,000 hectares of the Ogoki Forest (located in Northern Ontario).
- During the early fall of 2021, the Company completed an SGH and mobile metal ion ("MMI") soil sampling program at the western shore of Richardson Lake, west of the 2012 and 2014 gold discoveries, to further refine the Company's understanding of the Richardson Lake Gold Property's potential gold mineralization; the results of the MMI survey is pending.
- During the late summer of 2021, the Company completed an SGH soil sampling program east of the AI target zone at the Ranger Lake Gold Property to investigate a historic exploration target identified in the early 1980s by others but with limited subsequent exploration work.
- During the summer of 2021, the Company completed a 9-hole, 1,683 metre drill program at the Ranger Lake Gold Property, with results announced by the Company on November 15, 2021.
- During the summer of 2021, the Company completed an SGH soil sampling program at Ranger Lake across the balance of the AI target, with results received in October 2021 indicating that all the lead indicators used to test for gold anomalies were present in the samples received.
- The Company further expanded the Ranger Lake Gold Property by staking 86 new mineral cell claims in February 2021 and 28 new claim cells in May 2021, for a total of 236 cells.
- In April 2021, the Company staked the Dancing Man Gold Property located 20 km east of the Ranger Lake drilling project and extends Company holdings a further 20 km east to adjoin the "Golden Sidewalk" district of the Birch-Uchi metamorphic belt. Preliminary field exploration began in the summer of 2021.
- The Company incorporated Big Tree Carbon Corporation ("BTCC") in April 2021 as a subsidiary corporation, to hold and conduct the business of forest carbon offset monetization with the Company's First Nations partner groups.
- The Company issued $1,136,500 flow-through units at a price $0.30 with a full warrant at $0.40 expiring in March 2023 to finance and initiate a preliminary drill program and grass roots prospecting at the Ranger Lake Gold Property and other exploration activities at the Company's main property groupings.

- In February 2021, the Company received the ActLabs SGH analysis of the 2020 Ranger Lake Gold Property soil sampling program which indicated that all the lead indicators used to test for gold anomalies were present in the samples received.

Mineral properties

Ranger Lake Area Gold Property

The *Ranger Lake Area Gold Property* is an exploration prospect that originally consisted of 50 mineral cell claims totaling approximately 1,010 hectares staked by the Company in October 2018, located approximately 10 kilometres due east of the Red Lake and Campbell Gold Mines in the world-famous Red Lake mining district. The Company acquired a further 50 claim cell units by staking adjacent and contiguous to the original property in June 2020, and staked 27 additional mineral cell claims in September 2020. The Company staked further sets of 31 and 50 mineral cell claims on February 12, 2021 and February 16, 2021 respectively. The Company staked 28 mineral cell claims on May 18, 2021. The combined acquisition of these claims brings Big Tree's holdings in the area to a total of 236 claim cell units encompassing approximately 4,790 hectares.

The Company acquired the AI data modelling in September 2020, which identified three gold targets in the AI coverage area on the western portion of property; the CARDS coverage was not available for the eastern portion of the property at the time of acquisition. The Company completed an SGH soil geochemistry sampling program in November 2020 indicating several gold signature returns and identified a potential gold redox zone. The Company has completed an initial diamond drilling program testing on several of these targets in May/June 2021, completing nine NQ drill holes for a total of 1,683 metres. Drilling identified sulfide mineralization in eight of the nine holes in what is presently interpreted as a sheared low-grade silver-sulfide trend. The highest silver value reported is 57.6 g/t Ag over 1 metre (Hole RAL21-001CC) and Ag values reported from other hole intersects were less than 3 g/t.

The Company completed a subsequent SGH soil sampling program in July 2021 to the northwest of and contiguous to the original sampling area. The Company also completed a separate SGH soil sampling program to the east of the AI target areas in August 2021, and in November 2021 completed a UAV-borne magnetometry survey program over the combined SGH soil sampling areas. Additional field programs are being planned for 2022.

Following the Company's name change in April 2022, the *Ranger Lake Area Gold Property* was subdivided into the *Ranger* and *Ranger East* subproperties (125 single cell mineral claims and approximately 2,940 hectares, and 111 single cell mineral claims and 2,250 hectares, respectively). The *Ranger* subproperty includes all claims that were subject to exploration projects conducted by the Company through the 2021 year end. The *Ranger East* subproperty has been subject to grassroots prospecting activities through the 2021 year end. Both subproperties are subject to future field activities.

Richardson Lake Area Gold Properties

The *Richardson Lake Area Gold Properties* are situated in the Red Lake Mining Division approximately 100 kilometres northeast of the Municipality of Red Lake within the Birch-Uchi greenstone belt. The reserve lands of the Cat Lake and Slate Falls First Nations are approximately 30 and 50 kilometres from the area property boundary, respectively. The overall area property is 100% owned by the Company, and as of December 8, 2020 the property has no underlying royalty to any third party.

The Company owns 100% of six legacy claims originally optioned in 2002 which, together with four Company legacy claims, mineral claims staked by the Company following Ontario's conversion to online staking, as well as mineral cell claims acquired from third parties, now form the overall *Richardson Lake Area Gold Property*. As of the date of name change for the Company, the overall property encompasses 175 single, boundary and multicell mineral cell claims. As some mineral cell claims are subject to existing mining land tenures that predate Ontario's conversion to online staking, the Company's claim tenure is approximately 3,295 hectares.

Following the Company's name change in April 2022, the *Richardson Lake Area Gold Property* was subdivided into the *Richardson*, *Richardson South*, and *Richardson North* sub properties. These subproperties incorporate 77, 48, and 50 mineral cell claims, respectively. Discounting mining land tenure area coverage, these subproperties cover approximately 1,330 hectares, 960 hectares, and 1,005 hecatres respectively.

The *Richardson* subproperty is known to contain five areas with gold mineralization or gold mineralization potential. The most significant mineralization tested by the Company to date occurs at the Discovery zone, at the westernmost bay of Richardson Lake, where the gold is hosted by quartz veins and breccia which are encompassed by a broad zone of silicification, carbonization, and sericitization.
Drilling on the property commenced in late 2011 and continued into March of 2012. The Company completed the winter 2011/2012 drilling program on Richardson Lake in March 2012 completing eight NQ drill holes for a total of 1,613 metres. Results from this program included a new gold discovery in hole RL-12-07. Located in a new area of the property, this discovery provides the Company with an entirely new and very promising area to drill. Hole RL-12-07 encountered 15 metres of 1.83 g/t gold, including 9 metres of 2.95 g/t, including 4 metres of 6 g/t and 3 metres of 7.4 g/t. The highest individual sample within the Discovery zone was 1 metre of 11.1 g/t gold. In late summer through the fall of 2014, the Company continued drilling on this project. Results include RL-14-08 with an average grade of 1.85 g/t Au over 18 metres, including 2.93 g/t Au over 10 metres including 6.0 g/t Au over 4.5 metres, including 7.57 g/t Au over 3.5 meters, and including 10.4 g/t over 2.5 metres.

The Company completed an SGH soil sampling survey on the western shores of Richardson Lake (*Richardson* subproperty) in 2021, and an innovative lake bottom sediment SGH sampling program in 2022 (*Richardson* subproperty), results pending. The Company also completed a grassroots prospecting program on the *Richardson North* subproprerty during Summer 2022.

Trout Lake South Gold Property
The *Trout Lake South Gold* Property (formerly *Dancing Man Gold Property)* consists of 654 mineral cell claims totaling approximately 13,280 hectares, held 100% by the Company with no underlying royalties to third parties, staked on April 30, 2021. The property lies in the Joyce River Area, South of the Otter Lake and Gerry Lake Area, and Knott mining townships, spanning approximately 36 kilometres east to west. Limited grassroots prospecting was conducted on the property in 2021, and no further field work is being planned for the property; the Company intends to allow these cell claims to expire without renewal.

Non-Core Assets

McFaulds Lake
The Company currently holds a 100% interest in a group of base metal properties (450 hectares) within the area known as 'The Ring of Fire' located in the Lower James Bay region of Ontario, in the proximity of McFaulds Lake.

Bridget Lake
The Company holds a 35% interest in 144 hectares at Bridget Lake in Ball Township, Red Lake Mining Division. The 65% balance of interest in the Bridget Lake property is currently held by Evolution Mining Gold Operations Ltd. The Company expects that this Joint Venture interest will eventually convert to a net smelter returns royalty interest, given the Bridget JV Operator's expected exploration activities.

Exploration and evaluation assets

None of the Company's exploration and evaluation assets have reached the development stage and as a result are considered exploration and evaluation assets. The Company capitalizes acquisition costs that result in the acquisition and retention of exploration and evaluation assets or an interest therein and expenses all exploration and evaluation expenditures. The amount shown for exploration and evaluation assets represents acquisition costs to date and does not necessarily reflect present or future values. If the properties are sold, allowed to lapse or are no longer of interest, accumulated capitalized costs are written off.

Expenditures on properties in which the Company does not have a registered or contractual interest are expensed as incurred.

Selected annual information

Year ended December 31	**2022**	2021	2020
	$	$	$
Net loss for the year	**647,380**	2,124,469	406,528
Cash flow used in operating activities	**(243,266)**	(1,890,899)	(94,060)
Cash flow from (used in) investing activities	**(273,000)**	(410,150)	(35,600)
Cash flow from financing activities	**251,489**	1,899,840	776,287
Total assets (1)	**846,515**	996,657	941,504
Loss per share (basic and diluted)	**0.01**	0.02	0.01

(1) As at December 31

Summary of quarterly results

For the eight most recent quarters:

	December 31 2022	**September 30 2022**	**June 30 2022**	**March 31 2022**
	$	**$**	**$**	**$**
Net income (loss) for the period	(211,679)	(182,208)	(218,106	(35,387)
Net income (loss) per share (basic and diluted)	(0.00)	(0.00)	(0.00)	(0.00)

	December 31 2021	**September 30 2021**	**June 30 2021**	**March 31 2021**
	$	**$**	**$**	**$**
Net income (loss) for the period	(239,674)	(292,309)	(1,498,230	(94,256)
Net income (loss) per share (basic and diluted)	(0.00)	(0.00)	(0.02)	(0.00)

The variations in net loss between quarters are generally due to timing of the Company's exploration activities, including the receipt of property option payments. During the year ended December 31, 2021, the Company recognized 179,065 (2021 - $1,199,102) in exploration expenditures. The decrease was due to cash constraints. In 2022 the Company granted nil stock options compared to 2021 in which it granted 1,950,000 stock options resulting in share-based compensation of $445,575.

Results of operations

The Company's net loss for the year ended December 31, 2022 was $647,380 or $0.01 per share (net loss of $2,124,469 or $0.02 per share for the year ended December 31, 2021). General and administrative expenses were $372,493 for the year ending December 31, 2022 ($510,266 for the year ended December 31, 2021). The Company also recognized $125,125 in unrealized losses on marketable securities ($28,000 in 2021) and $63,003 in interest income on its outstanding promissory notes (nil in 2021).

General and administrative expenses included costs associated with the promotion, financing and regulatory compliance activities of the Company, and the Company's overhead, as noted below.

For the years ended December 31	**2022** **$**	2021 $
Consulting and management fees	**206,000**	266,000
Professional fees (legal & audit)	**74,483**	98,184
Shareholder communications, advertising and promotion	**22,997**	92,076
Regulatory and filing fees	**29,856**	27,707
Office costs	**39,157**	26,299
	372,493	510,266

Exploration expenditures

Property acquisition cost

		$
Balance, December 31, 2020		**66,350**
Property acquisition		38,150
Balance, December 31, 2021		**104,500**
Write-off of exploration and evaluation assets		(33,700)
Balance, December 31, 2022		**70,800**

Exploration & project evaluation

	Cumulative expenditures as at January 1 2022 $	Expenditures/ receipts for the period $	**Cumulative expenditures as at December 31 2022** **$**
Ranger Lake	**1,413,361**	2,000	**1,415,361**
Richardson Lake	**1,979,954**	177,065	**2,157,019**
Other	**14,435,428**	-	**14,435,428**
Amount expensed	**17,828,743**	179,065	**18,007,808**

"Other" includes exploration expenditures on projects with minor activity during the period and includes the Confederation Lake, Bridget Lake, McFaulds Lake and the Fredart Lake properties, all of which are in Northern Ontario.
Note: As disclosed in the Company's significant accounting policies (Note 2) exploration and project evaluation expenditure have been reflected in the statement of loss and comprehensive loss.

Liquidity and capital resources

As at December 31, 2022 and April 28, 2023, the Company had no sources of operating cash flows. The Company will therefore require additional funding which, if not raised, would result in the curtailment of activities and project delays. As at December 31, 2022, Big Tree had a working capital deficit of $1,080,589 (a working capital deficit of $360,740 as at December 31, 2021), and has an accumulated operating deficit of $22,896,925. During the year ended December 31, 2022, the Company had warrants and stock options exercised for $217,334 and $12,500 respectively. On April 20, 2023, the Company completed the first tranche of a private placement, raising gross proceeds of $300,000 The Company's ability to continue as a going concern is uncertain and is dependent upon its ability to continue to raise adequate financing. There can be no assurances that the Company will be successful in this regard, and therefore, there is substantial doubt regarding the Company's ability to continue as a going concern, and accordingly, the use of accounting principles applicable to a going concern. If the going concern assumption is not appropriate, then adjustments to the carrying values of the assets and liabilities, the expenses and the balance sheet classifications, which could be material, would be necessary.

Financial instruments

The carrying amount of financial instruments approximates fair value. The Company's financial assets include cash, cash equivalents, and accounts receivable. The Company does not consider these assets to be subject to credit risk or interest rate risk.

Shareholders equity (deficiency)

The Company is authorized to issue an unlimited number of common shares and an unlimited number of preference shares. As at December 31, 2022, the Company had no preference shares issued and outstanding.

Share capital

Share capital comprises the following:

	Number of shares	Amount $
Balance, December 31, 2020	**93,696,858**	**19,468,230**
Private placement	3,788,333	1,136,500
Share issuance costs	-	(145,814)
Exercise of warrants	10,371,332	860,646
Exercise of stock options	1,400,000	138,320
Common shares issued for exploration expenditures	400,000	78,000
Balance, December 31, 2021	**109,656,523**	**21,535,882**
Exercise of warrants	3,413,333	219,214
Exercise of stock options	250,000	24,700
Balance, December 31, 2022	**113,319,856**	**21,779,796**
Private placement	6,000,000	300,000
Balance, April 28, 2023	**119,319,856**	**22,079,796**

Stock options

The following summary sets out the activity in the Plan:

	Options #	Weighted average exercise price $
Outstanding and exercisable, December 31, 2020	**8,000,000**	**0.05**
Exercised	(1,400,000)	(0.05)
Granted	1,950,000	0.24
Outstanding and exercisable, December 31, 2021	**8,550,000**	**0.09**
Exercised	(250,000)	(0.05)
Outstanding and exercisable, December 31, 2022 and April 28, 2023	**8,300,000**	**0.09**

On April 7, 2021, the Company granted 1,950,000 stock options at an exercise price of $0.24 per share exercisable for a period of 5 years.

Warrants
Certain issuances of common shares include warrants entitling the holder to acquire additional common shares of the Company. A summary of the warrant activity is as follows:

	Warrants #	Weighted average exercise price $
Balance, December 31, 2020	**15,979,331**	**0.081**
Issued - private placement	4,535,999	0.039
Exercised	(10,371,332)	0.077
Expired	(28,000)	0.075
Balance, December 31, 2021	**10,115,998**	**0.22**
Exercised	(3,413,333)	0.064
Expired	(2,166,666	0.10
Balance, December 31, 2022	**4,535,999**	**0.39**
Issued - private placement	6,000,000	0.06
Issued - broker units	600,000	0.05
Issued - broker warrants	600,000	0.06
Expired	(4,535,999)	0.39
Balance – April 28, 2023	**7,200,000**	

Fully diluted share capital
As of December 31, 2022 the Company had issued 113,319,856 common shares, 8,300,000 common share stock options and 4,535,999 common share purchase warrants. The number of common shares outstanding, on a fully-diluted basis was 126,155,855.

As of April 28, 2023, the Company had issued 119,319,856 common shares, 8,300,000 common share stock options and 7,200,000 common share purchase warrants. The number of common shares outstanding, on a fully-diluted basis was 134,819,856.

Related Party transactions and key management remuneration

Compensation of key management and directors
Key management compensation expense includes the Chief Executive Officer, the Executive Vice-President, the Chief Financial Officer.

For the year ended December 31	**2022** **$**	2021 $
Management fees	**206,000**	266,000
Legal fees provided by a law firm related to William Johnstone	**54,483**	80,184
Share-based compensation	**-**	342,750
	260,483	688,934

Balances owing as at	December 31 **2022** **$**	December 31 2021 $
Legal fees provided by a law firm related to William Johnstone	**406,566**	365,200
Management fees	**231,912**	161,913
Directors' loans	**26,520**	9,520
	664,988	536,633

These amounts were expensed in the period incurred as administrative and general expenses. The amounts paid and owing are measured at the exchange amount, are non-interest bearing and due on demand.

As at December 31, 2021, the directors of the Company have loaned the Company working capital in the amount of $9,520. During the year ended December 31, 2022, a director loaned the Company an additional $17,000. The loans are in the form of demand promissory notes bearing interest at 10% per annum.

Off-balance sheet arrangements

The Company does not have any off-balance sheet arrangements.

Subsequent events

On April 20, 2023 the Company closed the first tranche of the brokered private placement (the "Offering") announced on March 31, 2023 with the issuance of 6,000,0000 working capital units (the "Units") of the Company at a price of $0.05 per Unit for gross proceeds of $300,000. Each Unit consists of one common share of the Company priced at $0.05 per common share and one common share purchase warrant (each a "Warrant"). Each Warrant entitles the holder to acquire one common share until April 20, 2025 at a price of $0.06.

The Company paid an aggregate commission of $24,000 and issued 600,000 broker warrants ("Broker Warrants"). Each Broker Warrant entitles the holder to acquire a Unit until April 20, 2025 at a price of $0.05 per Broker Warrant.

Risk factors

Big Tree is subject to a variety of risks, some of which are described below. If any of the following risks occur, the business, results of operations or financial condition could be adversely affected in a material manner.

Credit risk
Credit risk is the risk of loss associated with a counter-party's inability to fulfill its payment obligations. The Company is exposed to credit risk with respect to its cash. To minimize this risk, cash has been placed with major Canadian financial institutions.

Liquidity risk
Liquidity risk is the risk that the Company cannot meet a demand for cash or fund its obligations as they come due. The Company attempts to ensure that there is sufficient capital in order to meet annual business requirements, after taking into account administrative, property holding and exploration budgets, against cash. As at December 31, 2020, the Company had $666,766 in cash to settle current liabilities of $1,124,690. As the Company does not have operating cash flow, the Company has and will continue to rely primarily on equity financing and/or the sale of its assets to meet its capital requirements.

Regulatory and market risks of the Carbon Credit Markets
The Company is engaged in the development of long term ERB's (defined above). The ERB's are subject to market forces in the case of voluntary markets and regulation risk in the case of the federally prescribed compliance market. The rules for the compliance market are under development. No assurance can be given that these regulations will apply to the Company's projects.

Exploration and mining risks
The business of mineral exploration involves a high degree of risk. Few properties that are explored are ultimately developed into production. At present, there are no known bodies of commercial ore on the mineral properties of which the Company owns an interest. Unusual or unexpected formations, fires, power outages, labour disruptions, flooding, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the conduct of exploration programs. The Company from time to time increases its internal exploration and operating expertise with due advice from consultants and others as required. The economics of developing gold and other mineral properties is affected by many factors including the cost of operations, variation of the grade of ore mined and

fluctuations in the price of any minerals produced. There are no underground or surface plants or equipment on the Company's mineral properties, nor any known body of commercial ore. Programs conducted on the Company's mineral property would be an exploratory search for ore.

Titles to property
While the Company has diligently investigated title to the various properties in which it has interest, and to the best of its knowledge, title to those properties are in good standing, this should not be construed as a guarantee of title. The properties may be subject to prior unregistered agreements or transfer, or native or government land claims, and title may be affected by undetected defects.

Permits and licenses
The Company's operations may require licenses and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects.

Metal prices
Even if the Company's exploration programs are successful, factors beyond the control of the Company may affect marketability of any minerals discovered. Metal prices have historically fluctuated widely and are affected by numerous factors beyond the Company's control, including international, economic and political trends, expectations for inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and worldwide production levels. The effect of these factors cannot accurately be predicted.

Competition
The mining industry is intensely competitive in all its phases. The Company competes with many companies possessing greater financial resources and technical facilities than itself for the acquisition of mineral interests as well as for recruitment and retention of qualified employees.
Environmental regulations

The Company's operations are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions of spills, release or emission of various substances produced in association with certain mining industry operations, such as seepage from tailing disposal areas, which could result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations require submissions to and approval of environmental impact assessments. Environmental legislation is evolving in a manner which means stricter standards and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. The Company intends to fully comply with all environmental regulations.

Conflicts of interest
Certain directors or proposed directors of the Company are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Stage of development
The Company's properties are in the exploration stage and to date none of them have a proven ore body. The Company does not have a history of earnings or providing a return on investment, and in future there is no assurance that it will produce revenue, operate profitably or provide a return on investment.

Industry conditions
Mining and milling operations are subject to government regulations. Operations may be affected in varying degrees by government regulations such as restrictions on production, price controls, tax increases, expropriation of property, pollution controls or changes in conditions under which minerals may be mined, milled or marketed. The marketability of minerals may be affected by numerous factors beyond the control of the Company, such as government regulations. The effect of these factors cannot be accurately determined.

Uninsured hazards
Hazards such as unusual geological conditions are involved in exploring for and developing mineral deposits. The Company may become subject to liability for pollution or other hazards which cannot be insured against or against which the Company may elect not to insure because of high premium costs or other reasons. The payment of any such liability could result in the loss of Company's assets or the insolvency of the Company.

Future financing
Completion of future programs may require additional financing, which may dilute the interests of existing shareholders.

Key employees
Management of the Company rests on a few key officers and members of the Board of Directors, the loss of any of whom could have a detrimental effect on its operations. The development of the Company's business is and will continue to be dependent on its ability to attract and retain highly qualified management and mining personnel. The Company faces competition for personnel from other employers.

Outlook

The exploration and delineation of prospects on the Company's early-stage exploration properties have proven to be possible within a pandemic-restricted environment, through the use of technology that provides guidance to more traditional exploration activities, and through adherence to public health measures enacted by the provincial government with respect to operation of essential workplaces. Several areas of interest have been identified by Company geologists and the results of recent field programs warrant further exploration activities on Company holdings.

Ongoing project development for the Company's ERB (aka "carbon sequestration") projects has also proven to be possible within a pandemic-restricted environment, largely through the use of remote meeting technologies.

Big Tree and its subsidiary companies have and will continue to work diligently to grow its model of partnership and inclusion with neighbouring First Nations and Indigenous communities and believes that this ongoing focus will enhance overall Company success. Three of the five Directors of Big Tree are members of First Nations in Northwestern Ontario, giving the Company a uniquely Indigenous approach to natural resource development in Canada. The Company applies the wisdom and experiences of these individuals into our model of inclusion and participation for the mutual benefit of our shareholders and the communities proximal to our mineral exploration areas and carbon sequestration project footprints.

The Company acknowledges that 2023 has seen a resurgence of market pricing for gold and has observed an increase of merger and acquisition activities in the Red Lake mining district. From the perspective of the Company mineral exploration holdings, it remains management's view that further exploration and delineation of the prospects at the *Ranger Lake Area Gold Property* is in the best interests of shareholders, building upon 2021 drilling activities and conducting further prospecting, geochemistry, and magnetometry to provide further guidance to drilling programs at other prospects in 2023 and beyond. The evaluation of results from the initial drill program is ongoing and the mineralized system as encountered through drilling and outlined by geophysics and geochemistry appear to be significant and to warrant continued investigation.

Concurrently, the application of innovative technological approaches utilized at the *Ranger Lake Area Gold Property* will be applied to the *Richardson Lake Area Gold Property* to advance the geological understanding of the structures at both properties and their potential as exploration targets in the coming months. The Company acknowledges that energy costs are a significant impediment to future drill programs, particularly given the continued high prices of diesel, naphtha and jet fuel, and could influence the timing of future drill programs. The Company will entertain sale or joint venture of mineral properties where in the best interests of Company and shareholder value.

The Company and its subsidiaries have grown the positive relationship with our neighbouring First Nations into the development of potentially-significant carbon sequestration projects and other environmental attributes across the traditional territories of several First Nations in the Boreal Forest, to monetize long-term carbon sequestration opportunities through carbon offset credit trading for the mutual benefit of the First Nations partnership groups and the Company's shareholders. The Company has continued to educate potential First Nations partners to the Forest Carbon Model and will advance the Lac Seul project, Agoke project, and other projects as the federal and provincial governments finalize the protocols governing ERB projects

The Company anticipates that federal protocols for forest carbon sequestration projects will be released in draft form for public review in the near future of 2023. To facilitate First Nations, federal government and provincial government project discussions, the Company will be commissioning a forest carbon assessment for the Agoke project in Q2 2023.

Big Tree continues to strengthen its relationships with the local communities and believes that this ongoing focus will enhance future exploration and natural resource development success. These valued relationships provide proper access to natural resource development opportunities and are integral to the Company's success, forming the most important part of our business endeavors.

Special note regarding forward looking financial statements

This Management's Discussion and Analysis contains forward-looking statements that involve risks and uncertainties, which may cause actual results to differ materially from the statements made. When used in this document, the words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect" and similar expressions are intended to identify forward-looking statements. Such statements reflect our current views with respect to future events and are subject to such risks and uncertainties. Many factors could cause our actual results to differ materially from the statements made, including those factors discussed in filings made by us with the Canadian securities regulatory authorities. Should one or more of these risks and uncertainties, such as actual results of current exploration programs, the general risks associated with the mining industry, the price of gold and other metals, currency and interest rate fluctuations, increased competition and general economic and market factors, occur or should assumptions underlying the forward looking statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, or expected. We do not intend and do not assume any obligation to update these forward-looking statements except as required by law. Shareholders are cautioned not to put undue reliance on such forward-looking statements.