TRUE NORTH GEMS

Management Discussion and Analysis

For The Six Months Ended June 30, 2022

This interim MD&A - Quarterly Highlights ("Interim MD&A") provides a review of the business activities of True North Gems Inc. ("True North", "TGX" or the "Company") for the six month period ended June 30, 2022 ("Q2 2022"), compared to the six month period ended June 30, 2021 ("Q2 2021"). This Interim MD&A has been prepared in compliance with section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. This Interim MD&A has been prepared on the basis of available information up to August 17, 2022, and should be read in conjunction with the Company's unaudited condensed interim financial statements ("Interim Financial Statements") for the six month period ended June 30, 2022, the audited financial statements ("Annual Financial Statements") for the year ended December 31, 2021, the corresponding notes to the Annual Financial Statements which have been prepared in accordance with International Financial Reporting Standards ("IFRS") and Management's Discussion and Analysis for the year ended December 31, 2021 ("Annual MD&A"). These documents are available on SEDAR at www.sedar.com. The Company's reporting currency is Canadian dollars and all dollar amounts referred to in this discussion and analysis are expressed in Canadian dollars except were indicated otherwise.

True North's common shares are listed on the TSX Venture Exchange (the "TSX-V") trading symbol – TGX

Some of the statements made in this MD&A are forward-looking statements that are subject to risk factors set out in the cautionary note contained herein.

Caution on Forward-Looking Statements

The MD&A contains certain forward-looking statements concerning anticipated development in True North's operations in future periods. Forward-looking statements are frequently, but not always identified by words such as "expects", "anticipates", "believes", "intends", "estimates", "potential", "possible" and similar expressions, or statements that events, conditions or results "will", "may", "could" or "should" occur or be achieved. The forward-looking statements are set forth principally under the heading "Outlook" in the MD&A and may include statements regarding exploration results and budgets, mineral resource estimates, work programs, capital expenditures, timelines, strategic plans, market price of gemstones or other statements that are not statements of fact. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of True North may differ materially from those reflected in forward-looking statements due to a variety of risks, uncertainties and other factors. True North's forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made, and True North does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change except as required by law. For the reasons set forth above, investors should not place undue reliance on forward-looking statements. Important factors that could cause actual results to differ materially from True North's expectations include uncertainty as to the availability and terms of future financing and other risks and uncertainties disclosed in other information released by True North from time to time and filed with the appropriate regulatory agencies.

OVERVIEW AND OUTLOOK

In June 2017, Greenland Ventures issued a demand for repayment of principal and interest of a loan that True North had guaranteed on behalf of TNGG (DKK 12,165,675 (CAD $2,475,472) as at May 24, 2017) and a provision has been recorded for the amount demanded plus interest that has accrued at the rate of 2% per month on the outstanding balance from May 24, 2017, to December 31, 2021 (DKK 15,375,053 (CAD $2,976,417)). On February 7, 2019, the loan guarantee payable to Greenland Ventures was assigned to an arm's length third party arms length party. Subsequent to the date of the assignment, the Company made loan payments in aggregate of $394,680. The assignment by Greenland Ventures of its interest in the debt to a third party did not have any impact on the Company. During the year ended December 31, 2021, the Company made a loan payment in the amount of $800,000. On December 31, 2021, the Company entered into an agreement with the holder of the loan guarantee whereby they agreed to postpone payment of principal and interest until December 31, 2023. Additionally, the loan terms were amended whereby interest from January 1, 2022, is being charged at the rate of 5% per annum on the original principal balance of the loan of $1,531,232 and loan amount is now denominated in CAD versus DKK. During the six-month period ended June 30, 2022, interest of $37,966 was accrued on the loan guarantee.

Historically, True North's principal business activities included the exploration and evaluation of natural resource properties in Canada.

During the six month period ended June 30, 2022, and to the date of the report, the following events have occurred:

- On January 18, 2022, Price Waterhouse Coopers LLP resigned as auditor of the Company and the board of directors of the Company appointed Saturna Group Chartered Professional Accountants LLP as its new auditor until the close of the Company's next annual meeting.
- On May 25, 2022, the Company reimbursed the vendor of the Chuchinka Property the cost of staking the claims ($1,230) and the vendor of the Cobalt Hill Property the cost of staking the claims ($1,230). True North now holds a 100% undivided interest in the Chuchinka and Cobalt Hill Properties. Additionally, the Company paid the annual maintenance fees on the Cobalt Hill Property to maintain the claims in good standing.
- On June 30, 2022, the Company entered into an agreement to acquire a 50% interest in the Cyr-Kapiwak Lithium Project from Lithium One Metals Inc. ("LI"). The Cyr-Kapiwak Lithium Property consists of 42 mineral claims in a group of three non-contiguous lithium properties, Kay Lithium, Amish West Lithium and Amish East Lithium, having a total area of 2,220.02 hectares located in the James Bay area of Quebec.

  Under the terms of the agreement, the Company shall acquire an undivided 51% interest in the Cyr-Kapiwak Lithium Property by issuing 1,000,000 units to LI, each unit consisting of one common share and one share purchase warrant exercisable at $0.20 for 24 months from the date of issuance of the common shares within 10 days of regulatory approval; expending $250,000 on exploration expenditures within 24 months; and, LI retains a 2% Net Smelter Royalty and has the right to buy 1% of the royalty at any time for $1,000,000 subject to requisite regulatory approval. Refer to news release of July 4, 2022.
- On July 31, 2022, the Company entered into an agreement with a geological contractor to conduct a summer geological field program and technical assessment for its projects and advanced $100,000.
- On August 12, 2022, the TSX-V approved the acquisition of the 50% interest in Cyr-Kapiwak Lithium Property through the Company's newly formed (July 8, 2022) wholly owned subsidiary company, Laval Critical Elements Inc.

True Blue Project – Yukon, Canada
The property consists of 303 mining claims in the Watson Lake Mining District.

During the year ended December 31, 2019, the Company signed an option agreement with Razore Rock Resources Inc. ("Razore Rock") whereby, Razore Rock can earn up to a 70% working interest in the True Blue Rare Earth Element Property ("REE") in the Yukon Territory. Subsequent to the date, the agreement was entered into Ken Ralfs was appointed President and CEO of True North and joined the Board of Directors. Mr. Ralfs is the President, CEO and a director of Razore Rock (refer above to changes in management).

The REE Property consists of 68 mining claims in the Ketza-Seagull district of the Southern Yukon in the Watson Lake Mining District comprising 13.3 square kilometers. The property is located approximately 166 km northeast of Whitehorse and represents one of four adjacent project areas held by the Company in the region.

Razore Rock can earn a 70% interest by incurring expenditures in aggregate of $300,000 over three years and issuing an aggregate of 600,000 common shares with 200,000 shares to be issued on closing (issued October 10, 2019); a further 200,000 shares to be issued on or before November 30, 2020 (issued November 30, 2020) and, a further 200,000 to be issued on or before November 30, 2021 (issued November 30, 2021). Once Razore Rock earns its 70% interest, the parties will form a joint venture and contribute pro-rata (Razore Rock 70%, True North 30%) to the further exploration and development of the Property. If a party is reduced to a 10% or less interest in the Property that party's interest will be reduced to a 2% net smelter returns royalty with the right of the remaining party to acquire a 1% net smelter returns royalty at any time for the payment of $1,000,000.

The Company undertook an exploration program on a group of claims during 2019 that includes the REE Property. Razore Rock reimbursed True North for its pro-rata share of the costs of the exploration program in the amount of $52,400 based upon assessment work filed by True North on the Property.

Since March 2020, several measures have been implemented in Canada and the rest of the world in response to the increased impact from novel coronavirus (COVID-19). The Company continues to operate its business at this time. While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on business operations cannot be reasonably estimated at this time. The Company anticipates this could have an adverse impact on its business, results of operations, financial position and cash flows in future periods.

The Company completed a flow through unit financing in two tranches the first closed late December 2020 and the second early in February 2021 for gross proceeds of $750,000. It was originally anticipated that the Company would conduct an exploration program on the Yukon claims to further explore the REE potential on the True Blue Property[1,2] and evaluate other property acquisitions in other Canadian jurisdictions; in particular Quebec as the province will reimburse the Company 40% of any flow through funds spent there to meet its flow through obligations in fiscal 2021. However, the new development respecting COVID-19 and responses thereto in 2021, and the action taken by the Government of Canada to protect jobs and safe operations of junior mining exploration in extending the timelines for the spending of capital the Company via flow through shares by 12 months (December 31, 2022), the Company decided in was prudent to defer exploration activities. The challenges faced by the Company with COVID-19 are much greater than access limitations and social distancing. The Covid-19 has contributed to significant supply chain disruptions, such that simple repairs of mining equipment are often initially quoted from supply centres as being rectified by a few days to being delayed by months or having cost increases to making them not feasible. Further, the window of opportunity to conduct field exploration in the Yukon is limited (July to August) as the property elevation is 20,000 metres and as such, there is only a short period when the property is snow free, certain of the field crew members were not eligible to be fully vaccinated within the timeframe required and with restrictions in various jurisdictions being lifted and then reinstated it was difficult to schedule when a program and property investigations could be conducted.

True North’s ability to advance shareholders’ value over the past two years has been a challenge due to logistical and operational restrictions created in response to the pandemic. As these restrictions begin to ease, the Company is anxious to reengage the exploration agenda on its BC and Yukon projects.

Given the limited access window to conduct an exploration program on its REE property, the Company acquired in Exempt Transactions two prospective mining projects, known as Chuchinka and Cobalt Hill, located in British Columbia (December 2021). Both properties are more accessible and field season is longer than in the Yukon. A desktop study of the historic exploration compiling all the government data and assessing regional and property geology has commenced. The initial exploration will be based on collection, compilation, and interpretation of all of the historic exploration work done on the properties curated, property specific Geographic Information System (“GIS”) databases in order to identify areas of interest for field follow up in the spring and summer of 2022. Guided by the historic data, field programs focused ground truthing historic data, prospecting and sample collection including the collection of XRF geochemical date and LIDAR survey.

The Chuchinka Property – British Columbia
The Chuchinka Property, a base and precious metal prospect, is located 5 kilometres east of Castlegar in southeastern British Columbia covering an area of 562.5186 hectares.

The property covers a portion of the mid to late Jurassic Bonnington pluton, as well as embayments and roof pendants of the older Rossland Group sediments and volcanics that occur within the intrusive.

There are many known showings on the Chuchinka Property, which can generally be categorized into two types:

1. mineralization related to intrusion of the Bonnington pluton; and,
2. mineralization related toEocene-aged structural activity.

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[1] A work program will be conducted to explore the REE potential but the timing has yet to be determined

[2] Interior Releases 2018’s Final List of 35 Minerals Deemed Critical to U.S. National Security and the Economy

The property exhibits widespread gold mineralization generally associated with narrow, often wide spaced quartz veins. This high-grade gold mineralization has been found in numerous locations throughout the property and is well documented.

In addition to the gold-bearing quartz vein system, copper mineralization has been noted in several locations. Soil geochemistry has found anomalous copper zones within altered and often brecciated sections of the intrusive Bonnington pluton.

Along with the copper mineralization, cobalt geochemical values of interest have been noted. Numerous old prospect pits, shafts and adits on the Chuchinka Property are evidence of the early exploration history in the area, and there is anecdotal evidence of early placer gold mining on McPhee and Champion creeks. The presence of free gold in quartz veins at the Maud S showing has been known since the late 1890s.

Continuous exploration work has been carried out on the claims since 1995 with rock and soil geochemical surveys, airborne geophysical surveys, geological mapping and two small diamond drilling programs. The majority of the exploration work concentrated on gold mineralization.

Along with gold mineralization, the property has the potential to host breccia or porphyry bodies containing copper +/- cobalt as seen from soil geochemistry. In 2017, a small soil geochemical survey, rock sampling and petrographic work was conducted on the property.

Due to the favourable exploration results, additional work on the property is required, beginning with a comprehensive data compilation of current and prior geochemical surveys and geological mapping. Once this compilation is completed, target areas to test both gold and copper-cobalt mineralization will be defined and a follow-up excavator trenching, and sampling program is recommended for the Chuchinka Property. A two-phase program should include data compilation, Induced Polarization geophysical survey, structural geological mapping and follow-up excavator trenching and sampling.

A comprehensive work program has been prepared and is intended to be conducted during the third quarter of fiscal 2022. Fieldwork on the Chuchinka Property was scheduled to commence in the second quarter but was delayed due to heavy snowpack. Preliminary planning for the program was completed in the first quarter of 2022.

The Cobalt Hill Property– British Columbia
The Cobalt Hill Property, a base and precious metal prospect, is located 5 kilometres east of Castlegar in southeastern British Columbia covering an area of 421.4467 hectares.
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The property covers a portion of the mid to late Jurassic Bonnington pluton, as well as embayment's and roof pendants of the older Rossland Group sediments and volcanics that occur within the intrusive.

There are many known showings on the Cobalt Hill Property, which can generally be categorized into two types:

1. mineralization related to intrusion of the Bonnington pluton; and
2. mineralization related to Eocene-aged structural activity.

The property exhibits widespread gold mineralization generally associated with narrow, often wide spaced quartz veins. This high-grade gold mineralization has been found in numerous locations throughout the property and is well documented.

In addition to the gold-bearing quartz vein system, copper mineralization has been noted in several locations. Soil geochemistry has found anomalous copper zones within altered and often brecciated sections of the intrusive Bonnington pluton.

Along with the copper mineralization, cobalt geochemical values of interest have been noted. Numerous old prospect pits, shafts and adits on the Cobalt Hill Property are evidence of the early exploration history in the area, and there is anecdotal evidence of early placer gold mining on McPhee and Champion creeks. The presence of free gold in quartz veins at the Maud S showing has been known since the late 1890s. Continuous exploration work has been carried out on the claims since 1995 with rock and soil geochemical surveys, airborne geophysical surveys, geological mapping and two small diamond drilling programs. The majority of the exploration work concentrated on gold mineralization. Along with gold mineralization, the property has the potential to host breccia or porphyry bodies containing copper +/- cobalt as seen from soil geochemistry. In 2017, a small soil geochemical survey, rock sampling and petrographic work was conducted on the property.

Due to the favourable exploration results, additional work on the property is required, beginning with a comprehensive data compilation of current and prior geochemical surveys and geological mapping. Once this compilation is completed, target areas to test both gold and copper-cobalt mineralization will be defined and a follow-up excavator trenching, and sampling program is recommended for the Cobalt Hill Property. A two-phase program should include data compilation, Induced Polarization geophysical survey, structural geological mapping and follow-up excavator trenching and sampling.

A comprehensive work program has been prepared and is intended to be conducted during the third quarter of fiscal 2022. Fieldwork on the Cobalt Hill Property was scheduled to commence in the second quarter but was delayed due to heavy snowpack. Preliminary planning for the program was completed in the first quarter of 2022.

FINANCIAL POSITION - CONTINUING AND DISCONTINUED OPERATIONS COMBINED

As at June 30, 2022, the Company had current assets of $700,443, current liabilities of $4,799 and long-term liabilities of $6,331,540 compared to current assets of $782,886, current liabilities of $38,611 and long-term liabilities of $6,208,583 as at December 31, 2021. At June 30, 2022, the Company had working capital of $695,644 compared to working capital of $744,275 at December 31, 2021. As of June 30, 2022, the Company owes certain creditors $6,331,540 (December 31, 2021 - $6,208,583) and they have agreed to postpone the repayment of principal and accrued interest thereon until December 31, 2023.

The Company had cash of $652,895 at June 30, 2022. During the six-month period ended June 30, 2022, the Company recorded cash used in operations of $118,775 compared to cash used in operations of $52,358 for the comparative period June 30, 2021.

As at June 30, 2022, the Company is committed to spend $600,000 on or before December 31, 2022 on qualified exploration expenditures in connection with its flow-through financing completed in December 2020. Minimal activity has occurred during the six-month period ended June 30, 2022; expenditures were primarily those required to maintain its listing.

RESULTS OF OPERATIONS

Six-month period ended June 30, 2022, compared with six-month period ended June 30, 2021

(Information extracted from the Company's financial statements)

	For the six month period ended June 30, 2022	2021
Operating expenses		
Audit and related services	$ 153	$ 1,768
Consulting fees	66,000	66,000
Exploration and evaluation expenditures	4,360	-
Foreign exchange loss (gain)	(4)	(1,501)
General and administrative	1,634	5,872
Transfer agent and filing fees	11,871	12,497
Operating loss	(84,171)	(85,405)
Interest	(21,991)	4,050
Income (loss) before income taxes	(106,162)	(81,355)
Income tax expense	-	4,050
Net income (loss) for period from continuing operations	(106,162)	(81,355)
Net income (loss) for period from discontinued operations	(37,966)	(252,714)
Net income (loss) for period	$ (144,128)	$ (334,069)

NET INCOME (LOSS)

The net loss from continuing and discontinued operations for the six-month ended June 30, 2022, amounted to $144,128 compared to a net loss for the comparative period of $334,069.

Discontinued operations

	For the six month period ended June 30, 2022	2021
True North's operating expenses		
Foreign exchange loss (gain)	$ -	$ (307,750)
True North operating income (loss)	-	307,750
Other income (expenses)		
Loan guarantee - accrued interest	(37,966)	(560,464)
Net income (loss) and comprehensive income (loss) for the period from discontinued operations	$ (37,966)	$ (252,714)

The activity for the six-month ended June 30, 2022, compared to the six-month ended June 30, 2021, as follows:

i. unrealized foreign exchange gain of $Nil (2021: $307,750 gain) on loan guarantee amount demanded by Greenland Venture[3] in June 2017. In December 2021, the terms of the loan guarantee were amended and the debt is now denominated in Canadian dollars (2021 denominated in Danish krone).

ii. recognition of interest expense of $37,966 (2021: $560,464) on loan guarantee. In December 2021, the terms of the loan guarantee were amended. The principal amount of the original debt amount bears interest at the rate of 5% per annum. In the prior period, accrued interest was calculated at the rate of 2% per month on the outstanding balance.

[3] Loan guarantee amount assigned to an arm's length third party on February 7, 2019

Continuing operations
Net loss from continuing operations for the six-month ended June 30, 2022, amounted to $106,162 compared to a net loss of $81,355 for the six-month ended June 30, 2021.

Operating expenses – continuing operations
For the six-month ended June 30, 2022, total operating expenses were $84,171 compared to $85,405 recorded during the same period in 2021 representing a decrease of $1,234.

Significant factors that contributed to the variances are discussed below:

Consulting fees
Consulting fees totalling $33,000 compared to $33,000 in the prior period.

Exploration expenditure
During the six-month ended June 30, 2022; the Company incurred expenditures on the Chuchinka and Cobalt Hill property. Details of expenditure are as follows.

Areas of Interest	**True Blue**	**Chuchinka**	**Cobalt Hill**	**Total**
Cumulative expenditures balance - December 31, 2021	$ 26,101	$ -	$ -	$ 26,101
Exploration expenditure				
Technical services	-	1,781	2,579	4,360
Total exploration and evaluation expenditures for period	-	1,781	2,579	4,360
Balance - June 30, 2022	$ 26,101	$ 1,781	$ 2,579	$ 30,461

NET LOSS

Three-month period ended June 30, 2022 compared with three-month period ended June 30, 2021

(Information extracted from the Company's condensed interim financial statements - unaudited)

	For the three month period ended June 30, 2022	2021
Operating expenses		
Audit and related services	$ 153	$ 1,585
Consulting fees	33,000	33,000
Exploration and evaluation expenditures	-	-
Foreign exchange loss (gain)	(5)	(797)
General and administrative	455	3,052
Transfer agent and filing fees	4,316	5,239
Operating loss	(37,919)	(42,079)
Interest	(11,251)	270
Income (loss) before income taxes	(49,171)	(41,809)
Income tax expense	-	270
Net income (loss) for period from continuing operations	(49,171)	(41,809)
Net income (loss) for period from discontinued operations	(19,088)	(267,544)
Net income (loss) for period	$ (68,259)	$ (309,353)

The net loss from continuing and discontinued operations attributable to shareholders for the three-month period ended June 30, 2022 amounted to $68,259 compared to a net loss for the comparative period of $309,353 representing a decrease in net loss of $241,094. The fluctuations in line item amounts are due to the same factors discussed in the above noted year-to-date analysis.

Discontinued operations

	For the three month period ended June 30, 2022	2021
True North's operating expenses		
Foreign exchange loss (gain)	$ -	$ (12,399)
True North operating income (loss)	-	12,399
Other income (expenses)		-
Loan guarantee - accrued interest	(19,088)	(279,943)
Net income (loss) and comprehensive income (loss) for the period from discontinued operations	$ (19,088)	$ (267,544)

CAPITAL EXPENDITURES

There were no capital expenditures during the six-month ended June 30, 2022.

SUMMARY OF QUARTERLY RESULTS – UNAUDITED

The following table details the Company's quarterly results:

Quarter Ended	Net revenues	Net income (loss)	Income (loss) per share - basic	Income (loss) per share - diluted
	$'s	$'s	$'s	$'s
30-Jun-22	-	(68,259)	(0.00)	(0.00)
31-Mar-22	-	(75,869)	(0.00)	(0.00)
31-Dec-21	-	171,846	0.01	0.01
30-Sep-21	-	(340,449)	(0.00)	(0.01)
30-Jun-21	-	(309,353)	(0.00)	(0.00)
31-Mar-21	-	(24,716)	(0.00)	(0.00)
31-Dec-20	-	(276,263)	(0.00)	(0.00)
30-Sep-20	-	(514,275)	(0.00)	(0.03)

*Values may not add to reported amount for the years then ended due to rounding

As a result of the loss of control, TNGG's operations were reclassified as discontinued operations. Disclosure of continuing and discontinued operations quarterly results is set out below:

Quarter Ended	Net income (loss) - continuing operations	Net income (loss) - discontinued operations	Net income (loss)	Loss per share from continuing operations-basic	Loss per share from continuing operations-diluted	Income (loss) per share from discontinued - basic	Income (loss) per share from discontinued - diluted
	$'s	$'s	$'s	$'s	$'s	$'s	$'s
30-Jun-22	(49,171)	(19,088)	(68,259)	(0.00)	(0.00)	(0.00)	(0.00)
31-Mar-22	(56,991)	(18,878)	(75,869)	(0.00)	(0.00)	(0.00)	(0.00)
31-Dec-21	250,698	(78,852)	171,846	0.01	0.00	(0.01)	(0.01)
30-Sep-21	(42,571)	(297,878)	(340,449)	(0.00)	(0.00)	(0.01)	(0.01)
30-Jun-21	(41,809)	(267,544)	(309,353)	(0.00)	(0.00)	(0.01)	(0.01)
31-Mar-21	(39,546)	14,830	(24,716)	(0.00)	(0.00)	0.00	0.00
31-Dec-20	(44,315)	(231,949)	(276,263)	(0.00)	(0.00)	(0.02)	(0.01)
30-Sep-20	(41,026)	(473,249)	(514,275)	(0.00)	(0.00)	(0.03)	(0.03)

There are no meaningful trends evident from analysis of the summary of quarterly financial information over the last eight quarters.

Factors that can cause significant fluctuations in the Company's quarterly results are set out in the table below.

Quarter Ended	Foreign exchange losses (gains)	Consulting fees/salaries	Exploration and evaluation expenditures	Accounts & loan payable written off	Discountinued operations
	$'s	$'s	$'s	$'s	$'s
30-Jun-22	(5)	33,000	-	-	(19,088)
31-Mar-22	1	33,000	4,360	-	(18,878)
31-Dec-21	1,427	33,000	(21,000)	326,113	(78,852)
30-Sep-21	1,339	33,000	-		(297,878)
30-Jun-21	(797)	33,000	-		(267,544)
31-Mar-21	(704)	33,000	-		14,830
31-Dec-20	(2,300)	33,000	(14,000)		231,949
30-Sep-20	(1,241)	35,500	-		473,249

LIQUIDITY AND CAPITAL RESOURCES

At June 30, 2022, the Company had cash and cash equivalents (collectively referred to as "cash") of $652,895 and a working capital of $695,644. As of June 30, 2022, the Company has an obligation to spend $600,000 on qualifying Canadian exploration expenditures on or before December 31, 2022.

Based on the financial position at June 30, 2022, the Company's available funds through debt or equity issuances or other available means are not considered adequate to meet requirements for the next twelve months based on expenditures for operations and exploration obligations of $600,000 for flow-through financing that was completed in December 2020. To meet expenditure requirements, the Company is dependent upon its ability to access financial resources. There can be no assurances that the Company will be successful in accessing these financial resources.

CAPITAL RESOURCES

To date, the Company has met its capital requirements through the completion of equity placements, debt financings and investment sales.

Trends that affect the market generally, and the perception of the Company within the marketplace, can affect the Company's ability to access capital in both a positive and negative way. Trends in this general market are defined by fluctuations in the global economy and the demand for metals and commodity prices. Trends in the perception of the Company in the resource marketplace will be affected by general trends in the resource equity markets, the Company's performance in creating shareholder value and in demonstrating the ability to manage the Company's affairs and achieve mandated objectives.

a) On December 31, 2021, the Company entered into an agreement with the holders of the demand loans whereby the creditor agreed to postpone payment of principal and interest to December 31, 2023. During the six-month period ended June 30, 2022, interest of $1,636 on this loan was accrued.
b) The Company had unconditionally and irrevocably guaranteed repayment to Greenland Ventures of the loan principal, accrued interest and any costs and expenses payable in connection with the loan made to TNGG. Two claims of DKK 361,461 and DKK 11,753,910 (as at December 31, 2021 approximately CAD $2,345,536) respectively had been filed against the Estate by Greenland Ventures relating to the loan guaranteed by True North. Greenland Ventures received dividend distributions of DKK 28,092.93 and DKK 885,425.12 respectively (approximately CAD $184,162) from the Estate in settlement of these claims. The guarantee provides that whenever TNGG does not pay any amount when due under the agreement, then True North shall immediately on

demand pay the amount as if it was the principal obligor. In June 2017, Greenland Ventures issued a demand for repayment of principal and interest (DKK 12,165,675 (CAD $2,475,472) as at May 24, 2017) and a provision has been recorded for the amount demanded plus interest that has accrued at the rate of 2% per month compounded monthly from May 24, 2017 to December 31, 2021, 2021 DKK 15,374,053 (CAD $2,976,417)). On February 7, 2019, the loan guarantee payable to Greenland Ventures was assigned to an arm's length third party for the aggregate purchase price of $350,000. Subsequent to the date of the assignment, the Company made loan payments in aggregate of $394,680 during the year ended December 31, 2019. During the year ended December 31, 2021, the Company made a loan payment of $800,000. On December 31, 2021, the Company entered into an agreement with the holder of the loan guarantee whereby they have agreed to postpone payment of principal and interest until December 31, 2023. Addionally, the loan terms were amended whereby interest from January 1, 2022 is being charged at the rate of 5% per annum on the original principal balance of the loan of $1,531,232 and loan amount is now denominated in CAD versus DKK. During the six-month period ended June 30, 2022, interest of $37,966 was accrued on the loan guarantee.

c) On December 31, 2021, the Company entered into loan agreements with six creditors whereby they have agreed to postpone repayment of the principal totaling $868,083 until December 31, 2023. The loans will bear interest at the rate of 5% per annum and will be payable December 31, 2023. During the six-month period ended June 30, 2022, interest of $20,374 was accrued on these loans and a creditor advanced the Company $63,000 in loan proceeds that repayment of has been postponed until December 31, 2023 and interest will accrue at the rate of 5% per annum.

TRANSACTIONS WITH RELATED PARTIES

Key management personnel are those persons that have the authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly. Key management personnel include the Company's directors and members of the senior management group.

During the six months ended June 30, 2022, key management personnel charged $60,000 in fees for services rendered. These transactions were in the normal course of business recorded at their exchange amounts, which was established and agreed to by the related parties.

At June 30, 2022, the Company has loan agreements with key management whereby they have agreed to postpone repayment of the principal and interest totaling $728,518 until December 31, 2023. The loans bear interest at the rate of 5% per annum and will be payable December 31, 2023. During the six-month period ended June 30, 2022, interest of $16,894 was accrued on these loans and a creditor advanced $63,000 in loan proceeds during the six month period ended June 30, 2022 that payment of principal and interest at the rate of 5% per annum have been postponed to December 31, 2023.

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PROPOSED TRANSACTIONS

As of August 5, 2022, the Company has no proposed material transactions.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods affected.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant are disclosed in note 4 in the Company's audited annual financial statements for the year ended December 31, 2021.

ACCOUNTING POLICIES

The Company has applied IFRS, as disclosed in note 3 to the annual financial statements, which are applied on a consistent basis.

INTERNAL CONTROL OVER FINANCIAL REPORTING AND DISCLOSURE CONTROLS AND PROCEDURES

Currently, the certification required by the Company's certifying officers under National Instrument 52-109 Certificate of Disclosure in Issuers' Annual and Interim Filings (NI 52-109F), the Venture Issuer Basic Certificate, does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. This includes:

i. Controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized, and reported within the time periods specified in securities legislation; and,
ii. A process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they make in the certificate.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Refer to elsewhere in the MD&A or the Company's financial statements for capitalized or expensed exploration and development costs, general and administrative expenses, and other material costs. Additional information relating to the Company is on SEDAR www.sedar.com.

OUTSTANDING SHARE DATA

At June 30, 2022 and as of the date of this report, True North had 31,577,353 common shares and 12,000,000 warrants issued and outstanding.

RISK FACTORS

Financial capability and additional financing
The Company will require additional financing through debt or equity issuances, collection of additional funds from bankruptcy proceedings, if any, or other available means in order to continue operations and for working capital purposes. While it has been successful in raising funds in the past, there is no guarantee that adequate funds will be available in the future and/or on terms acceptable by the Company. The Company has cash and cash equivalents of $652,895 at June 30, 2022. Based on the financial position at June 30, 2022, available funds are not considered adequate to meet requirements for the next twelve months in order to continue operations. A discussion of risk factors particular to the financial instruments is presented in notes 1 & 12 of the audited financial statements.

COVID-19
The Company's business, operations and financial condition could be materially and adversely affected by the outbreak of epidemics or pandemics or other health crises, including the recent outbreak of COVID-19. To date, there have been a large number of temporary business closures, quarantines and a general reduction in consumer activity in Canada. The outbreak has caused companies and various governmental bodies to impose travel, gathering and other public health restrictions. While these effects are expected to be temporary, the duration of the various disruptions to businesses locally and internationally and the related financial impact cannot be reasonably estimated at this time. Similarly, the Company

cannot estimate whether or to what extent this outbreak and the potential financial impact may extend. Such public health crises can result in volatility and disruptions in the supply and demand for gold and other metals and minerals, global supply chains and financial markets, as well as declining trade and market sentiment and reduced mobility of people, all of which could affect mineral prices, interest rates, credit ratings, credit risk, share prices and inflation. The risks to the Company of such public health crises also include slowdowns or temporary suspensions of operations in locations impacted by an outbreak, interruptions to supply chains and supplies upon on which the Company relies, restrictions that the Company and its contractors and subcontractors impose to ensure the safety of employees and others, increased labor costs, regulatory changes, political or economic instabilities or civil unrest.