

Management's Discussion and Analysis For the Three and Six Months Ended February 28, 2023

Date: April 26, 2023

This Management Discussion and Analysis ("MD&A") relates to the financial position and results of operations of M3 Metals Corp. ("M3 Metals" or the "Company") for the six months ended February 28, 2023. This MD&A should be read in conjunction with the Company's condensed interim consolidated financial statements for the three and six months ended February 28, 2023 and 2022 (the "Financial Statements") and the Company's audited consolidated financial statements for the years ended August 31, 2022 and 2021. The Financial Statements and related notes have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Unless otherwise noted, all references to currency in this MD&A are in Canadian dollars.

This discussion contains forward-looking statements that involve risks and uncertainties. Such information, although considered to be reasonable by the Company's management at the time of preparation, may prove to be inaccurate and actual results may differ materially from those anticipated in the statements made.

Overview of the Company

M3 Metals Corp. is a Canadian listed company, focused on the exploration and development of its mineral projects in North America. The Company currently holds interest in the G-South property in British Columbia, Canada.

In September 2022, the Company consolidated its common shares on the basis of one post-consolidation share for ten pre-consolidation shares. Immediately following the share consolidation, the Company had 3,274,724 common shares issued and outstanding.

In February 2023, the Company closed a private placement of 5,000,000 units at a price of \$0.24 per unit for gross proceeds of \$1,200,000. Each unit consists of one common share and one share purchase warrant. Each share purchase warrant is exercisable for two years at a price of \$0.32 per share.

In April 2023, the Company granted 800,000 stock options to directors and Consultants of the Company exercisable for a period of 5 years at an exercise price of \$0.47/share.

For a more detailed description of the Company's interest in its exploration and evaluation assets along with current and future exploration plans, refer to the section "Summary of Properties".

Summary of Properties

Exploration and Evaluation Properties

For the six months ended February 28, 2023, the Company incurred exploration and evaluation expenditures of \$nil as compared to \$2,310 (before proceeds from sales of exploration and evaluation properties and recovery) in the comparative period of 2022.

	Schefferville \$
<i>Exploration expenditures:</i>	
Geological	2,310
For the six months ended February 28, 2022	2,310

The total cumulative acquisition and deferred exploration costs of the Company's current projects to February 28, 2023 are summarized as follows:

	Schefferville	Aspen	Stars	Mohave	G-South	Total
	\$	\$	\$	\$	\$	\$
Property acquisition costs	1	171,739	184,501	100,213	160,000	616,454
<i>Exploration expenditures:</i>						
Drilling	-	16,921	1,925,145	-	-	1,942,066
Geological	227,534	56,504	187,801	391,063	-	862,902
Transportation	-	16,396	12,035	-	-	28,431
	227,535	261,560	2,309,482	491,276	160,000	3,449,853
BC mineral exploration tax credit recoverable	-	(23,975)	(114,578)	-	-	(138,553)
Value of option payment received	(442,000)	(900,000)	-	(450,000)	-	(1,792,000)
Gains from option payments received	214,465	711,165	-	184,490	-	1,110,570
Recovery of exploration and evaluation properties	-	-	-	(226,216)	-	(226,216)
Write-off of exploration and evaluation properties	-	(48,750)	(1,703,904)	-	-	(1,752,654)
Reclassification to asset held for sale	-	-	(491,000)	-	-	(491,000)
As at February 28, 2023	-	-	-	-	160,000	160,000

The Schefferville Property:

Block 103

The Block 103 iron ore property ("Block 103 Project") covers 7,245 hectares within the Labrador Trough, 30 kilometres northwest of the mining town of Schefferville near the border of Quebec, Canada. Block 103 lies immediately north and parallel to Tata Steel/New Millennium Iron Corp.'s LabMag magnetite deposit and southeast of their KeMag magnetite deposit, which have a combined mineral resource of approximately 8 billion tonnes of measured and indicated resources and 2 billion tonnes of inferred resources. Block 103 is strategically located close to an existing railway that runs south linking to the shipping port of Sept Iles, Quebec.

Block 103 lies predominantly within the Schefferville Lithotectonic Zone, which includes the Greenbush Zone, however, the western edge of the claim block lies west of the Stakit Lake Fault in the Tamarack Lithotectonic Zone. The Tamarack Zone, which also hosts the LabMag and Kemag deposits, typically has only the one instance of the Sokoman Iron Formation with no thrust-fault repetition. The Schefferville Lithotectonic Zone is known in the extensive geological literature to host multiple shallow-east-dipping thrust fault that repeats the stratigraphy, including the iron oxide members of the Sokoman Formation. This fault-repetition creates the potential for significantly more tonnage per unit surface area, and these occurrences have been observed in the drilling results throughout the Greenbush Zone.

In May 2022, the Company entered into a Tenement Sale Agreement ("TSA") with Labrador Iron Pty Ltd. ("Labrador"), a private Australian company, whereby the Company will sell its 100% right, title and interest in Block 103 in exchange for:

- cash payment of AUS\$500,000 on closing (received \$442,000);
- cash payment of AUS\$1,000,000 on or before May 12, 2023. In the event Labrador does not make this cash payment, Labrador must issue to the Company, for no consideration, that number of common shares of Labrador that is equal to 70% of the fully diluted issued and outstanding share capital of Labrador; and
- Labrador must incur at least AUS\$250,000 in eligible exploration expenses on Block 103 to keep the properties in good standing to March 31, 2023.

Should Labrador be acquired by an entity listed on a stock exchange ("Listco") prior to May 12, 2023, Listco must issue to the Company:

- That number of fully paid common shares in the capital of Listco that is equal to AUS\$500,000, divided by the 10-day VWAP of Listco's common shares as traded on the stock exchange prior to the closing date, to be issued within three business days of completion of the transaction with Listco; and
- That number of fully paid common shares in the capital of Listco that is equal to AUS\$500,000, divided by the 10-day VWAP of Listco's common shares as traded on the stock exchange prior to the closing date, to be issued upon the earlier of either:
 - 12 months from the date of completion of the transaction with Listco; or
 - upon definition of a JORC inferred resource on Block 103 of not less than 5 Billion tonnes containing iron ore at a grade not less than 28% within 12 months of the execution of the TSA.

Greenbush Zone

The drilling program on Block 103's Greenbush Zone to date has enabled the Company to outline an area that hosts significant magnetite mineralization. The outlined area, called the Greenbush Zone, is underlain by a continuous magnetite bearing horizon (Sokoman Formation). (Refer to Greenbush Zone Map, which can be found at <https://www.m3metalscorp.com>.)

On February 4, 2013, the Company released the results of the initial NI 43-101 mineral resource estimate on an area within the Greenbush Zone which was the primary focus of the 2012 exploration program. Watts, Griffis and McOuat ("WGM"), Consulting Geologists and Engineers of Toronto, Ontario estimated an inferred resource of 7.2 billion tonnes at 29.2% total iron (18.9% magnetic iron). This resource estimate is based on a cut-off grade of 12.5% magnetic iron (magFe%). The inferred resources cover an area with a strike length of approximately 4 kilometres (km) and a width of 2.5 km.

In March 2016, the Company released the results of a ground gravity survey conducted by TSMC on the Company's Block 103 property. As an initial follow up on the recent ground gravity program in the summer of 2015 TSMC completed 3-diamond drill holes testing only one area on the eastern edge of the Block 103 property near the newly constructed access road. There was no DSO style mineralization intersected within the 3 drill holes conducted by TSMC, partially due to the fact that drilling was concentrated close to existing access and did not adequately test the best parts of nor all the targets.

Block 103-Greenbush Zone Initial NI 43-101 Resource Report

The Block 103 deposit is predominantly composed of magnetite and a process flowsheet based on progressive particle size reduction and magnetic separation, which is conventional and proven for this type of mineralization, is being developed. Based on laboratory test results, metallurgical performance for the operation has been projected as follows:

Magnetite Recovery	93.7%
Concentrate Iron Grade	70.0%
Concentrate Silica Grade	3.4%
Concentrate Liberation Size P100	75µ
Ore Hardness SMC (Axb) BWi (kWh/t at p80-32um)	37 15.5

These results are in line with similar deposits in the region. Results to date suggest that the concentrate that will be produced and that will feed the pelletizing plant will have the following chemical composition:

Fe	SiO ₂	Al ₂ O ₃	MgO	CaO	Na ₂ O	K ₂ O	Ti	Mn	P	Cr
70%	3.40%	0.08%	0.10%	0.11%	0.07%	0.01%	0.02%	0.046%	0.006%	0.02%

The aforementioned results are based on the northern and eastern sectors of the deposit and are deemed to reasonably represent the first thirty years of operation according to the mine development plan envisioned at this time.

In September 2021 the Company completed a LiDAR survey over the Greenbush Zone including possible extensions to the north and south of to the extent of the project boundaries. The primary objective of this project is to acquire LiDAR and photo data by helicopter of an exploration site on the Labrador side of the border 25 km from the town Shefferville to provide a classified and georeferenced point cloud, DTM and orthophoto. The survey was completed within 2 days, on September 22nd and 23rd of 2021. LiDAR data was acquired at the same time as the photo data. A base station was installed for several hours both days on a nail, on site. At all times, this base was within 10 km of the helicopter to ensure proper accuracy. The coordinates of the nail were sent to the PPP for corrections and were converted to NAD83 original since they were in CSRS initially (using SYREQ software). The new coordinates were the ones we used for the remaining processing. The data is now being analyzed along with all historic drilling and geophysical data to aid in the continued planning for DSO target confirmation and testing.

Mohave Mine Gold Property

On September 21, 2019, the Company entered into an option agreements with DDS Resources LLC and Mohave Mine Partnership LLC (collectively, "Optionors") to acquire, by way of option, up to 100% of certain mining claims in the Weaver mining district, Mohave County, Arizona, USA (collectively, the "Mohave Mine Gold Property").

Under the terms of the agreement, the Company has the option to earn up to a 100% interest in the Mohave Mine Gold Property by completing the following:

	Cash payment (US\$)	Expenditures (US\$)
On or before October 1, 2019	(paid) 50,000	-
On or before March 31, 2021*	(paid by BMGUC) 75,000	(incurred) 50,000
On or before March 31, 2022*	(paid by BMGUC) 100,000	(incurred) 200,000
On or before March 31, 2023*	150,000	300,000
On or before March 31, 2024*	200,000	350,000
On or before March 31, 2025*	3,000,000	400,000
Total Requirement	3,575,000	1,300,000

*As part of the Definitive Agreement (defined below), Black Mountain Gold USA Corp. ("BMGUC") is also responsible to keep the underlying option agreement between the Optionors and the Company in good standing by making the necessary cash payments and completing exploration expenditures requirement.

Upon the completion of all payments, the Company will grant a 1.5% net smelter royalty to the Optionors.

In July 2020, and later amended in April 2022 and in October 2022, the Company entered into a mineral property option agreement (the "Definitive Agreement") with BMGUC. Under the Definitive Agreement, BMGUC can earn up to a 90% interest in the Mohave Mine Gold Property by making payments and incurring exploration expenditures as follows:

	Cash payment (\$)	Expenditures (\$)
On or before November 5, 2020	(received) 300,000	-
On or before May 4, 2022	(received) 150,000	-
On or before March 4, 2023*	250,000	-
On or before November 4, 2023	400,000	-
On or before November 4, 2024**	2,000,000	1,000,000
On or before November 4, 2025***	3,000,000	2,000,000
Total Requirement	6,100,000	3,000,000

* \$250,000 is due on the earlier of March 4, 2023 or five business days after the completion of (i) State and Federal approval of the Environmental Assessment (EA) Report filed by the Company; and (ii) approval of the Company's exploration plan of operation including allowing road and drill pad construction to begin and planned drilling to be commenced.

**BMGUC must, at BMGUC's option, pay \$2,000,000 or issue shares valued at the time of issuance of \$2,000,000 up to 50% of BMGUC's outstanding shares to the Company.

*** BMGUC must, at BMGUC's option, pay \$3,000,000 or issue shares valued at the time of issuance of \$3,000,000 up to 50% of BMGUC's outstanding shares to the Company.

In March 2023, Millennial Potash Corp (formerly Black Mountain Gold USA Corp.) and the Company mutually agreed to terminate the definitive agreement dated July 4, 2020 and as amended in April and October 2022 between BMGUC and the Company with respect to the Mohave Mine Gold Property. BMGUC forfeited its right to earn a 90% interest in the Mohave Mine Gold Property. Subsequently in April 2023, the Company forfeited its right to acquire a 100% interest in the Mohave Mine Gold Property by terminating its agreement with DDS Resources LLC dated September 21, 2019.

G-South Property

On April 21, 2022, the Company entered into a mineral claims purchase and sale agreement to acquire 100% of the G-South property, located in the Central Cariboo Region of South Central British Columbia (the "G-South Property"). Under the terms of the agreement, the vendor is to receive a total of \$20,000 (paid) and 200,000 common shares of the Company (issued at a value of \$140,000) as consideration for the purchase.

The Company will pay a 2% NSR to the vendor on commencement of commercial production which the Company will have the right, at any time prior to the commencement of commercial production, to purchase 50% of the NSR for \$1,000,000.

The G-South Property covers an area of 929.68 Hectares of within the prolific Quesnel terrane, located approximately 30 kilometers north of Quesnel, British Columbia, Canada. The G-South Property is considered prospective for gold and has seen historical exploration beginning in the 1960's with the largest percentage of work completed in the mid to late 1980's. Historical drill intercepts on the Property include 38.13 grams per tonne gold over 0.9 metres (drill hole P-87-29, ARIS 17309) and 6.87 grams per tonne gold over 4.5 metres at the bottom of the one of the deepest holes ending at 94.5 metres (drill hole P-87-41, ARIS 17309). Additional historical drilling and trenching on the G-South Property also encountered highly anomalous gold values and as such the Company plans to begin a detailed compilation and modeling program to better define the areas which have not been adequately followed and have only been tested with shallow (<100 meters) drilling.

The regional geology consists of Upper Triassic Takla Group mafic to intermediate flows, pyroclastic volcanics and argillaceous sedimentary rocks. These are intruded by coeval plutonic rocks of the Naver Intrusive Suite. Locally the Property is underlain by augite porphyry, basaltic breccias and argillites which have been intruded by several rhyolite dikes. Sulphide mineralization occurs disseminated in the country rocks and in stockworks and breccia infillings with

quartz, calcite, epidote, and chlorite. There are two main types of mineralization historically identified; disseminated and fracture-controlled pyrite, pyrrhotite and rare chalcopyrite in volcanics or along contacts with rhyolite dikes and; massive sulphide mineralization within gouge zones up to 1.9 meters wide consisting of pyrite, arsenopyrite and sphalerite and occasionally chalcopyrite and galena.

Quality Control and Quality Assurance

The scientific and technical content and interpretation contained in this MD&A have been reviewed, verified and approved by Adrian Smith, P. Geo., B.Sc., a Qualified Person as defined by NI 43-101, Standards of Disclosure for Mineral Projects.

Overall Performance

Operating expenses for the six months ended February 28, 2023 were \$229,642 versus \$239,781 for the six months ended February 28, 2022. The lower operating expenses in the current period is mostly the result of the decrease in consulting and director fees.

The Company recognized a net and comprehensive loss of \$666,095 in the current period versus a net and comprehensive loss of \$221,743 in the comparative period. In the current period, the net loss was mainly attributable to unrealized loss on net change in fair value of marketable securities and operating expenses. The net loss in the comparative period is attributable to operating expenses.

Results of Operations

The following table sets forth selected financial information from the Financial Statements for the three and six months ended February 28, 2023 and 2022:

	For the three months ended February 28,		For the six months ended February 28,	
	2023	2022	2023	2022
	\$	\$	\$	\$
Expenses				
Consulting and directors fees	58,831	69,000	129,590	163,783
Depreciation	507	418	1,015	835
Investor relations	442	1,070	1,126	1,070
Marketing	4,821	2,360	6,534	3,560
Office and administration	29,289	25,894	52,656	44,548
Professional fees	18,976	7,285	22,633	18,985
Property investigation costs	0	2,500	6,269	7,000
Travel and related	8,860	-	9,819	-
	(121,726)	(108,527)	(229,642)	(239,781)

As an exploration company, the Company has yet to generate any revenue from its planned operations and has, to date, incurred annual net losses from operating and administrative expenses.

All of the Company's projects are at the exploration stage and, to date, the Company has not generated any revenues other than sales of exploration and evaluation properties, sales of marketable securities, and interest income. At February 28, 2023, the Company had not yet achieved profitable operations and has accumulated losses of \$42,170,335 (August 31, 2022 - \$42,266,342) since inception. The loss incurred during the period resulted in a loss per share (basic and diluted) for the six months ended February 28, 2023 of \$0.17 (February 28, 2022 - \$0.07).

The table below details the changes in major expenditures for the three months ended February 28, 2023 ("current quarter") as compared to the three months ended February 28, 2022.

Expenses	Increase / Decrease in Expenses	Explanation for Change
Professional fees	Increase of \$11,691	Increased due to higher engagement of professionals for the current quarter.

The table below details the changes in major expenditures for the six months ended February 28, 2023 as compared to the corresponding period ended February 28, 2022.

Expenses	Increase / Decrease in Expenses	Explanation for Change
Consulting and director fees	Decrease of \$34,193	Decreased due to fewer consultants engaged during the current period.

Quarterly Information

	Feb 28, 2023	Three Months Ended		
	\$	Nov 30, 2022	Aug 31, 2022	May 31, 2022
		\$	\$	\$
Revenue	-	-	-	-
Income (loss) and comprehensive income (loss)	(144,357)	(521,738)	149,840	156,787
Basic and diluted earnings (loss) per share	(0.03)	(0.16)	0.10	0.10

	Feb 28, 2022	Three Months Ended		
	\$	Nov 30, 2021	Aug 31, 2021	May 31, 2021
		\$	\$	\$
Revenue	-	-	-	-
Income (loss) and comprehensive income (loss)	(90,489)	(131,254)	(1,255,427)	(280,343)
Basic and diluted earnings (loss) per share	(0.03)	(0.04)	(0.40)	(0.10)

Variances quarter over quarters can be explained as follows:

- During the quarter ended February 28, 2023, the Company recorded an unrealized loss on net change in fair value of marketable securities of \$23,420.
- During the quarter ended November 30, 2022, the Company recorded an unrealized loss on net change in fair value of marketable securities of \$412,560.
- During the quarter ended August 31, 2022, the Company recorded an unrealized gain on net change in fair value of marketable securities of \$278,340.
- During the quarter ended May 31, 2022, the Company recorded an unrealized loss on net change in fair value of marketable securities of \$122,120 and recognized a gain on sales of exploration and evaluation properties of \$390,247.
- During the quarter ended August 31, 2021, the Company recorded an unrealized loss on net change in fair value of marketable securities of \$52,640 and recognized a write-off relating to exploration and evaluation properties of \$878,743
- During the quarter ended May 31, 2021, the Company recorded an unrealized loss on net change in fair value of marketable securities of \$276,360 and recognized a write-off relating to exploration and evaluation properties of \$860,101.

Liquidity and Capital Resources

The Company is not in commercial production on any of its properties and accordingly, the Company does not generate cash from operations. The Company finances its exploration activities by raising capital from equity markets from time to time. The Company's liquidity and capital resources at the following dates are as follows:

	February 28, 2023	August 31, 2022
	\$	\$
Cash	1,687,032	770,463
Marketable securities	71,320	507,300
Amount receivable	7,225	4,419
Prepaid expenses	12,365	18,572
Total current assets	1,777,942	1,300,754
Accounts payables and accrued liabilities	(358,780)	(416,512)
Working capital	1,419,162	884,242

The Company has financed its operations to date through the issuance of common shares. The Company seeks to raise capital through various means including the issuance of equity and/or debt.

As at February 28, 2023, the Company had working capital of \$1,419,162 (August 31, 2022 – \$884,242) and a cash position of \$1,687,032 (August 31, 2022 – \$770,463). During the six months ended February 28, 2023, the Company's working capital position increased by \$534,920 due mainly to proceeds received from the issuance of shares.

The total net increase in cash during the current period was \$916,569 compared to an increase of \$217,723 in the comparative period. The Company experienced an increase in cash as the result of \$1,199,900 cash provided from the issuance of shares. The increase in cash in the comparative period was the result of cash provided by the sale of exploration and evaluation assets.

The Company does not currently have any revenue generating assets or operations. The Company will require additional financial resources to explore, quantify and develop its exploration and evaluation properties. The continued operations of the Company and the recoverability of the amounts reported for resource property interests is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete exploration and development programs, and upon future profitable production.

Related Party Transactions

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including directors (executive and non-executive) of the Company.

On May 1, 2019, the Company entered into a consulting agreement with the CFO and Director of the Company. The agreement requires monthly payments of \$3,000 for a period of 60 months. Included in the agreement is a provision for a one year payout in the event of termination without cause.

On May 1, 2019, the Company entered into a management agreement with the President and Director of the Company. The agreement requires monthly payments of \$10,000 for a period of 60 months. Included in the agreement is a provision for a one year payout in the event of termination without cause. In February 2023, a new agreement was entered and the monthly payments were revised to \$5,000 for a period of 12 months.

On May 1, 2019, the Company entered into a consulting agreement with the CEO and Director of the Company. The agreement requires monthly payments of \$10,000 for a period of 60 months. Included in the agreement is a provision for a one year payout in the event of termination without cause.

During the six months ended February 28, 2023 the Company entered into the following transactions with related parties, not disclosed elsewhere in the Financial Statements:

- i. Paid or incurred consulting fees of \$50,000 (February 28, 2022 - \$60,000) to Divitiae Resource Ltd., a company controlled by Adrian Smith, President and a director of the Company. Included in accounts payable and accrued liabilities at February 28, 2023 is \$110,250 (August 31, 2022 - \$94,500) owing to this company.
- ii. Paid or incurred consulting fees of \$18,000 (February 28, 2022 - \$18,000) to Brian Morrison, an officer and director of the Company. Included in accounts payable and accrued liabilities at February 28, 2023 is \$39,489 (August 31, 2022 - \$28,839) owing to Mr. Morrison.
- iii. Paid or incurred consulting fees of \$60,000 (February 28, 2022 - \$60,000) to Kosta Tsoutsis, an officer and director of the Company. Included in accounts payable and accrued liabilities at February 28, 2023 is \$104,524 (August 31, 2022 - \$95,535) owing to Mr. Tsoutsis.
- iv. Incurred rent expense of \$5,800 (February 28, 2022 - \$1,400) and travel and related expense of \$1,000 (February 28, 2022 - \$200) to Millennial Potash Corp. (formerly Black Mountain Gold USA Corp.), a company related by way of a common officer. Included in accounts payable and accrued liabilities at February 28, 2023 is \$2,383 (August 31, 2022 - \$5,616) owing to this company.

Summary of key management personnel compensation:

	For the six months ended February 28,	
	2023	2022
	\$	\$
Consulting and directors' fees	128,000	138,000

In addition, the following amounts were incurred with respect to companies related by common officers and directors:

	For the six months ended February 28,	
	2023	2022
	\$	\$
Office and administration – Rent	5,800	8,900
Travel and related	1,000	700
Total	6,800	9,600

Off Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Commitments

As at February 28, 2023 and the date of this report, the Company did not have any commitments to report that are not disclosed elsewhere in this MD&A.

Critical Accounting Estimates

The preparation of the Financial Statements requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities, as well as the reported revenues and expenses during the reporting period. Based on historical experience and current conditions, management makes assumptions that are believed to be reasonable under the circumstances. These estimates and assumptions form the basis for judgments about the carrying value of assets and liabilities and reported amounts for revenues and expenses.

Different assumptions would result in different estimates, and actual results may differ from results based on these estimates. These estimates and assumptions are also affected by management's application of accounting policies. Critical accounting estimates are those that affect the audited financial statements materially and involve a significant level of judgment by management.

Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

The most significant accounts that require estimates as the basis for determining the stated amounts include the recoverability of exploration and evaluation properties, valuation of share-based compensation, and recognition of deferred tax amounts.

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

Economic recoverability and probability of future economic benefits of exploration and evaluation properties

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

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustments are as follows:

Valuation of share-based compensation

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

Income taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectation of future taxable income, applicable tax opportunities, expect timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

Recent Accounting Pronouncements

Other recent accounting pronouncements issued by IFRS as issued by IASB and IFRIC did not, or are not believed by management to, have a material impact on the Company's present or future financial position, results of operations or cash flows.

Financial Instruments and Financial Risk Management

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The Company's financial instruments consist of cash, marketable securities, and accounts payable and accrued liabilities. The fair value of these financial instruments, other than cash and marketable securities, approximates their carrying values due to the short-term nature of these instruments. Cash and marketable securities are measured at fair value using level 1 inputs.

The Company is exposed to a variety of financial risks by virtue of its activities including currency, credit, interest rate, liquidity and commodity price risk.

a) **Currency risk**

The Company conducts exploration and evaluation activities in the United States. As such, it is subject to risk due to fluctuations in the exchange rates for the Canadian and US dollars. As at February 28, 2023 the Company had foreign currency net monetary financial liabilities of US\$26,689. Each 10% change in the US dollar relative to the Canadian dollar will result in a foreign exchange gain/loss of approximately \$3,600.

b) **Credit risk**

Credit risk is risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's cash is held in large Canadian financial institutions and GST receivable is due from the Government of Canada. The Company's financial instrument related to the GST receivable is not exposed to significant credit risk.

c) **Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. There is no interest rate risk, as the Company has no interest bearing debt subject to floating interest rates.

d) **Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its obligations as they come due. The Company's ability to continue as a going concern is dependent on management's ability to raise the required capital through future equity or debt issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning, and approval of significant expenditures and commitments. As at February 28, 2023 the Company had a cash balance of \$1,687,032 to settle current liabilities of \$358,780. The liquidity risk is assessed as low.

e) **Commodity price risk**

The ability of the Company to explore and evaluate its exploration and evaluation properties and the future profitability of the Company are directly related to the price of gold. The Company monitors iron and gold prices to determine the appropriate course of action to be taken.

Risks and Uncertainties

The operations of the Company are speculative due to the high-risk nature of its business, which is the acquisition, financing, exploration and development of mining properties. These risk factors could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking information relating to the Company.

Coronavirus (COVID-19)

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

No Revenues

To date the Company has recorded no revenues from operations and the Company has not commenced commercial production or development on any property. There can be no assurance that significant losses will not occur in the near future or that the Company will be profitable in the future. The Company's operating expenses and capital expenditures may increase in subsequent years in relation to the engagement of consultants, personnel and equipment associated with advancing exploration, development and commercial production of the Company's properties. The Company expects to continue to incur losses for the foreseeable future. The development of the Company's properties will require the commitment of substantial resources to conduct time-consuming exploration. There can be no assurance that the Company will generate any revenues or achieve profitability.

Liquidity Concerns and Future Financing

The Company will require significant capital and operating expenditures in connection with the development of its properties. There can be no assurance that the Company will be successful in obtaining required financing as needed. Volatile markets may make it difficult or impossible for the Company to obtain debt financing or equity financing on favorable terms, if at all. Failure to obtain additional financing on a timely basis may cause the Company to postpone or slow down its development plans, forfeit rights in some or all of its properties or reduce or terminate some or all of its activities.

While the Company's financial statements have been prepared on the basis of a going concern which contemplates the realization of assets and satisfaction of liabilities in the normal course of operations, there are conditions and events that may cast doubt about the validity of that assumption.

Mineral Resource and Mineral Reserve Estimates May be Inaccurate

There are numerous uncertainties inherent in estimating mineral resources and mineral reserves, including many factors beyond the control of the Company. Such estimates are a subjective process, and the accuracy of any mineral resource or mineral reserve estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. These amounts are estimates only and the actual level of mineral recovery from such deposits may be different. Differences between management's assumptions, including economic assumptions such as metal prices and market conditions, could have a material adverse effect on the Company's financial position and results of operations.

Title to Properties

The acquisition of title to resource properties is a very detailed and time-consuming process. The Company holds its interest in certain of its properties through mining claims. Title to, and the area of, the mining claims may be disputed. There is no guarantee that such title will not be challenged or impaired. There may be challenges to the title of the properties in which the Company may have an interest, which, if successful, could result in the loss or reduction of the Company's interest in the properties.

Licenses and Permits, Laws and Regulations

The Company's exploration and development activities, including mine, mill, road, rail and other transportation facilities, require permits and approvals from various government authorities, and are subject to extensive federal, provincial, state and local laws and regulations governing prospecting, development, production, exports, taxes, labour standards, occupational health and safety, mine safety and other matters. Such laws and regulations are subject to change, can become more stringent and compliance can therefore become more costly. In addition, the Company may be required to compensate those suffering loss or damage by reason of its activities. There can be no guarantee that the Company will be able to maintain or obtain all necessary licenses, permits and approvals that may be required to explore and develop its properties, commence construction or operation of mining facilities.

Competition

The Company competes with many other mining companies that have substantially greater resources than the Company. Such competition may result in the Company being unable to acquire desired properties, recruit or retain qualified employees or acquire the capital necessary to fund its operations and develop its properties. The Company's inability to compete with other mining companies for these resources would have a material adverse effect on the Company's results of operation and business.

Nature of Mining, Mineral Exploration and Development Projects

Mining operations generally involve a high degree of risk. The Company's operations are subject to the hazards and risks normally encountered in mineral exploration, development and production, including environmental hazards, explosions, unusual or unexpected geological formations or pressures and periodic interruptions in both production and transportation due to inclement or hazardous weather conditions. Such risks could result in damage to, or destruction of, mineral properties or producing facilities, personal injury, environmental damage, delays in mining, monetary losses and possible legal liability.

Mineral exploration is highly speculative in nature. There is no assurance that exploration efforts will be successful. Even when mineralization is discovered, it may take several years until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable mineral reserves through drilling. Because of these uncertainties, no assurance can be given that exploration programs will result in the establishment or expansion of mineral resources or mineral reserves. There is no certainty that the expenditures made by the Company towards the search and evaluation of mineral deposits will result in discoveries or development of commercial quantities of ore. Exploration and development projects have no operating history upon which to base estimates of future cash operating costs. For development projects, reserve and resource estimates and estimates of cash operating costs are, to a large extent, based upon the interpretation of geologic data obtained from drill holes and other sampling techniques, and feasibility studies, which derive estimates of cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed, ground conditions, the configuration of the ore body, expected recovery rates of minerals from the ore, estimated operating costs, anticipated climatic conditions and other factors. As a result, actual production, cash operating costs and economic returns could differ significantly from those estimated. Indeed, there have been a number of mining operations that have ceased or been suspended or delayed because operations costs are greater than projected. Current market conditions are forcing many mining operations to increase capital and operating cost estimates. It is not unusual for new mining operations to experience problems during the start-up phase, and delays in the commencement of production often can occur.

Share Price Fluctuations

The market price of securities of many companies, particularly exploration stage companies, experience wide fluctuations in price that are not necessarily related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that fluctuations in the Company's share price will not occur.

Iron Ore and Gold Prices

The profitability of the Company's operations will be dependent upon the market price of mineral iron ore and gold. Iron ore and gold prices fluctuate widely and are affected by numerous factors beyond the control of the Company. The level of interest rates, the rate of inflation, the world supply of iron ore and gold along with the stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments. The price of iron ore and gold has fluctuated widely in recent years, and future price declines could cause commercial production to be impracticable, thereby having a material adverse effect on the Company's business, financial condition and result of operations.

Dependence on Outside Parties

The Company has relied upon consultants, engineers and others, and intends to rely on these parties for development, construction and operating expertise. Substantial expenditures are required to establish mineral reserves through drilling, to carry out environmental and social impact assessments, to develop metallurgical processes to extract the metal from the ore. If such parties' work is deficient or negligent or is not completed in a timely manner, it could have a material adverse effect on the Company.

Conflicts of Interest

Certain of the Company's directors and officers serve or may agree to serve as directors or officers of other companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting such participation.

Outstanding Share Data

As of the date of this MD&A, the Company has:

- a) 8,274,724 common shares outstanding;
- b) 5,000,000 share purchase warrants
- c) 800,000 stock options

Cautionary Statement on Forward Looking Information

Certain statements in this document contain "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, statements with respect to the development potential of the Company's properties; the future price of iron ore and other minerals; the estimation of mineral reserves and mineral resources; conclusions of economic evaluation; the realization of mineral reserve estimates; capital expenditures; success of exploration activities; mining or processing issues; currency exchange rates; government regulation of mining operations; and environmental risks. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements.

Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

Other MD&A Requirements

Additional information relating to the Company may be found on SEDAR at www.sedar.com including, but not limited to:

- The Company's condensed interim consolidated financial statements for the three months ended February 28, 2023 and 2022.
- The Company's audited financial statements for the years ended August 31, 2022 and 2021.

This MD&A has been approved by the Board effective April 26, 2023.