



FARADAY COPPER

Faraday Copper Corp.

(Formerly CopperBank Resources Corp.)

Management Discussion and Analysis

For the three and six months ended June 30, 2022 and 2021

Dated: August 16, 2022



REPORTING PERIOD AND EFFECTIVE DATE

The following management's discussion and analysis of financial condition and results of operations ("MD&A") for the three and six month ended June 30, 2022, prepared as of August 16, 2022, should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2021 (the "annual financial statements") and the unaudited condensed interim consolidated financial statements for the three and six month ended June 30, 2022 and 2021, (the "interim financial statements") and the related notes thereto of Faraday Copper Corp. (formerly CopperBank Resources Corp.) (the "Company" or "Faraday"). The financial statements have been prepared by management in accordance with International Accounting Standard 34 *Interim Financial Reporting* using accounting policies consistent with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). Other information contained in this document has also, been prepared by management and is consistent with the information contained in the interim financial statements.

The first, second, third, and fourth quarters of the Company's fiscal years are referred to as "Q1", "Q2", "Q3" and "Q4", respectively. All amounts are presented in Canadian dollars, the Company's presentation currency, unless otherwise stated.

Certain statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements.

Additional information is available on SEDAR at www.sedar.com and at the Company's website at www.faradaycopper.com.

DESCRIPTION OF BUSINESS

Faraday was incorporated on October 21, 2014 under the Business Corporations Act (British Columbia). The Company's registered office is located at Suite 2400, 745 Thurlow Street, Vancouver, British Columbia, V6E 0C5. The Company's head office and principal address is located at 250 - 200 Burrard St., Vancouver, British Columbia, V6C 3L6. The Company's shares are traded on the Canadian Securities Exchange ("CSE") under the symbol "FDY", and its principal business is the acquisition and development of resource properties.

On April 20, 2022, the Company formerly approved a name change from CopperBank Resources Corp. to Faraday Copper Corp.

As of the date of the MD&A, COVID-19 has had no impact on the Company's ability to access and explore its current properties but may impact the Company's ability to raise funding or explore its properties should travel restrictions related to COVID-19 be extended or expanded in scope.

CORPORATE UPDATE

On July 8, 2020, the Company consolidated its outstanding common shares on a four-for-one basis. The presentation of number of shares, warrants, stock options and loss per share have been retrospectively adjusted for this share consolidation.

Company Strategy

To create value through the technical advancement and economic viability of our copper projects by:

- Demonstrating leading health, safety, and environmental performance;
- Advancing and optimizing Copper Creek and Contact Copper projects; and
- Driving awareness and reputation through stakeholder engagements.



Highlights

- Released updated Mineral Resource Estimate (“MRE”) for the Copper Creek Project, as planned, on July 6, 2022, with 355.1 million tonnes and over 3.9 billion pounds of copper in the Measured and Indicated Mineral Resources, refer to Table 1.
- Announced selection of independent consultants for the Copper Creek project MRE update and Mine-to-Mill assessment, including SRK (Denver), SRK (Vancouver), Call & Nicholas (Tucson), and Ausenco (Tucson) on June 1, 2022.
- Released the Copper Creek project geological model on May 12, 2022.
- Closed non-brokered equity financing of \$20.0 million on May 5, 2022 (the “Financing”).
- Completed rebranding of the Company to Faraday Copper and new directors elected to the Board of Directors on April 19, 2022.
- Continued to advance the Copper Creek project, including:
 - Extended and completed Phase I drill campaign from a 5,000-meter eight-hole program to a 6,000-meter nine-hole program, testing both high-grade breccia hosted and porphyry style copper mineralization;
 - Assay results are pending from the laboratory.
 - Announced confirmation of historic, high-grade copper intercepts and identified mineralized zones in previously unsampled diamond drill core adjacent to known, high-grade breccia intercepts, on April 13, 2022.
 - Initiated a generative exploration study to provide a portfolio of targets for the Phase II drill program, planned to commence in Q4 2022.
 - Completed preliminary review of metallurgical data focused on the validation of historic floatation test work, comminution data, copper-molybdenum separation and to identify opportunities ahead of the technical study.
 - Performed ongoing geotechnical work in parallel with the Phase I drill campaign. This program provided open pit design and mine sequencing parameters, underground stability analysis, cavability assessment and hydrogeological data collection.
 - Completed high-resolution topographic survey data collection for the resource area and continued historical data digitization and survey program.
 - Initiated framework for proactive environmental baseline monitoring program with support of external experts.
 - Commenced stakeholder mapping and community engagement as part of developing the Company’s sustainability strategy.
- Following the Financing and the release of the Copper Creek Project MRE, the Company intends to apply for listing on the TSX¹ during Q3 2022.
- Ongoing strategic review of the Contact Copper project to support a new geological model and an updated MRE, including:
 - Commenced re-logging of core, after moving core to a new facility with better working conditions.
 - Ongoing review of historical technical reports and data, including metallurgical data.
 - Phase 1 drill campaign re-scheduled to Q2 2023, to allow the Company to complete analysis of the historical data, complete additional field mapping and metallurgical work, and obtain additional geophysical data to better inform drill targets.

Upcoming Milestones

- Q3 2022 – Submit listing application to the TSX¹*
- Q4 2022 – Commence Phase II drill program at Copper Creek*
- Q2 2023 – Commence Phase I drill program and metallurgical test work at Contact Copper*
- Q2 2023 – Updated Preliminary Economic Assessment (“PEA”) for Copper Creek*
- Q3 2023 – Updated MRE for Contact Copper*

Appointment of Management and Directors

On April 1, 2022, the Company appointed Angela Johnson as Vice President Corporate Development and Sustainability.

At the Company’s annual and special meeting, held on April 19, 2022, Gianni Kovacevic, Giulio Bonifacio and Tony Ricci did not stand for re-election to the Board of Directors. In addition, shareholders elected Katherine Arnold, Randy Engel, Robert Doyle and Audra Walsh to serve on the Board of Directors.

On April 25, 2022, the Company appointed Stacey Pavlova as Vice President Investor Relations and Communications.



Issuance of Shares from Private Placements

On May 5, 2022, the Company closed a private placement and issued 25,000,000 common shares at a price of \$0.80 per share for gross proceeds of \$20,000,000.

¹ Listing of the Company's common shares on the Toronto Stock Exchange ("TSX") will be subject to the approval of the TSX in accordance with their listing requirements and there is no assurance that the TSX will approve the listing application.

Issuance and Exercise of Options

Six months ended June 30, 2022

On January 28, 2022, the Company issued 75,000 common shares pursuant to the exercise of 75,000 stock options with an exercise price of \$0.23 for gross proceeds of \$17,250.

On February 16, 2022, the Company issued 125,000 common shares pursuant to the exercise of 125,000 stock options with an exercise price of \$0.40 for gross proceeds of \$50,000.

On February 24, 2022, the Company issued 25,000 common shares pursuant to the exercise of 25,000 stock options with an exercise price of \$0.40 for gross proceeds of \$10,000.

In February 2022, the Company granted 344,000 stock options with exercise prices from \$0.80 to \$0.94 per share to employees, directors, and officers of the Company. These options can be exercised for a period of five years from the date of grant and are subject to the policies of the CSE. Of these options, 50% will vest one year from the grant date and 50% will vest two years from the grant date.

On March 3, 2022, the Company issued 25,000 common shares pursuant to the exercise of 25,000 stock options with an exercise price of \$0.23 for gross proceeds of \$5,750.

On March 7, 2022, the Company issued 50,000 common shares pursuant to the exercise of 50,000 stock options with an exercise price of \$0.40 for gross proceeds of \$20,000.

On April 1, 2022, the Company granted 500,000 stock options with an exercise price of \$0.86 per share to an employee of the Company. These options can be exercised for a period of five years from the date of grant and are subject to the policies of the CSE. One third of these options vest on September 1, 2022, 2023, and 2024 respectively.

On April 25, 2022, the Company granted 350,000 stock options with an exercise price of \$0.91 per share to an employee of the Company. These options can be exercised for a period of five years from the date of grant and are subject to the policies of the CSE. One third of these options vest on September 18, 2022, 2023, and 2024 respectively.

Issuance and Vesting of Restricted Share Units ("RSUs")

Six months ended June 30, 2022

On December 1, 2021, the Company granted 500,000 restricted share units ("RSUs") to an employee of the Company with a fair value of \$0.68 per unit. Of the granted RSUs, one third vested immediately, one third will vest one year from the grant date, and one third will vest two years from the grant date.

In January 2022, the Company granted 162,000 RSUs to employees of the Company with a fair value of \$0.72 per unit. Of these RSUs, one third vested immediately, one third will vest one year from the grant date, and one third will vest two years from the grant date.

On March 1, 2022, the Company granted 120,000 RSUs to an employee of the Company with a fair value of \$0.90 per unit. Of these RSUs, one third vested immediately, one third will vest one year from the grant date, and one third will vest two years from the grant date.



In March 2022, the Company settled 260,666 RSUs to employees of the Company through the issuance of 190,100 common shares net of 70,566 common shares withheld in lieu of withholding taxes. As a result, \$137,800 was reallocated from the Company's RSU reserve into share capital.

On May 2, 2022, the Company granted 1,250,000 RSUs to new directors of the Company with a fair value of \$0.91 per unit. Of the granted RSUs, one third vest April 19, 2023, one third will vest April 19, 2024, and one third will vest April 19, 2025.

On May 11, 2022, the Company cancelled 28,000 RSUs with an issue price of \$0.72 due to an employee being terminated.

During the six months ended June 30, 2022, the Company incurred share-based compensation of \$403,089 in connection with RSUs vested (2021 - \$nil).

QUALIFIED PERSONS

Technical information in this presentation has been reviewed and approved by Thomas Bissig, Professional Geologist, VP Exploration and Zach Allwright, Professional Engineer, VP Projects and Evaluations, both a "Qualified Person" as defined under NI 43-101.

RESOURCE PROPERTIES

As of June 30, 2022, the Company had two resource properties in the United States:

Copper Creek Project

The project is a 100% owned, large copper deposit, located ~120 road kilometres ("km") northeast of Tucson, Arizona, and ~24 km northeast of San Manuel, Arizona. The resource area is ~3 km in length and is open in all directions. The property consists of ~41 square km of contiguous patented and un-patented mining claims and state prospecting permits. The area is in a mining friendly and politically stable jurisdiction with extensive infrastructure including power, rail, water, roads, and access to skilled personnel.

The property is in the heart of the prolific southwestern porphyry copper region of North America at the projected intersection of a major northwest belt of copper deposits (Ray, Miami/Globe, Superior/Resolution, Johnson Camp) and a major east-northeast belt of deposits (San Manuel/Kalamazoo, Silver Bell, Lakeshore, Safford, Morenci). The property is within 50 km of an operating copper mill and smelter.

The property hosts an Early Halo style porphyry copper deposit with high-grade, near-surface, breccia-hosted mineralization. Both mineralization types include historical copper/molybdenum mineral resources prepared in accordance with CIM standards. Gold, and silver are also present in varying amounts associated with both types of mineralization.

On May 12, 2022, the Company announced the completion of a geological model for the Copper Creek breccia and Early Halo style porphyry copper-molybdenum deposit, which provided the foundation for an updated MRE. On July 6, 2022, the Company announced the completion of an updated MRE for the Copper Creek project, with a new technical report expected to be filed on SEDAR on or before August 19, 2022.

The learnings from this initial geological model and observations from current drilling will provide the framework for the Phase II 10,000-meter diamond drill program, scheduled to commence in the fourth quarter of 2022. The initial focus will be on expanding the drill data coverage in areas where shallow breccia hosted mineralization may be present, but where drilling was limited. These include the Holly breccia, the American Eagle breccia and the southeast extension of the Copper Prince breccia. Angled oriented drill holes are planned for the deep American Eagle zone, where historical drilling was largely completed by vertical drill holes. Angled drill holes will provide better information on the geometry and continuity of mineralized zones, breccias and porphyry intrusions.

In addition, a generative study is currently underway which will involve the integration of all technical data layers including ground and airborne magnetics, Z-TEM electromagnetic data, geochemistry, age dating, petrography, surface mapping and mineralogical mapping from satellite data to develop a portfolio of targets. These targets will be ranked and prioritized by the addition of an economic analysis.

With extensive historical exploration, over 200,000 metres of drilling and modest past production, significant exploration upside remains. There are over 400 known breccia occurrences mapped at surface, of which only 35 have been drilled and 14 are included in the MRE results announced on July 6, 2022.



Table 1: Combined Open Pit and Underground Mineral Resources Estimate, Copper Creek Project

Category	Tonnes (Mt)	Grade				Contained Metal			
		Cu (%)	Mo (%)	Ag (g/t)	CuEq (%)	Cu (Mlbs)	Mo (Mlbs)	Ag (Moz)	CuEq (Mlbs)
Open Pit (OP)									
Measured	38.9	0.68	0.010	1.8	0.72	584.2	8.7	2.2	614.6
Indicated	45.7	0.44	0.007	0.9	0.46	446.4	7.2	1.3	467.8
M&I	84.6	0.55	0.009	1.3	0.58	1,030.6	16.0	3.6	1,082.5
Inferred	29.3	0.35	0.004	0.8	0.36	224.6	2.9	0.8	233.0
Underground (UG)									
Measured	26.1	0.50	0.012	1.5	0.54	288.7	7.0	1.3	312.7
Indicated	244.4	0.48	0.007	1.2	0.51	2,587.8	39.9	9.7	2,731.1
M&I	270.5	0.48	0.008	1.3	0.51	2,876.5	46.9	11.0	3,043.8
Inferred	45.6	0.41	0.009	0.9	0.44	410.3	9.2	1.3	440.5
Total (OP + UG)									
Measured	65.1	0.61	0.011	1.7	0.65	872.9	15.7	3.5	927.3
Indicated	290.0	0.47	0.007	1.2	0.50	3,034.2	47.2	11.0	3,199.0
M&I	355.1	0.50	0.008	1.3	0.53	3,907.1	62.9	14.5	4,126.3
Inferred	75.0	0.38	0.007	0.8	0.41	634.9	12.0	2.0	673.5

Notes to Table 1:

- The Mineral Resources in this estimate were calculated using the CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines (CIM, 2014) prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council.
- All dollar amounts are presented in U.S. dollars.
- Pit shell constrained resources with reasonable prospects for eventual economic extraction ("RPEEE") are stated as contained within estimation domains above 0.23% CuEq cut-off grade. Pit shells are based on an assumed copper price of \$3.80/lb, assumed molybdenum price of \$13.00/lb, assumed silver price of \$20.00/oz and overall slope angle of 47 degrees based on preliminary geotechnical data. Operating cost assumptions include mining cost of \$2.25/tonne ("t"), processing cost of \$7.95/t, General & Administrative ("G&A") costs of \$1.25/t, and Treatment Charges and Refining Charges ("TCRC") and Freight costs of \$6.50/t.
- Underground constrained resources with RPEEE are stated as contained within estimation domains above 0.31% CuEq cut-off grade. Underground bulk mining footprints are based on an assumed copper price of \$3.80/lb, assumed molybdenum price of \$13.00/lb, assumed silver price of \$20.00/oz, underground mining cost of \$9.25/t, processing cost of \$7.00/t, G&A costs of \$1.25/t, and TCRC and Freight costs of \$6.50/t.
- Average bulk density assigned by domain: 2.33 g/cm³ for all near-surface breccias; 2.40 g/cm³ for the Mammoth breccia; 2.56 g/cm³ for the Keel breccia, porphyry mineralization and all other areas outside of breccias.
- Variable metallurgical recovery by metal and domain are considered for CuEq, as follows: copper recovery of 92%, 85% and 60% within sulphide, transitional and oxide material, respectively; molybdenum recovery of 78% and 68% for sulphide and transitional material, respectively; silver recovery of 50% and 40% for sulphide and transitional material, respectively.
- CuEq is calculated by domain based on the above variable recovery. For example, sulphide CuEq = [(Cu grade/100 * 0.92 Cu recovery * 2204.62 * 3.8 Cu price) + (Mo grade/100 * 0.78 Mo recovery * 2204.62 * 13 Mo price) + (Ag grade * 0.50 Ag recovery * 20 Ag price / 31.10348)] / (0.92 Cu recovery * 2204.62 * 3.8) * 100.
- Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resources will be converted into Mineral Reserves in the future. The estimate of Mineral Resources may be materially affected by environmental permitting, legal, title, taxation, sociopolitical, marketing or other relevant issues.
- All quantities are rounded to the appropriate number of significant figures; consequently, sums may not add up due to rounding.

The near-surface mineralized breccias were subjected to partial in-situ oxidization that transformed part of the sulphides into secondary copper oxides. Three domains are recognized within the open pit resource, referred to as Oxide, Mixed, and Sulphide. The underground resources stated in Table 1 are comprised of only sulphide mineralization. The Copper Creek open pit Mineral Resources are reported by domain in Table 2.



Table 2: Open Pit Mineral Resources Estimate by Domain, Copper Creek Project

Category	Domain	Tonnes (Mt)	Grade				Contained Metal			
			Cu (%)	Mo (%)	Ag (g/t)	CuEq (%)	Cu (Mlbs)	Mo (Mlbs)	Ag (Moz)	CuEq (Mlbs)
Measured	Oxide	2.5	0.51	0.005	1.38	0.51	28.0	0.3	0.1	28.0
	Mixed	5.8	0.59	0.005	1.24	0.61	75.1	0.6	0.2	77.3
	Sulphide	30.7	0.71	0.012	1.93	0.75	481.0	7.9	1.9	509.3
	Total	38.9	0.68	0.010	1.79	0.72	584.2	8.7	2.2	614.6
Indicated	Oxide	5.7	0.38	0.007	1.17	0.38	48.3	0.9	0.2	48.3
	Mixed	8.6	0.46	0.007	1.03	0.48	86.5	1.4	0.3	91.0
	Sulphide	31.3	0.45	0.007	0.84	0.48	311.7	5.0	0.8	328.5
	Total	45.7	0.44	0.007	0.91	0.46	446.4	7.2	1.3	467.8
M&I	Oxide	8.2	0.42	0.006	1.23	0.42	76.3	1.1	0.3	76.3
	Mixed	14.3	0.51	0.006	1.11	0.53	161.6	2.0	0.5	168.3
	Sulphide	62.0	0.58	0.009	1.38	0.61	792.7	12.8	2.7	837.8
	Total	84.6	0.55	0.009	1.32	0.58	1,030.6	16.0	3.6	1,082.5
Inferred	Oxide	5.6	0.29	0.004	0.73	0.29	35.5	0.5	0.1	35.5
	Mixed	8.3	0.31	0.005	0.82	0.33	57.1	0.8	0.2	59.9
	Sulphide	15.5	0.39	0.004	0.86	0.40	132.0	1.5	0.4	137.6
	Total	29.3	0.35	0.004	0.82	0.36	224.6	2.9	0.8	233.0

Notes: Refer to the "Notes to Table 1".

Historical Reports

A historical MRE was published in a technical report titled "Copper Creek 2012 Mineral Resource Update, Pinal County, Arizona, U.S., Technical Report" prepared for Redhawk Resources Inc. ("Redhawk") by Independent Mining Consultants Inc., dated and filed by Redhawk on SEDAR on June 25, 2012.

The most recent technical study work completed on the project was published in a technical report titled "Preliminary Economic Assessment 25,000 TPD Mill with an Underground Mine for Development of the Copper Creek Resource" prepared for Redhawk by SGS Metcon/KD Engineering, Tucson Arizona, dated and filed by Redhawk on SEDAR on October 28, 2013.

Contact Copper Project

The project is a 100% owned, pre-feasibility stage copper oxide project located on private land in Elko County, Nevada. The project is located west of the town of Contact, Nevada. U.S. Highway 93 traverses the east side of the project along with a 138 KV transmission line, between the towns of Wells and Jackpot, Nevada. The property consists of approximately 2,650 acres in 155 patented claims and 3,285 acres in 219 unpatented claims.

Copper mineralization occurs as an intrusive-related deposit within a granodiorite batholith and is observed in quartz veins within structural zones and in the surrounding intrusion. The copper content is highest in the quartz veins, particularly where chalcocite is present, but grades outward into granodiorite where copper minerals occur in quartz veinlets, fracture coatings and disseminations. Mineralization is in the form of tenorite, chrysocolla and cuprite, and lesser chalcocite and covellite. In addition, skarn mineralization potential exists at the contact of the granodiorite to the Paleozoic sedimentary rocks.

The historic MRE and technical study work completed was published in a technical report titled "NI 43-101 Pre-Feasibility Study on the Contact Copper Project" was prepared for Enxco International Ltd. by Hard Rock Consultants LLC, published October 1, 2013.

There is expected to be exploration upside with several targets that have not been drill tested including Copper Ridge. The Copper Ridge zone features oxide copper mineralization with grab samples containing up to 12.4% copper.



SUMMARY OF QUARTERLY RESULTS

All the Company's resource properties are in the exploration stage. The Company has not had revenue from inception and does not expect to have revenue in the near future. The Company's operating results are not seasonal in nature and have been mainly related to the amount of exploration activities in such quarter. The Company's quarterly performance in the latest eight quarters is as follows:

	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue	-	-	-	-	-	-	-	-
Net loss	2,896,801	1,529,035	3,600,238	1,036,301	452,998	378,364	148,483	486,679
Loss per share	0.03	0.01	0.04	0.01	0.01	0.00	0.00	0.01

Loss per share - basic and diluted

The Company's quarterly historical results are not subject to seasonality. The loss during the quarter ended June 30, 2022, was higher than average as the Company recorded non-cash share-based compensation of \$1,612,575 which was higher than prior quarters due to the appreciation in the value of the Company's share price since prior periods, which is a significant driver in the value of stock options granted, as well as the appointment of additional personnel during the quarter.

Performance Summary

	Note	Q2 2022	Q2 2021
		\$	\$
Operating expenses			
Amortization		9,204	3,405
Consulting and management fees	(a)	408,503	99,500
General and administration	(b)	563,837	47,111
Professional fees	(c)	214,761	38,852
Promotion, advertisement, shareholder relations	(d)	60,964	169,135
Share-based compensation	(e)	1,612,575	114,725
Travel	(f)	47,994	-
Total operating expenses		(2,917,838)	(472,728)
Other income			
Gain from settlement of convertible debenture		-	19,730
Government grant income		10,000	-
Interest income		11,037	-
Total other income		21,037	19,730
Net loss		(2,896,801)	(452,998)

- Consulting and management fees are higher during Q2 2022, primarily due to the increased activity levels of the Company including the Annual General Meeting, non-brokered financing, and rebranding of the Company.
- General and administration costs are higher during Q2 2022, primarily due to the Company's employment agreements for CEO, CFO, VPs and other employees, as well as due to overall higher activity levels of the Company.
- Professional fees are higher during Q2 2022, primarily due to legal and accounting fees associated with the increased activity levels of the Company, including renaming the Company, non-brokered financing, listing costs, and corporate governance activities.
- Promotion, advertising and shareholder relations expenses are lower during Q2 2022, primarily due to Company personnel performing these activities internally. Costs incurred during Q2 2022 relate primarily to rebranding and website costs.
- Share-based compensation expenses are higher during Q2 2022, primarily due to the change in the value of the Company's share price, which is a significant driver of the expense, and increased personnel levels.
- Travel costs are higher during Q2 2022, primarily due to increased travel to Copper Creek and Contact Copper by Corporate personnel, conferences attended, and expenses incurred for third party site visits during the quarter.



LIQUIDITY, CAPITAL RESOURCES, AND GOING CONCERN

During the six months ended June 30, 2022, cash used in operating activities was \$1,657,579 (2021 - \$787,705), cash used in investing activities was \$5,767,535 (2021 - \$160,135) primarily expenditures related to the Copper Creek project, and cash provided by financing activities was \$20,173,000 (2021 - \$935,848).

The Company is a resource exploration stage company and does not generate any revenue and has been mainly relying on equity-based financing to fund its operations. As at June 30, 2022, the Company had a net working capital of \$15,476,444 (December 31, 2021 - \$3,581,323). The Company will need to raise additional funding to finance its day-to-day operations and to enable the Company to achieve its long-term business objectives. On May 5, 2022, the Company closed a \$20,000,000 private placement.

Although the Company has a history of obtaining funding when needed, readers are cautioned that there can be no assurance that management's plan to raise further financing will be successful, as it is dependent on prevailing capital market conditions.

RELATED PARTY TRANSACTIONS

During the three and six months ended June 30, 2022 and 2021, the Company incurred the following transactions with key management personnel and the directors of the Company:

	Three months ended June 30, 2022	2021	Six months ended June 30, 2022	2021
	\$	\$	\$	\$
Consulting and management fees	-	86,000	-	173,000
General and administration	314,477	-	514,999	-
Share-based compensation	753,782	71,513	1,501,113	128,833
Total	1,068,259	157,513	2,016,112	301,833

As at June 30, 2022, the amount due to related parties comprised of amounts owed to key management members and directors totaling \$347,587 (December 31, 2021 - \$163,916). Amounts owed to related parties have the same terms as the Company's accounts payable and accrued liabilities, which are unsecured and non-interest-bearing and with no specific repayment terms.

During the six months ended June 30, 2022, amounts capitalized from compensation for related parties totaled \$323,773 (six months ended June 30, 2021 - nil).

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements as at June 30, 2022 or at the date of this MD&A.

PROPOSED TRANSACTIONS

The Company has no undisclosed proposed transactions as at June 30, 2022 or at the date of this MD&A.

SIGNIFICANT ACCOUNTING POLICIES

The Company has not changed its accounting policies since its prior year ended December 31, 2021 and has applied accounting policies consistently for all periods presented.

FINANCIAL INSTRUMENTS

The Company's interim financial instruments are exposed to several financial and market risks, including credit, interest rate, and liquidity risks. The Company may, or may not, establish from time-to-time active policies to manage these risks. The Company does not currently have in place any active hedging or derivative trading policies to manage these risks since the Company's management does not believe that the current size, scale, and pattern of cash flow of its operations would warrant such hedging activities. There was no change in the management of the financial risks compared to the recent year ended December 31, 2021.

CREDIT RISK

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations.



The financial instruments that potentially subject the Company to a significant concentration of credit risk consist of cash and cash equivalents. The Company mitigates its exposure to credit loss associated with cash and cash equivalents by placing its cash and cash equivalents in major financial institutions. As at June 30, 2022, the Company had cash equivalents of \$8,110,000 in term deposits (December 31, 2021 - \$2,300) that are redeemable within 30 days and bear interest up to 2.8%.

LIQUIDITY RISK

Liquidity risk is the risk that the Company may be unable to meet its financial obligations as they fall due or that it will be required to meet them at excessive cost. The Company reviews its working capital position regularly to ensure there is sufficient capital to meet short-term business requirements, after considering the Company's holdings of cash. The Company's cash is invested in business accounts, which are available on demand. The Company manages its liquidity risk mainly through raising funds from private placements and from related parties.

The Company's operating cash requirements are continuously monitored and adjusted as input variables change. As these variables change, liquidity risks may necessitate the need for the Company to pursue equity issuances, obtain project or debt financing, or enter into joint venture arrangements. There is no assurance that the necessary financing will be available in a timely manner or at a reasonable cost.

INTEREST RATE RISK

Interest rate risk is the risk that the Company is exposed to the risk that the value of financial instruments will change due to movements in market interest rates. As of June 30, 2022, the Company did not have debt instruments exposed to variable interest rate. The risk is not significant.

FOREIGN CURRENCY RISK

Foreign currency risk is the risk that the fair value of the Company's assets and liabilities will fluctuate due to changes in foreign exchange rates.

The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in its functional currency. The Company does not manage currency risk through hedging or other currency management tools.

As of June 30, 2022 and December 31, 2021, the Company's exposure to foreign currency risk on its financial instruments is as follows:

	June 30, 2022		December 31, 2021	
Cash	US\$	317,548	US\$	8,614
Accounts payable		374,096		-
U.S. dollar total	US\$	691,644	UDS	8,614
Canadian dollar equivalent	\$	864,278	\$	10,967

A 5% change in the U.S. dollar against the Canadian dollar at June 30, 2022 would result in an a \$43,214 impact to the Company.

FAIR VALUE

Financial assets and liabilities that are recognized on the statement of financial position at fair value can be classified in a hierarchy that is based on the significance of the inputs used in making the measurements. The levels in the hierarchy are:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and

Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The Company's financial instruments consist of cash and cash equivalents, other receivables, accounts payable and accrued liabilities, and due to related parties, which are classified as amortized cost financial instruments. The fair values of these financial instruments approximate their carrying value due to their short-term nature.

OUTSTANDING SHARE DATA

As of the date of this MD&A, the Company has 122,512,438 common shares outstanding.



RISK FACTORS

For a detailed listing of the risk factors faced by the Company, please refer to the Company's MD&A for the years ended December 31, 2021 and 2020.

FORWARD LOOKING STATEMENTS

Certain statements contained in this MD&A constitute "forward-looking statements". These statements relate to future events or the Company's future performance, business prospects or opportunities. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. Information concerning the interpretation of drill results, mineral resource and reserve estimates and capital cost estimates may also be deemed as forward-looking statements as such information constitutes a prediction of what mineralization might be found to be present and how much capital will be required if and when a project is actually developed. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be relied upon. In particular this MD&A contains forward looking statements pertaining to the expected timing of its updated workplan and strategy for the Contact Copper project and the Copper Creek project, the Company's intention to apply to list its common shares on the TSX and the timing of such application, the expected timing for the commencement of the Company's drilling programs at Copper Creek and Contact Copper, the expected timing of the updated PEA, MRE and NI 43-101 technical reports. These statements speak only as of the date of this MD&A. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by forward-looking statements contained in this MD&A. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about:

- permitting and licensing risks;
- public health risks including risks associated with the on-going COVID-19 global pandemic
- negative cash flow
- liquidity and financing risks;
- funding risk;
- exploration costs;
- uninsurable risks;
- conflicts of interest;
- government policy changes;
- ownership risks;
- community relations;
- market conditions;
- stress in the global economy;
- current global financial condition;
- exchange rate and currency risks;
- commodity prices;
- dilution risk;
- general business and economic conditions;
- the supply and demand for, deliveries of, and the level and volatility of prices of copper or other mineral commodities under exploration;
- the availability of financing for the Company's exploration and development projects on reasonable terms;
- the ability to procure equipment and operating supplies in sufficient quantities and on a timely basis;
- the ability to attract and retain skilled staff;
- the ability of the Company's to meet the listing requirements of the TSX;
- market competition;
- The accuracy of our resource estimate (including, with respect to size, grade and recoverability) and the geological, operational and price assumptions on which it is based; and
- Tax benefits and tax rates.



These forward-looking statements involve risks and uncertainties relating to, among other things, risks related to international operations, actual results of current exploration activities, conclusions of economic evaluations, changes in project parameters as plans continue to be refined, as well as those factors discussed in the section “Risk Factors”. Factors that could cause actual results to differ materially include, but are not limited to, the risk factors discussed in the section. The Company cautions that the foregoing list of important factors is not exhaustive. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements 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 statements. The Company does not undertake to update any forward-looking statements that are incorporated by reference herein, except in accordance with applicable securities laws.