SMARTSET SERVICES INC.

(the “Company”)

FORM 51-102F1
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE THREE MONTH PERIOD ENDED
JUNE 30, 2022

The following Management’s Discussion and Analysis, prepared as of July 22, 2022 should be read together with the condensed interim consolidated financial statements for the three month period ended June 30, 2022 and the related notes attached thereto. Accordingly, the condensed interim consolidated financial statements and MD&A include the results of operations and cash flows for the three month period ended June 30, 2022 and the reader must be aware that historical results are not necessarily indicative of the future performance. The reader may also wish to refer to the Company’s audited financial statements and MD&A for the year ended March 31, 2022. All amounts are reported in Canadian dollars. The aforementioned documents can be accessed on the SEDAR website at www.sedar.com.

Unless otherwise stated, financial results are being reported in accordance with International Financial Reporting Standards (“IFRS”).

Management’s Discussion and Analysis contains the term cash flow from operations, which should not be considered an alternative to, or more meaningful than, cash flows from operating activities as determined in accordance with IFRS as an indicator of the Company’s performance. The Company’s determination of cash flow from operations may not be comparable to that reported by other companies. The reconciliation between profit or loss and cash flows from operating activities can be found in the consolidated statement of cash flows.

Certain statements contained in this management discussion and analysis may contain words such as "could", "should", "expect", "believe", "will" and similar expressions and statements relating to matters that are not historical facts but are forward-looking statements. Such forward-looking statements are subject to both known and unknown risks and uncertainties which may cause the actual results, performances or achievements of the Company to be materially different from any future results, performances or achievements expressed or implied by such forward-looking statements. Such factors include, among other things, the receipt of required regulatory approvals, the availability of sufficient capital, the estimated cost and availability of funding for the continued evaluation of a QT (as defined below), political and economic conditions, commodity prices and other factors.

Description of Business

Smartset Services Inc. (the “Company’) was incorporated on May 9, 2013 pursuant to the provisions of the Business Corporations Act (Alberta) and was continued into British Columbia on February 2, 2018. The Company was formed to complete an Initial Public Offering (“IPO”) and become classified as a Capital Pool Company (“CPC”) as defined in the TSX Venture Exchange (“TSXV”) Policy 2.4. The Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction (“QT”). The head office and the registered office of the Company is located at Suite 2500, 700 West Georgia Street, Vancouver, British Columbia, Canada.

As at June 30, 2022, the Company has no business operations. As a CPC, the Company’s principal business objective will be to identify and evaluate assets, properties or businesses with a view to a potential acquisition or participation by completing a QT subject, in certain cases, to shareholders’ approval and acceptance by the TSXV. There is no assurance that the Company will identify and successfully acquire businesses or assets that will produce a profit. Moreover, if a potential business or asset is identified which warrants acquisition or participation, additional funds may be required to complete the acquisition or participation and the Company may not be able to obtain such financing on terms which are satisfactory to the Company.

Description of Business (continued)

Under the policies of the TSXV, the Company must identify and complete a QT within 24 months from the date the Company's shares are listed for trading on the TSXV. There is no assurance that the Company will be able to complete a QT within this time period, or that it will be able to secure the necessary financing to complete a QT. The TSXV may suspend or delist the Company's shares from trading should it not meet these requirements. Refer to Note 9 for details of the proposed QT.

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, leading to an economic downturn. The impact on the Company has not been significant, but management continues to monitor the situation.

<u>Going Concern</u>

These condensed interim consolidated financial statements have been prepared on the going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. During the three month period ended June 30, 2022, the Company has not generated any revenues, and has negative cash flows from operations. As at June 30, 2022, the Company has an accumulated deficit of $637,180. The Company's continuing operations are dependent upon its ability to identify, evaluate, and negotiate a QT. If the QT is identified or completed, additional funding may be required and there is no assurance that the Company will be able to obtain such financing, if any, on terms that are acceptable to the Company. These factors indicate the existence of a material uncertainty that may cast significant doubt on the ability of the Company to continue as a going concern. These condensed interim consolidated financial statements do not include any adjustments to the recorded assets or liabilities that might be necessary should the Company be unable to continue as a going concern.

Liquidity & Capital Resources

Results of Operations

For the three month period ended June 30, 2022

The Company incurred a loss of $63,802 for the three month period ended June 30, 2022 compared to a loss of $14,298 for the three month period ended June 30, 2021. The increase in net loss is the result of increases in professional fees and transfer agent and filing fees incurred by the Company for its ongoing work towards completion of the its QT.

Cash Flows

During the three month period ended June 30, 2022, the Company used $99,668 of cash for operating activities compared to $70,840 during the three month period ended June 30, 2021. The increase in the use of cash is the result of higher spending on items directly related to completion of the Company's QT.

Financing Activities

During the three month period ended June 30, 2022, the Company received nil funds from financing activities compared to $350,000 for the three month period ended June 30, 2021.

Share Capital

Authorized: unlimited common shares without par value

As at June 30, 2022 and the date of this filing, the Company has 15,500,000 common shares issued and outstanding.

On May 4, 2021, the Company issued 3,500,000 common shares at $0.10 per share for proceeds of $350,000.

On July 16, 2020, the Company issued 4,000,000 common shares pursuant to a private placement offering at $0.10 per share for proceeds of $400,000. As part of the private placement, the Company incurred share issuance costs of $11,614.

Performance Summary

Selected Annual Information

The following table provides a brief summary of the Company's financial operations for the three most recently completed financial years ended March 31:

	2022 $	2021 $	2020 $
Total revenue	–	–	–
Net loss for the year	(367,212)	(71,052)	(20,208)
Basic and diluted loss per share	(0.02)	(0.01)	(0.00)
Total assets	700,180	725,416	350,716
Total long-term liabilities	–	–	–

Summary of Quarterly Results

The following is a summary of the Company's financial results for the eight most recently completed quarters:

	June 30, 2022 $	March 31, 2022 $	December 31, 2021 $	September 30, 2021 $
Net gain (loss) for the period	(63,802)	(102,561)	(155,590)	(94,763)
Basic and diluted loss per share	(0.00)	(0.01)	(0.01)	(0.00)
	June 30, 2021 $	March 31, 2021 $	December 31, 2020 $	September 30, 2020 $
Net gain (loss) for the period	(14,298)	(50,216)	(627)	(11,110)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.00)

This information has been prepared in accordance with IFRS and is presented in Canadian dollars, which is the functional currency of the Company. For more detailed information, please refer to the Company's audited financial statements for the years ended March 31, 2022 and 2021.

Financial Instruments and Risks

The Company is exposed in varying degrees to a variety of financial instruments and related risks. Those risks and management's approach to mitigating those risks are as follows:

(a) Fair Values

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's statement of financial position as at June 30, 2022, as follows:

	Fair Value Measurements Using			
	Quoted prices in active markets for financial instruments (Level 1) $	Significant other observable inputs (Level 2) $	Significant unobservable inputs (Level 3) $	Balance June 30, 2022 $
Loan receivable	–	250,000	–	250,000

The fair values of other financial instruments, which include cash and cash equivalents, loan receivable, and accounts payable and accrued liabilities, approximate their carrying values due to the relatively short-term maturity of these instruments.

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(b) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consists of cash and cash equivalents. The Company will limit its exposure to credit loss by placing its cash and cash equivalents with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

(c) Foreign Exchange Rate Risk

Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the functional currency of the relevant company. The Company has no foreign exchange rate risk.

Financial Instruments and Risks (continued)

(d) Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize such a loss is limited because the Company has no liabilities with variable rates.

(e) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company plans on settling its financial obligations out of cash. The ability to do this relies on the Company raising debt and equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. There is no assurance that financing will be available or, if available, that such financing will be on terms acceptable to the Company.

Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and cash equivalents and equity comprised of issued share capital and share-based payment reserve.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company and its Board of Directors will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances. The Company is subject to externally imposed capital requirements under Policy 2.4 of the TSX-V for Capital Pool Companies and the Company's overall strategy with respect to capital risk management remains unchanged from the year ended March 31, 2022.

Qualifying Transaction

On June 17, 2021, the Company entered into a binding letter of intent to acquire a portfolio of five gold and copper exploration projects located in Eastern Australia of which one is held with GBM Resources Ltd. ("GBM") and four properties are held with Great Southern Gold Corp. ("GSG") as a proposed QT. To acquire the interests, the company would: 9i) consolidate its current issued and outstanding common shares on a basis of 0.75 new common share for every 1 old common share; (ii) issue 20,079,545 split-adjusted common shares to GBM for the Mt. Morgan gold and copper exploration property; and (iii) issue 10,568182 split-adjusted common shares to acquire 100% interest in GSG.

On July 8, 2021, the Company entered into an amending agreement whereby it would acquire an additional exploration claim from GBM. The company will compensate GBM with an option payment of $32,500, other transaction costs of up to a maximum of $10,000 and issue 380,000 split-adjusted shares in compensation of shares issued by GBM to acquire the exploration claim.