



Beauce Gold Fields Inc.

Management Discussion and Analysis

For the first quarter ended October 31, 2022

INTRODUCTION

This management discussion and analysis (‘‘MD&A’’), prepared as on December 23, 2022, contains information as of October 31, 2022 and should be read in conjunction with the interim Financial Statements for the periods ended October 31, 2022 of Beauce Gold Fields Inc. (‘‘Beauce’’, the ‘‘Corporation’’ or ‘‘BGF’’). The Notes referred to in this MD&A refer back to the Notes in the Financial Statements. The Unaudited Financial Statements are presented in compliance with the IAS 34 Standards ‘‘Quarterly Financial Information’’ which calls for critical accounting estimates. They also demand of Management the period of its judgement in the application of the accounting methods used by BGF. Note 5 of the Financial Statements outlines the particularly complex areas where such judgement is required as well as the hypotheses and estimates where such hypotheses and estimates have a major effect on the Financial Statements. The Financial Statements were not adjusted in regard to the accounting value of Assets and Liabilities, Revenues and Expenses and to the classification used in the preparation of the Cash Flow Statement under the hypothesis of the Corporation’s ability to continue as a going concern. These adjustments could be significant. All amounts are in Canadian dollars.

The Financial Statements of October 31, 2022, were prepared by management and are not audited

The Financial Statements were not adjusted in regard to the accounting value of Assets and Liabilities, Revenues and Expenses and to the classification used in the preparation of the Cash Flow Statement under the hypothesis of the Corporation’s ability to continue as a going concern. These adjustments could be significant.

Beauce Gold Fields Inc. was incorporated on August 1, 2016, under the Canada Business Corporations Act. The Corporation’s shares are part of the Emerging Corporation category and are publicly traded on the TSX-Venture Exchange (‘‘TSX-V’’) under the symbol: ‘‘BGF’’. It is a reporting issuer under the securities laws of the provinces of Quebec, Alberta and British Columbia. Beauce Gold Fields Head Office is located at 3000, Omer-Lavallée Street, Suite 306, Montréal, Québec, Canada, H2Y 1R8.

The Corporation regularly presents supplementary information on its activities, which are filed on (SEDAR) (www.sedar.com).

FORWARD LOOKING STATEMENTS

This MD&A contains forward-looking statements that are based on the Company’s expectations, estimates and projections regarding its business, the mining industry in general and the economic environment in which it operates as of the date of the MD&A. These statements are reasonable but involve a number of risks and uncertainties, which are identified in the regular filings done by the Corporation with the Canadian Regulatory Authorities and there can be no assurance that they will prove to be accurate and the final results as well as future events could vary in a material manner and contradict the results expected under these Statements. Therefore, actual outcome and results may differ materially from those expressed in or implied by these forward-looking statements.

The Forward Looking Statements are influenced by a variety of risks, uncertainties and other factors which could significantly alter the results and actual events. When used in this document the words such as ‘‘could’’, ‘‘plan’’, ‘‘estimate’’, ‘‘intention’’, ‘‘potential’’, ‘‘should’’ and similar expressions are Forward Looking Statements.

Even though the Corporation believes that the expectations expressed in these Forward-Looking Statements are reasonable, these statements are subject to risks and uncertainties and there is no assurance given by the Corporation that the expected results will correspond to the Forward-Looking Statements.

Many risks exist which could render these Forward Looking Statements erroneous such as the price movements in the metals markets, the fluctuations in the foreign exchange and interest rate, of under or over estimated reserves, environmental risks (ever increasing regulations), social acceptability, unforeseen geological situations, negative extraction conditions, changes in government regulations and policies, the inability to obtain the needed permits and government approvals, or any other risk tied to exploration and development.

The Corporation's ability to continue its operations is subject to securing additional financings needed to continue the exploration of its mineral properties and to the continuous support of suppliers and creditors. Even though the Corporation was able to secure such financings in the past there is no guarantee it will be able to do so in the future.

The Corporation commits to update its Forward-Looking Statements and to advise its shareholders if circumstances, estimates or opinions issued by Management must be changed.

NATURE OF ACTIVITIES

The Company's objectives are to explore for minerals resources and to find mineral deposits that could potentially lead to viable commercial operations.

The Company has not yet determined whether the natural resource property it is exploring contains any ore reserves that are economically mineable. Continued exploration and development of the properties is dependent upon the Company's ability in securing the necessary funding.

OVERALL PERFORMANCE OF THE FIRST QUARTER 2023

- On October 21, the Company closed a non-brokered private placement of 3 million units for gross proceeds of \$105,000.00 and 4.5 million Flow-Through units for a gross proceeds of \$225,000.00.
- On October 10 sonic drill holes have been completed, positioned across a 800-meter segment of the Ditton placer channel for a total length of all holes of 272.9 meters, over 160 bulk sample 200-litre barrels and 126 samples collect by dredging.
- On October 6, the Company announced it will resume exploration on Beauce Gold property located in St-Simon les Mine, Quebec. Focus will be the exploration of an Axis of an Antiform outcrop indicative of a Saddle Reef formation. However, due to a higher workload than expected allocated to the Ditton/Megantic project, resumption, at its earliest, would be for spring 2023.
- On August 28, the Company announced it completed four lines totaling 2km of seismic refraction geophysics surveys on the Ditton placer channel and one line on the Mining Brook.

SUMMARY OF CURRENT ASSETS

- As at October 31, 2022, the Corporation held cash in an amount of \$645,545, \$95,388 in Goods and Services tax receivables and \$6,038 in prepaid expenses.
- For the period ending on October 31, 2022, the Company carried \$231,863 in exploration work on its properties.

SIGNIFICANT MINERAL PROPERTIES AND EXPLORATION ACTIVITIES

BEAUCE GOLD PROJECT: SAINT-SIMON-LES MINES - INTRODUCTION

The Beauce Gold project was acquired in December 2018 by the Company through Spin-out agreements concluded with its parent company HPQ-Silicon Resources Inc. ("HPQ"). It is located in Southern Quebec in the municipality of Saint-Simon-les-Mines about 70 km southeast of Quebec City. The project consists of one hundred and fifty-two (152) claims and a total area of 4,808.95 hectares. The majority of the claims are contiguous. The company also owns 7 lots totaling 176 acres of real estate in the municipality. A 6 kilometer long historical placer gold channel is found on the property, the largest in northeastern North America.

The Beauce Gold property holds a prominent position in Canadian mining history. In the Beauce region, gold was first discovered in 1767. On the property, the first mention of gold was in 1847 when a girl, Clothide Gilbert, discovered an egg sized gold nugget while walking her horse across the Giroux creek. News of the find lead to Canada's first gold rush. At it's peak in the 1870s, over 2000 miners through a network of shafts and tunnels, mined the auriferous till & saprolite and brought it up to surface to wash out the placer gold. In fact, many notable Canadian milestone are attributed to this property. It is the site of the first gold mining operation in Canada. The first incorporated gold company, some of the largest recorded gold nuggets were mined from there and legal mining rights disputes lead to the creation of Quebec's Mining Act. The property saw placer gold mining on an industrial scale, with various degree of intensity, from 1860s to 1914.

From 1957 to 1965, the property was once again active when a dredging operation by the Beauce Placer Company mined the Eastern section of the placer gold channel. To this day, it was the largest placer gold mining operation in eastern North America. An "historical estimate" indicated 16,976,153 cubic yards (12,978,710 m³) of material grading US\$0.2224 per yard as the dredging gold resource. This equates to 0.329 grams/cubic yard (or 0.431 g/m³) using US\$21/ounce. It is assumed that the volume included overburden.

The dredging and drag line operation from 1959 to the early 1960s suggested that the company mined some 56,000 oz. gold from the processing of 8.6 million cubic yards of material for an average gold content of 0.2 g Au / cubic yard. At US\$35/ ounce (the gold price in 1960) the figure revised to a grade of 0.197 g/yd³ (or 0.258 g/m³).

In 2011, Uragold Bay Resources compiling data from historical 1980's overburden drilling as well as their own Sonic drill results suggests that the gold potential for the entire deposit (Gold Exploration Target) could range between 61,000 ounces (2,200,000 m³ @ 0.87 g Au/m³) and 366,000 ounces* (2,200,000 m³ @ 5.22 g Au/m³) using the x6 nugget effect multiplier. A conservative overburden Strip Ratio was estimated at 1:4.3 (*Source 43-101 Report BEAUCE GOLD PROJECT Benoit M Violette, P.Geo. July 4, 2018*).

Beauce Gold Fields objectives is to evaluate potential economic placer gold deposits and to trace back the placers to discover lode gold deposits.

GEOLOGY

The Beauce gold sector straddles two of the significant tectonostratigraphic subdivisions of the Appalachians. The latter, the Humber zone to the northwest and that of Dunnage to the southeast

Notwithstanding the importance of the Beauce Gold project as a past placer gold mining property, very little historical geological data was available as to the geology that surrounds the placer gold channel. To date, exploration work by the Company has found that gold mineralization mainly follows fault contacts between the volcanic Beauceville Formation and the sedimentary rock St-Victor Formation.

The geological model of a Saddle Reef formation is the leading hypothesis regarding the source of the historical placer gold deposit. The model suggests that the placer gold, such as the famous large nuggets mined in the 19th century, were formed in stressed quartz pockets of layered domed Axis of Antiforms as demonstrated in Saddle Reef formations. Eroded segments of the formation are believed to be the primary source of the historical placer gold deposit. Saddle Reef examples include the vast Bendigo and Ballarat gold fields of Australia (over 60 million ounces), and the high-grade Dufferin deposit in Nova Scotia.

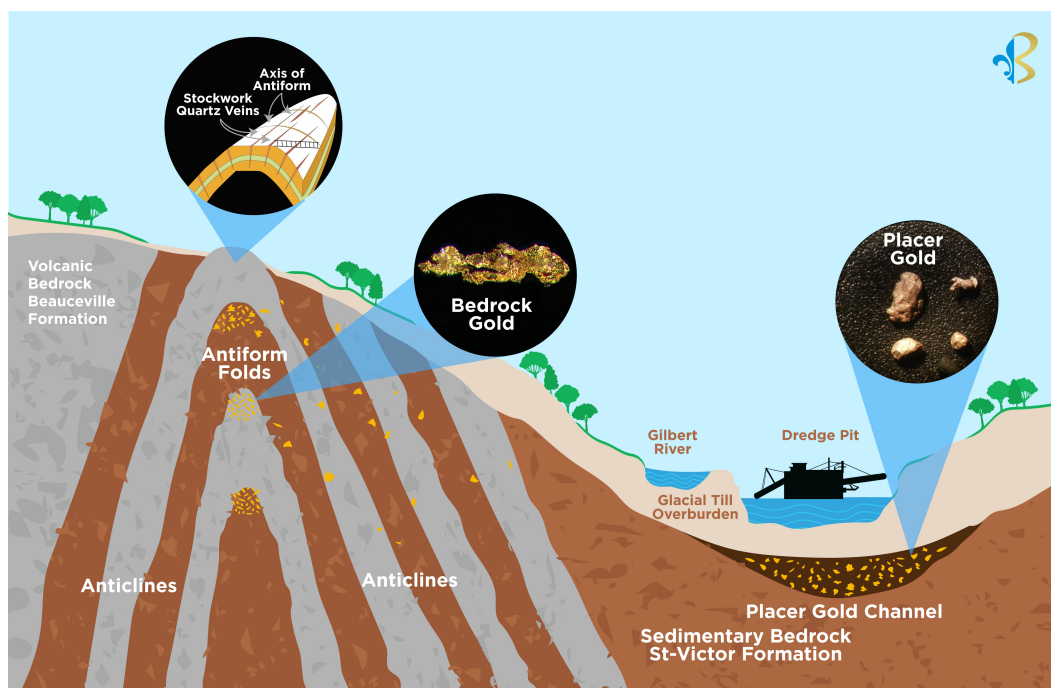


Image: Proposed model of the Saddle Reef Formation

2022 EXPLORATION WORK

In October, the Company announced it would resume the exploration of important exposed axis of antiform ridge outcrops of the Grondin showing for November and December. However, due to a higher workload than expected allocated to the Ditton project, resumption at its earliest would be for spring 2023.

In June, the Company acquired from Placements V.T.R. Inc. 14 claims that enlarged the Beauce Gold property to the northwest. The added claims hold an important exposed domed Axis of Antiform ridge outcrop with significant mineralized Crack and Seal type quartz veins stockworks. The Axis outcrop of the Grondin showing extends 500 meters North-East along strike onto the Company's claims. It is approximately 3km upstream/uphill of the 19th-century placer gold mines at Giroux Creek and Gilbert River confluence and parallels to the historical placer gold deposit of St-Simon-les-Mine. Two of the highest gold grades reported from the outcrop were in samples 81755 @ 2.11 grams/ton, and sample 81763 @10.9 grams/ton (GM 70761 Réjean Hébert, géo. June 2018).

Between May and June, the Company collected 58 grab takes samples over a distance of 5km by 800m wide. The samples were spaced according to the outcrops but at approximately 50m intervals from the Grondin showing and 100m to the North-East of the Grondin showing to the Saint Gustave Road in the northeast. The limits from south to north are Chemin Rivet (south) and Rang Saint-Gaspard Road to the north. Of the total samples assayed by Techni-Lab of Val D'or, 7 of the samples returned between 200 ppb Au to 1,400 ppb Au.

On March 18 the Company announced that filtered geophysics data from a 2019 IP survey reveals anticline folds indicative of a saddle reef formation. The INRS (Institut national de la recherche scientifique) enhanced the 2019 data for lines 4 and 5 by applying a noise reduction filter to the 2D inversion electrical resistivity and electrical chargeability data. It revealed tomographic 2D images characterized by deformed structures of synform-like pleated zones suggesting the presence of Antiform structures with relatively tight vertical anticline limbs. This correlates with the structural pattern of Saddle Reef formations.

The geological model of a Saddle Reef formation is supported by IP surveys, by observed eroded anticline vertical limbs of layered sedimentary and volcanic bedrock in the 2019-2020 trenches and by the discovery of exposed domed Axis of Antiform ridges along the Giroux creek. The Axis trends North-East and South-West for 4 km to the North of the Gilbert River and north of the historical placer gold channel. Eroded segments of the Saddle Reef formation is the leading hypothesis as to the source of the historical placer gold deposit.

In February 2022, the Company announced the results of the 2021 38-hole diamond drill campaign totaling 4,585 meters to test numerous high-priority targets. Drill results revealed no significant bedrock gold mineralization. It did though, generate important geological data that provided new insights as to the origins of the historical placer gold deposit.

Drilling results highlights:

- Successfully breached major fault line Drill holes SM-21-01, SM-21-03 and SM-21-21 clearly showed the presence of the major fault line that strikes SW-NE across the property.
- Anticlines limb structures support Saddle Reef model. Drill cores from holes SM-21-03 and Holes SM-21-05 to SM-21-19 on the St-Gustave crossed sub-vertical limbs of interbedded bands of black shales – siltstones (Sedimentary Rocks) and tuffs – Lapiillis (Volcanics Rocks) interspaced with quartz veins.
- Dichotomy of visible gold to drill results confirms nugget effect; Drill results from the Poulin and St-Gustave sectors confirmed a dichotomy between visible gold observed in the mineralized sections of the trenches and drill hole SM-21-08 versus all the drill holes from these two sectors that returned almost no gold. Drill core segment 34–34.5m of drill hole SM-21-08, best demonstrates this striking nugget effect. One half of the split drill core contained 2 visible gold grains measuring between

approximately 250 and 350 microns (0.25 to 0.35 mm) embedded in folded-boudinage blue-gray quartz- vein yet the other half core sent to be assayed returned no detectable gold.

- New gold zone discovered. Anomalous gold results of up to 145 ppb Au from Drill holes SM-21-25, SM-21-27 and SM-21-28 drilled below tunneling found on the property from the St-Gustave placer gold mine operated by Champs-D'Or Rigaud-Vaudreuil company in the 1910s. Results point to a new gold zone approximately 150 meters NE of hole SM-21-08. The anomaly was from core segments of blue quartz veins similar to the blue gray quartz containing visible gold in hole SM-21-08. The holes intersected a stockwork zone beneath an outcropping Anticline structure northeast of Rang Saint-Gustave near the Gilbert River.

Hole No	Depth	From	To	Intervalle	Au	Sector
	(m)	(m)	(m)	(m)	(ppb)	
SM-21-01	288	155	157	2		Poulin (TR-10008)
SM-21-02	192					Channel (10SW-750L: 0,181 g Au/m3)
SM-21-03	300	52	55	3		Saint-Gustave (TR2020-02-TR2020-46)
SM-21-04	147					Channel (3SW-400L: 0,07g Au /m3)
SM-21-05	69	25	26.5	1.5		Saint-Gustave (TR 2020-03)
SM-21-05		29	33.5	4.5		Saint-Gustave (TR 2020-03)
SM-21-06	81	20	22	2		Saint-Gustave (TR 2020-03)
SM-21-07	54.2					Saint-Gustave (TR2020-05)
SM-21-08	64.8	26	27	1	350	Saint-Gustave (TR2020-05)
SM-21-08		34	34.5	0.5		Visible Gold
SM-21-09	150					Saint-Gustave (TR2020-05)
SM-21-10	97					Saint-Gustave (TR2020-04)
SM-21-11	66					Saint-Gustave (TR 2020-03)
SM-21-12	75	20.5	22	1.5		Saint-Gustave (TR 2020-03)
SM-21-13	150	51.5	54	2.5	55	Saint-Gustave (Ext SM-21-08)
SM-21-14	74	53	54	1		Saint-Gustave (TR 2020-04)
SM-21-15	102	23.5	24.5	1		Saint-Gustave (TR2020-01)
SM-21-16	84					Poulin (TR-10008)
SM-21-17	150					Saint-Gustave (TR2020-01)
SM-21-18	145	38	39	1	37	Saint-Gustave (TR2020-01)
SM-21-19	75					Saint-Gustave (TR2020-01)
SM-21-20	171	89.5	90.5	1		Poulin (TR-10008)
SM-21-21	117					Poulin (TR-10008)
SM-21-22	81	80.5	81	0.5		Poulin (TR-10008)
SM-21-23	72	12	14	2		Poulin (TR-10008)
SM-21-24	75					Poulin (TR-10008)
SM-21-25	93	57	59	2	42.5	Saint-Gustave (Ext SM-21-08)
SM-21-25		61.5	63	1.5	38.6	Saint-Gustave (Ext SM-21-08)
SM-21-26	90	14	15	1		Saint-Gustave (Ext SM-21-08)
SM-21-27	96	51	52	1	124.5	Saint-Gustave (Ext SM-21-08)

SM-21-27		57.5	58	0.5	145	Saint-Gustave (Ext SM-21-08)
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2021 EXPLORATION WORK

In December 2021, the Company announced it has identified an important 4 km long Saddle Reef formation along an Antiform Fold structure that runs parallel to the NE and higher up the valley wall, of the historical placer gold channel.

In September 2021, the Company has completed the first drill program to test numerous high-priority targets on the Company's Beauce Gold property located in Saint-Simon-les-Mines, Quebec. All 38 diamond drill holes totaled 4,585 meters. All holes have intersected significant widths and over 1,500 meters in length of favorable mineralized structures along multiple strike zones trending parallel to the historical placer gold channel. Samples were sent to Actlab laboratory for analysis.

In August 2021, Visible gold was observed in the core of drill hole SM-21-08 between 34.5m and 34.6m deep. Two (2) grains of visible gold measuring approximately between 250 and 350 microns (0.25 to 0.35 mm) in folded-boudinaged blue-gray quartz- vein. The vein is hosted in a lapilli tuff and appears to have formed by intense cataclasis. Mineralization in hole SM-21-08 is associated with a stockwork that forms between 21m and 39.5m deep inside a volcanoclastic fractured rock that dissipates to black shale for a few meters. These stockworks are located under the placer gold channel and appears to trend North-East underneath two old mining shafts and tunnelling found on the property from the St-Gustave placer gold mine operated by Champs-D'Or Rigaud-Vaudreuil company in the 1910s.

In May 2021, the Company announced results from its 2020 fall-winter trenching program. Trench sampling has identified multiple gold bearing bedrock structures. Five of the trenches exposed weathered bands of altered volcanoclastic rocks crosscut by quartz veins interspersed with sedimentary rocks (sandstone and black shales). The trenches are located approximately 180 m SSW from the intersection of Chemin du Rang St-Gustave and the Rivière Gilbert. This area of the property has been the subject of historic placer gold production first in 1910s via two underground drifts and, in the 1960's, by a major gold dredging operation.

In January, acquired, from a Private Collector, a trove of never before published exploration data by the Beauce Placer Mining company that operated from 1957 to 1965 on the property. Included were 344 drill hole logs and subsequent results, geophysics data, field surveys, compilation maps and, all aspects pertaining to the administration of the dredge mining operation itself.

2020 EXPLORATION WORK

The Company carried out bulk sampling of trenches Tr2020-01 (Bulk A, 63kg), Tr2020-02 (Bulk B, 68kg) and Tr2020 -05 (Bulk C, 64kg) SEM analyzed a total of 121 points on 18 gold particles that ranged in size from 200um up to 1.5mm. SEM EDX analysis revealed an average in gold of 85.10% (+/- 6.45%) and averaged silver content of 6.18% (+/- 2.77%). Unlike the gold from Poulin Trench Tr-10008 sample, the analyzes of the Bulk A, B and C samples show a multimodal distribution of the Au / Ag ratio with lower Ag content in the Bulk B sample (table 1) giving a higher Au / Ag ratio. This high Au / Ag ratio in the gold particles of Bulk B sample appears, in part, to be controlled by a higher degree of saprolitic alteration of the rock present in the bottom of the Tr-2020-02 trench (Bulk B). Of interest to note that sample Bulk B is closest to the historical placer channel that consists of gold-bearing auriferous units of a saprolite.

	Au*	Ag*	Au/Ag*	n=
Vrac A	85.25	8.49	13.02	60
Vrac B	86.01	2.62	30.04	10
Vrac C	85.25	5.43	17.32	51
	* averaged values			

Table 1: Gold partial analysis. Average percentage contents of Au, Ag and of the Au / Ag ratio of the gold particles analyzed under an electron microscope with an EDX analyzer. Note: ‘Vrac’ is French for ‘Bulk’. Concentrations are in Wt% and n stand for the number of EDX analysis.

October to December 2020, the Company mechanically excavated 46 trenches and outcrops (mainly trenches) for approximate 400 meters along strike the placer channel on the southern side of the Gilbert River, up to the opposite side of the Poulin trenches. The trenches west of St-Gustave Road are on land fully owned by the Company. Further trenching and outcrop sampling was also completed on private property to the East of St-Gustave Road. The trenches exposed long vertical bands of fractured volcanoclastic bedrock, rusty quartz veins and black shales. The exposed rusty quartz veins are similar yet more abundant and wider than the gold bearing fractured quartz sampled from Poulin trench 10008, some 260 meters south west.

This alignment of the Tr-10008, Bulk-A (Tr-2020-01) and Bulk-B (Tr-2020-02) showings suggests the presence of a splay gold structure-oriented North-East-South-West, Bulk B being closer to the placer channel. Directly North-East of these trenches two historical 1959 RC drill holes (3SW – L04 & L03.5) drilled into the placer channel returned gold values. The mineralization associated with the Bulk-C sample (Tr-2020-05) appears to be associated with another North-East—South-West splay structure in bedrock, located approximately 100 m northwest of the first.

The other trenches were channel sampled. The two that returned significant gold anomalies were trenches Tr-2020-46: (75-170 ppb Au) and trench Tr2020-51 (183 ppb Au). Note that Tr2020-51 is characterized by the presence of a 1m thick massive quartz vein. Both are aligned at plus or minus 10 m from the AMT fault line.

Mechanized excavations of the overburden (Quaternary deposits and soils) exposed the bedrock before it plunges deeper into the historical placer gold channel. Geological mapping and structural study to the east and west of Rang St-Gustave Road will provide a detailed study of the orientation of the folds, shear zones and rock fracturing. This data will be used to optimize the drilling program to come.

The exploration team collected:

- 100 rock samples taken by channel cuts using a diamond saw (in the trenches)
- 9 bulk samples of rocks taken from the trenches
- 28 samples (bulk) of rock outcrops from the property
- 4 bulk samples (composite samples) of approximately 100 lbs each (trenches Tr-2020-01, Tr-2020 02, Tr-2020-05 and Tr-2020-51)

The Company also had assumed the payment to a third party of a royalty of 1.5% of which, at the option of the company, 1% was redeemable for an amount of \$1,000,000. On September 30,2020 the Company redeemed the 1.5% royalty from the holder thereof by means of the issuance of 700,000 common shares of its capital stock representing the redemption price of \$108,500.

2019 EXPLORATION WORK

December 2019, the Company has dug fourteen trenches in the Poulin section. The trenches were dug and the exposed bedrock was cleaned with jets of water to remove the overburden. Nine of the trenches were channel sampled. Four of the trenches, 10008, 10009, 10015 and 10016 showed the presence of volcanoclastic bedrock heavily altered by injections of rusty quartz veins that were then channeled and bulk sampled. These trenches were subject to high resolution photogrammetric imagery and detailed geological and structural mapping. The veined area is 2.5 to 3 m thick and has been observed in trenches 10008, 10009 and 10016. Trenches 10008 and 10009 have shown the presence of faulted contact between volcanoclastic rocks (north) and sedimentary rocks (south). The structural discontinuity corresponds to a brittle (fragile) type fault associated with a non-cohesive cataclasite (gouged zone) rich in small fragments of quartz. This laminated 35 cm thick structure, dips to the south and follows a North-East-South-West direction. The observation of this structure in the trenches seems to confirm the presence of a major fault. Moreover, a 2 kg sub-sample from a 146.6 kg bulk sample taken from Poulin trench 10008 contained 0.55 mg (0.275 g/t) of visible gold particles. The particles were extracted from volcanoclastic rocks that were heavily injected with rusty quartz veins.

Under the supervision of Dr. Marc Richer-LaFlèche, Ph.D. Géo from INRS, the three fault zone gold particles from Poulin trench 10008 and eighteen of the 2011 Sonic Drilled gold grains were sent to INRS and analyzed using a Zeiss EVO® 50 smart SEM (SEM) scanning electron microscope coupled to an Oxford Instruments elementary microanalysis system by X-ray energy dispersion spectrometry (EDS). For the Poulin trench gold particles, 41 of the 62 random sequenced analysis over the scanned particles revealed a silver content that ranged between 2.71% Ag to 8.14% Ag with an average reading of 6.03% Ag.

For comparative analysis, the morphology of the auriferous basal till and saprolite gold grains were separated into groups of proximal angular vs distal rounded shapes. It was observed that relatively angular nuggets (example A, B and C) contain an average Au-Ag mixture of 6.80% Ag (Silver) (25 random sequenced analysis ranging 1.26% to 21.30% Ag) which is similar to the gold observe in Trench-10008. Some nuggets have internal cavities filled with iron oxides (goethite-hematite) probably reflecting the saprolitisation (weathering) of bedrock and of little or no hydraulic transportation. The second group of nuggets (example C, D and E) were rounded by hydraulic transport, and do not contain silver (only gold). It is likely that these nuggets of almost pure gold were affected by geochemical or biogeochemical process involving preferential leaching of silver. Note that in the St-Simon-les-Mines area, the presence of saprolitized rocks is a local geological characteristic essentially observed in the sector of the Beauce placer near the Gilbert River (including rocks from the 10008 trench and 8000 outcrop). Such weathered rocks are not preserved elsewhere in the study area. The presence of gold nuggets showing internal weathering embayment's rich in iron oxides is another evidence suggesting a local provenance of gold.

Highlights include

- Trench 10008: 145.60 kg of loose rock samples. 3 visible gold particles with a total weight of 0.55mg (0.275 g/t). Slight gold anomaly of 18 to 27 ppb on 16 samples with an average of 21.50 ppb. 563 ppb including gold particles. Exposed geological fault.
- Trench 10009: 130.10 kg of bulk sampled rocks. No visible gold. Slight gold anomaly of 13 to 32 ppb on 16 samples with an average of 22 ppb. Exposed geological fault.
- Trench 10016: discovery of a 19th century placer gold mining shafts. Bulk sampling. Material to be analyzed.
- Trench 10015: Bulk and channel sampled. Material to be analyzed.
- Channel samples from all other trenches returned no gold values.

December 2019, the Company has completed three additional geoelectric induced polarization (IP) survey lines conducted in the western section (Rang Delery). The IP lines paralleled two previously completed IP lines that identified a southwesterly extension of the major fault that strikes through the property. The extended IPs will allow the Company to potentially identify hidden zones of mineralized rock outcrops buried under glacial till overburden that can be excavated for channel sampling.

The trenches also validated an electrical resistivity and high-resolution induced polarization survey also conducted by Dr Richer-LaFlèche of INRS in 2014. The excavated trenches and stripping corroborated the results of the 2014 geophysical survey. Induced polarization anomalies correspond to volcanoclastites finely mineralized in pyrite and sometimes to black pyritic shales. Excavation of Trench 10008 shows the presence of faulted contact between volcanoclastic (south) and sedimentary (north) rocks. The faulted contact corresponds to a 35 cm thick zone of non-cohesive materials rich in quartz fragments. The volcanoclastic rocks, present south of the fault, are highly fractured. This structure, dipping to the south, could correspond to the fault detected by the AMT survey of 2017. On the edge of the fault, the volcanoclastites are extremely altered by the injection of veins of quartz-iron carbonates associated with a variable proportion of sulphides. The zone of quartz-carbonate veins has a thickness of 2.5 to 3m. This zone, observed in trenches 10008 and 10009, is located approximately 30m from the Gilbert River and at the northern limit of past placer gold mines.

October 2019, the geoelectric tomography survey demonstrated the presence of distinct lithological blocks located on both sides of the Gilbert River. North of the river, the rocks are systematically more resistive. This observation implies the presence of contact between units of sedimentary rocks in the south (St-Victor Formation), which shows relatively few induced polarization anomalies, and volcanoclastic dominant units (Beauceville Formation) in the north of the Gilbert River. The latter being characterized by strong anomalies of electrical chargeability. As observed in the field, volcanoclastic units are affected by brittle deformation frequently associated with the injection of quartz veins and carbonates. In contrast, these structures are infrequent in the shale-rich units of the St-Victor Formation.

The faulted contact between the St-Victor and Beauceville Formations is further indicated by the magnetic and gravity contrasts observed in this sector. These contrasts of physical properties of the rock units cannot be explained by a simple synclinal structure. As a result, the presence of a fault is highly likely in the Gilbert River area. Note that Line 2 passes near old gold mining wells of the 19th and 20th century. Remnants of these are still visible in the area of the anomaly located below the 600m station.

April 2019, the Company received the geophysical study aimed to verify the probable presence of a large fault located below the Beauce Placer gold placer zone and along the Gilbert River between St-Gustave Road and the town of St-Simon-les-Mines. The primary objective of the geophysical survey was to identify potentially mineralized zones that could possibly be the hard rock source of the gold contained in the placers of St-Simon-les-Mines. Gravimetric data reveal the presence of a pit characterized by low values of gravity particularly evident on the map of vertical integration of Bouguer anomaly data.

March 2019, the Company conducted a high resolution mobile electromagnetic (TDEM) survey using a new Russian technology. This survey was completed on Rang St-Gustave Road. A new technology that measured electrical chargeability (induced polarization) and electrical conductivity at a horizontal resolution of 15cm. In addition, it allows a vertical penetration at depth to the order of 200m. The work is a continuation of the geophysics that has been carried out by HPQ Silicon in the sector since 2017.

MEGANTIC PROJECT INTROCUCTION:

Bergeron, Chesham, Ditton, Mining Brook and Emberton

The Mégantic property is located in southern Quebec about 120km south of the Company's Beauce Gold project. Its boundaries are the southwest by the American border of New Hampshire and to the northeast by Lac Mégantic. The property extends for at least 30 km along the axis of the Bella Fault. It is comprised of a continuous bloc of 200 claims divided into five historic placer gold districts: Bergeron River, Chesham, Ditton, Mining Brook and Emberton.

Placer gold was first discovered in 1862 by Archleas Annance, (nicknamed Archie) of the Abinaki First Nation. Up to 1910, the mining of alluvial gold occurred in streams and rivers of the Mégantic region. Notably, the Mining Brook where it has been reported (Goodwin 1933) that between 1868 and 1883, over 25,000 ounces of gold were mined from just a small stretch of the brook.

GEOLOGY

The Ditton property is located at the foot of the granite intrusion of Mont Mégantic in Appalachians of Quebec. It partly occupies the Compton Formation composed of graphitic and pelitic metasedimentary rocks of Siluro-Devonian age. These sedimentary rocks are in discordant contact in the center of the terrain with the volcanic facies (basalts, andesites and dacites) of the Siluro-Devonian Formation of the Frontenac Formation. The Bella fault, which is the major structural element of the Mégantic property, is in contact between the Compton and Frontenac Formations. Observations at Mount Saddle suggest several intrusive phases that would be favourable to the establishment of gold mineralization.

The alluvial placer of post-glacial origin would be the result of the reconcentration of pre-glacial (or inter-glacial) gold deposits taken up by the last glaciation and dispersed over the entire region. The gold itself likely originated from gold mineralized quartz veins common in the region.

FIRST NATIONS

The Magantic region was once the ancestral land of the Abinaki first nations people. The Abinaki Nation has rights of first regard over potential sites that could be of cultural or of archaeological importance. The majority of the Company's claims are on private property however; some claims are on Crown land. The Company must notify the department of archaeology of the Waban-Aki Grand Consul of all exploration work on Claims that are on government crown land. The Counsel's archeologist has visited the Ditton property and has allowed exploration work to continue.

DITTON

2022 EXPLORATION WORK

On October 10, sonic drill holes have been completed, positioned across a 800-meter segment of the Ditton placer channel. The deepest hole drilled through overburden into bedrock was 39.6 meters deep, with the shallowest being 13.7 meters for a total length of all holes of 272.9 meters. The drilling successfully recuperated 270 meters of 6-inch core samples, allowing for efficient characterization of both quaternary and tertiary overburden layering and the bedrock geology. The drill campaign produced core samples of various lithologies (clay-sand-gravel-boulders and sections of bedrock) that were sent to Explolab in Val d'or for placer gold extraction by gravity separation apparatuses. The mineral concentrates post-gold grain extraction will be sent to a laboratory for fire assay analysis to test for fine gold content.

The primary objectives of the sonic drill campaign were to identify anomalous overburden layers and to assess for any quantitative values of placer gold distribution. A secondary objective was to drill bedrock core samples to test the presence of a shear zone in the bedrock bottom of the channel that could correspond to a secondary fault that parallels the Bella Fault line as indicated by Geophysics conducted by the Company

In August, the Company has processed over 117 bulk samples consisting of 200 litre barrels of glacial till collected from overburden excavations along the Ditton placer channel. The samples were brought to a field sampling station to be processed through a high banker wash plant and sluices to reduce the samples to concentrates. The concentrates have been sent to laboratories for further gold extraction through various methods of gravity separation.

In August, three trenches have been excavated on the floor bottom of the Ditton gravel pit to expose fractured and heavily sheared volcanic rock. The Company used a suction dredge and a sluice apparatus to collect and concentrate compact gravel samples possibly of tertiary origin. 126 samples from 3 trenches are currently being processed for placer gold extraction and for the evaluation of quantitative values at the Coalia Laboratory in Thetford Mines, Quebec.

In August, the company completed three lines totaling 1.5 km of seismic refraction geophysics surveys. Three lines laid across the Ditton placer gold channel accurately mapped the depth to bedrock profiles. The geophysics data will allow the Company to position its overburden drill holes throughout the channel to sample at depth to bedrock the glacial till for gold. Preliminary results suggest an important shear zone in the bedrock bottom of the channel that could correspond to a secondary fault that parallels the Bella Fault line. A second objective was successful in validating the accuracy of the historical 1985 geophysics mapping of the channel by Cache Exploration.

June of 2022, the Company announced the start of its exploration program on the newly discovered Ditton placer channel located in Southern Quebec.

In May of 2022, the Company announces it has geolocated and mapped the Prospector Paquette's collection (the Collection) of never-before-published historical exploration data and the 120 Consorminex physical gold samples throughout the southern Megantic region of Quebec

In April of 2022, the Company announced the discovery of an unexplored placer channel in the Ditton country of Southern Quebec. The Channel holds a Tertiary placer deposit as well as the potential for a parent lode gold deposit. The epicenter of the discovery is a cross section of the placer channel along Rang Dix Road near the operating sand quarry in the town of La Patrie in Ditton Township, Quebec. The channel is located 4 km east of the historical Mining Brook placer gold mine and 5 km west of the US New Hampshire border. The insight that leads to the discovery was brought by a compiled analysis of the Company's exploration of the Ditton quarry, prospector Pierre Paquette's gold sample data and from the study of 1980's historical exploration reports of Cache Exploration (GM42843).

In February of 2022, the Company received from Pierre Paquette, a prospector from Megantic, an important collection of heavy mineral concentrates and physical gold samples including geology maps, part of the collection have never been publicly published.

In January of 2022, the Company announced results of 10 samples taken from an operating gravel pit on Rang Dix road located near the town of La Patrie in Ditton Township. All samples returned visible placer gold grains ranging in size 67 UM up to 4 MM.

Sample	Gold Size	Sample	Gold Size
SB-01 DL0	L=522.477um	SB-10 DL2	L=82.968um
SB-02-B DL0	L=75.307um	SB-14 DL0	L=201.198um
SB-04-A DL0	L=437.842um	SB-16 DL0	L=4mm
SB-04-A DL1	L=67.618um	SB-18-A DL0	L=293.840um
SB-04-A DL2	L=99.510um	SB-18-B DL0	L=227.951um
SB-06-B DL1	L=88.263um	SB-18-B DL1	L=174.722um
SB-08-A DL0	L=106.618um	SB-18-B DL2	L=131.496um
SB-10-DL0	L=109.482um	SB-18-B DL3	L=97.588um
SB-10-DL1	L=110.344um		

2021 EXPLORATION WORK

In November 2021 announced that 29 sand and gravel samples of glaciofluvial material were collected from a sand pit quarry in the Chesham sector, which was active in the 1980s. BGF returned to this area to further explore around the site were a fine sand sample taken in 2020 returned more than 10 g / t Au. 10 samples taken from an operating gravel pit located near the town of La Patrie in Ditton township. The part of the quarry occupies approximately an area of 0.5 hectares. A series of 10 sand and gravel samples were taken along the walls and under the floor of the gravel pit. Vertical thicknesses of the sand & gravel deposit varied from 2m to more than 13m.

Sample SB16, which was taken at random from the gravel by BGF, showed the presence of a very coarse gold grain that measured more than 4mm.

In April 2021, the Company announced the results of its soil sampling program on the Bergeron River section of the Megantic property. Between October and December 2020, the Company collected eighty-four 250g soil samples (B-horizon) for gold and silver plus base metals (Pb-Zn and Cu). 14 samples per line was collected following Noranda's old exploration grid of six 100 metre lines (Numbered 27E to 34E). The objective was to confirm past anomalous values and to assay for new gold values (Noranda did not assay for gold). Samples were sent to Activation Labs for geochemical analysis.

Results showed a gold anomaly (+28 and +30 ppb Au) on 2 lines. This anomaly is open on both sides of the grid either South-West of 27E and North-East of 30E. We note that the anomaly follows along strike the Bella fault to the NW. Lines 33E and 34E showed significant anomalous zinc (33E 21 to 123 ppm Zn averaging 66 ppm, 34E 14 to 121 ppm Zn averaging 58 ppm) The Company intends to expand the soil geochemistry surveys later in the summer.

Also, in April 2021, the Company announced the results of its overburden sampling program which revealed interesting gold grades came from the Mégantic region. Several anomalous samples are located near the Bella fault which crosses the Ditton, Chartierville, Chesham and the Bergeron River sectors of the Megantic property.

CHESHAM

2022 EXPLORATIONWORK

In January, results were announced for the 29 sand and gravel samples of glaciofluvial material collected from a sand pit quarry in the Chesham sector, only 3 samples returned significant gold grains ranging in size from 32 to 82 UM. Of interest, a Fuchsite mineral crystal was also observed. The mineral fuchsite is often associated with orogenic gold mineralization.

Sample	Gold Size
MC-01 DL0	74.717um
MC-11 DL0	32.779um
MC-28-DL0	82.252um
MC-51 (Fuchsite)	254.423um

2021 EXPLORATION WORK

29 sand and gravel samples of glaciofluvial material were collected from a sand pit quarry, which was active in the 1980s. BGF returned to this area to further explore around the site were a fine sand sample taken in 2020 returned more than 10 g / t Au.

The sand & gravel deposit covers an area of more than 6 hectares. It is located approximately 100m west of Chesham Creek and to the south of Mont-Mégantic.

Sampling was undertaken using a medium-sized excavator (approximately 30 ton). The thickness of the deposit varies between 1 meter to more than 8 meters deep. The maximum extension of the excavator's boom could not exceed 7 meters in depth therefore in some places, it could measure more than 8m. The sedimentary sequence of the entire deposit consists mainly of medium to fine sand from the top down to gravel at its base. The 2021 excavations at times reached, after having crossed the layers of sand-gravel, beds of clay, bedrock or a water table that would fill the trenches. In October 2021, a stratigraphic cut of approximately 2 meters in height was sampled down an escarpment of the quarry. It intersected the section where the 10g/ton Au #798541 2020 sample was collected.

Sample 798541 was collected about 200 m west of the Chesham River, south-east of Mont Mégantic. The sample was taken from the surface (-30cm) of a sand pit and is represented by fine, oxidized sands. The grains of gold observed in the concentrate are numerous and angular. The weight of gold in this 20kg bulk sample gave 0.2 grams. The balance of the heavy mineral concentrate returned 178 ppb Au. The gold content is established at 10 grams per ton of sand or approximately 0.55 cubic meters. Surface gravel in the Chesham River area is reported (GM 48717) to contain flake gold. The deeper gravels contain numerous nuggets up to several grams in mass. The gold grains have very accentuated roughness indicating short traveled distance. It is assumed that the source of the alluvial gold would be in the volcanic rocks of the Frontenac Formation.

MINING BROOK

2022 EXPLORATION WORK

In August, a one line seismic refraction geophysics survey was to test a Tertiary channel (Channel A) that is crossed at 2km to the north by the Mining Brook 19th century placer gold mine that produced 25,000 ounces of gold from just a small stretch of the creek. Channel A has not been drilled and remains unexplored.

Sample 798526 of the Mining Brook area was taken 3.2km southwest of Mining Brook returned the best gold value of all samples (1.06 g / t Au). The sample was taken from a large gravel pit which locally measures more than 10 meters thick

EMBERTON

2022 EXPLORATION

In August, the Company collected 35, 200-litre barrel samples of glacial till collected from overburden excavations. The samples were brought to a field sampling station to be processed through a high banker wash plant and sluices to reduce the samples to concentrates. The concentrates have been sent to laboratories for further gold extraction through various methods of gravity separation.

BERGERON

2020 EXPLORATION

The Bergeron sector forms the northern part of the Megantic property and is mostly situated on Crown land and forestry land owned by Domtar. It was first explored for placer gold deposits in 1987 (GM 45387). A large quantity of delicate fine gold was noted in old excavations along the Bergeron River, thus suggesting a proximal primary source. The bedrock of the Bergeron River is made up of the components of the Frontenac formation, that is to say, slate schists, bands of basic metavolcanites and gabbro-dioritic sills. The property is crossed by the Bella fault in the middle, trending southwest to northeast.

Between 1993 and 1995, Noranda Mines and Exploration carried out a soil geochemistry survey for zinc, copper, lead and silver on a five-square-kilometre grid (GM 53498). Its soil sampling established copper, zinc and silver soil anomalies that appear to be continuous over significant distances. One of these anomalies is over 1.8 km in length.

Between October and December, 2020, the company collected 84 250-gram soil samples (B-horizon) for gold and silver plus base metals (lead-zinc and copper). Fourteen samples per line were collected following Noranda's old exploration grid of six 100-metre lines (numbered 27E to 34E). The objective was to confirm past anomalous values and to assay for new gold values (Noranda did not assay for gold). Samples were sent to Activation Labs for geochemical analysis.

Results showed a gold anomaly (over 28 and over 30 parts per billion Au) on two lines. This anomaly is open on both sides of the grid, either southwest of 27E and northeast of 30E. The company notes that the anomaly follows along strike the Bella fault to the northwest. Lines 33E and 34E showed significant anomalous zinc (33E 21 to 123 ppm Zn averaging 66 ppm, 34E 14 to 121 ppm Zn averaging 58 ppm). The company intends to expand the soil geochemistry surveys later in the summer.

OTHER PROPERTIES

NEWTON

2022 EXPLORATION WORK

In August, the Company collected a 200 litre barrel of glacial till collected from overburden excavations. The samples were brought to a field sampling station to be processed through a high banker wash plant and sluices to reduce the samples to concentrates. The concentrates have been sent to laboratories for further gold extraction through various methods of gravity separation.

ST-ISIDORE

During the last year, the Company acquired 34 claims by staking. Three 20 kg overburden samples were taken for analysis.

In April 2021, the Company announced the results of its overburden sampling program. Sample 798550 was collected from a large gravel pit on the edge of the Canada-US border and confirmed the presence of gold in overburden. Historical results show gold is present in multiple locations. Two old heavy mineral concentrate samples that cut large deposits of sand and gravel in the Saint-Isidore region returned 1.4 g/t Au and 2.8g/t Au (Maurice DP 1332).

AUDET

No exploration work in 2022. The project consists of 14 claims with a total area of 842.38 hectares.

In April 2021, the Company announced the results of its overburden sampling program which. Samples 798584 and 798586 of the Audet block returned anomalous values in gold. Sample 798584 contains visible and very delicate gold. The recognition of this sector was initiated by the results of geochemical survey conducted by the Geological Survey of Canada ("GSC") in 1984. A sample of heavy minerals from the creek gravels contained visible gold grains the size of a pinhead (+ 850mm). The GSC survey had collected more than 700 samples, but only 3 contained coarse gold, including one from the Gilbert River. The presence of angular gold suggests a probably local source in Audet area. Pyrite has also been noticed in the sample 798586 with angular edges which suggests a local source. Follow – up analysis of the gold content in pyrite could lead us to find the source of the gold locally.

The Frontenac Showing is in the volcanics of the Frontenac Formation. It crosses the property of Audet and contains showings of copper and gold associated with iron formations. The Frontenac Showing contains anomalous gold values found in quartz veins closely related to iron formations, with one grab sample returned 1.56% Cu, 758 ppb Au, 1.6 g / t Ag (GM 55294). The Frontenac volcanics are cut by shear zone structure, which may have been a conduit for mineralizing fluids.

PROJECT: POZER RIVER

During the last year, the Company acquired 4 claims by staking. A 20kg overburden samples were taken for analysis.

In April 2021, the Company announced the results of its overburden sampling program. Sample 798511 was taken from a large operating gravel pit near the Pozer River. The gravel carried by the river was trapped in one of the bends of the river. This topographic obstacle favors the accumulation of gold in the deposits of the river.

PROJECT: LAC ETCHEMIN**EXPLORATION WORK 2022**

In August, the Company collected a 200 litre barrel of glacial till collected from overburden excavations. The samples were brought to a field sampling station to be processed through a high banker wash plant and sluices to reduce the samples to concentrates. The concentrates have been sent to laboratories for further gold extraction through various methods of gravity separation.

EXPLORATION WORK 2021

During the last year, the Company acquired 2 claims by staking. A 20kg overburden samples were taken for analysis. The major Brompton-Baie-Verte fault crosses the property that is known to harbor gold mineralization and is interpreted to extend to Newfoundland. A source of gold could be related to this important structure.

In April 2021, the Company announced the results of it's overburden sampling program. Sample 798516 gave the second highest gold grade (432 ppb Au) from the 2020 survey. The sample was collected from a huge operating gravel pit, found in older Quaternary deposits which could correspond to pre-glacial sediments similar to those found at Saint-Simon-les-Mines. The major Brompton-Baie-Verte fault crosses the property and is known to host gold mineralization and is interpreted to extend to Newfoundland. The source of gold could be related to this important structure.

PROJECT: OTHERS

In fiscal year 2022, the Company acquired 27 claims by staking and the project consists of 77 claims.

EXPLORATION AND EVALUATION EXPENSES

The deferred exploration expenses (before exploration credits and mining rights) for the quarter ending on October 31, 2022 totaled \$231,863 compared to \$347,506 for the same period last year, a decrease of \$115,643.

Below is a comparative analysis detailing exploration and evaluation costs and expenses for the quarter ending on October 31, 2022 and 2021.

	Q1		Project								
	2022	2023	Saint -Simon	Ditton	Ouareau	Mining	Emberton	New port	Scotstown	Chesham	Other
						Brook					Property
Beginning balance August 1	1 024 111	1 763 631	1 378 361	302 229	2 310	8 215	55 176	1 576	3 153	11 035	1 576
Add:											
Geology	53 950	42 900	650	39 650	0	0	650	0	0	650	1 300
Salaries and benefits expense	0	1 183	0	1 183	0	0	0	0	0	0	0
Drilling	239 883	97 239	0	97 239	0	0	0	0	0	0	0
Excavation	20 703	16 330	0	16 330	0	0	0	0	0	0	0
Analysis and report	13 556	37 755	0	37 755	0	0	0	0	0	0	0
Prospecting	3 469	18 240	0	18 240	0	0	0	0	0	0	0
Transport	8 550	9 724	0	9 724	0	0	0	0	0	0	0
Accommodation	85	4 784	0	4 784	0	0	0	0	0	0	0
rental	5 478	2 175	0	2 175	0	0	0	0	0	0	0
Other	1 832	1 533	0	1 533	0	0	0	0	0	0	0
Total quarter:	347 506	231 863	650	228 613	0	0	650	0	0	650	1 300
Total:	1 371 617	1 995 494	1 379 011	530 842	2 310	8 215	55 826	1 576	3 153	11 685	2 876
Exploration credits and Mining rights	0	0	0	0	0	0	0	0	0	0	0
Ending balance October 31	1 371 617	1 995 494	1 379 011	530 842	2 310	8 215	55 826	1 576	3 153	11 685	2 876

SELECTED FINANCIAL INFORMATION FOR THE QUARTER

The following table presents Selected Financial Information.

	FISCAL 2023	FISCAL 2022				FISCAL 2021		
Quarter ending on :	22/10/31	22/07/31	22/04/30	22/01/31	21/10/31	21/07/31	21/04/30	21/01/31
	\$	\$	\$	\$	\$	\$	\$	\$
Operating	124,139	203,882	110,576	175,359	137,777	183,947	203,177	337,788
Net Loss	128,907	119,075	115,598	176,008	108,795	97,150	203,292	344,615
Loss per share (basic and diluted)	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)	(0.01)
Current Assets	746,971	889,749	821,737	1,022,758	749,645	1,235,281	1,821,567	1,031,757
Total Assets	4,478,112	4,389,389	4,016,186	4,155,710	3,786,863	3,920,668	4 002,380	3,082,006
Current Liabilities	179,946	287,635	111,144	144,172	126,151	242,091	273,457	263,155
Non-Current Liabilities	142,133	135,892	224,576	211,864	206,478	198,398	182,239	182,239
Shareholders' Equity	4,156,033	3,965,862	3,680,466	3,799,674	3,453,879	3,480,179	3,546,684	2,636,612

DISCUSSION ON THE FINANCIAL INFORMATION OF THE SELECTED QUARTER

- TOTAL PERFORMANCE**

During the first quarter of the 2023 fiscal year comparison to the same period in 2022, the Company saw an increase in its Net Loss of \$20,112 (18%) (\$128,907 vs \$108,795), while operating costs decreased by \$13,638 (9%) (\$124,139 vs \$137,777), while during the last seven quarters the respective averages were \$166,362 and \$193,215.

- NET LOSS ANALYSIS**

The increase in Net loss of \$20,112 (18%) (\$128,907 vs \$108,795), compared to the previous quarter in 2022 was a result of a decrease in costs operations of \$13,638 (9%) (\$124,139 vs. \$137,777), an increase in Other Charges of \$4,411 (54%) (\$12,491 vs. \$8,080) and the decrease in deferred tax of \$29,339 (\$7,723 vs. \$37,062) are the amounts attributed on the flow-through share liability.

The decrease in costs operations of \$13,628 corresponds to several elements. The increase in Salaries and employee benefits expense of \$8,591 (14%) (\$66,234 vs. \$57,643) corresponds to the increase in management salaries as well as the decrease in travel expenses of \$8,252 (58%) (\$5,773 vs. \$14,025). For us focused on our drilling program, the business development costs including advertising costs decreased by \$12,817.

The increase in other expenses of \$4,411 corresponds to the modification of the terms of the royalty payable. An amount of \$6,250 represents interest on the royalty payable of \$250,000.

SELECTED FINANCIAL INFORMATION FOR THE 2022 PERIOD

The following table presents Selected Financial Information for fiscal 2023, 2022, 2021 and 2020.

	FISCAL ENDING			
	22/10/31	21/10/31	20/10/31	19/10/31
	\$	\$	\$	\$
Operating expenses	124,139	137,777	188,606	145,011
Net loss	128,907	108,795	200,938	161,123
Results per share (basic and diluted)	(0.00)	(0.00)	(0.01)	(0.08)
Current Assets	746,971	749,645	912,202	339,108
Total Assets	4,478,112	3,786,508	2,766,439	1,975,061
Current Liabilities	179,946	126,151	229,481	281,146
Non-current Liabilities	142,133	206,478	174,481	168,047
Shareholders' Equity	4,156,033	3,453,879	2,361,977	1,525,868

GENERAL DISCUSSION ON FINANCIAL INFORMATION FOR THE 2023 PERIOD

- OVERALL PERFORMANCE**

For fiscal period of 2023, in comparison to 2022, the Company saw an increase in its Net Loss of \$20,112 (18%) (\$128,907 vs \$108,795), while operating costs decreased by \$13,638 (9%) (\$124,139 vs \$137,777) while during the last three previous periods these costs averaged respectively \$156,952 and \$157,131.

- **DISCUSSION ON NET RESULTS**

The increase in Net loss of \$20,112 (18%) (\$128,907 vs \$108,795), compared to the previous quarter in 2022 was a result of a decrease in costs operations of \$13,638 (9%) (\$124,139 vs. \$137,777), an increase in Other Charges of \$4,411 (54%) (\$12,491 vs. \$8,080) and the decrease in deferred tax of \$29,339 (\$7,723 vs. \$37,062) are the amounts attributed on the flow-through share liability.

The decrease in costs operations of \$13,628 corresponds to several elements. The increase in Salaries and employee benefits expense of \$8,591 (14%) (\$66,234 vs. \$57,643) corresponds to the increase in management salaries as well as the decrease in travel expenses of \$8,252 (58%) (\$5,773 vs. \$14,025). For us focused on our drilling program, the business development costs including advertising costs decreased by \$12,817.

The increase in other expenses of \$4,411 corresponds to the modification of the terms of the royalty payable. An amount of \$6,250 represents interest on the royalty payable of \$250,000.

- **LIQUIDITIES AND CAPITAL RESOURCES**

The period ended the July 31, 2022, with a working capital of \$602,114 (\$993,190 as at July 31, 2021). The current assets totaled \$889,749: cash on hand \$822,636 (\$1,075,137 as at July 31, 2021), HST tax receivables of \$52,648 (\$94,339 as at July 31, 2021), the advance for exploration expenses of \$7,500 (\$60,000 as at July 31, 2021) and Prepaid expenses of \$6,965 (\$5,805 as at July 31, 2021).

Total current liabilities totaling \$287,635 (\$242,091 as at July 31, 2021) were made up of amounts owed to trade and others payables of \$279,912 (\$200,292 as at July 31, 2021) and the Liability related to flow-through shares of \$7,723 (\$41,799 as at July 31, 2021). Total non-current liabilities represent Royalties payable of \$135,892 (\$198,398 as at July 31, 2021).

- **CASH FLOW**

As at October 31, 2022, the Corporation had a cash flow of \$645,545, (\$641,329 for 2021).

The Cash Flow used for operational activities was \$181,370. The use of cash flow for operations is made up of the Net Loss of \$128,907. The other non-cash element that has no influence on the Accretion charge on royalty payable of \$6,241, deferred income tax of \$7,723, Salaries and employee benefits expense of \$2,250, interest on royalties payable of \$6,250 and amortization the property and equipment of \$1,187. The cash flow used for working capital operating represents an amount of \$60,668 which comes from: increase in HST receivables of \$42,740, decrease of the prepaid expenses of \$927, the decrease de advance on exploration expense of \$7,500 as well as a decrease in trade and other payables of \$26,355.

The cash flow used for investing activities during the period is \$314,799. The use of cash flow for investing activities consists of additions to exploration and evaluation assets of \$314,799.

The cash flow from financing activities of \$319,078 includes a private placement through the issuance of common share units and a flow-through for a value of \$330,000. There were share unit issuance costs of \$10,922. The Corporation decreased its cash flow by \$177,091 during the period.

The Corporation average quarterly cash requirements should vary between \$150,000 and \$175,000 according to each period's activities excluding exploration and evaluation costs.

As long as the Corporation is in an exploration and evaluation mode, it will not generate cash flow from its operations. The Corporation's ability to satisfy its current obligations and continue its development is fully dependent on Management's ability to raise the needed funds through private placements and other financing programs through the issuance of share capital.

Management is of the opinion that as long as important negative events do not occur on the financial markets, during the next year, the Corporation should be able to complete the needed placements and financings to advance its various projects.

In conclusion, the financial statements do not reflect the needed adjustments that would need to be made in the event it could not raise the funding to continue its activities. Investors are hereby advised that if such changes are needed they could be material.

FINANCIAL COMMITMENTS, CONTINGENCIES AND SUBSEQUENT EVENTS

The Company is subject to paying royalties on certain properties in the event of commercial production.

Refusal of certain expenses by the tax authorities would have a negative tax impact for investors. The Company entered into agreements with subscribers whereby the Company has to incur \$654,180 of Canadian Exploration Expenses before December 31, 2022 (\$433,680 as of July 31, 2022 to be spent by December 31, 2022). As at October 31, 2022, \$560,318 has been spent (\$328,457 as of July 31, 2022).

On December 19, 2022, the Company completed a private financing for a total amount of \$200,000. The Company issued 2,500,000 Flow-Through shares.

In addition, the Company paid an amount of \$14,000 in commission fees and issued to the agent 175,000 warrants. Each warrant entitles the holder to subscribe to one common share of the Company at a price of \$0.08 per share for a period of 24 months from the date of closing of the placement. The placement is subject to regulatory approvals.

SUMMARY OF ACCOUNTING POLICIES

The preparation of annual financial statements under IFRS requires that management use its judgment, makes assumptions and estimates and use hypotheses that influence the application of accounting methods, as well as having an effect on the book value of assets, liabilities, revenues and expenses. Final results could differ from these estimates.

The estimates and hypotheses are regularly reviewed. Any revision of accounting estimates is indicated during the period when the estimates are revised as well as any future periods affected by said revisions.

Information on the hypotheses and estimate uncertainties that present an important risk of creating a significant adjustment during the course of the next financial period are as follows:

- Recoverability of Exploration and Evaluation Assets;
- Evaluation of Income Tax Credits to receive on resources exploration and Mining Right Credits.

Management believes that the majority of the changes will be adopted in the Corporation's accounting methods during the first period starting after the effective date of each new change. The information on the new standards and interpretations as well as the new amendments, which are susceptible to be pertinent to the Corporation consolidated financial statements are supplied below.

FUTURE ACCOUNTING POLICIES

At the date of authorization of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective and have not been adopted early by the Company.

Management anticipates that all of the relevant pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement. Certain new standards and interpretations have been issued but are not expected to have a material impact on the Company's consolidated financial statements.

INFORMATION COMMUNICATION CONTROLS AND PROCEDURES

As the Corporation is an emerging issuer, management does not need to attest to the establishment and maintenance of Information Communication Controls and Procedures and internal controls relating to financial information as defined under Regulation 52-109.

The Signing Officers of the Issuer are responsible to ensure that there are processes in place allowing them to gather sufficient information for the statements made in the Certificates.

FINANCIAL INSTRUMENTS

The financial assets used by the Company consist of cash and are classified as amortized cost.

The financial liabilities of the Corporation include trade and other payables and royalties payable.

As at October 31, 2022, the corporation cash was held in Canadian funds in an interest-bearing account at Bank of Montreal.

INFORMATION ON SHARE CAPITAL

- **Information on financings**

On October 31, 2022, the Corporation had 65,180,543 shares issued and outstanding (56,680,543 on July 31, 2022), 33,510,517 warrants (28,260,517 on July 31, 2022), 1,132,498 Broker's Warrants (805,528 on July 31, 2022) and 3,330,000 options (3,380,000 on July 31, 2022). The number of shares on a diluted basis is 102,153,558.

- **Information on outstanding shares**

As of December 23, 2022, the Corporation had 66,680,543 shares issued and outstanding, 33,510,517 warrants, 1,307,498 Broker's Warrants and 3,330,000 options. The number of fully diluted shares is 104,828,558. The Corporation's share capital consists of an unlimited number of common shares with No Par Value.

RELATED PARTY TRANSACTIONS

For the period ending on October 31, 2022, the sum of \$6,250 (\$34,417 as of July 31, 2021) were recognized under a contract with a company administered by a member of the Board of Directors and an officer in 2022 in the context of consulting services rendered to the company as well as consulting fees to a company held by a director of Nil (\$24,700 as of July 31, 2022).

These activities are part of the normal course of business for the Corporation and are established based on their exchange value as agreed to by the parties.

Trade and other payables include an amount of Nil due to officers and a corporation held by a director (\$13,389 as of July 31, 2022).

MANAGEMENT'S REPORT ON CONTROLS AND PROCEDURES ON INFORMATION TO BE SUPPLIED

Under the dispensations granted in November 2007 by each of the Securities Commissions of Canada, the CEO and the CFO must produce a « Certificate of Filings-Emerging Issuer » relating to financial information presented in the annual and interim filings, including Management Discussion and Analysis.

When compared with the « Schedule 52-109A2-Certificate of Annual and Interim documents », the « Basic Certificate relating to an Emerging Issuer » includes a "Notice to reader" which declares that the CEO and CFO make no declaration regarding the establishment and maintenance of Controls and Procedures on the Communication of Information (CPCI) and the Internal Controls of the Financial Information (ICFI), as outlined in Regulation 52-109.

RISK FACTORS

- **Inherent risks in mineral exploration and evaluation**

The Corporation's activities consist in the acquisition and exploration of mining properties with the hope of discovering mining sites with economic potential. The Corporation's properties are currently at the exploration stage and do not hold any known commercial deposit. It is very unlikely that the Corporation will realize any short or mid-term benefits from these properties. Any future profitability of the Corporation's operations is conditional on the discovery of an economic ore body. In addition, if such a case would arise, nothing guarantees that such an ore body could be put into profitable commercial production.

- **Regulations and commitments**

The Corporation's activities require that it obtains permits from various governmental authorities and are regulated by laws and regulations on the exploration, development, extraction, production, exports, income tax, environmental regulations, social acceptability, labor regulations and workplace safety as well as environmental issues and other topics.

Additional costs and delays could be caused by the need to comply with laws and regulations. If the Corporation cannot obtain or renew its permits or approvals, it could be forced to reduce or cease its Exploration Evaluation and Development activities.

- **Property Access**

The Corporation regularly initiates exploration work on privately owned land. Signed agreements with property owners are required for property access. Difficulties in obtaining agreements can delay or impede exploration activities the effect of these factors cannot be precisely determined.

- **Financing needs**

The exploration, evaluation, development, extraction and production from the Corporation's properties will necessitate very substantial additional financial resources. The only sources of funds available are through the issuance of share capital and borrowing. There is no assurance that such financings will be available, neither would they be available at favorable conditions or will respond sufficiently to the project's needs. This could have a negative effect on the Corporation's business and financial situation. The impossibility of obtaining a sufficient financing could delay, or postpone indefinitely exploration evaluation or production activities on one or all the Corporation's properties, and even see the Corporation lose its participation in some or all of its properties.

- **Metal prices**

The Corporation's share price, its financial results as well as its exploration and evaluation, production and development activities have been affected in the past and could very well be very negatively affected in the future by a fall in the price of precious and base metals.

- **Non insured risks**

The Corporation's activities are subject to certain risks and dangers, including difficult environmental conditions, industrial accidents, labor conflicts, unusual or unexpected geological conditions, landslides, rock falls and other natural phenomenon such as unfavorable meteorological conditions, floods and earthquakes. Such events could result in bodily injuries or death, environmental damages or other damages to the properties or the production facilities or to the properties of other corporations, delays in mining production, monetary losses, and possibly legal liabilities.

- **Corporate permanence**

The Corporation's future depends on its ability to finance its activities and to develop its assets. The failure to obtain sufficient financing could create a situation where it could not continue its activities, realize its assets and settle its liabilities in the normal course of business within a foreseeable future.

(s) Patrick Levasseur, President

(s) François Rivard, Chief Financial Officer

Montréal, December 23, 2022