



McFARLANE LAKE

MINING

McFarlane Lake Mining Limited

Management Discussion and Analysis

For the three and six month period ended February 28, 2023 and 2022

April 14, 2023

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1. Introduction

The following Management Discussion and Analysis (“**MD&A**”) of McFarlane Lake Mining Limited (the “**Company**”) dated April 14, 2023 and should be read together with the Company’s interim financial statements and related notes for the period ended February 28, 2023 which have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”).

All dollar figures in this MD&A are stated in Canadian dollars unless otherwise indicated. All references to the Company include its subsidiary unless the context requires otherwise.

2. Caution Regarding Forward-Looking Information and Statements

This MD&A contains forward-looking statements intended to provide readers with a reasonable basis for assessing the Company's performance. Forward-looking statements can be identified by such words as “plans”, “expects”, “budgets”, “estimates”, “intends”, “anticipates”, “believes”, “continues”, “may”, “could”, “would”, “should”, “might” or “will”, or equivalents or variations thereof. Forward-looking statements include those with respect to the Company's future strategy, plans, transactions, objectives and adequacy of working capital, including statements relating to acquiring, exploring, and monetizing current and future mineral exploration properties. Forward-looking statements rely on underlying assumptions, including management's expectations as to transaction opportunities, exploration potential, and precious metals prices, that, if not realized, can result in such forward-looking statements not being achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause the actual results of the Company to differ materially from those expressed or implied by such forward-looking statements. Such risks and uncertainties include, those described under “Risks and Uncertainties” below and among others, the exploration or monetization potential of the Company’s mineral properties, transaction execution risk, volatility in financial markets, economic conditions, precious metals prices and unanticipated increases in expenses. Factors that could cause actual results to differ materially from those anticipated in these forward-looking statements are described under caption “Risk Factors” in the Company’s annual information form (“**AIF**”), which is available for review on SEDAR at www.sedar.com. Although the Company has attempted to identify important factors that could cause actions, events or results not to be as predicted, there can be no assurance that forward-looking statements will prove to be accurate. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement. Other than as required by applicable Canadian securities laws, the Company does not undertake to update any such forward-looking statements to reflect events or circumstances after the date hereof. Accordingly, readers should not place undue reliance on any forward-looking statements herein.

3. Qualified Person

Robert Kusins, P.Geo., Vice President Geology, is a Qualified Person as defined under National Instrument 43-101 – Standards for Disclosure for Mineral Projects (“**NI 43-101**”) and has reviewed and approved the scientific and technical information contained in this MD&A. Mr. Kusins is not independent of the Company by virtue of his position as Vice President Geology.

4. General Overview

The Company (formerly 1287401 B.C. Ltd.) was incorporated under the laws of the Province of British Columbia on February 3, 2021 and was continued into the Province of Ontario on January 26, 2022. The Company is currently listed on the Neo Exchange Inc. (the “**NEO**”) and the US OTCQB Venture Market (“**OTCQB**”) in the United States. During the previous fiscal year ended August 31, 2022 the Company acquired a number of mineral resource properties in Canada and completed drilling on its West Hawk Lake mineral resource property located in Manitoba (the “**West Hawk Lake Property**”). In the fiscal quarter ended February 28, 2023, the Company continued preliminary exploration activities on its High Lake mineral resource property, (the “**High Lake Property**”). The head office and registered office of the Company is located at 15 Kincora Court, Sudbury, Ontario P3E 2B9.

The Company’s consolidated financial statements are presented on a consolidated basis and include its wholly owned subsidiary McFarlane Lake Mining Incorporated (“**McFarlane Subco**”).

5. Highlights and Key Developments (to the date of this MD&A)

Key Developments in the Fiscal Quarter ended February 28, 2023

(1) Exploration and Drilling on the High Lake Property

The Company was granted an exploration permit (the “**Permit**”) from the Ontario Ministry of Mines, for its High Lake Property and in November 2022 the Company commenced an exploration program involving ground geophysics and diamond drilling at the High Lake Property in Ontario, three kilometres from the Trans Canada Highway near the Ontario-Manitoba border. The program consists of ground geophysical data collection and its interpretation including 10,437 metres of diamond drilling. Field work was paused in mid-February 2023. The Company released early drilling results in news releases dated December 12, 2022, January 9, 2023, January 25, 2023, February 7, 2023, February 28, 2023 and March 6, 2023 which returned some significant gold intercepts, including an intersection of 24.96 g/t gold over 14.90 metres in hole MLHL-22-06, (see Section 9.2 for further details).

(2) Non-Brokered Private Placement dated January 18, 2023

On January 18, 2023, the Company announced a non-brokered private placement offering (the “**Winter Offering**”) for aggregate gross proceeds of up to \$1,500,000; said Winter Offering consisting of the issuance of: (i) up to 10,000,000 units of the Company (the “**Winter Units**”) at a price of C\$0.15 per Winter Unit; and (ii) up to 7,500,000 flow-through shares of the Company (the “**Winter FT Shares**”) at a price of C\$0.20 per Winter FT Share, in any combination, to raise aggregate gross proceeds of up to C\$1,500,000.

The Winter Offering closed on February 17, 2023, and the Company issued a total of 2,200,032 Winter for aggregate gross proceeds of C\$330,004. The Company did not issue any Winter FT Shares in connection with the Winter Offering.

Each Winter Unit consisted of one common share of the Company (each, a “**Common Share**”) and one-half of one common share purchase warrant (each whole warrant, a “**Winter Warrant**”). Each Winter Warrant is exercisable by the holder to acquire one Common Share at a price of C\$0.25 per Common Share until February 17, 2026.

(3) Changes to the Board of Directors

On January 16, 2023 the Company announced that Guy Mahaffy stepped down as a director and on the same day the Company announced that Deborah Battiston was appointed to the board of directors.

(4) Issuance of Stock Options

On January 13, 2023, the Company granted a total of 325,000 stock options to Ms. Battiston, exercisable at \$0.16 per share and expiring on January 13, 2028 (the “**January Options**”). The January Options have a five-year term and vested immediately.

(5) Non-Brokered Private Placement dated March 29, 2023

On March 29, 2023 the Company announced a non-brokered private placement offering of (i) up to 10,000,000 units of the Company (the “**Spring Units**”) at a price of C\$0.10 per Spring Unit, and (ii) up to 8,333,333 flow-through shares of the Company (the “**Spring FT Shares**”) at a price of C\$0.12 per Spring FT Share, in any combination, to raise aggregate gross proceeds of up to C\$1,000,000 (together, the “**Spring Offering**”). The Spring FT shares will qualify as “flow through shares” within the meaning of subsection 66(15) of the Income Tax Act (Canada).

The Spring Offering closed on April 13, 2023, pursuant to which the Company sold a combination of 7,285,000 Spring Units and 3,100,000 Spring FT Shares for aggregate gross proceeds of \$1,100,500. The Company intends to use the net proceeds from the Spring Offering to further explore the High Lake Property and for general working capital purposes. The gross proceeds received by the Company from the sale of the Spring FT Shares will be used to incur eligible “Canadian exploration expenses” that will qualify as “flow-through mining expenditures” as such terms are defined in the Income Tax Act, (the “**Qualifying Expenditures**”). All Qualifying Expenditures will be renounced in favour of the subscribers of the FT Shares effective December 31, 2023.

Each Spring Unit consisted of one Common Share and one-half of one common share purchase warrant (each whole warrant, a “**Spring Warrant**”). Each Spring Warrant is exercisable by the holder to acquire one Common Share at a price of C\$0.20 per Common Share for a period of 36 months from April 13, 2023.

Mineral Exploration Properties Acquired During the Previous Fiscal Year and the First Quarter of this Year

(1) Definitive Purchase Agreement with Canadian Star Minerals Ltd. for the West Hawk Lake Property, the High Lake Property and the McMillan Property.

On December 30, 2021, the Company executed a definitive purchase agreement with Canadian Star Minerals Ltd. (“**Canadian Star Minerals**”) to acquire properties located in Manitoba (the West Hawk Lake Property) and Ontario (the High Lake Property and the McMillan Property), (the “**CSM Purchase Agreement**”). Legal title transfers to the Company for the McMillan Property, the High Lake Property and the West Hawk Lake Property were completed on February 7, 2022, February 11, 2022, and April 21, 2022, respectively. Upon transfer of legal title to the McMillan Property a payment of \$750,000 was made to Canadian Star Minerals. On July 6, 2022, a cash payment of \$2,000,000 and 5,625,000 common shares of the Company were issued to Canadian Star Minerals pursuant to the terms of the CSM Purchase Agreement. On July 8, 2022 the final terms of the CSM Purchase Agreement were satisfied by the transfer of 7,000,000 common shares of the Company to Canadian Star Minerals from certain officers and directors of the Company.

(2) Acquisition of the Mongowin Property

On February 1, 2022, the Company exercised its exclusive option to acquire a 100% interest in the Mongowin property located in northeastern Ontario near Sudbury (the “**Mongowin Property**”).

Pursuant to the purchase agreement (the “**Transition Agreement**”) with Transition Metals Corp. (“**Transition**”), the total consideration paid for the Mongowin Property by the Company was: (i) a \$15,000 cash payment for a 5-month period exclusivity to transact, (ii) \$45,000 to effect a 3-month extension of the period of exclusivity, (iii) \$585,000, of which \$85,000 was paid in cash and 1,250,00 in common shares of the Company were issued; and (iv) a 1.5% net smelter royalty. A small portion of the Mongowin Property is subject to an additional, underlying 1% royalty, of which 0.5% can be acquired for \$600,000. Additionally, beginning on the fifth anniversary of the Transition Agreement, the Company will pay Transition advanced royalty payments of \$25,000 per year (in cash or common shares) to a maximum total of \$250,000. Any exploration expenditures spent on the Property will offset the payments on a dollar for dollar basis. Lastly, upon the commercial exploitation of mineral products on the Mongowin Property, Transition will be entitled to a one-time payment of \$2,500,000.

The 122 claims comprising the Mongowin Property were transferred to the Company on February 4, 2022, and the three patented claims were transferred on May 30, 2022.

(3) Acquisition of Mining Leases in Michaud and Munro Townships

In line with the Company’s strategy to explore opportunities with properties that have historic mineralization, in March 2022, the Company acquired a 100% interest in certain mining leases in the Michaud and Munro townships on the Larder Lake Mining District near Matheson, Ontario (the “**M&M Properties**”).

The Company was attracted to the M&M Properties because they are located along the Timmins Highway 101 corridor. This region has a history of production and is host to six operating gold mines. The M&M Properties have been family-held for over 50 years and have seen limited work, with the most recent drilling completed in 1995. The Michaud portion of the property has two well-known fault systems to its north and south, and the Munro portion of the property is part of the prolific Kidd-Munro assemblage within the Abitibi Greenstone Belt. The Company plans to develop an exploration plan for M&M Properties.

On October 22, 2022, the Company acquired an additional 6 claims adjacent to the M&M Properties, (see also Section 8.6 for more details).

(4) Strategic Acquisition of New Claims for Its High Lake Property

The Company acquired 14 new claims (“**New Claims**”) surrounding its High Lake Property during the fourth quarter of fiscal 2022, (see section 8.4 for more details). The acquisition by the Company includes 7 claims acquired by purchase and 7 claims acquired by staking. The acquisition of the New Claims significantly expands the exploration property at the High Lake Property from 341.49 hectares to 584.43 hectares. This acquisition of the New Claims gives the Company significant potential to discover new gold mineralization adjacent to the Company’s existing property. The New Claims lie on the same geological trends as the Company’s existing claims which have historically known gold mineralization. In particular, the Company is encouraged by the exploration drilling opportunity that exists around our Purdex Zone with the mineralization in this area trending towards the New Claims in the northeast.

(5) Strategic Acquisition of New Claims on Other Properties

The Company acquired 16 new claims for its McMillan property located near Espanola, Ontario approximately 80 kilometres southwest of Sudbury, Ontario. All 16 claims were staked through the Ontario Mining Lands Administration System by the Company. These new claims substantially increase the Company’s land holdings in the area by 352.5 hectares to 3,247.5 hectares.

Mineral Property Exploration Activities in the Previous Fiscal Year

(1) Completion of Exploration and Drilling on the West Hawk Lake Property

Drilling at the West Hawk Lake Property near the Ontario-Manitoba border commenced in February 2022, with a program of 3,068 metres over 14 holes wrapping up in March of this year. The program’s goal was to verify past reported gold mineralization, follow up on geophysical targets and confirm structural continuity.

The program was very successful; confirming the existence of high-grade intersections, expanding the Waverly Zone to 200 meters along strike and another 100 meters deep to over 200 meters (while remaining open at depth), identifying key structures extending well beyond the previously explored areas and successfully intersecting gold values in the Sunbeam breccia. Additional details are provided in section 9.

6. Selected Financial Information

6.1. Capital Resources

Common shares issued as at February 28, 2023, are as follows:

Date	Number of Common Shares		Gross Share Proceeds
August 21, 2020	32,000,000	\$	320
April 30, 2021	5,000,000	\$	5,000
May 20, 2021	22,075,000	\$	2,207,500
December 9, 2021	20,322,813	\$	6,417,025
February 4, 2022	1,250,000	\$	387,500
July 25, 2022	1,375,000	\$	130,625
August 4, 2022	5,625,000	\$	1,406,250
September 16, 2022	12,951,000	\$	1,292,400
February 17, 2023	2,200,032	\$	330,005
Total	102,798,845	\$	12,176,625

6.2. Stock Options

The Company has a stock option plan (the “Plan”) for its directors, officers, consultants and key employees under which the Company may grant options to acquire a maximum number of 10% of the total issued and outstanding common shares of the company.

These options are non-transferable and are valid for a maximum term of 10 years from the issue date, unless sooner terminated. Vesting terms and conditions are determined by the Board of Directors at the time of the grant.

The exercise price of the options is fixed by the Board of Directors at the time of the grant at a minimum of the market price of the common shares at said time, subject to regulatory requirements. Expected volatility has been determined using the share price of comparable companies for the period equivalent to the life of the options prior to grant date.

On October 14, 2022, the Company granted 2,325,00 incentive stock options to directors, executive officers and consultants, exercisable at \$0.12 per share for a period of 5 years. The grant date exercise price was based on the closing price of the Company’s common shares on the NEO on the date of the award, in accordance with the Plan. The options vested immediately.

On January 13, 2023, the Company granted 325,000 incentive stock options to Ms. Battiston, exercisable at \$0.16 per share for a period of 5 years. The grant date exercise price was based on the closing price of the Company’s common shares on the NEO on the date of the award, in accordance with the Plan. The options vested immediately.

As at February 28, 2023, the following options were outstanding and available to be exercised:

Grant Date	Expiration	Number of Stock Options	Exercise Price	Remaining Years
May 31, 2021	May 31, 2026	5,500,000	\$0.10	3.25 years
Jan 25, 2022	Jan 25, 2027	1,500,000	\$0.40	3.91 years
Oct 14, 2022	Oct 14, 2027	2,325,000	\$0.12	4.63 years
Jan 13, 2023	Jan 13, 2028	325,000	\$0.16	4.88 years
		9,650,000		

6.3 Warrants

As at February 28, 2023, the following warrants were outstanding and exercisable into Common Shares:

Grant Date	Expiration	Number of Warrants Outstanding	Exercise Price	Remaining Years
Dec 9, 2021	Dec 9, 2024	4,206,156	\$0.60	1.75 years
Dec 9, 2021	Dec 9, 2024	1,097,075	\$0.40	1.75 years
Sep 16, 2022	Sep 16, 2025	6,475,500	\$0.20	2.5 years
Feb 17, 2023	Feb 17, 2026	1,100,016	\$0.25	3 years
		12,878,747	\$0.35	

6.4 Notes Payable

During the fiscal year ended August 31, 2021, the Company was advanced funds in the combined amount of \$195,000 from companies controlled by two directors (Perry Dellelce and Mark Trevisiol, respectively) evidenced by unsecured, demand promissory notes issued by the Company which bear interest at 12% per annum. As of February 28, 2023, these notes payable totaled \$195,000 (August 31, 2022 – \$195,000). Accrued interest owed on these notes payable in the amount of \$45,495 (August 31, 2022 – \$33,891) is included in the accounts payable and accrued liabilities of the Company as of February 28, 2023.

6.5 Restricted Share Units

On December 28, 2022, the Board resolved to conditionally grant to each of Perry Dellelce and Mark Trevisiol (the “**Conditional Grants**”) 3,500,000 restricted share units (“**RSUs**”), strictly subject to obtaining the required approval of the shareholders of the Corporation and the NEO (together, the “**Conditions**”). At the date of the Conditional Grants, the Corporation was not able complete the Conditional Grants since it had to first obtain the approval of the shareholders and the NEO to amend the performance and restricted share unit plan (the “**PR Plan**”) to permit the Conditional Grants to proceed. In accordance with *Business Corporations Act* (Ontario), Mr. Dellelce and Mr. Trevisiol disclosed that they had a material interest in the Conditional Grants and therefore refrained from voting

on the resolution approving the Conditional Grants. On March 6, 2023, at the annual and special meeting of shareholders of the Corporation, the shareholders voted in favor of amendments to the PR Plan. On March 27, 2023, the Board (excluding Mr. Dellelce and Mr. Trevisiol) reaffirmed the Conditional Grant subject to the receipt of the approval of the NEO. As of the date hereof, the Conditional Grant still remains subject to the approval of the NEO. Upon obtaining the approval of the NEO, the Conditions will be satisfied, upon which the Corporation expects to enter into award agreements pursuant to the PR Plan with each of Mr. Dellelce and Mr. Trevisiol to give effect to the Conditional Grants, the terms and conditions of which will govern their respective RSUs. In the event the Conditional Grants are not approved by the NEO, the Corporation will not be able to complete the Conditional Grants.

If the Conditional Grants are effected, the grant of the Conditional Grants will constitute “related party transactions” within the meaning of Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”). For these transactions, the Corporation expects that it will be entitled to rely on the exemption from the formal valuation requirements contained in Section 5.5(a) of MI 61-101 and on the exemption from the minority shareholder requirements contained in Section 5.7(1)(a) of MI 61-101.

6.6 Other Annual Financial Information

The table below sets out certain selected annual financial information regarding the operations of the Company for the period indicated. The selected financial information has been prepared in accordance with IFRS and should be read in conjunction with the Company’s financial statements and related notes.

Item	February 28 2023	November 30 2022	August 31, 2022	August 31, 2021	August 31, 2020
Total assets	\$793,713	\$2,485,109	\$1,936,369	\$1,851,055	\$320
Total non-current liabilities	nil	nil	nil	nil	nil
Shareholder’s equity (deficit)	(\$853,009)	\$485,425	\$261,574	\$1,438,045	\$320
Total revenue	nil	nil	nil	nil	nil
Net and comprehensive income (loss)	(\$1,652,694)	(\$1,252,408)	(\$10,906,890)	(\$1,230,433)	nil
Basic and diluted income (loss) per share	(\$0.016)	(\$0.013)	(\$0.145)	(\$0.031)	nil

The Company had no operational activity for the period ended August 31, 2020. For the fiscal year ended August 31, 2021, the Company started the process of analyzing and acquiring mineral properties with the objective of becoming a mineral property exploration company. As of August 31, 2021, the Company entered into an option agreement and two letters of intent encompassing six (6) properties containing

gold mineralization in Manitoba and Ontario (collectively, the “**Mineral Properties**”). For the year ended August 31, 2022, the Company recorded a net and comprehensive loss of \$10,906,890 which consisted primarily of exploration property acquisition and exploration costs of \$7.9 million (see table below), exchange listing costs of \$1.9 million and other net costs of \$1.1 million.

Total Exploration and Evaluation Expenditures for the year ended August 31, 2022 were as follows:

Acquisition and Evaluation Costs by Property	
Item	Year ended August 31, 2022
Acquisition Costs	
Property acquisition costs Canadian Star	\$750,349
Property acquisition costs 1929941 Ontario Inc.	\$30,813
Property acquisition option costs Canadian Star	\$5,318,177
Property acquisition option costs Transition Metals	\$517,500
Property acquisition option costs 1929941 Ontario Inc.	\$145,625
Claims to lease costs	\$4,115
Total Acquisition and Evaluation	\$6,775,152
Exploration Costs by Property	
West Hawk Lake (WHL)	
WHL field expense	\$6,533
WHL Line cutting	\$21,390
WHL Ground geophysics	\$120,149
WHL Drilling	\$626,178
WHL Assaying	\$32,199
WHL Supplies and equipment	\$21,416
WHL Core shed	\$7,975
WHL Core racks	\$9,981
WHL Camp costs - other	\$3,852
WHL Exploration personnel	\$116,072
WHL Consultants	\$95,000
Total West Hawk Lake	\$1,060,745
High Lake Property (HL)	
HL Field expenses	\$2,575
Sampling	\$640
Assaying	\$988
Supplies and equipment	\$ 637
Consultants	\$10,000
Total High Lake	\$14,840
McMillan and Mongowin Properties (MM)	
MM Field expenses	\$16,980
MM Ground geophysics	\$22,475

Exploration expenditures	\$555
Total McMillan and Mongowin Properties	\$40,010
Grand Total	\$7,890,747

7. Summary of Quarterly Results

A summary of the results of the last 8 fiscal quarters are as follows:

Quarter ended	Total revenue	Net income (loss) for the period	Earnings (loss) per share – basic and diluted
May 31, 2021	Nil	(\$898,396)	(\$0.025)
August 31, 2021	Nil	(\$332,037)	(\$0.010)
November 30, 2021	Nil	(\$669,453)	(\$0.011)
February 28, 2022	Nil	(\$3,761,900)	(\$0.049)
May 31, 2022	Nil	(\$814,378)	(\$0.010)
August 31, 2022	Nil	(\$5,661,159)	(\$0.075)
November 30, 2022	Nil	(\$1,252,408)	(\$0.013)
February 28, 2023	Nil	(\$1,652,694)	(\$0.016)

7.1. Results of Operations

7.1.1. Three months ended February 28, 2023

The Company did not record any revenues in the three months ended February 28, 2023 (February 28, 2022 – nil) and incurred a net loss of \$1,652,694 as compared to a \$3,761,900 loss for the three months ended February 28, 2022

The current three-month period loss is comprised mainly of the following amounts:

- professional fees of \$183,448 – these fees were incurred with the Company’s legal counsel for general corporate business matters and finance related costs;
- exploration and evaluation expenditures of \$1,350,001 – the Company completed its planned exploration work on the High Lake Property in the period, details of these cost are listed below;
- consulting and directors fees of \$141,750 – these fees were paid during the period to Company directors, management and other mining consultants;
- regulatory, transfer agent fees, investor relations and business development costs of \$123,366 - these fees were paid to the NEO and OTCQB exchanges and included listing fees along with fees paid to investor relations, and marketing firms as part of the listing requirements of the NEO;
- other costs of \$74,625 - these costs are comprised of digital marketing costs, interest costs owed on the notes payable (as described in section 6.4) and general and office costs;
- Share-based compensation costs of \$48,750 – these costs relate to the stock options granted in the period to a director; and

- g) other income flow through share premium recovery of \$269,246 - during the period the Company incurred Canadian exploration expenditures which qualify as flow through mining expenditures. The exploration expenditures incurred in the period completed the Company's obligation under its flow through financing agreements, thereby eliminating the remaining amount of the flow through share premium liability as of February 28, 2023.

Details of the Exploration Expenditures for the Period

Exploration Expense	Three months ended February 28, 2023
High Lake Property	
Line cutting & Field Expenses	\$ 39,889
Ground geophysics	\$ 20,064
Diamond drilling	\$ 809,431
Sampling /assaying	\$ 134,859
Supplies and equipment	\$ 59,654
Exploration personnel	\$ 271,104
Consultant	<u>\$ 15,000</u>
Total	<u>\$1,350,001</u>

7.1.2. Six months ended February 28, 2023

The Company did not record any revenues in the six months ended February 28, 2023 (February 28, 2022 – nil) and incurred a net loss of \$2,905,102 as compared to a \$4,431,353 loss for the six months ended February 28, 2022. The overall decrease in the comparable loss can be mainly attributable to the fact that the Company incurred one time RTO transactional costs of \$1,194,828 during the February 28, 2022 six month period. The current six-month period loss is comprised of the following amounts:

- Professional fees of \$291,213 - these fees were incurred with the Company's legal counsel for general corporate business matters and finance related costs;
- Exploration and evaluation expenditures of \$2,250,632 – the Company completed its planned exploration work on the High Lake property during the period. Minor exploration costs were incurred on the other Mineral Properties during the period as well, (see below for further details);
- Consulting and director fees of \$267,750 – these fees were paid in the six-month period to Company directors, management and other mining consultants;
- Regulatory, transfer agent fees, investor relations and business development costs of \$209,545 - these fees were paid to the NEO and OTCQB exchanges and included listing fees along with fees paid to investor relations, and marketing firms as part of the listing requirements of the NEO;
- Other costs of \$124,672 - these are comprised of digital marketing costs, interest costs owed on the notes payable (as described in section 6.3) and general and office costs;
- Share based compensation costs of \$327,750 were incurred upon the issuance of Company stock options to key management, and officers and directors of the Company in the period; and

- g) Flow through share premium recovery of \$566,460 - during the period the Company incurred Canadian exploration expenditures which qualify as flow through mining expenditures. The exploration expenditures incurred in the period completed the Company's obligation under its flow through financing agreements, thereby eliminating the remaining amount of the flow through share premium liability as of February 28, 2023.

Details of the Exploration Expenditures for the Period

Exploration Expense	Six months ended February 28, 2023
High Lake Property	
Line cutting & Field Expenses	\$ 65,025
Ground geophysics	\$ 20,064
Diamond drilling	\$ 1,514,001
Sampling /assaying	\$ 150,686
Supplies and equipment	\$ 87,852
Exploration personnel	\$ 347,425
Consultant	\$ 30,000
McMillan/Mongowin Property/Other	<u>\$35,579</u>
Total	<u>\$ 2,250,632</u>

7.1.3. Liquidity and Capital Resources

The Company's cash position as of February 28, 2023 was \$396,612 (August 31, 2022 - \$1,595,037) with a net working capital deficit of (\$853,009), (August 31, 2022 - \$261,574). As at February 28, 2023, the Company had total assets of \$793,713 (August 31, 2022 - \$1,936,369).

The Company believes that the current capital resources are not sufficient to pay overhead expenses or fund its proposed mineral property acquisitions and exploration programs for the next twelve months. Although the Company has been successful in raising funds to date there is no assurance that it will be able to do so in the future. These matters represent material uncertainties that cast significant doubt about the Company's ability to continue as a going concern. On February 17, 2023, the Company Winter Offering for aggregate gross proceeds of \$330,004, (see section 5 above for further details). In addition, on April 13, 2023, the Company completed the Spring Offering, pursuant to which it raised aggregate gross proceeds of \$ \$1,100,500 (see Section 5 above for further details). The Company is also evaluating its alternatives with regards to another larger proposed equity financing sometime in the calendar year. The Company will continue to monitor the current economic and financial market conditions and evaluate their impact on the Company's liquidity and future prospects.

Since the Company may not be able to generate cash flow from its operations for the foreseeable future, the Company will have to rely on the issuance of shares or the exercise of options and warrants to fund ongoing operations and investment. The ability of the Company to raise capital will depend on market conditions and it may not be possible for the Company to issue securities on acceptable terms or at all.

The Company manages its capital structure to ensure sufficient resources are available to meet operational requirements and safeguard its ability to continue as a going concern. There are no externally imposed capital requirements on the Company. Management considers the items included in shareholders' equity and working capital as capital. The Company manages the capital structure and adjusts it in response to changes in economic conditions and the risk characteristics of the underlying assets. The Company's primary objective with respect to its capital management is to ensure that it has sufficient capital resources to fund the operation of the Company. To secure additional capital necessary to pursue these objectives, the Company intends to raise additional funds through equity or debt financing.

As of the date this MD&A the Company's contractual obligations are as follows:

Contractual Obligations	Total	Less than 1 Year	1-3 Years	4-5 Years	After 5 Years
Notes Payable	\$195,000	\$195,000	Nil	Nil	Nil
Accounts payable and accrued liabilities	\$1,451,722	\$1,451,722	Nil	Nil	Nil
Purchase Obligations	Nil	Nil	Nil	Nil	Nil
Other Obligations	\$75,000	\$ 60,000	\$15,000	Nil	Nil
Total Contractual Obligations	\$1,721,722	\$1,706,722	\$15,000	Nil	Nil

8. Property Acquisitions

8.1. The West Hawk Lake Property, High Lake Property and the McMillan Property

On December 30, 2021, the Company executed a purchase agreement with Canadian Star Minerals to acquire a 100% interest in the West Hawk Lake Property, the High Lake Property and the McMillan Property (the "**CSM Properties**"). The purchase price paid by the Company was satisfied as follows:

- \$2,750,000 of cash consideration;
- 5,625,000 of common shares issued by the Company with a deemed value of \$2,250,000 which represents \$2,750,000 less the cumulative amount paid by the Company in option payments of \$550,000; and
- 7,000,000 issued and outstanding common shares in the capital of the Company held by certain officers and directors of the Company were transferred to Canadian Star Minerals upon closing of the transaction. The shares were valued at \$1,750,000 based on the quoted market price of \$0.25 per share. The contributed amount was charged directly to deficit.

Upon execution of the CSM Purchase Agreement, the Company acquired beneficial interest in the CSM Properties from the Canadian Star Minerals. The legal transfer of the title for any leases required Provincial approval. As a result, legal title was transferred for the High Lake Property and McMillan Property as of February 11, 2022 and February 7, 2022 respectively.

8.2. The Mongowin Property

On February 1, 2022, the Company executed a purchase agreement with Transition to acquire 100% interest in the Mongowin Property. The Transition Agreement was subject to the following terms and conditions:

- a) \$15,000 cash payment for a 5-month period exclusivity to transact;
- b) \$45,000 to affect a 3-month extension of the period of exclusivity;
- c) \$585,000, of which \$85,000 was paid in cash and \$500,000 was settled by the issuance of common shares of the Company;
- d) the Company granted Transition a 1.5% net smelter return royalty;
- e) a portion of the Mongowin Property is subject to an additional existing 1% net smelter royalty of which 0.5% may be purchased for \$600,000;
- f) beginning on the fifth anniversary of the Transition Agreement, the Company will pay Transition advanced royalty payments of \$25,000 per year (in cash or common shares) to a maximum total of \$250,000. Any exploration expenditures spent on the Mongowin Property will offset the payments on a dollar for dollar basis. If the Company does not pay the advanced royalty payments or spend the required exploration expenditure, Transition may choose to purchase the Mongowin Property for \$1; and
- g) transition is entitled to a one-time milestone payment of \$2,500,000 upon the commercial exploitation of mineral products on the Mongowin Property.

Certain claims were comprising the Mongowin Property transferred to the Company on February 4, 2022 and the patented claims were transferred on May 30, 2022.

The Mongowin Property is contiguous with the McMillan Property and as such both properties together will be referred to as the McMillan Property in future.

8.3. The Michaud/Munro Properties

The Company finalized a purchase agreement on March 10, 2022 with 1929941 Ontario Limited (“**192 Ontario**”) in respect of the acquisition by the Company of a 100% interest in 17 mining leases located in Northeastern Ontario in the townships of Michaud and Munro in the Larder Lake Mining District near the town of Matheson, Ontario. The definitive agreement to purchase the M&M Properties was subject to the following terms and conditions:

- a) the Company paid a non-refundable cash payment of \$35,000 to the 192 Ontario for a period of exclusivity prior to the signing of the purchase agreement;
- b) the Company provided 192 Ontario with a \$30,000 cash payment upon the transfer of the mining leases comprising M&M Properties;
- c) the Company issued \$550,000 worth of common shares upon the transfer of the mining leases; and
- d) 1.5% net smelter return royalty of which 1% can be purchased for \$1.5 million.

The CEO of the Company, Mark Trevisiol, has an equity interest in 192 Ontario. (See also section 10.2 – Transactions Between Related Parties).

8.4. Strategic Acquisition of New Claims on High Lake Property

The Company acquired the new claims surrounding its High Lake Property (see Figure 1). The acquisition of the new claims significantly expands the exploration property at the High Lake Property from 341.49 hectares to 584.43 hectares. 7 of the 14 new claims were acquired by the Company through private purchase for a cash settlement from an individual who had the rights to the claims under the Ontario Mining Lands Administration System (“MLAS”). The remaining 7 claims were staked through the MLAS by the Company.

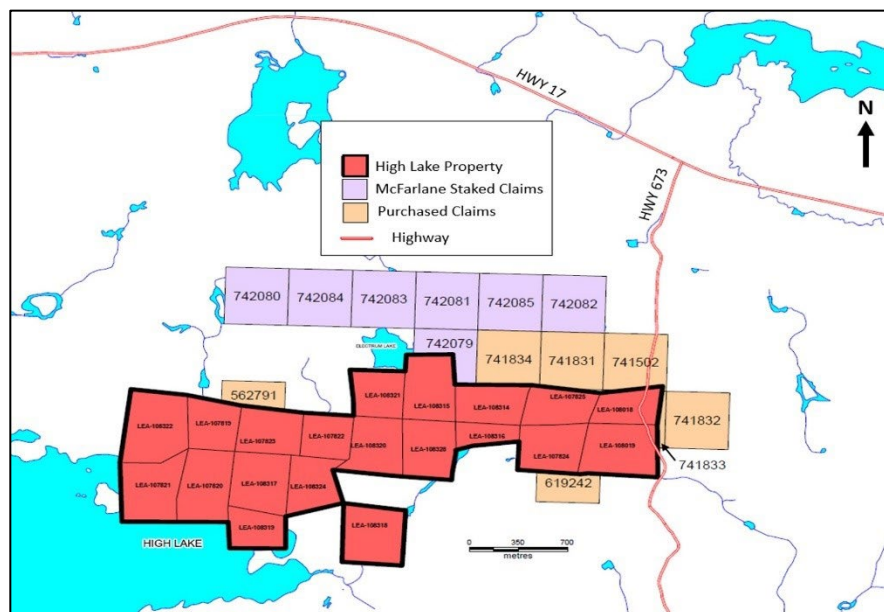


Figure 1 Newly acquired claims at High Lake

The acquisition of the new claims provides the Company with the potential to discover new gold mineralization adjacent to its existing property which has known gold mineralization. In particular, the Company is encouraged by the exploration drilling opportunity that exists around the Purdex Zone (as defined herein) with the mineralization in this area trending towards the new claims in the northeast. The New Claims also allow the Company to expand the P Zone and previously discovered D Zone (Figure 2). A soil sampling survey (Report by Barrier Reef Resources Ltd. January 5, 1984) covering the western portions of the High Lake Property and a portion of the new claims outlined several soil trends over 100 parts per billion (“ppb”) gold. Local sample results within the D Zone in claim 562791 detected soil trends as high as 12,200 ppb gold.

As previously announced, the Purdex Gold Zone (“**Purdex Zone**”) is the Company’s priority target at the High Lake Property as it has only been tested to a depth of 100 metres and has significant potential for further mineralization. In 2006, a 10-metre panel sample from a trench on surface on the Purdex Zone averaged 9.84 g/t gold (NI 43-101 Report High Lake/Electrum Lake Property by Seymour Sears December 10, 2009), earlier drilling had intersected drill core returning 12.58 g/tonne gold over 9.6 meters (Consolidated Jalna Resources report February 28, 1989). The New Claims will allow for deeper exploration of this target area.

Limited drilling was completed by Calnor Resources Ltd in 1986 on the Zone D trend, with the best results obtained from hole SC86-21 of 1.27 g/t gold over 15.2 metres, including an intersection of 3.09 g/t gold over 1.5 metres (Calnor Resources Assessment Report March 31, 1986). These intersections are historical in nature and as such is based on prior data and reports prepared by previous property owners which predate NI 43-101. The reader is cautioned not to treat them, or any part of them, as current mineral resources or reserves. The Company has determined these historical estimates are reliable, and relevant to be included here in that they simply demonstrate the mineral potential of the High Lake Property. A qualified person has not done sufficient work to classify the historical estimates as current resources and the Company is not treating the historical estimates as current resources. Significant data compilation, redrilling, re-sampling and data verification may be required by a qualified person before the historical estimates can be classified as a current resource. There can be no assurance that any of the historical mineral resources, in whole or in part, will ever become economically viable. In addition, mineral resources are not mineral reserves and do not have demonstrated economic viability. Even if classified as a current resource, there is no certainty as to whether further exploration will result in any inferred mineral resources being upgraded to an indicated or measured mineral resource category. The historical estimates relating to inferred mineral resources were calculated using prior mining industry standard definitions and practices for estimating mineral resource and mineral reserves. Such prior definitions and practices were utilized prior to the implementation of the current standards of the Canadian Institute of Mining for mineral resource estimation and have a lower level of confidence.

The addition of claim 562791 provides the Company with exploration opportunities at the D Zone and strike and down dip extensions of the P Zone which will be tested as part of the fall drilling program.

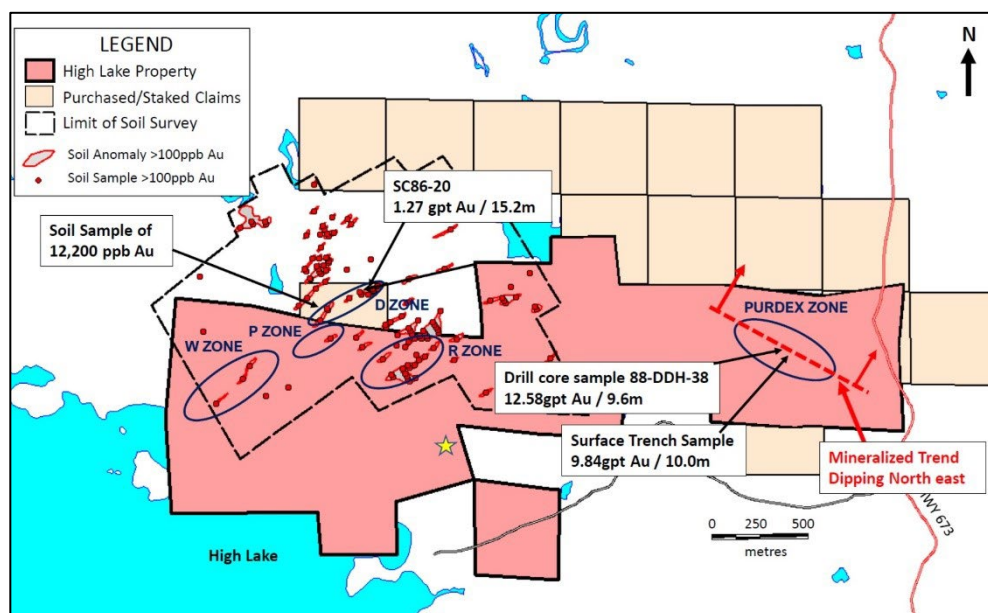


Figure 2 extension of zones onto new claims and previous soil study results

8.5. Strategic Acquisition of New Claims on McMillan Property

The Company acquired 16 new claims for the McMillan property located near Espanola, Ontario approximately 80 kilometres southwest of Sudbury, Ontario. All 16 claims were staked through the Ontario Mining Lands Administration System by McFarlane Lake. These new claims substantially increase the Company's land holdings in the area by 352.5 hectares to 3,247.5 hectares (Figure 3).

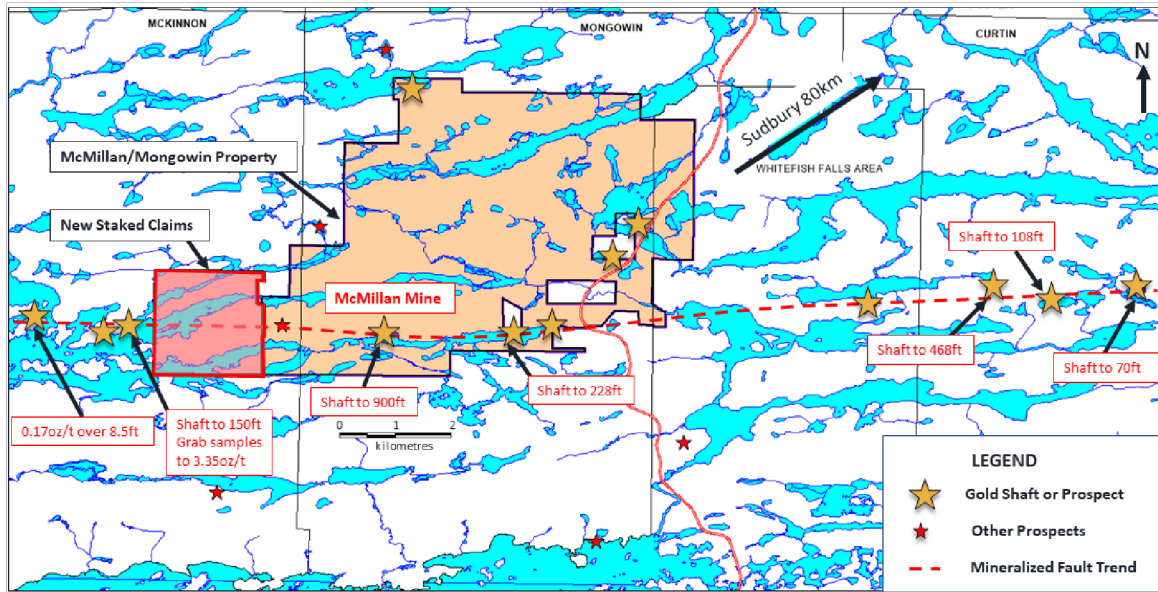


Figure 3 location of new claims along favourable mineralized fault trend

These claims are situated on strike of the McMillan Mine, which between 1934 and 1937 reported production of 60,139 tons of ore for a recovered grade of 0.176 ounces per ton (6.03 grams per tonne) NI 43-101 Report, Butler 2006. A number of historical shafts and exploration properties are situated along the favourable mineralized fault trend.

8.6. Strategic Acquisition of New Claims on Munro Property

The Company completed the strategic acquisition of an additional 6 claims adjoining the Munro property, increasing the property by 111.5 hectares as shown in Figure 4.

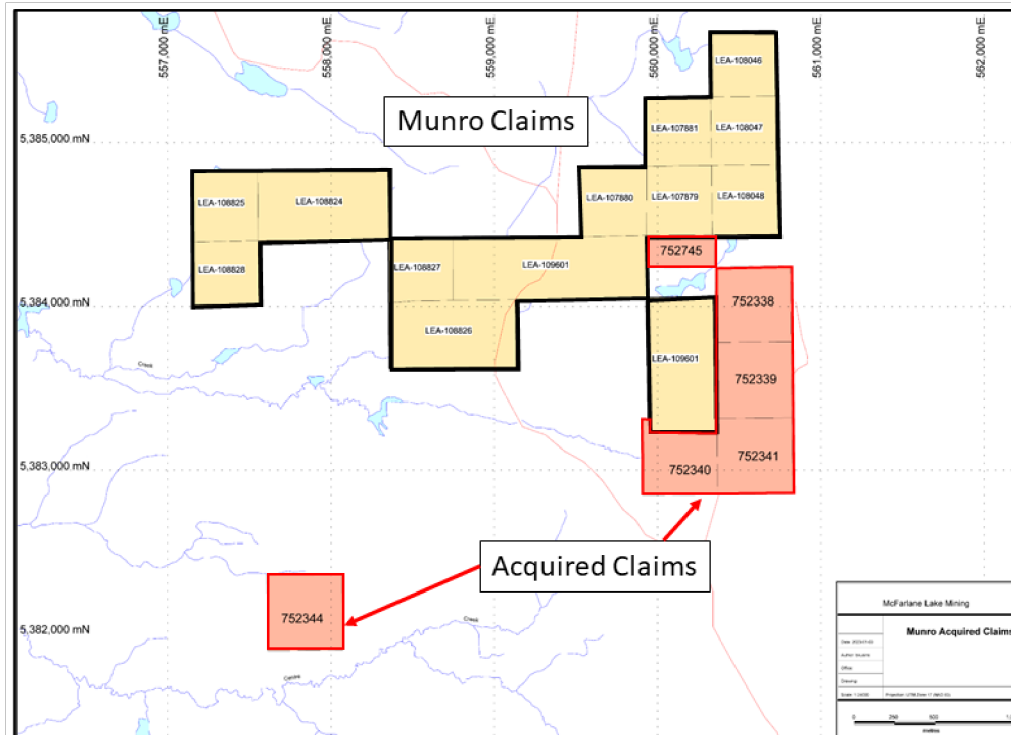


Figure 4 location of newly acquired claims Munro Property

9. Exploration Activities

9.1. West Hawk Lake Property

The Company successfully completed the field work on its first exploration program on the West Hawk Lake Property in March 2022 which included 18.6 km of line cutting, an induced polarization survey and 3068m of diamond drilling.

An induced polarization survey (geophysics) (the “**IP Survey**”) was initiated by Golden Mallard Corp. in the first week of January 2022 with field work completed as of February 7, 2022. The pseudo-sections with preliminary interpretation of anomalies were provided and this data was used to develop final targets for diamond drilling.

Initial results of the IP Survey suggest potential mineralization, from the indication of strong chargeability anomalies flanked by or co-incident resistivity anomalies. These prospective anomalies may indicate the presence of sulphides within silicified zones.

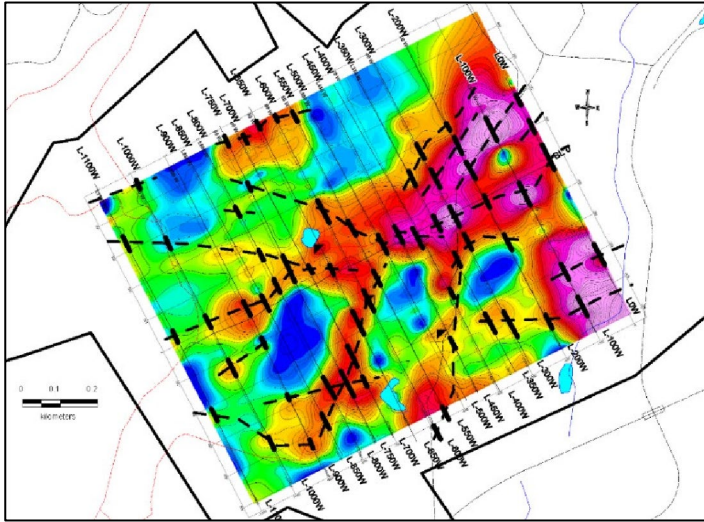


Figure 5 Induced Polarization Survey - Chargeability

The IP Survey displayed resistivity and chargeability towards the eastern portion of grid and remains open to the east for further expansion with additional surveying. These findings are supported by drilling within the anomalous trends that have confirmed the presence of fine sulphides, silicification, and quartz veins in sheared quartz monzonite.

Platinum Diamond Drilling Inc. was selected to complete the diamond drilling portion of the program on the West Hawk Lake Property and mobilized to site on February 4, 2022, collaring the first hole on February 6, 2022. Drilling was completed on March 20, 2022, with a total of 3,068 meters drilled with one drill at an average rate of more than 70 meters per day. The driller demobilized from the site on March 23, 2022.

The drill core was logged and sampled at a nearby facility by Bayside Geoscience with samples, including Quality Assurance/ Quality Control (QA/QC) samples, being sent to an accredited lab in Thunder Bay for processing. The final results were received from the lab on May 18, 2022, and a press release announcing the results was disseminated on May 25, 2022.

Drilling intersected zones of sheared and altered quartz monzonite with local sections of quartz veining mineralized with fine pyrite, arsenopyrite and locally minor chalcopyrite and sphalerite. Thin mafic dikes frequently intrude these sheared sections and the dikes are subsequently sheared, altered and mineralized.



Figure 6 Drill Core from West Hawk Lake 2022 Drill Program

The program successfully met and exceeded expectations. The highlights include:

- all holes intersected the structure and anomalous gold value (not all economic);
- confirmed the existence of high-grade gold mineralization in the Waverly Raise Zone;
- demonstrated the potential at the Waverly Zone for a gold zone with a strike length of 200 meters and down to over 200 meters deep remaining open at depth;
- successfully intersected gold at the Sunbeam Breccia below known gold mineralization; and
- identified strong geological structures extending beyond the previously explored areas.

Assay result highlights include:

- **MLWH-22-01** intersected two zones, **22.17g/t gold over 1.27m** including **49.4g/t gold over 0.55m**, and **9.85g/t gold over 1.62m**;
- **MLWH-22-02** intersected a single zone of **9.88g/t over 1.0m**;
- MLWH-22-08 intersected two zones, 19.40g/t gold over 0.64m (Letain C) and 8.62g/t gold over 1.0m (Waverly);○
- Drilling expanded the strike length of the zone to 200m and down to **over 200m**, open to depth and discovery of additional shoots along favourable structural and IP trend; and
- **MLWH-22-05** intersected two zones, **3.81g/t gold over 4.0m** and **7.85g/t gold over 2.0m** including **11.30g/t gold over 1.0m**. Zone remains open for expansion at depth and discovery of additional breccia pipes.

The Company will use the continuity in gold mineralization that it has discovered to plan future drilling at the West Hawk Lake Property to meet its goal of developing a NI 43-101 compliant gold resource.

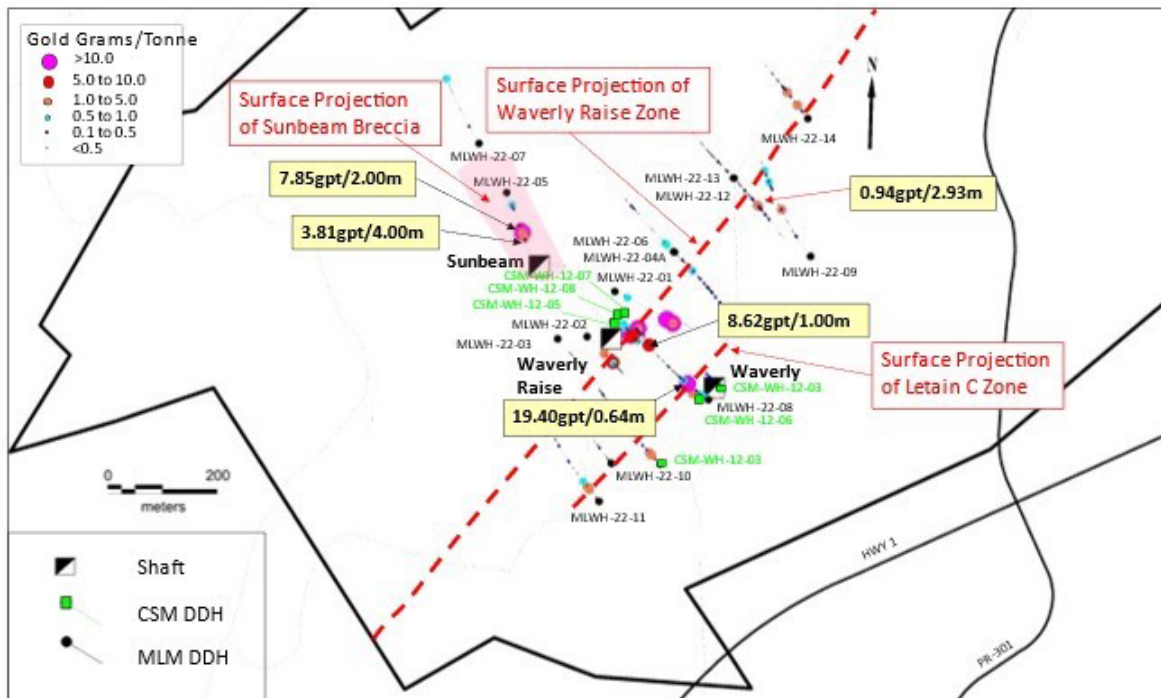


Figure 7 Drill intersections at West Hawk Lake – Plan View

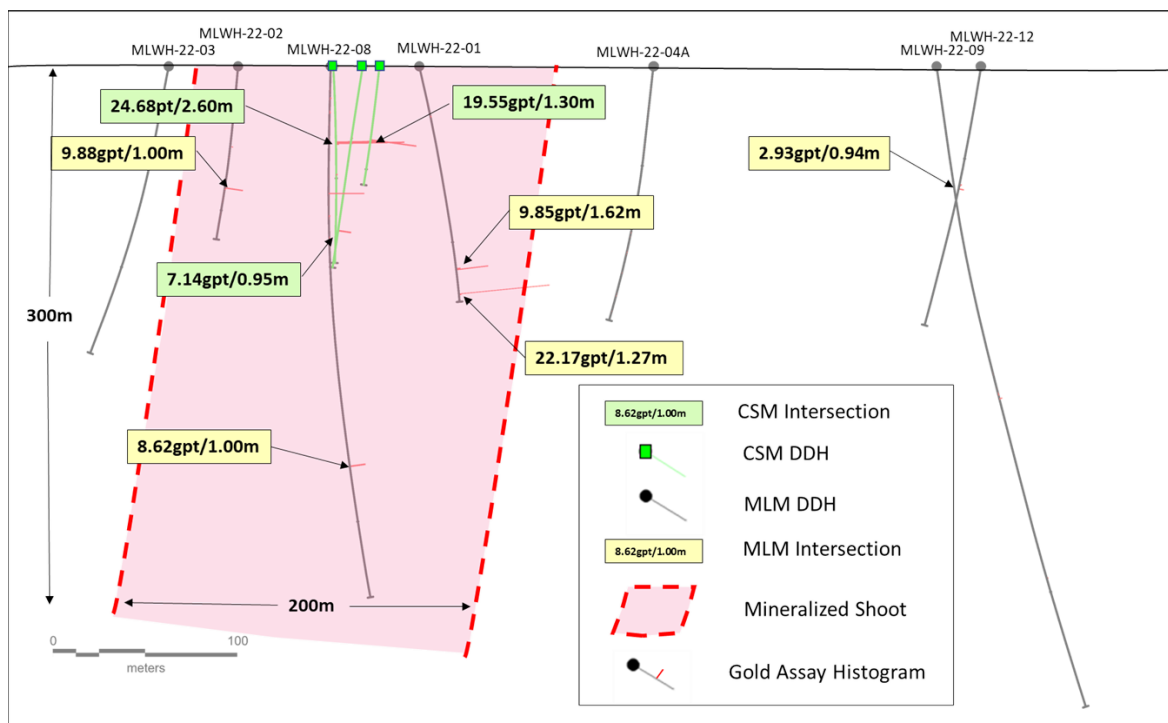


Figure 8 Drill intersections at West Hawk Lake – Longitudinal Section View

9.2. High Lake Property

The Company applied for the exploration permit on June 24, 2022 and the permit was issued on August 18, 2022. Subsequently the Shoal Lake 40 representatives have contended that the Ministry of Mines did not properly consult the First Nation group and they have been working with the Ministry to resolve the issue.

The Company's High Lake Property exploration program was initiated on November 7, 2022 and included line cutting, an induced polarization survey and diamond drilling. As of February 12, 2023, the drilling contractor, Platinum Diamond Drilling, had completed 10,437m of diamond drilling on the Purdex Zone and drilling was paused. The Company has issued five press releases on the results available from the lab (see the news releases dated December 12, 2022, January 9, 2023, January 25, 2023, February 7, 2023, February 28, 2023 and March 6, 2023), confirming the expected high grade based on the existing historical resources.

The drilling included a number of significant intersections with distinct visible gold occurrences in the diamond drill core, from near surface to 357m below surface, included in the table below;

Hole ID	From Metres	To metres	Length metres	Gold grams/tonne	Elevation metres
MLHL-22-02	65.00	66.00	1.00	10.70	-61.5
MLHL-22-04	187.00	188.45	1.45	32.58	-158.7
MLHL-22-05	242.51	250.00	7.49	4.95	-226.4
MLHL-22-05	267.45	273.83	6.38	4.49	-248.7
MLHL-22-06	325.56	340.46	14.90	24.96	-320.4
including	332.47	334.76	7.99	43.22	
including	337.31	340.46	3.15	53.87	
MLHL-23-08A	430.60	433.45	2.85	7.84	-357.4
MLHL-22-12	229.00	235.50	6.50	14.73	-178.0
MLHL-22-17	113.20	114.50	1.30	148.37	-55.0
MLHL-22-21	356.95	358.75	1.80	47.28	-350.7
MLHL-22-25	202.10	205.07	2.97	6.85	-182.3
MLHL-22-28	25.25	35.00	9.75	9.82	-20.3
including	29.62	35.00	5.38	15.35	
including	29.62	30.17	0.55	117.00	
MLHL-22-30	85.00	86.00	1.00	20.20	-80.6
MLHL-22-31	56.00	56.75	0.75	16.70	-40.1
MLHL-23-40	14.61	41.80	27.19	6.14	-19.9
including	14.61	19.94	5.33	24.55	-12.2
MLHL-23-41	14.75	15.32	0.57	6.84	-19.9
MLHL-23-43	248.67	249.00	0.33	21.10	-197.8
MLHL-23-45	292.10	296.70	26.40	9.20	-285.3

Drilling on the first section, as shown in Figure 9, has outlined a steeply dipping vein system occurring within a structural zone at or about the contact between quartz-feldspar porphyry and mafic volcanics. The porphyry and mafics are often highly sheared and may display silicification or sericitization. Gold

occurs within quartz tourmaline veins and in the adjacent sheared and altered host lithologies which may be either quartz-feldspar porphyry or mafic volcanics. These veins are often mineralized with pyrite, pyrrhotite and chalcopyrite, with occasional lesser sphalerite and arsenopyrite.

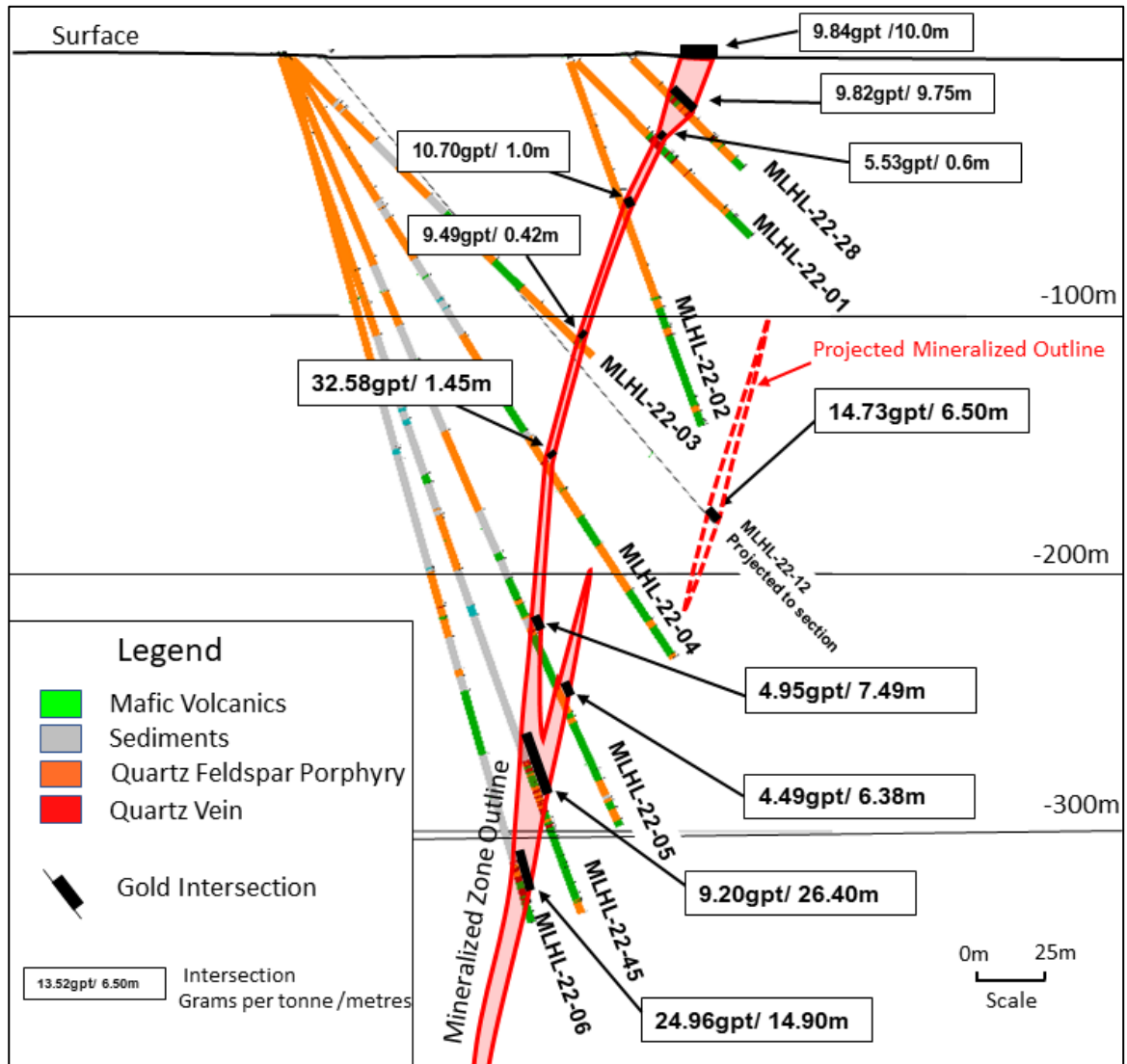


Figure 9 - Cross Section of Diamond Drill Holes

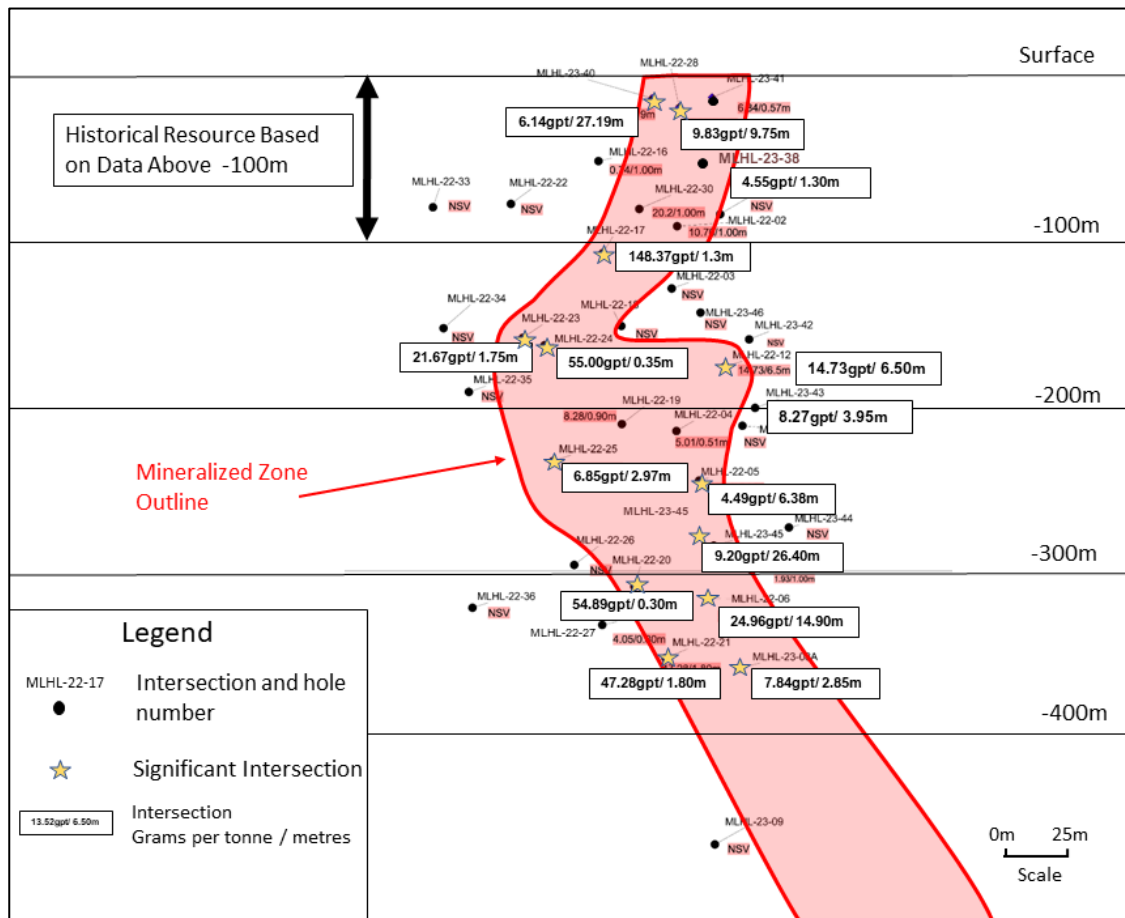


Figure 10 - Long Section of Diamond Drill Holes

Line cutting and an IP survey were also completed over two grids, the Eastern Grid, containing the Purdex Zone and the Western Grid overlaying a number of previously identified gold zones as well as a potential copper zone. DPE Limited completed both the line-cutting and the IP survey in the field from early December 2022 to early February 2023. The line cutting on the eastern grid was 5,875m and 15,225m on the Western grid. The IP survey was conducted over 5,175m and 13,325m of line on the eastern and western grid respectively.

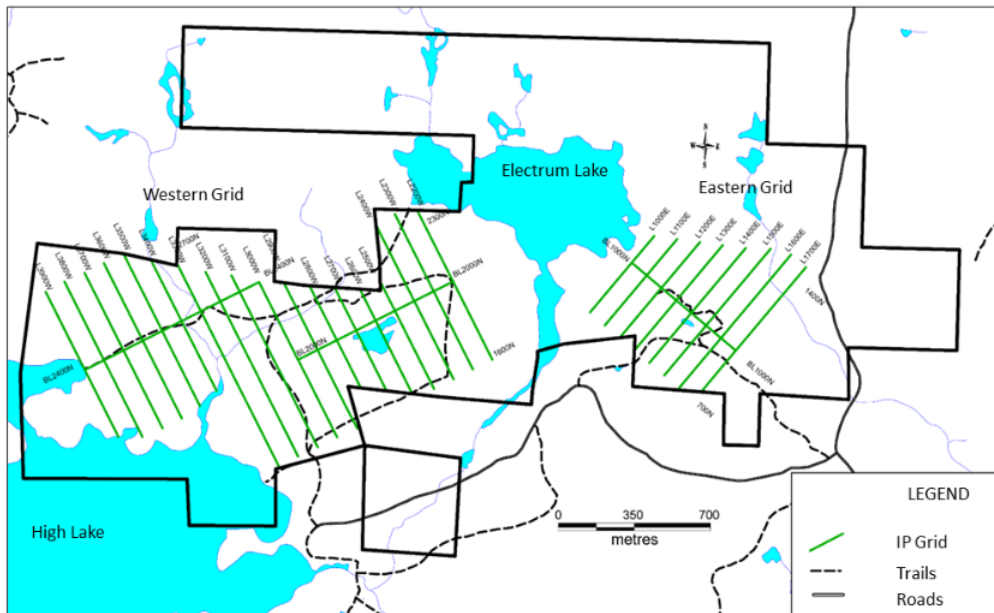


Figure 11 - IP Grid

A program of IP surveying covering 18.7 line kilometers was completed during January and early February 2023. Surveying was completed on two grids, the eastern grid covering the Purdex zone and a western grid covering the P, R, W and Porphyry zones. A final report dated March 31, 2023 was received by the company. The report identifies five priority targets, Purdex East, Conglomerate, A-D Extension, Porphyry and Gap as shown on Figure 12.

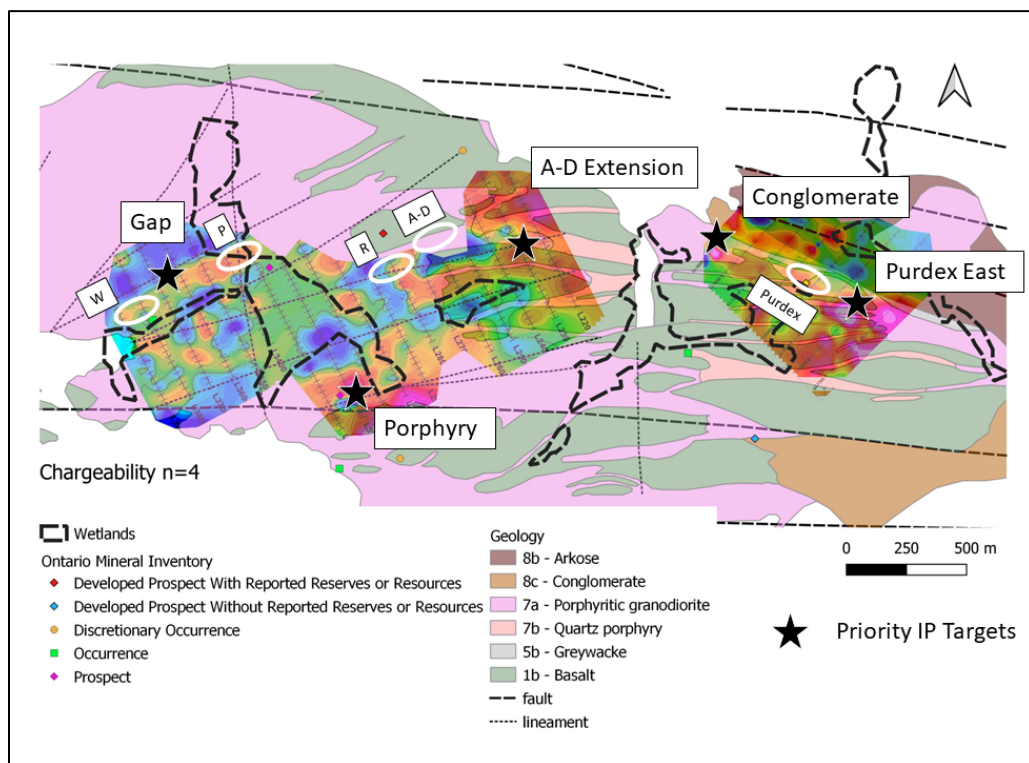


Figure 12 - IP Chargeability Plan

Purdex East is the continuation of the chargeability anomaly that occurs over the Purdex zone and is our highest priority for continued exploration. The zone displays increasing chargeability as it approaches a potential fold nose area which may bode well for gold mineralization. To the west along strike the Purdex zone transgresses into conglomerate units with elevated chargeability possibly providing a favourable host to gold mineralization. Details of these two targets are shown in figure 13.

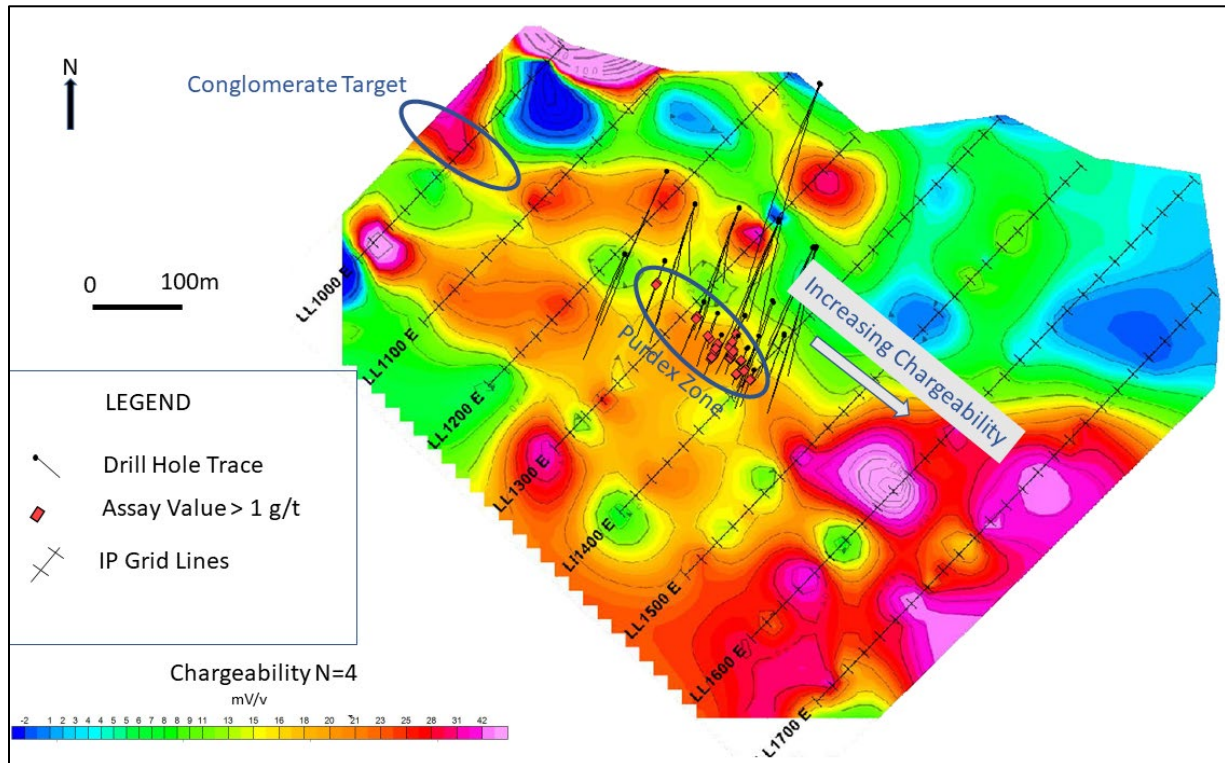


Figure 13 - IP Chargeability Plan – Purdex Area

Two gold targets are defined on the western grid with favourable chargeability anomalies associated with extensions to known gold mineralization at the A-D Extension and the Gap as shown on Figure 12. The A-D extension represent the eastward extension of four known gold zones onto McFarlane Lake ground. A potential fold nose as defined by the IP may provide a favourable site for gold mineralization. The Gap area is situated between two historical zones, the W and P zones. A chargeability trend between the two zones has not previously been drilled.

The Porphyry target covers historical trenches in the High Lake Porphyry which have returned copper values of 0.95% and up to 1 g/t of gold over 22.9m. This large chargeability target remains largely untested with significant potential.

9.3. McMillan Property

The McMillan Property (including the Mongowin Property) is not scheduled for any significant exploration programs in 2022, but some assessment work was required. To that end the Company is also engaged in discussions with the Ministry of Mines, (formerly the Ministry of Northern Development, Mines, Natural Resources and Forestry) for this area to review permitting requirements, timelines and consultation requirements and reached out to the four Indigenous communities on the consultation list to introduce the Company and outline our plans for the future. On the McMillan Property, the Company has reprocessed VLF data using modern software and techniques to determine high priority targets and completed prospecting of the property in November 2022.

Reprocessing of the VLF data outlined a number of anomalous trends as shown in Figure xx. Anomaly C, a continuation of the McMillan Mine trend, represents a highly prospective anomaly which should be followed up by additional prospecting and drilling. The anomaly remains largely untested. The VLF report was submitted on September 01, 2022 with approval granted on November 23, 2022 for the submission.

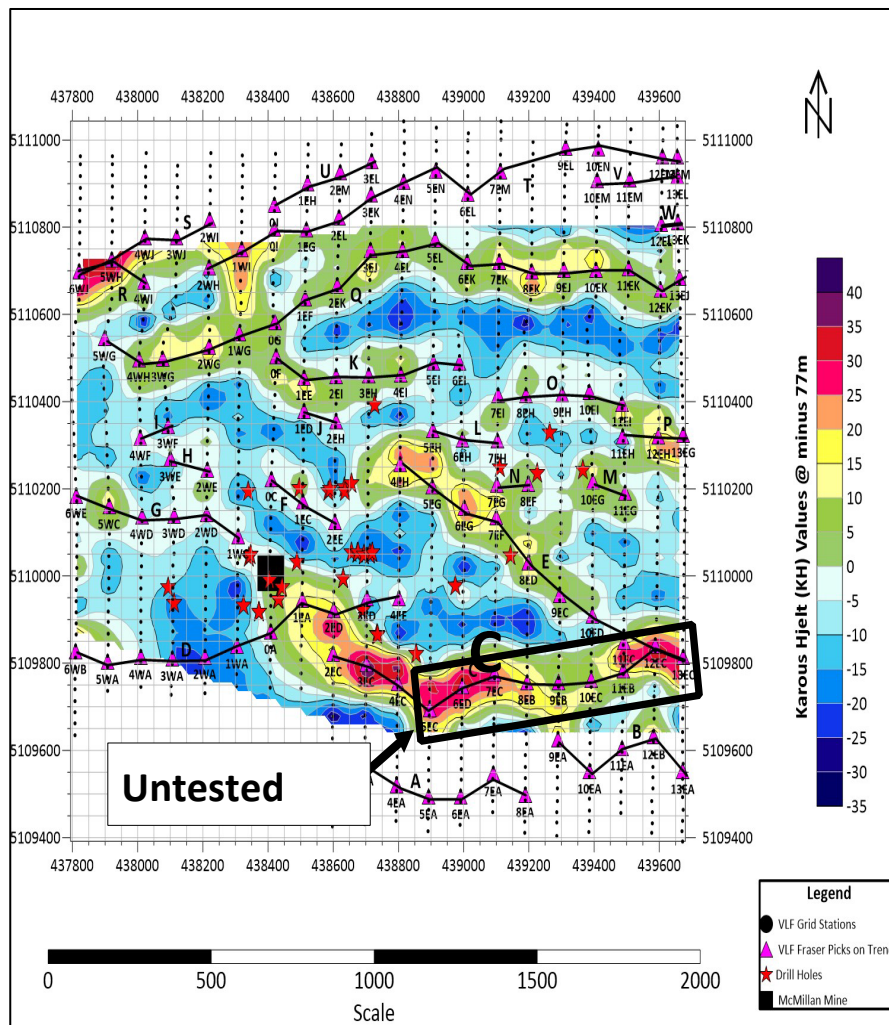


Figure 14 - Reprocessed VLF Survey

A prospecting program was undertaken on the McMillan property between October 20 thru to November 10, 2022 followed by a subsequent program from November 20 to 27, 2022. Prospecting was focussed on prospective trend developed from the VLF survey and areas of historical significance. A total of 64 grab samples were collected for analysis. The highest assay values of 5.61 and 10.9 gpt Au were obtained from a 20cm wide quartz vein with arsenopyrite mineralization located along the edge of House Lake and in close proximity to Anomaly C from the VLF survey. The anomaly remains untested to the east. Additional anomalous samples assayed include 1.02 gpt Au from a smoky grey quartz vein located north of the mine trend.

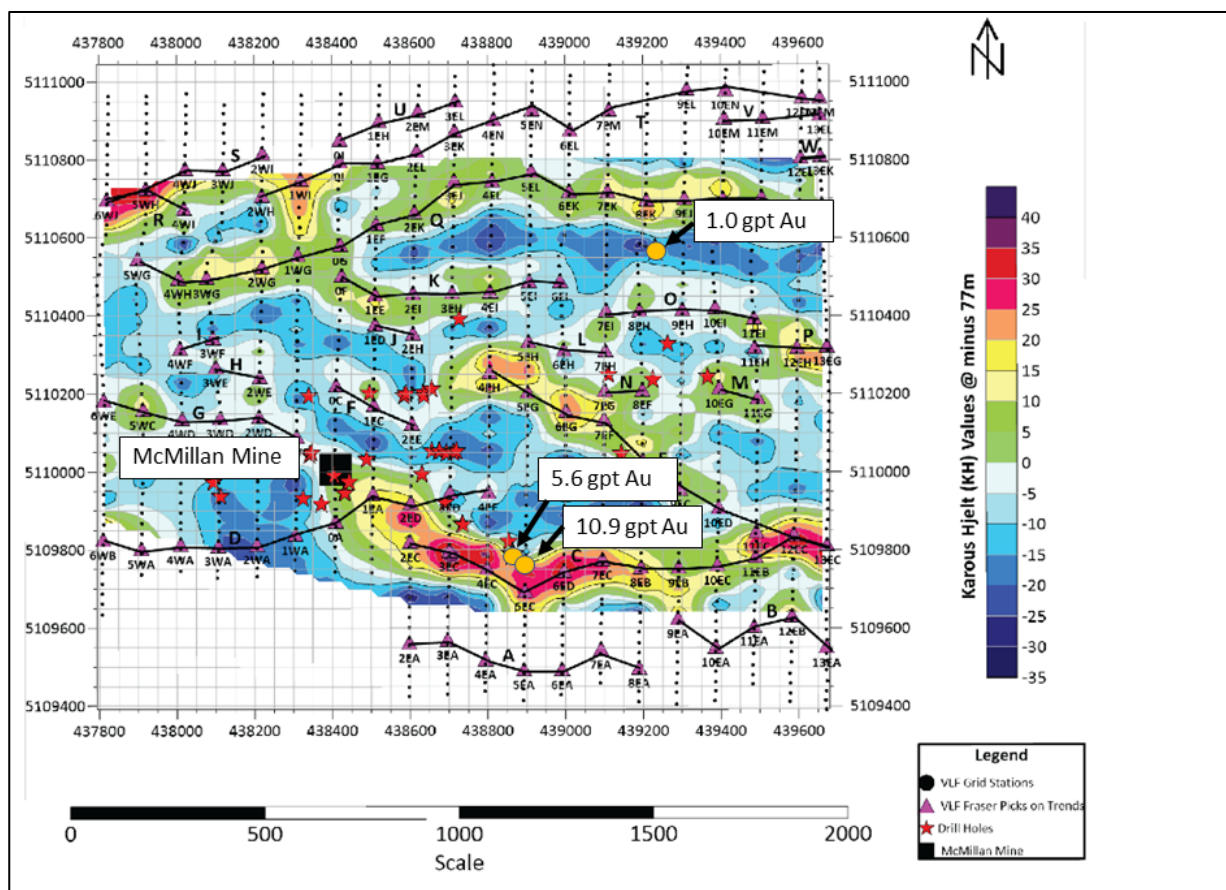


Figure 15 - Location of anomalous samples from prospecting program

10. Other

10.1. Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements requiring disclosure.

10.2. Transactions Between Related Parties

Related party transactions are comprised of services rendered by directors or officers of the Company or by a company with a director or officer in common. Related party transactions are in the normal course of business and are measured at the exchange amount.

During the three and six months ended February 28, 2023, the Company incurred the following expenses with key management personnel, consultants and directors of the Company:

	Three months ended Feb 28 2023	Six months ended Feb 28, 2023
Consulting and directors fees	\$141,750	\$267,750
Stock based compensation	\$ 48,750	\$327,750
Exploration and evaluation expenditures	\$ 15,000	\$ 75,000

Included in accounts payable and accrued liabilities as at February 28, 2023 is \$173,565, owing to the officers and management of the Company (August 31, 2022 - \$55,874). The amounts are unsecured, noninterest bearing and due on demand.

During fiscal 2021, the Company was advanced funds totalling \$195,000 from companies controlled by Perry Dellelce and Mark Trevisiol, respectively. These promissory notes payable are unsecured, bear interest at 12% per annum and are due on demand. Included in accounts payable and accrued liabilities as of February 28, 2023, is accrued interest owed on these notes payable in the amount of \$45,494 (August 31, 2022 - \$33,891), see also section 10.3 below.

During the 3 month and six periods ending February 28, 2023, the Company incurred professional fees to a law firm and its associated investment and accounting companies totalling \$154,855 and \$355,997 respectively, (February 28, 2022 - \$80,604 and \$225,767). Perry Dellelce is a partner in this law firm and a shareholder in the other two associated companies. Included in accounts payable and accrued liabilities as at February 28, 2023 is \$605,800 owing to this law firm and its associated companies (August 31, 2022 - \$571,125). The amounts are unsecured, non-interest bearing and due on demand.

The CEO of the Company, Mark Trevisiol, has an equity interest in the Michaud/Munro Optionor company 1929941 Ontario Limited ("1929941"). On March 10, 2022, the Company completed a transaction with 1929941 for the acquisition of the Michaud/Munro exploration properties as described in section 8.3 above.

10.3. Notes Payable

During the year ended August 31, 2021, McFarlane Subco was advanced funds totalling \$195,000 from companies controlled by Perry Dellelce and Mark Trevisiol, respectively. These promissory notes payable are secured by a general guarantee by the Company, bear interest at 12% per annum and are due on demand. Included in accounts payable and accrued liabilities as of February 28, 2023, is accrued interest owed on these notes payable in the amount of \$45,495 (August 31, 2022 - \$33,891). The monies were advanced to assist in the financing of the Company's operations.

11. Commitments and Contingencies

Consulting Agreements

The Company entered into consulting agreements on January 4, 2022, with its key management personnel (the Chief Executive Officer, the Chief Operating Officer and the Chief Financial Officer) at combined consulting fees of \$27,000 per month. These contracts require payment of approximately \$1 million upon the occurrence of a change of control of the Company, as defined by each officer's respective consulting agreement. The Company is also committed to payments upon termination of approximately \$420,000 pursuant to the terms of these contracts. As a triggering event has not taken place, these amounts have not been recorded in these consolidated financial statements.

The Company entered into an eighteen-month consulting agreement with a mining consultant on December 30, 2021. The terms of the agreement initially included consulting fees of \$10,000 per month. As of June 1, 2022 the mining consultant agreed to reduce the monthly consulting fee to \$5,000 per month thereby extending the term of the consulting agreement.

Environmental Contingencies

The Company's exploration activities are subject to various federal, state, provincial, and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations. See also Note 6 in November 30, 2022 interim financial statements.

Flow-Through Financings

The Company has conducted flow-through private placements ("**FT Placements**") to fund exploration activities. Canadian tax rules require the Company to spend flow-through funds on "Canadian exploration expenses" (as defined in the *Income Tax Act* (Canada)) by the end of the calendar year following the year in which they were raised. The Company indemnified the subscribers of flow-through shares from any tax consequences should the Company, notwithstanding its plans, fail to meet its commitments under the flow-through subscription agreements.

In December 2021, the Company completed a FT Placement for \$3,087,000, thus committing to spend this amount by December 31, 2022, on “Canadian exploration expenses” which qualify as “flow-through mining expenditures”, as these terms are defined in the *Income Tax Act* (Canada) (“**Resource Expenditures**”). As of December 31, 2022, the Company had spent the required amount on qualifying expenses thereby fulfilling the Company’s liability obligation under the terms of the FT agreement.

12. Subsequent Events – Spring Offering and Conditional Granting of Restricted Share Units

For information regarding the Spring Offering and the Restricted Share Units, readers are referred to Sections 5.5 and 6.5 respectively of this MD&A.

13. Changes in Accounting Policies including Initial Adoption

There have been no changes in the existing accounting policies of the Company in the period or have any new accounting policies been adopted during this period. During the current period, the Company adopted IAS 37, an amendment and improvement of existing standards. This change did not have any material impact on the Company’s financial statements.

14. Critical accounting estimates

The preparation of the condensed consolidated annual financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Information about critical judgements in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements are discussed below:

a) Title to mineral property interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company titles. Such properties may be subject to prior agreement or transfers and titles may be affected by undetected defects.

b) Valuation of share-based payments

The Company values share-based payments granted using market-based generally accepted valuation techniques at the date of grant or issuance. Assumptions made for the valuation include volatility of the share price, risk free interest rate and the life of the stock options granted. Such assumptions are highly

subjective and changes in these assumptions materially affect the calculated fair value. Assumptions and models used for estimating fair value for share-based payment transactions are disclosed in the Company's consolidated financial statements for the year ended August 31, 2022. The expected volatility assumptions for the Company's option grants are based on comparable companies.

c) Valuation of deferred income tax assets

Each year, the Company evaluates the likelihood of whether some portion of deferred tax assets, if any, will not be realized. This evaluation is based on historic and future expected levels of taxable income, the timing of reversals of taxable temporary timing differences that give rise to deferred tax liabilities, tax planning initiative, and deferred tax rates.

d) Going concern

The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available for its exploration projects and working capital requirements.

e) Income, value added, withholding and other taxes

The Company is subject to income, value added, withholding and other taxes. Judgment is used in determining provisions for taxes as there are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations, which may not coincide with the interpretation of the tax authorities. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. In case the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

f) Use of estimates

The estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Management believes the estimates are reasonable; however, actual results could differ from those estimates and could impact future results of operations and cash flows. Significant estimates include the valuation of options using the Black-Scholes pricing model.

15. Controls and Procedures and Internal Controls Over Financial Reporting

Subject to the limitations, if any, described below, the Company's CEO and CFO, have as at the end of the period ended February 28, 2023 designed Disclosure and Control Procedures, ("DC&P") or caused it to be designed under their supervision, to provide reasonable assurance that:

- material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and

- information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized, and reported within the time periods specified in securities legislation.

Internal control over financial reporting has been designed, based on the framework established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (“**COSO**”), to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in Canada.

There have been no significant changes to the Company’s disclosure controls and procedures and internal controls over financial reporting that occurred during the period ended February 28, 2023 that have materially affected, or are reasonably likely to materially affect, the Company’s disclosure controls and procedures and internal control over financial reporting.

Because of inherent limitations, internal control over financial reporting and disclosure controls can provide only reasonable assurances and may not prevent or detect misstatements. Furthermore, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

16. Financial Instruments and Other Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or an equity instrument of another entity.

The Company does not have any outstanding hedging or derivative contracts as of the year end date.

The carrying value of the Company’s financial instruments approximate fair value due to the short-term or demand nature of these financial instruments.

17. Outstanding Share Data

As of the date of this MD&A, the Company had the following equity securities outstanding:

Security Description	Apr 14, 2023	Feb 28, 2023	Nov 30, 2022	Aug 31, 2022
Common shares	113,183,845	102,798,845	100,598,813	87,647,813
Stock options to acquire common shares	9,650,000	9,650,000	9,325,000	7,000,000
Share purchase warrants and other instruments	18,071,247	12,878,747	11,778,731	5,303,231
Common Shares Fully Diluted	140,905,092	125,327,592	121,702,544	99,951,044

18. Company Forecast 12-month Operating Expenditures

The Company is forecasting to incur the following expenditures in the upcoming 12-month operating period from March 2023 to Feb 2024:

Use of Funds	Amount of Funds
Property Acquisition	\$ 0
Technical Work	
Exploration Programs	
Overhead	\$ 131,555
High Lake	\$ 95,000
West Hawk Lake	\$ 25,620
McMillan / Mongowin	\$ 0
Consulting	\$ 360,000
Studies	\$ 115,000
Corporate Development	
Management	\$ 144,000
Legal and Professional Fees	\$ 316,000
Regulatory and Transfer Agent Fees	\$ 24,000
Office and Admin including Digital Marketing and investor relations	\$ 513,480
Sub Total	\$1,725,163

Note: Additional capital raise required in fiscal 2023

19. Risks and Uncertainties

The business and operations of the Company are subject to a number of risks. The Company considers the risks set out below to be the most significant to existing and potential investors in the Company, but not all of the risks associated with an investment in securities of the Company. Accordingly, investors should also refer to the risks and uncertainties set forth in the Company's Annual Information Form which is available for review under the Company's SEDAR profile at www.SEDAR.com. Investors should carefully consider the risks and uncertainties described below as well as the other information contained in this MD&A and in the Annual Information Form. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the Company is currently unaware or which it considers to be material in relation to the Company's business actually occur, the Company's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects are likely to be materially and adversely affected. In such circumstances, the price of the Company's securities could decline and investors may lose all or part of their investment.

Going Concern

The consolidated financial statements have been prepared using accounting policies applicable to a going concern, which contemplate the realization of assets and settlement of liabilities in the normal course of business as they become due. The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that the planned exploration programs will ultimately result in profitable mining operations.

Although the Company has taken steps to verify title to the properties on which it will conduct exploration and in which it has an interest in accordance with industry standards to the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing, requirements, or regulations, unregistered prior agreements, unregistered claims, first nations' claims and non-compliance with regulatory requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contacts and political uncertainties.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern. Accordingly, they do not give effect to the adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its obligations and commitments in other than the normal course of business. The Company has incurred losses for the period ended February 28, 2023 and the year ended August 31, 2022 and as of February 28, 2023, has a deficit of \$13,292,425 (August 31, 2022 – \$10,387,323) and expects to incur further losses in the development of its business.

The business of mining and exploration for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company's continued existence is dependent upon the preservation of its interests in the underlying properties, the achievement of profitable operations, or the ability of the Company to raise additional financing as necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis.

The Company has raised capital for working capital and the planned exploration and development of its mineral properties. The Company's continuation as a going concern is dependent upon successful results from its planned exploration and evaluation activities, its ability to attain profitable operations to generate funds and its ability to raise equity capital or borrowings sufficient to meet its current and future obligations for the next 12 months. Although the Company has been successful in raising funds to date there is no assurance that it will be able to do so in the future. These matters represent material uncertainties that cast significant doubt about the Company's ability to continue as a going concern. On February 17, 2023, the Company closed an Offering for aggregate gross proceeds of \$330,005 to meet part of its financial obligations for the next 12 months, (see also Section 5). Also, on March 29, 2023 the Company announced its intention of offer for sale a non-broker private placement to raise up to an additional \$1,000,000. However, the Company will need to raise further equity capital or borrowings to meet the remainder of its financial obligations for the next 12 months.

No Operating History

The Company was incorporated on February 3, 2021 and has not commenced commercial operations. The Company has no history of earnings or paid any cash dividends, and it is unlikely to produce earnings or pay dividends in the immediate or foreseeable future.

Speculative Nature of Investment Risk

An investment in securities of the Company involves a high degree of risk and must be considered highly speculative due to the nature of the Company's business and the present stage of development of its mineral properties. In addition to information set out or incorporated by reference in this MD&A, prospective investors should carefully consider the risk factors set out below. Any one risk factor could materially affect the Company's financial condition and future operating results and could cause actual events to differ materially from those described in forward looking statements relating to the Company.

Exploration and Mining Risks

Resource exploration and development and mining operations are highly speculative and characterized by a number of significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits, but from finding mineral deposits which, though present, are insufficient in quantity and quality to be mined profitably. Few properties that are explored are ultimately developed into producing mines. There is no assurance that the Company's mineral exploration and development programs will result in any discoveries of bodies of commercial mineralization. There is also no assurance that even if commercial quantities of mineralization are discovered, a mineral property will be brought into commercial production. The Company will continue to rely upon the advice and work of consultants and others for exploration, development, construction, and operating expertise.

Substantial expenditures are required to establish and upgrade mineral resources, to establish mineral reserves, to develop metallurgical processes to extract metals from mineral resources and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. No assurance can be given that the funds required for development can be obtained on a timely basis. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size and grade; metal prices which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. Unsuccessful exploration and development programs could have a material adverse impact on the Company's operations and financial condition.

Factors beyond the Company's Control

The mining exploration business is subject to several factors beyond the Company's control including changes in economic conditions, intense industry competition, variability in operating costs, changes in government and in rules and regulations of various regulatory authorities. An adverse change in any one of such factors would have a material adverse effect on the Company, its business and results of

operations which might result in the Company not identifying a body of economic mineralization, completing the development of a mine according to specifications in a timely, cost-effective manner or successfully developing mining activities on a profitable basis.

Additional Funding Required

Exploration and development of the Company's mineral properties will require significant additional financing. Accordingly, the continuing development of the Company's mineral properties will depend upon the Company's ability to obtain financing through equity financing, debt financing, the joint venturing of projects or other external sources. Failure to obtain sufficient financing may result in a delay or an indefinite postponement of exploration, development, or production on any or all of the Company's mineral properties, or even a loss of property interest, or have a material adverse impact on the Company's future cash flows, earnings, results of operations and financial condition or result in the substantial dilution of its interests in its mineral properties. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favorable to the Company. If the Company was required to arrange for debt financing it could be exposed to the risk of leverage, while equity financing may cause existing shareholders to suffer dilution. There can be no assurance that the Company will be successful in overcoming these risks or any other problems encountered in connection with such financings. Failure to raise capital when needed would have a material adverse effect on the Company's business, financial condition, and results of operations.

The Company has and will continue to have negative operating cash flow until its mineral properties commence commercial production should exploration and development efforts demonstrate that commercial production from such mineral properties is feasible.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its obligations. The Company's credit risk relates to the amounts due from related parties and demand note balances. The Company mitigates its exposure by monitoring the counterparty's ability to repay.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its financing activities. The Company prepares annual capital expenditure budgets, which are monitored and updated as required. In addition, the Company requires authorization from the Board of Directors for expenditures on projects to assist with the management of capital. As of February 28, 2023, the Company has a net working capital deficit of (\$853,009), (August 31, 2022 - \$261,574).

Reliance on Independent Contractors

The Company's success depends to an extent on the performance and continued service of certain independent contractors. The Company has or will be contracting the services of professional drillers and others for exploration, environmental, engineering, and other services. Poor performance by such contractors or the loss of such services could have a material and adverse effect on the Company, its business and results of operations and result in the Company failing to meet its business objectives.

COVID-19

The global outbreak of COVID-19 has had a significant impact on businesses through restrictions put in place by the federal and provincial governments regarding travel, gatherings, and other public health restrictions. While these restrictions have for the most part been lifted, the duration of the various disruptions to the Company and the related financial impact cannot be reasonably estimated at the present time. At this time, the Company is yet uncertain the extent to which COVID-19 will impact its operations. However, the Company anticipates this outbreak may cause supply chain disruptions, staff shortages and the return of increased government regulations, all of which may negatively impact the Company's business and financial condition.

Fluctuating Mineral Prices

The Company's revenues in the future, if any, are expected to be in large part derived from the extraction and sale of precious and base minerals and metals, which in turn depend on the results of the Company's exploration on these properties and whether development will be commercially viable or even possible. Factors beyond the control of the Company may affect the marketability of metals discovered, if any. Metal prices have fluctuated widely, particularly in recent years, partially due to the significant market reaction to COVID-19. Consequently, the economic viability of any of the Company's exploration projects cannot be accurately predicted and may be adversely affected by fluctuations in mineral prices.

Competition

The mining industry is intensely competitive in all its phases. The Company competes for the acquisition of mineral properties, claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees with many companies possessing greater financial resources and technical facilities than the Company. The competition in the mineral exploration and development business could have an adverse effect on the Company's ability to hire or maintain experienced and expert personnel or acquire suitable properties or prospects for mineral exploration in the future.

Resale of Common Shares

The continued operation of the Company will be dependent upon its ability to generate operating revenues and to procure additional financing. There can be no assurance that any such revenues can be generated or that other financing can be obtained. If the Company is unable to generate such revenues or obtain such additional financing, any investment in the Company may be lost. In such event, the probability of resale of the common shares by any investor of the Company would be diminished.

Community Groups

There is an ongoing level of public concern relating to the effects of mining on the natural landscape, on communities and on the environment. Certain non-governmental organizations, public interest groups and reporting organizations who oppose resource development can be vocal critics of the mining industry. Any such actions and the resulting media coverage could have an adverse effect on the reputation and financial condition of the Company or its relationships with the communities in which it operates, which could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

20. Additional Information

Additional information relating to the Company, including the Company's Annual Information Form, may be found under the Company's SEDAR profile at www.sedar.com.