



# **McFARLANE LAKE**

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## **MINING**

### **McFarlane Lake Mining Limited Management Discussion and Analysis**

**For the year ended August 31, 2023 and 2022**

**November 29, 2023**

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## 1. Introduction

The following Management Discussion and Analysis (“**MD&A**”) of McFarlane Lake Mining Limited (the “**Company**”) dated November 29, 2023 and should be read together with the Company’s audited consolidated financial statements and related notes for the year ended August 31, 2023 and 2022 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.sedarplus.ca](http://www.sedarplus.ca). 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., (now operating as Cboe Canada) (the “**Exchange**”) 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 May 31, 2023, the Company completed 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)

### Mineral Property Exploration and Development Activities during the period

#### (1) Mineral Resource Estimate

On May 23, 2023, the Company announced an Initial Mineral Resource Estimate (“**MRE**”) of the Purdex Zone (as defined herein) of the High Lake Property. The MRE was independently prepared by P&E Mining Consultants Inc in accordance with NI-43-101, with an effective date of April 14, 2023. On June 4, 2023, the Company filed a completed technical report and initial mineral resource estimate titled “Technical Report and Initial Mineral Resource Estimate of the High Lake-West Hawk Lake Gold Project, Kenora Mining Division, Ontario and Falcon Lake Area, Manitoba (the “**Technical Report**”). The Technical Report was prepared by P&E Mining Consultants Inc. and has an effective date of April 14, 2023.

| Classification | Tonnes (k) | Au (g/t) | Au (k Oz) |
|----------------|------------|----------|-----------|
| Indicated      | 152        | 9.38     | 45.8      |
| Inferred       | 287        | 10.43    | 96.2      |

#### (2) Induced Polarization Survey

The Induced Polarization (“**IP**”) survey covering 18.7 line kilometres 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. Five priority targets, Purdex East, Conglomerate, A-D Extension, Porphyry and Gap, were defined from the survey data. The Purdex East Target is the highest priority target, and the Porphyry Zone is a potential copper-gold target.

### *(3) High Lake Property Drilling and Exploration*

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).

### **Company Financings during the Period**

#### *(1) Non-brokered Private Placement dated November 1, 2023 and November 27, 2023*

On November 1, 2023, the Company closed the first tranche (the “First Tranche”) of a private placement offering of units of the Company (“Units”) and flow-through shares (“FT Shares”) of the Company (the “Offering”). The First Tranche consisted of 43,500,000 Units at a price of \$0.05 per Unit and 24,943,681 FT Shares at a price of \$0.06 per FT Share for combined aggregate gross proceeds to the Company of \$3,671,620. On November 27, 2023 the Company closed the second (and final) tranche, (the “Second Tranche”) which consisted of 8,600,000 Units at a price of \$0.05 per Unit and 8,391,325 FT Shares at a price of \$0.06 per FT Share for combined aggregate gross proceeds to the Company of \$933,479. The total gross proceeds to the Company from the First and Second Tranches of the Offering were \$4,605,099.

Each Unit consists of one common share of the Company (each, a “Common Share”) and one common share purchase warrant (each, a “Warrant”). Each Warrant is exercisable by the holder to acquire one Common Share of the Company at a price of \$0.07 per common share until May 1, 2025 (Tranche 1) and May 27, 2025 (Tranche 2).

Certain directors and officers of the Company subscribed for a total of 3,700,000 Units and 1,200,000 FT Shares for gross proceeds of \$257,000 in the Offering.

#### *(2) Non-Brokered Private Placement dated April 14, 2023*

On April 14, 2023, the Company closed a non-brokered private placement offering for aggregate gross proceeds of C\$1,100,500 (the “**April Offering**”). In connection with the April Offering, the Company issued 7,285,000 units (“Units”) at a price of C\$0.10 per Unit and 3,100,000 flow-through shares (the “FT Shares”) at a price of C\$0.12 per FT Share. Each Unit consisted of one common share of the Company and one-half of one common share purchase warrant (each whole warrant, a “Warrant”). Each Warrant is exercisable by the holder thereof to acquire one common share of the Company at a price of \$0.20 per common share for a period of 36 months from April 14, 2023.

Certain directors and officers of the Company subscribed for a total of 2,100,000 units for gross proceeds of \$210,000.

*(3) Non-Brokered Private Placement dated February 17, 2023*

On February 17, 2023 the Company closed a non-brokered private placement (the “**Winter Offering**”) for aggregate gross proceeds of \$330,004. In connection with the Winter Offering, the Company issued a total of 2,200,032 units of the Company (the “**Winter Units**”) at a price of \$0.15 per Winter Unit. Each Winter Unit consisted of one 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.

*(4) Non-Brokered Private Placement dated September 16, 2022*

On September 16, 2022, the Company closed a non-brokered private placement offering (“**Summer Offering**”) for aggregate gross proceeds of \$1,292,400. Pursuant the Summer Offering, the Company issued 12,924,000 units (“**Summer Units**”) at a price of \$0.10 per Summer Unit.

Each Summer Unit consisted of one Common Share and one-half of one common share purchase warrant (each whole warrant, a “**Summer Warrant**”). Each Summer Warrant is exercisable by the holder to acquire one Common Share at a price of \$0.20 per Common Share until September 16, 2025.

Certain directors and officers of the Company subscribed for a total of 3,000,000 units for gross proceeds of \$300,000.

**Other Company Activities During the period**

*(1) Appointment of New Director and Grant of Options*

As of May 8, 2023 the Company announced that Dario Zulich accepted a position as a new member of the Company’s board of directors (the “**Appointment**”). In connection with the Appointment, the board of directors approved the grant of 325,000 incentive stock options to Mr. Zulich exercisable into the equivalent amount of common shares of the Company at a price of \$0.12 per share for a period of 5 years.

*(2) Issuance of Restricted Share Units*

On April 3, 2023, the board of directors approved the grant of an aggregate of 7,000,000 restricted share units (“**RSUs**”) to directors Perry Dellelce and Mark Trevisiol which vested immediately. Each vested RSU entitles the holder to receive one common share. These grants were made to appropriately reward the previous and ongoing contributions of Mr. Dellelce and Mr. Trevisiol and to encourage them to continue contributing significantly to the Company's success in the future. In connection with the grant of the RSUs, each of Mr. Trevisiol and Mr. Dellelce filed an early warning report in accordance with National Instrument 62-103 - *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues*. Each of the early warning reports are available at [www.sedarplus.ca](http://www.sedarplus.ca).

*(3) Changes to the Board of Directors and Issuance of Options*

On January 16, 2023 the Company announced that Guy Mahaffy resigned as a director and on the same day, the Company announced that Deborah Battiston was appointed to the board of directors. The Company granted a total of 325,000 stock options to Ms. Battiston, each option being exercisable to acquire one Common Share at a price of \$0.16 and expiring on January 13, 2028 (the “**January Options**”). The January Options have a five-year term and vested immediately.

### 5.1. 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 "**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 31, 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 in 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 15 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 8 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 577.82 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.

### **5.2. 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 August 31, 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           |
| April 14, 2023     | 10,385,000              | \$ 1,100,500         |
| <b>Total</b>       | <b>113,183,845</b>      | <b>\$ 13,277,125</b> |

### 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.

In connection with the reverse takeover transaction of January 14, 2022 (the “**RTO Transaction**”), the Company granted 5,500,000 incentive stock options to its directors and officers, exercisable at \$0.10 per share for a period of 5 years as replacement options for stock options granted to directors and officers of McFarlane Lake Mining Incorporated on May 31, 2021. The grant date fair value of \$0.10 per option was estimated using the Black-Scholes option pricing model based on the following assumptions: expected life of 5 years, expected volatility of 190%, expected dividend yield of 0% and a risk-free interest rate of 1%. The options vested immediately.

On January 25, 2022, the Company granted 1,500,000 incentive stock options to its directors and certain officers, exercisable at \$0.40 per share for a period of 5 years. The grant date fair value of \$0.27 per option was estimated using the Black-Scholes option pricing model based on the following assumptions:

expected life of 5 years, expected volatility of 201%, expected dividend yield of 0% and a risk-free interest rate of 1.64%. 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 Exchange on the date of the award, in accordance with the Plan. The options vested immediately.

On May 8, 2023, the Company granted 325,000 incentive stock options to Mr. Zulich exercisable at a price of \$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 Exchange on the date of the award, in accordance with the Plan. The options vested immediately.

As at August 31, 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         | 2.75 years      |
| Jan 25, 2022 | Jan 25, 2027 | 1,500,000               | \$0.40         | 3.41 years      |
| Oct 14, 2022 | Oct 14, 2027 | 2,325,000               | \$0.12         | 4.12 years      |
| Jan 13, 2023 | Jan 13, 2028 | 325,000                 | \$0.16         | 4.37 years      |
| May 8, 2023  | May 8, 2028  | 325,000                 | \$0.12         | 4.69 years      |
| <b>Total</b> |              | <b>9,975,000</b>        |                |                 |

### 6.3. Warrants

As at August 31, 2023, the following warrants were outstanding and exercisable into Common Shares:

| Grant Date   | Expiration   | Number of Stock Options | Exercise Price | Remaining_Years |
|--------------|--------------|-------------------------|----------------|-----------------|
| Dec 9, 2021  | Dec 9, 2024  | 4,206,156               | \$0.60         | 1.28 years      |
| Dec 9, 2021  | Dec 9, 2024  | 1,097,075               | \$0.40         | 1.28 years      |
| Sep 16, 2022 | Sep 16, 2025 | 6,475,500               | \$0.20         | 2.05 years      |
| Feb 17, 2023 | Feb 17, 2026 | 1,100,016               | \$0.25         | 2.47 years      |
| Apr 14, 2023 | Apr 14, 2026 | 3,642,500               | \$0.20         | 2.62 years      |
| <b>Total</b> |              | <b>16,521,247</b>       |                |                 |

#### 6.4. Restricted Share Units (RSU's)

As at August 31, 2023 the Company has 7,000,000 RSU's outstanding and are subject to the Company's Restricted Share Unit Plan as outlined in the Company's Management Information Circular dated January 23, 2023 which is available under the Company's profile at [www.sedarplus.ca](http://www.sedarplus.ca).

The grants of the RSUs constituted "related party transactions" within the meaning of Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101"). For these grants, the Company relied on applicable exemptions from the formal valuation and minority approval requirements in Sections 5.5(a) and 5.7(1)(a), respectively, of MI 61-101. No new insiders were created as a result of these grants, nor has there been any change of control.

#### 6.5. Notes Payable

During the fiscal year ended August 31, 2021, the Company was advanced funds in the amount of \$195,000 from companies controlled by two directors evidenced by unsecured, demand promissory notes issued by the Company which bear interest at 12% per annum. As of August 31, 2023, these notes payable totaled \$195,000 (August 31, 2022 – \$195,000). Accrued interest owed on these notes payable in the amount of \$57,291 (August 31, 2022 – \$33,891) is included in the accounts payable and accrued liabilities of the Company as of August 31, 2023.

#### 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                                      | August 31, 2023 | August 31, 2022 | August 31, 2021 |
|-------------------------------------------|-----------------|-----------------|-----------------|
| Total assets                              | \$394,610       | \$1,936,369     | \$1,851,055     |
| Total non-current liabilities             | nil             | nil             | nil             |
| Shareholder's equity (deficit)            | (\$920,127)     | \$261,574       | \$1,438,045     |
| Total revenue                             | nil             | nil             | nil             |
| Net and comprehensive income (loss)       | (\$4,683,796)   | (\$10,906,890)  | (\$1,230,433)   |
| Basic and diluted income (loss) per share | (\$0.045)       | (\$0.145)       | (\$0.031)       |

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, exchange listing costs of \$1.9 million and other net costs of \$1.1 million. For the year ended August 31, 2023, the Company recorded a net and comprehensive loss of \$4,683,796 which consisted primarily of exploration property acquisition and exploration costs of \$2.5 million (see table below), professional, consulting and director fees of \$1.0 million and other net costs of \$1.2 million.

Total Exploration and Evaluation Expenditures for the year ended August 31, 2023 were as follows:

| Acquisition and Evaluation Costs by Property  |                            |
|-----------------------------------------------|----------------------------|
| Item                                          | Year ended August 31, 2023 |
| <b>Acquisition and Maintenance Costs</b>      |                            |
| Royalty payments                              | \$10,000                   |
| Claims staking costs                          | \$10,478                   |
| <b>Total Acquisition and Maintenance</b>      | <b>\$20,478</b>            |
| <b>Exploration Costs by Property</b>          |                            |
| <b>West Hawk Lake (WHL)</b>                   |                            |
| WHL field expense                             | \$12,647                   |
| <b>Total West Hawk Lake</b>                   | <b>\$12,647</b>            |
| <b>High Lake Property (HL)</b>                |                            |
| HL Field expenses                             | \$28,919                   |
| Line cutting                                  | 69,525                     |
| Ground geophysics                             | 0                          |
| Drilling                                      | 1,539,070                  |
| Sampling                                      | 6,474                      |
| Assaying                                      | 102,101                    |
| Supplies and equipment                        | 63,164                     |
| Core shed                                     | 22,402                     |
| Core racks                                    | 5,000                      |
| Camp costs other                              | 2,996                      |
| Exploration personnel                         | 312,940                    |
| Consultant                                    | 70,000                     |
| Environmental and permitting                  | 2,932                      |
| Studies and reports                           | 95,306                     |
| <b>Total High Lake</b>                        | <b>\$2,320,829</b>         |
| <b>McMillan and Mongowin Properties (MM)</b>  |                            |
| MM Field expenses                             | \$25,294                   |
| <b>Total McMillan and Mongowin Properties</b> | <b>\$25,294</b>            |
| <b>Grand Total</b>                            | <b>\$2,379,248</b>         |

## 7. Summary of Quarterly Results

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

| Quarter ended     | Total revenue | Net income (loss) for the period | Earnings (loss) per share – basic and diluted |
|-------------------|---------------|----------------------------------|-----------------------------------------------|
| 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)                                     |
| May 31, 2023      | Nil           | (\$1,298,900)                    | (\$0.012)                                     |
| August 31, 2023   | Nil           | (\$479,794)                      | (\$0.01)                                      |

### 7.1. Results of Operations

#### 7.1.1. Three months ended August 31, 2023

The Company did not record any revenues in the three months ended August 31, 2023 (August 31, 2022 – nil) and incurred a net loss of \$479,794 as compared to a \$5,661,159 loss for the three months ended August 31, 2022.

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

- professional fees of \$22,775 – these fees incurred in the period relate to general corporate business matters, and on-going accounting costs;
- exploration and evaluation expenditure (recoveries) of (\$36,967) – the Company incurred some exploration and evaluation costs for the scheduled drilling program on the High Lake scheduled for the first and second quarter of fiscal 2024, (see section immediately below for further details) and recovered costs relating to the previous drilling program earlier in the fiscal year;
- consulting and director fees of \$150,447 – these fees were paid during the period to Company management, directors and other mining consultants;
- regulatory, transfer agent fees, investor relations and business development costs and advertising and promotion of \$246,670 - these fees were paid to the NEO and OTCQB 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 \$95,041 - these costs are comprised of digital marketing and donation costs, interest costs owed on the notes payable (as described in section 6.5) and general and office costs;
- Share-based compensation of \$70,000 – these costs relate to a valuation adjustment to the previously issued restricted share units granted to two directors;
- other income flow through share premium recovery of \$68,172 - during the period the Company incurred Canadian exploration expenditures which qualify as flow through mining expenditures, and which decreased the amount of the flow through share premium liability as of August 31, 2023.

### Details of the Exploration Expenditures (Recoveries) for the Period

| Exploration Expense                            | Three months ended August 31, 2023 |
|------------------------------------------------|------------------------------------|
| <b>High Lake Property</b>                      |                                    |
| Field Expenses                                 | \$8,892                            |
| Sampling/assaying cost (recoveries)            | (\$50,022)                         |
| Ground geophysics cost (recoveries)            | (\$20,064)                         |
| Exploration personnel cost (recoveries)        | (\$45,464)                         |
| Consultant                                     | <u>\$25,000</u>                    |
| <b>Sub Total High Lake net cost recoveries</b> | <b><u>(\$81,658)</u></b>           |
| <b>Studies and Reports</b>                     | \$21,850                           |
| <b>WHL field expenses</b>                      | \$12,647                           |
| <b>Royalty payment</b>                         | \$10,000                           |
| <b>MM Field expenses</b>                       | \$194                              |
| <b>Total cost (recoveries)</b>                 | <b>(\$36,967)</b>                  |

### **7.1.2. Twelve months ended August 31, 2023**

The Company did not record any revenues in the twelve months ended August 31, 2023 (August 31, 2022 – nil) and incurred a net loss of \$4,683,796 as compared to a \$10,906,890 loss for the twelve months ended August 31, 2022. The twelve-month loss is comprised of the following amounts:

- a) professional fees of \$369,595 – these fees were paid to the Company's corporate lawyers for general corporate matters and finance related costs;
- b) exploration and evaluation expenditures of \$2,379,248 – the Company completed its planned exploration work on the High Lake property during the year. Minor exploration costs were incurred on the other Company Mineral Properties during the period as well and costs were incurred with various mining consultants, (see above section 6.6 for further details);
- c) Consulting and director fees of \$548,697 – these fees were paid in the twelve-month period to Company management, directors and other mining consultants;
- d) regulatory and transfer agent fees of \$103,488 - these fees were paid to the NEO for listing and other related fees and fees were also incurred with respect to the OTCQB listing for the Company along with fees paid to the Company's transfer agent;
- e) investor relations and business development of \$597,940 - during the twelve-month period the Company incurred costs with an investor relations firm and a marketing firm as part of the listing requirement of the NEO and incurred other advertising and mining conference and related costs;
- f) other costs of \$228,060 – these costs are comprised of digital marketing costs, interest costs owed on the notes payable (as described in section 6.5) and general and office costs;
- g) share based compensation costs of \$1,105,000 – these costs were incurred upon the issuance of Company stock options to key management, and officers and directors of the Company;
- h) flow through share premium recovery of \$648,232 - during the year the Company incurred Canadian exploration expenditures that qualify as flow through mining expenditures which in turn decrease the amount of the flow through share premium liability as of August 31, 2023.

## 7.2. Liquidity and Capital Resources

The Company's cash position as of August 31, 2023, was \$249,411 (August 31, 2022 - \$1,595,037) with a net working capital (deficit) of (\$920,127) (August 31, 2022 - \$261,574). As at August 31, 2023, the Company had total assets of \$394,610 (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 November 1, 2023 the Company completed the first tranche of a non-brokered private placement Offering, (the "**Offering**") for aggregate gross proceeds of \$3,671,620, (see section 10.4 for further details). Due to strong investor demand, the Company has upsized the Offering to 4,605,099 and the second and final tranche of the Offering for \$933,479 closed on November 27, 2023.

Further to this Offering, the Company is currently evaluating its alternatives with regards to another proposed equity financing sometime in the second or third quarter of 2024. 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<br>Accrued liabilities | \$1,059,267 | \$1,059,267      | Nil       | Nil       | Nil           |
| Purchase Obligations                        | Nil         | Nil              | Nil       | Nil       | Nil           |
| Other Obligations                           | Nil         | Nil              | Nil       | Nil       | Nil           |
| Total Contractual<br>Obligations            | \$1,254,267 | \$1,254,267      | Nil       | 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:

- a) \$2,750,000 of cash consideration;
- b) 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
- c) 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:

- d) \$15,000 cash payment for a 5-month period exclusivity to transact;
- e) \$45,000 to affect a 3-month extension of the period of exclusivity;
- f) \$585,000, of which \$85,000 was paid in cash and \$500,000 was settled by the issuance of common shares of the Company;
- g) the Company granted Transition a 1.5% net smelter return royalty;
- h) 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;
- i) 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
- j) 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 577.43 hectares. Seven of the fourteen 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**”) on August 18, 2022. The remaining seven claims were staked through the MLAS by the Company on August 11, 2022.

Subsequently to the acquisition an additional partial claim, 750300 was staked on September 29, 2022 by the company to cover a wedge fraction created between the High Lake property and the purchased claims. The additional fraction resulted in the property increasing in size to 577.82 hectares.

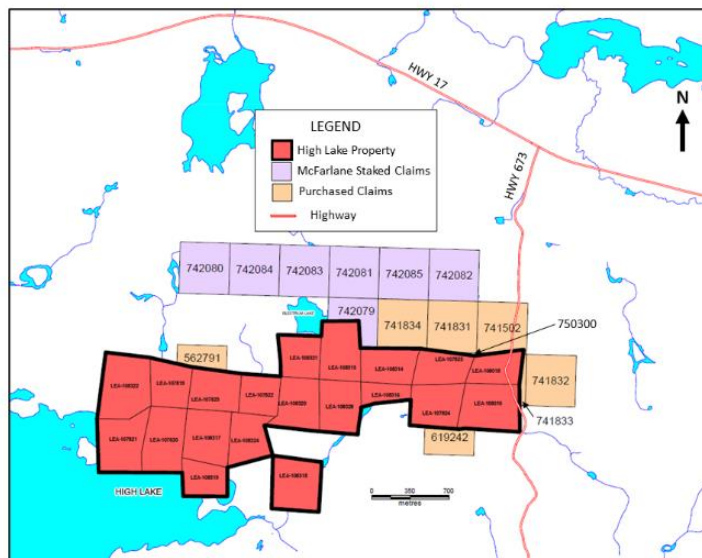


Figure 1 Newly acquired claims at High Lake

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 demonstrate simply 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, re-drilling, 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.

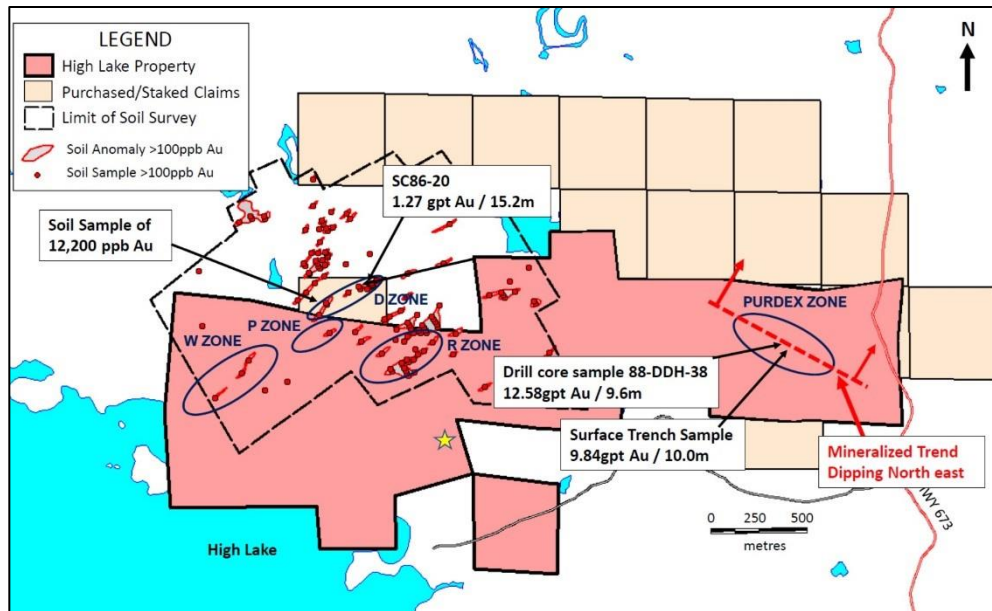


Figure 2 extension of zones onto new claims and previous soil study results

## 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 on September 14, 2022. These new claims substantially increase the Company's land holdings in the area by 352.5 hectares to 3,247.5 hectares (Figure 3).

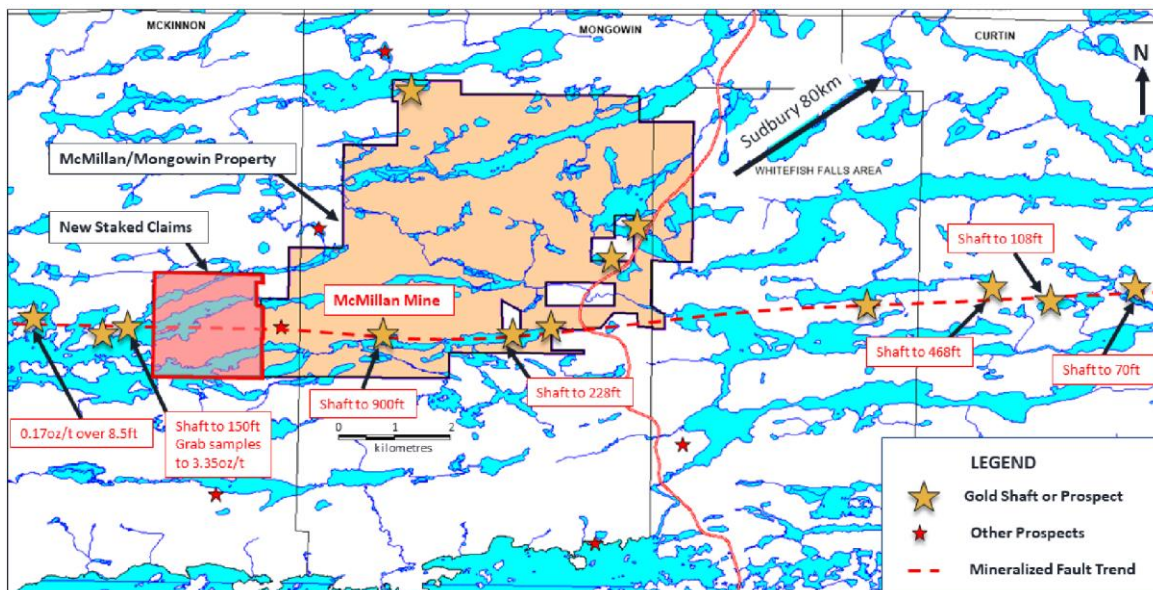


Figure 3 location of new claims along favourable mineralized fault trend

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 (October 24, 2022) adjoining the Munro property, increasing the property by 111.5 hectares as shown in Figure 4.

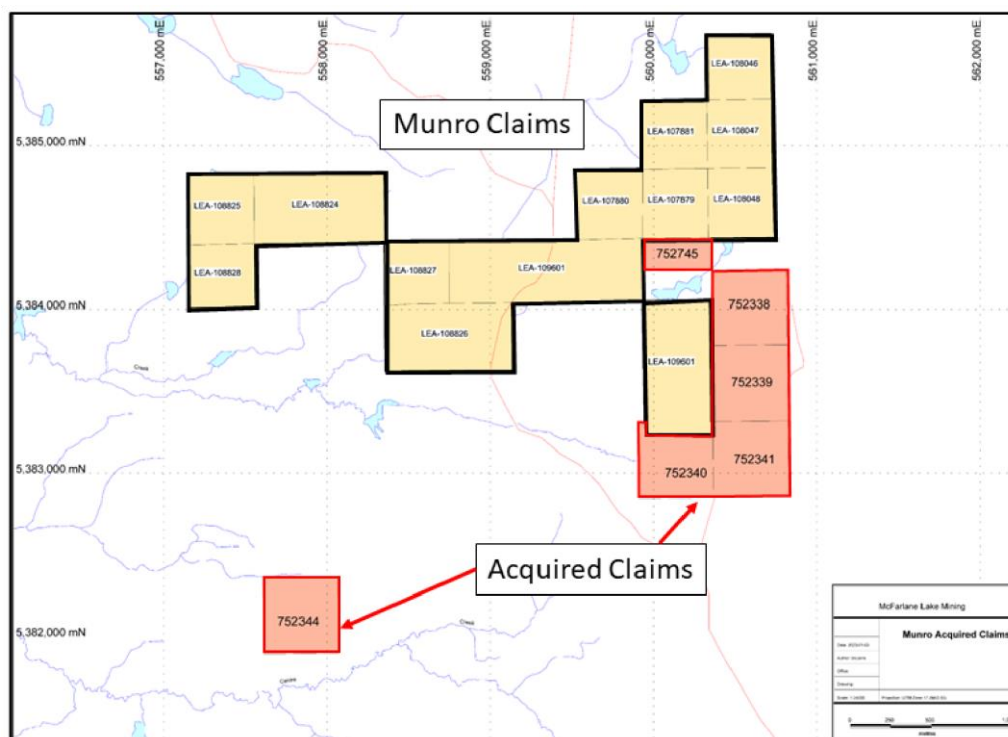


Figure 4 location of newly acquired claims Munro Property

## 8.7. Cancellation of Claims on McMillan Property

The Company received notification from the provincial mining recorder that claims 600606, 600636 and 600684 were to be cancelled on April 03, 2023. These claims had been inadvertently allowed to be registered on lands which had received a prior licence of occupation. Besides the cancellation of these claims, the prior licence of occupation resulted in the reduction of size of nine claims including 584118, 583929, 583930, 583932, 583935, 600605, 600635, 600683 and 600685 as shown on Figure 5. The reduction in size of the claims resulted in claims 584118, 600683 and 600685 being reduced to the water limits of Fox Lake. This resulted in these three claims being no longer contiguous with the remaining McMillan Property and resulted in the forfeiture of these claims on their anniversary date of July 23, 2023. The cancellation of the claims resulted in the property size being reduced to 3,026.40 hectares.



## 9. Exploration Activities

### 9.1. West Hawk Lake Property

The Company commenced its first exploration activities on the West Hawk Lake Property in December 2021 with the goal to verify past reported gold mineralization, follow up on geophysical targets and confirm structural continuity. The initial activity was 18.6 km of line cutting completed as of December 18, 2021.

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.

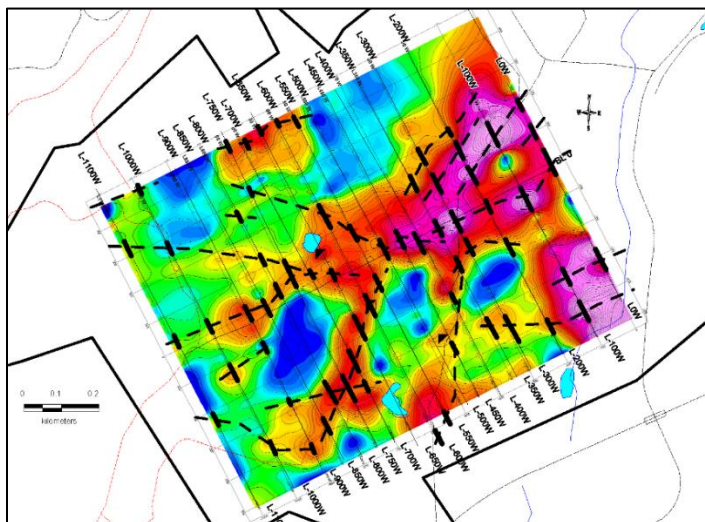


Figure 6 Induced Polarization Survey - Chargeability

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 a 3,000-meter diamond drilling 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 7 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. No exploration activities have been completed in the current fiscal year.

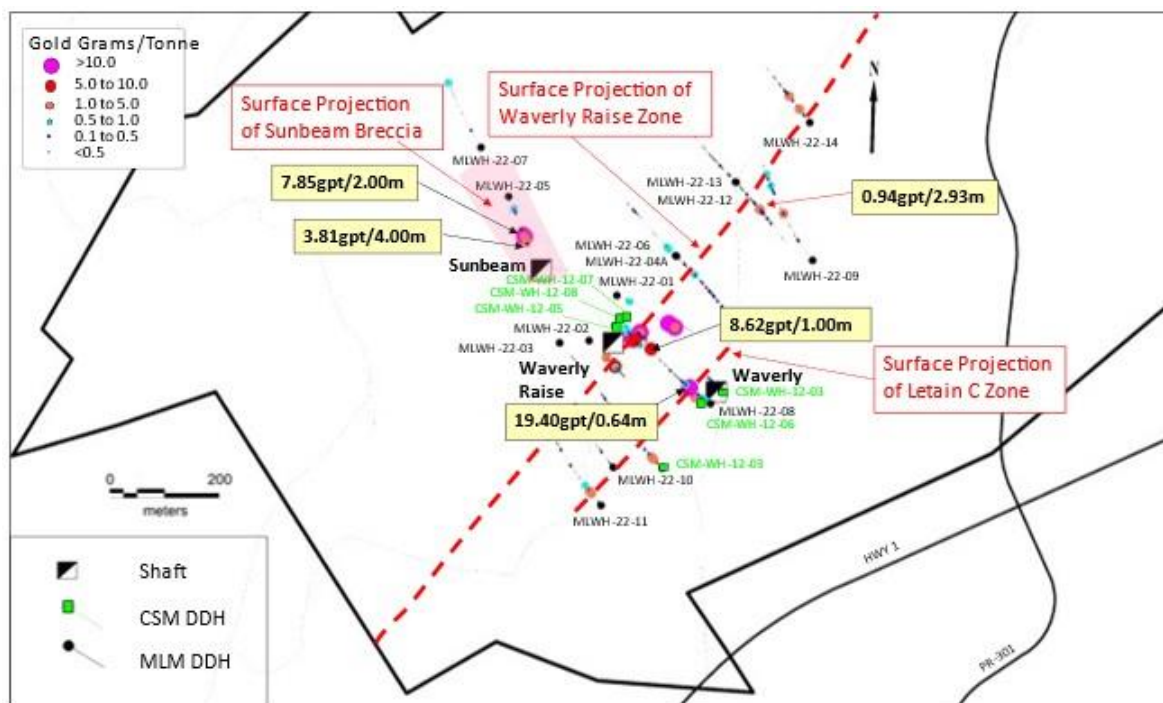


Figure 8 Drill intersections at West Hawk Lake – Plan View

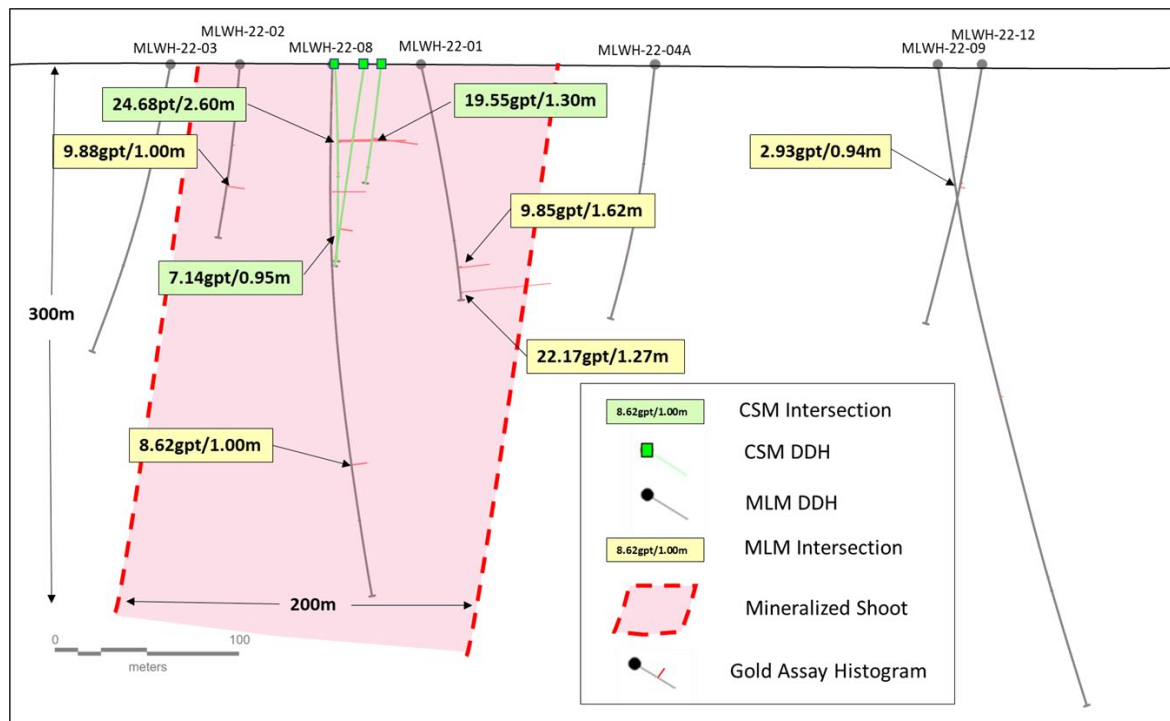


Figure 9 Drill intersections at West Hawk Lake – Longitudinal Section View

## 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. A second exploration drilling permit that covers all the IP survey targets was issued on October 31, 2023.

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, March 6, 2023 and April 11, 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          | <b>10.70</b>     | -61.5            |
| MLHL-22-04  | 187.00      | 188.45    | 1.45          | <b>32.58</b>     | -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         | <b>24.96</b>     | -320.4           |
| including   | 332.47      | 334.76    | 7.99          | <b>43.22</b>     |                  |
| including   | 337.31      | 340.46    | 3.15          | <b>53.87</b>     |                  |
| MLHL-23-08A | 430.60      | 433.45    | 2.85          | 7.84             | -357.4           |
| MLHL-22-12  | 229.00      | 235.50    | 6.50          | <b>14.73</b>     | -178.0           |
| MLHL-22-17  | 113.20      | 114.50    | 1.30          | <b>148.37</b>    | -55.0            |
| MLHL-22-21  | 356.95      | 358.75    | 1.80          | <b>47.28</b>     | -350.7           |
| MLHL-22-25  | 202.10      | 205.07    | 2.97          | 6.85             | -182.3           |
| MLHL-22-28  | 25.25       | 35.00     | 9.75          | 9.99             | -21.2            |
| including   | 29.62       | 35.00     | 5.38          | <b>15.35</b>     |                  |
| including   | 29.62       | 30.17     | 0.55          | <b>117.00</b>    |                  |
| MLHL-22-30  | 85.00       | 86.00     | 1.00          | <b>20.20</b>     | -80.6            |
| MLHL-22-31  | 56.00       | 56.75     | 0.75          | <b>16.70</b>     | -40.1            |
| MLHL-23-40  | 14.61       | 41.80     | 27.19         | 6.14             | -19.9            |
| including   | 14.61       | 19.94     | 5.33          | <b>24.55</b>     | -12.2            |
| MLHL-23-41  | 14.75       | 15.32     | 0.57          | 6.84             | -19.9            |
| MLHL-23-43  | 248.67      | 249.00    | 0.33          | <b>21.10</b>     | -197.8           |
| MLHL-23-45  | 292.10      | 318.50    | 26.40         | 9.20             | -285.3           |

Drilling on section 750, as shown in Figure 10, 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.

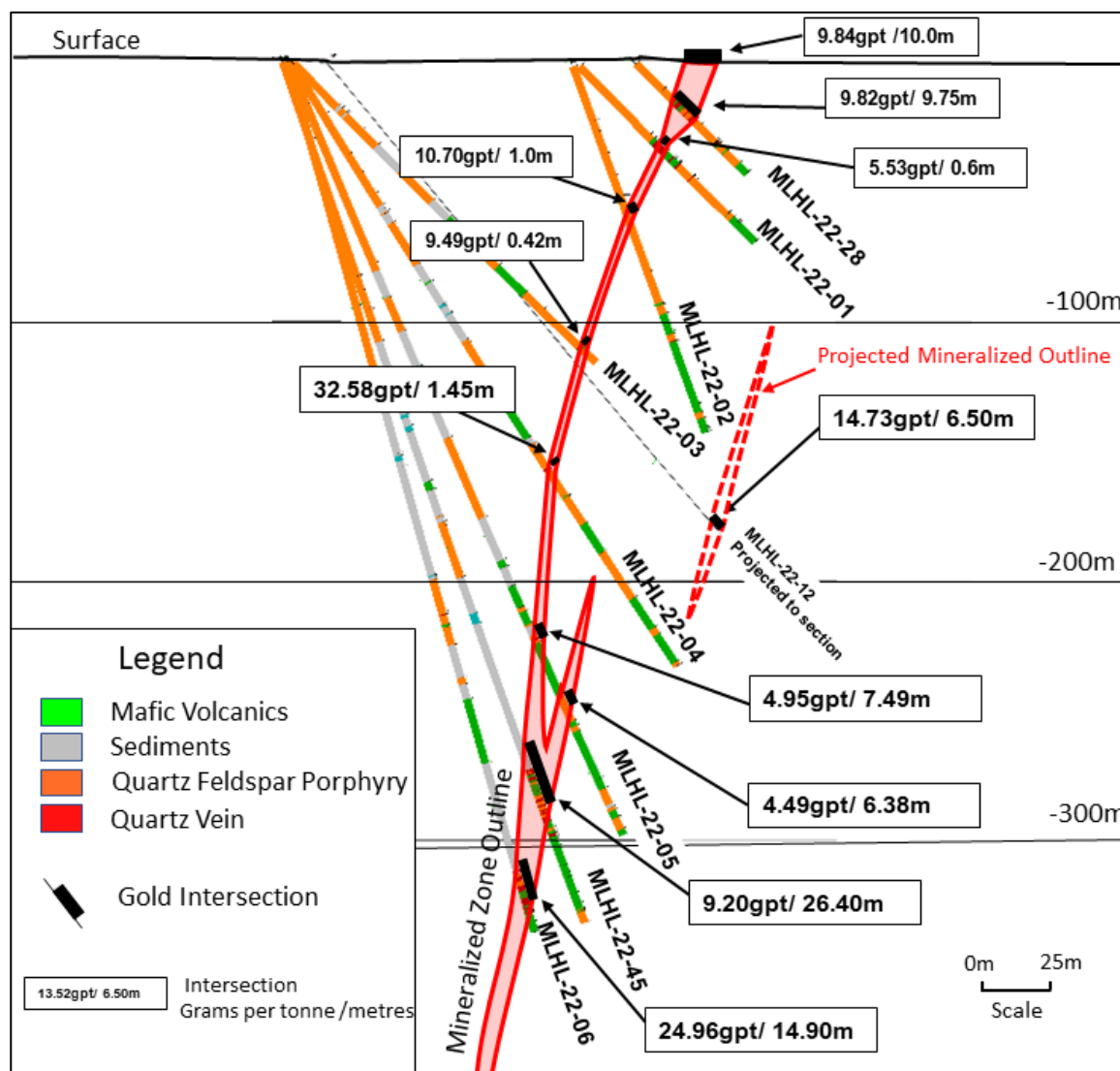


Figure 10 - Cross Section of Diamond Drill Holes

## Mineral Resource Estimate

The Company's maiden mineral resource estimate on its 100% owned High Lake Property, was released on May 24, 2023. The Technical Report was independently prepared by P&E Mining Consultants Inc (QP) in accordance with NI-43-101, with an effective date of April 14, 2023. The full Technical Report is available on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)).

This MRE has been classified in accordance with CIM Definition Standards on Mineral Resources and Mineral Reserves (CIM, 2014) and follows the CIM Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines (CIM, 2019). It is based on our recently completed drilling program and mineralization modelling.

Most of the estimated Mineral Resource tonnage related to the High Lake deposit is contained in three stacked zones (Zone A, B and C in Figure 11) within a 75-metre-wide corridor starting at surface and covering an area of 420 metres vertical by 220 metres along strike. The true thickness of the High Lake zones varies from 1.2 to 9.0 metres.

The mineralized zone and our current drill results to date with multiple high-grade intersections are shown in Figure 11 below.

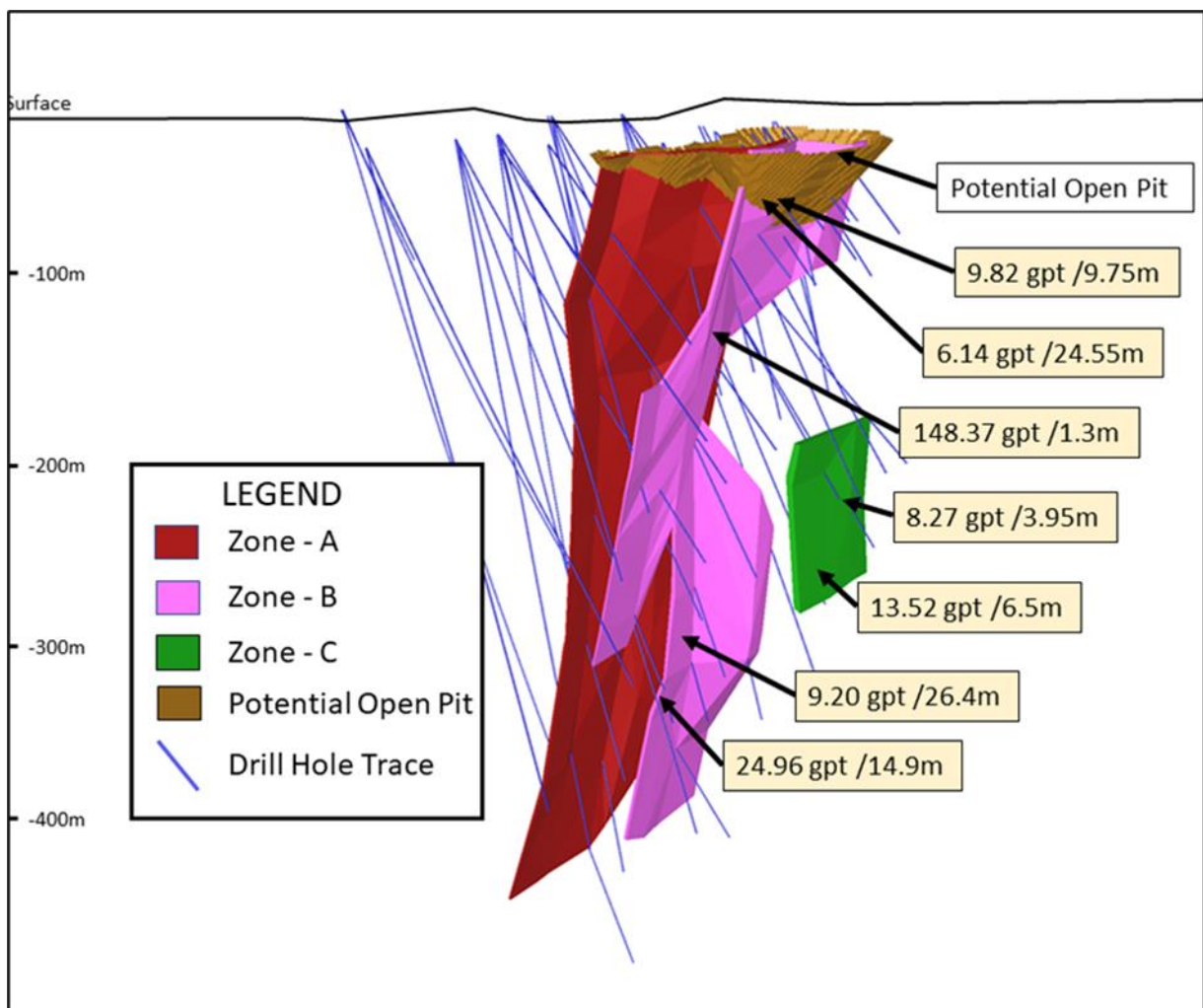


Figure 11 - 3D of the Mineral Resource Model

### Purdex Zone Mineral Resource at 2.6 g/t Au cut-off

| Classification | Tonnes (k) | Au (g/t) | Au (k Oz) |
|----------------|------------|----------|-----------|
| Indicated      | 152        | 9.38     | 45.8      |
| Inferred       | 287        | 10.43    | 96.2      |

### Mineral Resource Sensitivity to cut-off grade

A sensitivity analysis was performed on the MRE to assess the impact of various lower cut-off gold grades. The sensitivity is low indicating a well constrained model.

| Au Cut-Off (g/t) | Indicated  |                |         | Inferred   |                |         |
|------------------|------------|----------------|---------|------------|----------------|---------|
|                  | Tonnes (t) | Au Grade (g/t) | Au (Oz) | Tonnes (t) | Au Grade (g/t) | Au (Oz) |
| 3.0              | 139,747    | 9.95           | 44,705  | 260,540    | 10.98          | 91,975  |
| 2.9              | 142,155    | 9.83           | 44,927  | 265,418    | 10.84          | 92,502  |
| 2.8              | 145,051    | 9.69           | 45,189  | 270,031    | 10.7           | 92,894  |
| 2.7              | 148,441    | 9.53           | 45,482  | 274,556    | 10.57          | 93,303  |
| 2.6              | 151,851    | 9.38           | 45,794  | 287,373    | 10.43          | 96,165  |
| 2.5              | 155,726    | 9.21           | 46,112  | 285,116    | 10.27          | 94,142  |
| 2.4              | 159,140    | 9.06           | 46,355  | 289,847    | 10.15          | 94,586  |
| 2.3              | 162,621    | 8.92           | 46,637  | 295,015    | 10.01          | 94,944  |
| 2.2              | 166,374    | 8.77           | 46,911  | 300,930    | 9.86           | 95,397  |
| 2.1              | 170,427    | 8.61           | 47,177  | 307,287    | 9.7            | 95,831  |
| 2.0              | 174,316    | 8.47           | 47,469  | 313,324    | 9.55           | 96,203  |

#### Notes

1. The mineral resources described above have been prepared in accordance with the CIM Standards (Canadian Institute of Mining, Metallurgy, and Petroleum, 2014) and follow Best Practices outlined by CIM (2019)
2. Underground Mineral Resources have been reported using a 2.6 g/t lower cut-off based on US\$1,800/oz Au, 0.77 US\$ FX, 95% process recovery and costs of C\$130/t mining, C\$40/t processing and \$15/t G&A.
3. The High Lake deposit has been classified as Inferred and Indicated Mineral Resources according to drill spacing and two grade estimation passes. Underground Mineral Resources have been classified manually within a constraining volume

to remove isolated areas not satisfying reasonable prospects for eventual economic extraction (“**RPEEE**”) and have been reported using an approximate 2 m minimum thickness.

4. There are no known underground workings at the High Lake Deposit
5. The bulk density of 2.7 t/m<sup>3</sup> has been applied based on measurements taken on the drill core and assigned in the block model.
6. The MRE is based on a block models with a block size of 0.5 m x 0.5 m x 0.5 m.
7. Tonnage has been expressed in the metric system, and gold metal content has been expressed in troy ounces.
8. The tonnages have been rounded to the nearest 100 tonnes and the metal content has been rounded to the nearest 100 ounces. Gold grades have been reported to two decimal places.

These Mineral Resources are not Mineral Reserves as they have not demonstrated economic viability. The quantity and grade of reported Inferred Mineral Resources disclosed herein are uncertain in nature and there has been insufficient exploration to define these Mineral Resources as Indicated or Measured; however, the Company reasonably expects that most of the Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.

The qualified person of the Company is not aware of any factors or issues that materially affect the MRE other than normal risks faced by mining projects in the province in terms of environmental, permitting, taxation, socio-economic, marketing, and political factors, and additional risk factors regarding Inferred Mineral Resources.

The mineralized zone on the Purdex Zone extends to surface and there may be an opportunity to mine these Mineral Resources early in a development project through an open pit (Figure 11). P&E has reviewed two potential pit options and subsets of the Mineral Resource that could feasibly be exploited through these options, which are outlined in Table 3 below.

#### **Potential Pits (Subsets of MRE above) at 1.0 g/t Au cut-off**

|              |                  | <b>Tonnes<br/>(k)</b> | <b>Au Grade<br/>(g/t)</b> | <b>Au<br/>(k Oz)</b> |
|--------------|------------------|-----------------------|---------------------------|----------------------|
| <b>Pit 1</b> | <b>Indicated</b> | 22                    | 6.36                      | 4.5                  |
|              | <b>Inferred</b>  | 3                     | 5.25                      | 0.5                  |
| <b>Pit 2</b> | <b>Indicated</b> | 45                    | 4.47                      | 6.5                  |
|              | <b>Inferred</b>  | 7                     | 3.65                      | 0.8                  |

#### **Induced Polarization Survey**

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 map displays the study area with the Western and Eastern Grids highlighted by green diagonal lines. Electrum Lake is located to the north of the grids, and High Lake is to the south. A network of trails (dashed lines) and roads (solid lines) is shown. A legend in the bottom right corner identifies the symbols for the IP Grid, Trails, and Roads. A scale bar at the bottom indicates distances of 0, 350, and 700 metres.

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 and W zones. This grid was extended to cover the Porphyry zone which contained a trench that grades 0.95% Cu over 22.9 metres. A final report dated March 31, 2023 was received by the company.

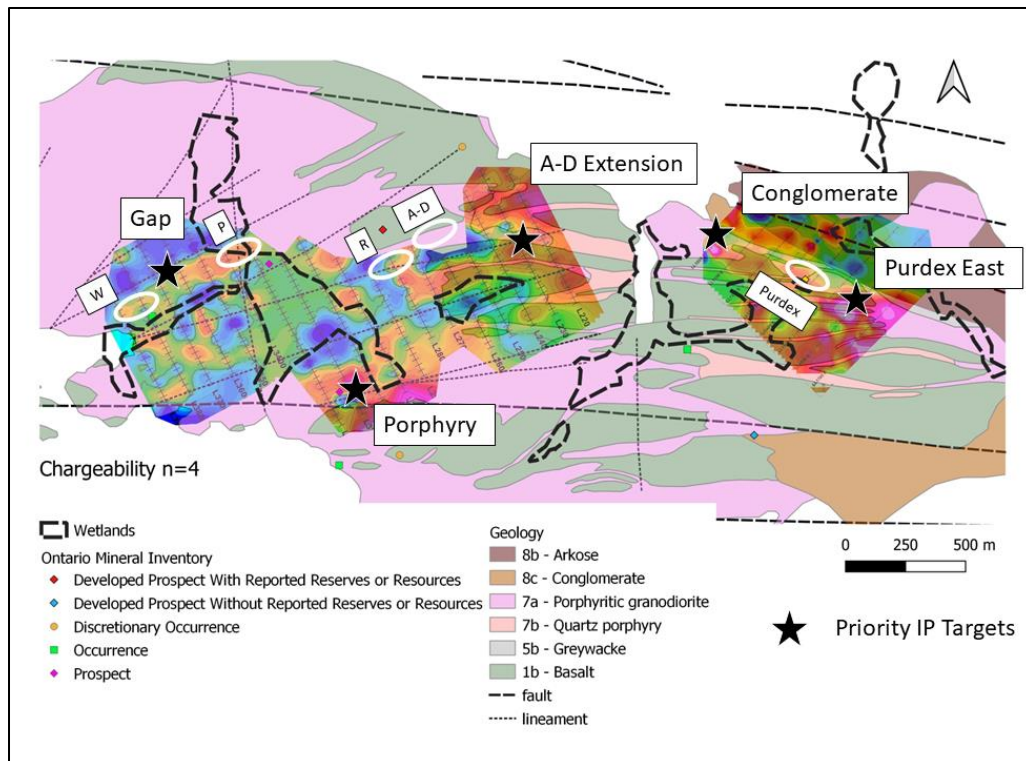


Figure 13 - IP Chargeability Plan

Purdex East is the continuation of the chargeability 300m to the southeast of the anomaly that occurs over the Purdex zone and the anomaly is stronger, this is our highest priority for continued exploration. The Conglomerate 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 14.

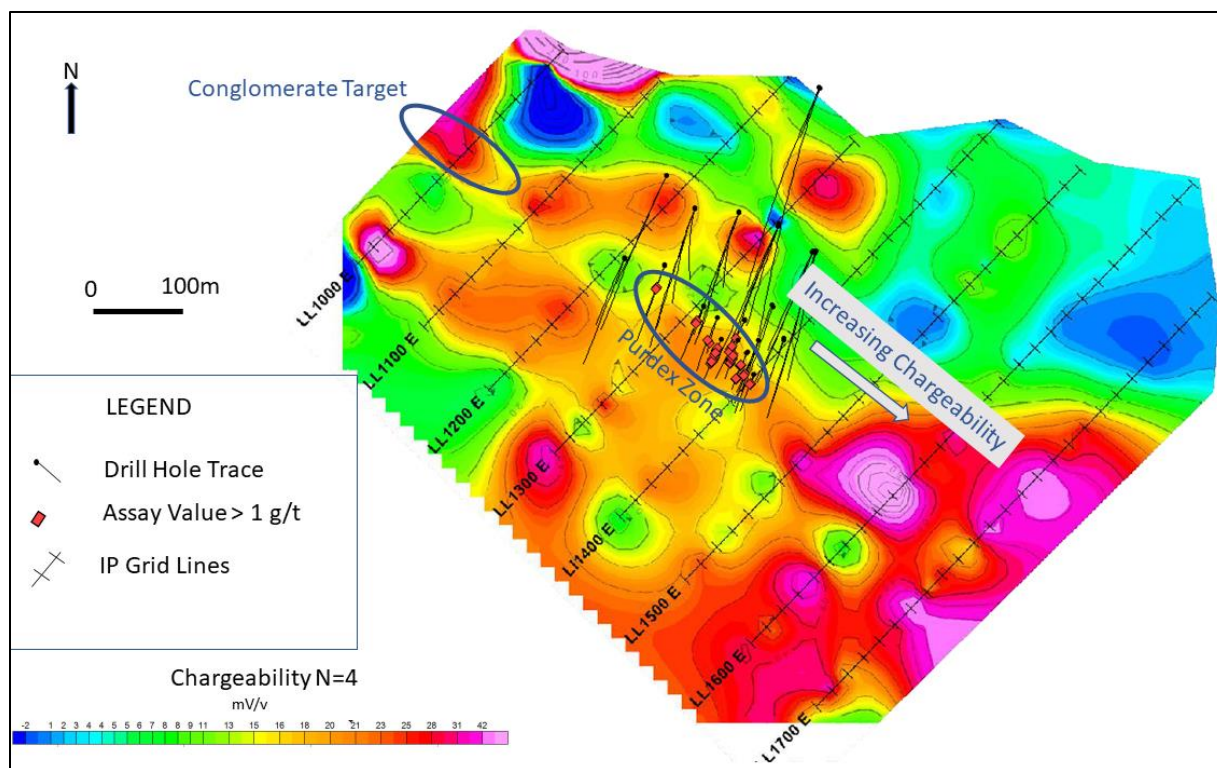


Figure 14 - IP Chargeability Plan – Purdex Area

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 13. The A-D extension represents 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 (ODM Geological Report No. 41, 1965). This large chargeability target remains largely untested with significant potential.

## Prospecting

The Company followed up the IP Survey with a prospecting program on the High Lake Property. The program was successful in outlining numerous anomalous areas with 12 samples returning values containing gold. Gold samples were returned in 4 target areas identified in the recent geophysical survey (company announcement of April 11, 2023). The highest-grade gold samples collected in the recent field work were obtained west of the recently drilled Purdex Zone (15.9 grams per tonne gold) and east of the Purdex Zone (9.35 grams per tonne gold). The Eastern and Western area of Purdex is a top target area as identified from the Geophysical survey. The gold samples from these areas were in elevated areas of conductivity supporting geophysical data as having the potential to contain gold mineralization. Of key interest are samples which returned up to 1.55 grams per tonne gold with associated copper values up to 0.87% in the Porphyry Zone. This is described in more detail below. A map outlining the sample locations with gold values is shown on Figure 15

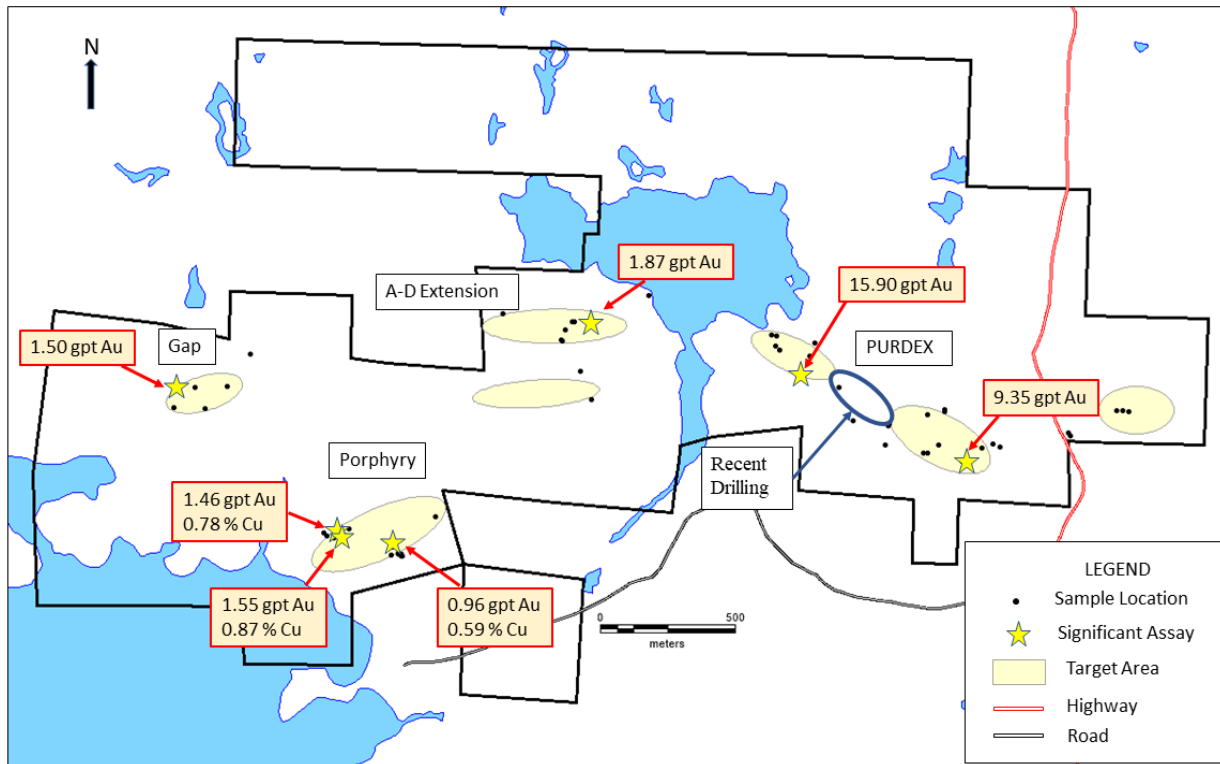


Figure 25— Prospecting and Sampling Gold and Copper Results

Anomalous samples were returned from the Purdex Zone, A-D extension, Gap and Porphyry Zone. The most significant samples were obtained from 350m east and 120m west of the Purdex Zone along the trend of elevated chargeability as shown on Figure 16. A trend of increasing chargeability is noted to the east of the Purdex Zone.

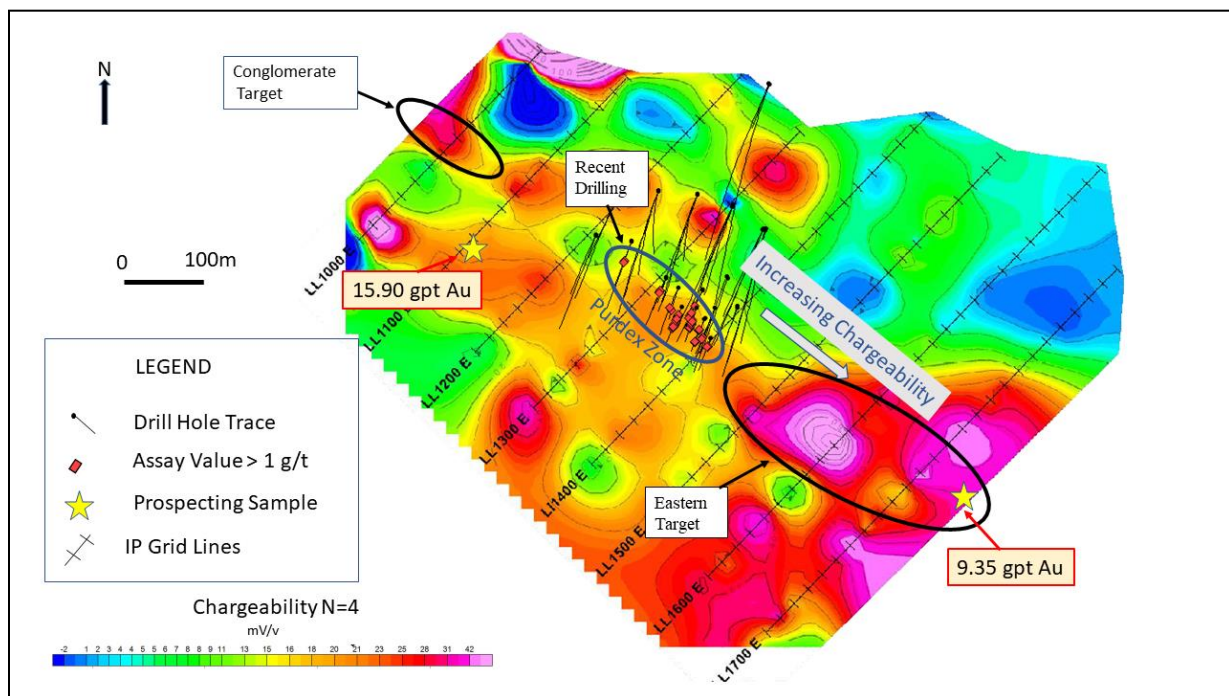


Figure 16 Purdex Sampling Gold Results with IP Chargeability

Sampling on the western portion of the property returned elevated gold and locally copper values, as shown on Figure 17. Elevated gold values were returned from the A-D Extension, Gap and Porphyry Zones, which respectively returned grades of 1.87, 1.50 and 1.55 gpt Au. The A-D extension represents the potential on-strike continuation of the historical A, B, C and D Zones drilled by Electrum Lake Gold Mines and Calnor Resources in 1960 and 1986, respectively. Elevated chargeability east of these zones on the High Lake property suggests their continuation in conjunction with the sampling in the area.

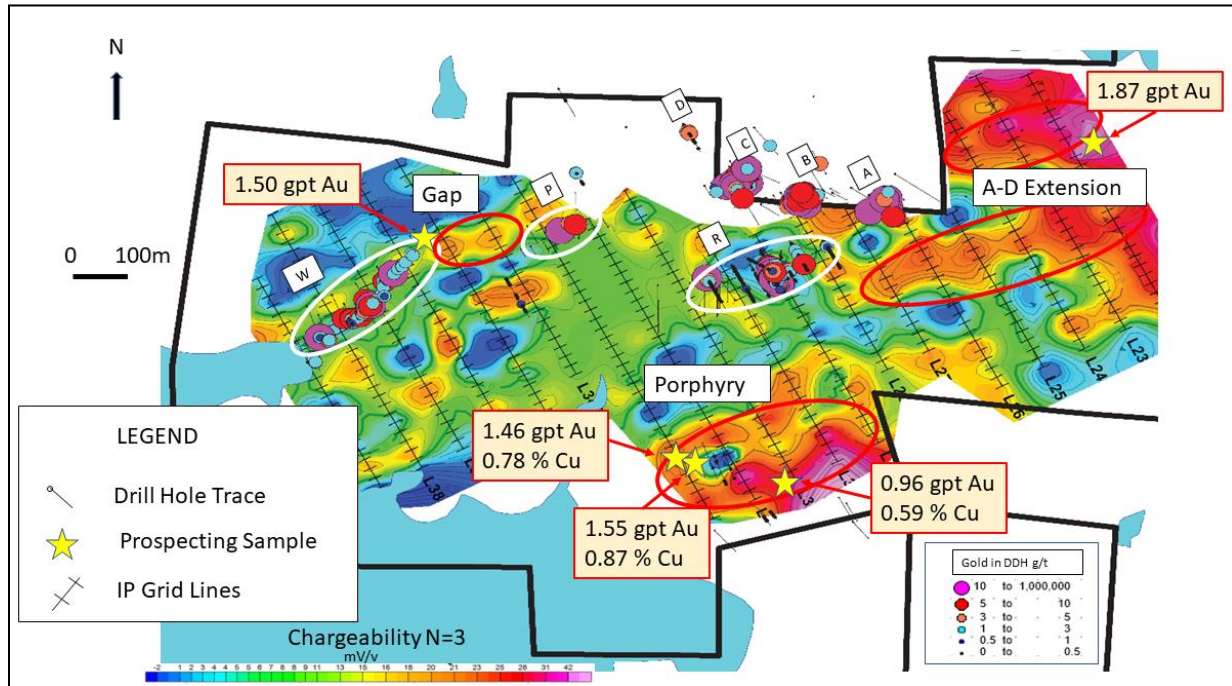


Figure 17 Western Sampling Gold Results with IP Chargeability

The Gap is a 200 metre in length break in drilling between the W and P zones, which remains untested. Elevated chargeability and adjacent recent sampling further enhance this target.

Of key interest is the copper-gold showing (the “**Porphyry Zone**”) on the southwest of the property. The Porphyry Zone prospecting and sampling program produced a number of elevated gold and copper values, including 1.55, 1.46 and 0.96 grams per tonne gold associated with 0.87, 0.78 and 0.59% Copper, respectively. This represents another opportunity for McFarlane as this wide vein system has been tracked for over 600 metres along surface. This also supports the geological theory that the gold mineralization found elsewhere on the property may have been as a result of a porphyry system within the area.

### Compilation and AI Program

The Company commissioned Orix Geoscience Inc. to create a 2D geological compilation of all publicly available files and data provided by the Company. The process involved systematically extracting and digitizing all relevant geological information contained in historical reports, as well as consolidate, and standardize the data to match digital datasets that have been generated more recently by the Company. The purpose of the compilation was to create a clean, robust, and usable digital dataset to feed into an Artificial Intelligence system to assist in generating new exploration targets. Final deliverable for the

compilation were received on October 19, 2023. The Company is currently working with Orix to develop a 3D model of the Purdex Zone.

The Company has commissioned Mercator Geological Services Limited to utilize the recently completed compilation utilizing their Artificial Intelligence (“AI”) driven Prospectivity Analysis methods. A prospectivity model will be designed based on the gold deposit types observed on the property, specifically based on gold mineralization within the defined Purdex Zone. The model will produce a property-wide 2D prospectivity map heat map that highlights areas where favourable structure, lithology, mineralization, and geochemistry for greenstone-hosted gold deposits. This work is currently in progress.

### **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 18. 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.

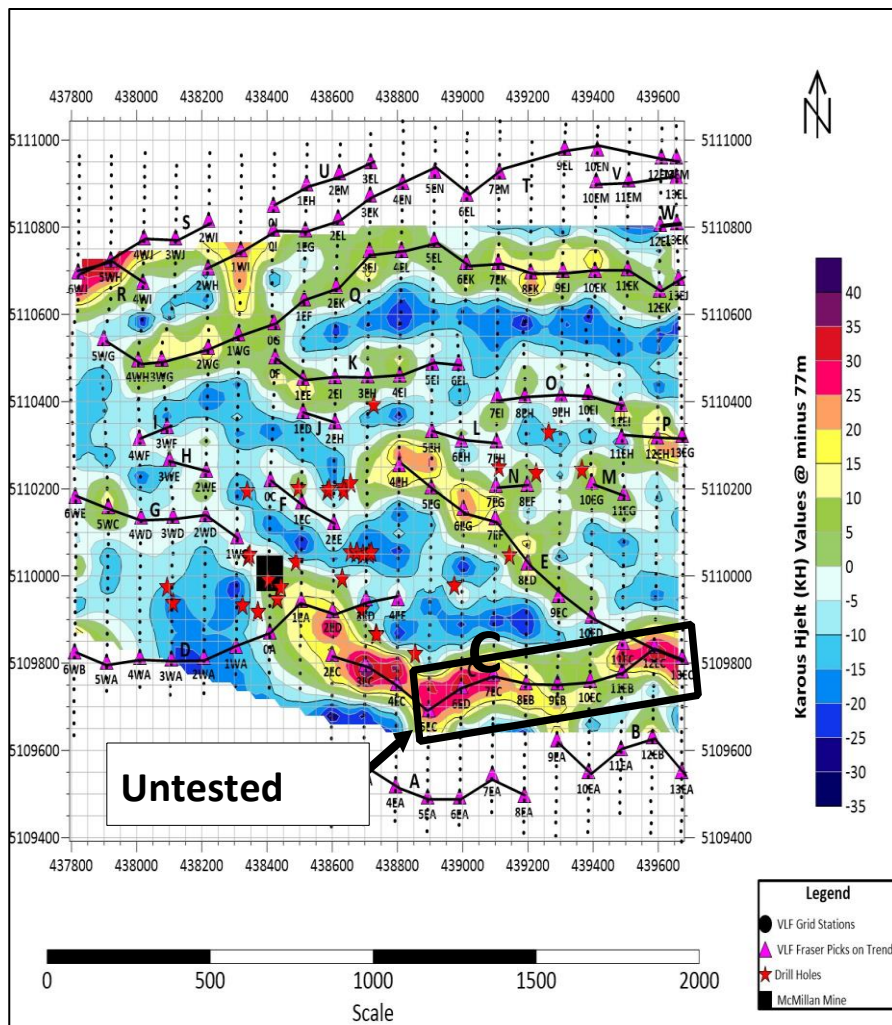


Figure 18 - Reprocessed VLF Survey

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.

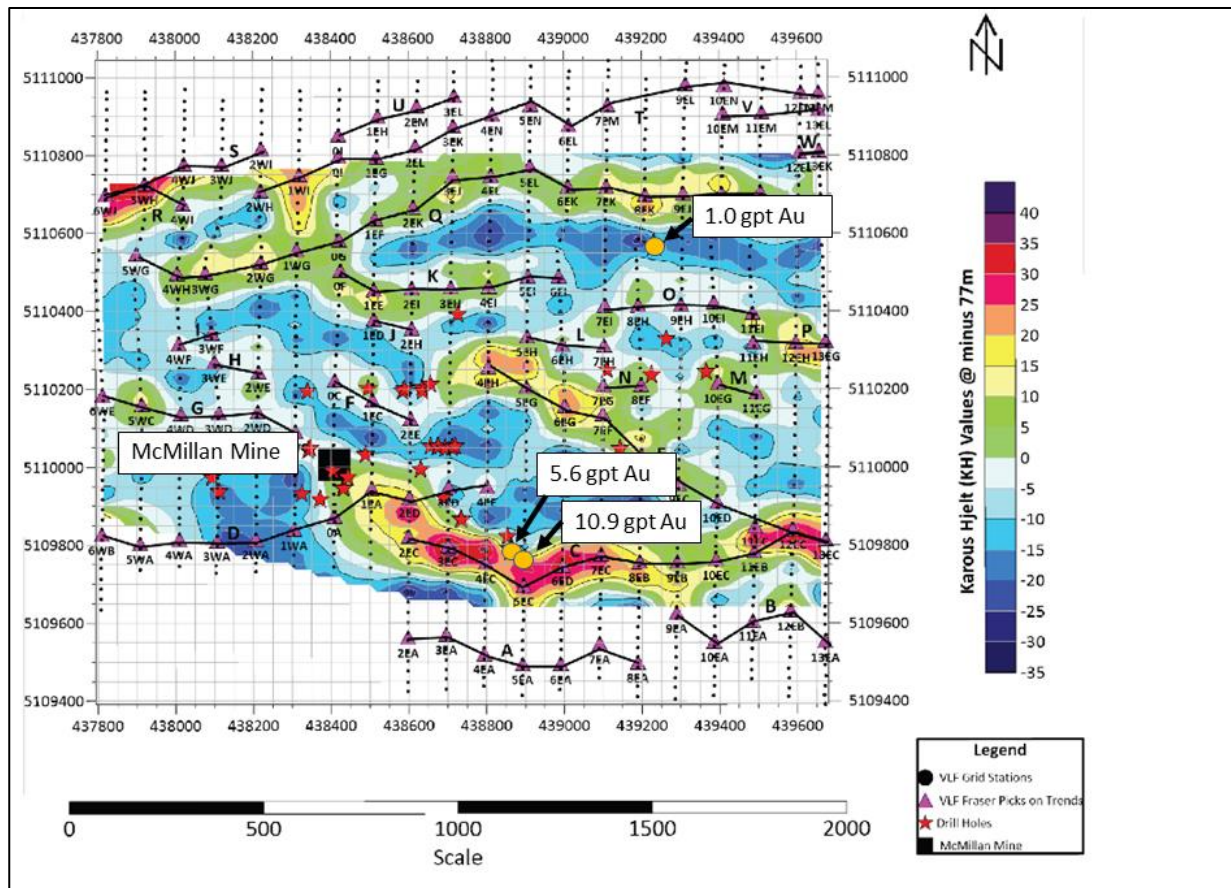


Figure 19 - Location of anomalous samples from prospecting program

Two days of prospecting were completed on the property on July 18<sup>th</sup> and 21<sup>st</sup> 2023 as a follow-up to previous prospecting programs. Two areas were targeted for further prospecting. An eastern area adjacent Fox Lake, where previous work had determined an area of ankerite alteration and a western area north of House Lake where sampling in 2022 had returned 1.02 gpt gold within a quartz vein. Four samples were collected for gold analysis which returned negligible gold values. The area covered by the prospecting are outlined by the prospecting tracks on Figure 20.

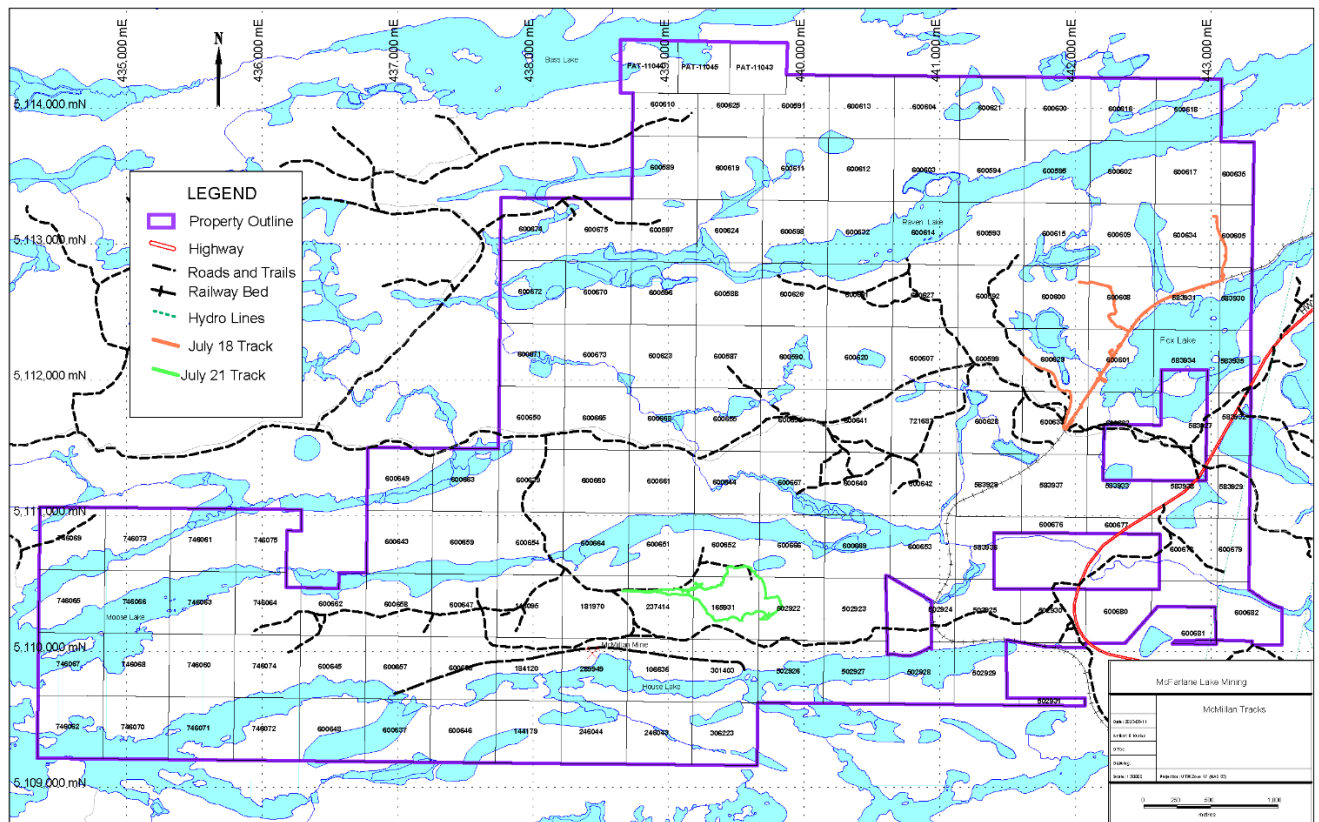


Figure 20 - Prospecting Tracks

An exploration plan PL-23-000093 was submitted to the ministry on October 05, 2023 for line cutting and IP surveying on the property as shown in Figure 21. Approval of the plan came into effect on November 11, 2023, with work expected to commence early in 2024.

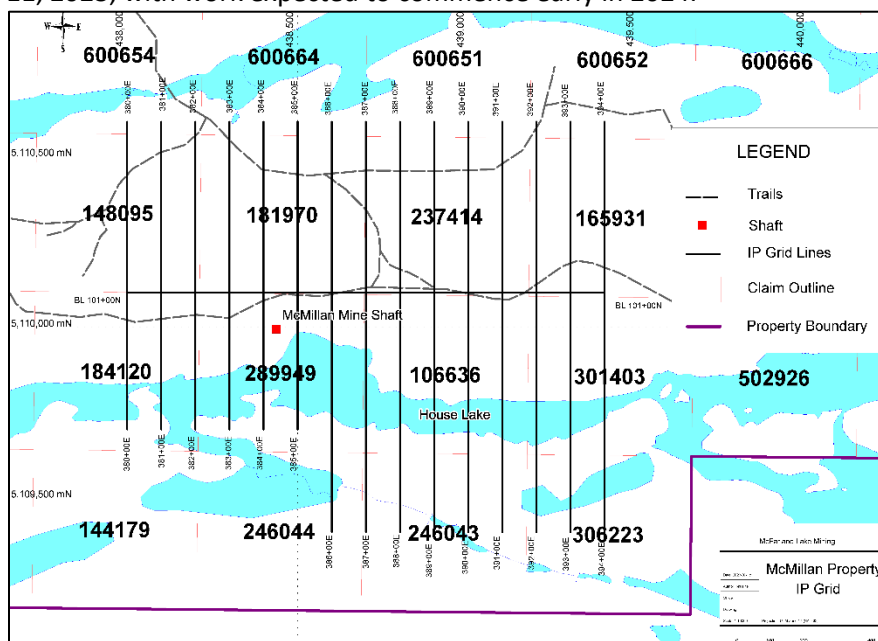


Figure 21 - Line Cutting and IP Grid

## 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 twelve months ended August 31, 2023, the Company incurred the following expenses with key management personnel of the Company:

|                                         | Three months ended<br>August 31, 2023 | Twelve months ended<br>August 31, 2023 |
|-----------------------------------------|---------------------------------------|----------------------------------------|
| Consulting and director fees            | \$170,752                             | \$614,002                              |
| Stock based compensation                | Nil                                   | \$1,105,000                            |
| Exploration and evaluation expenditures | Nil                                   | Nil                                    |

Included in accounts payable and accrued liabilities as at August 31, 2023, is \$55,425 owing to the officers and management of the Company (August 31, 2022 - \$55,874). The amounts are unsecured, non-interest 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 August 31, 2023, is accrued interest owed on these notes payable in the amount of \$57,291 (August 31, 2022 - \$33,891), see also section 10.3 below.

During the 3- and 12-month periods ending August 31, 2023, the Company incurred professional fees to a law firm and its associated companies for legal, accounting and capital advisory services totalling \$33,202 and \$439,527, respectively (2022 - \$298,864 and \$849,536). Perry Dellelce is a partner in this law firm and a shareholder in the other associated companies. Included in accounts payable and accrued liabilities as at August 31, 2023, is \$454,431 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 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 Lake Mining Incorporated 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 August 31, 2023, is accrued interest owed on these notes payable in the amount of \$57,291 (August 31, 2022 - \$33,891). The monies were advanced to assist in the financing of the Company's operations.

### **10.4. Events Subsequent to fiscal year end of August 31, 2023**

#### **Non-Brokered Private Placement Financing**

Please refer to Section 5 – Key Developments to the date of this MD&A for information regarding the Offering.

## **11. Commitments and Contingencies**

### *(1) 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 a one-year consulting agreement with its Vice President of Geology (the "Consultant") on June 14, 2021. The terms of the agreement included a grant of 500,000 stock options to the Consultant issued on May 31, 2021 and consulting fees of \$15,000 per month. As of the date of this MD&A both the Company and the Consultant have mutually agreed to continue the agreement on a month-by-month basis.

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.

### *(2) 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 (exploration and evaluation properties).

### *(3) 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**”). Upon issuance of the flow-through shares, the Company recorded an aggregate flow-through share premium liability of \$964,687. 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.

In April 2023, the Company issued 3,100,000 FT Shares for gross proceeds equal to \$372,000, thus committing to spend this amount by December 31, 2024 on “Canadian exploration expenses” which qualify as “flow-through mining expenditures”, as these terms are defined in the *Income Tax Act* (Canada) (“**Resource Expenditures**”). During the three and twelve months ended August 31, 2023, the Company incurred \$132,254 and \$213,855 of Resource Expenditures towards this commitment and recorded flow-through share premium income of \$68,172 and \$81,772 respectively in the condensed consolidated statement of loss and comprehensive loss.

The Company’s exploration and evaluation activities are subject to laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its activities are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

## **12. Changes in Accounting Policies including Initial Adoption**

There have been no changes in the existing accounting policies of the Company in the period nor have any new accounting policies been adopted during this period.

## **13. 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, 2023. 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.

## **14. Internal Control Over Financial Reporting**

### *(1) Evaluation of Disclosure Controls and Procedures*

The Chief Executive Officer and Chief Financial Officer of the Company are responsible for designing and evaluating disclosure controls and procedures, or causing them to be designed and evaluated under their supervision to provide reasonable assurance that information required to be disclosed in reports filed with or submitted to, securities regulatory authorities is recorded, processed, summarized and reported within the time periods specified under Canadian securities laws and that material information is accumulated and communicated to management, including the Chief Executive Officer and the Chief Financial Officer, to allow timely decisions regarding required disclosure. The Chief Executive Officer and the Chief Financial Officer conclude that the design and operation of the Company's disclosure controls and procedures were effective as at August 31, 2023.

### *(2) Internal Control over Financial Reporting*

The Chief Executive Officer and Chief Financial Officer of the Company are responsible for designing and evaluating internal controls over financial reporting or causing them to be designed and evaluated under their supervision to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purposes in accordance with IFRS. The control framework that has been used is the (COSO) Internal Control – Integrated Framework, 2013.

The Chief Executive Officer and Chief Financial Officer conclude that internal control over financial reporting is designed and operating effectively as at August 31, 2023, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes. The result of the inherent limitations in all control systems specifically with regards to the lack of segregation of duties between the Company management duties means that the evaluation of controls cannot provide absolute assurance that all control issues and instances of fraud, if any, can be detected. Management under the supervision of the CEO and CFO, has evaluated the effectiveness of the internal control over financial reporting using the framework designed and based on this evaluation, the CEO and CFO have concluded that internal controls over financial reporting was effective as of August 31, 2023.

## 15. 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.

## 16. Outstanding Share Data

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

| Security Description                          | Nov 29, 2023       | Aug 31, 2023       | Aug 31, 2022      |
|-----------------------------------------------|--------------------|--------------------|-------------------|
| Common shares                                 | 198,618,851        | 113,183,845        | 87,647,813        |
| Stock options to acquire common shares        | 9,975,000          | 9,975,000          | 7,000,000         |
| Share purchase warrants and other instruments | 68,621,247         | 16,521,247         | 5,303,231         |
| <b>Common Shares Fully Diluted</b>            | <b>277,215,098</b> | <b>139,680,092</b> | <b>99,951,044</b> |

## 17. Company Forecast 12-month Operating Expenditures

The Company is forecasting to incur the following expenditures in the upcoming 12-month operating period:

| Use of Funds                                                        | Amount of Funds     |
|---------------------------------------------------------------------|---------------------|
| <b>Property Acquisition</b>                                         | \$ 300,000          |
| <b>Technical Work</b>                                               |                     |
| Exploration Programs                                                | \$ 2,943,914        |
| Consulting and studies                                              | \$ 634,500          |
| <b>Corporate Development</b>                                        |                     |
| Management                                                          | \$ 164,000          |
| Legal and Professional Fees                                         | \$ 336,000          |
| Regulatory and Transfer Agent Fees                                  | \$ 67,250           |
| Office and Admin including Digital Marketing and investor relations | \$ 356,980          |
| <b>Sub Total</b>                                                    | <b>\$ 4,802,644</b> |

**Note:** Additional capital raise required in fiscal 2024

## 18. 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.sedarplus.ca](http://www.sedarplus.ca). 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.

### *(1) 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 year ended August 31, 2023 and as of August 31, 2023, has a deficit of \$15,071,119 (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. In November 2023, the Company closed the Offering for aggregate gross proceeds of \$4,605,599 to meet part of its financial obligations for the next 12 months, (see also Section 5).

## *(2) 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.

## *(3) 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.

## *(4) 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.

## *(5) 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.

#### *(6) 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.

#### *(7) 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.

#### *(8) 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 August 31, 2023, the Company has a net working capital (deficit) of (\$920,127), as of August 31, 2022 - \$261,574.

#### *(9) 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.

#### *(10) 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.

#### *(11) 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.

#### *(12) 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.

#### *(13) 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.

#### *(14) 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 ("NGOs") 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.

## **19. Additional Information**

Additional information relating to the Company, including the Company's AIF, may be found under the Company's SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca).