



McFARLANE LAKE

MINING

McFarlane Lake Mining Limited Management Discussion and Analysis

For the 9-month period ended May 31, 2024 and May 31, 2023

July 12, 2024

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1. Introduction

The following Management Discussion and Analysis (“**MD&A**”) of McFarlane Lake Mining Limited (the “**Company**”) dated July 12, 2024 and should be read together with the Company’s interim financial statements and related notes for the nine months ended May 31, 2024 and May 31, 2023 which have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”).

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

2. Caution Regarding Forward-Looking Information and Statements

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

3. Qualified Person

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

4. General Overview

The Company (formerly 1287401 B.C. Ltd.) was incorporated under the laws of the Province of British Columbia on February 3, 2021 and was continued into the Province of Ontario on January 26, 2022. The Company is currently listed on the Cboe Canada Exchange (the “**Exchange**”) and the US OTCQB Venture Market (“**OTCQB**”) in the United States. During the fiscal year ended August 31, 2022 the Company acquired a number of mineral resource properties in Canada and in the fiscal year ended August 31, 2023 completed a drilling program drilling on its West Hawk Lake mineral resource property located in Manitoba (the “**West Hawk Lake Property**”). In the fiscal year ended August 31, 2023, the company completed a drilling program on its High Lake mineral resource property (the “**High Lake Property**”). In the fiscal quarter ended May 31, 2024, the Company completed its drilling program on its High Lake mineral resource property. The head office and registered office of the Company is located at 15 Kincora Court, Sudbury, Ontario P3E 2B9.

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

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

Key Developments in the Current Fiscal Year as of July 12, 2024

(1) Company Non-Brokered Private Placement dated May 16, 2024 and the Subsequent Closing of the First and Second Tranches on June 10, 2024 and June 27, 2024 Respectively

The Company announced on May 16, 2024 its intent to offer for sale, on a non-brokered private placement basis of up to 22,222,222 units of the Company consisting of one common share and one-half of one common share purchase warrant at a price of C\$0.045 per Unit; and up to 20,000,000 flow-through shares of the Company at a price of C\$0.05 per FT Share, in any combination, to raise collective aggregate gross proceeds of up to C\$1,000,000. Each Warrant will be exercisable by the holder to acquire one Common Share at a price of C\$0.07 per Common Share for a period of 18 months from the closing of the Offering.

The private placement was upsized and closed in two tranches. June 10, 2024, the Company announced it had closed the first tranche which consisted of 10,556,443 Units at a price of \$0.045 per Unit and 13,900,000 FT Shares at a price of \$0.05 per FT Share. The second and Final Tranche consisted of 8,266,666 Units at a price of \$0.045 per Unit and 200,000 FT Shares at a price of \$0.05 per FT Share. The two tranches provided combined aggregate gross proceeds to the Company of approximately \$1,552,040.

Additionally, the Company issued a total of 96,693 Units to certain persons in consideration for introducing certain purchasers to the Company.

Certain insiders of the Company subscribed for approximately \$285,000 worth of a combination of Units and FT Shares in the Offering.

The Offering remains subject to final acceptance by Cboe Canada Inc. and all regulatory approvals. See section 12 for more details.

(2) Application for Exploration Permits on McMillan Mine and Mongowin Properties

On June 25, 2024 the Company announced that it has applied for an early exploration permit on its McMillan Mine property and Mongowin property located 70 kilometers west of Sudbury, Ontario. A drilling program is planned for the fall of this year including line cutting for an extension of an Induced Polarization Survey east of the McMillan Mine and diamond drilling in the area of the McMillan Mine to confirm historical high grade gold intersections and to potentially expand gold mineralization to the east, west and at depth.

(3) Completion of the Exploration and Drilling Program on the High Lake Property

The Company was granted an additional exploration permit (the "Permit") from the Ontario Ministry of Mines, for its High Lake Property on October 18, 2023. The Company commenced a 10,000-metre exploration diamond drilling program at the High Lake Property in Ontario targeted to expand its existing mineral resource estimate in the Purdex Zone and follow up on other priority targets developed through geophysics and prospecting. Mobilization of the drill contractors started on December 8, 2023 with the first hole being collared on December 10th. The campaign completed drilling on March 31, 2024 with 33 holes completed for a total of 9,967m drilled. The bulk of the program, 8,576m, was focused on the Purdex Zone with the remaining 1,391m in 7 holes split between the R Zone, A_D Zones and the Porphyry Zone.

On April 9, 2024 the Company announced it had extended gold mineralization to the east of the Purdex zone and at depth. See this link for further details - [MLM High Lake Drilling results April 9 2024 vf.docx](#)

(4) Completion of a Geophysical Survey at the Past Producing McMillan Gold Mine

On April 23, 2024 the Company announced that it had contracted Dan Patrie Exploration Ltd. to provide geophysical services to conduct an Induced Polarized ("IP") geophysical survey on the McMillan exploration property. An IP survey is typically used where gold is found within iron sulphide bearing minerals, this is the case for the McMillan deposit. The survey covered 1.4 square kilometers on surface around the McMillan Mine. A 10 km east west trending fault system called the "House Lake Fault" traces through the property. The McMillan mine occurs near this fault system as well as a number of historical gold showings. Results of the geophysical survey are pending.

(5) Non-brokered Private Placement dated November 1, 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.

(6) Initiate Environmental Baseline Work on its High Lake Property

The company began environmental studies with a surface water sampling program on November 12, 2023. A desktop species-at-risk study was completed in April 2024.

(7) Geological Data Compilation and Artificial Intelligence Prospectivity Analysis

On October 3, 2023 the company announced that it commissioned a full geological compilation of all available historical and current information on its High Lake property to generate a digital dataset to help generate and prioritize exploration targets through the use of artificial intelligence. The Geological data compilation was completed as of October 18, 2023.

The data has been processed through artificial intelligence in a prospectivity analysis announced on March 5, 2024. The Prospectivity Analysis used a combination of Knowledge-driven and Supervised Machine Learning algorithms to generate surface and subsurface exploration targets. These targets are generated using inputs such as geological structure, lithology, mineralization, and geochemistry within the High Lake property. This is then related to the local geology, which is classed as a greenstone-hosted lode gold deposit. These generated target areas that will help guide future exploration of the property.

(8) Issuance of Stock Options and Restricted Share Units

On December 28, 2023, the Company's board of directors approved (i) the grant of 5,650,000 stock options (collectively, the "Options") to certain directors, officers and consultants of the Company; and (ii) the grant of 3,600,000 restricted share units (collectively, the RSUs") to certain consultants of the Company, each in accordance with the rules of CBOE Canada and the applicable plan.

The Options are exercisable into the equivalent amount of common shares of the Company at a price of \$0.09 per share until December 27, 2028.

The RSUs granted to the consultants will vest in accordance with the terms and conditions set forth in the applicable award agreements and once vested, each vested RSU will entitle the holder thereof to receive a common share in the capital of the Company.

Mineral Exploration Properties Acquired During the Previous Year

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

The Company acquired 14 claims surrounding its High Lake Property in August of 2022, (see section 8 for more details). The acquisition by the Company includes 7 claims acquired by purchase and 7 claims acquired by staking. The acquisition of the New Claims significantly expands the exploration property at the High Lake Property from 341.49 hectares to 584.43 hectares. This acquisition of the New Claims gives the Company significant potential to discover new gold mineralization adjacent to the Company's existing property. The New Claims lie on the same geological trends as the Company's existing claims which have historically known gold mineralization. In particular, the Company is encouraged by the exploration drilling opportunity that exists around our Purdex Zone with the mineralization in this area trending towards the New Claims in the northeast.

Two additional partial claims were subsequently acquired by the Company, one north of the Purdex Zone on September 29, 2022 and one adjacent to the A-D Zone area on November 30, 2023, (see section 8 for more details).

The Company newly added 3 claims to its High Lake Property on January 17, 2024. These claims increase McFarlane's land position at High Lake from 585.61 to 626.00 hectares. The claims are strategically important as they fill in a gap on the western part of McFarlane's property, which hosts the extension of both the D and R zones and provides access and expansion opportunities for the A, B and C Zones (see section 8 for more details).

(2) 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 on September 14, 2022. 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 on the McMillan and Mongowin properties by 352.5 hectares to 3,247.5 hectares.

The Company also acquired an additional 6 claims adjacent to the Michaud and Munro Properties in October 2022 (see Section 8.2 for more details).

The company was notified in April 2023 that a number of the original claims on the Mongowin property were inadvertently registered by the Ministry of Mines on a full patent where mineral and surface rights are held privately and the lands were not open for claim registration. This led to six claims being cancelled on the property. The Company's land holdings on the McMillan and Mongowin properties currently is comprised of 145 mining claims and 3 patented claims covering a total of 3,026 hectares.

Mineral Property Exploration Activities in the Previous Fiscal Year

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

The Company applied for the exploration permit on June 24, 2022, and the permit was issued on August 18, 2022. The 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 drilling resulted in a maiden mineral resource estimate (MRE) containing 152k tonnes indicated at 9.38 g/t and 287k tonnes of inferred at 10.43 g/t (See section 9.1.1 for details).

A second exploration drilling permit that covers additional targets identified by the IP survey and prospecting was issued on October 31, 2023.

6. Selected Financial Information

6.1. Capital Resources

Common Shares issued as at May 31, 2024, are as follows:

	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
November 2, 2023	68,443,681	\$ 3,671,620
November 29, 2023	16,991,325	\$ 933,479
Total	198,618,851	\$ 17,882,224

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 up to 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 Inc. 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.

On December 28, 2023, the company granted 5,650,00 incentive stock options to certain directors and officers of the Company. As at May 31, 2024, 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	2.0 years
Jan 25, 2022	Jan 25, 2027	1,500,000	\$0.40	2.66 years
Oct 14, 2022	Oct 14, 2027	2,325,000	\$0.12	3.37 years
Jan 13, 2023	Jan 13, 2028	325,000	\$0.16	3.62 years
May 8, 2023	May 8, 2028	325,000	\$0.12	3.94 years
Dec 28, 2023	Dec 27, 2028	5,650,000	\$0.09	4.58 years
Total		15,625,000		

6.3. Warrants

As at May 31, 2024, 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	0.59 years
Dec 9, 2021	Dec 9, 2024	1,097,075	\$0.40	0.59 years
Sep 16, 2022	Sep 16, 2025	6,475,500	\$0.20	1.25 years
Feb 17, 2023	Feb 17, 2026	1,100,016	\$0.25	1.72 years
Apr 14, 2023	Apr 13, 2026	3,642,500	\$0.20	1.97 years
November 1, 2023	May 1, 2025	43,500,000	\$0.07	0.92 years
November 27, 2023	May 27, 2025	8,600,000	\$0.07	1.0 years
Total		68,621,247		

6.4. Restricted Share Units (198's)

As at May 31, 2024, the Company has 10,600,000 RSU's outstanding (August 31, 2023 - 7,000,000) which 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.sedar.com. During the current 3-month period ended February 29, 2024 the Company issued 3,600,000 RSU's to certain professional advisors and consultants.

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 May 31, 2024, these notes payable totaled \$195,000 (August 31, 2023 – \$195,000). Accrued interest owed on these notes payable in the amount of \$ 74,857 (August 31, 2023 – \$57,291) is included in the accounts payable and accrued liabilities of the Company as of May 31, 2024.

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	May 31, 2024	Aug 31, 2023	Aug 31, 2022	Aug 31, 2021
Total assets	\$413,663	\$394,610	\$1,936,369	\$1,851,055
Total non-current liabilities	nil	nil	nil	nil
Shareholder's equity (deficit)	(\$522,856)	(\$920,127)	\$261,574	\$1,438,045
Total revenue	nil	nil	nil	nil
Net and comprehensive income (loss)	(\$3,591,084)	(\$4,683,796)	(\$10,906,890)	(\$1,230,433)
Basic and diluted income (loss) per share	(\$.020)	(\$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 \$2.4 million (see table below), professional, consulting and director fees of \$1.0 million and other net costs of \$1.3 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
Acquisition and Maintenance Costs	
Royalty payments	\$10,000
Claims staking costs	\$10,478
Total Acquisition and Maintenance	\$20,478
Exploration Costs by Property	
West Hawk Lake (WHL)	
WHL field expense	\$12,647
Total West Hawk Lake	\$12,647
High Lake Property (HL)	
HL Field expenses	\$28,919
Line cutting	69,525
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
Total High Lake	\$2,320,829
McMillan and Mongowin Properties (MM)	
MM Field expenses	\$25,294
Total McMillan and Mongowin Properties	\$25,294
Grand Total	\$2,379,248

7. Summary of Quarterly Results

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

Quarter ended	Total revenue	Net income (loss) for the period	Earnings (loss) per share – basic and diluted
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)
November 30, 2023	Nil	(\$877,243)	(\$0.005)
February 29, 2024	Nil	(\$1,652,802)	(\$0.008)
May 31, 2024	Nil	(\$1,061,039)	(\$0.005)

7.1. Results of Operations

7.1.1 Three months ended May 31, 2024

The Company did not record any revenues in the three months ended May 31, 2024 (May 31, 2023 – nil) and incurred a net loss of \$1,061,039 as compared to a \$1,298,900 loss for the three months ended May 31, 2023. The overall decrease in the comparable loss can be mainly attributable to the fact that the Company incurred more exploration and evaluation expenditures during the May 31, 2024 quarter offset by less share based compensation costs.

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

- professional fees of \$118,121 – these fees incurred in the period relate to legal costs incurred for general corporate business matters, finance advisory fees and on-going accounting costs;
- exploration and evaluation expenditure of \$949,135 – the Company incurred exploration and evaluation costs and completed the scheduled drilling program on the High Lake exploration mineral property. Minor exploration costs were incurred on the other Mineral Properties during the period as well, (see below for further details);
- consulting and director fees of \$118,046 – 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 \$37,896 - these fees were paid to the Cboe and OTCQB and included listing fees along with fees paid to investor relations and marketing firms as part of the listing requirements of the Cboe;
- other costs of \$42,248 - these costs are comprised of digital marketing, interest costs owed on the notes payable (as described in section 6.5) and general and office costs;
- other income flow through share premium recovery of \$204,407 - during the period the Company incurred Canadian exploration expenditures which qualify as flow through mining expenditures, and which completed the Company's flow through share obligation pursuant to the November 23, 2023 private placement. As a result the remaining the amount of the flow through share premium liability as of May 31, 2024 was eliminated.

Details of the Exploration and Evaluation Expenditures for the period:

Exploration and Evaluation Expense	Three months ended May 31, 2024
High Lake Property (HL)	
Drilling costs	\$708,511
Sampling, assaying and supplies	\$61,280
Exploration personnel and travel	\$160,471
Core shed and other costs	<u>\$7,817</u>
Subtotal HL costs	<u>\$938,079</u>
McMillan and Mongowin Properties (MM)	
Ground geophysics, line cutting and field costs	<u>\$4,500</u>
Environmental, permitting and claims costs	<u>\$6,556</u>
Total exploration and evaluation expenditures	\$949,135

7.1.2. Nine months ended May 31, 2024

The Company did not record any revenues in the nine months ended May 31, 2024 (May 31, 2023 – nil) and incurred a net loss of \$3,591,084 as compared to a \$4,204,002 loss for the nine months ended May 31, 2023. The overall decrease in the comparable loss can be mainly attributable to the fact that the Company incurred less exploration and evaluation expenditures during the May 31, 2024 nine month period. The current nine-month period loss is comprised of the following amounts:

- Professional fees of \$857,144 - these fees were incurred with the Company's legal counsel for the November private placement, general corporate business matters, finance advisory fees and on-going accounting and finance related costs;
- Exploration and evaluation expenditures of \$2,583,909 – the Company incurred exploration costs on the High Lake property during the period. Exploration costs were incurred on the other Mineral Properties during the period as well, (see below for further details);
- Consulting and director fees of \$381,651 – these fees were paid in the six-month period to Company directors, management and other mining consultants;
- Regulatory, transfer agent fees, investor relations, business development costs and advertising and promotion of \$244,817 - these fees were paid to the Cboe and OTCQB exchanges and included listing fees along with fees paid to investor relations, promotion costs related to the November private placement and marketing firms as part of the listing requirements of the Cboe;
- Other costs of \$132,083 - these are comprised of digital marketing costs, interest costs owed on the notes payable (as described in section 6.5) and general and office costs;

- f) Share based compensation costs of \$452,000 - these costs relate to the stock options and RSU's granted in the period to directors and consultants and the costs related to the restricted share units issued in the period;
- g) Flow through share premium recovery of \$1,060,520 - during the period the Company incurred Canadian exploration expenditures which qualify as flow through mining expenditure which eliminated the amount of the flow through share premium liability as of May 31, 2024 relating to April and November 2023 flow-through share private placements.

Details of the Exploration and Evaluation Expenditures for the period:

Exploration and Evaluation Expense	Nine months ended May 31, 2024
High Lake Property (HL)	
Drilling costs	\$1,799,707
Sampling, assaying and supplies	\$116,441
Exploration personnel and travel	\$449,420
Environmental and permitting costs	\$21,526
Core shed and other costs	<u>\$30,116</u>
Subtotal HL costs	<u>\$2,417,210</u>
McMillan and Mongowin Properties (MM)	
Ground geophysics, line cutting and field costs	<u>\$62,459</u>
Data compilation and modeling	<u>\$80,550</u>
Environmental, permitting and claims costs	<u>\$23,690</u>
Total exploration and evaluation expenditures	\$2,583,909

7.2. Liquidity and Capital Resources

The Company's cash position as of May 31, 2024 was \$207,639 (August 31, 2023 - \$249,411) with a net working capital (deficit) as of May 31, 2024 of (\$522,856), (August 31, 2023 - (\$920,127)). As at May 31, 2024, the Company had total assets of \$413,663, (August 31, 2023 - \$394,610).

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 June 10, 2024 the Company completed

the first tranche of a non-brokered private placement Offering, (the “**Offering**”) for aggregate gross proceeds of \$1,170,040, (see section 12 for further details). On June 27, 2024 the Company completed the second and final tranche of the Offering for aggregate gross proceeds of \$382,000.

Further to this Offering, the Company is currently evaluating its alternatives with regards to another proposed equity financing sometime in the fourth quarter of 2024 or first quarter of 2025. The Company will continue to monitor the current economic and financial market conditions and evaluate their impact on the Company’s liquidity and future prospects.

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

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

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

Contractual Obligations	Total	Less than 1 Year	1-3 Years	4-5 Years	After 5 Years
Notes Payable	\$195,000	\$195,000	Nil	Nil	Nil
Accounts payable and accrued liabilities	\$741,519	\$741,519	Nil	Nil	Nil
Purchase Obligations	Nil	Nil	Nil	Nil	Nil
Other Obligations	Nil	Nil	Nil	Nil	Nil
Total Contractual Obligations	\$936,519	\$936,519	Nil	Nil	Nil

The Company newly added 3 claims to its High Lake Property on January 17, 2024, as shown on Figure 1. These claims increase McFarlane's land position at High Lake from 585.61 to 626.00 hectares. The claims are strategically important (See Figures 1 and 2) as they fill in a gap on the western part of McFarlane's property, which hosts the extension of both the D and R zones and provides access and expansion opportunities for the A, B and C Zones.

Historical drilling (non-NI 43-101 compliant) has outlined three zones straddling the boundary between the High Lake property and the newly added claims. Highlights from this drilling, as shown in the Figure below, include 32.2gpt Au over 3.7m in hole E-1, 22.0gpt Au over 7.3m in hole E-13 and 168.8gpt Au over 2.4m in hole E-36, respectively from Zones A, B and C. All of the above intercepts are considered historical.

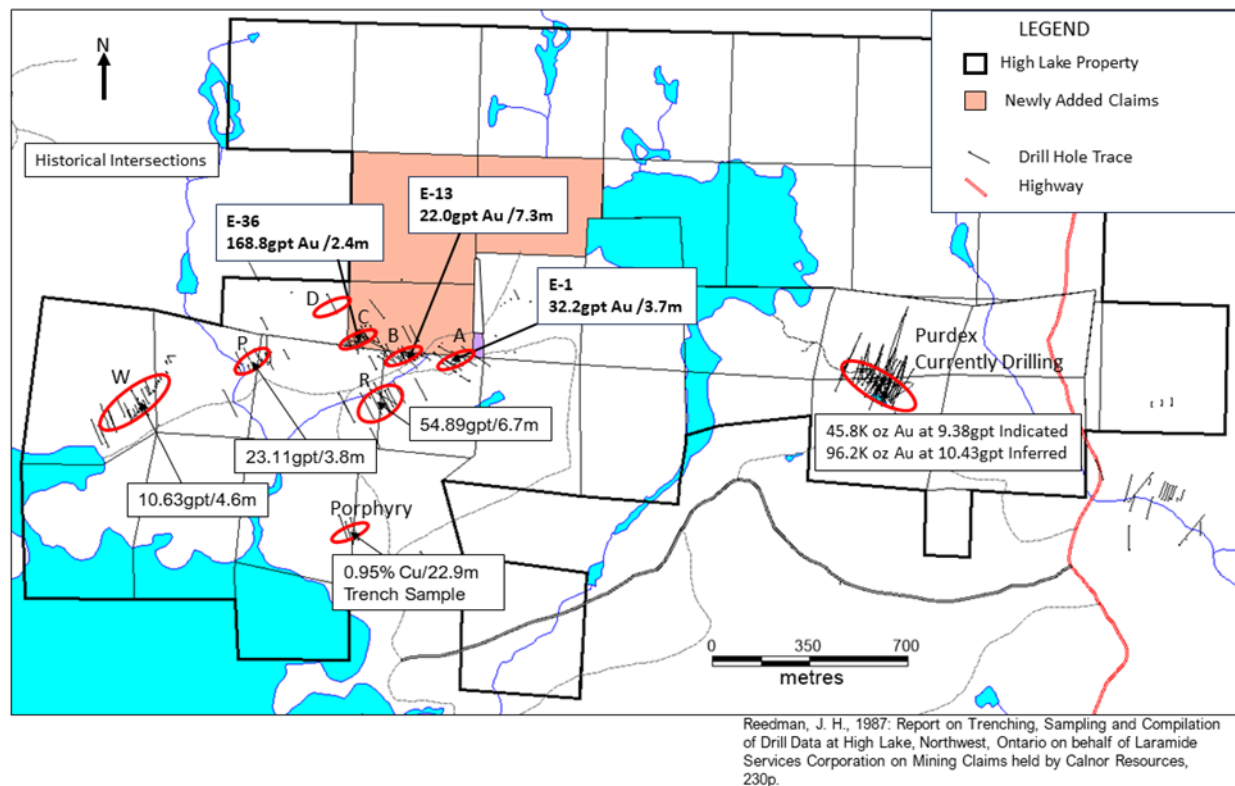


Figure 2 - Extension of zones onto new claims

8.2. 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 on September 14, 2022. 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 below).

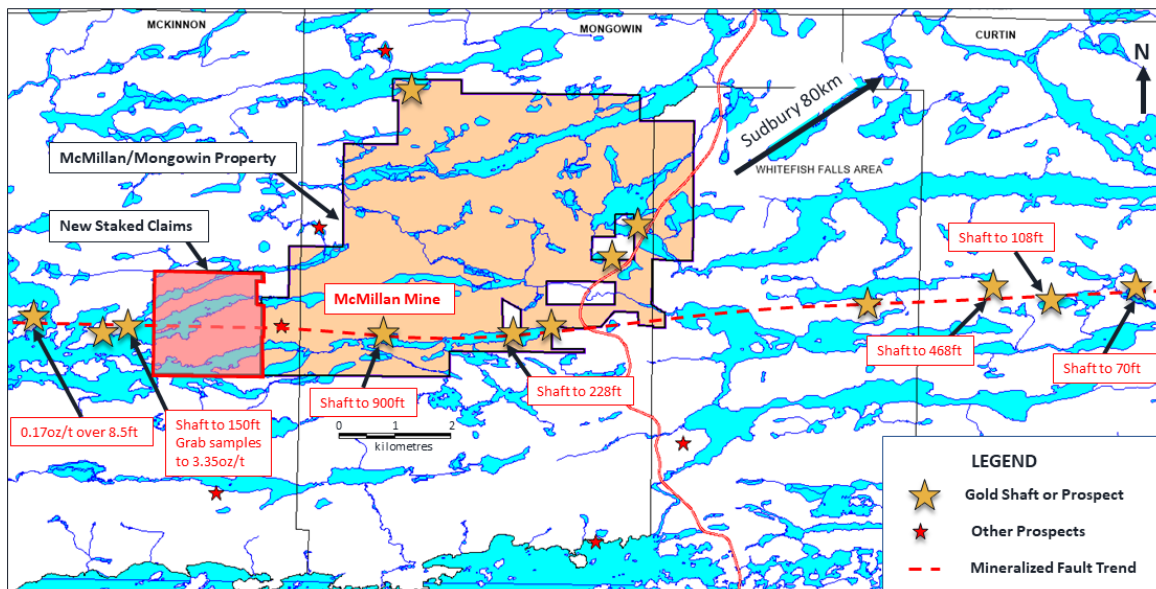


Figure 3 - Location of new claims along favourable mineralized fault trend

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.

The company was notified in April 2023 that a number of the original claims on the Mongowin property were inadvertently registered by the Ministry of Mines on a full patent where mineral and surface rights are held privately and the lands were not open for claim registration. This led to six claims being cancelled on the property. The Company's land holdings on the McMillan and Mongowin properties is now 3,026 hectares.



Figure 4 - Cancelled claims

8.3. Strategic Acquisition of New Claims on Munro Property

The Company completed the strategic acquisition of an additional 6 claims adjoining the Munro property on October 24, 2022, increasing the property by 111.5 hectares as shown in the Figure below. The current Munro Property is comprised of 6 mining claims and 12 mining leases covering an area of 404.4 hectares.

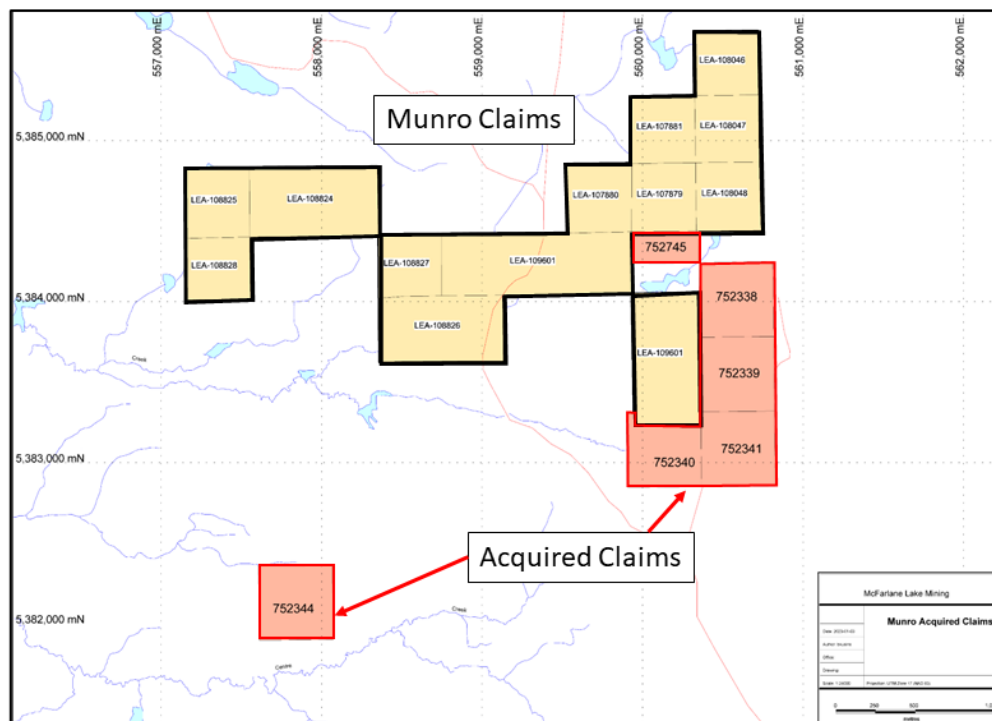


Figure 5 - Location of newly acquired claims Munro Property

9. Exploration Activities During the Previous Year and the First Nine Months of this Year

9.1. High Lake Property

The Company applied for an 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.

9.1.1. 2022 /2023 High Lake Exploration Program

The Company's first 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	10.70	-61.5
MLHL-22-04	187.00	188.45	1.45	32.58	-158.7
MLHL-22-05	242.51	250.00	7.49	4.95	-226.4
MLHL-22-05	267.45	273.83	6.38	4.49	-248.7
MLHL-22-06	325.56	340.46	14.90	24.96	-320.4
including	332.47	334.76	7.99	43.22	
including	337.31	340.46	3.15	53.87	
MLHL-23-08A	430.60	433.45	2.85	7.84	-357.4
MLHL-22-12	229.00	235.50	6.50	14.73	-178.0
MLHL-22-17	113.20	114.50	1.30	148.37	-55.0
MLHL-22-21	356.95	358.75	1.80	47.28	-350.7
MLHL-22-25	202.10	205.07	2.97	6.85	-182.3
MLHL-22-28	25.25	35.00	9.75	9.82	-20.3
including	29.62	35.00	5.38	15.35	
including	29.62	30.17	0.55	117.00	
MLHL-22-30	85.00	86.00	1.00	20.20	-80.6
MLHL-22-31	56.00	56.75	0.75	16.70	-40.1
MLHL-23-40	14.61	41.80	27.19	6.14	-19.9
including	14.61	19.94	5.33	24.55	-12.2
MLHL-23-41	14.75	15.32	0.57	6.84	-19.9

MLHL-23-43	248.67	249.00	0.33	21.10	-197.8
MLHL-23-45	292.10	296.70	26.40	9.20	-285.3

Drilling on section 700, as shown in the Figure below, 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.

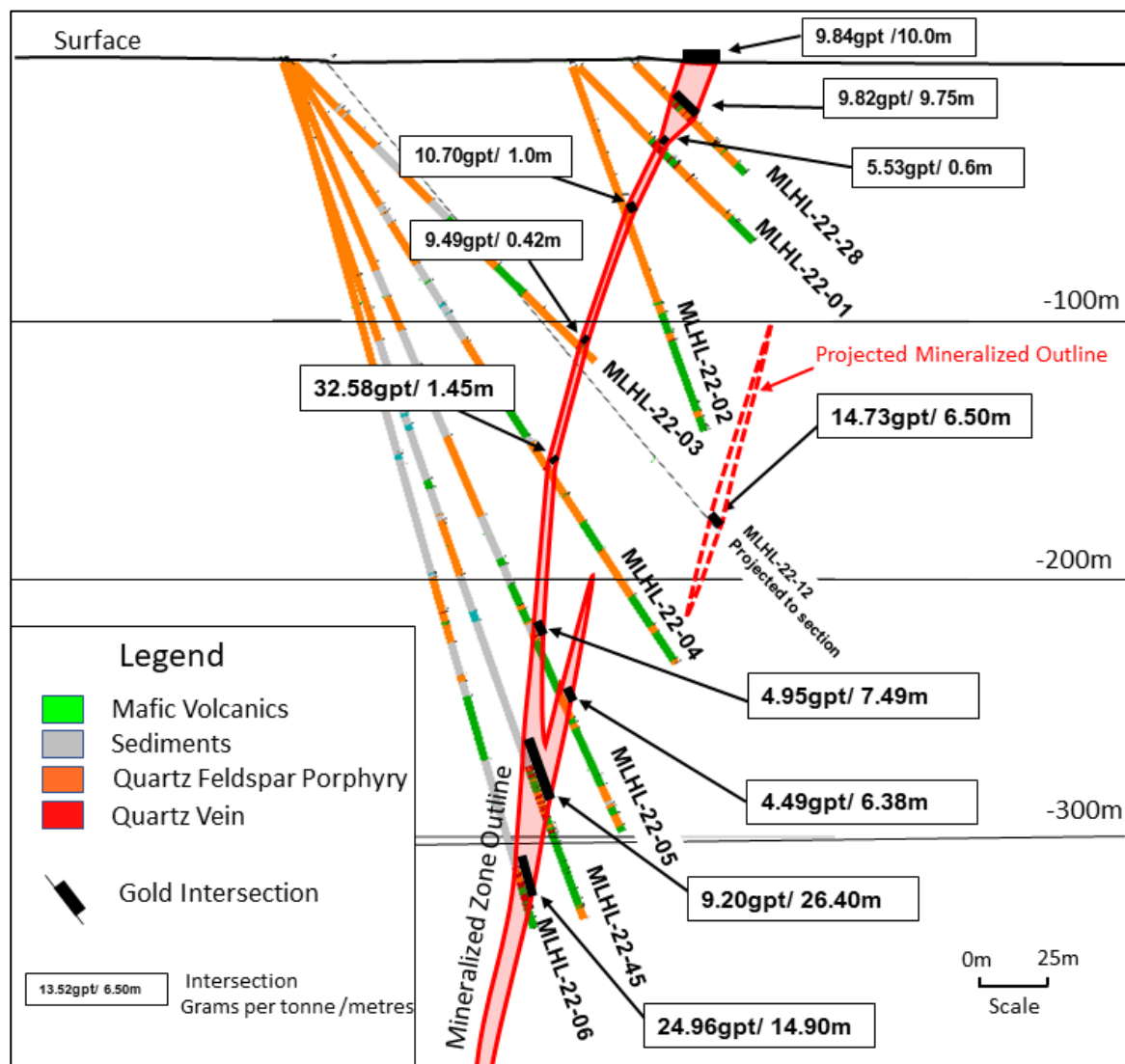


Figure 6 - Cross Section of Diamond Drill Holes

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.sedar.com).

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 below) 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 is shown in the Figure below.

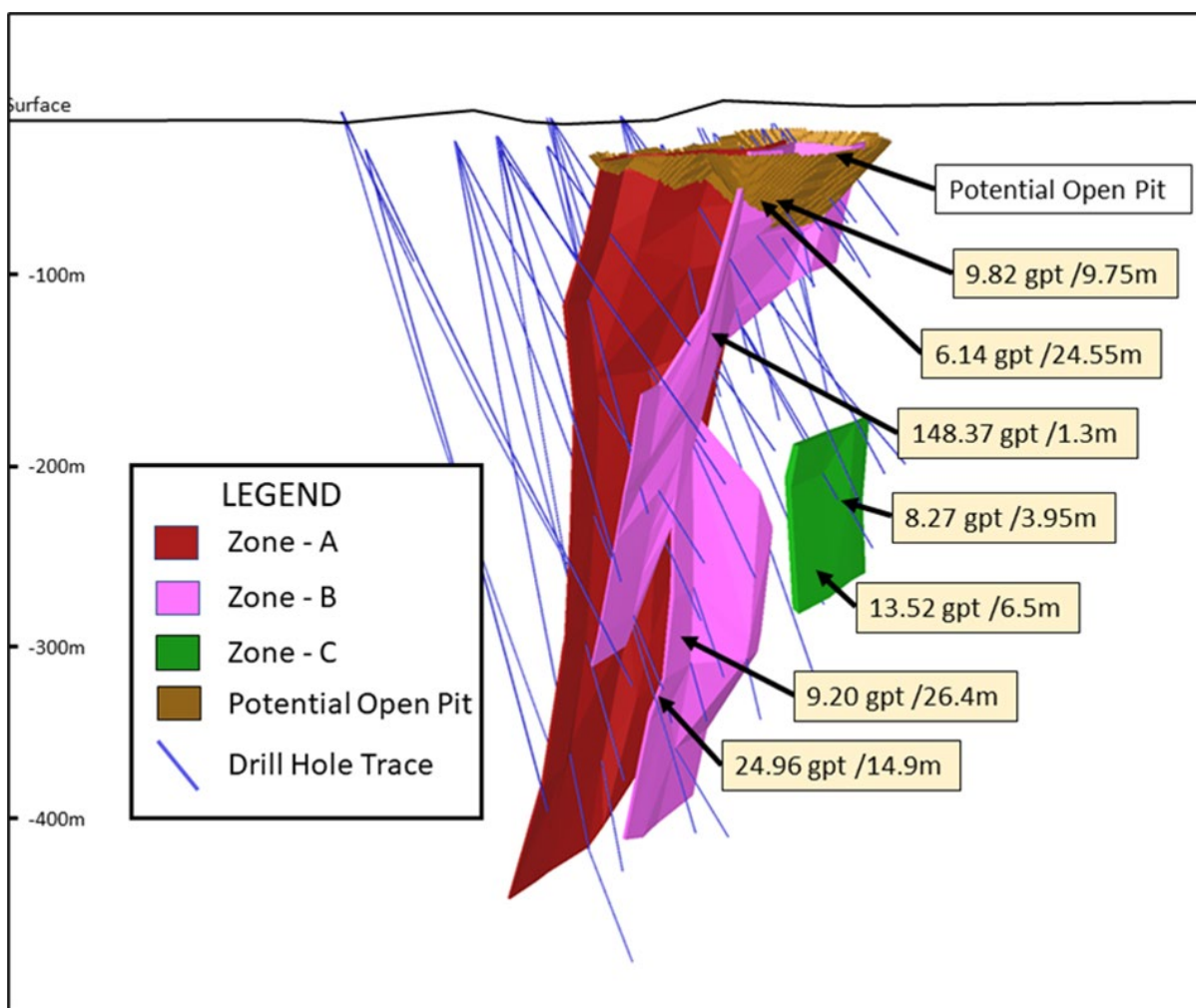


Figure 7 - 3D of the Mineral Resource Model

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.

	Indicated			Inferred		
Au Cut-Off (g/t)	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/m³ 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 model 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

		Tonnes (k)	Au Grade (g/t)	Au (k Oz)
Pit 1	Indicated	22	6.36	4.5
	Inferred	3	5.25	0.5
Pit 2	Indicated	45	4.47	6.5
	Inferred	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 Western grid. The IP survey was conducted over 5,175m and 13,325m of line on the eastern and western grid respectively.

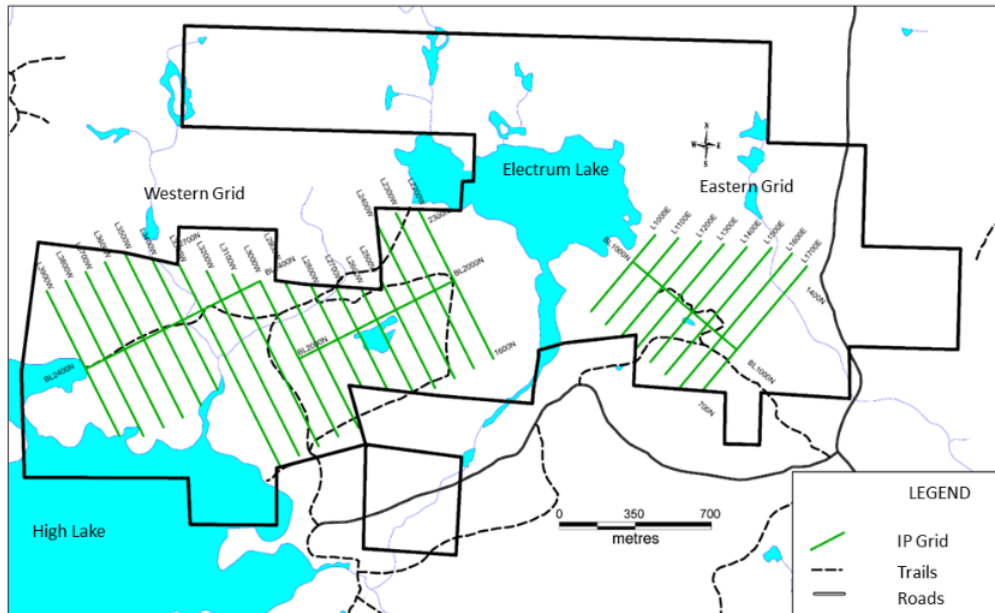


Figure 8 - IP Grid

A program of IP surveying covering 18.7-line kilometers was completed during January and early February 2023. Surveying was completed on two grids, the eastern grid covering the Purdex Zone and a western grid covering the P, R 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. The report identifies five priority targets, Purdex East, Conglomerate, A-D extension, Porphyry and Gap as shown on the Figure below.

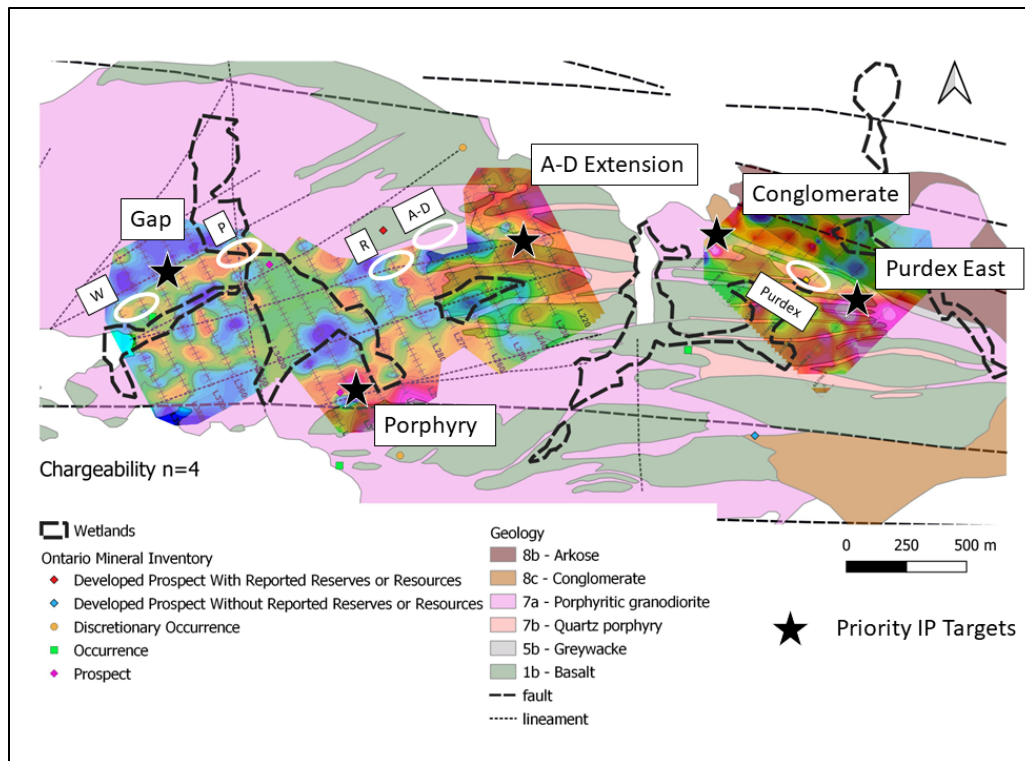


Figure 9 - IP Chargeability Plan

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 the Figure below.

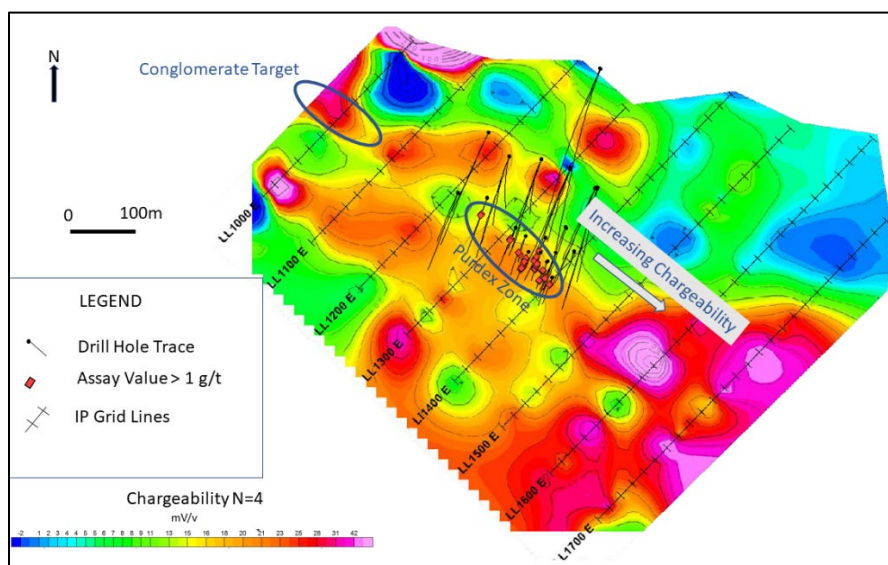


Figure 10 - IP Chargeability Plan – Purdex Area

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 8. 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 the Figure below.

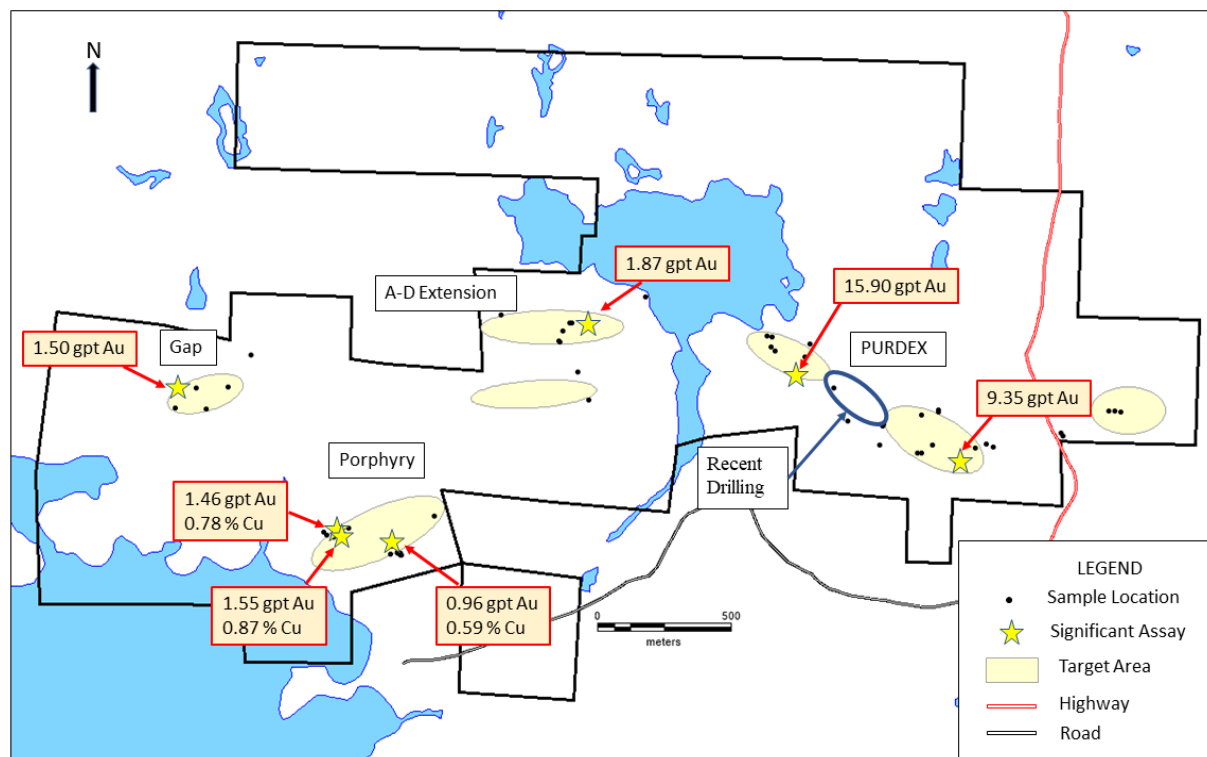


Figure 11 – Prospecting and Sampling Gold and Copper Results

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 the Figure below. A trend of increasing chargeability is noted to the east of the Purdex Zone.

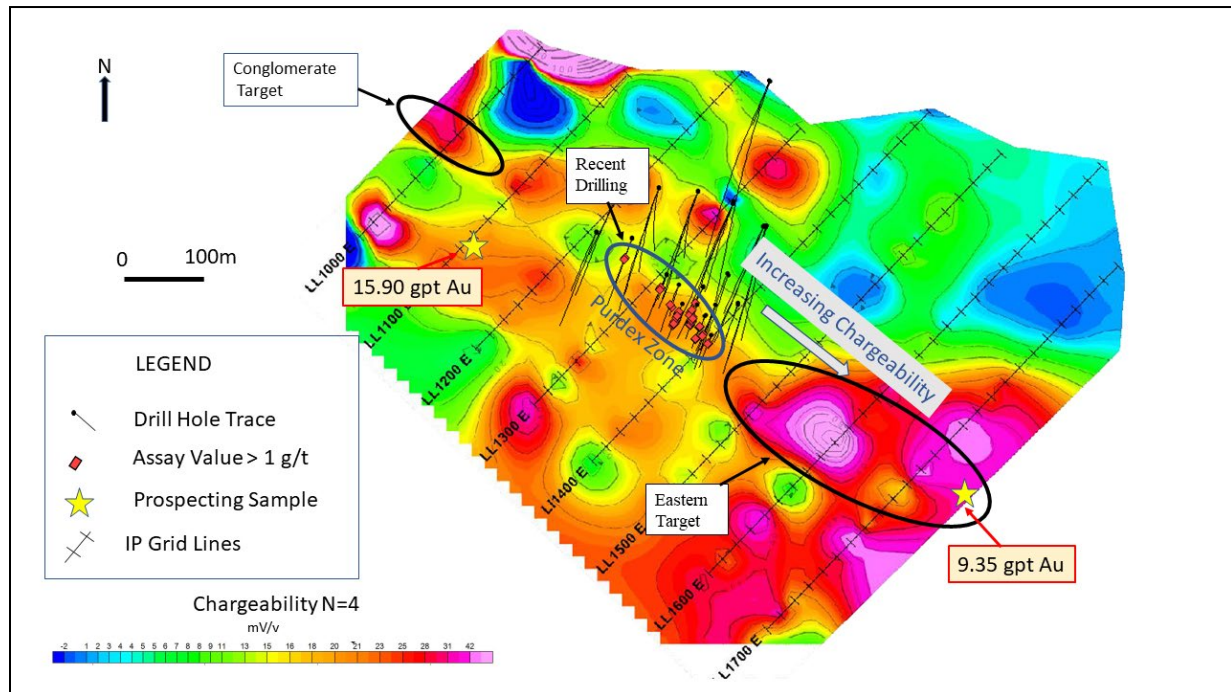


Figure 12 - Purdex Sampling Gold Results with IP Chargeability

Sampling on the western portion of the property returned elevated gold and locally copper values, as shown on the Figure below. 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.

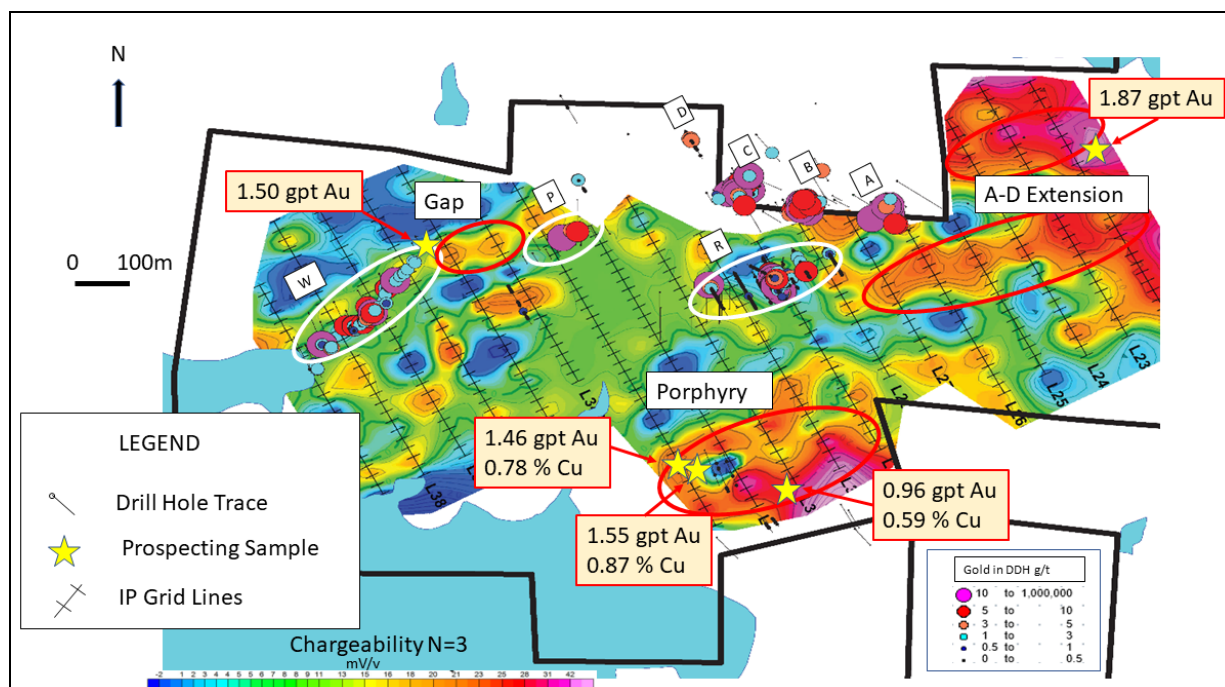


Figure 13 - Western Sampling Gold Results with IP Chargeability

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.

Geological Data Compilation and Artificial Intelligence Prospectivity Analysis

On October 3, 2023 the company announced that it commissioned a full geological compilation of all available historical and current information on its High Lake property to generate a digital dataset to help generate and prioritize exploration targets through the use of artificial intelligence. The Geological data compilation was completed as of October 18, 2023.

The data was used to complete an artificial intelligence in a prospectivity analysis announced on March 5, 2024. The primary purpose of this prospectivity analysis was to use a combination of Knowledge Driven and supervised machine learning algorithms to generate both a surface and subsurface prospectivity maps (targets for exploration). Prospectivity maps highlight areas of favourable geological structure, lithology, mineralization, and geochemistry for gold deposits with a focus to identify target areas and help guide further exploration on the property.

The 3D (subsurface) Prospective analysis made use of all available data for historic drilling and recent drilling which were compiled and formatted into tables imported into geological software for analysis. Exploration drill hole data was used in combination with advanced mathematical modelling to interpolate and predict prospectivity score. The generated Random Forest model was able to predict the probability of prospective intervals on the downhole data that correlate well with gold assay results. The 3D meshes produced by the RBF interpolant on the downhole prospectivity scores were projected to surface and are presented in the Figure below.

The results of the Random Forest model on the downhole data identified key features that are associated with the mineralization present within the Purdex Zone, as well as identified areas of drilling that show similarities to the Purdex Zone. The areas most similar to the Purdex Zone are the R Zone and the W Zones.

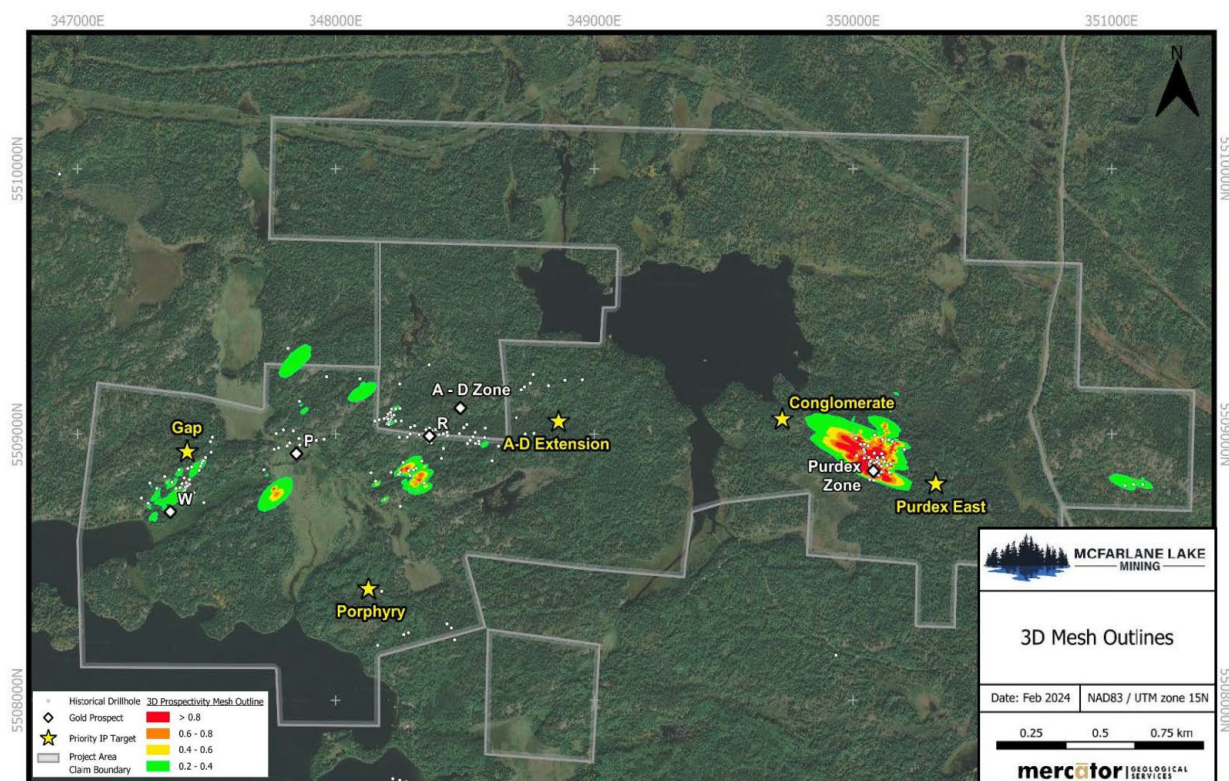


Figure 14 – Surface Projections of Downhole Prospectivity Solids

The 2D (surface) prospectivity analysis utilized both Knowledge Driven and Random Forrest methods. Figure 2 compares targets generated from the Knowledge Driven and Random Forest prospectivity models with the surface projection of the 3D RBF interpolants generated from the downhole Random Forest prospectivity model. The surface prospectivity analysis defined areas that are aligned with the results of the downhole model and known target areas for both the Random Forest and Knowledge Driven. It also indicated additional areas of interest to the north of the property.

While the results produced by machine learning models are not absolute, and should be interpreted with some degree of caution, the results confirm our previous information (historical, prospecting,

geophysics and diamond drilling) and serve as computer generated predictions that can help guide future exploration of the property.

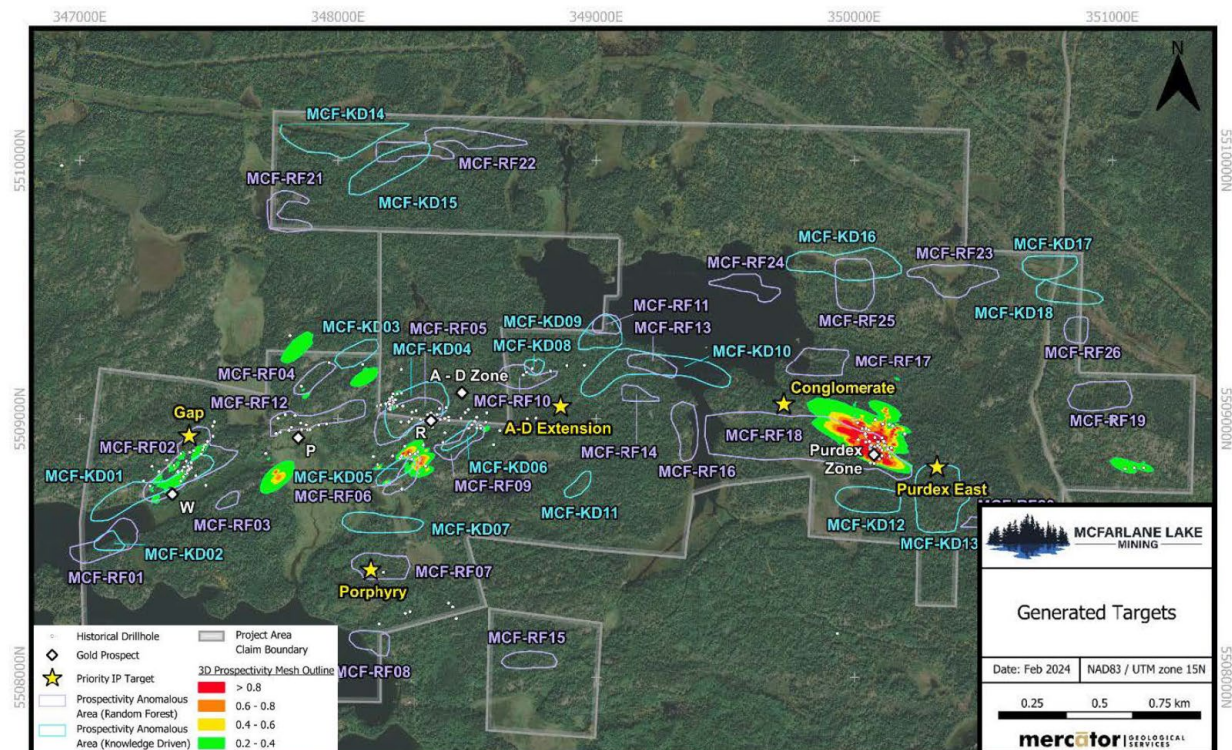
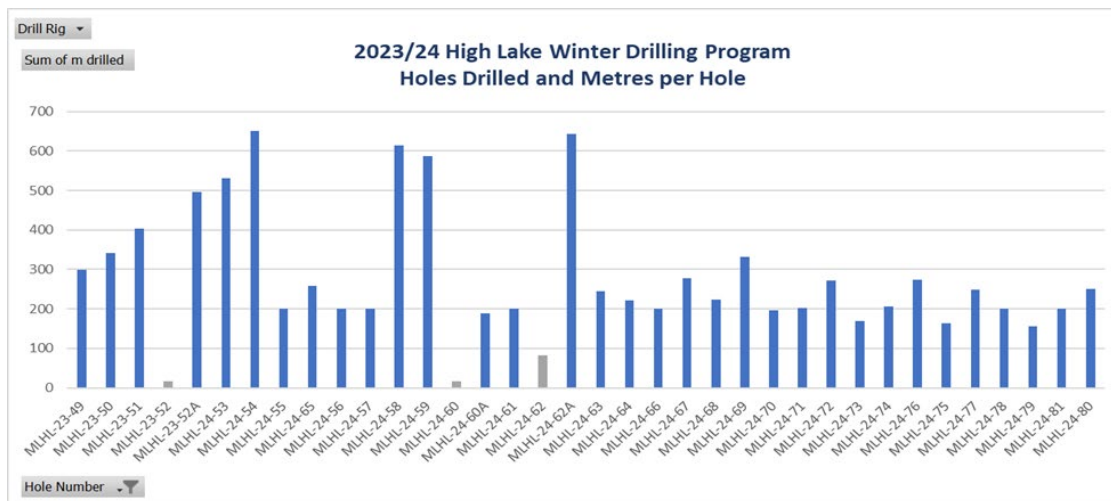


Figure 15 – Target areas identified in the Knowledge Driven and Random Forest surface analysis overlaying Surface Projections of Downhole Prospectivity Solids.

9.1.2. 2023 /2024 High Lake Exploration Program

The Company was granted an additional exploration permit (the “Permit”) from the Ontario Ministry of Mines, for its High Lake Property on October 18, 2023. The Company commenced a 10,000-metre exploration diamond drilling program at the High Lake Property in Ontario targeted to expand its existing mineral resource estimate in the Purdex Zone and follow up on other priority targets developed through geophysics and prospecting. Mobilization of the drill contractors started on December 8, 2023 with the first hole being collared on December 10th. The campaign completed drilling on March 31, 2024 with 33 holes completed for a total of 9,967m drilled.



Twenty-six holes were completed on the Purdex Zone for a total of 8,460m drilled. Three holes had to be recollared for various reasons with 115m drilled. With the deeper drilling accuracy was an issue and we brought in a directional drilling company to drill hole MLHL-24-62A to ensure we intersected the zone of interest.

The Company intersected gold extending the gold mineralization from its NI-43-101 compliant gold resource in the Purdex Zone in hole MLHL-23-50 and in hole MLHL-24-53, the Figure below highlights the area of new gold mineralization. Drill hole MLHL-23-50 intersected 13.96 grams per tonne of gold over 1.17 meters while hole MLHL-24-53 intersected 4.04 grams per tonne of gold over 2.25 meters. Hole MLHL-23-50 has extended the gold mineralization to the east of the Purdex zone while hole MLHL-25-53 has extended the gold mineralization at depth.

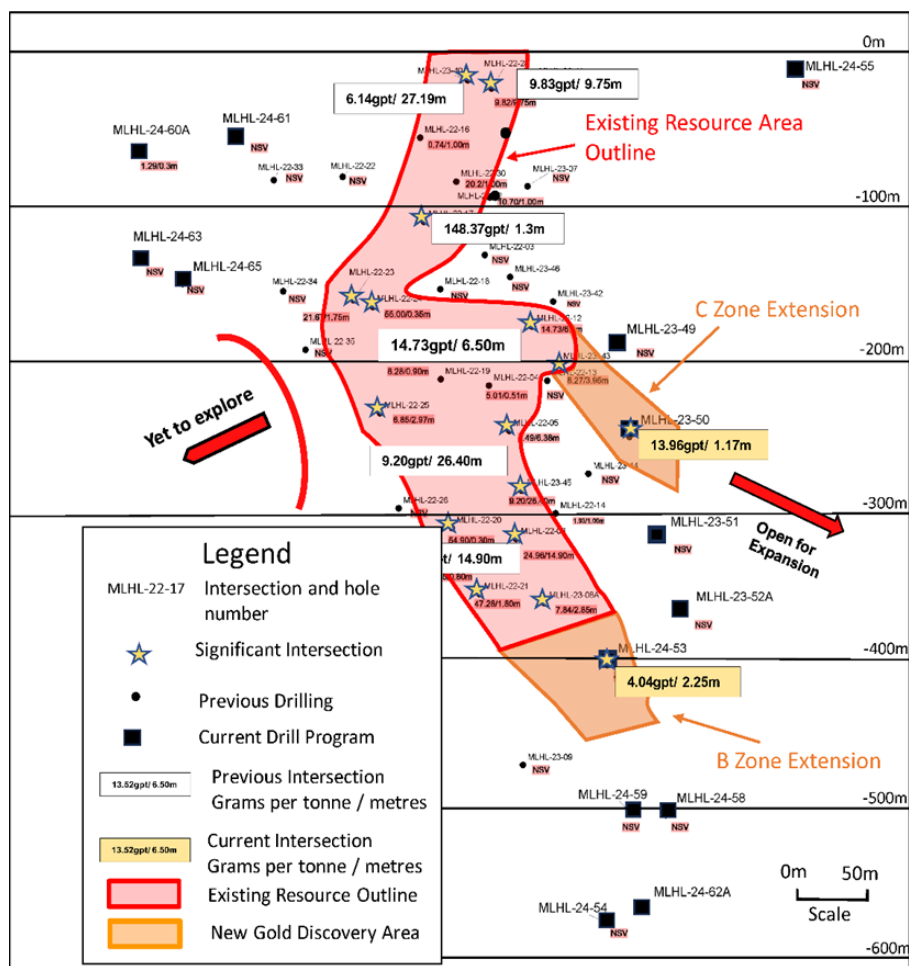


Figure 16 – Purdex Zone Resource Area - Longitudinal Section

Seven holes were completed on western area with 1,391m drilled. Three holes were drilling in the Porphyry Zone and 1 each in in the R-Zone, the B Zone the C Zone and the A D Extension

Due to warm weather conditions and difficult terrain 2 of the holes (79 and 80) required the use of a helicopter to set up the pads and fly in the drill and other materials.

Within this winter's drilling program, McFarlane has also explored parts of the western area of the High Lake property. Drilling in the western area of the property is shown on Figure 17 below. Specifically, McFarlane explored historical prospective areas of the R Zone, B Zone, C Zone, A-D extension and the Porphyry Zones.

Gold and copper assay results have been received for all holes in the western area (currently has not been press released) with some additional rhodium assays outstanding. The best results from the western drilling were from the historic B Zone area and Porphyry Zone. Drill hole MLHL-24-80 intersected 15.50 grams per tonne of gold over 0.3 meters, while hole MLHL-24-81 intersected 1.23 grams per tonne of gold over 6.12 meters in the B Zone. Drilling on the Porphyry Zone returned a grade of 0.37% copper and 0.23 gpt gold over 6.5m from drill hole MLHL-24-71 and 0.41% copper and 0.17 gpt gold over 9.0m from drill hole MLHL-24-75.

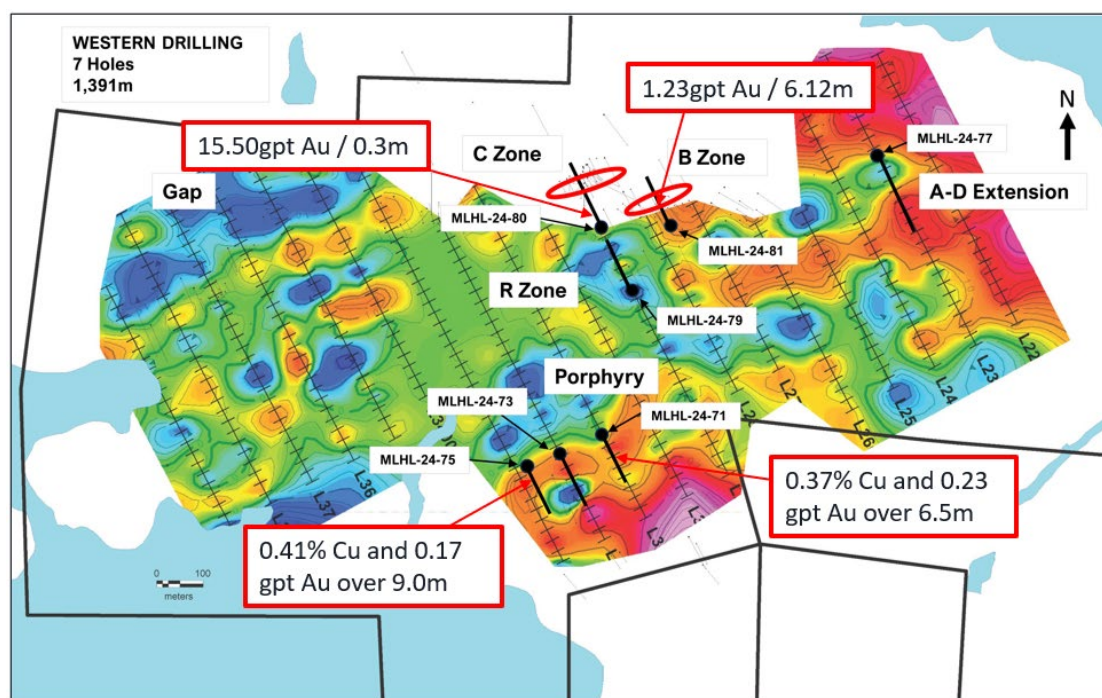


Figure 17 - High Lake Western Drilling

A summary of the significant intersections from the drill program are tabulated below.

Hole Number	From	To	Length (m)	Au gpt	Cu %	Elevation (m)
MLHL-23-50	296.70	297.87	1.17	13.96		-238.80
Including	297.00	297.30	0.30	41.70		
MLHL-23-53	416.50	418.75	2.25	4.04		-389.68
including	418.00	418.30	0.30	9.24		
	431.00	431.30	0.30	3.96		-402.15
	457.40	458.10	0.70	6.78		-426.63
MLHL-24-57	152.65	1453.00	0.35	2.72		-104.97
MLHL-24-62A	571.00	572.30	1.30	1.39		-550.85
	591.35	591.90	0.55	1.99		-569.73
MLHL-24-71	131.28	137.78	6.50	0.23	0.37	-99.04
MLHL-24-75	49.70	58.70	9.00	0.17	0.41	-40.31
MLHL-24-79	67.00	68.00	1.00	2.75		-47.12
MLHL-24-80	12.85	13.15	0.30	15.50		-9.22
MLHL-24-81	40.85	41.50	0.65	1.47		-28.68
	71.00	71.30	0.30	2.99		-49.49
	119.00	125.12	6.12	1.23		-84.62
	129.00	132.00	3.00	1.83		-90.43

The company is awaiting final assays and will then compile all data from the exploration program to update the geological database and develop future exploration programs.

9.2. McMillan Property

The McMillan Property (including the Mongowin Property) is not scheduled for any significant exploration programs in 2024, but some assessment work was required to keep the claims in good standing. To that end the Company submitted an exploration plan PL-23-000093 to the Ministry on October 5, 2023 for line cutting and IP surveying on the property which was approved on November 11, 2023. The field work which included 20,000 metres of line cutting was completed in February 2024. The company has received the interpretation and final report.

The company has submitted a work permit that would include approximately 12km of line cutting, 11km of IP geophysics surveying and diamond drilling. Drilling in the initial campaign would be focussed in the McMillan Mine area (East, West and at depth) where potential exists for establishment of compliant resources. The company is actively consulting the First Nation and Metis communities on the consultation list from the Ministry of Mines.

Previous work by the Company has included reprocessing of historical VLF data using modern software and techniques to determine high priority targets and completion of two prospecting programs on the property.

Reprocessing of the VLF data outlined a number of anomalous trends as shown in the Figure below. 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 1, 2022 with approval granted on November 23, 2022 for the submission.

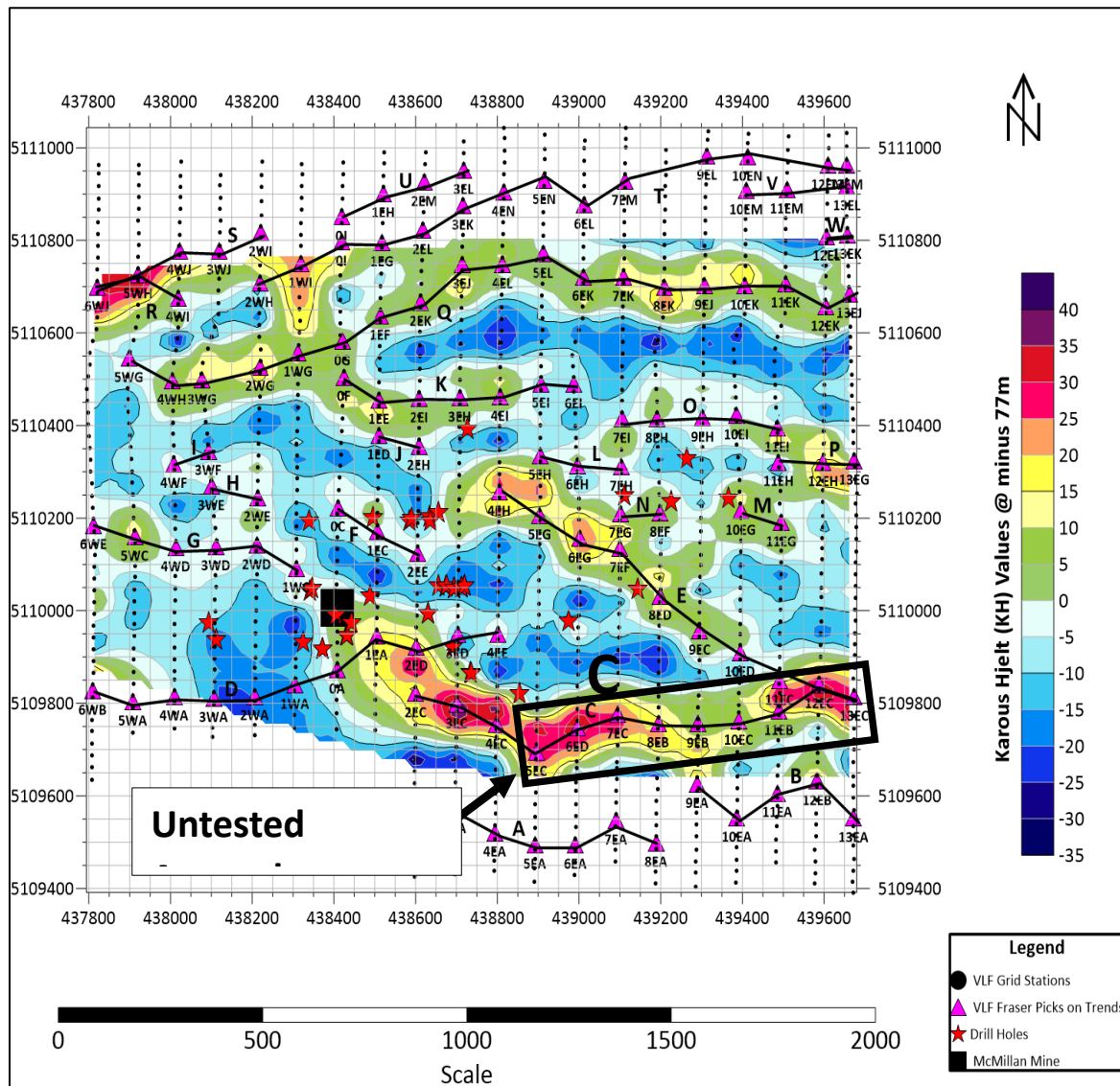


Figure 18 - Reprocessed VLF Survey

An initial 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.

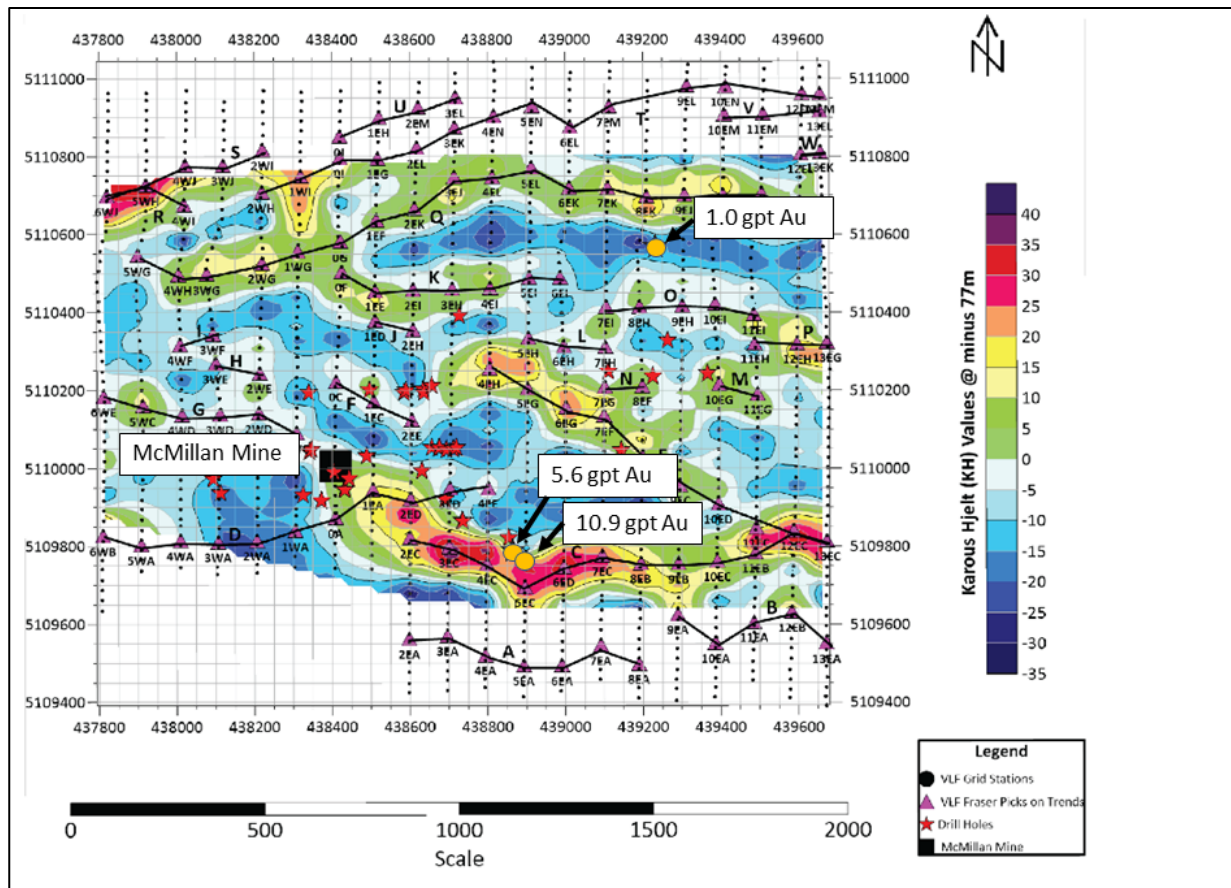


Figure 19 - Location of anomalous samples from prospecting program

Following the 2022 prospecting program, two days of follow-up prospecting were completed on the property on July 18th and 21st 2023. 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 the Figure below.

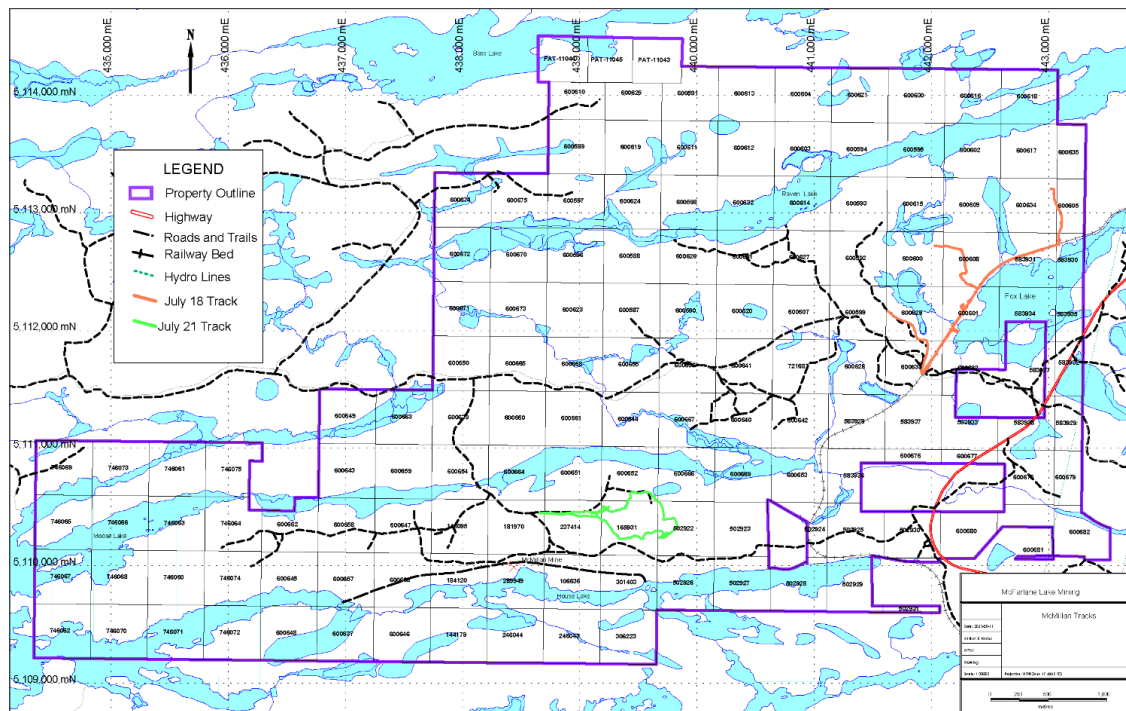


Figure 20 - Prospecting Tracks

In January / February 2024 the Company completed the field work for a geophysical survey on its past producing McMILLAN mine property located 70 kilometers west of Sudbury, Ontario. We have received the data interpretation and final report, and it is being reviewed. The area covered by the line cutting and surveying are shown in Figure 21.

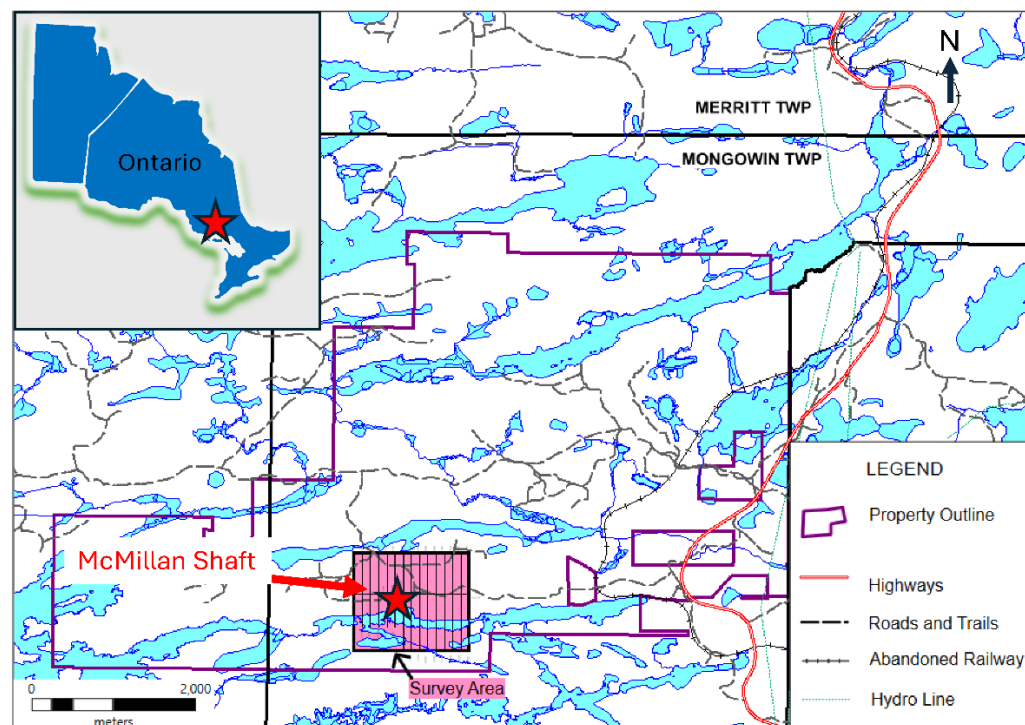


Figure 21 - McMILLAN Geophysical Survey Area

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 nine months ended May 31, 2024, the Company incurred the following expenses with directors and key management personnel of the Company:

	Three months ended May 31 2024	Nine months ended May 31, 2024
Consulting fees	\$111,000	\$363,000
Stock based compensation	nil	452,000
Director fees	\$7,046	18,651

Included in accounts payable and accrued liabilities as at May 31, 2024 is \$65,950 owing to the officers and management of the Company (August 31, 2023 - \$55,425) and \$15,000 owing to directors for director fees (August 31, 2023 - \$21,000). 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 May 31, 2024, is accrued interest owed on these notes payable in the amount of \$74,857 (August 31, 2023 - \$57,291), see also section 10.3 below.

During the 9-month period ending May 31, 2024, the Company incurred professional fees to a law firm and its associated companies for legal, accounting and capital advisory services totalling \$389,058 (May 31, 2023 - \$406,325). Perry Dellelce is a partner in this law firm and a shareholder in the other two associated companies. Included in accounts payable and accrued liabilities as at May 31, 2024 is \$350,997 owing to this law firm and its associated companies (August 31, 2023 - \$454,431). 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 Inc. 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 May 31, 2024, is accrued interest owed on these notes payable in the amount of \$74,857 (August 31, 2023 - \$57,291). The monies were advanced to assist in the financing of the Company's operations.

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 its 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**”). Upon the issuance of the FT Shares, the Company recorded an aggregate flow-through share premium of \$142,242. As of May 31, 2024 the Company had spent the required amount on qualifying expenses, thereby fulfilling its liability obligation under the terms of the FT agreement.

In November 2023, the Company issued 33,335,006 FT Shares for gross proceeds equal to \$2,000,100, 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**”). Upon the issuance of the FT Shares, the Company recorded an aggregate flow-through share premium of \$1,000,050. As of May 31, 2024 the Company had spent the required amount on qualifying expenses, thereby fulfilling its liability obligation under the terms of the FT agreement.

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. Subsequent Events to May 31, 2024

The Company announced on May 16, 2024 that it intends to offer for sale, on a non-brokered private placement basis: (i) up to 22,222,222 units of the Company (the “Units”) at a price of C\$0.045 per Unit; and (ii) up to 20,000,000 flow-through shares of the Company (the “FT Shares”, and together with the Units, the “Securities”) at a price of C\$0.05 per FT Share, in any combination, to raise collective aggregate gross proceeds of up to C\$1,000,000 (together, the “Offering”). The FT Shares will qualify as “flow-through shares” within the meaning of subsection 66(15) of the *Income Tax Act* (Canada) (the “**Tax Act**”).

Each Unit will consist of one common share of the Company (each, a “Common Share”) and one-half of one common share purchase warrant (each whole warrant, a “Warrant”). Each Warrant will be exercisable by the holder to acquire one Common Share at a price of C\$0.07 per Common Share for a period of 18 months from the closing of the Offering, which is expected to occur on or about June 7, 2024. The Offering may be closed in multiple tranches at the sole discretion of the Company.

On June 10, 2024, the Company announced it had closed the first tranche (the “First Tranche”) of its previously announced non-brokered private placement offering of units of the Company (“Units”) and

flow-through shares ("FT Shares") of the Company on May 16, 2024 (the "Offering"). The First Tranche consisted of 10,556,443 Units at a price of \$0.045 per Unit and 13,900,000 FT Shares at a price of \$0.05 per FT Share for combined aggregate gross proceeds to the Company of approximately \$1,170,040. Additionally, the Company issued a total of 96,693 Units to certain persons in consideration for introducing certain purchasers to the Company. Due to strong investor demand, the Company has upsized the Offering to up to \$1,500,000, (see Final Tranche next paragraph).

On June 27, 2024, the Company announced it had closed the second and final tranche (the "Final Tranche") of its previously announced non-brokered private placement offering of units of the Company ("Units") and flow-through shares ("FT Shares") of the Company on May 16, 2024 (the "Offering"). The Final Tranche consisted of 8,266,666 Units at a price of \$0.045 per Unit and 200,000 FT Shares at a price of \$0.05 per FT Share for combined aggregate gross proceeds to the Company of approximately \$382,000. As a result, under the Offering the Company issued an aggregate total of 18,823,111 Units of the Company at a price of \$0.045 per Unit and 14, 100,000 FT Shares of the Company of \$0.05 per FT Share for gross proceeds of \$1,552,040.

In connection with the Offering, the Company issued 96,693 Units for finder fees and incurred legal expenses and other costs of approximately \$100,000.

Certain directors and officers of the Company subscribed for a total of 6,111,110 units and 200,000 FT Shares for gross proceeds of \$285,000 in the Offering.

Each Unit consisted of one common share of the Company (each, a "Common Share") and one-half of one common share purchase warrant (each, a "Warrant"). Each Warrant is exercisable by the holder to acquire one Common Share at a price of C\$0.07 per Common Share until December 7 or December 27, 2025. The FT Shares will qualify as "flow-through shares" within the meaning of subsection 66(15) of the Income Tax Act (Canada) (the "Tax Act").

Pursuant to applicable Canadian securities laws, all securities issued and issuable in connection with the First and Second Tranches will be subject to a four (4) month hold period ending on October 8 or October 28, 2024.

McFarlane Lake intends to utilize the net proceeds from the Offering to further explore the Company's past producing McMillan and West Hawk Lake gold properties, expand compliant gold resources at its High Lake property, as well as for general working capital purposes. The gross proceeds received by the Company from the sale of the FT Shares will be used to incur eligible "Canadian exploration expenses" that will qualify as "flow-through mining expenditures" as such terms are defined in the Tax Act (the "Qualifying Expenditures"). All Qualifying Expenditures will be renounced in favour of the subscribers of the FT Shares effective December 31, 2024.

The Offering remains subject to final acceptance by Cboe Canada Inc. and all regulatory approvals.

13. Changes in Accounting Policies including Initial Adoption

There have been no changes in the existing accounting policies of the Company in the period or have any new accounting policies been adopted during this period.

14. Critical accounting estimates

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

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

a) Title to mineral property interests

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

b) Valuation of share-based payments

The Company values share-based payments granted using market-based generally accepted valuation techniques at the date of grant or issuance. Assumptions made for the valuation include volatility of the share price, risk free interest rate and the life of the stock options granted. Such assumptions are highly subjective and changes in these assumptions materially affect the calculated fair value. Assumptions and models used for estimating fair value for share-based payment transactions are disclosed in the Company's consolidated financial statements for the year ended August 31, 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.

15. Internal Control Over Financial Reporting

Subject to the limitations, if any, described below, the Company's CEO and CFO, have as at the end of the period ended May 31, 2024 designed Disclosure and Control Procedures, ("DC&P") or caused it to be designed under their supervision, to provide reasonable assurance that:

- material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and
- information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized, and reported within the time periods specified in securities legislation.

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

There have been no significant changes to the Company's disclosure controls and procedures and internal controls over financial reporting that occurred during the period ended May 31, 2024 that have materially

affected, or are reasonably likely to materially affect, the Company's disclosure controls and procedures and internal control over financial reporting.

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

16. Financial Instruments and Other Instruments

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

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

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

17. Outstanding Share Data

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

Security Description	July 12 , 2024	Aug 31, 2023	Aug 31, 2022
Common shares	231,638,653	113,183,845	87,647,813
Stock options to acquire common shares	15,625,000	9,975,000	7,000,000
Share purchase warrants and other instruments	88,681,148	16,521,247	5,303,231
Common Shares Fully Diluted	335,944,801	139,680,092	99,951,044

18. Company Forecast 12-month Operating Expenditures

Assuming the Company acquires financing and completes a similar exploration program it is forecasted to incur the following expenditures in the next year:

Use of Funds	Amount of Funds
Property Acquisition	\$ 300,000
Technical Work	
Exploration Programs	\$ 2,943,914
Consulting and studies	\$ 634,500
Corporate Development	
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
Total	\$ 4,802,644

19. Risks and Uncertainties

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

(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 period ended May 31, 2024 and the years ended August 31, 2023 and as of May 31, 2024, has a deficit of \$18,662,203 (August 31, 2023 – \$15,071,119) 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. Commencing on June 7, 2024, the Company closed first tranches of a non-brokered private placement offering (the "Offering") for aggregate gross proceeds of \$1,170,040 to meet part of its financial obligations for the next 12 months, (see also Section 5). On June 27, 2024 the Company closed the second and final tranche of the Offering for aggregate proceeds of \$382,000. However, the Company will need to raise further equity capital or borrowings to meet the remainder of its financial obligations for the next 12 months.

(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 May 31, 2024, the Company has a net working capital (deficit) of \$522,856, as of August 31, 2023 - (\$920,127).

(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) Mineral Properties May be Subject to Rights of and Consultation with Indigenous Peoples

Various international, national, state and provincial laws, codes, resolutions, conventions, guidelines, treaties and other principles and considerations relate to the rights of Indigenous peoples. The Company will hold exploration interests in respect of operations located in some areas presently or previously inhabited or used by Indigenous peoples. Many of these impose obligations on government to respect the rights of Indigenous peoples. Some mandate consultation with Indigenous peoples regarding actions which may affect Indigenous peoples, including actions to approve or grant mining rights or permits. The initial exploration program at the High Lake Property will require consultation with First Nations. The obligations of government and private parties under the various international and national requirements, principles and considerations pertaining to indigenous peoples continue to evolve and be defined. The High Lake Property and the West Hawk Lake Property in respect of which the Company will hold an interest are subject to the risk that one or more groups of Indigenous peoples may oppose operation or new development. Such opposition may be directed through legal or administrative proceedings or protests, roadblocks or other forms of public expression against the operator's activities. Opposition by Indigenous peoples to such activities may require modification of or preclude operation or development of projects or may require the entering into of agreements with Indigenous peoples. Claims and protests of Indigenous peoples may disrupt or delay activities of the operators of assets in respect of which the Company holds an exploration interest which may result in a material adverse effect on the Company profitability, results of operations and financial condition and the trading price of its securities.

(15) 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.

20. Additional Information

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