

**2311548 ALBERTA LTD.**  
MANAGEMENT DISCUSSION AND ANALYSIS  
For the six months ended June 30, 2021

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## **INTRODUCTION**

This management discussion and analysis ("**MD&A**") of financial condition and results of operations focuses upon the activities, results of operations, liquidity and capital resources of 2311548 Alberta Ltd. (the "**Company**" or "548") for the six months ended June 30, 2021. In order to better understand this MD&A, it should be read in conjunction with the unaudited condensed consolidated interim financial statements and related notes for the six months ended June 30, 2021 and the audited financial statements of the Company and related notes for the year ended December 31, 2020.

The Company's financial statements are prepared in accordance with International Financial Reporting Standards ("**IFRS**") and filed with appropriate regulatory authorities in Canada. Except as otherwise disclosed, all dollar figures included therein and, in this MD&A, is quoted in Canadian dollars, unless otherwise stated.

This MD&A is current to August 27, 2021.

## **FORWARD LOOKING STATEMENTS**

Information set forth in this MD&A may involve forward-looking statements under applicable securities laws. Forward-looking statements are statements that relate to future, not past, events. In this context, forward-looking statements often address expected future business and financial performance, and often contain words such as "anticipate", "believe", "plan", "estimate", "expect", and "intend", statements that an action or event "may", "might", "could", "should", or "will" be taken or occur, or other similar expressions. All statements, other than statements of historical fact, included herein including, without limitation, statements about the size and timing of future exploration on and the development of the Company's properties are forward-looking statements. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the Company's actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following risks: the need for additional financing; operational risks associated with mineral exploration; fluctuations in commodity prices; title matters; environmental liability claims and insurance; reliance on key personnel; the volatility of the Common Shares (as defined herein) price and volume and other reports and filings with the applicable Canadian securities regulations. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date that statements are made and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as required by applicable securities laws. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company's expectations are disclosed in the Company's documents filed from time to time via the Company's website along with the Canadian regulatory agencies to whose policies the Company is bound. Investors are cautioned against attributing undue certainty to forward-looking statements.

## **OVERVIEW**

2311548 Alberta Ltd. (the "Company") was incorporated under the Business Corporations Act of Alberta on December 23, 2020. The Company's registered and records office is located at Third Floor, 14505 Bannister Road SE, Calgary, Alberta T2X 3J3.

The principal business of the Company is to identification, explore and evaluate mineral properties in Chile. The Company holds 76 mining concessions through its ownership of the El Cofre and Placeton projects in Chile held through its subsidiaries Aconcagua Minerals SpA ("Aconcagua") and Cobalt Chile SpA ("Cobalt Chile"). The success of the Company will be dependent on obtaining the necessary financing to evaluate these projects.

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**HIGHLIGHTS & RECENT DEVELOPMENTS**

**ACQUISITIONS (the "Acquisitions")**

Aconcagua

In March 2021, the Company issued 1,784,955 common shares in exchange for 50% of the issued and outstanding shares of Aconcagua. The Company issued 6,291,225 common shares in exchange for the assignment of \$62,263 (CLP \$35,900,000) in amounts due to related parties in Aconcagua. The Company, through its wholly owned Chilean branch, Agencia en Chile, made a capital contribution into Aconcagua in for the same amount. Subsequently, Aconcagua repurchased all remaining shares not held by the Company and as a result, the Company now owns 100% of the outstanding shares of Aconcagua.

The aggregate purchase consideration for the Aconcagua acquisition consists of the Company issuing 8,076,180 common shares and assuming a liability of \$2,431. The common shares issued were valued at \$0.50 per share, which was the same value per share ascribed in the private placement that occurred subsequent to year end, as described in Note 10 of the condensed consolidated interim financial statements for the six months ended June 30, 2021.

Cobalt Chile

The Company issued 8,923,820 common shares in exchange for 100% of the issued and outstanding shares of Cobalt Chile. The common shares issued were valued at \$0.50 per share, which was the same value per share ascribed in the private placement that occurred subsequent to year end, as described in Note 10 of the June 30, 2021 condensed consolidated interim financial statements.

The purchase price allocation of Aconcagua and Cobalt Chile was as follows:

	Aconcagua	Cobalt Chile	Total
Shares issued	4,038,090	4,461,910	8,500,000
Amount owing	2,431	-	2,431
Total consideration	\$ 4,040,521	\$ 4,461,910	\$ 8,502,431
Cash	\$ 1,660	\$ 873	\$ 2,533
Accounts payable and accrued liabilities	(85,918)	(88,357)	(174,175)
Due to related parties	(31,176)	(47,607)	(78,783)
Exploration and evaluation assets	4,155,955	4,597,001	8,752,956
Net realizable asset	\$ 4,040,521	\$ 4,461,910	\$ 8,502,431

The Company and 1246773 BC Ltd. ("773") entered into an amalgamation agreement whereby the Company shall amalgamate with a wholly-owned subsidiary of 773 (the "Amalgamation"). Immediately prior to the Amalgamation, the Subscription Receipts were converted into the Company's shares, which was subsequently exchanged pursuant to the Amalgamation for shares of 773. The gross proceeds of the Private Placement were deposited into escrow pending the satisfaction of certain escrow release conditions, including the completion of the Amalgamation. The escrow release conditions were in accordance with the subscription receipt agreement dated May 10, 2021, entered into among 773, the Company and TSX Trust Company.

In May 2021, the Company completed a non-brokered private placement (the "Private Placement") of 8,223,156 subscription receipts (the "Subscription Receipts") at a price of \$0.50 per Subscription Receipt for gross proceeds of \$4,111,578. Each Subscription Receipt entitles the holder thereof to receive, subject to adjustment in certain circumstances, one common share of the Company in accordance with the terms and conditions of the Subscription Receipts.

On August 23, the Amalgamation was completed, and the private placement proceeds were deposited into the Company's account.

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**MINERAL PROPERTIES**

Aconcagua holds the rights to the Placeton Project which consists of the Placeton, Caballo Muerto and Los Naranjos projects. Altogether, the Placeton Project is comprised of thirty-nine exploitation tenements. The Aconcagua mineral claims are subject to a Net Smelter Royalty ("Placeton NSR") as described in Note 9 of the condensed consolidated interim financial statements for the six months ended June 30, 2021.

Cobalt Chile holds the rights to the El Cofre Project, which represents 100% interest in thirty-seven exploration claims. The Cobalt Chile mineral claims are subject to a Net Smelter Royalty ("El Cofre NSR") as described in Note 9 of the condensed consolidated interim financial statements for the six months ended June 30, 2021.

	Aconcagua		Cobalt Chile		Total
Balance, December 31, 2020	\$	-	\$	-	-
Additions:					
Acquisition costs (Note 3)		4,155,955		4,597,001	8,752,956
Balance, June 30, 2021	\$	4,155,955	\$	4,597,001	\$ 8,752,956

The business of exploring 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 recoverability of the carrying value of exploration properties and the Company's continued existence are dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis.

**SELECTED ANNUAL FINANCIAL INFORMATION**

The following table summarizes selected financial data reported by the Company for the years ended December 31, 2020. The information set forth should be read in conjunction with the consolidated audited financial statements, prepared in accordance with IFRS and the related notes thereon.

	From Date of Incorporation on December 23, 2020 to December 31, 2020	
Revenues	\$	Nil
Net income (loss)	\$	(1,199)
Earnings (loss) per Common Share	\$	(0.001)
Total assets	\$	2,001
Total liabilities	\$	1,199

**DISCUSSION OF FINANCIAL AND OPERATING RESULTS**

*For the six months ended June 30, 2021*

During this period, the Company reported a net loss of \$97,997. The primary contributors to the loss were foreign exchange gain (\$11,298), general administrative expenses (\$38,527) and professional fees (\$70,332).

*For the three months ended June 30, 2021*

During this period, the Company reported a net loss of \$89,240. The primary contributors to the loss were foreign exchange gain (\$12,272), general administrative expenses (\$30,744) and professional fees (\$70,332).

**SUMMARY OF QUARTERLY RESULTS**

As the Company was incorporated on December 23, 2020, the Company did not report quarterly financial information for any interim period prior to December 31, 2021. As such, the quarterly financial information below is presented from March 31, 2021, onwards.

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	June 30, 2021	March 31, 2021
Revenues	\$ Nil	\$ Nil
Loss for the period	\$ (89,240)	\$ (8,757)
Loss per share	\$ (0.00)	\$ (0.00)
Weighted average outstanding shares	20,000,000	6,022,222

**LIQUIDITY AND CAPITAL RESOURCES**

During the six months ended June 30, 2021, the Company did not generate positive cash flow from its operations. Therefore, in order to remedy its working capital obligations and continue its operational and general corporate activities, the Company must raise additional funds through the issuance of its common shares.

*For the six months ended June 30, 2021*

During April 2021, the Company was able to raise additional funds through a private placement. Therefore, upon completion of its listing on the Exchange, the Company will have sufficient working capital to meet its operational growth plans and its general corporate activities for the next twelve months.

As at June 30, 2021, the Company had a working capital deficit of \$3,761,426. During the six months ended June 30, 2021, the Company generated:

- Cash flow used in operating activities totaling \$1,729.
- Cash flow generated from investing activities totaling \$2,533.

**OFF BALANCE SHEET ARRANGEMENTS**

The Company does not have off balance sheet arrangements.

**RELATED PARTY TRANSACTIONS**

There was no key management remuneration during the six months ended June 30, 2021.

Related parties and related party transactions impacting the accompanying financial statements are summarized below and include transactions with the following individuals or entities:

During the period ended December 31, 2020, the Company incurred \$1,199 in legal fees with McLeod Law LLP, a law firm at which a director of the Company is a partner. During the period ended June 30, 2021, the Company incurred \$64,934 in legal fees with McLeod Law LLP.

As at June 30, 2021, the Company owed the following related parties.

Payee	Relationship to the Company	Amount
Gino Zandonai	Director and Shareholder	\$ 109,084
Natalie Stevens	Shareholder	2,367
McLeod Law LLP	Director who is a partner at McLeod	68,150
Due to related parties		\$ 179,601

These amounts were incurred to fund exploration and evaluation and general and administration expenses. These amounts are non-interest bearing, unsecured, and have no terms of repayment, but is payable on demand.

**PROPOSED TRANSACTIONS**

There are no proposed transactions that have not been disclosed herein.

**CRITICAL ACCOUNTING ESTIMATES**

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The preparation of these condensed consolidated interim financial statements in conformity with IFRS 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 amount 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 significant areas of estimation uncertainty in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are noted below with further details of the assumptions contained in the relevant note.

The critical estimates and judgments applied in the preparation of the unaudited condensed interim consolidated financial statements for the six months ended June 30, 2021 are consistent with those applied and disclosed in Note 3 to the Company's audited financial statements for the for the period from incorporation on December 23, 2020 to December 31, 2020.

#### **NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED**

As at June 30, 2021, there are no new standards that have not yet been adopted that will materially impact the presentation of the consolidated financial statements.

#### **FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

##### Fair value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The fair value of the Company's accounts payable and accrued liabilities and amounts due to related parties approximate their carrying value, which is the amount recorded on the statement of financial position, due to their short terms to maturity. The Company's cash is measured at fair value, under the fair value hierarchy based on level one quoted prices in active markets for identical assets or liabilities.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

##### Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The Company considers that cash is exposed to credit risk. Management believes that the credit risk related to its cash is negligible.

##### Interest rate risk

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

Price risk

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors the stock market to determine the appropriate course of action to be taken by the Company.

Liquidity risk

The Company manages liquidity risk by maintaining sufficient cash to enable settlement of transactions as they come due. Management monitors the Company's contractual obligations and other expenses to ensure adequate liquidity is maintained.

**COMMITMENTS**

Placeton NSR Agreement

On December 17, 2020, Aconcagua agreed to settle an amount due to Durus Copper SPA ("Durus") through the payment of a two-percent (2%) Net Smelter Royalty over all minerals produced from the 39 exploitation tenements held by Aconcagua at the time of the settlement.

Durus will receive an amount of money equivalent to 2% of the total net smelter returns generated by the eventual commercial exploitation of Aconcagua's tenements, the processing of the minerals extracted therefrom and the sale of the products obtained from the Aconcagua's tenements.

No value was attributed to the Placeton NSR as production on the properties cannot reasonably be determined. The NSR is still waiting on registration at the Vallenar Mining Register.

El Cofre NSR Agreement

During the year ended December 31, 2020 the Company granted a former shareholder of Cobalt Chile, who is now a shareholder of the Company, a two-percent (2%) NSR over all minerals produced from the thirty-seven mineral exploration concessions held by Cobalt Chile, at the time of the settlement.

The former shareholder of Cobalt Chile will receive an amount of money equivalent to 2% of the total net smelter returns generated by the eventual commercial exploitation of Cobalt Chile's tenements, the processing of the minerals extracted therefrom, and the sale of the products obtained from the Cobalt Chile's tenements.

No value was attributed to the El Cofre NSR as production on the properties cannot reasonably be determined.

**OUTSTANDING SHARE DATA**

The Company is authorized to issue an unlimited number of Common Shares without par value. As at the date of this MD&A, the following Common Shares, options, and share purchase warrants were outstanding:

	Number of shares	Exercise Price	Expiry Date
Issued and outstanding common shares	20,000,000		
Warrants	7,000,000	\$0.60	5 years from the date the common shares are listed on a recognized exchange
Fully diluted	27,000,000		