

MEDALLION RESOURCES LTD.
MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL RESULTS
For the six months ended September 30, 2021
Containing information up to and including November 29, 2021

The following Management Discussion and Analysis (“MD&A”) is prepared as at November 29, 2021 and is intended to help the reader understand the accompanying unaudited condensed consolidated interim financial statements of Medallion Resources Ltd. (the “Company” or “Medallion”). The information provided herein should be read in conjunction with the Company’s unaudited condensed consolidated interim financial statements and notes for the six months ended September 30, 2021.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls to ensure that information used internally or disclosed externally, including the accompanying unaudited condensed consolidated interim financial statements and this MD&A, is complete and reliable.

The unaudited condensed consolidated interim financial statements of the Company for the six months ended September 30, 2021 have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

The Company is incorporated in British Columbia and is involved in the acquisition and evaluation of mineral resource projects. The Company is the owner of proprietary technology to extract rare earth elements (“REE”) from the mineral monazite, and to separate rare earth elements. The Company is seeking monazite and REE mining and processing partnerships.

Additional information relating to the Company is available on the SEDAR website: www.sedar.com under “Medallion Resources Ltd.”.

All currency amounts are in Canadian dollars unless otherwise indicated.

OPERATIONS

The Company’s operations historically consisted of the acquisition, exploration and evaluation of mineral properties.

The Company is now focused on a rare earth element (REE) business strategy involving the safe and efficient extraction of REE from the mineral monazite, which is available as a by-product from heavy mineral sand mining operations.

Furthermore, Medallion is investing in the development of a chromatography based REE separation technology developed by Purdue University.

Medallion is undertaking process testwork and seeking monazite supply agreements for the future production of REE materials. A variety of samples from heavy-mineral-sands producers are regularly tested, which could lead to monazite purchase agreements for a planned rare-earth processing plant, or lead to another commercial partnership. Since no monazite purchase contracts or processing plant financing and development agreements are in place at this time, all expenses associated with this strategy are being written off in the Company’s consolidated statements of loss and comprehensive loss.

The Company has no commercial production at this time and accordingly the Company has no revenue from operations.

CORPORATE

On August 18, 2021, the Company announced the addition of Daniel Mamadou and Gabriel Alonso-Mendoza to the Company’s Board of Directors. Both are long-term, active participants

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and investors in the rare element industry and bring extensive commercial and financial experience to the Medallion team. At this key moment for the Company, Daniel and Gabriel are anticipated to provide valuable contributions to Medallion's strategy and growth.

RESEARCH COSTS AND EXPENDITURES

To support the Company's strategy of securing monazite supply agreements for the future production of REE materials, certain consulting, travel, legal and other expenses have been incurred by the Company. The Company expects to continue to incur such expenses during the current year. Since no monazite purchase contracts or process-plant financing and development agreements are in place at this time, all expenses associated with this strategy are being expensed in the Company's consolidated statements of loss and comprehensive loss.

During the period ended September 30, 2021, the Company paid \$188,638 to support LAD Chromatography research, issued shares with a fair value of \$300,000 to acquire a technology license, and purchased specialized equipment in the amount of \$152,146. For further details relating to project investigation expenses, please refer to page 12 and 13 of this MD&A and to Note 4 of the accompanying unaudited consolidated interim financial statements for the six months ended September 30, 2021.

RESULTS OF OPERATIONS FOR THE QUARTER

Results of operations for the three months ended September 30, 2021 compared to the three ended September 30, 2020

The Company's loss for the three months ended September 30, 2021 was \$416,842 (loss per share – \$0.01) compared to a loss of \$606,606 (loss per share – \$0.01) for the three months ended September 30, 2020.

Excluding the non-cash share-based compensation of \$78,827 (2020 - \$375,399), the expenses amounted to \$338,639 (2020 - \$223,403). The factors that contributed to the increase in the loss during the three months ended September 30, 2021 compared with the corresponding period in 2020 were:

- Director fees for the three months ended September 30, 2021 were \$13,500 compared to \$Nil for the three months ended September 30, 2020. During the current period, the Company compensated directors for their services while there was no compensation during the same period last year.
- Investor relations expenses for the three months ended September 30, 2021 were \$75,853 compared to \$51,696 for the three months ended September 30, 2020. This is due to increased communications with investors during the current period compared to 2020.
- Research costs for three months ended September 30, 2021 were \$95,064 compared to \$31,608 for three months ended September 30, 2020. This is because the Company is actively developing a chromatography based REE separation technology developed by Purdue University.
- Professional fees for the three months ended September 30, 2021 were \$27,238 compared to \$21,396 for the three months ended September 30, 2020.

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These increased expenses were offset by the following:

- Office and general expenses for the three months ended September 30, 2021 were \$4,739 compared to \$9,036 for the three months ended September 30, 2020. This is due to the elimination of rent expense.
- Transfer agent and filing fees decreased to \$6,116 during the three months ended September 30, 2021 from the \$11,674 incurred during the three months September 30, 2020 due to private placements completed in the prior period.

SUMMARY OF QUARTERLY RESULTS

	Revenue	Other income	Expenses	Net loss	Loss per share
December 31, 2019	\$ -	\$ 14,609	\$ 306,833	\$ 292,224	\$ 0.01
March 31, 2020	\$ -	\$ 0	\$ 202,185	\$ 202,185	\$ 0.00
June 30, 2020	\$ -	\$ -	\$ 375,258	\$ 375,258	\$ 0.01
September 30, 2020	\$ -	-\$ 7,804	\$ 598,802	\$ 606,606	\$ 0.01
December 31, 2020	\$ -	\$ (1,550)	\$ 429,314	\$ 430,864	\$ 0.01
March 31, 2021	\$ -	\$ (282)	\$ 488,240	\$ 488,552	\$ 0.01
June 30, 2021	\$ -	\$ (326)	\$ 439,213	\$ 439,539	\$ 0.01
September 30, 2021	\$ -	\$ 624	\$ 417,466	\$ 416,842	\$ 0.01

LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2021, the Company had working capital of \$1,311,690 (March 31, 2021 - \$2,056,390), a decrease in the working capital of \$744,700 from March 31, 2021. The working capital decrease is due to operating expenses incurred and the 50% down payment for the purchase of research equipment (\$76,073) during the six months ended September 30, 2021, offset by proceeds from exercise of warrants during the six months ended September 30, 2021.

Cash consists of \$1,368,085 (March 31, 2021 - \$2,081,232) available in the bank accounts of the Company at September 30, 2021.

On June 26, 2020, the Company completed a non-brokered private placement issuing 2,500,000 units at a price of \$0.10 per unit for gross proceeds of \$250,000. Each unit consisted of one common share and one-half transferable common share purchase warrant. Each warrant is exercisable to acquire one common share of the Company at an exercise price of \$0.15 for two years from the date of issuance. The warrants were ascribed a value of \$56,700 under the Black-Scholes valuation model with the residual being allocated to share capital. In accordance with the Company's accounting policy in regards to unit bifurcation, the Company calculated the relative fair value of the unit warrants with the use of the Black-Scholes option pricing model with the following assumptions: term of 2 years, dividend yield of 0%, expected volatility of 114% and a risk free interest rate of 0.29%.

On August 25, 2020 the Company completed a non-brokered private placement consisting of 10,666,667 units at \$0.15 per unit for gross proceeds of \$1,600,000. Each unit consisted of one common share and one-half transferable common share purchase warrant. Each warrant is exercisable to acquire one common share of the Company at an exercise price of \$0.20 for the 3 years from the date of issuance. The Company paid finders' fees of \$65,620 and granted 437,467 finders' warrants (valued at \$68,200), each finders' warrant exercisable to acquire one common share of the Company at an exercise price of \$0.25 until August 25, 2022. The warrants were

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ascribed a value of \$437,233 under the Black-Scholes valuation model with the residual being allocated to share capital. In accordance with the Company's accounting policy in regards to unit bifurcation, the Company calculated the relative fair value of the unit warrants with the use of the Black-Scholes option pricing model with the following assumptions: term of 3 years, dividend yield of 0%, expected volatility of 123.49% and a risk free interest rate of 1.53%. In addition, the Company calculated the fair value of the finders' warrants with use of the Black-Scholes option pricing model with the following assumptions: term of 2 years, dividend yield of 0%, expected volatility of 123.72% and a risk free interest rate of 1.38%.

During the year ended March 31, 2021, the Company issued an aggregate of 8,421,402 common shares for gross proceeds of \$1,679,370 pursuant to the exercise of warrants and options.

During the six months ended September 30, 2021, the Company issued an aggregate of 1,252,500 common shares for gross proceeds of \$185,000 pursuant to the exercise of warrants and stock options.

During the six months ended September 30, 2021, the Company issued 1,000,000 common shares at an ascribed price of \$0.30 per share to a nominee of Hasler Ventures LLC in connection with the acquisition of a license for exclusive rights to Purdue University-developed REE separation and purification technologies.

During the six months ended September 30, 2021, 1,891,542 warrants expired unexercised.

Contributed surplus totaled \$4,299,039 as at September 30, 2021 (March 31, 2021 - \$4,192,305). The increase of \$106,734 is due to the reversal of fair value of exercised options, share-based compensation with respect to options granted, and the transfer of fair value of expired warrants.

The Company has in the past relied primarily upon the sale of equity securities for cash required for business purposes, for acquisitions, and to fund the administration of the Company. Since the Company does not expect to generate any revenues in the near future, it will continue to rely primarily upon sales of its equity to raise capital. There can be no assurance that additional equity financing will be available to the Company in the required amount when needed or at all. Mineral processing is a capital-intensive business with lengthy periods elapsing from initial investigation to any prospect of revenues. The nature of the mineral processing business increases risks of insufficient capital resources above that of many other businesses. The Company believes it has sufficient cash to fund operations through the calendar year end and the first calendar quarter of 2022.

OFF BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet transactions.

TRANSACTIONS WITH RELATED PARTIES

Related party transactions are as follows:

- a) During the six months ended September 30, 2021, \$52,000 (2020 - \$64,000) was charged by a private company controlled by a former director of the Company, Don Lay, for management and consulting fees. At September 30, 2021, \$Nil (March 31, 2021 - \$378) was owed to this company on account of management and consulting fees.
- b) Effective October 1, 2018, the Company began accruing interest owed to a private company controlled by a former director of the Company, Don Lay, on account of management and consulting fees owed at an interest rate of prime plus 3.00%. During the six months ended

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September 30, 2021, \$Nil (2020 - \$6,204) was paid to this company on account of interest. At September 30, 2021, \$Nil (March 31, 2021 - \$Nil) was owed to this company on account of interest.

- c) During the six months ended September 30, 2021, the Company incurred \$Nil (2020 – \$8,450) in rent in connection with an office sub-lease the Company entered into with a company owned by a former director of the Company, David Haber. At September 30, 2021, \$Nil (March 31, 2021 - \$Nil) was owed to this company.
- d) During the six months ended September 30, 2021, the Company incurred \$Nil (2020 - \$11,900) of consulting fees to a company owned by the former Chief Financial Officer of the Company, Thomas Arnould. At September 30, 2021, a total of \$Nil (March 31, 2021 – \$Nil) was owed to this company.
- e) During the six months ended September 30, 2021, the Company incurred \$30,000 (2020 - \$10,000) of accounting and consulting fees to a company of which the Company's CFO, Robert Doyle, is a shareholder. At September 30, 2021, a total of \$5,550 (March 31, 2021 – \$5,303) was owed to this company.
- f) As at September 30, 2021, a principal amount of \$Nil (March 31, 2021 – \$Nil) was outstanding on the promissory note, payable to a company owned by a former director of the Company, David Haber, bearing interest at a rate of prime plus 3.00%. During the six months ended September 30, 2021, the Company paid the interest totaling \$Nil (2020 - \$546).
- g) During the six months ended September 30, 2021, \$72,000 (2020 - \$57,161) was charged by a private company controlled by the Chief Executive Officer of the Company, Mark Saxon, for management and consulting fees. At September 30, 2021, \$Nil (March 31, 2021 - \$Nil) was owed to this company on account of management and consulting fees.
- h) During the six months ended September 30, 2021, \$16,702 (2020 - \$Nil) was charged by a private company controlled by a director of the Company, Daniel Mamadou, for marketing and consulting fees. At September 30, 2021, \$Nil (March 31, 2021 - \$Nil) was owed to this company on account of marketing and consulting fees.
- i) During the six months ended September 30, 2021, \$14,130 (2020 - \$Nil) was charged by a private company controlled by a director of the Company, Gabriel Alonso-Mendoza, for consulting fees. At September 30, 2021, \$9,393 (March 31, 2021 - \$Nil) was owed to this company on account of consulting fees.
- j) During the six months ended September 30, 2021, \$27,000 (2020 - \$Nil) was paid to independent directors for director fees.
- k) On August 18, 2021, the Company granted 500,000 stock options to new directors of the Company that can be exercised at a price of \$0.17 per share. The options are exercisable for 5 years and vested immediately.

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DISCLOSURE OF OUTSTANDING SHARE DATA

The authorized share capital of the Company consists of an unlimited number of common shares without par value. The following is a summary of the Company's outstanding share data as at September 30, 2021 and November 29, 2021:

	Issued and outstanding	
	September 30, 2021	November 29, 2021
Common shares outstanding	70,194,437	70,194,437
Stock options	6,100,278	6,100,278
Warrants	12,605,658	12,605,658
Fully diluted common shares outstanding	88,900,373	88,900,373

There are no shares subject to escrow or pooling agreements.

The Company's common shares are listed for trading on the TSX Venture Exchange with the stock trading symbol of MDL.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Significant estimates and assumptions include those related to the valuation allowance on deferred income taxes and share-based compensation valuations. Actual results could differ from these estimates. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

FINANCIAL INSTRUMENTS

The following table sets forth the levels in the fair value hierarchy in which the Company's financial assets and liabilities are measured and recognized in the statement of financial position. Assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

	Quoted prices in active markets for identical instruments (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Balance September 30, 2021
Cash	\$ 1,368,085	\$ -	\$ -	\$ 1,368,085

The fair value of the Company's accounts payables and accrued liabilities and amounts due to related parties approximates their carrying values due to the short-term nature of these instruments. The Company's financial instruments are exposed to certain financial risks including credit risk, liquidity risk, and commodity-price risk.

a) Credit risk

The Company's cash is held in a major Canadian financial institution. The Company does not have any significant exposure to credit risk.

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b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure. Accounts payable and accrued liabilities are due within the current operating period.

c) Commodity price risk

The ability of the Company to develop its business and the future profitability of the Company are directly related to the market price of several commodities. The Company has not hedged any potential future commodity sales. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

d) Sensitivity analysis

The Company has, for accounting purposes, designated its cash and short-term investments as held-for-trading, which are measured at fair value. Accounts payable and accrued liabilities are classified as other financial liabilities which are measured at amortized cost. As at September 30, 2021, the carrying and fair value amounts of the Company's financial instruments are the same.

Based on management's knowledge and experience of the financial markets, management does not believe that the Company's current financial instruments will be affected significantly by interest rate risk, foreign currency risk and price risk. The Company does not hold significant balances in foreign currencies to give rise to exposure to foreign exchange risk. Commodity price risk could, however, affect the Company. In particular, the Company's future profitability and viability of development depends upon world markets for natural resources. As of September 30, 2021, the Company was not a producing entity. As a result, commodity price risk could affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. The Company closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken.

MANAGEMENT OF CAPITAL

The Company manages its cash, common shares, stock options, and warrants as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may look to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash. In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. In order to maximize ongoing exploration efforts, the Company does not currently pay out dividends. The Company's investment policy is to invest its short-term excess cash in highly liquid short-term interest-bearing investments issued by a major Canadian chartered bank.

There has been no change in the Company's management of capital risk during the six months ended September 30, 2021.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

Disclosure controls and procedures

The Company's management is responsible for designing disclosure controls and procedures to provide reasonable assurance that: (a) material information relating to the Company is made known to management so as to allow for timely decisions to be made regarding disclosure, and (b) information required to be disclosed by the Company is recorded, processed, summarized and reported within the time periods specified in applicable securities legislation.

The Chief Executive Officer and Chief Financial Officer of the Company have evaluated, or caused to be evaluated under their supervision, the effectiveness of the Company's disclosure controls and procedures as at September 30, 2021. Based on this evaluation, the CEO and CFO of the Company have concluded that the Company's disclosure controls and procedures in place as at September 30, 2021 are effective to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by the Company under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation and that such information is accumulated and communicated to the Company's management, including the CEO and CFO, as appropriate to allow for timely decisions regarding required disclosure.

Internal control over financial reporting

Management is responsible for designing, establishing and maintaining an adequate system of internal control over financial reporting. The CEO and CFO of the Company have evaluated, or caused to be evaluated under their supervision, the effectiveness of the Company's internal control over financial reporting as at September 30, 2021. Based on this evaluation, the CEO and CFO have concluded that as at September 30, 2021, the Company's internal control over financial reporting continues to be effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

The CEO and CFO of the Company have identified that due to the size of the Company there is limited segregation of duties. Companies of a similar size often have this limitation. Although it is possible, management of the Company does not believe that this lack of segregation of duties will lead to a material misstatement in the financial statements. Steps have been taken to minimize this risk such as ensuring that two senior officers or directors sign all cheques and outgoing wire transfer requests. In addition, senior management and the directors of the Company review quarterly and year-end financial statements on a regular basis.

There was no change in the Company's internal control over financial reporting during the period ended September 30, 2021, that materially affected, or was reasonably likely to materially affect, the Company's internal control over financial reporting.

RISKS AND UNCERTAINTIES

The Company is a mineral development company and is exposed to a number of risks and uncertainties that are common to other companies in the same business. Some of these risks have been discussed elsewhere in this document. Additional risks include: access to Monazite supply, risks inherent in research and development activities, uncertainty with respect to physical plant construction and/or commercialization of end products, access to necessary financing on an ongoing basis, volatility of prices of publicly traded securities, current and future political environment in areas where projects are being pursued, uncertainty regarding current and future environmental regulations that may affect existing and future projects, uncertainty regarding the rare-earth market in the future, competition from other companies undertaking similar business

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strategies, requirements to acquire licenses and permits to develop projects and loss of key members of management of the Company.

Starting in March 2020, there was a global pandemic outbreak of COVID-19. The actual and threatened spread of the virus globally has had material adverse effect on the global economy and, specifically, the regional economies in which the Company operates. The pandemic could continue to have a negative impact on the stock market, including trading prices of the Company's shares and its ability to raise new capital. These factors, amongst others, could have a significant impact on the Company's operations.

RECENT WORK

Medallion has developed a technology and business plan that targets rare earth element ("REE") production by extracting REE from the phosphate mineral monazite, common as a by-product from heavy mineral sand mining operations. This business plan has led to the development of the Medallion Monazite Process, a proprietary method and related business model to achieve low-cost, near-term, REE production utilizing mineral sand monazite.

The Medallion Monazite Process focusses primarily on the recovery of neodymium and praseodymium (NdPr), which are the critical elements used in rare earth permanent magnets required for electric and hybrid vehicles, wind power generation, and robotics.

Monazite is the world's original commercial source for REEs and typically contains approximately 60% REEs. According to the US Geological Survey, the minerals monazite and bastnaesite account for about 95% of the world's rare earth element resources. Only these two minerals have ever produced significant quantities of rare earths.

Monazite is potentially available in large quantities as a by-product from heavy mineral sand mines. Development of new REE production outside of China from by-product monazite could therefore, in Medallion's view, be done relatively inexpensively. Heavy mineral sand mines supply the bulk of the world's titanium and zirconium, and long-term by-product supplies of monazite may be available to produce a steady supply of REE concentrate.

As this mineral sand monazite is produced as a by-product from existing mining operations, there is no requirement for exploration, proving of mineral reserves, mining, or most milling processes. Heavy mineral sand mines generally produce a low-grade monazite by-product, with further upgrading required to be acceptable feedstock for Medallion.

Safe environmental procedures are an important part of REE production. In 2012, Medallion commissioned a report from SENES Consultants Limited, internationally recognized specialists in mining, nuclear and environmental sciences, which reviewed the health and safety aspects of Medallion's proposed monazite processing plant plans. The report supported the Company's view that, with the proper operational controls and the use of modern handling and waste disposal systems, a commercial scale monazite processing plant can be operated safely and effectively while complying with all major national and international mineral processing and environmental safety standards.

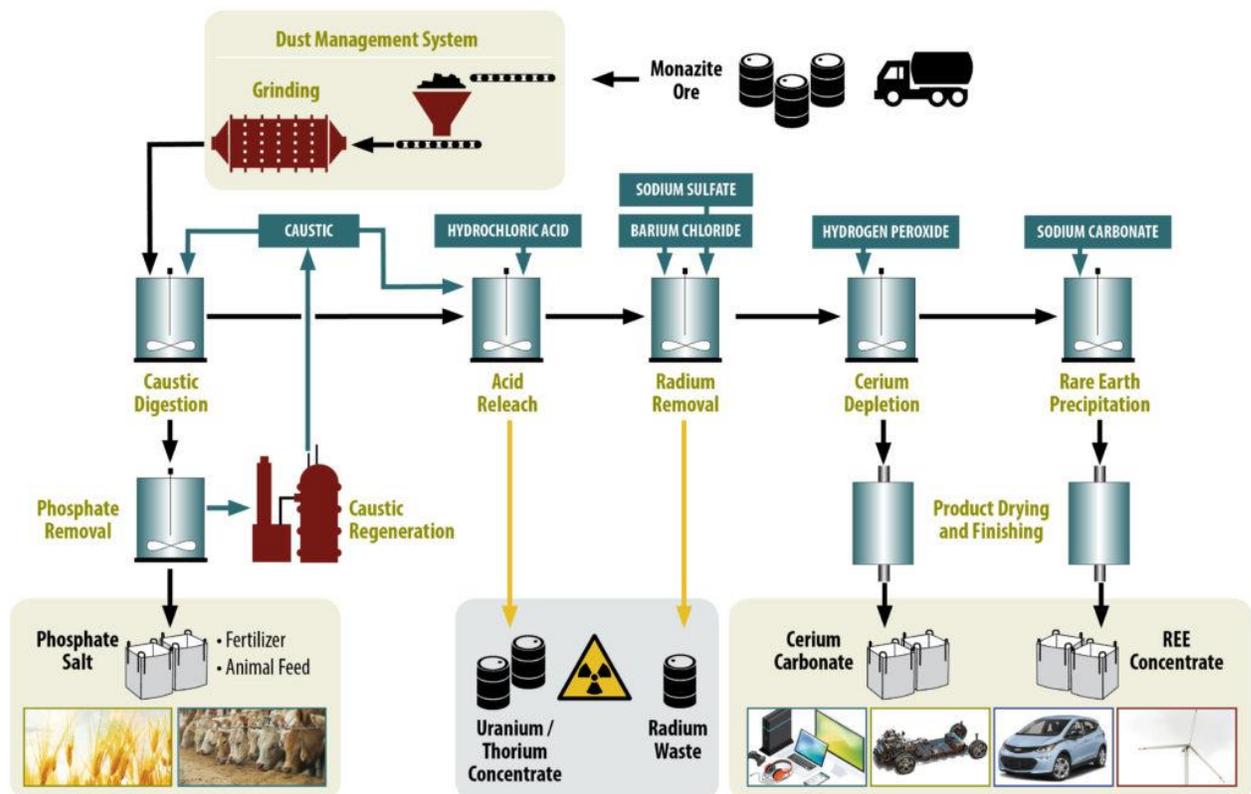
In 2015 Medallion reported that lab-scale testing had confirmed a caustic metallurgical process flowsheet. Subsequent releases reported recovery of an average of 91% of the ten important commercial REEs and yielded a mixed REE chemical concentrate. Tests indicated that the economically important magnet-critical elements (neodymium, praseodymium, dysprosium, terbium) represent 86% of the value of the resulting concentrate. Medallion received positive feedback that its high-purity REE concentrate samples were suitable, once available in commercial quantities, as input material to standard commercial REE refineries.

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In 2018 Medallion announced completion of bench-scale optimization of extraction testwork. This phase produced a cerium-depleted, rare earth element concentrate from North American monazite sand. Medallion’s enhanced extraction process provides for cost-effective removal of cerium, a low-value REE that constitutes over 40% of the REE content of monazite. The removal of cerium significantly increases the value of an REE concentrate. Testwork achieved an 84.8% recovery of REEs, excluding cerium, from the initial grinding through to the production of the high-purity mixed rare earth carbonate concentrate. The produced product met the quality specifications as input into standard commercial REE refineries.

Later in 2018, Medallion completed testwork to produce trisodium phosphate from monazite, a commercial compound which wholesales at approximately \$500/tonne and has wide application as a food additive, cleaning agent, lubricant, stain remover and degreaser. Also being investigated is potential commercialization of thorium, uranium, and their related daughter products—the radioactive elements that are present in monazite and its process waste streams.

A current internal top-level process flow diagram of Medallion’s process can be seen here:



In September 2019 the Company announced the completion of the development of its proprietary flow-sheet design for the Medallion Monazite Process. Medallion believes this new flow-sheet represents an important improvement in the processing of monazite, holding promise of a highly automated and cost-efficient process. Key features of Medallion’s enhanced “caustic crack” REE extraction process include:

- Full automation for low manpower requirements and worker isolation from harsh operating environments (chemical, thermal and radiological) for enhanced safety;
- Highly-energy efficient design;
- Option for a zero liquid discharge plant to provide additional flexibility on planning/permitting;
- Waste production options; and

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- Employment of only “off-the-shelf” equipment — with innovations on their application.

In November 2019 Medallion engaged Australian-based Simulus Engineers, an independent engineering consultancy, to develop the chemical process model for the Medallion Monazite Process. The Medallion process allows for a relatively rapid and low-capital production of REEs.

In January 2020 Medallion engaged international engineering group Stantec to carry out its “Rare-Earth Production Facility — Logistics and Facility Siting Studies” project seeking a location in the United States. The study identified and ranked a range of regions that appear highly suitable for further investigation. While detailed study results remain confidential, U.S. states with access to the Gulf Coast present many advantages.

In September 2020 the Company announced the initiation of a comprehensive comparative technical and commercial review of existing and emerging REE separation technologies. Medallion’s REE extraction process from monazite had achieved the technical milestones needed to consider binding downstream partnerships, while the Company’s improved financial position enabled stronger commitments within the REE supply chain.

Following on from this technical review, on February 18, 2021, the Company announced the acquisition of a license for exclusive rights to Purdue University-developed REE separation and purification technologies, from Hasler Ventures LLC, termed Ligand Assisted Displacement (“LAD”) chromatography. Medallion will further develop and commercialize this process technology which is complementary to the Company’s existing business focus.

As part of the exclusive patent license for its fields of use, Medallion has committed to a three-year US\$150,000 per annum sponsored research program with Purdue University to further advance the technologies, and achieve various technical milestones including operation of a demonstration plant. On commercial operation, royalty fees or sub-license fees will be payable at standard industry rates.

In November 2020 the Company announced the engagement of Simulus Engineers to complete a techno-economic assessment (TEA) of the Medallion Monazite Process. The TEA aggregated results from extensive laboratory test work, process simulation and trade-off studies completed by Medallion over the past 5 years and delivered commercial capital and operating cost estimates for an extraction facility that processes 7,000 tonnes per year of monazite feedstock. The study boundaries and model are provided in Figure 1.

The TEA was completed and press released during July 2021. Key findings included:

- Medallion has received from Simulus Engineers comprehensive process flow diagrams, equipment lists, reagent, energy and personnel requirements and energy, heat and mass balances for the Medallion Monazite Process.
- Engineering was completed at an assumed 7,000 tonnes per annum scale. The TEA has demonstrated the technical and financial viability of the Medallion Monazite Process at this scale.
 - Such a facility would deliver approximately 870 tonnes per annum of neodymium (“Nd”) and praseodymium (“Pr”) oxide in cerium-depleted mixed carbonate form.
 - Nd and Pr oxide are the key inputs for rare earth element permanent magnet production, currently priced at around US\$80,000 per tonne.
 - REE permanent magnets are high growth markets due to their importance for electric mobility and renewable power generation.
 - Other products from the Medallion Monazite Process include cerium (“Ce”) oxide and trisodium phosphate (“TSP”).

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- The developed process is zero-liquid waste delivering a high degree of flexibility in the choice of prospective operating locations.
 - The engineered plant is very modest in land use footprint, energy and transport needs, and is comprised of conventional off-the-shelf plant and equipment, allowing for a short procurement to production lead time.
- The engineering data has allowed development of an independent and comprehensive financial model prepared by Denco Strategic Research & Consulting Inc. that can be easily updated for changes to process location and operating assumptions. In the modelled “base case” scenario, a southeastern USA setting was assumed for capital and operating costs, while REE ratios from US-sourced mineral sand monazite was used to model REE outputs.
 - a capital cost estimate of US\$34m was determined from engineered components (not including site specific costs) for an assumed 7,000 tonne monazite per annum process facility. Capital costs can now be scaled for offtake or partner specific supply conditions.
 - an operating cost of US\$12 per kg of cerium-depleted mixed REE oxide (not including monazite supply costs).
 - an operating cost of US\$28 per kg of NdPr in cerium-depleted mixed REE oxide (not including monazite supply costs; no discounting for co-product value) is modelled.
 - labor is the largest individual operating cost, providing the possibility to markedly lower operating costs by expanding processing capacity and throughput to achieve labor efficiencies.
 - NdPr is the largest market by value in the REE sector and accounts for approximately 80% of revenue achieved from typical mineral sand monazite feedstock.
- Medallion recently invested with Purdue University to gain an exclusive license for proprietary environmentally-friendly REE separation technology (Ligand Assisted Displacement (“LAD”) Chromatography).
 - This process, while presenting a substantial value add option, has not been modelled in the TEA.
 - LAD Chromatography provides the opportunity to directly pass a pregnant leach solution from extraction stage to separation stage, maximizing recovery and minimizing cost.
 - Figure 1, on the following page, shows the opportunity to add LAD Chromatography to the Medallion Monazite Process modelled in the TEA.
- A parallel Life Cycle Assessment (“LCA”) model will be delivered by Minviro Ltd in coming weeks that summarizes the environmental impact of the process and highlights the advantages of utilizing by-product materials.
- The TEA integrates and summarizes research completed to date on the Medallion Monazite Process and is a pivotal engineering and financial study. The models used in the TEA are designed to be iterative and can be updated for any global setting/scenario. It is designed to guide the Medallion Board of Directors in the future investment decisions of the Company.
- Research and execution plans are being developed internally for both the monazite and LAD processes to guide on-going research.

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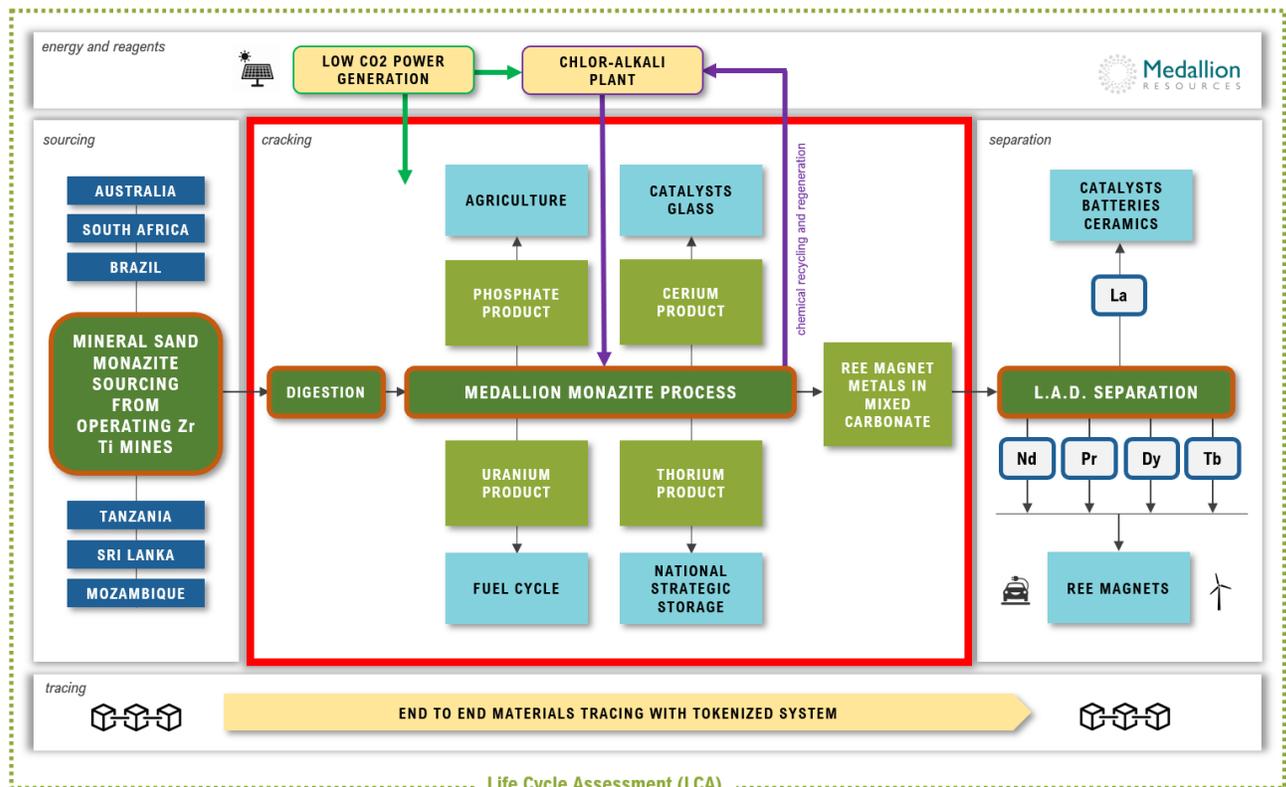


Figure 1: Envisaged rare earth element monazite to magnet supply chain utilizing the Medallion Monazite Process and Purdue’s LAD Chromatography. Red box outlines the system boundary for the current Techno Economic Assessment.

In April 2021, the Company announced completion of a suite of diagnostic test work at the Australian Nuclear Science and Technology Organization (ANSTO) in Sydney, to extract REE from mineral sand monazite. The monazite was sourced from an Australian mineral sand mine. Test work was focused on correlating low cost “diagnostic” mineralogical and chemical data from “run of mine” monazite, sourced from operating mines and prospective producers, with extraction results from the Medallion Monazite Process. This growing data bank will ensure optimal process conditions can be anticipated for all monazite sources and optimal sites identified for a Medallion Monazite Processing hub.

In June 2021 the Company announced the successful separation and purification of the magnetic REEs neodymium (Nd) and praseodymium (Pr), from US-sourced mineral sand monazite. This was a significant milestone for the Company and highlights the value-add opportunity created by the exclusive licensing of the LAD Chromatography method and underlying patents from Purdue University. The technology is equally applicable to other REE feedstocks.

In July 2021, the Company announced the completion of the independent TEA for Medallion’s proprietary Medallion Monazite Process that enables sustainable extraction of REE from mineral sand monazite. The TEA was completed by process engineering and simulation specialists Simulus Engineers (Australia).

The Company announced the signing of a non-binding letter of intent (“LOI”) with Australian private company ACDC Metals Pty Ltd (“ACDC”) to form a partnership to utilize Medallion’s

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proprietary Medallion Monazite Process to extract rare earth elements from monazite in southeastern Australia.

ACDC is securing the right to acquire three historical non JORC/NI43-101 compliant mineral sand resource properties and other exploration assets in Victoria (Australia), to potentially underpin a supply of monazite suitable for the Medallion Monazite Process.

The LOI outlines various terms and conditions that will form the basis of a binding contract, subject to mutual due diligence, provides ACDC with the exclusive right to construct a mineral sand monazite refinery in southeastern Australia utilizing the Medallion Monazite Process, and the right to sub-license the LAD Chromatography process for REE separation. In compensation, Medallion shall receive a significant allocation of pre-IPO shares of ACDC, transferable rights to contribute funding to ACDC at seed and IPO stages, milestone payments and a royalty on successful operation of the refinery.

On August 18, 2021 the Company announced the addition of Daniel Mamadou and Gabriel Alonso-Mendoza to the Company's Board of Directors. Both are long-term, active participants and investors in the rare element industry and bring extensive commercial and financial experience to the Medallion team. At this key time for the Company, Daniel and Gabriel are anticipated to provide valuable contributions to Medallion's strategy and growth.

On October 14, 2021, the Company announced it is showing results under Confidentiality Agreements with prospective partners in various parts of the REE supply chain.

OUTLOOK

The Medallion Board is reviewing the TEA results to make determinations about Medallion's further investments toward developing and monetizing the Medallion Monazite Process. Independent financial modelling and market research has indicated a licensing/partnership business approach with parties that have access to mineral sand monazite is most appropriate during the current high monazite price environment. Medallion is actively seeking opportunities for collaboration and technology licensing with mineral sand mining companies within favorable jurisdictions.

The Company's current activities are focused on making progress in the following areas:

Process Development

- Using appropriate mineral labs to test specific parts of the monazite processing flowsheet in order to further optimize and produce larger sample volumes evaluation
- Supporting research at Purdue University to test and commercialize LAD technology.

Customer Engagement

- Building relationships with downstream customers in the electric vehicle, wind energy and magnet industries.

Monazite Feedstock Sourcing/Partnerships

- Further developing commercial and technical relationships with mineral sand mining operators and regional governments to assess and source monazite-sand concentrate.
- Advancing licensing partnerships with third parties for various regions of operation.

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- Building a team to support monazite acquisition, transport, and marketing.

Financing

- Efforts on capital-raising to proceed with process development and business-development activities. The Company has reported that it is open to equity investment, strategic partnerships or alternative financial approaches to provide minimally dilutive capital to develop the business. In addition, various non-dilutive government programs are being reviewed as possible sources of funds for particular initiatives.

FORWARD LOOKING STATEMENTS

Except for statements of historical fact, certain information contained herein constitutes forward-looking statements. Forward-looking statements are usually identified by the use of certain terminology, including “will”, “believes”, “may”, “expects”, “should”, “could”, “seeks”, “anticipates” or “intends” or by discussions of strategy or intentions. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the Company’s actual results or achievements to be materially different from any future results or achievements expressed or implied by such forward-looking statements. Forward-looking statements are statements that are not historical facts, and include but are not limited to, estimates and their underlying assumptions, statements regarding plans, objectives and expectations with respect to the effectiveness of the Company’s business plan, future operations, the impact of regulatory initiatives on the Company’s operations; general industry and macroeconomic growth rates; expectations related to possible joint and/or strategic ventures, the entering into of monazite purchase agreements and the ability of the Company to finance and advance a monazite processing facility, and other statements regarding future performance.

Forward-looking statements used in this discussion are subject to various risks and uncertainties, including the risks of price fluctuations of rare-earths, risks of obtaining required financing on suitable terms, or at all, risks of competition from larger, financially stronger competitors, and other mineral resource industry risks most of which are difficult to predict and generally beyond the control of the Company. If risks or uncertainties materialize, or if underlying assumptions prove incorrect, the Company’s actual results may vary materially from those expected, estimated or projected. Forward looking statements in this document are not a prediction of future events or circumstances, and those future events or circumstances may not occur. Given these uncertainties, users of the information included herein, including investors and prospective investors, are cautioned not to place undue reliance on such forward-looking statements.

DISCLAIMER

The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company. The users of this information, including but not limited to investors and prospective investors, should read it in conjunction with all other disclosure documents provided including but not limited to all Company documents filed on SEDAR (www.SEDAR.com). No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented herein.

BY ORDER OF THE BOARD

“Mark Saxon”

MARK SAXON