



MEDALLION RESOURCES LTD

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL RESULTS**

For the three and six months ended September 30, 2022

Dated: November 29, 2022

Medallion Resources Ltd.

Management's Discussion and Analysis

For the three and six months ended September 30, 2022

Containing information up to and including November 29, 2022

The following Management's Discussion and Analysis ("MD&A") is prepared as at November 29, 2022 and is intended to help the reader understand the accompanying unaudited condensed consolidated 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, 2022.

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.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking statements within the meaning of applicable Canadian securities legislation and Section 27A of the United States Securities Act of 1933 and Section 21E of the United States Securities Exchange Act of 1934.

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 feedstock supply agreements and the ability of the Company to finance and advance one or more rare earth 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.

Medallion Resources Ltd.

Management’s Discussion and Analysis

For the three and six months ended September 30, 2022

Containing information up to an including November 29, 2022

SUMMARY OF BUSINESS

The unaudited condensed consolidated interim financial statements of the Company for the six months ended September 30, 2022 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, Canada and was formed on December 8, 1989 upon the amalgamation of Hera Resources Inc. and Talented Mines Ltd, and changed its name to Medallion Resources Ltd. on February 10, 1998.

The Company has two wholly owned subsidiaries, Medallion Research USA, Inc., a Delaware, USA corporation formed on February 9, 2021, and Medallion Innovations UK Limited, a UK corporation formed on October 10, 2022. Medallion Research USA, Inc. holds the Company’s rights to Ligand Assisted Displacement (“LAD”) Chromatography developed by Purdue University.

From inception until 2009, the Company explored a portfolio of mineral projects. In September 2009 the Company announced it would explore for lithium, rare earth elements (“REEs”) and other metals related to clean energy. In evaluating these opportunities, the Company recognized the need for REE processing technologies that comply with health, safety and environmental best practice.

Medallion believes there is a paradigm shift in the need for and availability of critical materials required to accelerate the global energy transition from carbon to renewable sources. Building on the knowledge and expertise it has accumulated, the Company is focused on mid-stream separation and purification of rare earth oxides and salts (“REOs”) which, it believes, is the most commercial attractive space within the mine-to-magnet supply chain (see Figure 1).

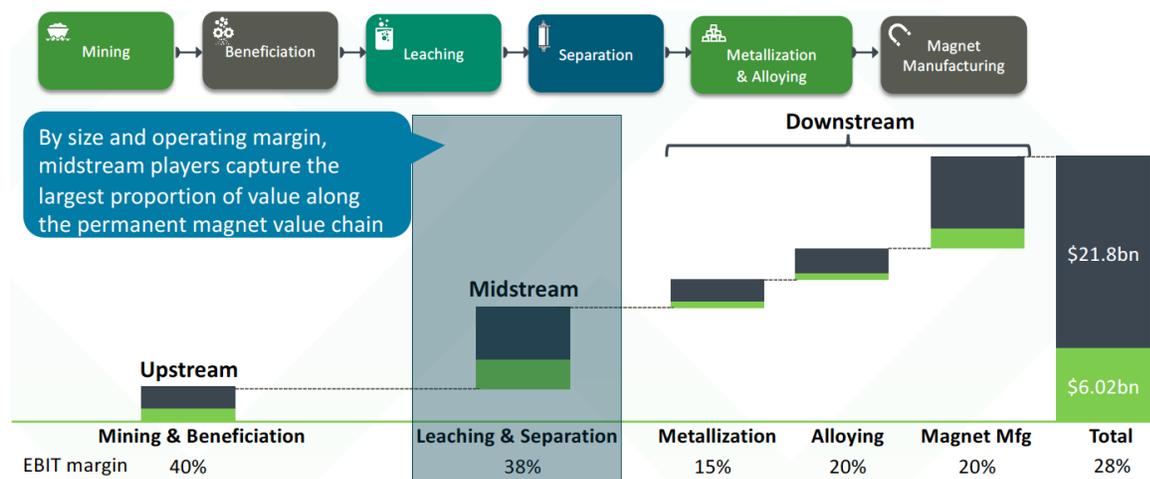


Figure 1: Magnetic REE Value Chain in 2021 (source - ADAMAS Intelligence and Company estimates. Note: EBIT is a non-IFRS Financial Measure)

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.

Medallion Resources Ltd.

Management's Discussion and Analysis

For the three and six months ended September 30, 2022

Containing information up to and including November 29, 2022

SUMMARY OF RECENT DEVELOPMENT AND OUTLOOK

Recent developments

- On April 26, 2022 the Company announced a new strategic plan focused on clean energy technologies, building on Medallion's existing REE processing technologies. The strategic plan included an up list to the Nasdaq Capital Market ("Up List"), rebranding as Medallion Innovations Corp., potentially delisting from the TSX Venture Exchange, appointment of a new executive management team including Alfredo Ramos Plasencia as Chief Executive Officer and Dr. Kurt Forrester as Chief Technology Officer.
- At the Annual General and Special Meeting of Shareholders held in Vancouver, BC on May 27, 2022 the shareholders approved resolutions authorizing the Board of Directors to consolidate the Company's shares at a consolidation ratio sufficient to meet the Initial Listing Requirements of NasdaqCM, namely a US\$4.00 minimum bid price, up to a maximum consolidation ratio of 90 pre-consolidation shares for each post-consolidation share and, at the board's discretion, to delist from the Tier 2 of the TSX Venture Exchange ("TSXV").

The Company is reviewing financing alternatives in the light of current conditions in global equity markets.

- On June 6, 2022 Douglas Newby was appointed Chief Financial Officer and Corporate Secretary.
- On August 2, 2022 the Company issued US\$1,150,000 principal amount unsecured convertible debentures due August 1, 2023 bearing interest at 5% to two US investors at an original issue discount of US\$150,000 for proceeds to the Company of US\$1,000,000 (CDN\$1,286,000).

Subject to necessary regulatory approval and completion of the planned public offering of shares or units and Up List and delisting from the TSX Venture Exchange, any outstanding principal amount of the convertible debentures may be converted into shares or units issued in the Up List at 75% of the price of the shares or units issued in the Up List (the "Conversion Price") and, at the time of the delisting, the Company shall also issue to the purchasers warrants to purchase at the Up List price the number of shares calculated by dividing 50% of the principal amount by the Conversion Price. The warrants are exercisable at any time from the day the Company's shares are delisted from the TSXV until August 1, 2027.

The proceeds will be used for working capital and general corporate purposes including continuing to advance the Company's technologies.

- On October 4, 2022 the Company entered into a definitive agreement with ACDC whereby ACDC has the right to use Medallion's proprietary MMP monazite processing technology to extract REEs from monazite sourced primarily as a by-product of ACDC's potential heavy mineral sand production in Victoria, Australia. This definitive agreement replaced a previously-disclosed non-binding letter of intent between the Company and ACDC.

Medallion Resources Ltd.

Management's Discussion and Analysis

For the three and six months ended September 30, 2022

Containing information up to and including November 29, 2022

ACDC has entered into binding acquisition agreements to acquire interests in the Goschen Central Project, the Douglas Project, and the Watchem Project located on the eastern edge of the Murray Basin, Victoria, Australia. Medallion believes the projects are highly prospective for heavy mineral sand, REE and other materials based on past exploration results which are not compliant with the JORC Code or National Instrument 43-101.

ACDC's business plan includes drilling the properties with the objective of establishing resources that comply with JORC and establishing a pilot processing facility to demonstrate the MMP and produce sample materials for evaluation by potential customers. On November 9, 2022 ACDC lodged a prospectus with Australian Securities & Investments Commission for an Initial Public Offering of ACDC's shares on the Australian Stock Exchange ("ASX") before the end of 2022.

The Company currently owns 4.8 million shares of ACDC, or approximately 15% of ACDC's issued capital before the IPO. Upon successful completion of a pilot plant utilizing MMP, the Company will receive an additional 2.5 million shares of ACDC by converting Class C Performance Rights to be issued to the Company at the time of the IPO. Upon commercial production, the Company will be entitled to convert additional Class D Performance Rights into 750,000 shares of ACDC. Upon full conversion of the Class C and Class D Performance Rights, the Company would own 8.05 million shares of ACDC.

The Company will receive a 2% royalty on the sale of mixed REE compounds and other minerals produced by ACDC and processed using MMP.

The Company and ACDC have also agreed to collaborate on advancing a rare earth refinery to process mixed REE compounds to produce separated REOs using the LAD Chromatography process.

- On October 24, 2022 the Company announced it had appointed Alfredo Ramos Plasencia as President, Chief Executive Officer and Director, and Dr. Kurt Forrester as Chief Technology Officer; Dr. Forrester will continue to serve as a Director. Mark Saxon, who was appointed President and CEO in May 2020, will continue as a Director and Vice President of Business Development focused on upstream rare earth feedstock supply. Douglas Newby will continue as CFO and Corporate Secretary.

Mr. Ramos brings more than 20 years' experience in process industries, having worked in diverse research and development, engineering and operational roles across a wide range of sectors including chemicals, energy and mining. He has key expertise in digital design and smart manufacturing solutions having developed and commercialized novel technologies supporting design, engineering and operation of industrial assets.

Mr. Ramos holds a Master in Chemical Engineering from RWTH Aachen University (Dipl.-Ing.) and an MBA, with distinction, from London Business School. Mr. Ramos is a Governor at Teesside University, a member of the Industry Advisory Board at the University of Edinburgh's Department of Chemical Engineering, and an advisor to the High Value Manufacturing Catapult in the UK. He has been completing his tenure as member of the senior leadership at the Center for Process Innovation Ltd. ("CPI") since April 2022 when Medallion first announced his intention to join the Company.

Dr. Forrester has been a technical advisor to the Company since 2015. He has nearly 20 years' experience as an engineering consultant in metals and minerals, environmental and applied

Medallion Resources Ltd.

Management's Discussion and Analysis

For the three and six months ended September 30, 2022

Containing information up to and including November 29, 2022

research, including process and technology development, feasibility assessment (PEA, PFS, DFS) as well as detailed design (EPCM). He has broad experience across commodities and technologies including base metals, rare earth elements, and industrial minerals.

Outlook

Medallion is currently focused on:

Process Development

- Supporting research at Purdue University to test and commercialize LAD Chromatography,
- Establishing a model-based design suite to guide the development and further scale-up of the LAD Chromatography process,
- Establishing partnerships with renowned research and technology organizations to accelerate scale-up work for the LAD Chromatography process, and
- Using appropriate testing service laboratories to test specific parts of the monazite processing flowsheet in order to further optimize and evaluate larger sample volumes

Customer Engagement

- Building relationships with downstream customers in the electric vehicle, wind energy and magnet industries,
- Mineral-derived mixed REO-equivalent Concentrate Sourcing/Partnerships,
- 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, and
- Building a team to support all parts of monazite acquisition and transport

Opportunity Assessment and Technology Acquisitions

- Continued assessment of opportunities which are identified or offered to Medallion, and
- Where appropriate acquire technologies and support their development

Medallion Resources Ltd.

Management's Discussion and Analysis

For the three and six months ended September 30, 2022

Containing information up to an including November 29, 2022

DETAILED DESCRIPTION OF BUSINESS

Medallion expects consumption of critical materials will be driven by surging demand for EVs, consumer electronics, renewable power generation, and robotics (Figure 2).

The Covid pandemic and the conflict in the Ukraine have highlighted supply chain vulnerabilities. China mines approximately 60% of the world's REEs, but currently handles more than 90% of each of the processing steps through to magnet production (Figure 3).

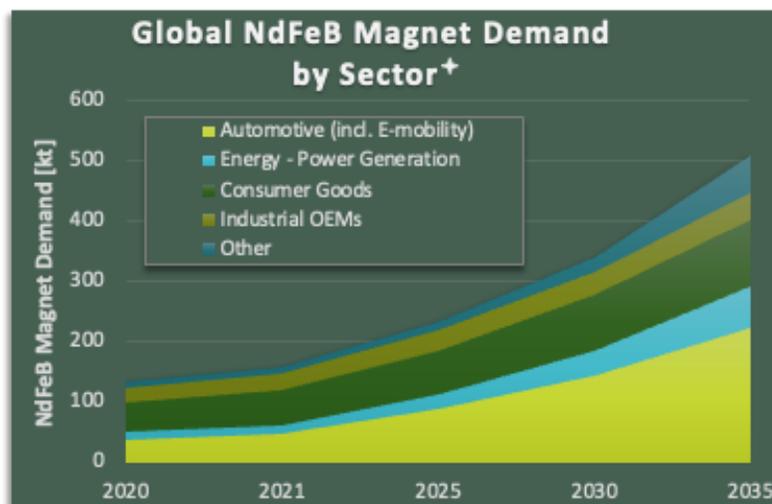


Figure 2: Forecasted Global NdFeB Magnet Demand by Sector (source - Adamas Intelligence)

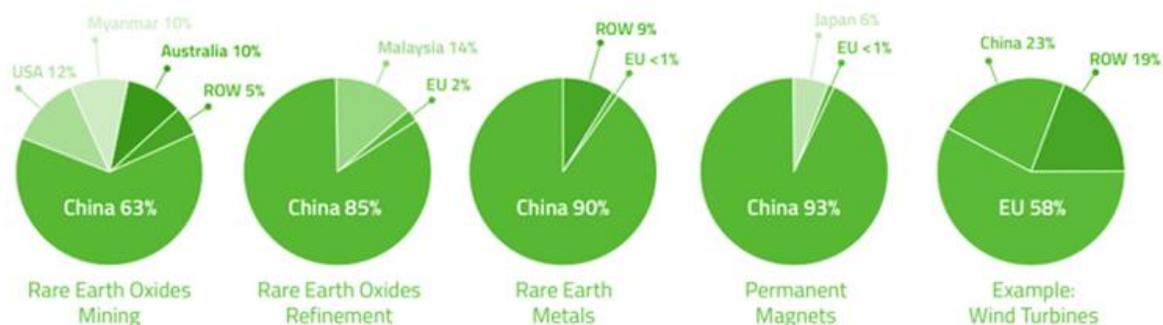


Figure 3: Share of market segment by country for key components of the rare earth supply chain (source - Adamas Intelligence)

The Company's immediate commercialization plan is based on LAD Chromatography, enablement of upstream processing using the Company's proprietary MMP, and marketing of magnetic REOs (neodymium, praseodymium, dysprosium, and terbium) to downstream rare earth permanent magnet producers and consumers.

Medallion's Technologies

Medallion currently has two REE process technology platforms, LAD Chromatography and MMP, focused on mid-stream separation and purification of magnetic REOs. Figure 4 provides a schematic representation of the positioning of the Medallion process technology platforms in the magnetic REE supply chain and the Company's assessment of the potential for innovation and competition along the various REE supply chain segments.

Medallion Resources Ltd.

Management's Discussion and Analysis

For the three and six months ended September 30, 2022

Containing information up to an including November 29, 2022

In 2020, Medallion initiated a comparative technical review of existing and emerging REE separation technologies resulting in its selection of LAD Chromatography as the core element of a mid-stream separation and purification platform.

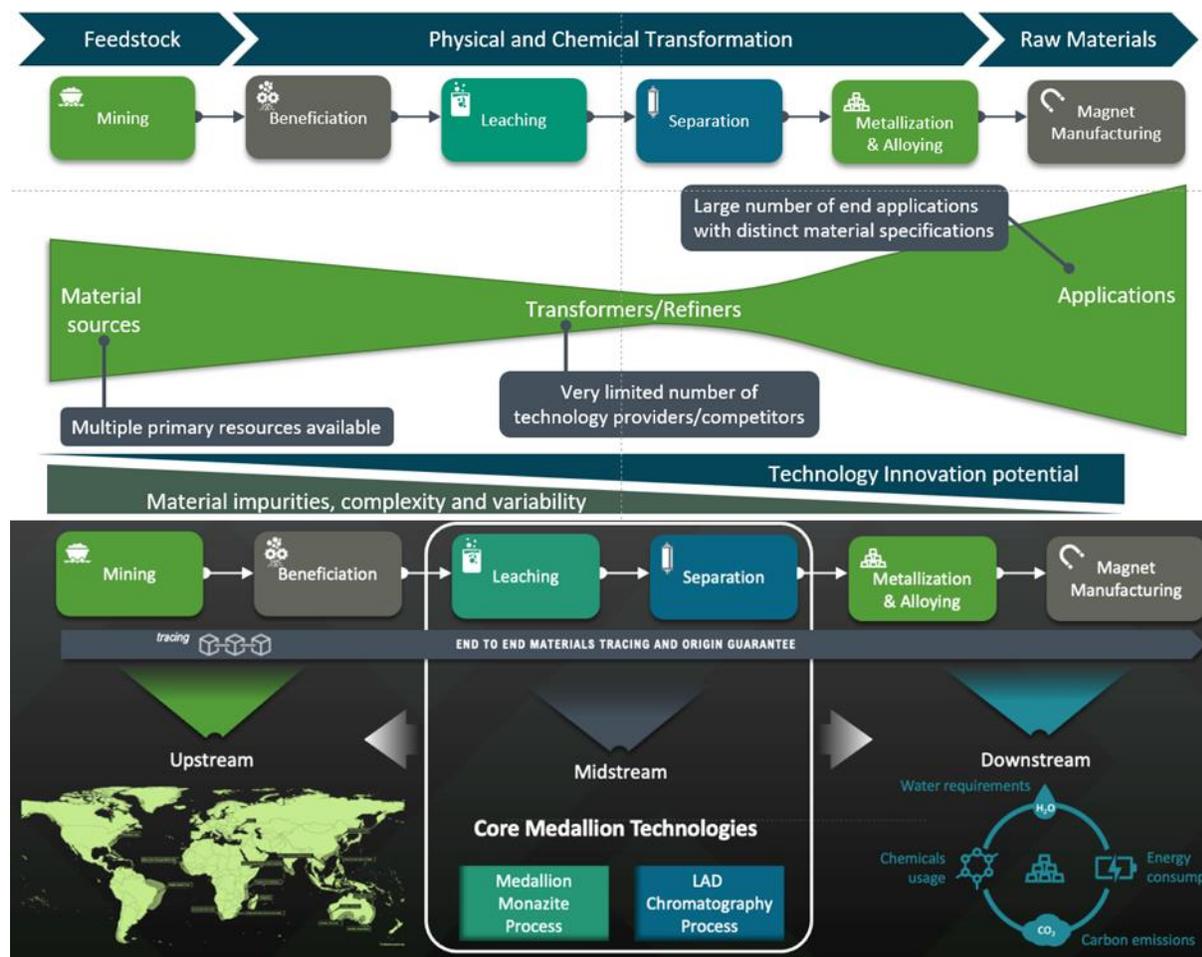


Figure 4: Industry Position of Medallion Technology Platforms

LAD Chromatography

The patented LAD Chromatography separation process was developed by Purdue University. On February 18, 2021 Medallion exclusively licensed LAD Chromatography from Purdue Research Foundation to separate minerals from raw material feed stocks (excluding coal sources and recycled materials from manufacturing wastes and recyclates from battery and magnet sources.)

Medallion is supporting development of the LAD Chromatography process through a three-year sponsored research program with Purdue, targeting the design, development, and operation of a demonstration plant.

In June 2021 the Company announced successful separation and purification of neodymium and praseodymium from an REE chemical concentrate derived from monazite processed via the MMP.

Medallion Resources Ltd.

Management's Discussion and Analysis

For the three and six months ended September 30, 2022

Containing information up to and including November 29, 2022

Work conducted in parallel with Medallion's program has reported 99.5% or better, separated REEs. The Company expects the LAD Chromatography platform will provide a lower capital and operating cost than incumbent solvent extraction and have a reduced carbon footprint in addition to being adaptable to different feedstocks.

Unlike solvent extraction process technology adopted by the REE industry in the 1960s which remains standard practice in China, LAD Chromatography does not use organic solvents and targets specific elements instead of sequential group separation using many hundreds of mixer-settlers. LAD Chromatography was initially developed as a theoretical model that has been verified in laboratory analysis. This novel approach ties well with the Company's technical expertise in process modelling, verification, and commercialization.

The LAD Chromatography process is capable of processing complex metal mixtures into individual metals (or groups) and, as such, the Company anticipates it may find uses in other separation processes which employ solvent extraction, in addition to REOs.

Medallion Monazite Process

The Company is also advancing its proprietary MMP technology. Monazite, a common byproduct of heavy mineral sand processing and the primary ore at some primary REE deposits such as Lynas' Mt. Weld mine in Western Australia, is typically rich in neodymium and praseodymium, the key magnetic REOs.

Medallion has conducted a suite of diagnostic analysis at the Australian Nuclear Science and Technology Organization ("ANSTO") in Sydney, Australia evaluating the potential to process monazite from operating and prospective heavy mineral sand operations in Australia using the MMP process.

The MMP process is designed to produce high-purity mixed REE as a chemical concentrate as well as byproduct trisodium phosphate ("TSP"), and radioactive materials in a form where they can be handled effectively for market or storage. In November 2020, Medallion extended Simulus Engineers' engagement to include a confidential techno-economic assessment ("TEA") of the MMP process.

The TEA evaluated a commercial-scale facility processing 7,000 metric tons per year of monazite feedstock. Simulus estimated the capital cost at US\$34 million including 15% contingency and annual operating costs of approximately US\$21 million, excluding the cost of the monazite feedstock.

The TEA estimated the facility would produce approximately 870 tonnes per year of NdPr contained in a cerium-depleted mixed carbonate, which would represent less than 2% of the global primary market of approximately 60,000 tonnes in 2021, according the ADAMAS Intelligence. At 2021 average prices, Medallion estimate the value of the contained NdPr produced each year by the proposed facility would be approximately US\$85 million – note that a mixed concentrate is worth less than the value of the contained REOs.

Medallion commissioned Minviro Ltd. to complete a Life Cycle Assessment ("LCA") to evaluate the environmental impact of processing byproduct monazite employing the MMP.

Medallion Resources Ltd.

Management's Discussion and Analysis

For the three and six months ended September 30, 2022

Containing information up to and including November 29, 2022

Technology Deployment

Medallion has evaluated numerous samples of monazite from heavy mineral sand producers and is in technical and commercial discussions with current and prospective monazite producers.

Medallion believes that its expertise in monazite processing will enable it to assist upstream producers of other REE minerals such as xenotime and bastnasite optimize their processing for mid-stream refining independent of China.

The MMP and LAD Chromatography processes can operate independently or can be integrated into a combined facility processing monazite feedstock and producing separated rare earth oxides.

Medallion continues to pursue related technologies such as the metallization of magnetic REOs and the application of LAD Chromatography to high-purity separation of other complex metals.

Following the expiration of an exclusive technology review announced on March 28, 2022, the Company is continuing to evaluate a proprietary, privately-owned metallization processes, where REE compounds are converted to REE metal, a crucial step in the production of high strength REE permanent magnets.

The Company believes that partnering with research groups at universities in North America, the EU and elsewhere offers excellent opportunities to bridge the gap between early-stage research and development and commercialization. Medallion plans to partner with other entities in order to leverage its expertise, enable it to commercialize more than one technology at a time, and reduce the financial and market risks associated with technology commercialization.

Technology Commercialization

On October 4, 2022 the Company announced that it had entered into a definitive agreement with ACDC Metals Ltd. whereby ACDC has the right to use Medallion's proprietary MMP technology to extract rare earth elements from monazite sourced as a by-product of heavy mineral sand production.

ACDC has entered into binding acquisition agreements to acquire interests in the Goschen Central Project, the Douglas Project, and the Watchem Project, located on the eastern edge of the Murray Basin, Victoria, Australia. The projects have historical mineral resources which are not compliant with the JORC Code or *National Instrument 43-101*. ACDC's business plan includes drilling the properties with the objective of establishing resources that comply with JORC and establishing a pilot processing facility to demonstrate the MMP and produce sample materials for evaluation by potential customers. ACDC intends to fund this work from the proceeds from an Initial Public Offering ("IPO") of ACDC's shares on the Australian Stock Exchange ("ASX") anticipated before the end of 2022.

Medallion will receive a 2% royalty on the sale of mixed REE compounds and other minerals produced by ACDC and processed using MMP.

Medallion and ACDC have also agreed to collaborate on advancing a rare earth refinery to process mixed REE compounds to produce separated REOs using Medallion's LAD Chromatography process.

Medallion invested \$31,746 of cash to purchase shares of ACDC at an early stage and, as of September 30, 2022 recorded the investment at a fair value of \$426,336 based on subsequent arms' length pre-IPO financings by ACDC. For further details regarding ACDC, please refer to Note 9 of the accompanying

Medallion Resources Ltd.

Management's Discussion and Analysis

For the three and six months ended September 30, 2022

Containing information up to and including November 29, 2022

unaudited condensed consolidated interim financial statements for the six months ended September 30, 2022.

Competitive Strengths

Medallion believes its competitive strengths include:

- Experienced, qualified management with a demonstrated ability to identify, develop and commercialize process technology opportunities, especially during a period of disruptive technology change
- An initial technology portfolio that offers low-cost, energy-efficient processes with less environmental impact than incumbent alternatives, specifically:
 - established technical leadership in extracting REEs from monazite byproduct of heavy mineral sand processing, and
 - established technical leadership in the separation of mixed REE which can be applied to a broad range of natural raw material feedstocks; and
- Global technical, operating, and financing experience and access to relevant networks in North America, Europe, Australia, as well as South and East Asia.

Growth Strategy

Medallion's initial focus is to establish REO refineries using the LAD Chromatography platform to cover the Pacific region, Europe, the Americas, and Africa.

In parallel, Medallion intends to identify, evaluate, and as appropriate, acquire and commercially develop additional innovative IP related to the clean energy transformation. This may include complimentary technologies to add value to the existing REE processes or technologies.

In the longer-term, the Company plans to establish a portfolio of technologies targeting a variety of materials including but not limited to clean energy production and storage and other major clean technology and decarbonization applications.

Environmental, Social, and Governance ("ESG") Mandates Impacting Global Capital Allocation Throughout Value Chain

The Company believes it is essential that materials required for the clean energy transition be produced in accordance with ESG best practices. The production of EVs and clean energy technologies should not cause harm to the communities or the environment where they are produced.

MMP extracts REEs from what is otherwise a waste material that would need to be stored or disposed. It is a value-added process utilizing byproducts that does not require incremental mining activity to produce REEs. Additionally, the MMP process can be operated with no liquid discharge and there are only small volumes of solid waste that can be easily stored.

Medallion Resources Ltd.

Management's Discussion and Analysis

For the three and six months ended September 30, 2022

Containing information up to and including November 29, 2022

As the Company grows, it intends to further implement ESG best practices throughout its operations and activities, including advancing the 17 Sustainable Development Goals adopted by all the United Nation Member States in 2015, notably Affordable and Clean Energy (SDG 7) and Responsible Consumption and Production (SDG 12).

Financing Strategy

The Company initiated a plan to up-list the shares to the Nasdaq Capital Market ("NasdaqCM") to strengthen the Company's profile and increase the capacity for US and international shareholders to invest in the REE and clean energy technology sectors. At the Annual General and Special Meeting of Shareholders held in Vancouver, BC on May 27, 2022 the shareholders approved two resolutions authorizing the Company to proceed with the up-listing to NasdaqCM including a share consolidation at a consolidation ratio sufficient to meet the Initial Listing Requirements of NasdaqCM, namely a US\$4.00 per share minimum bid price, up to a maximum consolidation ratio of 90 pre-consolidation shares for each post-consolidation share, and, at the board's discretion, delist from the Tier 2 of the TSX Venture Exchange.

In recognition of market conditions, the Company has refocused on advancing its technology platforms, entering into partnerships as exemplified by the definitive agreement with ACDC, and pursuing alternative financing less dependent on public market conditions.

RESEARCH COSTS AND EXPENDITURES

Since no feedstock supply contracts or processing plant financing and development agreements are in place at this time, all expenditures, other than assets acquired separately, are being expensed in the Company's condensed consolidated interim statements of loss and comprehensive loss.

To support the Company's strategy of securing feedstock 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 condensed consolidated interim statements of loss and comprehensive loss.

During the six months ended September 30, 2022, the Company paid \$193,470 to support LAD Chromatography research at Purdue University. For further details relating to research expenses, please refer to Note 4 of the accompanying condensed consolidated interim financial statements for the six months ended September 30, 2022.

RESULTS OF OPERATIONS

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

Three Months Ended September 30, 2022 Compared to the Three Months Ended September 30, 2021

The Company's loss for the three months ended September 30, 2022 was \$297,313 (loss per share – \$0.00) compared to a loss of \$416,842 (loss per share – \$0.01) for the three months ended September 30, 2021.

Medallion Resources Ltd.

Management's Discussion and Analysis

For the three and six months ended September 30, 2022

Containing information up to and including November 29, 2022

The expenses amounted to \$258,072 (2021 – \$417,466). The factors that contributed to the decrease in the expenses during the three months ended September 30, 2022 compared with the corresponding period in 2021 were:

- Consulting fees for the three months ended September 30, 2022 were \$225 compared to \$40,129 for the three months ended September 30, 2021. This is due to a reduction in the number of contract staff engaged during the current period.
- Investor relations expenses for the three months ended September 30, 2022 were \$44,070 compared to \$70,015 for the six months ended September 30, 2021 as a result of the decrease in marketing activities and in-person conference participation; and
- Research costs for the three months ended September 30, 2022 were \$35,815 compared to \$96,064 for the six months ended September 30, 2021 as a result of scheduling of the Company's active development of the LAD Chromatography.

These decreased expenses were offset by the following:

- Director fees for the three months ended September 30, 2022 were \$18,000 compared to \$13,500 for the three months ended September 30, 2021. During the current period, the Company compensated two directors for their additional services related to NasdaqCM listing, and
- Professional fees for the three months ended September 30, 2022 were \$55,094 compared to \$27,238 for the six months ended September 30, 2021 as a result of the preparation for the potential up-listing to the NasdaqCM.

Six Months Ended September 30, 2022 Compared to the Six Months Ended September 30, 2021

The Company's loss for the six months ended September 30, 2022 was \$833,903 (loss per share – \$0.01) compared to a loss of \$856,381 (loss per share – \$0.01) for the six months ended September 30, 2021.

The expenses amounted to \$795,362 (2021 - \$856,679). The factors that contributed to the decrease in the expenses during the six months ended September 30, 2022 compared with the corresponding period in 2021 were:

- Consulting fees for the six months ended September 30, 2022 were \$14,265 compared to \$58,410 for the six months ended September 30, 2021. This is due to a reduction in the number of contract staff engaged during the current period.
- Investor relations expenses for the six months ended September 30, 2022 were \$70,015 compared to \$120,715 for the six months ended September 30, 2021 as a result of the decrease in marketing activities and in-person conference participation; and
- Research costs for the six months ended September 30, 2022 were \$269,171 compared to \$377,754 for the six months ended September 30, 2021 as a result of scheduling of the Company's active development of the LAD Chromatography.

Medallion Resources Ltd.

Management's Discussion and Analysis

For the three and six months ended September 30, 2022

Containing information up to and including November 29, 2022

These decreased expenses were offset by the following:

- Director fees for the six months ended September 30, 2022 were \$40,800 compared to \$27,000 for the six months ended September 30, 2021. During the current period, the Company compensated two directors for their additional services related to NasdaqCM listing.
- Professional fees for the six months ended September 30, 2022 were \$159,532 compared to \$47,065 for the six months ended September 30, 2021 as a result of the preparation for the potential up-listing to the NasdaqCM; and
- Transfer agent and filing fees for the six months ended September 30, 2022 were \$56,747 compared to \$11,303 for the six months ended September 30, 2021 as a result of costs associated with the Annual General Meeting in the current period.

SUMMARY OF QUARTERLY RESULTS

	Revenue	Other loss (gain)	Expenses	Net loss (income)	Loss per share
December 31, 2020	\$ -	\$ 1,550	\$ 429,314	\$ 430,864	\$ 0.01
March 31, 2021	\$ -	\$ 282	\$ 488,240	\$ 488,522	\$ 0.01
June 30, 2021	\$ -	\$ 326	\$ 439,213	\$ 439,539	\$ 0.01
September 30, 2021	\$ -	\$ 624	\$ 417,466	\$ 416,842	\$ 0.01
December 31, 2021	\$ -	\$ (409,980)	\$ 271,277	\$ (138,703)	\$ 0.00
March 31, 2022	\$ -	\$ 326	\$ 279,257	\$ 279,583	\$ 0.00
June 30, 2022	\$ -	\$ (700)	\$ 537,291	\$ 536,591	\$ 0.01
September 30, 2022	\$ -	\$ 39,241	\$ 258,072	\$ 297,313	\$ 0.00

LIQUIDITY AND CAPITAL RESOURCES

Fiscal Year ended March 31, 2023

As at September 30, 2022, the Company had working capital deficiency of \$82,136 compared to working capital of \$730,829 as at March 31, 2022, a decrease of \$812,965. The working capital decrease is due to operating expenses during the six months ended September 30, 2022 being funded by proceeds from the convertible debentures due within twelve months.

Cash consists of \$1,311,123 (March 31, 2022 - \$828,194) available in the bank accounts of the Company at September 30, 2022.

Reserves totalled \$4,707,556 as at September 30, 2022 (March 31, 2022 - \$4,707,556).

On August 2, 2022 the Company issued US\$1,150,000 principal amount unsecured convertible debentures due August 2, 2023 bearing interest at 5% to two US investors at an original issue discount of US\$150,000 for proceeds to the Company of US\$1,000,000 (CDN\$1,286,000). For further details, please refer to Note 10 of the accompanying unaudited condensed consolidated interim financial statements for the six months ended September 30, 2022.

Medallion Resources Ltd.

Management's Discussion and Analysis

For the three and six months ended September 30, 2022

Containing information up to and including November 29, 2022

TRANSACTIONS WITH RELATED PARTIES

Related party transactions are as follows:

- During the six months ended September 30, 2022 the Company was charged \$72,000 (2021 - \$72,000) by a private company controlled by the Chief Executive Officer of the Company, Mark Saxon, for management and consulting fees. At September 30, 2022, \$Nil (March 31, 2022 - \$Nil) was owed to this company.
- During the six months ended September 30, 2022, the Company was charged \$64,734 (2021 - \$Nil) by a private company owned by Douglas Newby, the Chief Financial Officer of the Company, for management and advisory services. At September 30, 2022, \$Nil (March 31, 2022 - \$6,721) was owed to this company.
- During the six months ended September 30, 2022, the Company paid \$12,000 (2021 - \$30,000) for accounting and consulting fees to a company of which the Company's former CFO, Robert Doyle, is a shareholder. At September 30, 2022, a total of \$Nil (March 31, 2022 - \$9,396) was owed to this company.
- During the six months ended September 30, 2022, the Company incurred \$64,310 (2021 - \$Nil) to a private company controlled by Kurt Forrester, who was appointed a director of the Company on March 15, 2022. At September 30, 2022, \$10,500 (March 31, 2022 - \$Nil) was owed to this company.
- During the six months ended September 30, 2022, \$Nil (2021 - \$52,000) was charged by a private company controlled by a former director of the Company, Don Lay, for management and consulting fees. At September 30, 2022, \$Nil (March 31, 2022 - \$Nil) was owed to this company on account of management and consulting fees.
- During the six months ended September 30, 2022, the Company was charged \$39,348 (2021 - \$16,702) by a private company controlled by Gabriel Alonso-Mendoza, a director of the Company. At September 30, 2022, \$Nil (March 31, 2022 - \$Nil) was owed to this company.
- During the six months ended September 30, 2022, \$40,800 (2021 - \$27,000) was paid to independent directors for director fees. At September 30, 2022, \$Nil (March 31, 2022 - \$Nil) was owed to the independent directors.
- 66,667 options held by Douglas Newby vested with his appointment as CFO on June 6, 2022.
- On June 15, 2022, 457,500 options held by a former director, Don Lay, expired unexercised, earlier than the original term due to the cessation of the directorship.
- On October 9, 2022, 835,686 warrants expired unexercised.
- On October 24, 2022 the Company granted its leadership team options to purchase a total of 1,859,000 shares at \$0.09 per share at any time on or before October 23, 2027, subject to regulatory approval.

Medallion Resources Ltd.

Management's Discussion and Analysis

For the three and six months ended September 30, 2022

Containing information up to and including November 29, 2022

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, 2022 and November 29, 2022:

	Issued and outstanding	
	September 30, 2022	November 29, 2022
Common shares outstanding	70,194,437	70,194,437
Stock options	5,158,750	7,017,750
Warrants	5,841,535	5,005,849
Fully diluted common shares outstanding	81,194,722	82,218,036

OFF BALANCE SHEET ARRANGEMENTS

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

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

Six months ended September 30, 2022

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, 2022
Cash	\$ 1,311,123	\$ -	\$ -	\$ 1,311,123
Investments	\$ -	\$ -	\$ 426,336	\$ 426,336
Convertible debentures	\$ -	\$ -	\$ 1,357,837	\$ 1,357,837

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.

Medallion Resources Ltd.

Management's Discussion and Analysis

For the three and six months ended September 30, 2022

Containing information up to and including November 29, 2022

- 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.
- 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 of September 30, 2022, 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 and the fact that interest to be accrued and paid on the convertible debentures is at a fixed rate of 5%, management does not believe that the Company's current financial instruments will be affected significantly by interest rate risk. The convertible debentures are denominated in US dollars and therefore the Company's current financial instruments do result in a foreign currency risk, which the Company seeks to mitigate by holding cash in US dollars. 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, 2022, 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 processing technologies 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

Medallion Resources Ltd.

Management's Discussion and Analysis

For the three and six months ended September 30, 2022

Containing information up to and including November 29, 2022

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, 2022.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

In connection with National Instrument 52-109, Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109") adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI52-109.

Disclosure controls and procedures

The Company's management is responsible for establishing and maintaining 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 CEO and CFO 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, 2022. Based on this evaluation, the CEO and CFO of the Company have concluded that the Company's disclosure controls and procedures in place during the six months ended September 30, 2022 and 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 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 during the six months ended September 30, 2022 and 2021. Based on this evaluation, the CEO and CFO have concluded that as at September 30, 2022, 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

Medallion Resources Ltd.

Management's Discussion and Analysis

For the three and six months ended September 30, 2022

Containing information up to and including November 29, 2022

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 six months ended September 30, 2022 and 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 developing mineral processing technologies 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 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 REE market in the future, competition from other companies undertaking similar business 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.

Conflict in the Ukraine starting in February 2022 has further destabilized global supply chains and contributed to the highest rates of inflation in the US, EU, UK and elsewhere for several decades leading to tightening monetary policies.

The pandemic and the Ukraine conflicts 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.

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

"Alfredo Ramos Plasencia"

ALFREDO RAMOS PLASENCIA