



Overview

The following covers the operations of EGR Exploration Ltd. (formerly Gambier Gold Corp.) (the "Company" also referred to as "EGR") for the six months ended September 30, 2023 prepared as of November 21, 2023. This management discussion and analysis ("MD&A") should be read in conjunction with the Company's condensed consolidated interim financial statements for the six months ended September 30, 2023 and related notes.

These documents are available for viewing on SEDAR at www.sedar.com. Unless otherwise indicated, all dollar amounts therein and in the following MD&A are in Canadian dollars. These condensed consolidated interim financial statements were prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

Forward-Looking Statements

This MD&A contains certain statements that may be deemed "forward-looking statements". All statements in this MD&A, other than statements of historical fact, that address exploration drilling, exploitation activities and events or developments that the Company expects to occur, are forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur. Information inferred from the interpretation of drilling results and information concerning mineral resource estimates may also be deemed to be forward-looking statements, as it constitutes a prediction of what might be found to be present when and if a project is developed. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance, and actual results may differ materially from those in the forward-looking statements. Factors that could cause the actual results to differ materially from those in the forward-looking statements include market prices, exploitation and exploration successes, continued availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance, and actual results or developments may differ materially from those projected in the forward-looking statements. Forward-looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made. The Company undertakes no obligation to update these forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change beyond the procedures required under applicable securities laws.

Description of Business

The Company was incorporated on March 2, 2006 in British Columbia. Its registered office and records office is Suite 2300 – 550 Burrard Street, Vancouver, BC, V6C 2B5.

The Company is in the process of acquiring and exploring resource properties and has not yet determined whether these properties contain mineral reserves that are economically recoverable. The Company changed its name from Gambier Gold Corp. to EGR Exploration Ltd. on October 17, 2022 and listed on the TSX Venture Exchange ("TSX V" or the "Exchange") under the symbol



"EGR".

The Company recognizes environmental, social and governance (“ESG”) best practices as key components to responsible mineral exploration and development. The Company’s exploration programs are conducted to meet or exceed environmental regulations, while respecting the communities and environments in which we operate. The Company strives to earn its social license with local and Indigenous communities by meeting with stakeholders, regulators, and other concerned parties before and during exploration work to understand traditional and cultural issues important to these communities. The Company’s approach is based on transparency, open communication, inclusivity, and respect, to better enable social and economic benefit for communities as well as value for investors.

Major Quarterly Operating Milestones

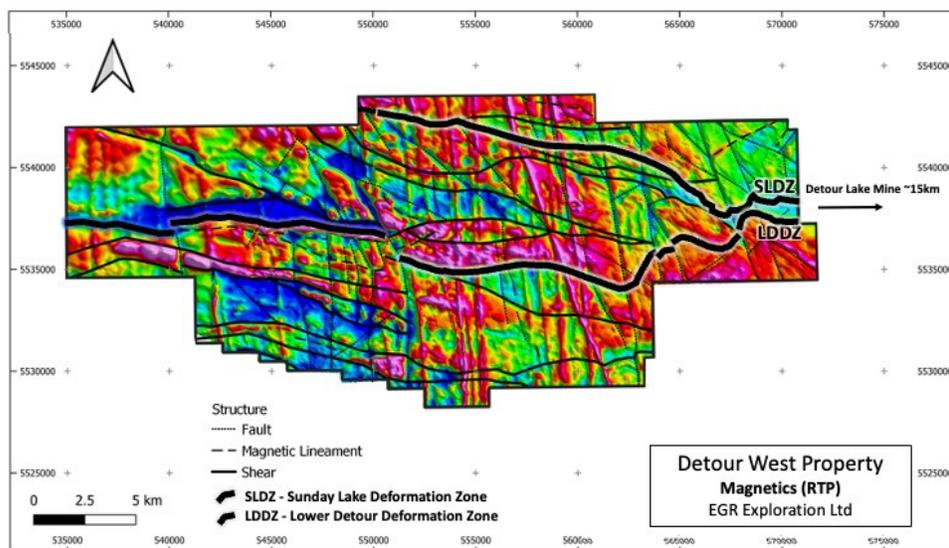
Exploration and evaluation assets

Detour West, Ontario

On August 15, 2023, the Company announced the commencement of its summer outcrop and prospecting program along with the completion of the airborne magnetic interpretation for drill targeting on the Detour West Gold Property. The Company has also been approved for the Ontario Junior Exploration Program grant (OJEP) to receive up to \$200,000 in funding from the Ontario government under the OJEP program. The funds are allocated for the airborne magnetic survey, interpretive work, and current summer prospecting programs.

The prospecting program intends to target several potential outcrops identified from previously collected light detection and ranging (LiDAR) data. Due to the sparse outcrop within the project area, this program will aid in targeting the upcoming glacial till and top of bedrock sampling RC drill program.

The Company’s technical team and consultants have been analyzing and interpreting recently acquired high-resolution airborne magnetic data, historical geophysical data and geology to define and prioritize targeted areas. The collection and interpretation of data covering the entire property, has revealed numerous target areas on the 40,255 ha land package. Interpretation of the magnetic data shows the Sunday Lake Deformation Zone (SLDZ) and Lower Detour Deformation Zone (LDDZ) continue onto and transect the property. The team has identified numerous targets and areas of interest that have the potential to host orogenic gold mineralization and merit further exploration.



Urban Barry, Quebec

The Company recorded staking cost of \$12,613 during the six months ended September 30, 2023 to keep claims in good standing. The Company is actively working towards optioning out this property.

Corporate updates

On September 6, 2023, the Company announced the election of David Suda to the Board of Directors and the resignation of Dorian (Dusty) L. Nicol at the Company's recent Annual General Meeting. David Suda has 16 years of capital markets experience, and expertise in corporate strategy, capital raising, sustainability performance and marketing.

On September 27, 2023, the Company announced the appointment of Ashley Kirwan to the Board of Directors and the resignation of Sven Gollan, who would transition to an advisory role at the Company. Ashley Kirwan is a professional geologist (PGO), with over 15 years of experience in the mining industry.

Qualified Person

Brian Atkinson, P.Geo, is a qualified person as defined by NI 43-101 and reviewed the preparation of the scientific and technical information in this MD&A disclosure. Further information and results of exploration programs can be found on www.sedar.com and the Company's website. <https://egrexploration.com/>.



Results of operations

During the three months ended September 30, 2023:

The Company incurred a net loss of \$335,663 (loss per share of \$0.01) for the three months ended September 30, 2023, as compared to a net income of \$266,746 (earnings per share of \$0.02) for the same period in 2022.

The Company incurred exploration expenses of \$112,452 during the three months ended September 30, 2023 (2022 – recovery of \$113,837) due to the Company’s exploration program on its Detour West property, while the recovery of \$113,837 incurred from the unrecorded GST/HST on certain vendor’s previous invoices for the same period in 2022.

Excluding depreciation of \$131 (2022 - \$176) and share-based payments of \$53,710 (2022 - \$Nil), the Company’s administrative expenses total to \$198,394 (2022 - \$148,147), an increase of \$50,247, of which the significant expenditures were as follows:

- Professional fees of \$75,293 (2022 - \$105,840) as the Company incurred more legal and accounting fees in 2022 due to the preparation of various documents related to the change of management team and settlement of debts;
- Accretion expense of \$7,208 (2022 - \$Nil) due to the amortization of the host liability of the convertible note;
- Shareholder communication fees of \$73,556 (2022 - \$1,756) as the Company released news and advertised to promote the Company in the capital market.

The Company benefitted from other income to the sum of \$29,024 via the gain on re-valuation of derivative liability of \$28,500 and interest income of \$524 (2022 - \$301,046 from the gain on settlement of accounts payable and \$186 from the write-off of loans payable).

During the six months ended September 30, 2023:

The Company incurred a net loss of \$752,947 (loss per share of \$0.02) for the six months ended September 30, 2023, as compared to a net loss of \$40,393 (loss per share of \$0.00) for the same period in 2022.

The Company incurred exploration expenses of \$443,707 during the six months ended September 30, 2023 (2022 – recovery of \$125,556) due to the Company’s exploration program on its Detour West property, while the recovery of \$125,556 incurred from the unrecorded GST/HST on certain vendor’s previous invoices and the correction of billing errors from this vendor for the same period in 2022.

Excluding depreciation of \$263 (2022 - \$353) and share-based payments of \$53,710 (2022 - \$Nil), the Company’s administrative expenses total to \$364,781 (2022 - \$467,138), a decrease of \$102,357, of which the significant expenditures were as follows:

- Professional fees of \$131,757 (2022 - \$249,836) as the Company incurred more legal and accounting fees in 2022 due to the preparation of various documents related to the change of management team and settlement of debts;
- Accretion expense of \$14,339 (2022 - \$Nil) due to the amortization of the host liability of the convertible note;
- Bank charges and interest of \$202 (2022 – \$32,826) due to the finance charge by a vendor in 2022;



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- Consulting fees of \$Nil (2022 - \$79,795) due to the decrease of consulting service to conserve cash;
 - Shareholder communication fees of \$126,786 (2022 - \$1,756) as the Company released news and advertised to prepare for the May 2023 private placement financing.

The Company benefitted from other income to the sum of \$109,514 via the gain on re-valuation of derivative liability of \$66,000, the reversal of the premium on the flow-through shares of \$42,856, and interest income of \$658 (2022 - \$301,046 from the gain on settlement of accounts payable and \$496 from the write-off of loans payable).

Liquidity and Capital Resources

The Company had cash of \$259,525 at September 30, 2023, compared to \$157,461 at March 31, 2023. The Company had a working capital of \$124,573 at September 30, 2023 as compared to the working capital deficiency of \$55,575 at March 31, 2023.

The Company's cash increased by \$102,064 as a result of \$935,351 net cash received from the issuance of shares while being offset by \$819,914 used in operating activities and \$13,373 used in staking the exploration and evaluation assets.

On April 12, 2023, the Exchange approved the extension of the 1,777,778 share purchase warrants with an original expiry date of April 15, 2023, to be extended for one year with a new expiration date of April 15, 2024. The exercise price of \$0.69 and all the other terms and conditions of the warrants remained unchanged.

On May 15, 2023, the Company completed a non-brokered private placement by issuing 6,818,182 non-flow through units at a price of \$0.11 per unit and 1,428,572 flow-through units of the Company at a price of \$0.14 per flow-through unit for gross proceeds to the Company of \$950,000. Each unit comprises one common share of the Company and one-half of one common share purchase warrant, and each flow-through unit comprises of one flow-through common share of the Company and one-half of one common share purchase warrant. Each full warrant entitles the holder to purchase one common share of the Company at an exercise price of \$0.22 for a period of three years, expiring on May 15, 2026. In connection with this financing, the Company paid a cash finder's fee of \$14,649, and issued 129,900 agent's warrants with a fair value of \$9,743. Each agent's warrant entitles the holder to purchase one common share of the Company at a price of \$0.11 per share for a period of one year, expiring on May 15, 2024.

Flow-through common shares require the Company to spend an amount equivalent to the proceeds of the issued flow-through common shares on Canadian qualifying exploration expenditures. The Company may be required to indemnify the holders of such shares for any tax and other costs payable by them in the event the Company has not made the required exploration expenditures.

During the six months that ended September 30, 2023, the Company received \$200,000 from the issuance of flow-through shares (as part of the \$950,000 non-brokered private placement noted above) at a premium to the market price and recognized a deferred premium on flow-through shares of \$42,856. During the six months ended September 30, 2023, the Company incurred the entire \$200,000 in qualifying exploration expenditures and will renounce eligible expenditures of \$200,000 at the end of the calendar year. These expenditures will not be available to the Company for future

EGR EXPLORATION LTD.
 (formerly Gambier Gold Corp.)
Management Discussion & Analysis - Quarterly highlights
For the six months ended September 30, 2023



deduction from taxable income. As a result, the Company reversed the entire \$42,856 flow-through premium and has no deferred premium on flow-through shares as of September 30, 2023.

On June 1, 2023, 276,250 options expired.

On September 27, 2023, the Company granted 1,310,000 options under the Company's stock option plan to its directors, officers and consultants, with each option representing the right to receive one common share of the Company. The options are exercisable at a price of \$0.06 per share for a period of 5 years vesting immediately, and are subject to the policies of the Exchange and the Company's stock option plan.

The Company's current activities have been funded to date through the issuance of common shares and obtaining loans from third parties.

The Company needs to seek additional funding for its working capital, overhead expenses and exploration expenditures for the next nine months as well as its future exploration program and operation needs. The Company will continue to monitor the current economic and financial market conditions and evaluate their impact on the Company's liquidity and future prospects.

Management expects to settle some of the current working capital deficit with shares, debt, or reductions in amounts owing based on market rates for the work completed.

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

Significant Related Party Transactions

The following expenses were incurred with key management personnel of the Company and companies controlled by key management personnel. Key management personnel are persons responsible for planning, directing and controlling the activities of an entity and include certain current and former directors and officers. Key current and former management compensation comprise of:

For the six months ended September 30, 2023:

	Service for	Key management compensation	Share-based payments	TOTAL
Daniel Rodriguez ⁽⁵⁾ CEO	Management fees	\$ 60,000	\$ 6,150	\$ 66,150
Mark T. Brown ⁽⁶⁾ CFO	Professional fees	\$ 64,150	\$ 6,150	\$ 70,300
Owen Garfield ⁽⁷⁾ Director	Marketing fees, recorded in shareholder communications	\$ 21,000	\$ 5,125	\$ 26,125
Other directors and officers	Option grant	\$ -	\$ 23,575	\$ 23,575

EGR EXPLORATION LTD.
 (formerly Gambier Gold Corp.)
Management Discussion & Analysis - Quarterly highlights
For the six months ended September 30, 2023



For the six months ended September 30, 2022:

	Service for	Key management compensation	TOTAL
Michael Schuss ⁽¹⁾ Former Director, Chief Executive Officer	Management fees	\$ 35,000	\$ 35,000
Geoff Balderson ⁽²⁾ Former Director, Chief Financial Officer	Consulting fees	\$ 6,000	\$ 6,000
Michael Burns ⁽³⁾ Former Director	Geological and finance charge	\$ (26,880)	\$ (26,880)
Casey Forward ⁽⁴⁾ Former Director	Consulting fees	\$ 47,500	\$ 47,500
Daniel Rodriguez ⁽⁵⁾ CEO	Management fees	\$ 40,000	\$ 40,000
Mark T. Brown ⁽⁶⁾ CFO	Professional fees	\$ 52,500	\$ 52,500

Related party balances:

Amounts included in Accounts payable and accrued liabilities:	Services for:	As at September 30, 2023	As at March 31, 2023
Daniel Rodriguez ⁽⁵⁾	Expenses reimbursement	\$ 571	\$ -
Mark T. Brown ⁽⁶⁾	Expenses reimbursement	639	-
Pacific Opportunity Capital Ltd. ⁽⁶⁾	Accounting/ Financing	7,350	8,715
Total		\$ 8,559	\$ 8,715

Amounts owing are unsecured, non-interest bearing and have no specific terms of repayment.

Amounts included in Prepaid expenses and deposit:	Services for:	As at September 30, 2023	As at March 31, 2023
Harmony Corporate Services ⁽²⁾	Accounting	\$ -	\$ 3,150
Total		\$ -	\$ 3,150

- (1) Michael Schuss ceased to be a director and an officer of the Company on June 1, 2022.
- (2) Geoff Balderson's consulting fees were incurred with Harmony Corporate Services, a private company controlled by Mr. Balderson. Mr. Balderson ceased to be a director and an officer of the Company on June 1, 2022.
- (3) Michael Burns' consulting fees were incurred with 101252103 Saskatchewan Ltd. and Pioneer, two private companies controlled by Mr. Burns. On February 15, 2022, Mr. Burns resigned from being a director of the Company. The negative amount incurred during the six months ended September 30, 2022 was due to the credit note provided (Note 7). On October 25, 2022, the Company and Pioneer, along with 101252103 Saskatchewan Ltd., settled the amounts owing to \$300,000 (Note 8).
- (4) Casey Forward was appointed as a director, effective February 15, 2022. Mr. Forward ceased to be a director on June 1, 2022.
- (5) Daniel Rodriguez was appointed as the Chief Executive Officer, effective June 1, 2022.



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- (6) Mark T. Brown was appointed as the Chief Financial Officer, effective June 1, 2022. Mr. Brown's accounting fees were incurred with Pacific Opportunity Ltd., a private company controlled by Mr. Brown.
- (7) Owen Garfield was appointed as the Director, effective June 1, 2022. Mr. Garfield's marketing fees were incurred with Navitas Surveyors Ltd., a private company controlled by Mr. Garfield.

All related party transactions are in the normal course of operations and have been measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Commitments, Expected or Unexpected, or Uncertainties

As of the date of this MD&A, the Company does not have any commitments, expected or unexpected, or uncertainties.

Critical Accounting Estimates

Critical accounting estimates used in preparing the consolidated financial statements include the estimates involved with the fair value of the convertible note-derivative liability.

The Company estimates the fair value of the convertible note-derivative liability using the Black-Scholes valuation model, which requires assumptions regarding expected volatility, estimated life, conversion price, and risk-free rates. A gain or loss on the change of fair value of the derivative liability that is subsequently measured at each reporting date using the Black-Scholes valuation model is recognized in profit or loss in the period in which it arises.

The Company's mineral properties are reviewed for impairment annually and whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. If an indication of impairment exists, the mineral properties' recoverable amount is estimated.

Risk Factors

In our MD&A filed on SEDAR July 19, 2023 in connection with our annual financial statements (the "Annual MD&A"), we have set out our discussion of the risk factors, such as Liquidity risk, Market risk and Credit risk, which we believe are the most significant risks faced by the Company. An adverse development in any one risk factor or any combination of risk factors could result in material adverse outcomes to the Company's undertakings and to the interests of stakeholders, including its investors. Readers are cautioned to take into account the risk factors to which the Company and its operations are exposed. To the date of this document, there have been no significant changes to the risk factors set out in our Annual MD&A.

Disclosure of Outstanding Share Capital

The Company's outstanding share capital as at the date of the MD&A is as follows:

EGR EXPLORATION LTD.
(formerly Gambier Gold Corp.)
Management Discussion & Analysis - Quarterly highlights
For the six months ended September 30, 2023



	Issued and outstanding	
	September 30, 2023	November 21, 2023
Common shares outstanding	40,199,202	40,199,202
Options	3,995,625	3,995,625
Warrants	21,776,154	21,776,154
Agent's warrants	129,900	129,900
Fully diluted common shares outstanding	66,100,881	66,100,881

Directors and Officers Information

As at the date of this MD&A, the Company's directors and officers are as follows:

Directors

Officers and Position

Ashley Kirwan
Daniel Rodriguez
David Stevenson
David Suda
Owen Garfield

Daniel Rodriguez, Chief Executive Officer
Mark T. Brown, Chief Financial Officer
Winnie Wong, Corporate Secretary