

COLOSSUS RESOURCES CORP.

Management's Discussion and Analysis

For the three month period ended August 31, 2023

The Management's Discussion and Analysis ("MD&A"), prepared October 23, 2023 should be read in conjunction with the annual audited financial statements and notes thereto for the year ended May 31, 2023 of Colossus Resources Corp. ("Colossus" or the "Company") which were prepared in accordance with International Financial Reporting Standards.

This MD&A may contain forward-looking information (as such term is defined under applicable securities laws) in respect of various matters including upcoming events. The results or events predicted in this forward-looking information may differ materially from the actual results or events. The Company disclaims any obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

DESCRIPTION OF BUSINESS

Colossus was formed on September 9, 2020 under the laws of British Columbia. The address of the Company's corporate office and its principal place of business is 318 – 1199 West Pender Street, Vancouver, British Columbia, Canada.

The Company's principal business activities include the acquisition and exploration of mineral property assets. As at August 31, 2023, the Company holds an interest in early stage mineral exploration properties and the Company had not yet determined whether the Company's mineral property assets contain a deposit of minerals that is economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the properties or realizing proceeds from its disposition. The outcome of these matters cannot be predicted at this time and the uncertainties may cast significant doubt on the Company's ability to continue as a going concern.

The Company had a deficit of \$900,636 as at August 31, 2023, which has been funded by the issuance of equity. The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs. The financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the financial statements.

EXPLORATION AND EVALUATION ASSETS

	Master Copper Project	Little Joe Fault Cu Project	Red Lake Pringle South Property	Total
Balance at May 31, 2021	\$ 140,913	\$ 18,000	\$ 15,000	\$ 173,913
Acquisition costs	23,000	20,000	18,000	61,000
Labour	4,325	-	-	4,325
Other	3,000	-	-	3,000
Balance at May 31, 2022	171,238	38,000	33,000	242,238
Acquisition costs	20,000	-	-	20,000
Labour	32,921	-	-	32,921
Surveying	311,491	-	-	311,491
Drilling	60,147	-	-	60,147
Termination payment	-	-	40,000	40,000
Write-off	-	(38,000)	(73,000)	(111,000)
Balance at May 31, 2023	595,797	-	-	595,797
Surveying	6,848	-	-	602,645
Balance, August 31, 2023	\$ 602,645	\$ -	\$ -	\$ 602,645

Master Copper Project

On December 14, 2020, and as amended on March 26, 2021 and November 3, 2021, the Company entered into a Mineral Property Option Agreement (the "Agreement") with Perry English and Gravel Ridge Resources Ltd. (collectively the "Optionor"). Pursuant to the Agreement, the Company has an option to acquire 100% interest in the mineral claims known as Master Copper Project located in the Sault Ste. Marie Mining Division of Ontario (the "Claims") from the Optionor.

The Claims are subject to a 1.5% net smelter returns royalty (the "NSR Royalty").

Under the Agreement, the Company is required to make cash payments totaling \$78,200 as follows:

- make a cash payment of \$12,200 upon execution and delivery of this agreement – paid;
- make a further cash payment of \$16,000 on or before December 14, 2021 – paid;
- make a further cash payment of \$20,000 on or before December 14, 2022 – paid; and
- make a final cash payment of \$30,000 on or before December 14, 2023.

Following the exercise of the option, the Company will have the right to purchase the 1.50% NSR Royalty for \$1,500,000.

On November 3, 2021, the Agreement was amended with Solstice Gold Corp. being the successor in interest to Perry English and Gravel Ridge Resources Ltd., as the new Optionor. The remaining cash payments owing under the Agreement remained the same.

On March 17, 2021, the Company entered into a Mineral Property Option Agreement (the "Agreement") with Yvon Gagne and Michael Gagne (collectively the "Optionor") to acquire additional claims adjacent to the Master Copper Project located in the Sault Ste. Marie Mining Division of Ontario (the "Claims") from the Optionor.

The Claims are subject to a 1.0% net smelter returns royalty (the "NSR Royalty") to be paid by the Company upon commercial production of mineral products.

Under the Agreement, the Company made cash payments totaling \$15,000 to acquire the additional claims.

The Company has the right to purchase 90% of the NSR Royalty (reducing the NSR to 0.1%) for \$250,000.

Little Joe Fault Cu Project

On March 26, 2021, the Company entered into a Mineral Property Option Agreement (the "Agreement") with Perry English, 1544230 Ontario Inc and Gravel Ridge Resources Ltd. (collectively the "Optionor"). Pursuant to the Agreement, the Company has an option to acquire 100% interest in the mineral claims known as Little Joe Fault Cu Project located in the Thunder Bay Mining Division of Ontario (the "Claims") from the Optionor.

The Claims are subject to a 1.5% net smelter returns royalty (the "NSR Royalty").

Under the Agreement, the Company is required to make cash payments totaling \$106,000 as follows:

- a. make a cash payment of \$18,000 upon execution and delivery of the agreement – paid;
- b. make a further cash payment of \$20,000 on or before March 26, 2022 – paid;
- c. make a further cash payment of \$28,000 on or before March 26, 2023; and
- d. make a final cash payment of \$40,000 on or before March 26, 2024.

Following the exercise of the option, the Company will have the right to purchase the 1.5% NSR Royalty for \$1,500,000.

During the year ended May 31, 2023, the Company entered into a settlement agreement to terminate the Agreement and wrote-off the carrying value of the property resulting in a loss of \$38,000.

Red Lake Pringle South Property

On February 10, 2021, and as amended on March 26, 2021, the Company entered into a Mineral Property Option Agreement (the "Agreement") with Perry English, 1544230 Ontario Inc and Gravel Ridge Resources Ltd. (collectively the "Optionor"). Pursuant to the Agreement, the Company has an option to acquire 100% interest in the mineral claims known as Red Lake Pringle South Property located in the Red Lake Mining Division of Ontario (the "Claims") from the Optionor.

The Claims are subject to a 1.5% net smelter returns royalty (the "NSR Royalty").

Under the Agreement, the Company is required to make cash payments totaling \$87,000 as follows:

- a. make a cash payment of \$15,000 upon execution and delivery of the agreement – paid;
- b. make a further cash payment of \$18,000 on or before February 10, 2022 – paid;
- c. make a further cash payment of \$24,000 on or before February 10, 2023; and
- d. make a final cash payment of \$30,000 on or before February 10, 2024.

Following the exercise of the option, the Company will have the right to purchase the 1.5% NSR Royalty for \$1,500,000, in increments of 0.5% for \$500,000.

During the year ended May 31, 2023, the Company entered into a settlement agreement to terminate the Agreement and wrote-off the carrying value of the property resulting in loss of \$73,000

SELECTED ANNUAL INFORMATION **(\$000's except loss per share)**

	May 31, 2023	May 31, 2022	May 31, 2021
Revenue	\$ 0	\$ 0	\$ 0
Net Loss	\$ (538)	\$ (141)	\$ (191)
Basic and Diluted Loss Per Share	\$ (0.04)	\$ (0.01)	\$ (0.03)
Total Assets	\$ 742	\$ 385	\$ 490
Long-Term Debt	\$ 0	\$ 0	\$ 0
Dividends	\$ 0	\$ 0	\$ 0

OPERATIONS

Three-month period ended August 31, 2023

During the three months ended August 31, 2023, the Company reported a net loss of \$30,752 (2022 - \$348,007). Included in the determination of operating loss was \$7,617 (2022 - \$31,699) on professional fees, \$1,532 (2022 - \$18,266) on filing and transfer agent fees, \$7,500 (2022 - \$7,500) on management fees, \$5,000 (2022 - \$5,000) on consulting, \$4,000 (2022 - \$Nil) on investor communications, \$5,000 (2022 - \$600) on rent, \$Nil (2022 - \$571) on advertising and promotion, and \$103 (2022 - \$2,479) on office and miscellaneous. The Company also incurred a stock based compensation charge of \$Nil (2022 - \$281,892),

SUMMARY OF QUARTERLY RESULTS
(\$000's except earnings per share)

	August 31, <u>2023</u>	May 31, <u>2023</u>	February 28, <u>2023</u>	November 30, <u>2022</u>
Revenue	\$ 0	\$ 0	\$ 0	\$ 0
Net income (loss)	\$ (31)	\$ (9)	\$ (26)	\$ (155)
Basic and diluted income (loss) per share	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.01)

	August 31, <u>2022</u>	May 31, <u>2022</u>	February 28, <u>2022</u>	November 30, <u>2021</u>
Revenue	\$ 0	\$ 0	\$ 0	\$ 0
Net income (loss)	\$ (348)	\$ (20)	\$ (54)	\$ (30)
Basic and diluted income (loss) per share	\$ (0.03)	\$ (0.00)	\$ (0.01)	\$ (0.00)

LIQUIDITY AND CAPITAL RESOURCES

The Company's cash and cash equivalents at August 31, 2023 were \$20,536.

OFF-BALANCE SHEET ARRANGEMENTS

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

TRANSACTIONS WITH RELATED PARTIES

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Key management includes directors and key officers of the Company, including the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO").

The Company had incurred the following key management personnel costs from related parties:

	Three months ended August 31, 2023	Three months ended August 31, 2022
	\$	\$
Management fees (Company controlled by CEO)	7,500	7,500
Consulting (to a directors)	5,000	5,000

COMMITMENTS

The Company is committed to certain cash payments with respect to exploration and evaluation assets.

SUBSEQUENT EVENTS

The Company entered into a letter of intent to acquire a 100% interest in the Calvario and Miradur properties in the Republic of Chile. Under the term of the letter of intent the Company must pay \$100,000 USD by July 31, 2023, incur \$250,000 USD in exploration expenditures over a two-year period and issue up to 19.9% of the Company's share plus 1,000,000 three year warrants at an exercise price of \$0.50 per share calculated on the post closing balance of share outstanding. The Company is still pursuing however has not yet completed the acquisition.

CRITICAL ACCOUNTING ESTIMATES

Refer to the annual financial statements for the year ended August 31, 2023 for critical accounting estimates.

FINANCIAL INSTRUMENTS

International Financial Reporting Standard 7, *Financial Instruments: Disclosures*, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair Value of Financial Instruments

The carrying value of accounts payable and accrued liabilities approximates its fair value due to the relatively short period of maturity of the instrument.

Assets measured at fair value on a recurring basis were presented on the Company's statements of financial position as at August 31, 2023 are as follows:

	Fair Value Measurements Using			
	Quoted Prices in Active Markets For Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
	\$	\$	\$	\$
Cash	20,536	—	—	20,536

Financial risk management objectives and policies

The Company's financial instruments comprise cash and accounts payable. The risks associated with these financial instruments and the policies on how these risks are mitigated are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Credit risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The Company's maximum exposure to credit risk is the carrying amount of cash. To minimize the credit risk the Company places its cash with a high quality financial institution.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. In the management of liquidity risk, the Company aims to maintain a balance between continuity of funding and flexibility through the use of borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate cash flow risk on the variable rate of interest earned on bank deposits.

The Company has not entered into any derivative instruments to manage interest rate fluctuations.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market. The Company is not exposed to material other price risk at August 31, 2023.

SHARE CAPITAL

Issued

The Company has 13,583,100 common shares issued and outstanding as at August 31, 2023 and October 23, 2023.

Share Purchase Options

The Company had 1,200,000 stock options outstanding at August 31, 2023 and October 23, 2023.

Warrants

The Company had 1,860,640 share purchase warrants outstanding at August 31, 2023 and October 23, 2023.

Escrow Shares

The Company had 2,640,069 common shares held in escrow as at August 31, 2023 and October 23, 2023.