

**POWER ONE RESOURCES CORP.**  
**Management's Discussion & Analysis**  
**for the nine months ended May 31, 2022**  
**(and containing information as at July 26, 2022)**

**OVERVIEW**

The following Management Discussion and Analysis ("MD&A") is a review of the operations, current financial position and outlook for Power One Resources Corp., ("Power One" or the "Company") and should be read in conjunction with the unaudited condensed interim financial statements for the nine months ended May 31, 2022 and related notes and the audited financial statements for the period ended August 31, 2021 and the related notes thereto, copies of which are filed on the SEDAR website: [www.sedar.com](http://www.sedar.com). The Company's year-end is August 31.

The Company prepares its financial statements in accordance with International Financial Reporting Standards ("IFRS"). All dollar figures included herein and in the following discussion and analysis are quoted in Canadian dollars unless otherwise noted. The financial information in the MD&A is derived from the Company's financial statements prepared in accordance with IFRS.

In March 2020 the World Health Organization declared the outbreak of COVID-19 a global pandemic. The actual and threatened spread of the virus globally has had a 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, among others, could have a significant impact on the Company's operations.

The Company's business financial condition and results of operations may be further negatively affected by economic and other consequences from Russia's military action against Ukraine and the sanctions imposed in response to that action in late February 2022. While the Company expects any direct impacts, of the pandemic and the war in the Ukraine, to the business to be limited, the indirect impacts on the economy and on the mining industry and other industries in general could negatively affect the business.

**Forward-looking Statements and Information**

This Management Discussion and Analysis ("MD&A") contains certain forward-looking statements and information relating to Power One Resources Corp., that are based on the beliefs of its management as well as assumptions made by and information currently available to Power One. Forward-looking statements are projections of events, revenues, income, future economic performance or management's plans and objectives for future operations. In some cases, you can identify forward-looking statements by the use of terminology such as "may", "should", "expects", "plans", "anticipates", "believes", "estimates", "predicts", "potential", or "continue" or the negative of these terms or other comparable terminology. Examples of forward-looking statements made in this MD&A include statements about the Company's business plans, the costs and timing of its developments; its future investments and allocation of capital resources; success of exploration activities; requirements for additional capital; and government regulation of mining operations. These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including: general economic and business conditions, fluctuations in worldwide prices and demand for minerals; our lack of operating history; the actual results of current exploration activities; conclusions or economic evaluations; changes in project parameters as plans continue to be refined; possible variations in grade and or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes or other risks of the mining industry; delays in obtaining government approvals or financing or incompleteness of development or construction activities, any of which may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements.

While these forward-looking statements and any assumptions upon which they are based are made in good faith and reflect our current judgment regarding the direction of the Company's business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggested herein. Except as required by applicable law, including the securities laws of Canada, the Company does not intend to update any of the forward-looking statements to confirm these statements to actual results.

**Cautionary Note to Investors Concerning Estimates of Measured and Indicated Resources.** This discussion may use the terms “measured resources” and “indicated resources”. The Company advises investors that while those terms are recognized and required by Canadian regulators, the U.S. Securities and Exchange Commission does not recognize them. **Investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be converted into reserves.**

## **DESCRIPTION OF THE COMPANY’S BUSINESS**

The Company was incorporated March 23, 2021 under the laws of the Province of British Columbia as a wholly-owned subsidiary of Marvel Discovery Corp. (“Marvel”). On May 13, 2021, a Plan of Arrangement (the “Plan of Arrangement”) was approved by the shareholders of Marvel where by Marvel distributed 100% of its interest in certain properties (the “Spin-out Properties”) to the Company with the assumption of \$140,000 in debt. Per the Plan of Arrangement, Marvel will hold 5,000,000 common shares of the Company and the Marvel shareholders at the date of the Plan of Arrangement will hold 14,234,751 common shares of the Company. On April 21, 2022, the Company filed a listing application with the TSX Venture Exchange as a Tier 2 Mining Issuer.

The Company principal activity is the acquisition and exploration of mineral properties in Canada.

The corporate office and principal place of business of the Company is Suite 615 – 800 Pender Street, Vancouver, B.C., V6C 2V6.

The Company is in the business of exploring its mineral exploration assets and has not yet determined whether these properties contain ore reserves that are economically recoverable. At May 31, 2022, the Company was in the exploration stage and had interests in properties in Canada.

The Company’s long-term objectives will be to:

- (a) Continue exploration and development work on its existing mineral properties;
- (b) Determine if an economic mineral deposit exists on the mineral properties;
- (c) Find one or more economic mineral deposits and bring them to commercial production;
- (d) Acquire and evaluate additional complementary mineral properties to expand the Company’s portfolio; and
- (e) Deliver a return on capitalization to shareholders.

## **OVERALL PERFORMANCE AND MINERAL INTERESTS**

### **Serpent River Project (Ontario)**

On May 13, 2021, the Company completed a plan of arrangement with Marvel and acquired 100% interest in ten mining claims in the Sault Ste. Marie Mining Division, Elliot Lake area, in Northern Ontario. The original agreement included a 2.0% net smelter return (“NSR”) relating to the original acquisition by Marvel. The Company may at any time purchase 1.0% of the NSR for \$1.5 million.

### **Wicheeda North Property (British Columbia)**

On May 13, 2021, the Company completed a plan of arrangement with Marvel and acquired a 100% interest in four mineral claims located in the Cariboo Mining Division northeast of Prince George, British Columbia. The original agreement requires a payment of 2% Net Smelter Return Royalty (“NSR”). The Company may acquire one-half of the NSR for \$1 million within five years of the agreement date.

The Wicheeda North property is located in British Columbia’s Cariboo mining division, approximately 80km northeast of the city of Prince George and 50km east of Bear Lake. The property is accessible via an all-weather gravel road and is close to vital infrastructure, such as power lines, railways, and highways.

In 2010, Aeroquest conducted an Airborne Geophysical Survey over portions of the Wicheeda North property. The assessment report at the time states that “the electromagnetic data suggests that there may be an un-mapped fault in the center of the block. The magnetic data shows a subtle feature in the center of the block, slightly offset from the interpreted fault. It is recommended that the airborne survey be followed up by a geochemical survey and property scale mapping.”

### **Elliot Lake Property (Ontario)**

On November 30, 2021, the Company acquired 100% right, title and interest in 209 mineral claims located in Ontario, Canada, known as the Elliot Lake Property. As consideration the Company paid the vendor \$10,450. On May 31, 2022, the Company disposed of the mineral claims at cost to Marvel.

### **Selected Annual Information**

	<b>Period-ended August 31, 2021</b>
Net sales or total revenues	<b>\$Nil</b>
Net loss and comprehensive loss for the period	<b>(\$78,183)</b>
Net income or (loss) per fully diluted share basis	<b>(\$0.01)</b>
Total assets	<b>\$2,518,825</b>
Total long-term financial liabilities	<b>\$Nil</b>
Cash dividends declared per share	<b>N/A</b>

The Company was incorporated on March 23, 2021 and August 31, 2021 is the first period end.

### **Results of Operations**

The Company reports its financial statements in accordance with International Financial Reporting Standards (“IFRS”). The Company’s MD&A are presented in Canadian dollars and are intended to provide a reasonable basis for the investor to evaluate the Company’s development and financial situation. A significant part of the Company’s value is in Resource Property Interests relating to the Serpent River-Ontario project and Wicheeda North –British Columbia project which was spun out of Marvel to the Company.

During the three months ended May 31, 2022:

For the three months ended May 31, 2022, the Company reported a net loss and comprehensive loss of \$177,820. Total expenses for the three months ended May 31, 2022 was \$177,820 which mainly consisted of \$122,500 in share-based payments and \$30,000 in consulting fees to the CEO. During the quarter, the Company granted 1,750,000 stock options to directors and to a consultant and continued to raise private placement funds to fund its future exploration program and to take the Company public.

The Company has no producing properties, and consequently no sales or revenues.

During the nine months ended May 31, 2022:

For the nine months ended May 31, 2022, the Company reported a net loss and comprehensive loss of \$251,822. Total expenses for the nine months ended May 31, 2022 was \$251,822 which mainly consisted of \$90,000 in consulting fees to the CEO. See related parties for details. Also included in the expenses is \$122,500 in share-based payments on stock options granted in the current period. The Company fair valued the stock options using the Black-Scholes Option Pricing Model. Share-based payment is a non-cash transaction.

During the nine months ended May 31, 2022, the Company raised \$1,167,150 in private placement funds to fund its future exploration program and to take the Company public. The Company also acquired 100% right, title and interest in 209 mineral claims located in Ontario, Canada, known as the Elliot Lake Property. As consideration the Company paid the vendor \$10,450. On May 31, 2022, the Company disposed of the mineral claims at cost to Marvel.

The Company has no producing properties, and consequently no sales or revenues.

### ***Fourth Quarter***

N/A.

### **Summary of Quarterly Results:**

The following table sets forth selected (unaudited) quarterly financial information for each of the most recently completed quarters:

For the quarterly periods ending on	May 31, 2022	February 28, 2022	November 30, 2021
Total revenues	\$Nil	\$Nil	\$Nil
Net loss and comprehensive loss per quarter	(\$177,820)	(\$36,635)	(\$37,366)
Basic and diluted net (loss) per share	(\$0.01)	(\$0.00)	(\$0.00)

For the quarterly periods ending on	August 31, 2021	May 31, 2021
Total revenues	\$Nil	\$Nil
Net loss and comprehensive loss per quarter	(\$42,183)	(\$36,000)
Basic and diluted net (loss) per share	(\$0.00)	(\$0.00)

The Company was incorporated on March 23, 2021 and May 31, 2021 is the first quarter of operations. Quarterly results for the five quarters have been consistent. During the quarter ended May 31, 2022, the net loss included \$122,500 in share-based payments, as a result of the granting of stock options to directors and a consultant of the Company.

### **Liquidity:**

At May 31, 2022, the Company had a working capital of \$761,230 (August 31, 2021 – working capital deficiency of \$53,183) with a cash balance of \$921,937 (August 31, 2021 – \$65,761).

The Company believes that the current capital resources is not sufficient to pay overhead expenses and its exploration expenditure commitment for the next twelve months and will need to seek additional funding for overhead expenses and any future commitments. 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.

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, shares for debt, loans and related party loans to fund ongoing operations and investments. 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.

On March 23, 2022, the Company issued 7,550,000 units at a price of \$0.10 per unit for total proceeds of \$755,000. Each unit consists of one non-flowthrough common share and a non-flowthrough share purchase warrant exercisable into a common share for a period of two years from the date of issuance. Each non-flowthrough share purchase warrant is exercisable at a price of \$0.30 for the first year and then exercisable at a price of \$0.50 for the second year. In connection with the private placement, the Company paid a cash finders fee of \$5,000.

On March 23, 2022, the Company issued 1,608,846 units at a price of \$0.13 per unit for total proceeds of \$209,150. Each unit consists of one flow-through common shares and a non-flow-through share purchase warrant exercisable into a common share for a period of two years from the date of issuance. Each share purchase warrant is exercisable at a price of \$0.30 for the first year and then exercisable at a price of \$0.50 for the second year. The Company recognized a flowthrough premium of \$48,265.

On February 18, 2022, the Company issued 1,000,000 units at a price of \$0.10 per unit for total proceed of \$100,000. Each unit consists of one common share and one common share purchase warrant, each warrant entitling the holder to subscribe for one common share at a price of \$0.30 per share expiring on February 18, 2023 and at a price of \$0.50 per share on or before February 18, 2024. This amount is included in share subscriptions received at May 31, 2022.

On November 24, 2021, the Company completed a private placement of 1,030,000 units at a price of \$0.10 per unit for total proceed of \$103,000. Each unit consists of one common share and one common share purchase warrant, each warrant entitling the holder to subscribe for one common share at a price of \$0.30 per share expiring on November 24, 2022 and at

a price of \$0.50 per share on or before November 24, 2023. In connection with the private placement, the Company paid a cash finders fee of \$5,150.

**Capital Resources:**

The Company manages its capital structure in order to ensure sufficient resources are available to meet operational requirements and safeguard its ability to continue as a going concern. There are no externally imposed capital requirements on the Company. Management considers the items included in shareholders' equity (deficit) and working capital as capital. The Company manages the capital structure and makes adjustments in response to changes in economic conditions, including the risk characteristics of the underlying assets. The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the operation of the Company. To secure additional capital necessary to pursue these plans, the Company intends to raise additional funds through equity or debt financing.

There were no changes to the Company's approach to capital management during the period ended May 31, 2022.

**Off-Balance Sheet Arrangements:**

N/A

**Transactions with Related Parties:**

*Related party balances*

The following amount is included in accounts payable and accrued liabilities:

	May 31, 2022	August 31, 2021
Mark Luchinski, former director	\$ -	\$ 10,500
R7 Capital Ventures Ltd; controlled by CEO	58,500	-
	\$ 58,500	\$ 10,500

Included in due from related party at May 31 2022 is \$9,960 (August 31, 2021 – due to related party of \$490) due from Marvel for purchase of Elliot Lake net of expense reimbursement.

These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

Included in prepaid expenses at May 31, 2022 is \$Nil (August 31, 2021 – \$36,000) in advances on prepaid consulting fees to the CEO of the Company.

***Key management personnel compensation***

	For the nine months ended May 31, 2022	For the period March 23, 2021 to May 31, 2021
Consulting fees		
R7 Capital Ventures Ltd; controlled by CEO	\$ 90,000	\$ 30,000
Mark Luchinski, former director	-	6,000
Share-based payments		
Karim Rayani, director and CEO	80,500	-
Mark Luchinski, former director	17,500	-

Brian Crawford, director	17,500	-
Geoff Balderson, CFO	7,000	
	122,500	-
	\$ 212,500	\$ 36,000

On July 26, 2021, the Company completed a non-brokered private placement with the CEO of the Company for 2,000,000 units at a price of \$0.05 per unit for total proceeds of \$100,000. Each unit consist of one common share and one common share purchase warrant, each warrant entitling the holder to subscribe for one common share at a price of \$0.10 per share expiring on July 27, 2024.

**Proposed Transaction:**

N/A

**Critical Accounting Estimates:**

Our financial statements have been prepared in conformity with International Financial Reporting Standards (“IFRS”) and form the basis for discussion and analysis of critical accounting policies and estimates. Management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, 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 financial statement areas requiring the use of management estimates relate to the determination of impairment of assets and resource property interests, and their useful lives for amortization, the fair value of investments and share-based compensation. Financial results as determined by actual events could differ materially from those estimates.

**Risk Management:**

The Company’s mineral property holdings and exploration activities create potential exposure to environmental liabilities, including site reclamation. The Company is currently in the initial exploration stages on its Canadian property interests and management has not determined whether significant site reclamation costs will be required. The Company records liability for site reclamation when determinable on a systematic accrual basis in the period in which such costs can be reasonably determined.

The Company’s approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities as they come due. Due to current economic conditions in capital markets the Company has a high risk associated with liquidity. The Company does not hold complex financial instruments or significant long-term assets.

**Changes in Accounting Policies including Initial Adoption:** None

**Financial & Other Instruments:**

The Company’s financial instruments consist of cash, amounts due to related parties, and accounts payable and accrued liabilities. Unless otherwise noted, it is management’s opinion that the Company is not exposed to significant interest, currency or credit risks arising from the financial instruments. The fair value of these financial instruments approximates their carrying value due to their short-term maturity or capacity of prompt liquidation.

**Other MD&A Requirements:**

Additional disclosure of the Company’s material documents, information circulars, material change reports, news releases, and other information related to the Company can be obtained on SEDAR at [www.sedar.com](http://www.sedar.com) .

**Subsequent Events**

Subsequent to May 31, 2022:

On June 8, 2022, the Company granted 250,000 stock options to a director of the Company. The stock options entitle the holder thereof the right to purchase one common share for each option held at \$0.14 per share expiring on June 8, 2027, and vest at the date of grant.

On June 13, 2022, the Company granted 250,000 stock options to a director of the Company. The stock options entitle the holder thereof the right to purchase one common share for each option held at \$0.14 per share expiring on June 13, 2027, and vest at the date of grant.

On June 15, 2022, the Company entered into a loan agreement with Marvel Discovery Corp to borrow \$100,000 which is unsecured, bear interest at 7.5% per annum and will be repaid the earlier of five business days following the Company's first equity financing of at least \$1,000,000 or thirteen months following the date of this agreement.

**Outstanding Share Data:**

As at May 31, 2022 and at the date of this MD&A, the Company has the following shares or equities that are convertible to the Company's share capital on a one-to-one basis:

Security description	As at	
	May 31, 2022	MD&A
Common shares – issued and outstanding	32,423,597	32,423,597
Share purchase warrants	13,188,846	13,188,846
Stock options	1,500,000	2,000,000
Common shares – fully diluted	47,112,443	47,612,443