

POWER ONE RESOURCES CORP.
Management's Discussion & Analysis
for the period ended May 31, 2023
(and containing information as at September 18, 2023)

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, 2023 and related notes and the audited Financial Statements for the year ended August 31, 2022 and the related notes thereto, copies of which are filed on the SEDAR website: 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.

The Company's business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events, including, relations between NATO and Russian Federation regarding the situation in Ukraine, and potential economic global challenges such as the risk of the higher inflation and energy crises, may create further uncertainty and risk with respect to the prospects of the Company's 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, 2023, the Company is 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.

The Company currently holds 125 claim cells located in Joubin and Gaiashk Townships in the Elliot Lake area of Ontario. During an airborne electromagnetic – magnetic survey in 2008 a large, strong magnetic anomaly was detected in the northwest corner of the property. A subsequent 3D inversion model of the magnetic data outlined a source that appeared to lie beneath the sediments that could be attributed to a mafic-ultramafic intrusion. This discovery highlighted the potential of the gabbro and a deep penetrating airborne survey (ZTEM) was undertaken to explore the area. A deep-seated conductive source was detected within the modelled gabbro intrusion. It was concluded that continued exploration for Cu, Ni, PGE mineralization has been demonstrated and additional work to explore for these commodities is recommended. Accordingly, the Company has budgeted an estimated drilling program of \$615,000 for late 2023.

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, an Airborne Geophysical Survey was conducted 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.”

The Wicheeda North property is at an early stage of exploration. The property has the potential to host, and should continue to be explored for, Rare Earth Element (REE) mineralization because it occurs within a favourable geological belt known to contain carbonatite-hosted REE mineralization such as the Main Zone on the Wicheeda property. The recommended future work program would require a minimum budget of approximately \$120,000.

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

| | Year-ended August 31, 2022 | Period-ended August 31, 2021 |
|--|---------------------------------------|---|
| Net sales or total revenues | \$Nil | \$Nil |
| Net loss and comprehensive loss for the period | (\$346,007) | (\$78,183) |
| Net income or (loss) per fully diluted share basis | (\$0.01) | (\$0.01) |
| Total assets | \$3,556,197 | \$2,518,825 |
| Total long-term financial liabilities | \$Nil | \$Nil |
| Cash dividends declared per share | N/A | N/A |

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, 2023:

The Company has no producing properties, and consequently no sales or revenues during the quarter ended May 31, 2023 and incurred a net loss of \$38,557 as compared to a net loss of \$177,820 for the comparable quarter ended May 31, 2022. Total expenses for the current quarter ended May 31, 2023, was \$33,034 as compared to \$177,820 for the comparable quarter ended May 31, 2022 a decrease of approximately \$144,800, that can be attributed to decreases in the following:

Share-based payments have decreased to \$nil in the current quarter as compared to \$122,500 in the comparable quarter due to no stock options granted in the current quarter as compared to 1,750,000 stock options granted in the comparable quarter. The Company fair valued the stock option using the Black-Scholes option valuation model. Share-based payments is a non-cash transaction.

Management fees have decreased to \$nil in the current quarter as compared to \$30,000 in the comparable quarter as the CEO has waived his fees for the quarter as the Company while the Company is in the process of completing its listing application for trading on a Canadian security exchange.

The above decreases were offset by the increase in the professional fees from \$18,580 in the comparable quarter to \$32,284 in the current quarter. The increases can be attributed to legal and audit fees associated with the listing application.

During the nine months ended May 31, 2023:

The Company has no producing properties, and consequently no sales or revenues during the nine months ended May 31, 2023 and incurred a net loss of \$127,867 as compared to the net loss of \$251,822 for the comparable nine months May 31, 2022. Total expenses for the current period ended May 31, 2023 was \$125,628 as compared to \$251,822 for the comparable period ended May 31, 2022 a decrease of approximately \$126,000, that can be attributed to the following:

Share-based payments have decreased to \$nil in the current period as no stock options were granted as compared to \$122,500 in the comparable period. to 1,750,000 stock options granted directors and officers of the Company in the comparable quarter. The Company fair valued the stock option using the Black-Scholes option valuation model. Share-based payments is a non-cash transaction.

Management fees have decreased to \$60,000 in the current period as compared to \$90,000 in the comparable period as the CEO has waived his fees for the most recent quarter while the Company is in the process of completing its listing application for trading on a Canadian security exchange.

The above decreases were offset by the increase in the professional fees from \$3,000 in the comparable period to \$43,748 in the current period. The increases can be attributed to legal and audit fees associated with the listing application.

During the current period, the Company incurred \$7,722 in exploration expenditures on its mineral properties that relates to technical reports on its projects.

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, 2023 | February 28, 2023 | November 30, 2022 | August 31, 2022 |
|---|-----------------|----------------------|----------------------|--------------------|
| Total revenues | \$Nil | \$Nil | \$Nil | \$Nil |
| Net loss and comprehensive loss per quarter | (\$38,557) | (\$44,525) | (\$44,785) | (\$94,186) |
| Basic and diluted net (loss) per share | (\$0.00) | (\$0.00) | (\$0.00) | (\$0.00) |

| For the quarterly periods ending on | May 31, 2022 | February 28, 2022 | November 30, 2021 | August 31, 2021 |
|---|-----------------|----------------------|----------------------|--------------------|
| Total revenues | \$Nil | \$Nil | \$Nil | \$Nil |
| Net loss and comprehensive loss per quarter | (\$177,820) | (\$36,635) | (\$37,366) | (\$42,183) |
| Basic and diluted net (loss) per share | (\$0.01) | (\$0.00) | (\$0.00) | (\$0.00) |

Quarterly results for the eight quarters have been consistent except for the quarter ended May 31, 2022 and August 31, 2022, where the Company granted stock options and recorded share-based payments of \$122,500 and \$35,000 respectively.

Liquidity:

As at May 31, 2023, the Company had a working capital of \$898,956 (August 31, 2022 - \$802,045) and accumulated deficit of \$552,057 (August 31, 2022 - \$424,190).

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.

Pursuant to the debt settlement agreement on November 29, 2022, the Company received 95,000 units of Marvel on December 12, 2022. Each unit consists of one common share and one common share purchase warrant, with each warrant entitling the holder to subscribe for one common share of Marvel at a price of \$0.18 per share for a period of two years from issuance. On the date of issuance, the received 95,000 units were valued at the market price of \$0.11 per share for a value of \$10,450. At May 31, 2023, the warrants were valued at \$1,900 using volatility of 112%, interest rate of 4.25%, share price of \$0.065, expected life of 1.5 years and dividend yield of 0.00%. During the nine months ended May 31, 2023, the Company recognized a loss on fair value of the Marvel's common shares and warrants of \$2,375.

On December 28, 2022, the Company issued 795,000 units at a price of \$0.14 per unit for total proceeds of \$111,300. 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 three years from the date of issuance. Each share purchase warrant is exercisable at a price of \$0.40. The Company is committed to incur within a 24-month period a total of \$111,300 of qualifying Canadian Exploration Expenses ("CEE") as described in the Income Tax of Canada. The Company recognized a flow-through premium of \$31,800 on the private placement.

On April 1, 2023, the Company entered into a debt amendment agreement with R7 Capital Ventures Ltd, controlled by the CEO ("Lender"). The Lender has agreed to not seek repayment of the debt of \$153,000 prior to 18 months from the date of the agreement. No interest will be accrued on the debt unless it is not repaid by the payment date, in which case retroactive interest at a rate of 7.5% per annum will apply from the date of the agreement.

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, 2023.

Off-Balance Sheet Arrangements:

N/A

Transactions with Related Parties:

Related party balances

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

| | May 31, 2023 | August 31, 2022 |
|---|-------------------------|----------------------------|
| <u>Current accounts payable and accrued liabilities</u> | | |
| R7 Capital Ventures Ltd. controlled by CEO | \$ - | \$ 90,000 |
| Marvel Discovery Corp., common directors | 490 | - |
| | <u>\$ 490</u> | <u>\$ 90,000</u> |
| <u>Long-term accounts payable</u> | | |
| R7 Capital Ventures Ltd. controlled by CEO | \$ 153,000 | \$ - |
| | <u>\$ 153,000</u> | <u>\$ -</u> |

On April 1, 2023, the Company entered into a debt amendment agreement with R7 Capital Ventures Ltd, a company controlled by the CEO (“Lender”). The Lender has agreed to not seek repayment of the debt of \$153,000 prior to 18 months from the date of this agreement (“payment date”). No interest will be accrued on the debt unless it is not repaid by the payment date, in which case retroactive interest at a rate of 7.5% per annum will apply from the date of the agreement.

Included in due from related party at May 31, 2023 is \$Nil (August 31, 2022 – \$9,960) due from Marvel for purchase of Elliot Lake net of expense reimbursement. The amounts included in accounts payable and accrued liabilities and due from related party are unsecured, non-interest bearing and have no fixed terms of repayment.

On November 29, 2022, the Company entered into a debt settlement subscription agreement with Marvel whereby the Company agreed to accept 95,000 units of Marvel in full satisfaction of the \$10,450 balance owing from Marvel at year-end. Each unit consists of one common share and one warrant. Each warrant is exercisable into an additional common share of Marvel at a price of \$0.18 per warrant for a period of two years from the date of issuance. The units were issued on December 12, 2022.

On June 15, 2022, the Company entered into a loan agreement with Marvel to borrow \$100,000 which is unsecured, bears 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. On February 7, 2023, the Company repaid the \$100,000 to Marvel and Marvel agreed to waive the interest. Accordingly, the Company recorded a write-off of interest payable of \$4,890 to the condensed interim statements of operations and comprehensive loss as at February 28, 2023.

Key management personnel compensation

The Company’s related parties include key management personnel, which includes current and former Officers and Directors of the Company, and companies related by way of directors or shareholders in common. During the nine months ended May 31, 2023 and 2022 are as follows:

| | For the nine months ended | |
|----------------------|----------------------------------|-------------------------|
| | 2023 | May 31, 2022 |
| Management fees | \$ 60,000 | \$ 90,000 |
| Share-based payments | - | 122,500 |
| | \$ 60,000 | \$ 212,500 |

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 the fair value of 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 other than exploration and evaluation assets.

Changes in Accounting Policies including Initial Adoption: None

Financial & Other Instruments:

The Company's financial instruments consist of cash, loan receivable, amounts due to/from related parties, loan payable 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.sedarplus.ca.

Subsequent Events

Subsequent to May 31, 2023, the Company and 1254883 B.C. Ltd. entered into a loan extension agreement whereby the repayment date for the \$100,000 loan was extended to October 11, 2023.

Outstanding Share Data:

As at May 31, 2023 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, 2023 | MD&A |
| Common shares – issued and outstanding | 33,218,597 | 33,218,597 |
| Share purchase warrants | 13,983,846 | 13,983,846 |
| Stock options | 2,000,000 | 2,000,000 |
| Common shares – fully diluted | 49,202,443 | 49,202,443 |