

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**THREE MONTHS ENDED SEPTEMBER 30, 2022**

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## **SEARCHLIGHT RESOURCES INC.**

Management's Discussion and Analysis  
Three Months Ended September 30, 2022

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*Following is management's discussion and analysis ("MD&A") of Searchlight Resources Inc. ("Searchlight" or the "Company"), prepared as of November 24, 2022. This MD&A is intended to assist the reader to assess material changes in the financial condition and results of operations of Searchlight as of September 30, 2022 and for the three months then ended. This MD&A should be read together with the unaudited condensed interim financial statements for the period ended September 30, 2022 and related notes. Financial amounts are expressed in Canadian dollars unless otherwise indicated. United States dollar amounts are denoted by "US\$".*

*This MD&A contains "forward-looking information" which may include, but is not limited to, statements with respect to the future financial or operating performance of the Company. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.*

*Forward-looking information involves known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors include, among others, general business, economic, competitive, political and social uncertainties; limited operating history; the actual results of current exploration activities; ability to obtain sufficient financing to meet ongoing operating costs; changes in project parameters as plans continue to be refined; changes in labour costs or other costs of operation; future mineral prices; equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry, including but not limited to environmental hazards, cave-ins, pit-wall failures, flooding, rock bursts and other acts of God or unfavourable operating conditions and losses; delays in obtaining governmental approvals or financing or in the completion of exploration activities. See "Risks and Uncertainties" below.*

*Forward looking information is based on a number of material factors and assumptions, including the results of exploration and drilling activities, the availability and final receipt of required approvals, licenses and permits, that sufficient working capital is available to complete proposed exploration and drilling activities, that contracted parties provide goods and/or services on the agreed time frames, the equipment necessary for exploration is available as scheduled and does not incur unforeseen break downs, that no labour shortages or delays are incurred and that no unusual geological or technical problems occur. While the Company considers these assumptions may be reasonable based on information currently available to it, they may prove to be incorrect. Actual results may vary from such forward-looking information for a variety of reasons, including but not limited to risks and uncertainties discussed in this MD&A.*

*The Company intends to discuss in its quarterly and annual reports referred to as the Company's MD&A documents, any events and circumstances that occurred during the period to which such document relates that are reasonably likely to cause actual events or circumstances to differ materially from those disclosed in this MD&A. New factors emerge from time to time, and it is not possible for management to predict all such factors and to assess in advance the impact of each such factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking information.*

*Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com).*

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### **Overview**

Searchlight Resources Inc. (formerly Canyon Copper Corp.) was incorporated on January 21, 2000 under the laws of the State of Nevada. On May 31, 2013, the Company changed its incorporation jurisdiction to the Province of British Columbia, Canada. The continuation was approved by the Company's shareholders at a special meeting of shareholders held on May 21, 2013. Searchlight is listed on the TSX Venture Exchange ("TSX-V") under the trading symbol "SCLT".

The Company is an exploration stage company engaged in the acquisition, exploration and development of mineral properties.

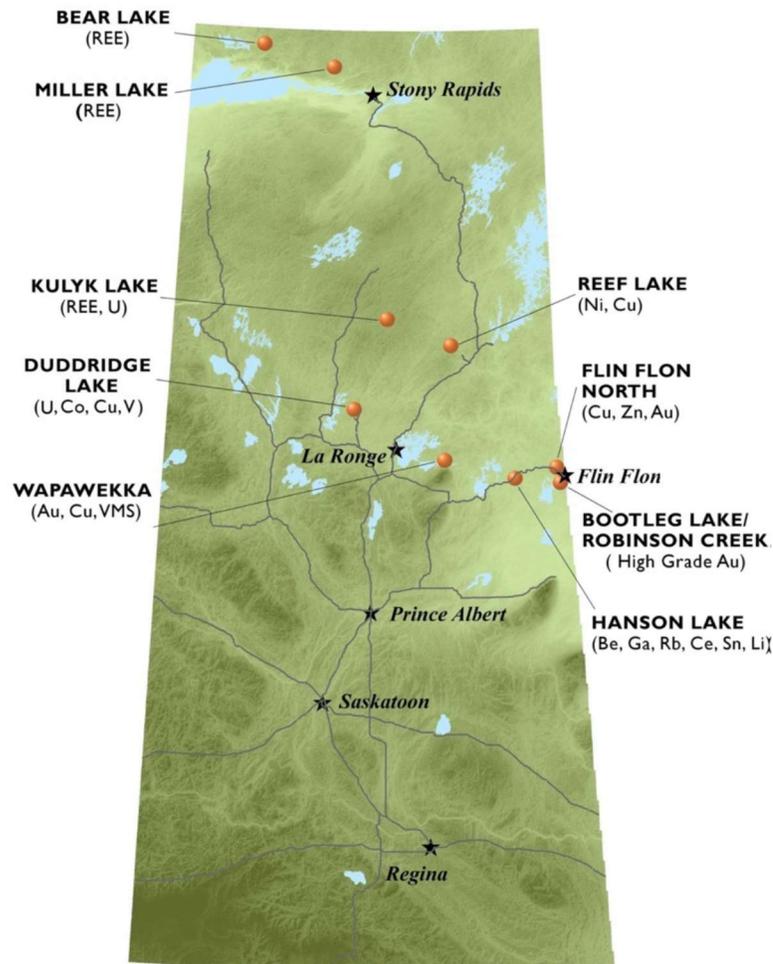
The Company has not earned any revenues to date and does not anticipate earning revenues until such time as it enters into commercial production of its mineral properties. The Company is presently in the exploration stage of its business and can provide no assurance that commercially viable mineral deposits exist on its properties or that it will discover commercially exploitable levels of mineral resources on its properties, or if such deposits are discovered, that the Company will enter into further substantial exploration programs.

The technical information in this MD&A has been reviewed on behalf of the Company by Stephen Wallace P. Geo, who is a Qualified Person as defined in National Instrument 43-101 ("NI 43-101").

### **Corporate Highlights**

- In August 2022 Searchlight completed a private placement financing by issuing 9,373,334 units at \$0.105 per unit for gross proceeds of \$984,200. Each Unit consists of one common share and one-half of one common share purchase warrant (the "Warrant"). Each Warrant will entitle the holder to purchase one additional common share of the Company at an exercise price of \$0.15 per common share for a period of 2 years from the date of issue.
- On August 4, 2022, August 12, 2022 and September 6, 2022, 2,000,000, 1,000,000 and 120,000 warrants respectively were exercised resulting in the issuance of 3,120,000 shares for gross proceeds of \$156,000.
- During summer 2022 field season the Company completed 3 phases of ground exploration on the Kulyk Lake project.
- In November 2022 Searchlight enters into agreement for acquisition of 100% Interest in the Bootleg Lake Gold Property
- In November 2022 Searchlight Contracted the Saskatchewan Research Council to Complete a Rare Earth Elements Beneficiation Study on Kulyk Lake Critical Elements Project

## Exploration and Development



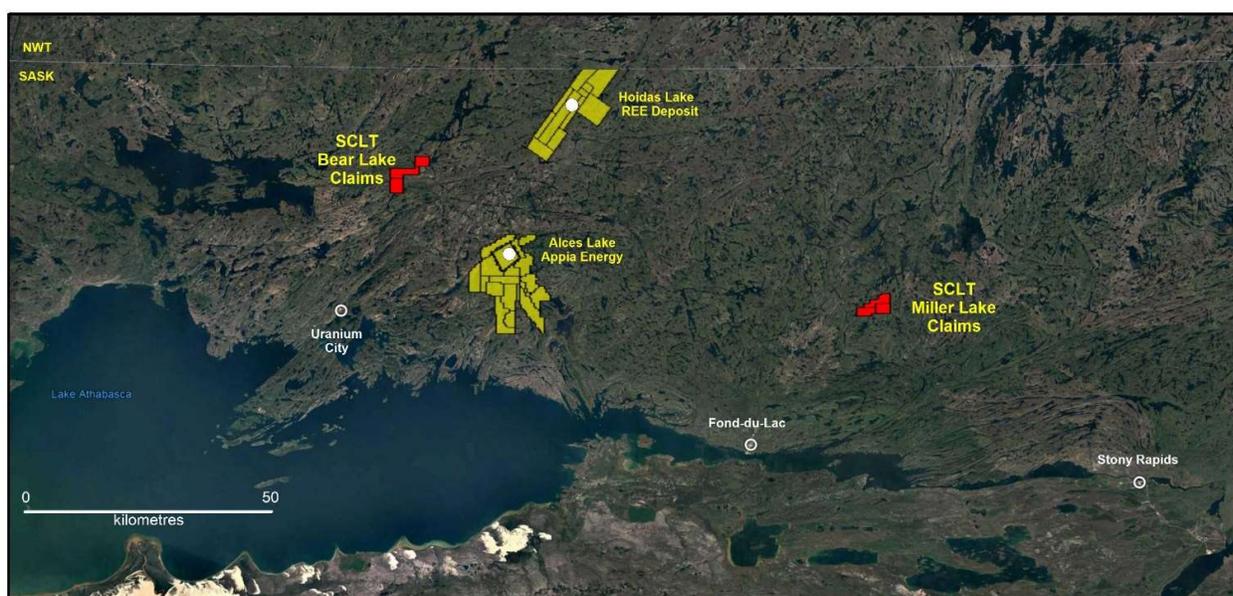
Map 1 – Location of Searchlight Resources Projects in Saskatchewan

### **Miller Lake**

The Miller Lake project covers a total area of 19.1 sq km of newly staked claims, based on a lake sediment sample collected as part of the Geological Survey of Canada's National Geochemical Reconnaissance (NGR) lake sediment-sampling program. Assays for the Miller Lake sample yielded 2,792 ppm Total Rare Earth Elements (TREE), 221 ppm Uranium, and 169 ppm Thorium. This is the second highest TREE value amongst 35,842 NGR analyses for which TREE data are available for all of Canada.

## **Bear Lake**

During recent staking, the Bear Lake claim block was expanded from 12.6 sq km to 21.8 sq km to cover additional rare earth showings. The claims now include a total of 6 REE showings. The Bear Lake claims are located within 30 kilometers of the Hoidas Lake Rare Earth deposit, and 25 km of the Appia Energy Alces Lake Rare Earth project. (map 2) Previous work by the Saskatchewan Geological Survey located outcrops with samples that assayed up to 19.94 %TREO and 3.53 % CREO. The claims also include significant NGR lake sediment samples, including one sample of 2,372 ppm TREE. This is the sixth highest TREE value amongst 35,842 analyses for which REE data are available for all of Canada.



Map 2 – Location of Bear Lake and Miller Lake Rare earth project

## **Robinson Creek High Grade Gold Project**

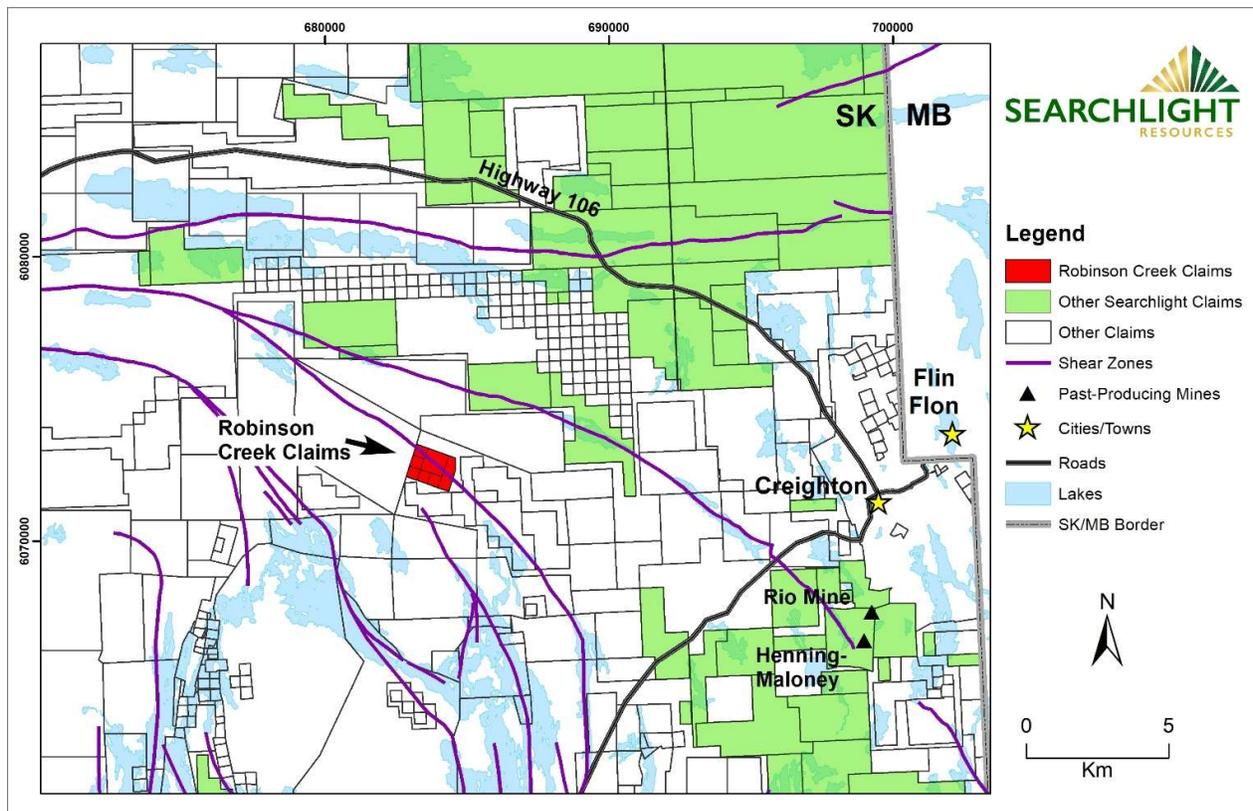
In May 2021 executed a formal option agreement to acquire 100% interest in the Robinson Creek Gold Project located approximately 15 kilometres west of Creighton, Saskatchewan, in the historic Flin Flon mining camp.

The Robinson Creek Gold Project consists of 7 claim blocks covering 1.84 square kilometres located approximately 15 kilometres northwest of Searchlight's Bootleg Lake claims (Map 1). The Robinson Creek target area lies within a structurally controlled mesothermal lode gold system, with considerable historical exploration which includes geologic mapping, trenching, soil surveys, airborne and ground geophysical surveys, and over 75 diamond drill holes.

The Robinson Creek target comprises three gold zones - the Vein, Bleiler, and Quartz Zones - over a strike length of approximately 1 km. Exploration in the area began in 1915. In 1946,

Hudson Bay Exploration carried out initial drilling of 15 holes in the Vein and Quartz zones. From 1970 to 1978, additional trenching in the Quartz Zone was completed, with trench samples returning gold assays ranging from 0.01 to 1.5 oz/ton.

In the 1980s, Suneva and the Saskatchewan Mineral Development Corporation ("SMDC") joint venture completed over 60 drill holes, with exploration ending in 1989 during a period of low gold prices. Selected highlights of the drilling are presented in Table 1. Mineralization is open to depth, and there is limited drill testing on multiple additional gold showings. No drilling or surface exploration has been recorded on the claims since 1990, though St. Eugene Mining completed a regional airborne VTEM geophysical survey in 2011.



Map 3 – Location of Robinson Creek claims

In August 2021, Searchlight completed airborne magnetic and lidar surveys of Robinson Creek, with results pending. In conjunction with survey the Company a team of geologist spend 3 days on the property to sample and confirm the surface locations of the Vein, Bleiler, and Quartz Zones.

During the program, a total of 60 outcrop samples and 12 soil samples were collected. Selected outcrop samples are shown in Table 1. Results show multiple samples with greater than 10 g/t Au from all three zones, and over 40% of outcrop samples with greater than 0.5 g/t. Significant results including samples of 19.31 g/t Au in the Bleiler zone, 17.17 g/t Au and 14.53 g/t Au in the Quartz zone and 13.98 g/t Au in the Vein zone.

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In September 2021 Searchlight completed an Airborne Magnetic Survey covering the entire claim block at 50 m line spacing. The survey results highlight the area of historical drilling along the Mosher Lake Shear Zone (Map 4). "At Searchlight, we are encouraged that the airborne survey shows good correlation with gold mineralization from past drilling, and also suggests further potential along strike and at depth", said Stephen Wallace, Searchlight's CEO.

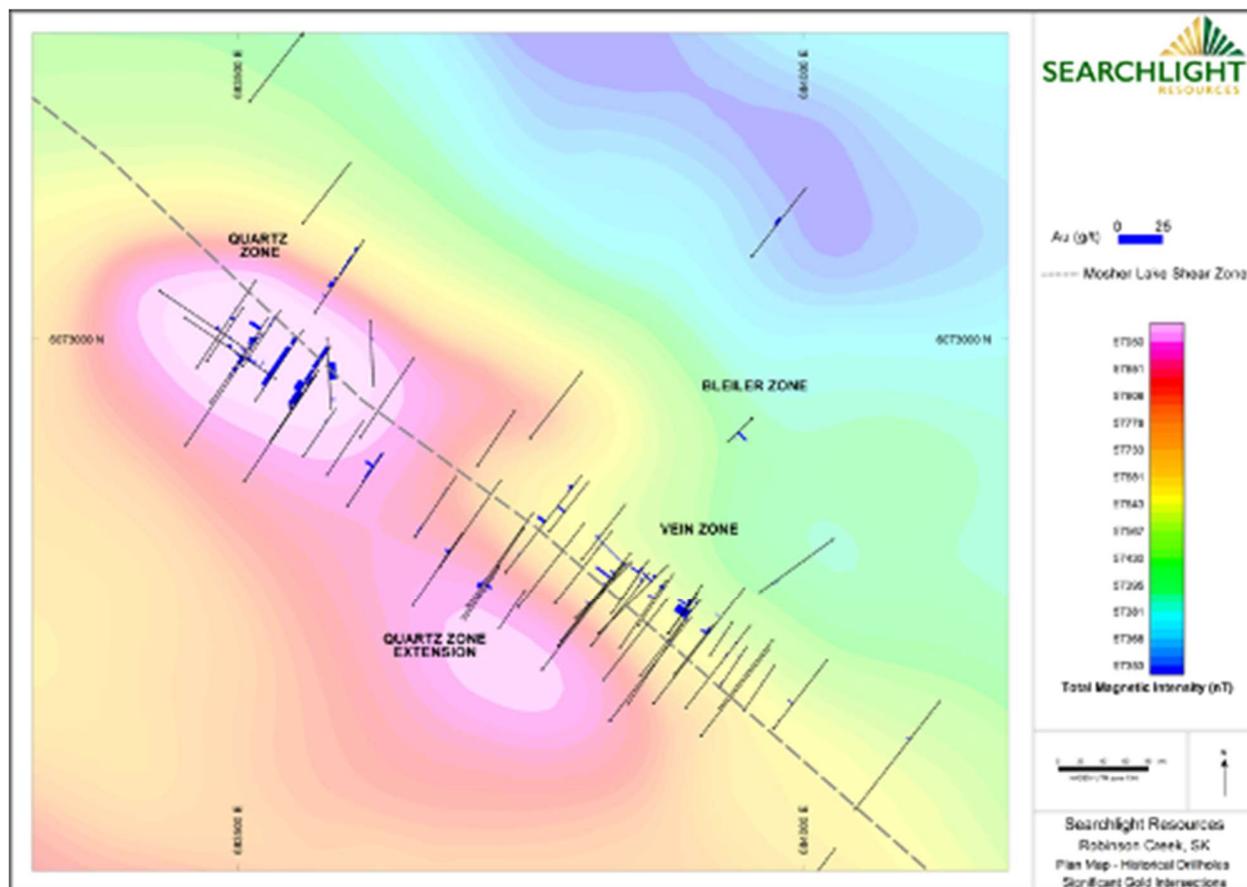
In conjunction with survey the Company a team of geologist spend 3 days on the property to sample and confirm the surface locations of the Vein, Bleiler, and Quartz Zones. During the program, a total of 60 outcrop samples and 12 soil samples were collected. Results show multiple samples with greater than 10 g/t Au from all three zones, and over 40% of outcrop samples with greater than 0.5 g/t. Significant results including samples of 19.31 g/t Au in the Bleiler zone, 17.17 g/t Au and 14.53 g/t Au in the Quartz zone and 13.98 g/t Au in the Vein zone.

In February 2022 Searchlight completed the digitizing and compilation of historical drill holes at Robinson Creek Gold project. See Map 5.

### **Highlights**

- Compilation of 70 historical drill holes from the 1940s and 1980s
- 60 drill holes have gold intersections greater than 1 g/t Au
- 45 gold intersections greater than 2.0 g/t Au over at least one metre
- Multiple wide gold intersections:
  - 2.46 g/t Au over 57.60 m in DDH 81-2
  - 7.59 g/t Au over 10.94 m in DDH HB-6
  - 3.80 g/t Au over 21.00 m in DDH R07-1
  - 2.15 g/t Au over 32.00 m in DDH 81-1

The drill intersections and the 2021 magnetic survey outline a mineralized zone with a strike length of approximately 1,000 metres



Map 5: Robinson Creek Gold Project – Historical Drill Holes with Significant Gold Intersections, overlaid on 2021 Total Magnetic Intensity

**Option Agreement Terms**

Timing	Cash (C\$)	Shares <sup>(2)</sup>	Exploration Expenditures (C\$)
Execution of the Agreement	\$5,000 (Paid)	-	-
On or before 10 business days after receipt of Exchange approval	\$20,000 (Paid)	500,000 (Issued)	-
On or before the Year 1 anniversary of Exchange Approval	\$25,000	500,000	\$25,000
On or before the Year 2 anniversary of Exchange Approval	\$25,000	500,000	An additional \$50,000
On or before the Year 3 anniversary of Exchange Approval	\$25,000	500,000	-
On or before the Year 4 anniversary of Exchange Approval	-	-	An additional \$425,000
<b>TOTAL</b>	<b>\$100,000</b>	<b>2,000,000</b>	<b>\$500,000</b>

Under the terms of the Option Agreement, Searchlight will pay a 2.0 % Net Smelter Return royalty (the "NSR") to the vendor. The Company will have the right, at any time, to purchase 1.5 % of the 2.0% NSR for \$2,250,000.

### **Wapawekka Greenstone Belt**

In September 2020 Searchlight completed the staking of 347.2 sq. km of new claims covering a 60-km long, almost completely contiguous, section of the western section of Wapawekka Greenstone Belt. The staking was based on newly published Airborne Geophysics released by the Government of Saskatchewan and Natural Resources Canada ("NRCan").

On September 17th, 2020, the Government of Saskatchewan released a set of maps and raw data from the Southern Glennie airborne electromagnetic and magnetic surveys flown over an area 40 kilometres southeast of Lac La Ronge, Saskatchewan in early 2020. The helicopter-borne geophysical survey by Geotech Ltd. included Electromagnetics using the versatile time-domain electromagnetic (VTEM™ Max) system, and Aeromagnetics using a caesium magnetometer. The survey covers an area of 1,110 sq. km, with a total of 6,595 line-kilometres of data at 200-metre line spacing. (See maps below)

This is an early-stage grass roots project, based on the new geophysical surveys. Searchlight completed compilation of previous work during early 2021.

### **Reef Lake Nickel Copper Project**

In September 2020 Searchlight completed the staking of a 29.7 square kilometre claim covering the Reef Lake Nickel Copper target in north central Saskatchewan, located less than 20 km from the all weather road at the Komis gold deposit and approximately 5 km from the major power line from Island Falls Hydroelectric facility.

In 1956 and 1957 a total of 27 drill holes were completed on the project, totaling 10,193 feet (3,103.7 meters) with selected drill results shown in the table below. Since the 1950's drilling at Reef Lake, the project has seen limited work including prospecting and an MMI survey in 2008. The Reef Lake nickel copper mineralization occurs as disseminated nickeliferous pyrrhotite, chalcopyrite and minor pyrite throughout a Mafic-Ultramafic Intrusion that outcrops on surface over an area of approximately 60 m x 150 m. Two 1956 drill holes were collared in surface mineralization including the first hole (DDH#1) which resulted in 37.8 m averaging 0.37% Ni, including a 9.8m interval assaying 0.66% Ni and 0.28% Cu. Drill DDH#5 also collared in mineralization averaged 0.43% Ni over 10.7m from surface.

Highlights from 1957 drilling includes DDH#12 with assays of 0.41% Ni and 0.15% Cu over 28.7 m which includes 1.19% Ni and 0.37% Cu over 1.0 m and 1.1% Ni and 0.27% Cu over 4.7 m. Additionally, DDH#20 had assays of 0.33% Ni and 0.18% Cu over 17.5 m which includes 0.55% Ni and 0.25% Cu over 5.8 m.

### **Flin Flon North Project**

Searchlight has optioned 2 mineral claims totaling 5,644.7 hectares located 10 kilometers north of the Company's existing Bootleg Lake claims, building the Company's core land position in the Flin Flon Greenstone Belt. (See map below) The optioned claims cover historical gold and volcanogenic massive sulphide ("VMS") base metal showings, along the Annabelle Lake shear zone

#### **Terms of the Option Agreement**

- To earn 100% interest in the Claims, subject to a 2% NSR, Searchlight must maintain the claims in good standing and complete 12 years of assessment expenditures on the claims.
- Once the 100% interest is earned, GEM OIL will retain a 2% NSR.
- Further if any Claims optioned by Searchlight from Diamond Projects are sold or optioned by Searchlight to a third party, GEM OIL is to receive 25% of all cash and share payments.
- The agreement allows Searchlight to modify the size of optioned claims by adding or removing claim units during the life of the Option.

Any claims or claim units returned to Diamond Project will have a least one year remaining before Good Standing Date.

### **Kulyk Lake Rare Earth project**

In June 2019 Searchlight announced the staking of Kulyk Lake Rare Earth project located approximately 165 kilometres north of La Ronge, Saskatchewan and 65 km south of the Key Lake Mine.

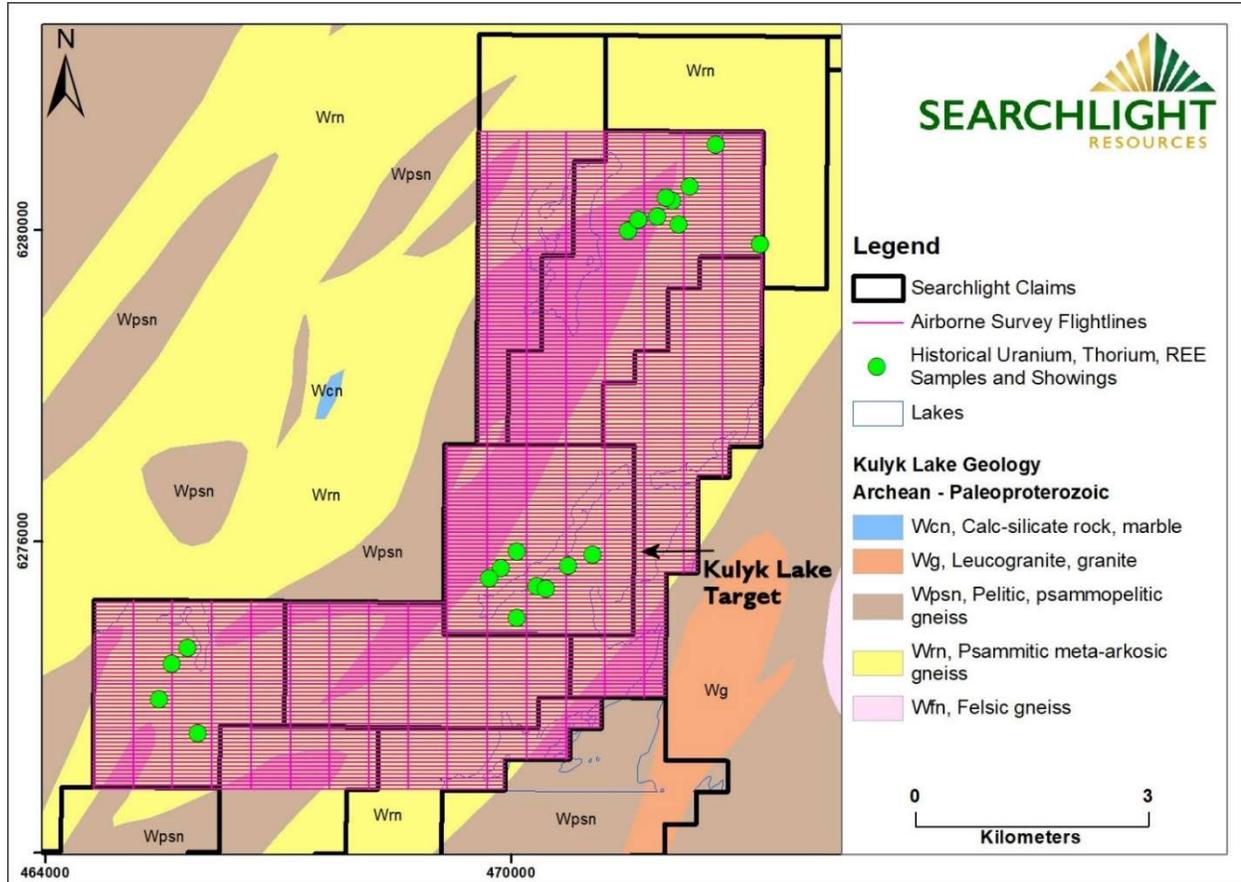
Searchlight has staked two claims totaling 1,348.6 hectares covering the Kulyk Lake Rare Earth target in north central Saskatchewan. Historically the Kulyk Lake area had been explored for uranium, followed by preliminary rare earth exploration in 2009 and 2010 when rare earth prices spiked. In addition to the Kulyk Lake Rare Earth target, the claim block also covers 7 additional rare earth, uranium and thorium showings and sample locations.

In 2009 grab and channel samples were collected and analyzed with a rare earth analytical package at the Saskatchewan Research Council Laboratory. The results included 56.18% Total Rare Earth Oxides ("TREO"), including 12.49% Critical Rare Earth Oxides ("CREO") in selected grab sample AGKJR001; 30.6% TREO including 6.82% CREO in selected grab sample AGKJR002 and 19.04% TREO including 4.21% CREO in channel sample AGKJR003. A full list of all rare earth oxide results is presented in Table below. Note: Critical Rare Earth Oxides (CREO) is the sum of  $\text{Pr}_6\text{O}_{11} + \text{Nd}_2\text{O}_3 + \text{Tb}_4\text{O}_7 + \text{Dy}_2\text{O}_3$ .

This work was followed up in 2010 with a series of trench samples, with some of the samples analyzed with the same rare earth analytical package at the Saskatchewan Research Council Laboratory. Selected results include trench samples DFKJR026 with 45.1% TREO and 10.08% CREO over 0.6 metres, DFKJR025 with 24.44% TREO and 5.49% CREO over 0.7 metres and DFKJR013 with 19.75% TREO and 4.41% CREO over 0.7 metres.

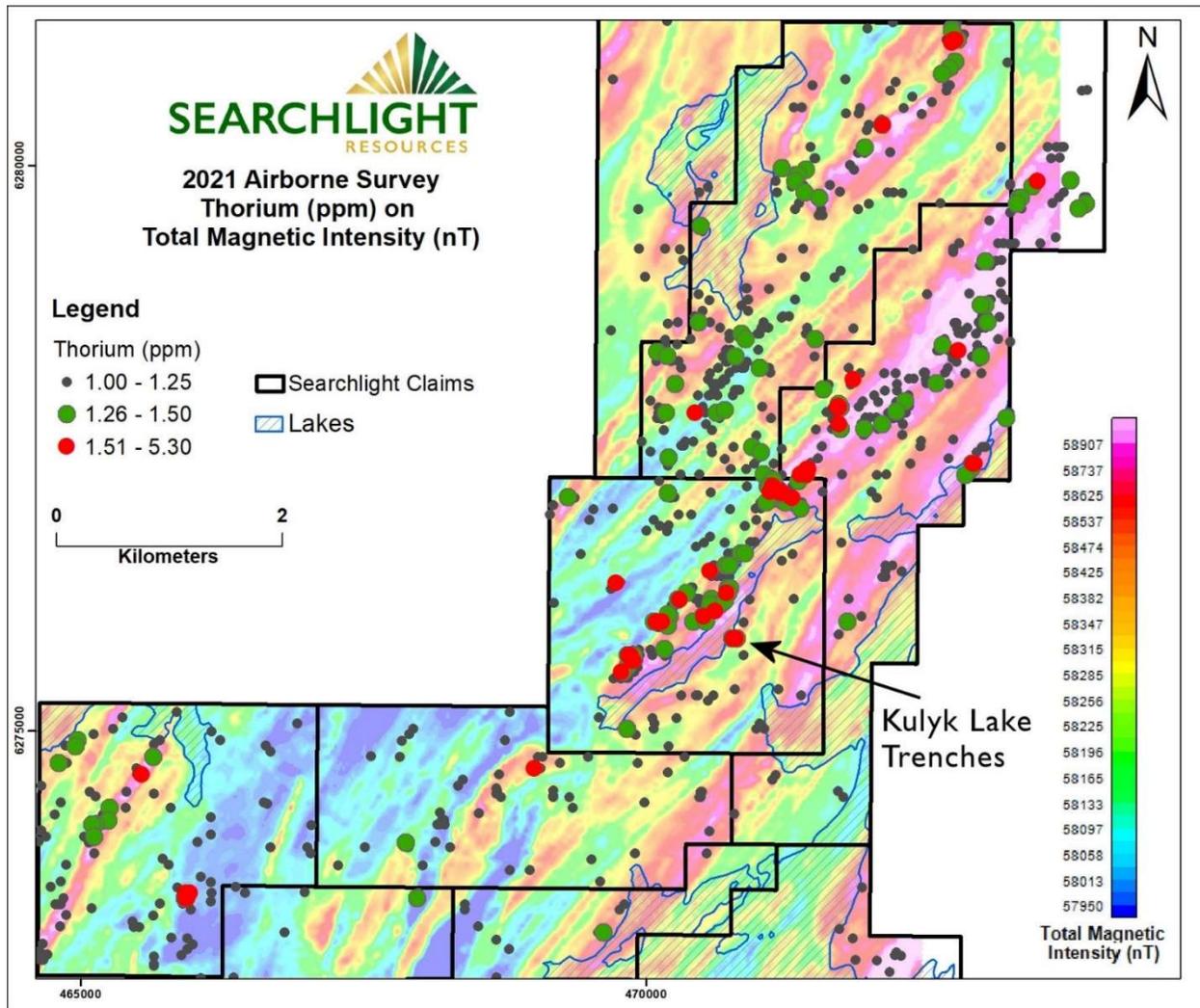
Searchlight has staked an additional 36.4 square kilometres of claims, increasing the total claim area of the Kulyk Lake project to 61.1 sq km.

In September 2021, the Company completed initial field work and airborne radiometric and magnetic surveys on the Kulyk Lake Project. Special Projects Inc. of Calgary, Alberta, completed high-resolution aeromagnetic and radiometric surveys covering approximately 39 sq km of the Kulyk Lake claims (Map 5). Preliminary radiometric results have outlined significant new thorium and uranium targets, in addition to several historical REE, uranium and thorium showings.



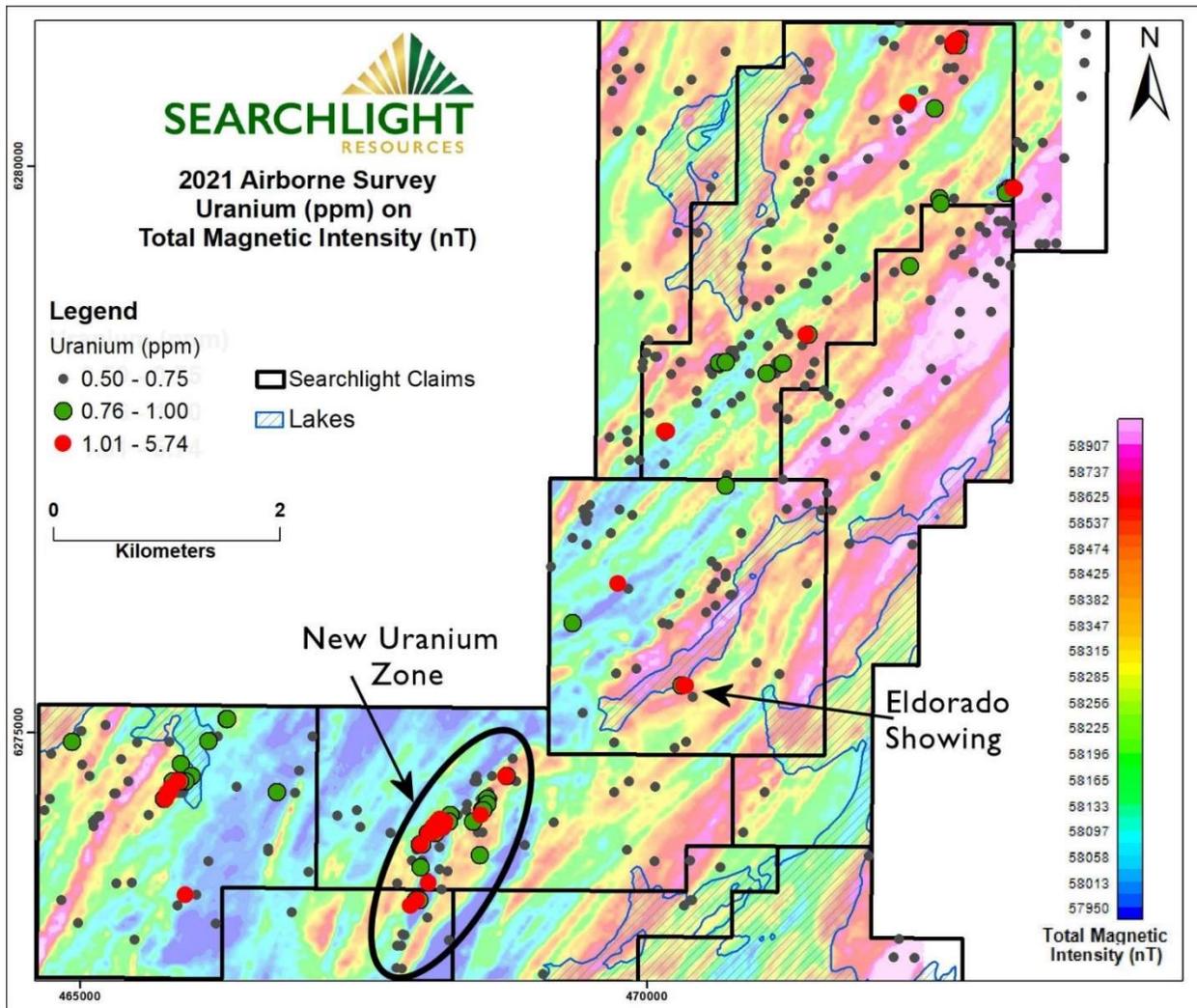
Map 5. Flightlines for 2021 Airborne Magnetic and Radiometric Surveys, Kulyk Lake Project, with Historical Showings

Searchlight uses thorium as a pathfinder for rare earth elements in the mineral monazite, which is the principal mineral in the known Kulyk Lake REE showing (Map 6). The highest thorium value from the radiometric survey (5.3 ppm) was located over the known Kulyk Lake REE trenches which yielded historical assays of 56.18% Total Rare Earth Oxides (“TREO”). Additionally, the radiometric survey identified the Kulyk Lake target as part of a larger anomalous thorium zone, at least 3 kilometres in length.



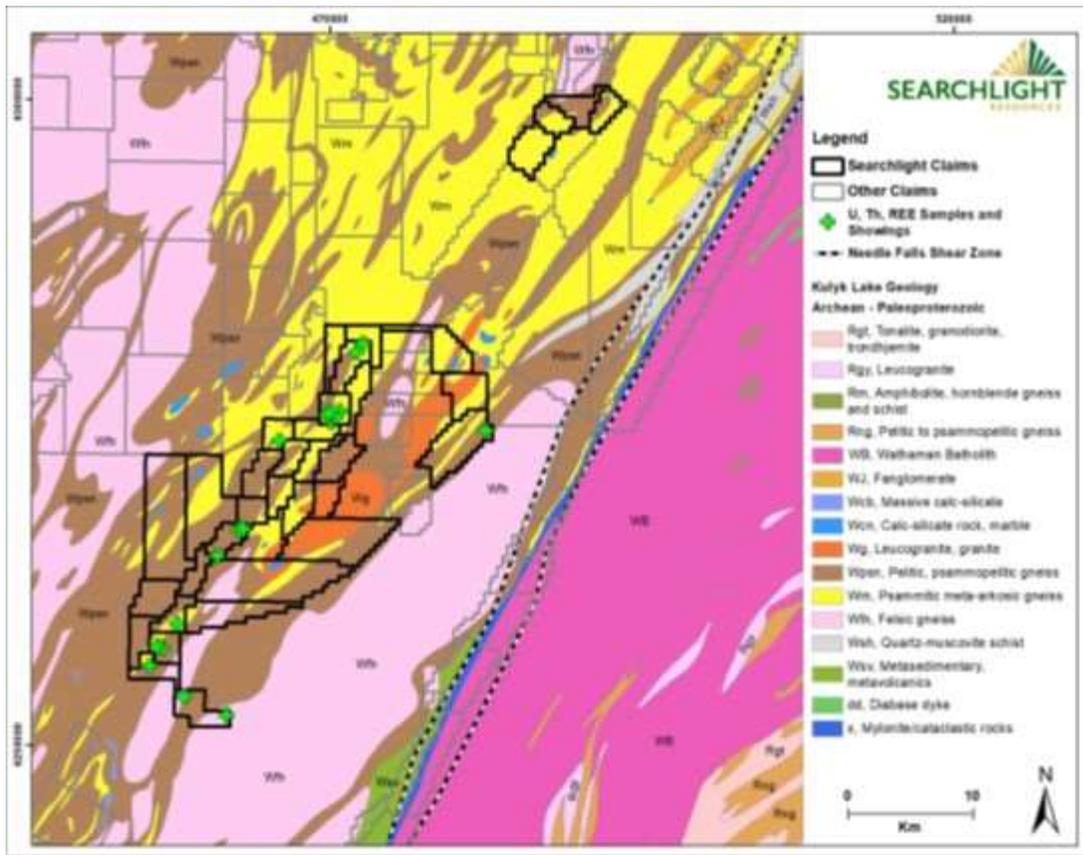
Map 6. Thorium (ppm) overlaid on Total Magnetic Intensity (nT), 2021 Airborne Survey, Kulyk Lake Project

Uranium results from the radiometric survey were equally positive, identifying a significant new, previously unknown uranium target (Maps 3 and 5), as well as pinpointing known uranium showings, including the Eldorado showing with historical assays of 0.785 %  $U_3O_8$ . The newly identified anomalous uranium zone has multiple high values, ranging up to 5.74 ppm, the highest uranium value of this survey (Map 7).



Map 7. Uranium (ppm) overlaid on Total Magnetic Intensity (nT), 2021 Airborne Survey, Kulyk Lake Project

During July and October Searchlight completed additional staking at Kulyk Lake, expanding the claim block from 61.1 sq km to 317.1 sq km. See map 8



Map 8. Searchlight Resources Expanded Kulyk Lake Property Claims

During summer 2022 field season the Company completed 3 phases of ground exploration on the Kulyk Lake project. An initial prospecting follow-up of the new anomalous areas was completed in Phase 1 in June 2022, with a total of 67 grab samples collected, 18 from the northern rare earth zone and 49 from the southern uranium zone. Sampled areas were identified as granitic pegmatites.

#### Rare Earth Sampling Results

A total of 18 grab samples were collected over a 1.2 km strike length of the northern rare earth zone, and several samples returned anomalous rare earth values. The most significant results were:

- Sample 232903 with 0.95% (or 9,464 ppm) TREO in grab sample including 1,750 ppm Nd<sub>2</sub>O<sub>3</sub>, 524 ppm Pr<sub>2</sub>O<sub>3</sub>, 39.6 ppm Dy<sub>2</sub>O<sub>3</sub> and
- Sample 232901 with 0.85% (or 8,495 ppm) TREO in grab sample including 1,563 ppm Nd<sub>2</sub>O<sub>3</sub>, 479 ppm Pr<sub>2</sub>O<sub>3</sub>, 53.4 ppm Dy<sub>2</sub>O<sub>3</sub>.

Some samples were also anomalous in Rare Metals including Rubidium and Gallium and will require further investigation

#### Uranium Sampling Results

A total of 49 samples were collected over a 1.5 km strike length, with 12 anomalous samples

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assaying over 100 ppm U<sub>3</sub>O<sub>8</sub>. Two samples from this southern uranium zone returned assays of 0.067 % (670 ppm) U<sub>3</sub>O<sub>8</sub>, and 0.054% (540 ppm) U<sub>3</sub>O<sub>8</sub>. The results indicate the potential of a Rossing style bulk tonnage uranium deposit in a granitic pegmatite target. Further prospecting and systematic sampling would be required.

During the phase 1 program 26kg sample of rare earth-bearing monazite from the Fanta showing was collected for metallurgical and petrographic testing In November 2022 Searchlight Contracted the Saskatchewan Research Council to Complete a Rare Earth Elements Beneficiation Study on this sample.

### **Note on TREO & CREO**

Total Rare Earth Oxides = TREO =

Ce<sub>2</sub>O<sub>3</sub>+Dy<sub>2</sub>O<sub>3</sub>+Er<sub>2</sub>O<sub>3</sub>+Eu<sub>2</sub>O<sub>3</sub>+Gd<sub>2</sub>O<sub>3</sub>+Ho<sub>2</sub>O<sub>3</sub>+La<sub>2</sub>O<sub>3</sub>+Nd<sub>2</sub>O<sub>3</sub>+Pr<sub>6</sub>O<sub>11</sub>+Sm<sub>2</sub>O<sub>3</sub>+Tb<sub>4</sub>O<sub>7</sub>+  
Critical Rare Earth Oxides (CREO) is the sum of Pr<sub>6</sub>O<sub>11</sub> + Nd<sub>2</sub>O<sub>3</sub> + Tb<sub>4</sub>O<sub>7</sub> + Dy<sub>2</sub>O<sub>3</sub>.

### **Duddridge Cobalt-Vanadium-Uranium Project**

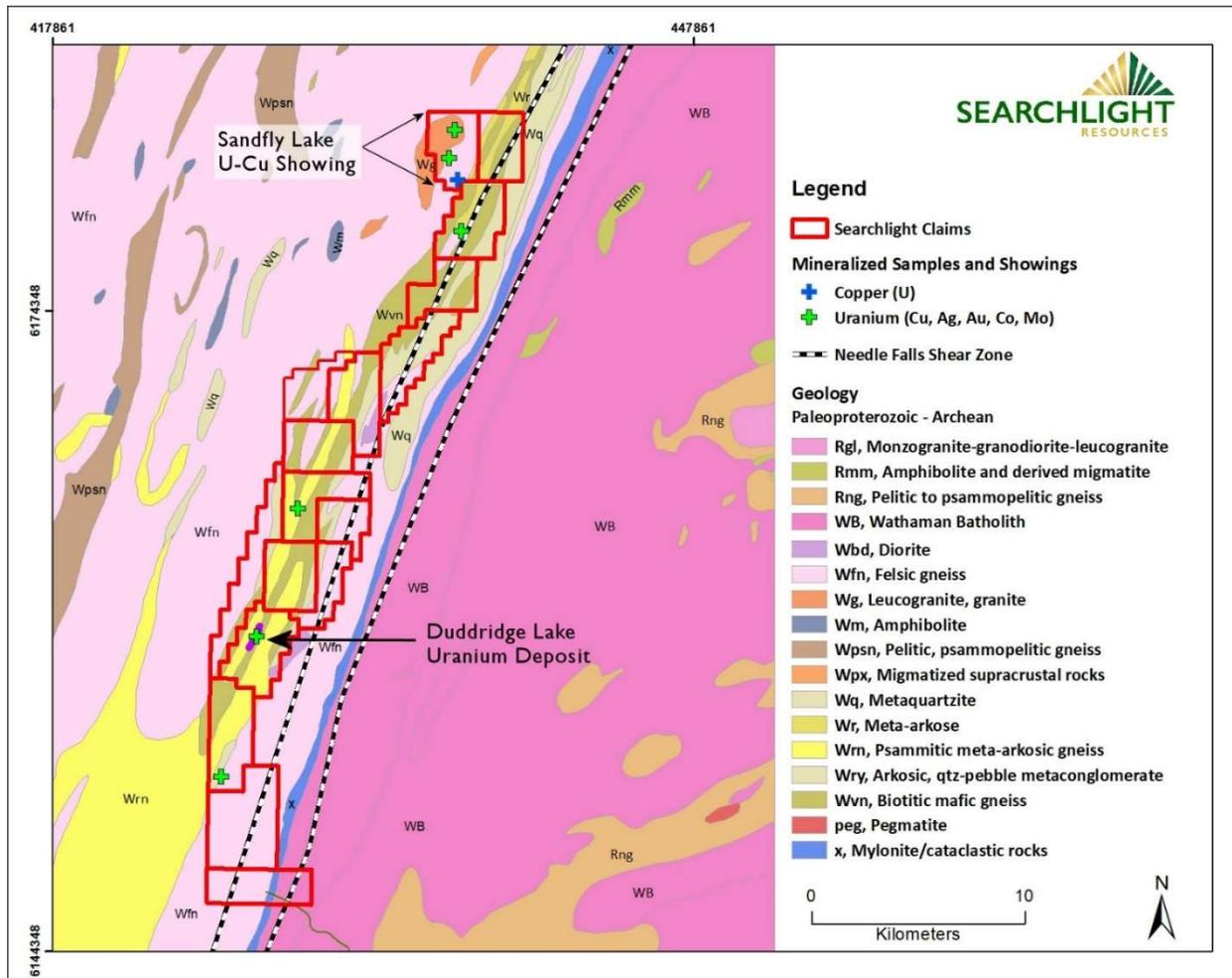
In December 2019, the Company acquired the Duddridge Cobalt-Vanadium-Uranium Project which consists of 4 mineral claims totaling 3,051.6 hectares accessible by an all-season gravel road (Highway 910) to within 12 km of the project and with direct access to the project by winter road and ATV trail in summer.

To date, no exploration has ever focused on the cobalt or vanadium in this region of Saskatchewan. In 2007, Fission Energy Corporation ("Fission") announced a historical inferred resource estimate of 227,880 tonnes with a grade of 2.14 lbs/tonne U<sub>3</sub>O<sub>8</sub> (see details below). Subsequently, during uranium exploration by Fission in 2012, a total of 39 boulder samples were collected and analyzed for a wide package of elements.

The results of boulder analysis showed highly anomalous results for cobalt and vanadium, two elements that were not of widespread exploration interest in 2012. In addition, the sample results show anomalous copper, lead and uranium levels. At that time of exploration, the focus was primarily for uranium. Of note, sample DD12-HW-029 assayed 1,310 ppm Co and 1,560 V; sample DD12-SH-012 assayed 1,460 Co and 746 ppm V; sample DD12-WM-002 assayed 567 ppm Co and 5,550 ppm V plus 4,440 ppm Pb and 15,100 ppm U.

The data was derived from Appendix 3 of the Saskatchewan Mineral Assessment report MAW00145 submitted on March 29th, 2013 by Fission, titled "2012 AIRBORNE GEOPHYSICAL SURVEYING and OUTCROP, BOULDER & SOIL SAMPLING ON THE DUDDRIDGE LAKE PROPERTY".

Searchlight holds these claims 100% subject to a 1.0 % Net Smelter Return royalty (the "NSR") to the Vendors on commencement of commercial production. Searchlight has the right, at any time prior to six months after completion of a feasibility study to purchase the first 0.5 % of the 1.0% NSR for \$1,000,000 and the second 0.5 % of the 1.0% NSR for \$1,500,000 for a total buyout of \$2,500,000.



Map 9. Searchlight Resources Claims Map for the Duddridge Lake Property

Searchlight holds these claims 100% subject to a 1.0 % Net Smelter Return royalty (the "NSR") to the Vendors on commencement of commercial production. Searchlight has the right, at any time prior to six months after completion of a feasibility study to purchase the first 0.5 % of the 1.0% NSR for \$1,000,000 and the second 0.5 % of the 1.0% NSR for \$1,500,000 for a total buyout of \$2,500,000.

In September 2021, Special Projects Inc. of Calgary, Alberta, completed high-resolution aeromagnetic and radiometric surveys covering approximately 42.9 sq km of the Duddridge Lake claims. Preliminary radiometric results have highlighted the known Duddridge Lake Uranium Deposit (Map 11) and multiple additional potential uranium targets. The aeromagnetic survey has outlined a 5-kilometre-long geophysical target which includes the Duddridge Lake Uranium Deposit and similar geology along strike.

In September 2022, the Company carried two days of field work on the northern section of the Duddridge claim block also called the Sandfly Lake area. The field work was to follow up a radiometric thorium anomaly. Not results are available.

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### **Diamond Projects Option**

Searchlight has optioned 4 mineral claims totaling 654 hectares that adjoin the Company's existing Bootleg Lake claims, building the Company's core land position. (See map below) The optioned claims cover historical gold and volcanogenic massive sulphide ("VMS") base metal showings, including the Curved Lake VMS and Phantom Ledge Lake Gold targets.

### **Terms of the Option Agreement**

- To earn 100% interest in the Claims, subject to a 1% NSR, Searchlight must maintain the claims in good standing and complete 12 years of assessment expenditures on the claims. The assessment expenditure requirements are outlined in the Saskatchewan regulation document "The Mineral Tenure Registry Regulations"
- Once the 100% interest is earned, Diamond Projects will retain a 1% NSR.
- Further if any Claims optioned by Searchlight from Diamond Projects are sold or optioned by Searchlight to a third party, Diamond Projects is to receive 25% of all cash and share payments.
- The agreement allows Searchlight to modify the size of optioned claims by adding or removing claim units during the life of the Option.
- Any claims or claim units returned to Diamond Project will have a least one year remaining before Good Standing Date.

### **Bootleg Lake Gold Property, Saskatchewan, Canada**

In May 2017, Searchlight entered into an option agreement with New Moon, a private company, to earn a 75% interest in the Bootleg Lake Gold Property. The property is located near Creighton, Saskatchewan, Canada, five kilometres southwest of Flin Flon, Manitoba.

In August 2017, the Company staked a total of 13 claims blocks covering 2,851 hectares contiguous to the south and west side the Bootleg Lake Gold Property. With this staking, Searchlight increased its claim area from 867 hectares to a total area of 3,718 hectares.

In February and March 2018, the Company staked an additional three claim blocks to bring the property to 20 claims covering 4,997.70 hectares.

In March 2018, the Company completed a drill program of four NQ diamond drill holes, totaling 1,446 metres. Three drill holes were completed at the Rio (Bootleg) target and one at the Newcor target. The drilling at Rio (Bootleg) successfully demonstrated that gold mineralization extended below the known workings. Highlights of this drilling include

- 5.24 g/t gold over 4.0m including 12.24 g/t Au over 0.50m in drill hole BI-01
- 2.09 g/t gold over 19.0m including 3.23 g/t Au over 8.0m in drill hole BI-01
- 2.45 g/t gold over 5.0m including 3.84 g/t Au over 2.0m in drill hole BI-02

In October 2018 the Company entered into an amendment agreement to complete the payments and work commitments to earn a 51% interest in the Bootleg Lake project. Under the amendment agreement, Searchlight has accelerated the 51% earn in with an all stock payment.

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Searchlight completed the initial payments and the first phase of the 51% earn in, plus the \$250,000 required exploration expenditure. Originally a payment of \$50,000 and 166,667 shares due June 30th, 2019 has been replaced with a share payment of 1,425,000 shares which was paid within 5 days of TSXV approval. This completes the necessary requirements for Searchlight to earn 51%.

In June 2020, the Company entered into an amendment agreement with New Moon Minerals the vendors of the Bootleg Lake project to amend the scheduled June 30<sup>th</sup>, 2020 payment. The original payment was to have been a cash payment of \$50,000 and 166,667 common shares. This payment was amended to a cash payment of \$30,000 and 473,859 common shares of Searchlight.

In November 2020, Searchlight completed a UAV Magnetic survey of Rio and Henning-Maloney Mine areas. The company commissioned Axiom Geological Group to conduct a UAV Magnetometer survey targeting two priority areas within the 49.9 sq. km Bootleg Lake claims.

The survey covered a 1.53 square kilometre area surrounding Rio and Henning-Maloney past-producing gold mines with a total of 64-line kilometres of data, at 25 metre line spacing (Map 1). This work is in preparation for a 2021 drilling program at Henning-Maloney.

In March 2021, the Company completed a drill program of three NQ diamond drill holes, totaling 601 metres at the Henning Maloney past producing gold mine. The drilling at Henning Maloney successfully verified gold mineralization in the area and that gold mineralization extended below the historic shaft depth. Highlights of this drilling include.

- 4.15 g/t gold over 0.95 m in drill hole HM-21-01
- 7.91 g/t gold over 0.85 m in drill hole HM-21-02
- 8.4 g/t gold over 0.7 m in drill hole HM-21-02
- 31.59 g/t gold over 1.0 m in drill hole HM-21-03

In August 2021 the Company completed airborne magnetic and Lidar surveys covering the area of past producing gold mines Rio, Henning Maloney, Newcor and Wekach.

In September 2021 the Company completed the required payments and work commitments to earn a 75% interest in the Bootleg Lake Gold project.

## Financial

### **Summary of Quarterly Results**

The Company is an exploration stage company and has not generated any sales or revenues, nor has it had any extraordinary items or discontinued operations in the most recent eight fiscal quarters. The following is a summary of the Company's financial results for the eight most recent quarters:

Quarter ended:	Revenues \$	Net income (loss) \$	Basic and fully diluted income (loss) per share \$
December 31, 2020	-	(290,308)	(0.00)
March 31, 2021	-	(726,653)	(0.01)
June 30, 2021	-	(156,626)	(0.00)
September 30, 2021		(330,703)	(0.00)
December 31, 2021		(275,630)	(0.00)
March 31, 2022		(544,852)	(0.00)
June 30, 2022		(185,139)	(0.00)
September 30, 2022		(293,357)	(0.00)

To date, the Company has not yet realized profitable operations and has relied on equity financings and related party loans to fund its losses. The difference in the losses between the various quarters is mainly due to the amount of activity by the Company in each quarter, primarily on mineral exploration expenditures, general administration and regulatory requirements.

The loss for the quarters ended December 31, 2020, March 31, 2021, June 30, 2021, September 30, 2021, December 31, 2021, March 31, 2022, June 30, 2022, and September 30, 2022, resulted from operating expenses, mineral exploration costs, and unrealized losses on marketable securities.

### **Results of Operations**

The review of the results of operations should be read in conjunction with the Company's September 30, 2022 unaudited interim condensed financial statements. For the three month period ended September 30, 2022, the Company incurred a loss of \$293,357 (2021-\$330,703).

The expenses and related costs that reflect changes in the Company's operations during the three month period ended September 30, 2022 include the following:

- Professional fees increased from \$23,000 for the period ended September 30, 2021 to \$37,527 for the period ended September 30, 2022. Professional fees include \$18,000 (2021 - \$15,000) of accounting fees paid to a company controlled by the Company's CFO.

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- Management and consulting fees include fees paid to the Company's CEO, Vice President Business Development, and other consultants. The Company incurred management and consulting fees of \$46,800 (2021 - \$33,600) related to the CEO, Vice President Business Development, and other consultants.
- Investor relations expense increased from \$28,575 during the period ended September 31, 2021, to \$53,508 during the period ended September 30, 2022. Fees primarily relate to costs distribution of news releases and consulting fees for the preparation of investor and shareholder materials, and investor relations and marketing activities.
- Non-cash items of \$5,482 with respect to unrealized gains on marketable securities realized during the period ended September 30, 2022 with comparable amounts for 2021 of unrealized loss of \$13,706.

### ***Exploration Expenditures***

During the three month period ended September 30, 2022, the Company recorded mineral property expenses of \$176,723 (2021 - \$213,006). These expenses primarily consist of geophysics at Kulyk Lake and Flin Flon North. Additional funds were used to stake new claims in the Wapawekka Greenstone Belt, Kulyk Lake and Reef Lake area.

Further particulars of exploration expenditures and commitments per project are provided in note 4 of the Company's September 30, 2022 unaudited condensed interim financial statements.

The Company has sufficient funds and working capital to meet operating expenditures and exploration plans for the next 12 months.

### ***Liquidity and Capital Resources***

At September 30, 2022, the Company had cash of \$2,163,734 (June 30, 2022 - \$1,403,267) and working capital of \$2,401,177 (June 30, 2022 - \$1,621,284). For the period ended September 30, 2022, the Company had negative cash flows from operations.

Some factors affecting the Company's liquidity include:

- During the period ended September 30, 2022, the Company received net proceeds of \$156,000 from the exercise of warrants.
- During the period ended September 30, 2022, the Company received net proceeds of \$ 917,250 from private placement financing.
- The Company's operational plan calls for significant expenses in connection with the exploration of its properties. The Company has sufficient funds to meet its annual claim payments and meet its ongoing reporting obligations including its exploration programs on the Bootleg Lake Gold Property and the Flin Flon North project.
- Obtaining financing is subject to a number of factors, including the market prices for the mineral properties and copper. These factors may make the timing, amount, terms or conditions of additional financing unavailable to the Company. Since inception, the Company has used its common shares to raise money for operations and for property acquisitions. The Company has not attained profitable operations and is dependent upon obtaining financing to pursue its plan of operation. For these reasons, the Company's independent auditors believe these factors indicate the existence of a material uncertainty that may cast substantial doubt about its ability to continue as a going concern.

***Related Party Transactions***

Particulars of transactions with related parties are disclosed in note 5 to the September 30, 2022 unaudited condensed interim financial statements. The Company does not have any contractual relationships with directors or officers other than employment contracts in the ordinary course of business.

- a) As at September 30, 2022, the Company was indebted to the CEO of the Company for \$20,934 (June 30, 2022 - \$4,650) which is included in accounts payable and accrued liabilities. The amount is non-interest bearing, unsecured and due on demand.
- b) During the period ended September 30, 2022, the Company incurred management fees of \$36,000 (2021 - \$36,000) to the CEO of the Company.
- c) During the period ended September 30, 2022, the Company incurred consulting fees of \$15,000 (2021 - \$12,000) to a Director of the Company.
- d) During the period ended September 30, 2022, the Company incurred professional fees of \$18,000 (2021-\$15,000) to a company controlled by the CFO of the Company.
- e) During the three months ended September 30, 2022, the Company incurred exploration and evaluation fees of \$26,100 to a company controlled by a director of the Company (2022-\$14,400), and exploration and evaluation \$19,390 (2022-\$13,260) to a close family member of the CEO.
- f) During the three months ended September 30, 2022, the Company incurred office and administrative expenses of \$1,500 (2022-\$1,700) to the CEO of the Company.

***Financial Instruments and Risk Management***

(a) Fair Values

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's statement of financial position as at September 30, 2022, as follows:

	Fair Value Measurements Using			Balance, March 31, 2022 \$
	Quoted prices in active markets for identical instruments (Level 1) \$	Significant other observable inputs (Level 2) \$	Significant unobservable inputs (Level 3) \$	
Cash	2,163,734	-	-	2,163,734
Marketable securities	71,270	-	-	71,270
	<u>2,235,004</u>	<u>-</u>	<u>-</u>	<u>2,235,004</u>

The fair values of other financial instruments, which include amounts receivable, accounts payable and accrued liabilities, loans payable, approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and amounts receivable. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. Amounts receivable consists of GST refunds due from the Government of Canada. The carrying amount of financial assets represents the maximum credit exposure.

(c) Foreign Exchange Rate Risk

The Company operates in Canada only and has very little activity denominated in U.S. dollars. Foreign exchange risk arises from purchase transactions as well as financial assets and liabilities denominated in these foreign currencies.

The Company does not use derivative instruments to hedge exposure to foreign exchange rate risk. However, management of the Company believes there is no significant exposure to foreign currency fluctuations.

(d) Interest Rate Risk

The Company's cash may contain highly liquid investments that earn interest at market rates. The Company manages its interest rate risk by maximizing the interest earned on excess funds while maintaining the liquidity necessary to fund daily operations. Fluctuations in market interest rates do not have a significant impact on the Company's results of operations due to the short term to maturity of the investments held.

(e) 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 currently settles its financial obligations out of cash. The ability to do this relies on the Company raising debt or equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

(f) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities. The Company is exposed to price risk with the marketable securities held in publicly-traded companies. The Company's marketable securities are subject to risks associated with fluctuations in the market price of the marketable securities.

***Accounting Standards Issued But Not Yet Effective***

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended September 30, 2022, and have not been applied in preparing these financial statements.

Amendments to IAS 1, "*Presentation of Financial Statements*"

Amendments to IFRS 3 "*Business Combinations*"

The Company will adopt the amendments to the standards and does not expect they will have a material impact on the Company's financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

***Risk and Uncertainties***

The following are some significant risk factors that could affect the Company's financial performance or could cause actual results to differ materially from estimates contained in the Company's forward-looking statements. The Company may encounter risks in addition to those described below. Additional risks and uncertainties not currently known to the Company, or that

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it currently deems to be immaterial, may also impair or adversely affect the Company's business, financial condition or results of operation.

An investment in the Company's common shares involves a high degree of risk. Investors should carefully consider the risks described below and the other information in this report before investing in the Company's common shares. If any of the following risks occur, the Company's business, operating results and financial condition could be seriously harmed. The price of the Company's common shares could decline due to any of these risks, and investors may lose all or part of their investment.

The Company lacks an operating history and has losses which it expects to continue into the future. As a result, the Company may have to suspend or cease exploration activities and if the Company does not obtain sufficient financing, its business will fail.

The Company was incorporated on January 21, 2000 as a Nevada corporation and migrated to Canada on May 31, 2013. To date has been involved primarily in the acquisition of its mineral properties and the exploration and development initially of its US based mineral properties and subsequently of its Canadian properties. The Company has no exploration history upon which an evaluation of its future success or failure can be made. The Company's ability to achieve and maintain profitability and positive cash flow is dependent upon the Company's ability to locate a profitable mineral property and the Company's ability to generate revenues.

The Company's plan of operation calls for significant expenses in connection with the exploration of the Bootleg Lake, Duddridge Lake, Kulyk Lake, Flin Flon North, Reef Lake, Bear Lake, Miller Lake, Jan Lake and Wapawekka properties, which may require the Company to obtain financing. The Company recorded a net loss of \$293,357 for the period ended September 30, 2022 and has an accumulated deficit of \$33,623,475 since inception. At September 30, 2022, the Company had cash of \$2,163,734. The Company has sufficient funds to meet its annual claim payments, planned exploration programs, and meet its ongoing reporting obligations for the next twelve months, however the Company may require additional financing to carry out additional exploration programs on the Bootleg Lake, Flin Flon North, Duddridge Lake, Kulyk Lake, Reef Lake, Miller Lake, Bear Lake, Jan Lake, and Wapawekka properties. There is no assurance the Company will be successful in raising funds or on terms that are acceptable to it. Since inception, the Company has been dependent on investment capital and debt financing from third parties as its primary source of liquidity. The Company anticipates continuing to rely on sales of its common shares and loans in order to continue to fund its business operations. Issuances of additional shares will result in further dilution of the Company's existing shareholders.

Obtaining financing would be subject to a number of factors, including the market prices for the mineral property and base and precious metals. These factors may make the timing, amount, terms or conditions of additional financing unavailable to the Company. Since inception, the Company has used its common shares to raise money for its operations and for its property acquisitions. The Company has not attained profitable operations and is dependent upon obtaining financing to pursue its plan of operation.

**Because the Company anticipates its operating expenses will increase prior to earning revenues, the Company may never achieve profitability.**

Prior to completion of the Company's exploration stage, the Company anticipates that it will incur increased operating expenses without realizing any revenues. The Company therefore expects to incur significant losses into the foreseeable future. The Company recognizes that if it is unable to generate significant revenues from the exploration of its mineral claims and the production of minerals thereon, if any, the Company will not be able to earn profits or continue operations. There is no history upon which to base any assumption as to the likelihood that the Company

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will prove successful, and it may not be able to ever generate any operating revenues or achieve profitable operations. If the Company is unsuccessful in addressing these risks, its business will most likely fail.

### **Because the Company is an exploration stage company, its business has a high risk of failure.**

The Company is an exploration stage company that has incurred net losses since inception, has not attained profitable operations and is dependent upon obtaining adequate financing to complete its exploration activities. The success of the Company's business operations will depend upon its ability to obtain further financing to complete its planned exploration program and to attain profitable operations. If the Company is not able to complete a successful exploration program and attain sustainable profitable operations, then the Company's business will fail.

### **Because the Company has not commenced business operations, it faces a high risk of business failure.**

The Company has not earned any revenues as of the date of this MD&A. Potential investors should be aware of the difficulties normally encountered by new mineral exploration companies and the high rate of failure of such enterprises. The likelihood of success must be considered in light of the problems, expenses, difficulties, complications and delays encountered in connection with the exploration of the mineral properties that the Company plans to undertake. These potential problems include, but are not limited to, unanticipated problems relating to exploration, and additional costs and expenses that may exceed current estimates.

### **The Company has no known mineral reserves and if it cannot find any and cannot continue to finance, will have to cease operations.**

The Company has no known mineral reserves. Mineral exploration is highly speculative. It involves many risks and is often non-productive. Even if the Company is able to find mineral reserves on its property, its production capability is subject to further risks including:

- Costs of bringing the property into production including exploration work, preparation of production feasibility studies, and construction of production facilities, all of which the Company has not budgeted for;
- Availability and costs of financing;
- Ongoing costs of production; and
- Environmental compliance regulations and restraints.

The marketability of any minerals acquired or discovered may be affected by numerous factors which are beyond the Company's control and which cannot be accurately predicted, such as market fluctuations, the lack of milling facilities and processing equipment near its properties and such other factors as government regulations, including regulations relating to allowable production, exporting of minerals and environmental protection. If the Company does not find a mineral reserve or define a mineral inventory containing gold, silver or copper or if it cannot explore the mineral reserve, either because it does not have the money to do it or because it will not be economically feasible to do it, the Company will have to cease operations and investors will lose their investment.

### **In order to maintain the Company's rights to its mineral properties, the Company will be required to make annual filings with federal and state regulatory agencies and/or be required to complete assessment work on its mineral properties.**

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In order to maintain the Company's rights to its mineral properties, the Company will be required to make annual filings with federal and state regulatory authorities. In addition, it may be required by federal and/or state legislation or regulations to complete minimum annual amounts of mineral exploration work on its mineral properties. A failure by the Company to meet the annual maintenance requirements under federal and state laws could cause its rights to the mineral properties to lapse.

**Because of the inherent dangers involved in mineral exploration, there is a risk that the Company may incur liability or damages if and when the Company conducts mineral exploration activities.**

The search for valuable minerals involves numerous hazards. As a result, if and when the Company conducts exploration activities, it may become subject to liability for such hazards, including pollution, cave-ins and other hazards against which the Company cannot insure or against which it may elect not to insure. The payment of such liabilities may have a material adverse effect on the Company's financial position.

**If the price of base and precious metals declines, the Company's financial condition and ability to obtain future financings will be impaired.**

The price of base and precious metals is affected by numerous factors, all of which are beyond the Company's control. Factors that tend to cause the price of base and precious metals to decrease include the following:

- Sales or leasing of base and precious metals by governments and central banks;
- A low rate of inflation and a strong US dollar;
- Speculative trading;
- Decreased demand for base and precious metals industrial, jewelry and investment uses;
- High supply of base and precious metals from production, disinvestment, scrap and hedging;
- Sales by base and precious metals producers and foreign transactions and other hedging transactions; and
- Devaluing local currencies (relative to base and precious metals price in US dollars) leading to lower production costs and higher production in certain major base and precious metals producing regions.

The Company's business is dependent on the price of base and precious metals. The Company has not undertaken hedging transactions in order to protect it from a decline in the price of base and precious metals. A decline in the price of base and precious metals may also decrease the Company's ability to obtain future financings to fund its planned development and exploration programs.

**If the Company is unable to hire and retain key personnel, it may not be able to implement its business plan.**

The Company's success is dependent upon the performance of key personnel working full-time in management, supervisory and administrative capacities or as consultants. This is particularly true in highly technical businesses such as mineral exploration. These individuals are in high demand and the Company may not be able to attract the personnel it needs. The loss of the services of senior management or key personnel could have a material and adverse effect on the Company, its business and results of operations. Failing to hire key personnel when needed, or on acceptable terms, would have a significant negative effect on the Company's business.

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**As the Company undertakes exploration of its mineral properties, it will be subject to compliance with government regulation that may increase the anticipated cost of its exploration program.**

There are several governmental regulations that materially restrict mineral exploration. The Company is required to obtain work permits, post bonds and perform remediation work for any physical disturbance to the land in order to comply with these laws. If the Company enters the production phase, the cost of complying with permit and regulatory environment laws will be greater because the impact on the project area is greater. Permits and regulations will control all aspects of the production program if the project continues to that stage. Examples of regulatory requirements include:

- Water discharge will have to meet drinking water standards;
- Dust generation will have to be minimal or otherwise re-mediated;
- Dumping of material on the surface will have to be re-contoured and re-vegetated with natural vegetation;
- An assessment of all material to be left on the surface will need to be environmentally benign;
- Ground water will have to be monitored for any potential contaminants;
- The socio-economic impact of the project will have to be evaluated and if deemed negative, will have to be re-mediated; and
- There will have to be an impact report of the work on the local fauna and flora including a study of potentially endangered species.

There is a risk that new regulations could increase the Company's costs of doing business and prevent it from carrying out its exploration program. The Company will also have to sustain the cost of reclamation and environmental remediation for all exploration work undertaken. Both reclamation and environmental remediation refer to putting disturbed ground back as close to its original state as possible. Other potential pollution or damage must be cleaned-up and renewed along standard guidelines outlined in the usual permits. Reclamation is the process of bringing the land back to its natural state after completion of exploration activities. Environmental remediation refers to the physical activity of taking steps to remediate, or remedy, any environmental damage caused. The amount of these costs is not known at this time as the Company does not know the extent of the exploration program that will be undertaken beyond completion of the recommended work program. If remediation costs exceed the Company's cash reserves, it may be unable to complete its exploration program and have to abandon its operations.

**If the Company becomes subject to increased environmental laws and regulation, its operating expenses may increase.**

The Company's development and production operations are regulated by Canadian and US federal laws, and Ontario and Saskatchewan provincial environmental laws that relate to the protection of air and water quality, hazardous waste management and mine reclamation. These regulations will impose operating costs on the Company. If the regulatory environment for the Company's operations changes in a manner that increases costs of compliance and reclamation, then its operating expenses would increase with the result that its financial condition and operating results could be adversely affected.

**There has been a very limited public trading market for the Company's securities, and the market for the Company's securities may continue to be limited and be sporadic and highly volatile.**

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There is currently a limited public market for the Company's common shares. The Company's common shares trade in Canada on the TSX-V and over the counter in the United States on the OTC Pink market place. The Company cannot assure investors that an active market for its shares will be established or maintained in the future. The OTC Pink is not a national securities exchange and many companies have experienced limited liquidity when traded through this quotation system. Holders of the Company's common shares may, therefore, have difficulty selling their shares, should they decide to do so. In addition, there can be no assurances that such markets will continue or that any shares, which may be purchased, may be sold without incurring a loss. The market price of the Company's shares, from time to time, may not necessarily bear any relationship to its book value, assets, past operating results, financial condition or any other established criteria of value, and may not be indicative of the market price for the shares in the future.

In addition, the market price of the Company's common shares may be volatile, which could cause the value of its common shares to decline. Securities markets experience significant price and volume fluctuations. This market volatility, as well as general economic conditions, could cause the market price of the Company's common shares to fluctuate substantially. Many factors that are beyond the Company's control may significantly affect the market price of its shares. These factors include:

- price and volume fluctuations in stock markets;
- changes in the Company's operating results;
- any increase in losses from levels expected by securities analysts;
- changes in regulatory policies or law;
- operating performance of companies comparable to the Company; and
- general economic trends and other external factors.

Even if an active market for the Company's common shares is established, shareholders may have to sell their shares at prices substantially lower than the price they paid for the shares or might otherwise receive than if an active public market existed.

**If the Company completes a financing through the sale of additional shares of its common shares, shareholders will experience dilution.**

The most likely source of future financing presently available to the Company is through the issuance of its common shares. Any sale of share capital will result in dilution to existing shareholders. The only other anticipated alternative for the financing of further exploration would be the offering by the Company of an interest in its properties to be earned by another party or parties carrying out further exploration thereof, which is not presently contemplated.

**Non-U.S. holders of the Company's common shares, in certain situations, could be subject to U.S. federal income tax upon the sale, exchange or disposition of the Company's common shares.**

The Company believes that it is, and will remain for the foreseeable future, a "U.S. real property holding corporation" for U.S. federal income tax purposes. As a result, under the Foreign Investment in Real Property Tax Act ("FIRPTA") certain non-U.S. investors may be subject to U.S. federal income tax on gain from the disposition of shares of the Company's common shares, in which case they would also be required to file U.S. tax returns with respect to such gain, and may be subject to a withholding tax with respect to a disposition of the Company's shares. In general, whether these FIRPTA provisions apply depends on the amount of the Company's common shares that such non-U.S. investors hold and whether, at the time they dispose of their shares, the Company's common shares are regularly traded on an established securities market within the meaning of the applicable Treasury Regulations. So long as the

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Company's common shares continue to be regularly traded on an established securities market, only a non-U.S. investor who has held, actually or constructively, more than 5% of the Company's common shares at any time during the shorter of (i) the five-year period ending on the date of disposition, and (ii) the non-U.S. investor's holding period for its shares, may be subject to U.S. federal income tax on the disposition of the Company's common shares under FIRPTA.

### **Global uncertainty in connection with the COVID-19 pandemic**

The Company's business could be adversely affected by the effects of health epidemics, including the global COVID-19 pandemic. In December 2019, a novel strain of COVID-19 was reported in China. Since then, the COVID-19 has spread globally, to include Canada, the United States and several European countries. The spread of COVID-19 from China to other countries has resulted in the World Health Organization (WHO) declaring the outbreak of COVID-19 as a "pandemic," or a worldwide spread of a new disease, on March 11, 2020. Many countries around the world, including Canada, have imposed quarantines and restrictions on travel and mass gatherings to slow the spread of the virus, and have closed non-essential businesses. The spread of COVID-19, which has caused a broad impact globally, may materially affect the Company economically. While the potential economic impact brought by, and the duration of, COVID-19 may be difficult to assess or predict, a widespread pandemic could result in significant disruption of global financial markets, reducing the Company's ability to access capital, which could in the future negatively affect the Company's liquidity. In addition, a recession or market correction resulting from the spread of COVID-19 could materially affect the Company's business and the value of the Company's common shares. The global outbreak of COVID-19 continues to rapidly evolve. The extent to which COVID-19 may impact the Company's business, operations and clinical trials will depend on future developments, including the duration of the outbreak, travel restrictions and social distancing in Canada and other countries, the effectiveness of actions taken in Canada, the United States and other countries to contain and treat the disease and whether Canada and other countries are required to move to complete lock-down status. The ultimate long-term impact of COVID-19 is highly uncertain and cannot be predicted with confidence.

### **Share Capital**

The Company had 132,612,734 common shares issued and outstanding at September 30, 2022.

#### ***Shares Issuances***

Fiscal 2023

On September 6, 2022, the Company issued 120,000 common shares for cash proceeds of \$6,000 in connection with the exercise of share purchase warrants.

On August 15, 2022, the Company issued 9,373,334 units \$0.105 for gross proceeds of \$984,200. Each unit consists of one common share designated as a flow-through shares and one-half share purchase warrant with each whole share purchase warrant enabling the holder to acquire one common share at \$0.15 for a period of twenty-four months from the date of issue.

On August 12, 2022, the Company issued 1,000,000 common shares for cash proceeds of \$50,000 in connection with the exercise of share purchase warrants.

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On August 4, 2022, the Company issued 2,000,000 common shares for cash proceeds of \$100,000 in connection with the exercise of share purchase warrants.

### *Fiscal 2022*

On May 26, 2022, the Company issued 500,000 common shares with a fair value of \$40,000 pursuant to the mineral property option agreement.

On April 12, 2022, 32,760 broker warrants were exercised resulting in the issuance of 32,760 common shares for gross proceeds of \$1,638.

On February 3, 2022, 500,000 stock options were exercised resulting in the issuance of 500,000 common shares for proceeds of \$25,000.

On February 3, 2022, the Company issued 396,875 units at \$0.08 with each unit consisting of one common share and one-half share purchase warrant. Each whole share purchase warrant is exercisable at \$0.12 per share for a period of twenty-four months from the date of issue.

On December 22, 2021, the Company issued 3,507,508 units and 2,150,000 flow-through units at \$0.08 and \$0.10 respectively. The units and flow-through units consist of one common share and one-half share purchase warrant with each whole share purchase warrant exercisable at \$0.12 for a period of twenty-four months from the date of issue for units and exercisable at \$0.15 per share for a period of twenty-four months from the date of issue for the flow-through units. Gross proceeds of \$495,600 was received.

On December 2, 2021, the Company issued 8,979,208 units and 1,600,000 flow-through units at \$0.08 and \$0.10 respectively. The units and flow-through units consist of one common share and one-half share purchase warrant with each whole share purchase warrant exercisable at \$0.12 for a period of twenty-four months from the date of issue for units and exercisable at \$0.15 per share for a period of twenty-four months from the date of issue for the flow-through units. Gross proceeds of \$878,337 was received.

On October 22, 2021, 200,000 warrants were exercised resulting in the issuance of 200,000 common shares for proceeds of \$10,000.

On September 17, 2021, 70,000 warrants were exercised resulting in the issuance of 70,000 common shares for proceeds of \$3,500.

### **Share Purchase Warrants**

On December 17, 2020, 350,000 flow-through warrants were exercised.

On February 19, 2021, 120,000 warrants were exercised.

On March 9, 2021, 3,525,000 flow-through warrants were exercised.

On March 10, 2021, the Company issued 6,106,875 warrants exercisable at a price of \$0.12 for one common share for a period of twenty-four months.

On March 10, 2021, 1,880,000 warrants were exercised.

On March 17, 2021, 633,500 flow-through warrants were exercised.

On March 31, 2021, 190,000 warrants were exercised.

During the period April 23, 2021 to June 4, 2021, 2,783,500 flow-through warrants and 1,534,880 warrants were exercised.

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On September 17, 2021, 70,000 warrants were exercised.

On September 18, 2021, 1,530,000 warrants expired.

On October 22, 2021, 200,000 warrants were exercised for cash proceeds of \$10,000 and on October 25, 2021, 1,340,000 warrants exercisable at \$0.05 expired.

On December 2, 2021, the Company issued 4,489,604 warrants exercisable at a price of \$0.12 for one common share for a period of twenty-four months.

On December 2, 2021, the Company issued 800,000 warrants exercisable at a price of \$0.15 for one common share for a period of twenty-four months.

On December 22, 2021, the Company issued 1,753,750 warrants exercisable at a price of \$0.12 for a period of twenty-four months.

On December 22, 2021, the Company issued 1,075,000 warrants exercisable at a price of \$0.15 for a period of twenty-four months.

On February 3, 2022, the Company issued 198,438 warrants exercisable at a price of \$0.12 for a period of twenty-four months.

On August 4, 2022, 2,000,000 warrants were exercised for cash proceeds of \$100,000.

On August 8, 2022, 1,000,000 warrants were exercised for cash proceeds of \$50,000.

On August 15, 2022, the Company issued 4,686,667 warrants exercisable at a price for \$0.15 for a period of twenty-four months.

On September 6, 2022, 120,000 warrants were exercised for cash proceeds of \$6,000.

### ***Stock Options***

The Company has a rolling stock option plan that allows for the issuance of options equal to 10% of the number of issued and outstanding shares for a term of up to five years. The Company's shareholders re-approved the stock option plan at the annual general meeting held in January 2022.

On March 4, 2021, the Company granted incentive stock options to a consultant to purchase 500,000 common shares. The options have an exercise price of \$0.09 and are exercisable until March 2023.

On March 15, 2021, the Company granted incentive stock options to officers, directors, and consultants to purchase 2,050,000 common shares. The options have an exercise price of \$0.10 and are exercisable until March 2026.

On December 9, 2021, the Company granted incentive stock options to a consultant to purchase 100,000 common shares. The options have an exercise price of \$0.10 and are exercisable until December 2023.

On January 14, 2022, the Company granted incentive stock options to officers, directors, and consultants to purchase 2,475,000 common shares. The options have an exercise price of \$0.10 and are exercisable until January 2027.

On February 3, 2022, 500,000 options were exercised for proceeds of \$25,000.

On February 5, 2022, 250,000 options exercisable at \$0.10 per share expired.

On September 29, 2022, 200,000 options exercisable at \$0.20 expired.

On November 11, 2022, the Company granted incentive stock options to officers, directors, and consultants to purchase 1,850,000 common shares. The options have an exercise price of \$0.06 and are exercisable until November 2027.

### ***Additional Disclosure for Venture Issuers without Significant Revenue***

An analysis of material components of the Company's exploration and evaluation assets and mineral property costs are disclosed in the unaudited interim condensed financial statements for the period ended September 30, 2022 to which this MD&A relates.

An analysis of material components of the Company's general and administrative expenses is disclosed in the unaudited interim condensed financial statements to which this MD&A relates.

### ***Outstanding Share Information***

As at the date of this MD&A, the Company has:

- 132,612,734 common shares issued and outstanding.
- 19,420,000 share purchase warrants exercisable at \$0.05 per share expiring on May 26, 2023, and
- 6,106,875 share purchase warrants exercisable at \$0.12 per share expiring March 10, 2023.
- 4,489,604 share purchase warrants exercisable at \$0.12 per share expiring December 2, 2023.
- 800,000 share purchase warrants exercisable at \$0.15 per share expiring December 2, 2023.
- 1,753,750 share purchase warrant exercisable at \$0.12 per share expiring December 22, 2023.
- 1,075,000 share purchase warrants exercisable at \$0.15 per share expiring December 22, 2023.
- 198,438 share purchase warrants exercisable at \$0.12 per share expiring February 2, 2024.
- 4,484,667 share purchase warrants exercisable at \$0.15 per share expiring August 15, 2024.
- In addition, there are 3,272,248 broker warrants outstanding exercisable at prices ranging from \$0.05 per share to \$0.15 per share and expiring as follows:
  - 1,133,440 expiring May 26, 2023,
  - 694,925 expiring March 10, 2023,
  - 267,750 expiring December 2, 2023,
  - 401,800 expiring December 22, 2022,
  - 774,333 expiring August 15, 2024.
- 12,350,000 stock options expiring between December 2022 and November 2027.

