

**REPORT DATE**

**November 29, 2022**

This Management Discussion and Analysis (this “MD&A”) provides relevant information on the operations and financial condition of New Energy Metals Corp. (the “Company”) for the period ended September 30, 2022.

The Company is in the business of mineral exploration. Activities include the evaluation, acquisition and exploration of mineral exploration properties in search of economic mineral deposits. The realization of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves and future profitable production or proceeds from the disposition of these assets. The carrying values of exploration and evaluation assets do not necessarily reflect their present or future values.

All monetary amounts in this MD&A and in the financial statements are expressed in Canadian dollars, unless otherwise stated. Financial results are being reported in accordance with International Financial Reporting Standards (“IFRS”).

This MD&A should be read in conjunction with the Company’s condensed interim financial statements and notes thereto for the period ended September 30, 2022 and the Company’s financial statements and notes thereto for the years ended June 30, 2022 and 2021.

The Company is registered in the province of British Columbia. The Company’s head office address 2710 – 200 Granville Street, Vancouver, BC, V6C 1S4. The Company’s registered and records office is 3148 Highland Boulevard, North Vancouver, BC, V7R 2X6.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business or ability to raise funds.

**OVERALL PERFORMANCE**

The Company was incorporated on March 13, 2017 under the laws of British Columbia. On January 25, 2018, the Company completed its initial public offering (“IPO”) and upon closing of the IPO, the common shares of the Company were listed on the TSX Venture Exchange (“TSX.V”). On April 4, 2018, the Company changed its name to New Energy Metals Corp. and its trading symbol on the TSX.V to ENRG.

Change in total assets and working capital due to cash used in operating activities during the period ended September 30, 2022 was \$30,483 (2021 - \$4,024).

**EXPLORATION AND EVALUATION ASSETS**

**Troitsa Kate Property, British Columbia, Canada**

On July 15, 2022, the Company entered into an option agreement to acquire a 100% interest in 26 mineral claims located in the Omineca Mining Division of British Columbia (the “Property”), subject to the reservation of a 2% net smelter returns royalty.

Pursuant to the terms of the option agreement, the Company is required to issue the following common shares and complete the following cash payments to the optionor of the Property:

*Cash*

- i) \$25,000 on or before July 15, 2022;
- ii) \$45,000 on or before July 15, 2023;
- iii) \$60,000 on or before July 15, 2024; and
- iv) \$90,000 on or before July 15, 2025.

*Common shares*

- i) 300,000 common shares on or before July 15, 2022;
- ii) 300,000 common shares on or before July 15, 2023;
- iii) 300,000 common shares on or before July 15, 2024; and
- iv) 300,000 common shares on or before July 15, 2025.

The Company is also required to complete \$5,000 worth of staking or other similar acquisition of mineral claims within a defined area of interest on or before July 15, 2023.

In addition, and subject to the exercise of the option by the Company, the Company is obligated to issue the following common shares upon the occurrence of certain milestones:

- i) 200,000 common shares upon the publication of a positive preliminary feasibility study or pre-feasibility study on the Property;
- ii) 200,000 common shares upon the commencement of commercial production; and
- iii) 200,000 common shares upon the successful determination of an inferred mineral resource or indicated mineral resource on the Property of not less than 2,000,000 ounces of gold.

The option agreement also includes certain advance royalty payments obligations following July 15, 2029.

The Company is currently negotiating an extension with the optionor of the Property regarding the outstanding option payments of \$25,000 and 300,000 common shares which were unpaid as of September 30, 2022.

**SUMMARY OF QUARTERLY RESULTS**

The following selected financial data have been prepared in accordance with IFRS and should be read in conjunction with the Company's financial statements. The following is a summary of selected financial data of the Company for its eight most recently completed financial quarters.

<b>Quarter Ended</b>	<b>Sept. 30, 2022</b>	<b>Jun. 30, 2022</b>	<b>Mar. 31, 2022</b>	<b>Dec. 31, 2021</b>	<b>Sept. 30, 2021</b>	<b>Jun. 30, 2021</b>	<b>Mar. 31, 2021</b>	<b>Dec. 31, 2020</b>
Net income (loss)	\$ (30,691)	\$ (32,933)	\$ 285,347	\$ (38,804)	\$ (45,913)	\$ (18,758)	\$ (27,214)	\$ (45,219)
Earnings (loss) per share – basic and diluted	(0.00)	(0.01)	0.01	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Total assets	139,128	6,547	15,885	29,196	178,640	171,024	215,310	115,297
Working capital (deficiency)	(554,579)	(444,270)	(411,337)	(704,684)	(665,880)	(624,933)	(601,209)	(669,291)

During the quarter ended March 31, 2022, net income increased to \$285,347 (December 31, 2021 - loss of \$38,804) due to a gain of \$296,650 from sale of the Company's Chilean subsidiary during the quarter.

During the quarter ended September 30, 2021, net loss increased to \$45,913 (June 30, 2021 - \$18,758) due to significant foreign exchange loss of \$20,917 during the quarter.

During the quarter ended March 31, 2021, net loss decreased to \$27,214 (December 31, 2020 - \$45,219) due to gains on foreign exchange of \$10,136 and marketable securities of \$9,000 during the quarter.

During the quarter ended December 31, 2020, net loss decreased to \$45,219 (September 30, 2020 - income of \$97,607) as the Company incurred normal expenses during the quarter.

***Three Months ended September 30, 2022 compared to Three Months ended September 30, 2021***

The Company's loss and comprehensive loss was \$30,691 (2021 - \$45,913), and reviews of the major items are as follows:

- Consulting fees of \$7,500 (2021 - \$13,500) due to lower CFO and office management fees during the current period.
- Foreign exchange gain of \$14 (2021 – loss of \$20,917) due to translation of foreign subsidiary during the comparative period.
- Professional fees of \$13,113 (2021 - \$11,932) consisting of audit and tax return preparation fees of \$7,409 (2021 - \$10,465) and legal services of \$5,704 (2021 - \$1,467).
- Unrealized gain on marketable securities of \$Nil (2021 - \$6,500) due to change in market value of securities during the comparative period.

**LIQUIDITY AND CAPITAL RESOURCES**

Because of economic conditions, globally, there is uncertainty in capital markets and the Company anticipates that it and others in the mineral resource sector may have limited access to capital. The Company continually monitors its financing alternatives and expects to finance its fiscal 2022 operating overhead and acquisition and exploration expenditures through private placements.

The quantity of funds to be raised and the terms of any equity financing that may be undertaken will be negotiated by management as opportunities to raise funds arise. There can be no assurance that such funds will be available on favorable terms, or at all.

As at September 30, 2022, the Company reported cash of \$1,531 compared to \$4,898 as at June 30, 2022.

**NEW ENERGY METALS CORP.**  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE PERIOD ENDED SEPTEMBER 30, 2022

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During the period ended September 30, 2022, the Company had

- i) Net cash provided by operating activities of \$53,716 (2021 - \$4,024) consisting of the change of non-cash working capital items.
- ii) Net cash used in investing activities of \$107,083 (2021 - \$Nil) consisting of exploration and evaluation assets expenditures.
- iii) Net cash provided by financing activities of \$50,000 (2021 - \$Nil) consisting of the subscription received in advance.

The Company has no long-term debt obligations.

Subsequent to September 30, 2022, the Company completed a non-brokered private placement financing of 2,000,000 units at a price of \$0.05 per unit for gross proceeds of \$100,000, of which \$50,000 was received during the period ended September 30, 2022. Each unit consists of one common share of the Company and one common share purchase warrant, with each warrant entitling the holder thereof to purchase one common share in the capital of the Company for a period of 24 months at an exercise price of \$0.10 per share.

The Company did not pay any finder's fees in connection with the financing. The closing of the financing remains subject to approval by the TSX-V.

Subsequent to September 30, 2022, the Company granted an aggregate of 2,299,000 stock options to certain directors, officers and consultants. Each option is exercisable into one common share of the Company at a price of \$0.10 per share for a period of five years.

**RELATED PARTY TRANSACTIONS**

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers. Amounts paid or accrued to key management personnel for the periods ended September 30, were:

	2022	2021
Short-term benefits paid or accrued:		
Consulting fees	\$ 7,500	\$ 13,500
Office	-	3,219
Professional fees	5,704	-
<b>Total remuneration</b>	<b>\$ 13,204</b>	<b>\$ 16,719</b>

During the period ended September 30, 2022, the Company:

- i) accrued or paid \$Nil (2021 - \$3,219) for office rent to a corporation controlled by a former corporate secretary of the Company.
- ii) accrued or paid \$7,500 (2021 - \$13,500) for CFO services to an officer of the Company.
- iii) accrued or paid \$5,704 (2021 - \$Nil) for professional services to a company controlled by a director of the Company.

Included in accounts payable and accrued liabilities as at September 30, 2022 was \$232,897 (June 30, 2022 - \$216,119) owed to directors, former officers and officers of the Company. The amounts payable to the related parties are non-interest bearing, unsecured, and do not contain specified terms of repayment.

**OFF BALANCE SHEET ARRANGEMENTS**

The Company does not have any off-balance sheet arrangements.

### **PROPOSED TRANSACTIONS**

Currently the Company is not a party to any material proceedings. The Company continually evaluates new opportunities, including new properties by staking, acquisition or joint venture, and corporate consolidation or merger opportunities.

### **CRITICAL ACCOUNTING ESTIMATES**

Please refer to the September 30, 2022 condensed interim financial statements posted on [www.sedar.com](http://www.sedar.com).

### **CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION**

Please refer to the September 30, 2022 condensed interim financial statements posted on [www.sedar.com](http://www.sedar.com).

### **RISKS AND UNCERTAINTIES**

The Company's business is mineral exploration. Companies in this industry are subject to many and varied kinds of risks, including but not limited to, environmental, mineral prices, political, and economical.

The Company will take steps to verify the title to any properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties. These procedures do not guarantee the Company's title. Property titles may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

The Company has no significant sources of operating cash flow and no revenue from operations. Additional capital will be required to fund the Company's exploration program. The sources of funds available to the Company are the sale of equity capital or the offering of an interest in its project to another party. There is no assurance that it will be able to obtain adequate financing in the future or that such financing will be advantageous to the Company.

The property interests to be owned by the Company or in which it may acquire an option to earn an interest are in the exploration stages only, are without known bodies of commercial minerals and have no ongoing operations. Mineral exploration involves a high degree of risk and few properties, which are explored, are ultimately developed into production. If the Company's efforts do not result in any discovery of commercial minerals, the Company will be forced to look for other exploration projects or cease operations.

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous materials and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties in which it previously had no interest. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liabilities to the Company.

## **FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

### **Financial risk factors**

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data

The fair value of cash is measured at Level 1 of the fair value hierarchy. The carrying value of receivables, and accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

### **Financial risk factors**

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

#### *Credit risk*

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and receivables. Management believes that the credit risk concentration with respect to receivables is remote as they are due from the Government of Canada. The Company's cash is deposited in accounts held at a large financial institution in Canada. As such, the Company believes the credit risk with cash is remote. Receivables comprise input tax receivables due from the Government of Canada. The Company considers the credit risk of receivables to be low.

#### *Liquidity risk*

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations with financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As of September 30, 2022, the Company had a cash balance of \$1,531 (June 30, 2022 - \$4,898) to settle current liabilities of \$564,089 (June 30, 2022 - \$450,817). All the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

The Company intends to raise additional equity financing in the coming fiscal year to meet its obligations.

#### *Interest rate risk*

The Company has cash balances and no variable interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade demand investments issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. The Company is not subject to significant exposure to interest rate risk.

#### *Foreign currency risk*

The Company is exposed to foreign currency risk to the extent that monetary financial instruments are denominated in United States currency. The Company's operating expenses are incurred primarily in Canadian dollars. As at September 30, 2022, the Company has a minimal balance of cash in US dollars and does not believe that the foreign currency risk related to the balance is significant.

*Price risk*

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's profit or loss, the ability to obtain financing, or the ability to obtain a public listing due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on profit or loss and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in value may be significant.

**CAPITAL MANAGEMENT**

The Company considers its capital structure to consist of all components of shareholders' deficiency, specifically its issued common shares, stock options and warrants.

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of exploration and evaluation assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company has historically relied on the equity markets to fund its activities. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital restrictions. There were no changes to the Company's approach to capital management during the period.

**FORWARD-LOOKING STATEMENTS**

This MD&A contains forward-looking statements and forward-looking information (collectively, "forward-looking statements") within the meaning of applicable Canadian securities legislation. These statements relate to future events or the future activities or performance of the Company. All statements, other than statements of historical fact, are forward-looking statements. Information concerning mineral resource/reserve estimates and the economic analysis thereof contained in preliminary economic analyses or prefeasibility studies also may be deemed to be forward-looking statements in that they reflect a prediction of the mineralization that would be encountered, and the results of mining that mineralization if a mineral deposit were developed and mined. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate, plans and similar expressions, or which by their nature refer to future events. These forward-looking statements include, but are not limited to, statements concerning:

- the Company's strategies and objectives, both generally and in respect of its specific mineral properties or exploration and evaluation assets;
- the timing of decisions regarding the timing and costs of exploration programs with respect to, and the issuance of the necessary permits and authorizations required for, the Company's exploration programs;
- the Company's estimates of the quality and quantity of the resources and reserves at its mineral properties;
- the timing and cost of planned exploration programs of the Company and the timing of the receipt of result thereof;
- general business and economic conditions;
- the Company's ability to meet its financial obligations as they come due, and to be able to raise the necessary funds to continue operations; and

- the Company's expectation that it will be able to add additional mineral projects of merit to its existing property portfolio.

Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Inherent in forward looking statements are risks and uncertainties beyond the Company's ability to predict or control, including, but not limited to, risks related to the Company's inability to raise the necessary capital to be able to continue in business and to implement its business strategies, to identify one or more economic deposits on its properties, variations in the nature, quality and quantity of any mineral deposits that may be located, variations in the market price of any mineral products the Company may produce or plan to produce, the Company's inability to obtain any necessary permits, consents or authorizations required for its activities, to produce minerals from its properties successfully or profitably, to continue its projected growth, and other risks identified herein under "Risks and Uncertainties".

The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results are likely to differ, and may differ materially, from those expressed or implied by forward looking statements contained in this MD&A. Such statements are based on several assumptions which may prove incorrect, including, but not limited to, assumptions about:

- the level and volatility of the price of commodities;
- general business and economic conditions;
- the timing of the receipt of regulatory and governmental approvals, permits and authorizations necessary to implement and carry on the Company's planned exploration;
- conditions in the financial markets generally;
- the Company's ability to attract and retain key staff;
- the nature and location of the Company's mineral exploration projects, and the timing of the ability to commence and complete the planned exploration programs; and
- the ongoing relations of the Company with its regulators.

These forward-looking statements are made as of the date hereof and the Company does not intend and does not assume any obligation, to update these forward-looking statements, except as required by applicable law. For the reasons set forth above, investors should not attribute undue certainty to or place undue reliance on forward-looking statements.

Historical results of operations and trends that may be inferred from the following discussion and analysis may not necessarily indicate future results from operations. The current state of the global securities markets may cause significant reductions in the price of the Company's securities and render it difficult or impossible for the Company to raise the funds necessary to continue operations.

#### **DISCLOSURE OF MANAGEMENT COMPENSATION**

In accordance with the requirements of Section 19.5 of TSX.V Policy 3.1, the Company provides the following disclosure with respect to the compensation of its directors and officers during the period:

1. During the period ended September 30, 2022, the Company did not make any standard compensation arrangements, directly or indirectly, with any directors or officers of the Company, for their services as directors or officers, or in any other capacity, with the Company or any of its subsidiaries except as disclosed under "Related Party Transactions".
2. During the period ended September 30, 2022, officers of the Company were paid for their services as officers by the Company as noted above under "Related Party Transactions".

3. During the period ended September 30, 2022, the Company did not enter any arrangement relating to severance payments to be paid to directors and officers of the Company and its subsidiaries.

**SHARE CAPITAL**

- (a) As of the date of this MD&A the Company has 23,250,767 issued and outstanding common shares. The authorized share capital is unlimited no par value common shares.
- (b) As at the date of this MD&A the Company has Nil incentive stock options outstanding.
- (c) As at the date of this MD&A the Company has 1,500,000 share purchase warrants outstanding as follows:

<b>Number of Warrants</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
1,500,000	\$ 0.10	March 5, 2023
1,500,000		

**CHANGES IN DIRECTORS AND MANAGEMENT**

On November 18, 2022, the Company appointed Rishi Kwatra as its Chief Executive Officer and a director.