



**OUTBACK GOLDFIELDS CORP.**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FOR THE YEARS ENDED**

***JUNE 30, 2022 and JUNE 30, 2021***

(Expressed in Canadian Dollars)

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# **OUTBACK GOLDFIELDS CORP.**

## **Management's Discussion and Analysis**

For the year ended June 30, 2022 and 2021

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### **INTRODUCTION**

The following is management's discussion and analysis ("MD&A"), prepared as of June 30, 2022. This MD&A should be read in conjunction with the Outback Goldfields Corp.'s (the "**Company**") audited consolidated Financial Statements and the accompanying notes for the years ended June 30, 2022 and 2021. The Company's financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**"). All amounts are stated in Canadian dollars unless otherwise indicated.

This report includes certain statements that may be deemed "forward-looking statements" within the meaning of applicable securities legislation. All statements, other than statements of historical facts that address such matters as future events or developments that the Company expects, are forward looking statements and, as such, are subject to risks, uncertainties, assumptions and other factors of which are beyond the reasonable control of the Company. You can identify these statements by forward-looking words such as "expects", "does not expect", "plans", "anticipates", "does not anticipate", "believes", "intends", "estimated", "projects", "potential", "scheduled", "forecast", "budget", and similar expressions, or that events or conditions "will", "would", "may", "could", "should" or "might" occur and similar words. Such statements give the Company's current expectations or forecasts of future events and are not guarantees of future performance and actual results or developments may differ materially from those expressed in, or implied by, this forward-looking information. With respect to forward-looking statements and information contained herein, we have made numerous assumptions including among other things anticipated costs and expenditures and the Company's ability to achieve its goals. Although management believes that the assumptions made, and the expectations represented by such statements or information are reasonable, there can be no assurance that a forward-looking statement or information herein will prove to be accurate. Forward-looking statements and information by their nature are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information. Factors that could cause actual results to differ materially from those in forward-looking statements include, for example, such matters as continued availability of capital and financing and general economic, market or business conditions. Although we have attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking statements or information, there may be other factors that cause actual results, performances, achievements or events not to be anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward-looking statements or information. Any forward-looking statements are expressly qualified in their entirety by this cautionary statement. The information contained herein is stated as of the current date and subject to change after that date and the Company does not undertake any obligation to update publicly or to revise any of the forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

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

### **DESCRIPTION OF BUSINESS**

Outback Goldfields Corp. was incorporated pursuant to the provisions of the Business Corporations Act of Ontario on March 6, 2018. In December 2020 the Company moved its jurisdiction of incorporation to British Columbia and completed the process in January 2021. The Company's head office is located at Suite 700 – 1090 West Georgia St., Vancouver, British Columbia. The Company's principal business activities include the acquisition and exploration of mineral property assets.

Outback Goldfields Corp. is an exploration mining company holding a package of four highly prospective gold projects located proximate and adjacent to the Fosterville Gold Mine in Victoria, Australia. The Goldfields of Victoria, Australia is in the midst of a modern-day gold rush and are home to some of the highest grade and lowest cost mining in the world.

Following incorporation on March 6, 2018, the Company capitalized itself through the issuance of securities on a private placement basis. The Company completed a modest capital raise and initially held the option to acquire the RDR Property in Quebec. The Company's common shares were first listed on the Canadian Securities Exchange

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under the symbol "SKRB" on February 13, 2019. The Company terminated the option to acquire a 100% right, title, and interest on the RDR Property effective March 24, 2020 based on results from the exploration program.

In December 2020, the Company acquired four prospective exploration projects in Australia via a purchase agreement with Petratherm Ltd ("Petratherm" – ASX listed symbol "PTR"). Following the completion of the transaction with Petratherm, the Company changed its name to Outback Goldfields Corp., adopted the trading symbol on the Canadian Securities Exchange "OZ" and completed a 3 for 1 security consolidation. In the quarter ended March 31, 2021 the Company began trading on the Frankfurt exchange under the symbol "S600" and the OTCQB under the symbol "OZBKF".

All information and amounts in these financial statements reflect retrospective treatment of the 3 for 1 consolidation unless specifically identified and described as such.

### **ACQUISITION OF PROJECTS IN VICTORIA, AUSTRALIA**

On December 15, 2020, the Company closed the acquisition of the Victorian Gold Projects pursuant to the terms of an asset purchase agreement. The Company acquired from Petratherm Ltd. one exploration license, three exploration license applications and the right, title and interest in a mining and joint venture agreement by issuing 33,333,333 common shares ("Payment Shares") of the Company.

Petratherm distributed the Payment Shares to its shareholders on a pro rata, in-specie basis by way of dividend, reduction of stated capital, or other type of distribution on April 19, 2021, pursuant to the asset purchase agreement following a 125 day hold during which the shares were held in trust for Petratherm's shareholders. As such, there is no change of control of, or significance influence over the Company as the distributed shares of Outback are widely held.

The transaction was accounted for as an asset purchase of mineral property interests as it did not meet the definition of a business combinations under IFRS 3. The fair value of the consideration has been valued at \$20,000,000 or \$0.60 per share, which was consistent with the value received for the private placement shares issued which closed on November 17, 2020. The entire value of consideration transferred has been allocated to Exploration and Evaluation Assets on the balance sheet.

### **PRIVATE PLACEMENT**

On November 17, 2020, the Company closed a non-brokered private placement by issuing 19,010,000 units, with each unit consisting of one share and one-half of a warrant at \$0.60 per unit for gross proceeds of \$11,406,000. Each full warrant entitles the holder to acquire one common share for a period of two years (expiry November 16, 2022), subject to an accelerated expiry if the volume weighted average trading price of the Company's shares is greater than \$2.25 per share for a period of 10 consecutive trading days (the "Acceleration Event"). The Company may give notice to the holders of the Acceleration Event and the warrants will expire 30 days thereafter if unexercised. The warrants were valued at \$NIL per warrant for accounting purposes, a residual value, as required under IFRS, and the full proceeds per unit was allocated to the common shares issued.

Finder's fees of \$598,274 cash and 846,150 broker warrants with an exercise price of \$1.50, expiring on November 16, 2022 were issued in connection with the private placement. The cash finder's fees and \$155,055 value of warrants, using the Black Scholes valuation model, were treated as share issuance costs in share capital.

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#### **OVERVIEW AND HIGHLIGHTS OF THE CURRENT PERIOD**

- At the Yeungroon project, the Company completed a high-resolution, 8,000 line kilometre magnetic geophysical survey marking an important step in the plans to systematically advance the project and refine exploration efforts and generate drill targets in the Yeungroon area. The company also completed a high-resolution LiDAR (light detection and ranging) survey across the eastern side of the project over the northern extent of the Wedderburn goldfield to identify all areas of historic disturbance potentially related to surface mineralization and to provide robust topographic control for future modelling and ground-based surveys. The comprehensive data obtained from the review and interpretation of the surveys together with that from previous geological and geochemical surveys, show that several high-priority zones of interest are defined within the main Golden Jacket, Moondyne and Wedderburn target areas.
- Subsequently, over 9,300 meters of air-core, 3,616 meters of RAB (rotary air-blast) and 968 meters of diamond core was drilled, testing the areas of the Golden Jacket Mine and the Moondyne prospects. The focus of the composite drill program was to investigate the structural setting and the dip- and strike-extent of reef-hosted gold mineralization at the Golden Jacket mine as well as to map and sample the top-of-bedrock below shallow cover across prospective trends and interpreted structural offsets identified in the geophysical data. The small diamond drill program successfully tested and intersected the Golden Jacket reef (e.g., 4.7 meters at 1.17 g/t Au including 0.8 meters at 4.01 g/t Au in OGA0015) along trend from the Golden Jacket mine. Additional drilling is warranted as numerous holes were terminated short of their target depth due to the presence of previously unknown underground workings. A 600 meter long high-arsenic anomaly was also defined along trend to the southeast of the Golden Jacket mine from top-of-bedrock RAB drilling samples. This trend represents a priority target for additional tighter-spaced and deeper diamond drilling.
- The exploration program at Ballarat West continued with a focus on extensive soil sampling in order to generate high-priority drill targets. Road-side sample traverses were initiated along property-scale, east-west transects. Infill, tighter-spaced soil grids are required to evaluate the scale of potential local anomalies. Based on a compilation and review of all new and historical regional and property-scale geological, geochemical and geophysical data, the exploration team have identified multiple prospective areas of focus for Phase 1 exploration and land access negotiations are ongoing.

#### **OUTLOOK**

For Ballarat West, the Phase 1 exploration program will continue and will consist of geological mapping, rock-chip sampling and grid-based soil geochemical surveys, leading to the generation of drill targets. Follow-up ground-based geophysical surveys such as induced polarization (IP) and gravity may be completed and informed by results from the geochemical surveys.

The Company is in the planning stage of prioritizing work to be completed in order to advance the Glenfine project. In the year ended June 30, 2021, the Company satisfied its requirement to earn 51% ownership in the Glenfine project JV which required spending \$1 million on exploration activities.

Following the completion of the first phase drilling program at Yeungroon, the Company is in the process of ranking and prioritising potential follow up drilling as well as additional soil geochemical surveys across some of the most prospective targets.

Planning for early-stage exploration work will commence with the granting of the Exploration License at Silver Spoon, which is currently proceeding through native title claims review.

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#### **EXPLORATION PROJECTS**

##### *Ballarat West – Victoria, Australia*

The 44,800 hectare Ballarat West property is adjacent to the historic Ballarat, Clunes and Creswick goldfields and is underlain by prospective rocks of the Stawell and Bendigo zones, separated by the north-trending Avoca Fault. The priority Mitchells and Grassies targets are hosted in Ordovician aged sedimentary rocks of the Castlemaine Group and are comprised of structurally-controlled gold-bearing quartz reefs with numerous historic workings covering a strike length of at least 300 metres at Mitchells and at least 250 metres at Grassies (GeoVic; <http://gsv.vic.gov.au/>). The true extent of these mineralized structures is not presently known and represent priority targets. Both targets are exposed in local windows of prospective Castlemaine Group rocks surrounded by widespread, post-mineralization cover rocks (gravels and basalts). The post-mineralization cover rocks extend to the southern boundary of the tenement where they thin and Bendigo Zone rocks dominate. Here, numerous quartz reef-centered historic workings are documented, associated with prominent regional-scale north-trending faults (e.g., Linton and Haddon goldfields).

The Company has commenced exploration on this project after being granted the Ballarat West tenement and will continue with its Phase 1 exploration program. The Company has engaged in procuring land holder access agreements in areas deemed strategically important for the Phase 1 exploration program.

##### *Yeungroon – Victoria, Australia*

The 698 km<sup>2</sup> Yeungroon property is transected by the north-trending, crustal-scale Avoca fault, which separates the western Stawell zone from the Eastern Bendigo zone. The western side of the Yeungroon property contains the historic Golden Jacket hard-rock reef mine associated with the regional-scale, northwest-trending Golden Jacket fault. Historical mining records indicate the Golden Jacket mine produced quartz-rich ore with grades of up to 250 grams per tonne gold (Bibby and More, 1998), however, the vertical and lateral extent of mineralization remains unknown. The eastern side of the project is underlain by Ordovician rocks of the Castlemaine group and comprises the northern extent of the Wedderburn Goldfield, where numerous small-scale, historic alluvial and hard-rock mines are located.

##### *Glenfine – Victoria, Australia*

Through the acquisition of the Victorian projects, the Company acquired a JV interest in a mining and joint venture agreement with two other parties. Glenfine is an advanced 96 km<sup>2</sup> exploration project with documented Ballarat-style reef-hosted gold mineralization and Stawell-style basalt contact gold mineralization. The British Banner and Glenfine Reef 2 targets have been tested by drilling prior to the acquisition.

The Glenfine project is centered on a 30 km section of the north-trending, crustal-scale Avoca fault which juxtaposes Cambrian rocks of the Stawell zone to the west with Ordovician rocks of the Bendigo zone to the east. On the west side of the fault the property is underlain by a 20 km long by ~1 km wide, north-trending, Cambrian aged basalt dome termed the Glenfine Dome where widely spaced historic drilling along its eastern and western margins have outlined numerous occurrences of gold mineralization hosted near the basalt and meta-sediment contact. Previous exploration drilling intersected numerous intervals of significant gold mineralization at both target areas, such as 3.8 metres of 9.0 grams per tonne (g/t) Au with 1.3 metres of 23.4 g/t Au in hole CCD01 at British Banner and 3.8 metres of 5.7 g/t Au with 0.8 metres of 21.0 g/t Au in hole PFD031 at Glenfine.

The Company has spent the required \$1 million on exploration activities to earn a 51% ownership interest in the JV and have begun the administrative process to register the Company's ownership interest. The Company has the option to further increase its ownership to 80% over the next 2.5 years by spending an additional \$2 million. Once 80% ownership is acquired, the Company can enter into an 80/20 JV or negotiate for the Company to own 100%.

##### *Silver Spoon – Victoria, Australia*

The Silver Spoon project is approximately 20 kilometers east of Agnico Eagle's Fosterville Mine. Silver Spoon has been the focus of limited past exploration due to the shallow cover over most of the tenement, however, previous soil

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geochemical surveys have outlined a 900 meter by 300 meter multi-element soil anomaly. The project is in the Exploration License Application stage awaiting granting of an Exploration License.

### EXPLORATION EXPENDITURES

Total capitalized exploration costs and property carrying values for the year ended June 30, 2022 are as follows:

	Yeungroon property	Glenfine property	Ballarat West property	Silver Spoon property	Gossan and SBS properties	Total
Opening balance as at July 1, 2020	\$ -	\$ -	\$ -	\$ -	\$ 7,656	\$ 7,656
Acquisition costs	\$ 8,575,808	\$ 5,717,206	\$ 3,062,789	\$ 3,062,789		\$ 20,418,592
Exploration costs						
Chemical analysis	2,610	16,036	-	-	-	18,646
GIS & data management	81,698	14,817	4,406	4,741	-	105,662
Drilling and trenching		1,307,911			-	1,307,911
Geological services	14,170	125,235	17,286	10,416	-	167,107
Geophysical surveys	7,301	732	2,082	2,256	-	12,371
Materials and supplies		49,905			-	49,905
Project management	8,889	11,994	3,106	5,783	-	29,772
Recording and filing	1,733	4,531	-	-	-	6,264
Travel	205	4,787	-	205	-	5,197
	116,606	1,535,948	26,880	23,401	-	1,702,835
Closing balance as at June 30, 2021	\$ 8,692,414	\$ 7,253,154	\$ 3,089,669	\$ 3,086,190	\$ 7,656	\$ 22,129,083

	Yeungroon property	Glenfine property	Ballarat West property	Silver Spoon property	Gossan and SBS properties	Total
Opening Balance as at July 1, 2021	\$ 8,692,414	\$ 7,253,154	\$ 3,089,669	\$ 3,086,190	\$ 7,656	\$ 22,129,083
Exploration costs						
Chemical analysis	77,022	86,797	10,690	-	-	174,509
GIS & data management	9,786	20,563	6,383	4,547	-	41,279
Drilling and trenching	781,776	20,590	8,585	-	-	810,951
Geological services	64,737	11,140	39,431	8,245	-	123,553
Geophysical surveys	16,770		-	-	-	16,770
Materials and supplies	44,726	13,646	14,462		-	72,834
Project management	387,197	78,955	37,619	7,798	-	511,569
Recording and filing	13,594	5,573	2,930	284	-	22,381
Travel	17,032	1,330	1,488	-	-	19,850
	1,412,640	238,594	121,588	20,874	-	1,793,696
Closing balance as at June 30, 2022	\$ 10,105,054	\$ 7,491,748	\$ 3,211,257	\$ 3,107,064	\$ 7,656	\$ 23,922,779

### OVERALL PERFORMANCE

As an exploration stage company, the Company does not have revenues and is expected to generate operating losses. As at June 30, 2022, the Company had cash of \$3.1 million, an accumulated deficit of \$6.3 million and working capital of \$3.1 million. Management anticipates that expenses related to mineral exploration and administration of the Company will remain at similar levels in the future on an annual basis but has the option to scale back expenditures should the need arise.

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#### Industry and Economic Factors that May Affect the Company's Performance

The exploration for and development of minerals involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties which are explored are ultimately developed into producing mines. There can be no guarantee that the estimates of quantities and qualities of minerals disclosed will be economically recoverable. With all exploration and mining operations there is uncertainty and, therefore, risk associated with exploration and operating parameters and costs resulting from the scaling up of extraction methods tested in pilot conditions. Mineral exploration is speculative in nature and there can be no assurance that any minerals discovered will result in a resource base.

- In particular, the Company does not generate revenue, and as a result, continues to be dependent on third party financing to continue exploration activities on the company's properties. Accordingly, the Company's future performance will be most affected by its access to financing, whether debt, equity or other means. Access to such financing, in turn, is affected by general economic conditions, exploration risks and the other factors described in the section entitled "risk factors" included below.
- The COVID-19 global pandemic has adversely affected the global economy. The Company's business travel has been restricted and various business operations including permitting processes and exploration mobilization has seen delays. The pandemic may impact the ability to raise funds in the future due to unforeseen circumstances including market volatility and investor apprehension. As of June 30, 2022, the pandemic has not had a material impact on the Company however due to ongoing focus by management on the situation and taking measures to mitigate the effects.

#### SELECTED FINANCIAL INFORMATION

The following tables set out selected financial information for the Company. The selected financial information should only be read in conjunction with the Company's financial statements, including the notes thereto, for the same periods as filed on [SEDAR](#).

##### *Statements of Operations, Comprehensive Loss and Deficit Data, and Cash Flows*

			<b>Year ended June 30, 2022 (\$)</b>	Year ended June 30, 2021 (\$)
Total Revenue			-	-
Total Expenses			2,737,222	3,029,166
Net loss for the period			(2,739,174)	(2,990,716)
Loss per share - basic and diluted			(0.05)	(0.08)
Net cash used in operating activities			(1,948,565)	(1,978,317)
Change in cash			(3,745,435)	6,671,110

##### *Balance Sheet Data*

	<b>As at June 30, 2022</b>	As at June 30, 2021
	<b>(\$)</b>	<b>(\$)</b>
Current Assets	3,173,351	7,397,521
Mineral Properties	23,922,779	22,129,083

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	As at June 30, 2022	As at June 30, 2021
<b>Total Assets</b>	<b>27,140,613</b>	<b>29,576,817</b>
Current Liabilities	73,037	406,228
Long Term Debt	-	-
Shareholders' Equity	27,084,480	29,170,589
<b>Total Liabilities and Equity</b>	<b>27,140,613</b>	<b>29,576,817</b>

**RESULTS OF OPERATIONS**

The following discussion addresses the operating results and financial condition of the Company for the three month and year ended June 30, 2022 compared to the three months and year ended June 30, 2021. The MD&A should be read in conjunction with the Company's audited financial statements and the accompanying notes for the years ended June 30, 2022 and 2021.

During the year ended June 30, 2022, the Company generated no revenues and incurred expenses of \$2.7 million. The slight decrease in expenses in the year ended June 30, 2022 arose from a significantly decreased stock based compensation expense due to no new grants in the year, partly offset by the increased levels of business activity as a result of a full year of business operations as compared to only 6 months of activity following the projects' acquisition in the quarter ended December 31, 2020, and the subsequent ramp up of exploration activity.

**SUMMARY OF QUARTERLY RESULTS**

The following information is derived from the Company's condensed consolidated interim financial statements prepared in accordance with IFRS applicable to interim condensed consolidated financial reporting including IAS 34. The information below should be read in conjunction with the Company's consolidated financial statements for the same periods. Consistent with the preparation and presentation of the Annual Financial Statements, the unaudited quarterly results are presented in Canadian dollars.

	June 30, 2022	March 31, 2022	Dec 31, 2021	Sep 30, 2021	June 30, 2021	March 31, 2021	Dec 31, 2020	Sep 30, 2020	Jun 30, 2020
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Revenue	-	-	-	-	-	-	-	-	-
Net loss for the period	(594,633)	(508,640)	(759,771)	(876,130)	(1,038,286)	(847,999)	(1,049,177)	(55,254)	(20,823)
Loss per share (basic and diluted)	(0.01)	(0.01)	(0.01)	(0.02)	(0.01)	(0.01)	(0.05)	(0.01)	(0.00)

The Company does not derive any revenue from its operations. Its primary focus is the acquisition, exploration and evaluation of mineral properties. As a result, the loss per period has fluctuated depending on the Company's activity level. Therefore, quarterly periods are not comparable.

**LIQUIDITY**

In the three months ended December 31, 2020, the Company completed a non-brokered private placement raising gross proceeds of \$11,406,000. This financing has put the Company with a working capital position total at June 30, 2022 of \$3.1 million including cash of \$3.1 million, to fund at least the next 12 months of exploration and general and administrative expenditures.

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#### **SHARE CAPITAL**

There were no material movements in the Company's share capital in the year ended June 30, 2022. Prior material movements are as follows:

On November 17, 2020, the Company issued 57,030,000 pre-consolidation shares in connection with the private placement at a value of \$0.20 including one half warrant with each share, collectively called units.

On December 11, 2020, all shares outstanding were consolidated at a 3:1 ratio shown in Condensed Consolidated Interim Statements of Changes in Equity.

On December 15, 2020, the Company issued 33,333,333 post-consolidated shares in relation to the acquisition of the Victorian Gold Projects.

#### **CAPITAL RESOURCES**

The Company continues to evaluate raising capital through the issuance of common shares and is dependent upon its ability to secure equity and/or debt financing, the availability of which cannot be assured. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets. Management currently believes that the Company has the cash required to fund operations for the next 12 months but additional capital raises may be required or warranted.

#### **OFF-BALANCE SHEET ARRANGEMENTS**

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

#### **TRANSACTIONS WITH RELATED PARTIES**

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole, and are considered related parties. 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. Payments to key management personnel in the year ended June 30, 2022 were made pursuant to their contracts and agreements in place and consist of cash-based payments as well stock-based compensation arising from options granted.

	<b>30-Jun 2022</b>	<b>30-Jun 2021</b>
Director remuneration	\$ 178,000	\$ 128,707
Officer & key management remuneration	498,132	353,584
Advisory and other service fees	144,000	324,000
Share-based compensation	541,373	1,023,561
Total	\$ 1,361,505	\$ 1,829,852

During the three months and year ended June 30, 2022, no common shares were issued to related parties of the Company.

The Company sub-leases its office space from an entity controlled by its Chairman. Sub-lease costs, office expenses and fees came into effect December 1, 2020 and are being incurred and paid monthly. All dealings with this entity are at fair market value for services received by the Company.

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#### **CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES**

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The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable in the circumstances. Uncertainty about these judgments, estimates and assumptions could result in a material adjustment to the carrying amount of the asset or liability affected in future periods.

A detailed summary of all of the Company's accounting estimates and assumptions is included in the audited annual financial statements ended June 30, 2022 filed on SEDAR.

Information about significant areas of estimation uncertainty considered by management in preparing the financial statements include the following:

##### *Impairment of exploration and evaluation assets*

Management applies judgement in assessing, each reporting period, whether there are any indicators of impairment related to exploration and evaluation assets. If an indicator exists, the recoverability of the exploration and evaluation asset is assessed using estimates, judgements and assumptions. To estimate recoverability, management considers current and forecasted commodity prices as well as the economic viability of the project. For the year ended June 30, 2021 there were no impairment indicators related to exploration and evaluation assets.

##### *Share-based payments*

The Company measures the fair value of its share-based payments using a valuation model which requires management to use judgements and estimates in determining the inputs of such model. These inputs include volatility, spot price of the underlying shares, and expected life of the share option.

##### *Valuation and allocation of consideration paid to acquired mineral properties*

Management applies judgement in determining the valuation of consideration paid for properties when acquired. Relevant factors and indicators are evaluated including current share price at time of acquisition, volume of shares traded at time of acquisition, and recent material financings. Furthermore, management applies judgement in

determining the allocation of consideration paid amongst properties when acquired. Relevant factors and indicators are evaluated including status of the ability to explore, the geological prospectivity of the property, and land area open to exploration.

##### *Tax loss utilization*

Management applies judgement in assessing, each reporting period, whether incurred losses have the potential to be utilized against future profits.

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

##### *Standards, Amendments, and Interpretations Not Yet in Effect*

The International Accounting Standards Board continually issues new and amended standards and interpretations which may need to be adopted by the Company. The Company continually assesses the impact that the new and amended standards and interpretations may have on its financial statements or whether to early adopt any of the new requirements. No new or amended standards and interpretations affected the financial statements for the year ending June 30, 2022.

#### **FINANCIAL INSTRUMENTS**

The Company's financial instruments consist of cash, GST receivable, accounts payable and accrued liabilities and notes payable.

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The fair values of the Company's financial instruments approximate their carrying value, due to their short-term maturities or liquidity. The Company's cash and amounts receivable are initially recorded at fair value and subsequently at amortized cost with accrued interest recorded in accounts receivable.

#### **Financial instrument risk exposure**

As at June 30, 2022, the Company's financial instrument risk exposure and impact thereof on the Company's financial instruments is summarized below:

##### *Credit Risk, Liquidity Risk, Market Risk, Currency Risk, and Interest Rate Risk*

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. As at June 30, 2022, the Company has the majority of its cash on deposit with one of the largest Canadian banks. Management believes the risk of loss to be remote.

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet its obligations under financial instruments. The Company manages liquidity risk by maintaining sufficient cash balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital to meet short-term obligations.

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity and equity prices. The Company does not expect exchange rates, and commodity and equity prices to have a material impact to the Company.

The Company's operating costs are primarily in Canadian dollars and Australian dollars, therefore any fluctuations of the Canadian dollar in relation to the Australian dollar may affect the net losses and value of some assets and liabilities of the Company. Management believes that any currency risk from foreign exchange conversion or changes in cost structure is not significant.

Interest rate risk is the risk that the future cash flows from a financial instrument will fluctuate due to changes in market interest rates. The Company holds its cash in bank accounts that earn variable interest rates but the expected risk is deemed insignificant due to the continued expected low interest rate risk environment.

Due to the short-term nature of these financial instruments, fluctuations in market rates do not have a significant impact on the estimated fair value of the Company's cash and cash equivalent balances as of June 30, 2022.

#### **DISCLOSURE OF OUTSTANDING SECURITY DATA**

##### *Common Shares, Share Options, and Warrants*

As at June 30, 2022 and the date of this MD&A, the Company had: 58,370,500 Common Shares issued and outstanding; 5,695,000 Options outstanding; and 10,351,350 Warrants outstanding.

#### **ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE**

The Company anticipates that its working capital of \$3.1 million at June 30, 2022, will fund all exploration programs, operations and payments for the next 12-month period. The funds necessary for the Company to achieve its stated business objectives to carry out its exploration programs and to cover anticipated administrative costs for the next 12-month period are in place.