**SOKOMAN MINERALS CORP.**
**Management's Discussion and Analysis**
**For the Year Ended June 30, 2022**

## Introduction

This management discussion and analysis ("MD&A") has been prepared based on information available to Sokoman Minerals Corp. ("Sokoman" or the "Company") as at October 25, 2022. This MD&A has been prepared in compliance with section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations.The MD&A of the operating results and financial condition of the Company for the year ended June 30, 2022 should be read in conjunction with the audited consolidated financial statements of the Company, including the notes thereto, for the years ended June 30, 2022 and 2021 which were prepared in accordance with International Financial Reporting Standards ("IFRS"). Additional information relating to the Company may be found under its profile on SEDAR at **www.sedar.com**.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors (the "Board"), considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Sokoman common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

The technical information of this MD&A has been reviewed and approved by Mr. Timothy Froude, P. Geo., a Qualified Person as defined by National Instrument 43-101.

## Description of Business

Sokoman is a public company listed on the TSX Venture Exchange (TSX-V: SIC and OTCQB: SICNF) operating under the laws of the Province of British Columbia. The Company is an exploration-stage Company that is in the process of exploring its mineral properties located in Canada and has not yet determined whether these properties contain reserves that are economically recoverable. The Company's registered head office is 82 Richmond Street East, Toronto, Ontario M5C 1P1.

## Mineral Properties

### Moosehead Gold Property

#### History

The property consists of 98 claims optioned from Altius Minerals in 2018 with 7,754,371 common shares and 1,428,571 share purchase warrants issued with the purchase warrants at a strike price of $0.05 / share, expiring March 17, 2021. The property is also subject to a 2% Net Smelter Return ("NSR") including 1.5% to the vendor and a 0.5% NSR to an arms-length 3rd party. A condition of purchase was that the Company incurs $500,000 in exploration expenditures within twelve (12) months with the Company exceeding the required minimum expenditures in the first 12 months, receiving the transfer of ownership in February 2019.

The property is an easily accessible, orogenic lode gold property where historic sampling has returned high-grade values of up to 442 g/t Au from boulders and up to 170 g/t Au over 1.53 metres from drill core. The mineralized system remains virtually untested below a vertical depth of 150 metres with the only "deep hole" intersecting 278 g/t Au over 0.50 m at a core depth of 257 m. Mapping of bedrock and mineralized veins in a trench on the Western trend by Altius indicated that the controlling Au-bearing structures for this area are oriented E-W and WNW, whereas most historic drill holes targeted N-S structures.

At the time of the option only the Western Zone was known on the property in spite of exploration by numerous companies over the previous 20 plus years. Since acquiring the project, and discovering the Eastern Zone with the first hole (MH-18-01), drilled under the narrow high grade target mentioned in

paragraph 2 above, significant gold intersections have been reported from all 6 drilling phases, with mineralization defined over a 500 m strike length and a 200 m vertical height, remaining open along strike and to depth, in what is now known as the Eastern Trend, In addition, other gold zones, the Footwall Splay, South Pond, and 75 Zone have been discovered during follow up of previous work and extensive drilling.

The gold mineralization at Moosehead is similar in style and grade to the world-class Fosterville Mine in Victoria State, Australia, and it establishes Moosehead, like New Found Gold's Queensway property, as a Fosterville lookalike, which is well supported by geological and structural criteria.

South Pond Zone - Gold mineralization was discovered in quartz float along the northern shore of South Pond by earlier workers and was further evaluated by Sokoman in the summer of 2020. This resulted in the discovery of two types of mineralized float, a high-grade cluster that averaged 36.59 g/t Au, and the previously known, lower-grade cluster, that averaged 1.91 g/t Au **(NR July 30, 2020)**. Drilling in 2020 located significant gold values below the mineralized boulders. The zone has been traced by drilling over a 125 m strike length, to a depth to 80 m (from surface), and a width of at least 3 m remaining open along strike and to depth. Modeling suggests that it may be the southern extension of the Western Zone, located 240 m to the north.

**Exploration**

Exploration, primarily drilling, has taken place in Phases as funding and results allowed. Phase 1-5 drilling totals: 23,219 m in 106 holes with 97 focused on the Western (25), and Eastern Zones (72) – Hole #'s MH-18-01-MH-20-98, 9 recce (MH-19-101-109). **Note: # MH-19-38 number was not used.*

The table below shows the highest gold intersections from the first 5 phases.

| | | |
|---|---|---|
| Phase 1 | MH-18-01 | 11.90 m @ 44.96 g/t Au, incl. 5.65 m @ 93.56 g/t Au |
| Phase 2 | MH-18-39 | 5.10 m @ 124.20 g/t Au, incl. 1.10 m @ 550.30 g/t Au |
| Phase 3 | MH-19-62 | 7.20 m @ 22.35 g/t Au, incl. 4.80 m @ 33.59 g/t Au |
| Phase 4 | MH-19-81 | 6.40 m @17.34 g/t Au, incl. 1.45 m @ 75.50 g/t Au |
| Phase 5 | MH-20-86 | 5.20 m @16.85 g/t Au, incl. 1.35 m @ 61.11 g/t Au |

**Reported lengths are core lengths believed to be 70% - 90% of true thicknesses.*

A drill hole plan and longitudinal can be found at:
https://sokomanmineralscorp.com/2020/05/15/sokoman-minerals-completes-extended-phase-5-drilling-program-at-moosehead-central-newfoundland/

*Phase 6 Drilling*

The Phase 6 drilling program commenced on September 14, 2020 and is ongoing at this time. The amount of drilling in Phase 6 was increased on three occasions in 2021, most recently on November 10, and is now proposed to total 100,000 metres. Currently there are 3 drills at work on the Moosehead Project including one drill based on a barge in North Pond. A fourth drill rig, which was temporarily diverted to drill a month long program at Grey River is currently offline for scheduled maintenance and will return to the Moosehead Project in early December, 2021. The drilling will continue until paused for the Christmas break. Total meterage in Phase 6 to date of this MD&A is approximately 40,000 m in 209 holes.

Phase 6 drilling highlights include:

- Eastern Zone / Footwall Splay - MH-20-115 - two high-grade zones - the Footwall Splay, 4.60 m @ 47.20 g/t Au, and a deeper Main Eastern Trend - 8.10 m @ 68.25 g/t Au **(NR Nov. 19, 2020)**;

- South Pond Zone - MH-20-123 - 5 m @ 26.88 g/t Au including 2.15 m @ 60.59 g/t Au, the presumed in-situ source of the high-grade boulder cluster (July 2020) which averaged 36 g/t Au **(NR Dec. 17, 2020)**
- FW Splay – high-grade, near-surface, intersections such as:
  - MH-20-132 - 4 m at 24.92 g/t Au, incl 1.60 m at 61.68 g/t Au - 70.50 m downhole (NR - Jan. 29/21)
  - MH-21-157 - 3.50 m at 12.39 g/t Au, incl. 1.50 m at 28.57 g/t Au - 36.30 m downhole
  - MH-21-163 - 11.60 m at 21.07 g/t Au, incl. 5.10 m at 30.82 g/t Au - 44.0 m downhole – 25 m stepout
  - MH-21-166 - 5.10 m at 15.51 g/t Au, incl. 2.80 m at 27.68 g/t Au - 9 m downhole – 40 m stepout - *collared in a visible gold-bearing quartz vein)* - **(NR April 28, 2021)**

*South Pond*

In 2020, drilling beneath the high-grade boulder cluster intersected a quartz vein zone at 47 m that averaged 26.87 g/t Au over 5 m, including 60.59 g/t Au over 2.15 m (MH-20-123), the likely in-situ source of the high-grade boulders **(NR December 17, 2020)**. The Au mineralization occurs in a 3-7 m wide zone of shearing and quartz veining, with 2-5% disseminated sulphides (pyrite+/-sphalerite+/-boulangerite) with the high-grade sections typically banded and/or stylolitic, locally vuggy, quartz veins, up to one metre thick, with multiple 1 to 5 mm blebs of visible gold in a zone of moderately sheared siltstones. Drilling continues to expand the near surface zone in step out drilling as follows:

- MH-21-141 - 15 m N of MH-20-123 - 4.20 m at 64 g/t Au, incl. 1.20 m at 223.63 g/t Au from 47.90 m downhole (*reported lengths are core lengths and are believed to be 90% of true thickness)*
- MH-21-140 - 15 m S of MH-20-123, - 6.70 m at 3.24 g/t Au, incl 1.20 m at 16.96 g/t Au from 42 m downhole **(NR Feb. 23, 2021)**
- A new, near-surface, mineralized structure was intersected in 2 holes, MH-21-152, 153 **(NR April 28, 2021)**. The second mineralized structure (Z-2) lies approximately 50 m east of the South Pond zone (Z-1). Drill holes MH-21-152 and 153, the furthest holes to the south and east at South Pond, both intersected shallow, near surface, shearing and veining similar in style and mineralogy (boulangerite, arsenopyrite, sphalerite) to higher grade intersections at Moosehead without the VG. The vein style and mineral assemblage is indicative of the "high-grade" veining intersected in the Z1 zone including MH-20-123 (5.00 m of 26.87 g/t Au), and MH-21-141 (4.20 m of 64.00 g/t Au). The 2 intersections at Z2 gave the following results:
- MH-21-152 – 3.00 m of 1.82 g/t Au including 0.70 m of 3.08 g/t Au from 15.00 m downhole;
- MH-21-153 **–** 3.00 m of 1.61 g/t Au including 1.60 m of 2.40 g/t Au from 12.00 m downhole;

The drilling has expanded the strike length of the mineralized zone to 125 m, the depth to 80 m (from surface), and the width to at least 3 m, with the zone remaining open along strike and to depth.

In early August 2021, the Company announced the arrival of the third drill rig to test high-priority targets in the 75 Zone and Eastern Trend areas, where 15,000 m of the remaining 27,000 m in the current phase will be done **(NR August 10, 2021)**. Diamond drilling was concentrated on the Eastern Trend / Footwall splay at North Pond, the 75 zone and the South Pond zone. The barge-based drill program testing the intersection of the Footwall Splay and the Main Eastern Trend, a structural setting scenario similar to the high-grade Eagle/Swan Zone at Fosterville, began in September 2021.

Approximately 40,000 m of the planned 50,000 m, Phase 6, program has been completed (as of August 10, 2021) with multiple gold intersections reported including higher grade values in the holes summarized below:

- MH-21-115 (Footwall Splay – Eastern Trend) – 4.60 m @ 47.20 g/t Au; and 8.10 m @ 68.25 g/t Au
- MH-21-163 (Footwall Splay – Eastern Trend) – 18.90 m @ 13.09 g/t Au
- MH-21-141 (South Pond Zone 1) – 4.20 m @ 64.00 g/t Au
- MH-21-123 (South Pond Zone 1) – 5.00 m @ 26.87 g/t Au
- MH-21-203 (75 Zone) – 2.85 m @ 13.67 g/t Au

More exhaustive results from the drilling are shown below in the table.

| DDH # | Length m | Az. | Dip | Target | | From (m) | To (m) | Length m* | Au (g/t) | G x M | Visible Gold |
|---|---|---|---|---|---|---|---|---|---|---|---|
| MH-21-205 | 124.0 | 285 | 39 | 75 Zone | | **95.75** | **100.00** | **4.25** | **2.88** | **12.24** | **y** |
| | | | | | incl | 98.75 | 100.00 | 1.25 | 7.89 | 9.86 | **Y** |
| | | | | | | | | | | | |
| MH-21-203 | 274.0 | 287 | 45 | 75 Zone | | **98.15** | **101.00** | **2.85** | **13.67** | **38.97** | **Y** |
| | | | | | | | | | | | |
| MH-21-200 | 358.0 | 285 | 49 | Eastern Trend | | 167.50 | 169.90 | 2.40 | 0.75 | 1.79 | **Y** |
| | | | | | | **239.65** | **244.85** | **5.20** | **7.68** | **39.92** | **Y** |
| | | | | | incl | **239.65** | **243.45** | **3.80** | **10.26** | **39.00** | **Y** |
| | | | | | | | | | | | |
| MH-21-198 | 367.0 | 285 | 45 | Eastern Trend | | **248.00** | **251.70** | **3.70** | **9.10** | **33.68** | **y** |
| | | | | | incl | **250.90** | **251.70** | **0.80** | **41.01** | **32.81** | **Y** |
| | | | | | | | | | | | |
| MH-21-193 | 358.0 | 283 | 47 | Eastern Trend | | **243.30** | **249.30** | **6.00** | **6.47** | **38.80** | **y** |
| | | | | | incl | **244.80** | **248.40** | **3.60** | **10.59** | **38.09** | **Y** |
| | | | | | | 334.10 | 337.30 | 3.20 | 2.22 | 7.11 | |
| | | | | | | | | | | | |
| MH-21-192 | 253.0 | 254 | 43 | South Pond | | **39.70** | **41.90** | **2.20** | **4.35** | **9.57** | **Y** |
| | | | | | | | | | | | |
| *** Core lengths - believed to be 70-90% of reported lengths.** | | | | | | | | | | | |

*Eastern Trend / Footwall Splay*

Eastern Trend - Infill and step-out drilling in Q4 resulted in the following mineralized intersections **(NR July 6, 2021)**:

- MH-21-178 tested the Upper Eastern Trend assaying 4.72 g/t Au / 1.10 m from 30.20 m downhole, 25 m vertically below surface.
- MH-21-191, gave 21.86 g/t Au / 3.60 m incl. 43.47 g/t Au / 1.80 m at a downhole depth of 244 m, a 9 m step-out from MH-16-62 which gave 22.35 g/t Au / 7.20 m incl. 33.59 g/t Au / 4.80 m.

Footwall Splay – The Footwall Splay has a 175 m N-S strike length over a minimum width of 25 m. Drill results **(NR's July 6 and 20, 2021)** included:

- MH-21-115 – 4.60 m @ 47.20 g/t Au; 8.10 m @ 68.25 g/t Au;
- MH-21-163 – 18.90 m @ 13.09 g/t Au;
- MH-21-167 collared in a visible-gold-bearing vein, assaying 2.94 g/t Au / 1.2 m, extending the FW splay 27 m south from MH-21-157 (12.39 g/t Au / 3.5 m, incl. 28.57 g/t Au / 1.50 m from 36.3 m downhole.

Drill holes MH-21-193, 198 and 200 focused on the Lower Eastern Trend between 150 to 200 m vertical as a follow-up to holes MH-19-62 (7.20 m @ 22.35 g/t Au and MH-19-81 (6.40 m @ 17.34 g/t Au). The results confirm the continuity of the gold mineralization in the Lower Eastern Trend **(NR July 29, 2021)**.

Previous drilling in the Eastern Trend intersected gold mineralization on structures both above and below the main mineralized envelope. Ongoing close-spaced drilling of the Lower Eastern Trend indicates that there is more regularity and predictability to these intersections. The upcoming barge-based program will be key to assessing the up-plunge potential and whether these structures prove to be additional high-grade splays and or parallel structures.

*75 Zone*

The 75 zone is a mineralized block which lies 100 m NE of the South Pond zone, approximately halfway to the Eastern Trend, which intersected 5.80 m of 6.93 g/t Au, incl, a VG bearing vein grading 32.99 g/t Au / 0.80 m in MH-19-75 starting at 87.50 m downhole **(NR July 29, 2021)**. The intersection included two visible gold-bearing veins that gave 30.42 g/t Au / 0.30 m (from 88.95 m), and 32.99 g/t Au / 0.80 m (from 92.50 m). The initial follow-up program around MH-19-75 was based on 25 m step outs which has been determined to be less than ideal in evaluation of these complex shear systems. Two drill holes gave significant values as follows:

- MH-21-203 – 13.67 g/t Au / 2.85 m from 98.15 m downhole – a 10 m step out south from MH-19-75.
- MH-21-205 – intersected 4 veins with visible gold, giving 2.88 g/t Au / 4.25 m incl 7.89 g/t Au / 1.25 m – a 15 m step out from MH-19-75 (and up-dip from MH-21-203)

The zone remains open with the drilling planned to help determine whether it is a new splay / zone or is possibly the southern extension of the Eastern Trend.

*South Pond Zone*

Drilling has extended the mineralized zones up and down dip with DDH MH-21-190 extending the "high-grade" intersection in MH-21-123 (5 m of 26.87 g/t Au) 11 m up dip, and DDH MH-21-184 extending the near-surface mineralized zone, discovered in MH-21-152 (3.0 m of 1.82 g/t) 15 m down dip (NR July 6, 2021). Another high grade intersection was found in MH-21-141 which gave 4.20 m @ 64 g/t Au **(NR July 20, 2021)**. The style of veining and mineral assemblage (boulangerite, arsenopyrite and sphalerite) is similar to the "high-grade" zones in MH-21-190.

The drilling has defined a steeply-plunging, high-grade gold core in a moderately to steeply east-northeast dipping mineralized zone which has been traced 65 m along strike and from surface to 95 m down dip, remaining open both along strike and down dip. Modelling suggests the zone is possibly a splay off the Eastern Trend structure to the east, with many similar characteristics to the original Footwall Splay at North Pond. This interpretation bodes well for continued exploration between South Pond and Western Trend (approximately 250 m corridor) not only for gold mineralization on the main structures but for repeating splays as well.

*Prospecting*

Prospecting at South Pond, 400 metres along strike, to the south of the Eastern Trend zone, in 2020 located a cluster of angular quartz float boulders with grab sample assay results ranging from 0.318 to 157.04 g/t Au, with silver values up to 36.2 g/t Ag **(NR July 30, 2020)** in angular quartz float (from 0.2 to 0.5 m maximum dimension) from the northern end of South Pond. Three (3) samples contained visible gold (VG). Antimony (Sb), a key pathfinder metal for high-grade mineralization at Moosehead and at the Fosterville deposit in Australia, was noted.

Follow-up prospecting, taking advantage of low water levels in the summer, carried out in the area of angular quartz boulders located in fall 2020, 300 m to the east of North Pond, located quartz boulders with arsenopyrite and lesser boulangerite and sphalerite, with multiple sights of fine visible gold, 20 m from the original cluster. These newly discovered boulders gave two high values of 14.81 g/t and 9.36 g/t Au (NR July 6, 2021). Similar mineralized boulders with visible gold were also located in brooks 250 m to the northeast.

The boulders lie along a prominent northeast-trending structural lineament in the east-central portion of the property and coincide with strong, linear magnetic and VLF-EM anomalies. Three widely-spaced drill holes, completed earlier this year in the general area, did not adequately test this near-surface target. Additional

drilling was proposed and in late summer, the 253 Zone discovery was announced representing the potential in situ extension of the aforementioned float. Assay results are pending.

In November 2021, the Company announced the first results from the barge based program which included several significant assay intervals including 4.95 m of 27.70 g/t Au from DDH MH-21-291. Other highlights are shown in the table.

| DDH # | Depth | Az. | Dip | Target | | From (m) | To (m) | Length m* | Au (g/t) | G x M | Visible Gold |
|---|---|---|---|---|---|---|---|---|---|---|---|
| MH-21-283 | 149 | 285 | -60 | Footwall Splay | | 53.00 | 62.80 | 9.80 | 6.65 | 65.18 | **Y** |
| | | | | | incl | **53.60** | **57.80** | **4.20** | **14.72** | **61.85** | **Y** |
| MH-21-287 | 83 | 286 | -74 | Eastern Trend | | 53.50 | 58.10 | 4.60 | 1.21 | 5.55 | **Y** |
| MH-21-289 | 69 | 297 | -58 | Eastern Trend & | | 33.45 | 35.00 | 1.55 | 5.23 | 8.10 | **Y** |
| | | | | Footwall Splay | and | **44.00** | **46.80** | **2.80** | **11.69** | **32.74** | **Y** |
| MH-21-290 | 54 | 287 | -59 | Eastern Trend & | | 30.00 | 33.75 | 3.75 | 2.07 | 7.77 | **N** |
| | | | | Footwall Splay | and | **41.40** | **44.10** | **2.70** | **20.47** | **55.27** | **Y** |
| MH-21-291 | 72 | 287 | -76 | | | **41.55** | **46.50** | **4.95** | **27.70** | **137.10** | **Y** |
| | | | | Eastern Trend | incl | **41.55** | **43.35** | **1.80** | **45.73** | **82.31** | **Y** |

*** Lengths are core lengths and believed to be 90% true thickness.**

In late January, 2022, the company restarted drilling operations at Moosehead with two drills focused on the Eastern Trend and the 75 Zone. On January 20, 2022 the Company released assays from barge-based holes completed just prior to Christmas returned strong intersections including;

- MH-21-342 – 5.55 m of 56.58 g/t Au incl. 3.10 m of 100.00 g/t Au from 67.80 m
- MH-21-345 – 4.75 m of 20.75 g/t Au incl. 2.25 m of 39.57 g/t Au from 117.65 m
- MH-21-346 – 9.60 m of 7.33 g/t Au incl. 4.55 m of 12.98 g/t Au from 122.20 m

Also included are drill holes from the 75 Zone which has been extended to the north towards the Main Eastern Trend (MH-21-298), as well as holes from the southern limit of the Eastern Trend (MH-21-259 and MH-21-263) stepping southwards towards the 75 Zone (Drill Plan Map). Additional drilling is planned to close the approximately 100 m gap between the two zones. Modelling is suggesting that shallow intercepts in the 75 Zone, including MH-21-298, 17.50 m downhole with 2.30 m at 9.75 g/t in 8.40 m of 3.35 g/t Au, may be a splay off the Eastern Zone and that the 75 Zone actually is the southward extension of the Main Eastern Trend which includes high-grade splays.

On July 7, 2022, the company released diamond drill results that included the deepest intersection of visible gold to date. Drill hole MH-22-418 intersected 5.92 m of 4.14 g/t Au which included a 1.31m intersection of 15.60 g/t Au at a downhole depth of 388.84 m. Barge drilling successfully extended the Eastern Trend to the north with a 7.00m intercept of 8.03 g/t Au from 165m downhole in MH-22-422.

.

| DDH # | Length m | Az. | Dip | Target | | From (m) | To (m) | Length m* | Au (g/t) | G x M | Visible Gold |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **MH-22-422** | **225** | **283** | **54** | **Eastern Trend** | | **165.00** | **172.00** | **7.00** | **8.03** | **56.30** | **Y** |
| | | | | | inc | **169.25** | **172.00** | **2.75** | **19.47** | **53.54** | **Y** |
| | | | | | and | **169.25** | **170.87** | **1.62** | **31.95** | **51.77** | **Y** |
| MH-22-419 | 207 | 283 | 46 | Eastern Trend | | 159.94 | 165.27 | 5.23 | 1.06 | 5.66 | **N** |
| **MH-22-418** | **418** | **283** | **45** | **Eastern Trend** | | 331.50 | 334.04 | 2.54 | 2.10 | 5.32 | **Y** |
| | | | | **(Lower)** | and | 343.32 | 345.64 | 2.32 | 1.56 | 3.63 | **N** |
| | | | | | and | 351.48 | 352.74 | 1.26 | 4.37 | 5.51 | **Y** |
| | | | | | and | **388.84** | **394.76** | **5.92** | **4.14** | **24.54** | **Y** |
| | | | | | incl | **389.84** | **391.15** | **1.31** | **15.60** | **20.46** | **Y** |
| MH-22-416 | 183 | 283 | 42 | Eastern Trend | | 157.65 | 165.30 | 7.65 | 0.53 | 4.03 | **Y** |
| MH-22-415 | 352 | 283 | 40 | Eastern Trend | | 282.00 | 285.00 | 3.00 | 0.90 | 2.70 | **N** |
| MH-22-414 | 358 | 283 | 51 | Eastern Trend | | 219.60 | 221.90 | 2.30 | 0.90 | 2.07 | **N** |
| | | | | | and | 281.64 | 286.00 | 4.36 | 0.55 | 2.40 | **N** |
| | | | | | | 281.64 | 283.00 | 1.36 | 1.15 | 1.57 | **N** |
| MH-22-413 | 388 | 283 | 55 | Eastern Trend | | 275.00 | 279.00 | 4.00 | 0.62 | 2.50 | **N** |
| MH-22-412 | 416 | 283 | 50 | Eastern Trend | | 376.76 | 377.92 | 1.16 | 0.41 | 0.47 | **N** |
| MH-22-411 | 50 | 286 | 70 | 253 Zone | | NSV | | | | | |
| MH-22-410 | 374 | 283 | 51 | Eastern Trend | | 304.00 | 307.45 | 3.45 | 0.56 | 1.92 | **N** |
| MH-22-409 | 304 | 283 | 40 | 253 Zone | | NSV | | | | | |
| MH-22-408 | 370 | 283 | 46 | Eastern Trend | | 280.88 | 285.40 | 4.52 | 0.76 | 3.45 | **N** |
| MH-22-407 | 325 | 283 | 45 | Eastern Trend | | 286.00 | 287.46 | 1.46 | 2.91 | 4.25 | **Y** |
| MH-22-406 | 325 | 283 | 42 | Eastern Trend | | 282.00 | 292.00 | 10.00 | 0.75 | 7.50 | **N** |
| | | | | | incl | 290.00 | 292.00 | 2.00 | 1.67 | 3.34 | **N** |
| MH-22-405 | 139 | 283 | 60 | Eastern Trend | | 93.87 | 94.83 | 0.96 | 0.79 | 0.75 | **N** |
| MH-22-404 | 103 | 284 | 48 | 75 Zone | | NSV | | | | | |
| MH-22-403 | 349 | 283 | 40 | 253 Zone | | NSV | | | | | |
| MH-22-402 | 337 | 283 | 42 | Eastern Trend | | 292.12 | 295.00 | 2.88 | 0.72 | 2.07 | **N** |
| | | | | | incl | 293.64 | 294.25 | 0.61 | 2.05 | 1.25 | **N** |
| MH-22-396 | 169 | 284 | 40 | 75 Zone | | 140.52 | 142.32 | 1.80 | 0.71 | 1.28 | **N** |
| MH-22-395 | 409 | 284 | 45 | Southern End | | 185.40 | 187.50 | 2.10 | 0.50 | 1.05 | **N** |

*** Core lengths - believed to be 90% of reported lengths.**

Additional results were released on September 6, 2022, including the thickest intersection to date on the property. Drill hole MH-22-463 reported a 39.60m intersection averaging 12.50 g/t Au including a 10.25m section averaging 41.97 g/t Au.

| DDH # | Length m | Az. | Dip | Target | | From (m) | To (m) | Length m* | Au (g/t) | G x M | Visible Gold |
|---|---|---|---|---|---|---|---|---|---|---|---|
| MH-22-463 | 425 | 283 | 62 | Eastern Trend | | 295.30 | 334.90 | 39.60 | 12.50 | 495.15 | Y |
| | | | | | incl | 312.35 | 322.60 | 10.25 | 41.97 | 430.28 | Y |
| | | | | | incl | 319.60 | 322.60 | 3.00 | 102.25 | 306.78 | Y |
| MH-22-460 | 76 | 245 | 67 | Western Trend | | 39.00 | 41.15 | 2.15 | 0.93 | 2.00 | N |
| MH-22-459 | 243 | 283 | 64 | Eastern Trend | | 176.60 | 180.75 | 4.15 | 1.14 | 4.72 | N |
| | | | | | | 232.50 | 236.95 | 4.45 | 1.00 | 4.50 | N |
| MH-22-457 | 427 | 283 | 57 | Eastern Trend | | 283.00 | 284.80 | 1.80 | 0.71 | 1.27 | N |
| MH-22-456 | 265 | 283 | 46 | Eastern Trend | | 182.35 | 184.95 | 2.60 | 0.42 | 1.10 | N |
| MH-22-454 | 427 | 283 | 50 | Eastern Trend | | 268.00 | 271.00 | 3.00 | 1.17 | 3.51 | N |
| | | | | | and | 335.00 | 339.00 | 4.00 | 4.66 | 18.65 | Y |
| MH-22-453 | 249.5 | 283 | 49 | Eastern Trend | | 64.00 | 68.50 | 4.50 | 0.51 | 2.30 | N |
| | | | | | and | 165.50 | 167.10 | 1.60 | 1.82 | 2.92 | N |
| MH-22-452 | 365 | 283 | 47 | Eastern Trend | | NSV | | | | | |
| MH-22-451 | 202 | 283 | 45 | Eastern Trend | | 189.50 | 191.60 | 2.10 | 0.61 | 1.28 | N |
| MH-22-450 | 357 | 282 | 44 | Eastern Trend | | 267.50 | 272.00 | 4.50 | 0.92 | 4.13 | N |
| MH-22-449 | 202 | 283 | 76 | Eastern Trend | | 167.45 | 168.85 | 1.40 | 1.21 | 1.70 | y |
| MH-22-448 | 181 | 283 | 69 | Eastern Trend | | 53.80 | 58.30 | 4.50 | 0.72 | 3.25 | N |
| | | | | | and | 161.50 | 163.00 | 1.50 | 3.14 | 4.71 | N |
| MH-22-446 | 314 | 285 | 45 | Eastern Trend | | 251.20 | 252.00 | 0.80 | 33.60 | 26.88 | Y |
| MH-22-443 | 183 | 283 | 40 | Eastern Trend | | 170.80 | 177.00 | 6.20 | 0.75 | 4.63 | N |
| MH-22-442 | 459.6 | 283 | 65 | Eastern Trend | | 251.50 | 252.50 | 1.00 | 4.04 | 4.04 | N |
| MH-22-441 | 201 | 283 | 70 | Eastern Trend | | 40.80 | 42.60 | 1.80 | 2.17 | 3.90 | N |
| MH-22-439 | 370 | 283 | 60 | Eastern Trend | | 367.00 | 370.30 | 3.30 | 0.61 | 2.03 | N |
| MH-22-438 | 187 | 283 | 55 | Eastern Trend | | 35.00 | 36.70 | 1.70 | 0.83 | 1.41 | N |
| MH-22-437 | 175 | 283 | 50 | Eastern Trend | | 33.00 | 34.00 | 1.00 | 2.65 | 2.65 | Y |
| MH-22-436 | 361 | 283 | 49 | Eastern Trend | | 313.55 | 317.65 | 4.10 | 1.19 | 4.89 | N |
| MH-22-434 | 176 | 283 | 40 | Eastern Trend | | 34.45 | 35.75 | 1.30 | 1.94 | 2.52 | N |
| | | | | | and | 162.80 | 165.65 | 2.85 | 0.51 | 1.53 | N |
| MH-22-433 | 391 | 283 | 52 | Eastern Trend | | 280.55 | 285.28 | 4.73 | 0.62 | 2.96 | N |
| MH-22-432 | 322 | 283 | 44 | Eastern Trend | | 266.45 | 270.00 | 3.55 | 0.89 | 3.17 | N |
| MH-22-431 | 222 | 283 | 64 | Eastern Trend | | 68.10 | 70.45 | 2.35 | 0.81 | 1.90 | N |
| MH-22-430 | 395 | 283 | 48 | Eastern Trend | | 294.57 | 298.00 | 3.43 | 1.51 | 5.19 | Y |
| | | | | | and | 389.63 | 394.57 | 4.94 | 0.61 | 3.03 | N |
| MH-22-429 | 217 | 283 | 59 | Eastern Trend | | 60.70 | 62.85 | 2.15 | 0.50 | 1.08 | N |
| MH-22-428 | 349 | 283 | 44 | Eastern Trend | | 301.20 | 307.10 | 5.90 | 3.17 | 18.71 | Y |
| MH-22-427 | 325 | 283 | 40 | Eastern Trend | | 309.65 | 312.65 | 3.00 | 0.86 | 2.59 | N |
| MH-22-426 | 177 | 282.2 | 48 | Eastern Trend | | 39.70 | 40.42 | 0.72 | 1.41 | 1.01 | N |
| | | | | | and | 54.00 | 58.00 | 4.00 | 0.71 | 2.84 | N |
| MH-22-425 | 395 | 283 | 53 | Eastern Trend | | 319.60 | 321.95 | 2.35 | 2.17 | 5.09 | Y |
| MH-22-424 | 226 | 283 | 58 | Eastern Trend | | 169.70 | 174.80 | 5.10 | 0.69 | 3.45 | Y |
| MH-22-423 | 398 | 283 | 64 | Eastern Trend | | 237.00 | 242.00 | 5.00 | 0.93 | 4.65 | N |

*** True Core lengths - believed to be 90% of reported lengths.**
**NSV = No Significant Values**

This intersection, located 100m down plunge from the current modelled limits of the mineralized zone, possibly represents a new zone or possibly a splay off of the Main Eastern Trend. The company immediately completed televiewer surveying of the hole to help plan further drilling around MH-22-463. The company has also re-engaged Irish based, structural consultant Dr. David Coller to revise his structural model for the area. Due to Covid restrictions, Dr. Coller has not been able to visit the property and examine core since 2019.

Additional drilling around MH-22-463 will commence once the televiewer data and Dr. Coller's report has been received and compiled. It is anticipated that drilling directly focused on expanding the mineralization reported from MH-22-463, will take place in mid-November.

### Outlook

Phase 6 drilling began in September 2020 and is ongoing testing the Eastern Trend, Western Trend, South Pond Trend, as well as newly recognized zones including the 75 Zone and 253 Zone. The Barge based program will be instrumental in delineating the Upper Eastern Trend and Footwall Splay to the east and north, The barge has already closed the distance between the 75 Zone and Eastern trend to less than 50m. Periodically one of the two land based rigs will test outlying, high-priority geochemical and recently discovered till geochemical and prospecting targets.

The outlook for the Project continues to be extremely favourable, as ongoing drilling has been successful in extending the known zones as well as identifying new targets. Recent modelling has identified previously overlooked areas for infill as well as expansion drilling. As well, as we continue to expand high-grade gold mineralization to the northeast, southwest and to depth in more than one zone. The understanding of the geometry of the mineralization has given new insight into the structural controls of the high-grade mineralization of the Eastern and Western Trends and has also helped with discoveries such as those at South Pond. Other recent till geochemical and prospecting discoveries have also shown that other parts of the overburden covered property remain very prospective and will continue to be tested in the Phase 6 drilling.

As of September 30, 2022, approximately 74,000 m of drilling had been completed in 480 holes in the ongoing Phase 6 100,000 m program. Continued drilling at the 75 Zone has resulted in the extension of the zone both to the north and south as well as to about 100 m vertically and the zone remains open to depth. Modelling has determined that the 75 Zone may actually be a splay off of the main Eastern Trend in a similar structural relationship as the Footwall Splay has with the Eastern Trend about 200 m to the north. The gap between the main Eastern Trend and the 75 Zone is now less than 50 m and is now essentially closed. Drilling will continue to extend the Zone to the south and to depth. Drilling is ongoing with three rigs, with the barge-based rig expected to be completed by early December 2022. . . The recent announcement of the thickest intersection to date at Moosehead from MH-22-463 of 39.60m of 12.50 g/t Au speaks well for the future of the project to continue to deliver high-grade results to depth. The company will also continue with baseline environmental studies with Stantec . Approximately 26,000 meters remain in the current 100,000 program which is expected to continue into Q1 2023.

## Fleur de Lys

### History

The Company acquired the Fleur de Lys Project of 1,891 claims (47,275 hectares) on the Baie Verte Peninsula of NW NL in February 2021, by staking and option agreements. The target is Dalradian-Style Orogenic Gold. The project presents a district-scale project of 475 sq. km in an analogous geological setting to the multi-million-ounce gold deposit in Northern Ireland (Curraghinalt) and was the result of two years of research and recce exploration in the area. The property has the following attributes:

- The Fleur de Lys group is the geological equivalent to the Dalradian belt in the Northern UK Caledonides, N. Ireland and Scotland, host to 6 million oz* Curraghinalt Deposit.

- Sokoman tills, taken in 2019/20, have given up to 122 gold grains with >35% pristine
- Unexplained gold anomalies in government lake sediments / tills
- 98% of property is 100% owned, acquired by staking, with no royalties or payments
- Limited historic exploration: virtually none since late 1990s; only 1 drill hole for gold; gold in bedrock values from 3.3 to 25.5 g/t gold - not drilled
- Excellent infrastructure including hundreds of kilometres of paved secondary highways and forest-access roads
- Mining-friendly jurisdiction – in top-ten of Fraser Institute's (2020) global mining jurisdictions

The area is highly prospective for Dalradian-style (e.g., Curraghinalt) orogenic vein-hosted gold deposits and is a readily accessible, yet underexplored, district-scale, gold target in the Newfoundland Appalachians. The property is underlain primarily by Late Precambrian-Early Cambrian metasedimentary rocks of the Fleur de Lys Supergroup, cut by a regional suite of Silurian intrusions. The Fleur de Lys terrane lies immediately to the west of the Baie Verte – Brompton Line (BVBL), a major Appalachian-Caledonian crustal-scale structure, marked by ultramafic remnants of ophiolite complexes. The structure and adjoining continental margin/volcanic arc rocks extend to the northwest from Newfoundland into the Caledonian orogen in Northern Ireland and Scotland (UK). Similar metamorphosed and deformed continental margin sediments, equivalent to the Fleur de Lys Supergroup, occur in the same tectonic position relative to the BVBL in northern UK, and contain structurally controlled, vein-hosted orogenic gold deposits such as Curraghinalt in Northern Ireland and Cononish in Scotland. Curraghinalt (Dalradian Gold/Orion Mine Finance) is a high-grade, 6-million-ounce deposit*, the largest gold deposit in the Appalachian-Caledonian orogen.

The property has seen little modern exploration, with some areas remaining completely unexplored. Historic work by Noranda, other smaller companies, and individual prospectors documented polymetallic (Cu, Pb, Mo) quartz veins with high silver values, gold (including visible gold), pyrite and arsenic-rich alteration, in structurally controlled quartz veins, veinlets and vein-breccias, that cut psammitic, pelitic and graphitic Fleur de Lys metasediments, to the west of the BVBL. Grab sample values of 3.3 g/t Au to 25.5 g/t Au are reported from several locations (Jacobs, 1991; Basha, 1999). (*historical assays have not been verified by the Company and should not be relied upon)*

**Exploration**

Reconnaissance till sampling by Sokoman in 2019/20 over the "then" Crown Land in the Fleur de Lys belt defined multiple gold targets, in 129 C-horizon till samples processed by Overburden Drilling Management (ODM) in Ottawa for gold grain analysis. Results gave 38 samples with >20 grains, 14 samples with >40 grains with a maximum of 122 gold grains with many samples with a high percentage (30-80%) of pristine grains, suggesting a local, probably less than a 1 km, source for the gold.

A Phase 1, property-scale, till C-Horizon till sampling program was completed in 2021, with samples processed under contract by Overburden Drilling Management (ODM) in Ottawa. A total of 968 tills were collected on lines 1.5 to 2 km apart with 250 m sample spacing along the lines.
In the first 400 till results, 109 had at least 20 gold grains with the two highest gold grain counts, 111 and 116, with 90 and 84 pristine grains respectively **(NR October 6, 2021)**. Additional results from the Phase 1 program, which included the highest gold grain counts to date were released on April 8, 2022. As of April 2022, 880 samples had been processed by ODM. The following table summarizes the results for the 880 samples.

| Fleur de Lys - Phase 1 - C Horizon Tills - Gold Grain Counts | | | | |
|---|---|---|---|---|
| 20 grains + | 40 grains + | 60 grains + | 80 grains + | 100 grains + |
| 190 | 61 | 23 | 8 | 6 |

Based on discussions with ODM, background gold grain counts are herein determined to be 10 grains per sample, whereas an anomalous sample contains at least two times background or 20 gold grains. Of the 880 results, 190 have at least 20 gold grains and are considered anomalous. The till data have outlined a district-scale, prospective corridor of approximately 30 km strike length. The two highest values were total gold grain counts of 200 and 230, with 94 and 41 pristine grains respectively, suggesting a local source (less than 200 metres) for some of the anomaly clusters within the prospective corridor.

Phase 2 follow up till sampling began in the early summer of 2022 with a 1269 C-horizon tills taken over the Phase 1 and 2 programs. Results for the 2022 Phase 2 program are expected in the fourth quarter 2022 with prospecting to continue until winter conditions arrive.

Prospecting was ongoing concurrent with the till sampling, with 282 rock samples taken, many with disseminated pyrite and chalcopyrite, minerals linked to gold-enriched deposits in the UK, including the six-million-ounce Curraghinalt deposit in Northern Ireland, with which the Fleur de Lys project shares many characteristics. Most samples have at least 1% pyrite (iron sulphide), chalcopyrite (copper sulphide), or galena (lead sulphide). Results have been received for 167 samples with thirty-four (34) with values >100 ppb Au (0.1 g/t Au); 18 with values >500 ppb Au (0.5 g/t Au); and ten (10) with values >1000 ppb Au (>1.0 g/t Au), and a maximum value of 4.60 g/t Au.

**Options**

The company has two optioned properties for additional claims to the Fleur de Lys project **(NR June 21, 2021**). The option agreements are described below:

Duffitt Option – SIC can earn a 100% interest in six licenses (51 claims) subject to a 2% NSR royalty with a buyback of 1% for $1M any time prior to production. Details of the option agreement are:

1) A $20,000 deposit (paid);
2) Issue 75,000 shares of SIC on TSX Venture Exchange approval (issued);
3) Pay $20,000 cash and issue 100,000 shares on or before the first anniversary of the Option Agreement (paid and issued);
4) Pay $25,000 cash and issue 100,000 shares on or before the second anniversary of the Option Agreement;
5) Pay $35,000 cash and issue 175,000 shares on or before the third anniversary of the Option Agreement.
6) Issue 500,000 shares if/when a NI 43-101 compliant "inferred" mineral resource of a minimum of 100 K ounces of gold, or gold equivalent, is established on the Property.

Squires / McGuire Option – SIC can earn a 100% interest in license 03128M (29 claims) on NTS 12H/16, subject to a 2% NSR royalty with a 1% buyback for $1M any time prior to production. Details of the option agreement are:

1) Pay a deposit of $5,000 (paid);
2) Issue 25,000 shares on Exchange approval; (issued)
3) Pay $10,000 cash and issue 50,000 shares on or before the first anniversary date of this Option Agreement; (paid and issued)
4) Pay $15,000 cash and issue 75,000 shares on or before the second anniversary date of this Option Agreement
5) Pay $20,000 cash / issue 100,000 shares on or before the third anniversary of this Option Agreement.

## East Alder

### History

The property is strategically located along the Valentine Lake / Moosehead regional structure with the following attributes:

- Float grab rock samples with values from 0.1 g/t to 5.3 g/t Au; trace to 10.8% Cu;
- 2-kilometre gold-in-soil trend continuous with the gold-in-soil anomaly on Canterra's Wilding Project;
- Covers 30 claims (7.5 $km^2$) of the NE strike extension of the Valentine Lake Shear Zone that controls gold mineralization at Wilding Lake and Marathon Gold's Valentine Lake project;
- Drill permits are in place;

### Exploration

Sokoman has carried out very limited exploration, consisting of prospecting and soil geochemistry, on the property since its acquisition. Au in soil anomalies have been defined but not followed up.

The Company has been informed by Canterra that exploration completed in 2021 included an airborne LiDAR survey, the collection of 356 soil samples and limited trenching with expenditures totaling approximately $100,000 on the East Alder Property. Results have not yet been made public and Canterra hasn't announced exploration plans for 2022. The company has received word that Canterra plans to proceed with payment of the 1 year Anniversary share payment of 250,000 common shares, but has not yet defined direct exploration programs on the East Alder claims.

### Options

The property consists of 30 claims in two licenses optioned by the Company under two separate agreements, one with Benton Resources Inc., and the second with a private consortium (Unity Resources). All cash and share payments have been made on both optioned blocks. The Benton property was acquired for an initial share payment of 1 million shares on signing and $1,500 in cash (paid). On January 3, 2019, the second anniversary of the agreement, 500,000 common shares were issued. Benton retains a 2% NSR of which 1% can be purchased for $1 million. In addition, SIC has payments of $600,000 in cash/shares due at project milestones as follows:

1) $100,000 payment upon completion of a NI 43-101 compliant resource in cash/shares/or mix;
2) $200,000 payment upon completion of a pre-feasibility in cash/shares/or mix;
3) $300,000 payment upon completion of final/full/bankable feasibility.

The Unity option terms are:

On Signing; 750,000 shares of Sokoman and $5,000.00 cash;
1st Anniversary; 650,000 Shares of Sokoman;

1) Vendors retain a 2% NSR with a buyback of 1% for $ 1,000,000.00 cash.
2) Work Commitment - Sokoman or assigns to keep claims in good standing. Sokoman retains the right to drop or reduce claims as deemed appropriate. First right of refusal on dropped/reduced claims to vendors.
3) $100,000 payment upon completion of a N143- I 0 I compliant resource in cash/shares/or mix;
4) $200,000 payment upon completion of a pre-feasibility in cash/shares/or mix;
5) $300,000 payment upon completion of a final/full/bankable feasibility;
6) Upon termination of this agreement the claims must be returned with 6 month good standing.
7) Vendors will receive consideration for equipment rentals at competitive pricing.

Canterra Minerals

The Company announced on April 19, 2021 that the project had been optioned to Canterra Minerals Corp. The property is contiguous with, and immediately NE of, and contiguous with, Canterra's Wilding Project in central Newfoundland. Canterra can acquire a 100% interest in the Project, subject to a 1% NSR with buy back of 0.5% for $1,000,000 to Sokoman, by issuing 750,000 common shares and work commitments of $600,000 over 4 years with the underlying option terms also payable by Canterra. Sokoman has received the initial two payments totaling 500,000 shares of Canterra who to date have carried out soil and rock sampling with results pending.

**Crippleback Lake Property**

**History**

The Property is located in north-central Newfoundland easily accessible by a network of secondary logging roads. It covers the northeastern extension of the regional-scale Valentine Lake fault zone and lies roughly midway between the Valentine Lake gold deposits (Marathon Gold) and Sokoman's Moosehead Gold Project in the emerging Central Newfoundland Gold Belt. Sokoman acquired the property in late 2016, through a combination of staking (130 claims) and option (30 claims). The vendors of the optioned claims retain a 2% NSR with a buyback of 1% for $1 million and will also receive 10% of the value of any third-party transaction Sokoman completes on the property.

**Exploration**

Mineralized rock samples include quartz veins and altered intrusive, volcanic, and sedimentary rocks, all of which exhibit varying degrees of sericite/silica/sulphide (mainly pyrite) alteration and mineralization. Several carry disseminated chalcopyrite and galena as well as malachite (copper oxide) staining. Multiple areas of anomalous soils and gold grain counts from tills, which require mechanized trenching to fully investigate, have been identified.

No exploration has been carried out on the property in 2021 since emphasis was placed on optioning the property given the level of interest in NL's gold potential. The last exploration was carried out in late summer 2020 with detailed till sampling on License 27399M, soil sampling on License 24204M, and prospecting / rock sampling on Licenses 27399M and 24204M. Seventeen till samples were taken from the C-horizon on license 27399M with samples shipped to Overburden Drilling Management in Ottawa for gold grain analysis. Total gold grains ranged from 4 to 32 (sample 456980). The calculated parts per billion (ppb) for gold in the samples ranged from 26 ppb to 2,461 ppb gold (sample 456980). Soil sampling on License 24204M gave anomalous results that coincide with two high gold in till samples from the 2016 program. The highest value was 35 ppb Au in sample 400773 which corresponds to 2016 till sample CLT-27 with 20 gold grains. The second highest gold value was 21 ppb from sample 400751 which corresponds to 2016 till sample CLT-26. Limited prospecting in the vicinity of weak to moderate 2019 soil anomalies along the north shore of Caribou Pond in the southwestern portion of the property as well as the northwestern area, with anomalous tills and the soils from 2020 work, were sampled. Ten outcrop samples of weakly mineralized volcanic units with weak pyrite mineralization gave a maximum of 68 ppb Au. Three float samples taken from the north shore of Caribou Pond all gave ND.

The Company has been informed by Trans Canada that exploration in 2021 included a helicopter supported airborne magnetic gradiometer geophysical survey and a limited (8 sample) rock sampling program. Results have not been disclosed to Sokoman and Trans Canada has not yet announced exploration plans for 2022. As of March 31, 2022, the company has not received word of Trans Canada's plans for the Crippleback Lake Property.

**Option**

The property was optioned to Trans Canada Gold ("Trans Canada") whereby Trans Canada can earn a 100% interest in the property **(NR - Ju**ne 3, 2021) by issuing 1,250,000 common shares of Trans Canada

and cash and work commitments totaling $600,000 over a 4-year period. Sokoman will retain a 1.0% NSR royalty, with Trans Canada having the right to buy down 0.5% of the royalty for $1,000,000. The Option agreement, including the issuance of Trans Canada Gold Shares, is subject to Exchange approval. The Trans Canada shares will be subject to a statutory hold period.

Option Payment Summary:

1) $10,000 cash / 250,000 shares within 10 days of the effective date, subject to a six-month escrow period following the Exchange approval:
2) $15,000 cash / 250,000 shares / $50,000 in exploration on or before the first.
3) $25,000 cash / 250,000 shares / $100,000 in exploration on or before the second.
4) $25,000 cash /250,000 shares / $150,000 in exploration on or before the third.
5) $25,000 cash / 250,000 shares / $200,000 in exploration on or before the fourth.
6) On the Exercise Date, granting Sokoman a 1% NSR royalty, subject to a buydown of 0.5% for $1,000,000, on the terms and conditions set forth in the Option Agreement.

In June 2022, Trans Canada Gold informed Sokoman that it will not continue with the option into the second year and the property has been returned to Sokoman with no interest retained by Trans Canada. We will seek a new partner to advance the Cripplebback Lake property.

**Sokoman / Benton Strategic Alliance**

Sokoman entered into a strategic alliance (the "Alliance") with Benton Resources Inc. ("Benton") (TSXV: BEX) targeting district-scale gold opportunities in Newfoundland, to jointly acquire and explore these opportunities (**NR May 20, 2021)**. Each partner has a 50% interest and shares exploration costs 50/50**.**

The partners acquired by staking, and some small option agreements, the Golden Hope Property in south-central Newfoundland, the Kepenkeck Gold Property in south central NL, and the Grey River Gold Project also in southern Newfoundland**.**

The Alliance provides Sokoman with an excellent opportunity to reduce exploration risk, employ the technical expertise of Benton, and strengthen Sokoman's project portfolio while retaining focused on the Moosehead and Fleur de Lys projects. Sokoman is now one of the largest land holders in Newfoundland with direct ownership or co-ownership of over 150,000 hectares (+6,000 claims).

Exploration is carried out either by both parties, with costs shared equally, or individually by each Company with the other Company invoiced for their portion of the costs.

**Golden Hope JV**

**History**

The property, a 3,176-claim (79,400 ha / 794 $km^2$) in 18 licenses is located in southwestern Newfoundland in the same general area as the Hope Brook mine now owned by Big Ridge Gold Corporation. It covers extensions of two major structures linked to significant gold prospects and deposits in southern Newfoundland, related to new orogenic gold discoveries in central Newfoundland, including Sokoman's 100%-owned Moosehead Project and NewFound Gold's Queensway Project.

The property lies along the northwestern margin of the Hermitage Flexure, a structurally complex region with diverse mineral endowment which is the predominant geological feature of the southern Newfoundland Appalachians. The most prominent structures on the Property, the focus of exploration, are a linked system of west-verging thrust faults (Bay D'Est Fault Zone) and a transverse, wrench fault system (Gunflap Hills Fault Zone). These fault zones can be gold-bearing, with correlative rock units / structures, elsewhere in Newfoundland, a focus of gold exploration and the site of major gold discoveries (e.g. Central Newfoundland Gold Belt). Historical exploration in the western Hermitage Flexure region led to major gold

discoveries at Hope Brook and Cape Ray, currently under advancement by First Mining/Big Ridge Gold and Matador Mines respectively, spurring the first systematic gold exploration in west central Newfoundland.

The remainder of the west-central Hermitage Flexure has remained underexplored, despite gold occurrences, unsourced gold in till, soil and stream sediment geochemical anomalies, and linkages between southern and central Newfoundland. The JV is transected by the paved Burgeo highway and a major power transmission line.

**Exploration**

Exploration has consisted of three phases to date which has located mineralized rock samples with gold potential (results pending) and previously unknown, strong lithium (Li) values in pegmatites.

A reconnaissance, helicopter supported, evaluation resulted in the acquisition of grab rock samples for both gold and Li and associated elements, stream sediment and C-horizon till samples and a 5,709 line km Heliborne High-Resolution Aeromagnetic & Matrix Digital VLF-EM Survey flown by Terraquest Ltd. **(NR Aug. 16, 2021)**. The airborne survey has identified structural targets which are the focus of ongoing soil geochemical and prospecting efforts. To date prospecting and soil sampling has been extremely successful in identifying additional lithium bearing pegmatite dykes at Golden Hope a number of which have been trenched and/or drill tested.

Prospecting for gold mineralization located occurrences of structurally controlled quartz veins with variable pyrite, and a previously unreported zone of arsenopyrite / pyrite as stringers and veinlets comprising up to 10% of the rock of unknown strike length and up to 30-40 m thick. Approximately 50 rock samples, 7 stream sediment and 4 C-horizon till samples were submitted for analyses and/or processing – results to date for the gold samples have shown only low levels of gold mineralization but efforts to locate significant gold mineralization will continue. ollowing).

The recognition of lithium bearing pegmatites represents the first significant occurrences of lithium in Newfoundland. **the August 16, 2021 news release reported** three grab samples over a 110-m-width across the dykes. Two of the samples gave 1.95% $Li_2O$ and 0.49% $Li_2O$, confirming the first discovery of significant lithium mineralization on the Island of Newfoundland. The lithium mineralization is situated in a so-far unknown-sized zone or swarm of pegmatite dykes with an apparent width of 110 m and as-yet unknown strike length. Lithium occurrences in the Appalachian belt are well known and include important deposits in the Carolinas in the eastern US, as well as in the geologically equivalent Caledonides of Ireland.

Random grab samples were also taken near the northern and southern limits of the zone with analyses for 35 of 58 follow-up grab and chip samples collected over a 1 $km^2$ area, received in mid September (**NR Sept 16, 2021).** Eleven (11) samples (31.4%) gave values >1% $Li_2O$ with 3 >2% $Li_2O$, and a high of 2.37% $Li_2O$. The dominant Lithium-bearing mineral appears to be spodumene ($LiAl(SiO_3)_2$) which occurs as clusters of elongated prismatic crystals up to 5-cm-long in a grey-white matrix of glassy quartz and feldspar and a pale-green to white mica (see photo of sample 361716). Multiple samples from the aplite dikes give highly-anomalous Cesium (17 to 508 ppm Cs), Rubidium (226 to 1310 ppm Rb) and Tantalum (5 to 179 ppm Ta), typical of evolved pegmatite swarms. Samples 361715-718 were a series of 0.5 $m^2$ composite samples from the discovery outcrop that measures 10m x 3m and is 100% pegmatite. The dike margins are overburden covered and width of the dike is not known. All other samples were taken over the broader mineralized area. Beryllium values, 2 grab samples grading >5000 ppm Be, with others ranging from 6 ppm to >5000 ppm Be, with associated anomalous Lithium, Cesium, Rubidium and Tantalum were also located. These samples, mineralogy unknown, are located approximately 2 km to the west of the Li discovery, providing further evidence that it is an evolved pegmatite system.

On November 9, 2021, Sokoman and Benton announced additional sample results at the Kraken pegmatite field that included assays from grab-samples grading from trace up to 1.93% Li2O with 11 samples having values >0.5% Li2O, and six samples >1% Li2O. The 49 grab samples were collected over a 0.5 km2 area

over the swarm of poorly-exposed pegmatite and aplite dykes which display characteristics of significant pegmatite fields around the world including zonation of Tantalum, Rubidium and Cesium minerals, all considered Critical Specialty elements for the Green electric future.

The Alliance has also discovered several new spodumene-bearing pegmatites to the west of the original discovery, further expanding the dyke swarm. The dyke swarm has now been sampled over a strike length of 2200 metres and an apparent width of 1200 metres. A further 50 samples were collected.

On January 6, 2022, Sokoman and Benton announced that the Alliance had received additional assays confirming the discovery of several new parallel lithium-bearing dykes located 200 m – 300 m to the West-Northwest and to the East and Northeast of the main Kraken Pegmatite discovery. The Alliance collected 50 grab samples of which 17 contained significant spodumene grading from 0.23% Li2O to >2.15% Li2O (over limit assaying pending). These samples were collected from various large sub-crop boulders and poorly-exposed dykes ranging from one metre – three metres in width.

The Alliance is extremely pleased with the new results and has planned an inaugural diamond drilling program to commence in the coming weeks. In addition, the Alliance will also initiate a large regional till survey along the favourable 60 km-long structural trend which the Alliance controls. The till survey results will assist with targeting and prospecting in early-spring work programs. The Kraken Pegmatites are highly-evolved pegmatite swarms in a geological environment similar to that of other large systems in the Appalachian belt, including the important deposits held by Piedmont Lithium Inc. in the Carolinas, eastern US, as well as in the geologically equivalent Avalonia Project being advanced by Ganfeng Lithium in the Caledonides of Ireland. All samples were submitted to Actlabs in Ancaster, Ontario for analysis by Sodium Peroxide Fusion ICPOES + ICPMS.

Phase 3 sampling at the Kraken pegmatite field has given grab-sample results grading from trace up to 1.93% Li2O with 11 samples having values >0.5% Li2O, and six samples >1% Li2O. The 49 grab samples were collected over a 0.5 km2 area over the swarm of poorly-exposed pegmatite and aplite dykes which display characteristics of significant pegmatite fields around the world including zonation of Tantalum, Rubidium and Cesium minerals, all considered Critical Specialty elements for the Green electric future.

Prospecting in early October expanded the area containing lithium-bearing pegmatite dykes, now known as "The Kraken Pegmatite Swarm", to approximately 2.2 km-long by 0.85 km-wide. **(NR October 14, 2021)**.

Prospecting focused to the east of the original discovery where multiple areas of spodumene-bearing pegmatites dykes ranging from 0.5 m to 10.0 m in thickness form possible stacked swarms striking approximately 50 degrees and dipping 45-65 degrees east with unknown strike length. Fifty-five (55) samples from the eastern-half of the swarm area were taken and assays are pending.

A second phase of sampling from a till covered area, west of the original discovery, of sub-crops and large local boulders, gives anomalous rubidium, tantalum and lithium values with large, angular, purple coloured (lepidolite), pegmatite boulder located 600 m west of the original lithium zone grading 1.04% $Li_2O$.

A third sampling phase evaluated an area to the north and northwest of the initial discovery with results released in November 2021 (add NR date) with 17 of 50 samples reporting from 0.23% $Li_2O$ to 2.15% $Li_2O$ with over limit assaying pending.

The sampling has demonstrated that the dyke system contains economic lithium values, is widespread, and is open along and across strike.

In January 2022, a drill was mobilized to the Golden Hope Property to test the discovery area of the Kraken lithium dyke swarm. A total of 1012 m was completed in 6 holes ($6^{th}$ hole was abandoned after 38 m due to poor ground conditions). The first hole cut an 8.4 m wide spodumene bearing dyke that assayed from 0.08% to 1.76% Li2O (March 24, 2022 NR) reflecting variations of spodumene content, and the presence of occasional barren wall rock or quartz vein inclusions, averaging 0.95% Li2O over 8.40 m from 47.8 to 56.2

m. Other pegmatite dikes ranging from 0.40 m to 2.30 m with variable spodumene content were also intersected in hole GH-22-01 with assays pending. Gold analysis results from the host sericite schist units carrying variable pyrite are also pending. All samples submitted, 1,165 including blanks and standards, for the remainder of GH-22-01 as well as for holes GH-22-02 to 06 are pending. Final results were reported on June 30, 2022 confirming additional lithium bearing dykes in the discovery area.

Subsequent exploration in the 3rd quarter included the installation of a 10 man camp in the discovery dyke area, trenching the highest priority surface discoveries, and the completion of a 3,073 m, Phase 2 diamond drill program. On July 28, 2022, the company issued a press release announcing the preliminary results of the program which included the intersection of a significant swarm of lithium bearing pegmatite dykes up to 27 m in thickness 600m to the east of the Discovery dyke.

On October 18, 2022, the Alliance announced results from 13 of the 18 holes testing the East Dyke area (surface grabs of the East Dyke returned up to 1.93% $Li_2O$) completed during the Phase 2 drilling at the Kraken Lithium Prospect, highlighted by a 20.82m intersection averaging 0.60% $Li_2O$ including a 5.50m section averaging 1.16% $Li_2O$ in GH-22-15.

The following are highlights from the 2022 exploration program:

- Intersection of several new spodumene-rich pegmatite dykes during the 3,073 m, 18-hole, Phase 2 Drill Program, including the East Dyke with intersections, including a 25 m-thick, spodumene-rich dyke, that carry significant grades (5.50 m at 1.16% $Li_2O$) within a wider intersection of 20.82 m averaging 0.60% $Li_2O$ from 46.00 m downhole in drill hole GH-22-15.

- Multiple spodumene-bearing dykes trenched in bedrock in the follow-up of prospecting discoveries showing lithium mineralization over a strike extent of over 2.00 km.

- A newly discovered cluster of spodumene-rich dykes trenched 200 m south of the East Dyke, with samples assaying up to 1.12% $Li_2O$. This area is untested by drilling.

- Across the property, field prospecting data include over 30 float and bedrock sample occurrences with >1.00% $Li_2O$ over a minimum 2.20 km strike-length, many of which require follow-up evaluation. Most have not been drill tested to date.

- Soil geochemistry over spodumene-bearing dykes outlines mineralization and has generated multiple targets for follow-up work. Given its effectiveness, the Alliance has launched an extensive systematic soil survey for lithium at Golden Hope.

**Phase 2 Drilling**

Results reported are for 13 holes (GH-22-7 through 19) testing the East Dyke area. The remaining five holes tested float and sub crop, 500 m – 1,000 m NE of the East Dyke area. These results are pending.

***Golden Hope Project – Drill Collars***

The East Dyke is a spodumene-rich dyke exposed for >10 m (still open) with grab sample grades of 1.93% $Li_2O$. Drilling has confirmed the East Dyke to be part of a swarm of shallow-dipping dykes, including a 25 m-thick spodumene-rich dyke, that carries significant grades (5.50 m at 1.16% $Li_2O$) in a much wider intersection of strong lithium grades including 20.82 m at 0.60% $Li_2O$ from 46.00 m downhole in drill hole GH-22-15. Hole GH-22-15 cut three significant spodumene-rich dykes that remain open to depth and along strike. Recent prospecting results include a 1.29% $Li_2O$ grab sample from what is believed to be the westward extension of the East Dyke 100 m west of current drilling.

***Golden Hope Project 2022 Diamond Drilling – East Dyke Drill Section***

Selected Drill Highlights for the East Dyke (for full results see news release)

GH-22-8: 0.92% $Li_2O$ over 8.37 m (3.25 m – 11.62 m), incl. **1.00% $Li_2O$ over 5.75 m**

GH-22-14: 0.63% $Li_2O$ over 4.35 m (11.00 m – 15.35 m), incl. **1.02% $Li_2O$ over 2 m**
and 0.56% $Li_2O$ over 10.73 m (77.00 m – 87.73 m), incl. **1.01% $Li_2O$ over 2 m**

GH-22-15: 0.60% $Li_2O$ over 20.82 m (46.00 m – 66.82 m), incl. **1.16% $Li_2O$ over 5.50 m**,
and 0.28% $Li_2O$ over 24.73 m (102.27 m – 127.00 m), incl. 0.88% $Li_2O$ over 2.18 m,
and 0.64% $Li_2O$ over 2.65 m, incl. **1.11% $Li_2O$ over 0.88 m**

*(True thicknesses believed to be 90% of reported intervals)*

**East Dyke South Area**

A newly discovered cluster of spodumene-rich dykes has been outlined by prospecting and trenching 200 m to the south of the East Dyke, with prospecting samples assaying 1.12% $Li_2O$ and additional sample results pending. This newly discovered zone is now a high-priority drill target.

**Central Dyke Area**

Holes 20, 21, and 22 were drilled approximately 650 m to the northeast of the East Dyke area targeting angular floats of spodumene-bearing pegmatite with values up to 2.15% $Li_2O$. Holes 20, 21, and 22 intersected pegmatite dykes with core lengths of 12.65, 7.26, and 7.16 m respectively, of what is now known as the Central Dyke. The Alliance is encouraged by this new dyke discovery, which is open in all directions and has the potential to host high-grade $Li_2O$ as evidenced by the float samples. This area is also considered a high-priority target for further drilling.

**Northeast Dyke Area**

Holes 23 and 24 were drilled approximately 1,000 m to the northeast of the East Dyke area. The holes were targeting multiple angular floats of spodumene-bearing pegmatite assaying up to 1.30% $Li_2O$. Trenching resulted in the discovery of pegmatite dykes in bedrock, with spodumene in grab samples at what is now referred to as the Northeast Dyke. Holes 23 and 24 intersected pegmatite dykes under the trenches with core lengths of 1.89 m and 1.72 m respectively. As above the Alliance is encouraged by this dyke discovery, again open in all directions, with the potential to host high-grade $Li_2O$. Further drilling is planned for this area.

**Kraken Project Highlights:**

- First significant lithium discovery on the Island of Newfoundland in July 2021; select grab samples returned values from trace up to 2.37% $Li_2O$ over a 2.2 km strike-length the discovery remains open with the Alliance controlling an additional 60 km of potential strike extensions. A reconnaissance drill campaign in early 2022 intersected 0.94% $Li_2O$ over 8.40 m on the **Kraken Discovery Dyke**.

- Second drill campaign in summer 2022 (3,073 m / 18 holes) focused on the East Dyke area 600 m to the east of Kraken Discovery Dyke, intercepted multiple stacked dykes including **0.60% $Li_2O$ over 20.82 m (46.00 m – 66.82 m), incl. 1.16% $Li_2O$ over 5.50 m, incl. 1.43% $Li_2O$ over 2.68 m.**

- The Kraken Discovery Dyke and the East Dyke are approximately 600 m apart and are wide open for expansion with multiple untested surface dyke occurrences between them, as well as to the the east, west, and north of the drill-tested showings.

- Lithium soil geochemistry over areas of spodumene-bearing dykes outlines the mineralization. Subsequent soil sampling along trend and to the north of the known zones has identified multiple

strong lithium in soil anomalies now prioritized for prospecting. Given its effectiveness, the Alliance has launched an extensive and systematic lithium soil survey at Golden Hope.

- The Alliance believes the extensive (~800 sq km) Golden Hope Project has excellent potential for additional discoveries. Exploration is still in its infancy and the Alliance has control over a district-scale lithium play similar in scale to the large systems in the Appalachians, including the important deposits held by **Piedmont Lithium Inc.** in the Carolinas, USA, as well as the Avalonia Project of International Lithium in a joint venture with GFL International Co. Ltd., a subsidiary of **Ganfeng Lithium Co. Ltd.** in the Caledonides of Ireland. Golden Hope lies along the prolific Appalachian-Caledonian Lithium Belt extending from the UK to the Eastern US.

**Outlook**

The discovery of lithium bearing pegmatite dykes on the Golden Hope Joint Venture, the first such discovery in Newfoundland and dubbed the Kraken Lithium Prospect, is a significant development for the Joint Venture. To date, lithium bearing dykes have been discovered over a minimum 2.2 km strike length and approximately 1 km overall width remaining open in all direction. Two Phases of drilling have been completed (4098 m combined) which have confirmed that the dykes are extensive and locally of potentially economic significance.

The excellent results to date continue to confirm the existence of a potentially large lithium district at Golden Hope. The recently completed 3,200 m drill program returned multiple holes cutting numerous dykes with multiple sections grading in excess of 1.00% $Li_2O$. Today's results compare well with projects at advanced stages of development including Sayona Mining Limited (North American Lithium Project, Quebec), and Rock Tech Lithium (Georgia Lake Project, Ontario) that use 0.60% and 0.70% $Li_2O$ as cutoff grades for open-pit constrained mineral resources in their PEA and PFS reports. We also have recently located significantly larger dykes (>20 m in width), we continue to locate more spodumene-bearing dykes and our lithium soil geochemical survey has already identified multiple targets for follow-up. This is still early days at Kraken - what the project needs is a significant diamond-drill program to assess the distribution of the lithium-bearing dykes as well as to test new targets. The true potential of this project lies in front of us.

The Alliance is currently evaluating several options to move the project forward.

**Kepenkeck**

**History**

The Kepenkeck Gold Property (595 claims / 15,625 ha) in east-central Newfoundland near the NE extension of the Hermitage Flexure, and along trend from Canstar Resources' Golden Baie Property in the central Newfoundland Gold Belt (**Benton NR dated May 6, 2021**). It was acquired in separate 2 option deals. The target is high grade gold in quartz veins, hosted in graphitic shales similar to that of the New Found Gold property to the northwest. The property has new road access, little historical work, and favourable geology and is located on a major structure.

Prospecting by the vendors (the Keats) discovered multiple quartz veins and silicified zones with sulfides (chalcopyrite and galena) with gold values up to 2.45 g/t in grab samples, and visible gold in panned tills in two locations on the property.

Benton Resources acquired the Keats option because of new road access, little historical work and due to the Project being situated in prospective geology along a major trend that hosts several high-grade gold zones to the south and west. The property was subsequently blended into the joint Benton-Sokoman exploration Alliance. Recent prospecting completed by Keats identified gold in grab samples, from trace values up to 2.45gpt, along with visible gold noted from panning till in two locations on the property.

### Exploration

Exploration by the operator, Benton Resources, has consisted of prospecting / mapping, a detailed soil sampling program and a Heliborne High-Resolution Aeromagnetic & Matrix Digital VLF-EM Survey at 100 m line spacing, totaling 1,984 line-km flown by Terraquest Ltd. Assay results for 24 float / outcrop samples acquired during the evaluation gave gold values ranging from <5 ppb to 5,340 ppb obtained. Follow up soil sampling and prospecting has been completed with results pending. Further ground exploration including prospecting, geological mapping and soil and/or till geochemistry originally planned for the first half of 2022, has recently commenced and is expected to be completed in early December, 2022..

### Options

Benton Resources announced on June 29/21 that they, on behalf of the Alliance, had optioned the Larry's Pond project which lies along the western boundary of the Kepenkeck Gold JV claims **(NR June 29, 2021)**. The property consists of two licenses totaling 30 claims. The Optionors retain a 2% NSR royalty, half of which, Benton, on behalf of the Joint Venture, can purchase for CAD$1M at any time. Benton, on behalf of the Joint Venture, on approval from the TSX Venture Exchange, will issue 200,000 common shares and make cash payments of $60,000 as described below. Under the terms of the Joint Venture, Sokoman will reimburse Benton for 50% of the Option payment costs made by Benton pursuant to the Option Agreement.

1) paying $10,000 cash on execution of the Agreement;
2) issuing 50,000 shares of Benton upon receipt of Exchange approval of the Agreement;
3) paying $10,000 cash / issuing 50,000 shares of Benton by the first anniversary;
4) paying $10,000 cash / issuing 50,000 shares of Benton by the second anniversary;
5) paying $30,000 cash / issuing 50,000 shares of Benton by the third anniversary.

### Outlook

The Alliance anticipates that the initial exploration will generate targets for further exploration. Results will be released as they are received and compiled to allow planning for follow up.

## Grey River

### History

The Grey River property in southern Newfoundland, consists of 324 claims (8,100 ha) in **7** licenses, centered on the community of Grey River, a deep-water, ice-free harbour on the south coast, 32 km east of the town of Burgeo, and 38 km southeast of the Golden Hope property (**NR May 27, 2021).**

The claims straddle an east-west trending ductile shear zone that separates a large enclave of Late Precambrian amphibolite, gabbro, metasediments, felsic metavolcanics and mafic orthogneisses from a batholith-scale, syn-kinematic suite of Siluro-Devonian granitoid rocks. The amphibolite-grade metamorphic units are correlatives of the coeval basement block exposed on-strike, farther west in the Hermitage Flexure, near Burgeo and at Hope Brook. The east-west shear zone at Grey River, and parallel structures immediately offshore, are crustal breaks, along which several metal-rich mid- to late-Devonian granites were emplaced along the south coast of the Island. Rocks in this segment of the Hermitage Flexure are unusually enriched in gold (Au), molybdenum (Mo), copper (Cu), tungsten (W), fluorine (F) and bismuth (Bi). A 5 by 10 km long area in and adjoining the property, between Grey River and Gulch Cove, is particularly metal-rich, hosting: i) multiple mesothermal and intrusion-related Au-rich (+/- Bi-Ag-Sb-Pb-Zn) quartz veins; ii) a porphyry Mo-Cu deposit (Moly Brook); iii) a vein-type wolframite-rich W deposit (Grey River #10); and iv) a unique, diffusely bounded, high-purity, locally auriferous silica deposit (Gulch Cove). Each appear to be associated with distinct features in the regional aero magnetics and regional Government lake-sediment geochemistry coverage. The primary focus is quartz-vein-hosted, structurally controlled and intrusion-related, high-grade Au (+/- Ag, Bi, Sb) in both the granitic and adjacent metamorphic terranes.

Previous exploration located gold mineralization in: 1) base-metal-rich and sulfide-poor quartz veins and veinlets in the gneisses, including regional-scale silica bodies; 2) quartz veins with coarse-grained sulfides in granite; 3) sulfide-poor, quartz stock-work in sericitized granite; 4) stockwork-style quartz and quartz-sulfide veinlets with or without pervasive silica replacement in granite. Gold grades from historic grab / channel samples range from <1 g/t to >225 g/t Au, with 200-300 g/t Ag, with or without anomalous Bi, Sb (antimony) and W. The 225 g/t Au chip sample is from a 20-30 cm wide zone of pyritic alteration adjacent to an 8-km-long, diffusely bounded quartz zone - a large, elongated, high-purity silica body (12M tonnes >95% SiO), drilled by the Newfoundland Government in 1967 as part of an Island-wide silica assessment program, which lies at the boundary of amphibolite gneisses and mica-schists, and in mica schists, along the flank of a prominent aeromagnetic high. The silica's origin is unclear with past workers proposing different origins (e.g., meta-quartzite; quartz vein; silica replacement zone). The style, grades, setting and Au-Ag-Bi-W-Sb geochemical signature of the gold mineralization is similar to the high-grade Pogo gold mine in the Tintina Gold Belt of Alaska and Yukon (gold in diffusely bounded quartz bodies in amphibolite grade gneisses). The Pogo mine, to the end of 2019, has produced 3.9 million oz gold at a grade of 13.6 g/t gold, with reserves of over 7 million oz gold.

**Exploration**

A series of grab and chip samples from outcrop and float were taken from various mineralized areas giving assays from not detected (ND) to 134.46 g/t Au w/ sampling focused on an area roughly 500 m by 300 m immediately to the west of Gulch Cove where historical gold values of 225 g/t Au were reported by previous workers **(NR Sept 2, 2021)**. A high-grade visible gold-bearing chip sample over 0.5 m (480309) is located a few metres from tidewater and is believed to be the same location as the 225 g/t Au historic sample. This sample also had anomalous bismuth (>1000 ppm Bi), and silver (>6 ppm Ag), with overlimit assaying pending. A second sample (480310), contiguous with sample 480309, gave 3.09 g/t Au from a 30 cm chip. In addition, anomalous values from grab samples ranging from ND to 1.22 g/t Au were returned from sampling a 500 m strike length of the "quartz zone", mapped by the government over an 8 km E-W strike length and up to 300 m wide. Further sampling along this trend to the west has been completed with samples submitted for assay. These remain pending.

Sampling of five archived drill holes, located approximately 2 km east of the high-grade results, drilled for silica by the Newfoundland government in 1968 has been completed. Examination of the cores showed up to 2% disseminated pyrite with no record of gold analyses. A total of 23 samples, ranging from 0.25 m to 2.80 m long, with an average length of 1.21 m, were taken and sent to Eastern Analytical Ltd. in Springdale, NL for Au and ICP analysis. Results of metallic screen assaying returned results from less than detection (5 ppb Au) to 363 ppb Au demonstrating that the quartzite unit was anomalous in gold.

Drilling started in early October with 1 drill and helicopter support. A total of 1026 m of drilling in five holes was drilled in the program with 643 samples taken and sent to Eastern Analytical in Springdale for gold and ICP analysis. Thirteen (13) samples were Super Rush Fire Assay for Au with results received in late November (Nov. 25, 2021 NR). Six of the samples gave values from 1.34 to 37.64 g/t Au. Highlights include DDH GR-21-01 - 2.35 m of 3.64 g/t Au, incl 1.80 m at 8.56 g/t Au, and 0.35 m at 37.64 g/t Au.

On March 16, 2022, the company announced the remaining drill results from the five-hole reconnaissance program at Grey River. All five holes intersected significant gold mineralization highlighted by GR-21-01 which cut three zones including the high-grade zone announced in November 2021 which was subsequently upgraded based on metallic assaying of the original 37.64 g/t Au assay to 50.13 g/t Au. The resulting overall grade of the 1.80 m section is now 10.58 g/t Au versus 8.56 g/t Au initially. Completed results are shown in the following table;

| DDH # | Target | | From (m) | To (m) | Length m* | Au (g/t) |
|---|---|---|---|---|---|---|
| | | | | | | |
| **GR-21-01** | Historical Au – 0.25 g/t | | 33.40 | 35.00 | 1.60 | 1.40 |
| | | and | 45.30 | 48.35 | 3.05 | 2.64 |
| | | and | 74.50 | 76.30 | **1.80** | **10.58** |
| | | incl | 74.50 | 74.85 | **0.35** | **50.13** |
| | | | | | | |
| **GR-21-02** | Surface chip – 134 g/t Au | | 77.00 | 77.70 | 0.70 | 2.04 |
| | | and | 81.90 | 84.00 | 2.10 | 0.80 |
| | | and | 98.00 | 105.40 | 7.40 | 1.14 |
| | | incl | 101.00 | 101.75 | **0.75** | **8.22** |
| | | | | | | |
| **GR-21-03** | Historical Au – 3.80 g/t | and | 124.00 | 126.00 | 2.00 | 1.78 |
| | | and | 164.00 | 168.00 | 4.00 | 1.37 |
| | | | | | | |
| **GR-21-04** | Surface grab – 0.80 g/t Au | | 115.50 | 115.80 | 0.30 | 1.25 |
| | | and | 128.10 | 131.00 | 2.90 | 1.36 |
| | | | | | | |
| **GR-21-05** | Test EM Anomaly | | 93.00 | 99.40 | 6.40 | 0.29 |
| | | incl | 95.90 | 96.80 | 0.90 | 1.67 |

*** Core lengths – believed to be 90% of reported lengths.**

Noteworthy of the Grey River project is:

- No previous drilling for gold in the silica zone which has been mapped over a 10 km strike length and remains open – most holes collared in, and ended in, the silica zone
- Gold mineralization has been located in five holes over a 5 km strike length
- Gold zones in multiple drill holes with grades up to 50.13 g/t Au
- Phase 2, 2000 m drill program commenced in June 2022

On July 28, 2022 the Alliance announced that the second Phase of drilling had commenced and that a total of nine holes had been completed to date with 400 samples cut and submitted to Eastern Analytical in Springdale for gold and ICP analysis. The results of those holes are currently being compiled and are expected to be released, along with further sampling results, in the 4th quarter of 2022.

**Options**

Sokoman optioned two (2) properties on behalf of the Alliance between the Company and Benton Resources Inc. to add additional claims to the Grey River Gold Property **(NR July 13, 2021)**. The vendors are Gary Lewis, Aubrey Budgell and Paul Delaney (Lewis Option) and G2B Gold, United Gold Inc. and Grassroots Prospecting & Prospect Generation Inc. (G2B Gold option). The requirements under the option agreements are described below:

**Lewis Agreement** – SIC can acquire, on behalf of the Alliance, a 100% interest in seven claims (1 license) subject to a 1.5% NSR royalty with a buyback of 1% for $1 million at any time. The terms are:

- pay $10,000 cash on signing;
- issue 50,000 shares of Sokoman on TSX Venture Exchange approval;
- pay $10,000 cash / issue 50,000 shares of the Company on or before the first anniversary;
- pay $10,000 cash / issue 50,000 shares on or before the second anniversary;
- pay $10,000 cash / issue 50,000 shares on or before the third anniversary.

**G2B Gold Agreement** – The Company can acquire, on behalf of the Alliance, a 100% interest in three licenses (4 claims) subject to a 1.5% NSR royalty with a buyback of 1% for $1 million at any time. The cash payments and share issuances are to be made equally among G2B Gold, United Gold Inc. and Grassroots Prospecting & Prospect Generation Inc.:

- pay $10,000 cash on signing;
- issue 50,000 shares of the Company on Exchange approval;
- pay $10,000 / issue 50,000 shares of the Company on or before the first anniversary;
- pay $10,000 / issue 50,000 shares of the Company on or before the second anniversary.

**Iron Horse**

**History**

The Iron Horse Iron project is located approximately 120 kilometres northeast of Labrador City, Labrador. Sokoman owns 100% interest in the project subject to a 1% NSR to Altius and a 1.9% NSR to Metals Creek.

**Exploration**

A Phase 1 diamond drilling program, 1,189 m in 5 holes, in the summer of 2012, intersected iron mineralization in all holes with values up to 125 m at 28.28% Fe. A second drilling phase in early September 2012, 1,209 m in 3 holes, tested Anomaly A and extended previously drilled hole GL12-05 by 75 m. Results were reported on November 15, 2012 including the thickest intercept to date, 354 m at 27.75% Fe from GLAA12-02. In May 2013, a 571 line-km airborne gravity survey was carried out over most of the Property by Fugro Airborne Surveys utilizing the Falcon Airborne Gravity Gradiometer system. Results suggest several DSO (Direct Shipping Ore) targets in the Anomaly D area where sampling has given grab sample values in the 53% Fe range. In July 2013, a helicopter supported prospecting program evaluated gravity anomalies from the 2013 airborne gravity survey by reconnaissance prospecting and rock sampling in the Anomaly B and D areas. The sampling located magnetite (taconite) mineralization in the Anomaly D vicinity again suggesting the possibility of DSO iron mineralization.

A core sampling program using a scintillometer to identify radioactive, uranium rich, zones, using archived core from the 2012 drill program, was carried out since Labrador Exploration & Mining had reported uranium mineralization, up to 1800 parts per million, from float samples from the area in 1957. In July 2017, assay results from moderately radioactive core samples in Hole GL-12-02, gave 5 samples with uranium values ranging from 118 to a maximum of 1630 ppm U. The extent of the uranium mineralization is not known, however the values represent the first bedrock occurrence of uranium in the region.

**Plans**

There are currently no plans to complete any exploration at Iron Horse in the next 3 to 6 months. No exploration is planned for this project since emphasis is on gold and lithium on the island of Newfoundland. Given the interest in iron in western Labrador, and the DSO potential of the property, this is an optionable property and efforts to find an optionee continue.

## Financial Highlights

**Three months ended June 30, 2022 compared with three months ended June 30, 2021**

The Company's net loss totaled $3,903,949 during the three months ended June 30, 2022, with basic and diluted loss per share of $0.02. This compares with a net loss of $1,562,662 with basic and diluted loss per share of $0.01 for the three months ended June 30, 2021. The increase in net loss was principally due to:

- Mineral exploration expenses increased to $3,456,216 for the three months ended June 30, 2022 (2021 - $1,158,881) due to increased level of exploration activities in the current period.

- Share-based payments increased to $226,236 for the three months ended June 30, 2022 (2021 - $125,761). Share-based payments will vary from period to period depending on the number of options granted and vested during a period and the fair value of the options calculated on grant date.

**Year ended June 30, 2022 compared with year ended June 30, 2021**

The Company's net loss totaled $12,264,912 during the year ended June 30, 2022, with basic and diluted loss per share of $0.06. This compares with a net loss of $3,774,400 with basic and diluted loss per share of $0.03 for the year ended June 30, 2021. The increase in net loss was principally due to:

- Mineral exploration expenses increased to $9,801,871 for the year ended June 30, 2022 (2021 - $2,912,768) due to increased level of exploration activities in the current period.

- Office and general increased to $173,981 for the year ended June 30, 2022 (2021 - $85,176) due to increased support costs.

- Salaries and benefits increased to $192,769 for the year ended June 30, 2022 (2021 – $87,578) due to bonuses paid to management.

- Share-based payments increased to $1,403,054 for the year ended June 30, 2022 (2021 - $412,708). Share-based payments will vary from period to period depending on the number of options granted and vested during a period and the fair value of the options calculated on grant date.

**Cash Flow**

Cash used in operating activities was $10,014,486 for the year ended June 30, 2022. Cash used in operating activities include a net loss of $12,264,912 for the period, a non-cash adjustment for amortization of $976, amortization in exploration expenses of $72,193, share-based payments of $1,403,054, gain on sale of property and equipment of $28,468, unrealized loss on marketable securities of $203,406, and a net change in non-cash working capital balances of $599,265 due to changes in amounts receivable, prepaid expenses, security deposit and accounts payable and accrued liabilities.

Cash used in investing activities was $231,051 for the year ended June 30, 2022, which comprised of exploration and evaluation assets expenditures of $87,605 and purchase of property and equipment of $225,446 during the period, partially offset by proceeds from sale of property and equipment of $82,000.

Cash provided by financing activities was $5,189,690 during the year ended June 30, 2022, which included $5,000,000 from proceeds from private placements and $262,690 from stock options and warrants exercised during the period, partially offset by $73,000 of share issuance costs.

**Selected Annual Financial Information**

| Description | Year ended June 30, 2022 $ | Year ended June 30, 2021 $ | Year ended June 30, 2020 $ |
|---|---|---|---|
| Net loss for the year | (12,264,912) | (3,774,400) | (2,475,154) |
| Loss per share | (0.06) | (0.03) | (0.02) |
| Mineral properties | 1,078,684 | 891,622 | 710,592 |
| Total assets | 12,524,424 | 17,002,068 | 3,592,808 |

## Summary of Quarterly Results

Results for the eight most recently completed quarters are summarized as follows:

| Quarter Ended | June 30, 2022 $ | March 31, 2022 $ | December 31, 2021 $ | September 30, 2021 $ |
|---|---|---|---|---|
| Total assets | 12,524,424 | 15,098,566 | 12,248,062 | 14,887,473 |
| Mineral properties | 1,078,684 | 1,018,644 | 1,018,644 | 1,000,799 |
| Working capital | 9,500,993 | 13,264,484 | 10,325,259 | 12,535,960 |
| Shareholders' equity | 10,860,706 | 14,486,689 | 11,565,123 | 13,706,564 |
| Net loss | (3,903,949) | (2,452,126) | (2,701,407) | (3,207,430) |
| Loss per share | (0.02) | (0.01) | (0.01) | (0.02) |

| Quarter Ended | June 30, 2021 $ | March 31, 2021 $ | December 31, 2020 $ | September 30, 2020 $ |
|---|---|---|---|---|
| Total assets | 17,002,068 | 6,564,988 | 5,685,094 | 3,270,691 |
| Mineral properties | 891,622 | 850,192 | 710,592 | 710,592 |
| Working capital | 15,282,011 | 5,388,653 | 4,795,478 | 2,241,147 |
| Shareholders' equity | 16,355,917 | 6,356,133 | 5,587,155 | 3,039,858 |
| Net loss | (1,562,662) | (1,008,020) | (759,657) | (444,061) |
| Loss per share | (0.01) | (0.01) | (0.01) | (0.00) |

## Liquidity and Capital Resources

Sokoman is an exploration-stage company focused on identifying, acquiring, and exploring mineral interests. To date, the Company has not derived any revenues from its projects. Acquisition costs of mineral rights and option payments are capitalized until the properties are abandoned or the rights expired. Exploration expenditures are expensed and charged to operations until such time proven reserves are determined. To date, the Company has not discovered any such reserves.

As of June 30, 2022, the Company had current assets of $11,164,711 (June 30, 2021 - $15,928,162) and working capital of $9,500,993 (June 30, 2021 - $15,282,011).

On September 29, 2021, the Company granted 4,450,000 stock options to officers, directors, employees and consultants of the Company exercisable at a price of $0.44 per common share. The options vest 1/4 each on grant date and every six months thereafter and expire in five years.

On March 21, 2022, the Company completed a non-brokered private placement for total proceeds of $5,000,000 consisting of 12,500,000 flow-through units at a price of $0.40 per unit. Each unit consisted of one common share and one common share purchase warrant. Each whole warrant is exercisable for an exercise price of $0.45 for a period of 24 months. In connection with the private placement, the Company incurred $73,000 of cash share issuance costs.

On May 19, 2022, the Company granted 600,000 stock options to employees and consultants of the Company exercisable at a price of $0.44 per common share. The options vest 1/4 each on grant date and every six months thereafter and expire in five years.

During the year ended June 30, 2022, a total of 558,050 warrants and 1,312,500 stock options were exercised for total proceeds of $140,190 and $122,500, respectively.

At this time, the Company has sufficient funds to pay for planned exploration expenditures for the next twelve months. The Company is always assessing its opportunities in this regard and will decide its course of action as its needs arise.

## Related Party Transactions

The Company entered into the following transactions with related parties:

(i) Included in business development and promotion is $75,000 for the year ended June 30, 2022 (year ended June 30, 2021 - $75,000) paid to a company related to a director.

(ii) Included in business development and promotion is $36,000 for the year ended June 30, 2022 (year ended June 30, 2021 - $36,000) paid to a director. As at June 30, 2022, $4,200 (June 30, 2021 - $3,545) was owed to this director and this amount was included in accounts payable and accrued liabilities.

(iii) During the year ended June 30, 2022, the Company incurred legal fees of $55,490 (year ended June 30, 2021 - $44,377) included in professional fees and share issuance costs of $nil (year ended June 30, 2021 - $21,000) to a law firm controlled by the Corporate Secretary. As at June 30, 2022, $7,031 (June 30, 2021 - $nil) was owed to this company and this amount was included in accounts payable and accrued liabilities.

(iv) Included in professional fees is $63,947 (year ended June 30, 2021 - $62,035) paid to Marrelli Support Services Inc. ("MSSI") for Eric Myung, an employee of MSSI, to act as the Chief Financial Officer ("CFO") of the Company and bookkeeping services. As at June 30, 2022, $7,535 (June 30, 2021 - $2,914) was owed to this company and this amount was included in accounts payable and accrued liabilities.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. Remuneration of directors and key management personnel of the Company, except as noted above, was as follows:

| | Year Ended June 30, 2022 $ | Year Ended June 30, 2021 $ |
|---|---|---|
| Salaries and benefits | 130,146 | 66,500 |
| Wages and salaries included in mineral exploration expenses | 128,604 | 73,500 |
| Directors fees | 30,900 | 31,800 |
| Share-based payments | 685,089 | 217,982 |
| | 974,739 | 389,782 |

As at June 30, 2022, $16,800 (June 30, 2021 - $14,542) was owed to key management personnel and this amount was included in accounts payable and accrued liabilities.

## Commitments

In connection with the flow-through share financing in March 2022, the Company is committed to incur qualifying Canadian Exploration Expenditures (as such term is defined in the Income Tax Act (Canada)) of a total of $5,000,000 by December 31, 2023. If the Company does not incur the required qualifying expenditures, it will be required to indemnify the holders of the flow-through shares for any tax and other costs payable by them as a result of the Company not making the required expenditures.

As at June 30, 2022, the Company is required to incur approximately $1,209,000 of the qualifying exploration expenditures by December 31, 2023.

## Share Capital

The Company's authorized share capital consists of unlimited common shares without par value.

| | As at October 25, 2022 | As at June 30, 2022 | As at June 30, 2021 |
|---|---|---|---|
| Shares issued and outstanding | 214,282,503 | 214,190,396 | 199,426,397 |
| Warrants | 25,000,000 | 25,000,000 | 12,798,650 |
| Stock options | 12,725,000 | 12,725,000 | 9,112,500 |

## Off-Balance Sheet Arrangements

As of June 30, 2022, the Company had no off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instrument obligations or any obligations that trigger financing, liquidity, market or credit risk to the Company.

## Economic Conditions

Due to the COVID-19 pandemic, material uncertainties may arise that could influence management's going concern assumption. Management cannot accurately predict the future impact COVID-19 may have on:

- Global gold prices;
- Demand for gold and the ability to carry out mineral exploration;
- The severity and the length of potential measures taken by governments to manage the spread of the virus, and their effect on labour availability and supply lines;
- Availability of government supplies, such as water and electricity;
- Purchasing power of the Canadian dollar; and
- Ability to obtain funding.

At the date of this MD&A, the Canadian federal government and the provincial government of Newfoundland have not introduced measures that have directly impeded the operational activities of the Company, although assaying of drill core from Moosehead at the Newfoundland based lab has slowed significantly, but remains open. Management believes the business will continue and accordingly, the current situation has not impacted management's going concern assumption. However, it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

## Forward-Looking Statements

This MD&A may contain forward-looking statements that are based on the Company's expectations, estimates and projections regarding the business and the economic environment in which it operates. These statements speak only as of the date on which they are made, are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. Examples of some of the specific risks associated with the operations of the Company are set out below under "Risk Factors". Actual outcomes and results may differ materially from those expressed in these forward-looking statements and readers should not place undue reliance on such statements
Additional information related to the Company is available for view on the Company's website located at **www.sokomanmineralscorp.com**.

## Disclosure of Internal Controls

Management is responsible for establishing and maintaining adequate internal control over the Company's financial reporting. The internal control system was designed to provide reasonable assurance to the Company's management regarding the preparation and presentation of the financial statements.
The inherent limitations in all control systems are such that they can provide only reasonable, not absolute, assurance that all control issues and instances of fraud or error, if any, have been detected. Therefore, no matter how well designed, ICFR has inherent limitations and can provide only reasonable assurance with respect to financial statement preparation and may not prevent or detect all misstatements.

As the Company is a Venture Issuer (as defined under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*) ("NI 52-109"), the Company and Management are not required to include representations relating to the establishment and/or maintenance of disclosure controls and procedures ("DC&P) and/or ICFR, as defined in NI 52-109.

## Risk Factors

Sokoman's business of exploring mineral resources involves a variety of operational, financial and regulatory risks that are typical in the natural resource industry. The Company attempts to mitigate these risks and minimize their effect on its financial performance, but there is no guarantee that the Company will be profitable in the future.

### Capital Requirements

Sokoman will require significant capital in order to fund its operating costs and to explore and develop any project. The Company has no revenues and is wholly reliant upon external financing to fund all of its capital requirements. The Company will require additional financing from external sources to meet such requirements. There can be no assurance that such financing will be available to Sokoman or if it is, that it will be offered on acceptable terms. If additional financing is raised through the issuance of equity or convertible debt securities of Sokoman, the interests of shareholders in the net assets of Sokoman may be diluted. Any failure of Sokoman to obtain financing on acceptable terms could have a material adverse effect on Sokoman's financial condition, prospects, results of operations and liquidity and require Sokoman to cancel or postpone planned capital investments.

### Dependence on Mineral Exploration Projects

Any adverse development affecting the progress of Sokoman's exploration projects such as, but not limited to, obtaining financing on commercially suitable terms, hiring suitable personnel and contractors, or securing supply agreements on commercially suitable terms, may have a material adverse effect on Sokoman and its business or prospects.

### Metal Prices

The development and success of any project of Sokoman will be primarily dependent on the future price of gold and other metals. Gold and base metal prices are subject to significant fluctuation and are affected by a number of factors, which are beyond the control of Sokoman. Such factors include, but are not limited to, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, global and regional supply and demand, and the political and economic conditions of major gold-producing countries throughout the world. The price of gold and other precious and base metals has fluctuated widely in recent years, and future serious price declines could cause any future development of and commercial production from Sokoman's properties to be impracticable.

Depending on the price of gold and other metals, projected cash flow from planned mining operations may not be sufficient and Sokoman could be forced to discontinue any development and may lose its interest

in, or may be forced to sell, some of its properties. Future production from Sokoman's mining properties is dependent on gold and base metal prices that are adequate to make these properties economic.

Furthermore, reserve calculations and life-of-mine plans using significantly lower gold and other metal prices could result in material write-downs of Sokoman's investment in mining properties and increased amortization, reclamation and closure charges.

In addition to adversely affecting Sokoman's possible future reserve estimates and its financial condition, declining commodity prices may impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

## Government Regulation, Permits and Licenses

Sokoman's mineral exploration and potential development activities are subject to various laws governing prospecting, mining, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters. No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration, development or production. Many of the mineral rights and interests of Sokoman are subject to government approvals, licenses and permits. Such approvals, licenses and permits are, as a practical matter, subject to the discretion of the applicable governments or governmental officials. No assurance can be given that Sokoman will be successful in maintaining any or all of the various approvals, licenses and permits in full force and effect without modification or revocation. To the extent such approvals are required and not obtained; Sokoman may be curtailed or prohibited from continuing or proceeding with planned exploration or development of mineral properties.

Where required, obtaining necessary permits and licenses can be a complex, time consuming process and Sokoman cannot assure that required permits will be obtainable on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict Sokoman from proceeding with the development of an exploration project or the operation or further development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in interruption or closure of exploration, development or mining operations or material fines, penalties or other liabilities. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of such mining activities, and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current laws and regulations governing operations or more stringent implementation thereof could have a substantial adverse impact on Sokoman and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

## Competition

The mining industry is competitive in all of its phases. Sokoman faces strong competition from other exploration and mining companies in connection with the acquisition of properties producing or capable of producing, precious and base metals. Many of these companies have greater financial resources, operational experience and technical capabilities than Sokoman. As a result of this competition, Sokoman may be unable to maintain or acquire attractive mining properties on terms it considers acceptable or at all.

Consequently, the financial condition and any future revenues and operations of Sokoman could be materially adversely affected.

**Exploration, Development and Operational Risk**

The exploration for, and development of, mineral deposits involves significant risks that even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties, which are explored, are ultimately developed into producing mines. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site.

Whether a mineral deposit will be commercially viable depends on a several factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, metal prices which are highly cyclical, and government regulations including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in Sokoman not receiving an adequate return on invested capital.

Sokoman does not currently operate a mine on any of its properties. There is no certainty that the expenditures made by Sokoman towards the search for, and evaluation of, mineral deposits will result in discoveries of commercial quantities of ore. Mining operations generally involve a high degree of risk. Such operations are subject to all the hazards and risks normally encountered in the exploration for, and development and production of gold and other precious or base metals. Such hazards and risks include unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Milling operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas which may result in environmental pollution and consequent liability.

**Joint Venture Strategy**

Sokoman's business strategy includes continuing to seek new joint venture opportunities. In pursuit of such opportunities, Sokoman may fail to select appropriate joint venture partners or negotiate acceptable arrangements, including arrangements to finance such opportunities or, where necessary, integrate the acquired businesses and their personnel into Sokoman's operations. Sokoman cannot assure that it can complete any business arrangement that it pursues on favorable terms, or that any business arrangements completed will ultimately benefit Sokoman's business.

**Reliance on Management and Key Employees**

The success of the operations and activities of Sokoman is dependent to a significant extent on the efforts and abilities of its management, a relatively small number of key employees, outside contractors, experts and other advisors. Investors must be willing to rely to a significant extent on management's discretion and judgment, as well as the expertise and competence of its key employees, outside contractors, experts and other advisors. Sokoman does not have in place formal programs for succession of management and training of management nor does it have key person insurance on its key employees. The loss of one or more of these persons, if not replaced, could adversely affect Sokoman's operations and financial performance.

**No Assurance of Titles, Boundaries or Approvals**

Titles to Sokoman's properties may be challenged or impugned, and title insurance is generally not available. Sokoman's mineral properties may be subject to prior unregistered agreements, transfers or claims, and title may be affected by, among other things, undetected defects. In addition, Sokoman may be

unable to operate its properties as permitted or to enforce its rights with respect to its properties. Sokoman cannot assure that it will receive the necessary approval or permits to exploit any or all of its mineral projects in the future. The failure to obtain such permits could adversely affect Sokoman's operations.

## Environmental Risks and Hazards

All phases of Sokoman's operations are subject to environmental regulation in the jurisdiction in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect Sokoman's operations. Environmental hazards may exist on the properties in which Sokoman holds interests which are unknown to Sokoman at present and which have been caused by previous or existing owners or operators of the properties.

## Uninsured Risks

Sokoman's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labor disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to Sokoman's properties or the properties of others, delays in development or mining, monetary losses and possible legal liability.

Although Sokoman maintains insurance to protect against certain risks in such amounts as it considers commercially reasonable, its insurance will not cover all of the potential risks associated with its operations. Sokoman may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration is not generally available to Sokoman on affordable and acceptable terms. Sokoman might also become subject to liability for pollution or other hazards which may not be insured against or which Sokoman may elect not to insure against because of premium costs or other reasons. Losses from these events may cause Sokoman to incur significant costs that could have a material adverse effect upon its financial condition and results of operations.