

Gladiator Metals Corp.
(formerly Cairo Resources Inc.)
Management Discussion and Analysis (“MD&A”)
for the six months ended August 31, 2021

The following Management Discussion and Analysis of the operations, results, and financial position of Gladiator Metals Corp. (formerly Cairo Resources Inc.) (“Gladiator” or “the Company”) for the six months ended August 31, 2021 should be read in conjunction with the Company’s unaudited condensed interim financial statements and related notes for the six months ended August 31, 2021 and the audited financial statements for the year ended February 28, 2021. The effective date of this report is October 28, 2021. All figures are presented in Canadian dollars, unless otherwise indicated.

COMPANY OVERVIEW

Gladiator Metals Corp (formerly Cairo Resources Inc.) (the “Company” or “Gladiator”) was incorporated under the *Business Corporations Act* of British Columbia on February 8, 2010. The Company is listed on the TSX Venture Exchange (the “TSX-V”) under the symbol “GLAD”. The Company is engaged in acquisition, development and operation of mineral property, with its principal focus on Koonenberry North Project located in New South Wales, Australia.

On July 16, 2020, the Company completed a non-brokered private placement of 3,375,000 common shares at \$0.16 per common share for gross proceeds of \$540,000. The Company paid finders’ fee of \$30,300.

On January 26, 2021, the Company entered into a non-binding letter agreement (the “Letter Agreement”) in respect of a proposed business combination (the “Transaction”) that would result in the reverse takeover of Gladiator by Bangles Gold Pty Ltd. (“Bangles”).

On June 15, 2021 the Company entered into a binding definitive agreement in respect of the Transaction (the “Definitive Agreement”), pursuant to which Gladiator agreed to acquire all of the issued and outstanding common shares of Bangles from the Bangles shareholders, in exchange for the shareholders of Bangles receiving Gladiator common shares. See ‘Qualifying Transaction’ below for further details.

On October 14, 2021, the Company completed the Transaction by acquiring all of the issued and outstanding common shares of Bangles, in exchange for the shareholders of Bangles receiving Gladiator common shares and a cash payment. In connection with the Transaction, the Company changed its name to “Gladiator Metals Corp.”. The Transaction constituted the Company’s “Qualifying Transaction” pursuant to Policy 2.4 of the TSX-V.

Concurrently with the Transaction, the Company completed a non-brokered private placement of units of the Company (“Units”) for gross proceeds of \$2,380,000 at a price of \$0.28 per Unit. Each Unit consists of one Gladiator common share and one-half of a share purchase warrant of Gladiator (“Warrants”), with each whole Warrant exercisable for a period of eighteen months at a price of \$0.40 per Gladiator common share. The Company also issued 1,200,000 stock options, each of which is exercisable into one common share at a price of \$0.28 for a period of five years.

COVID-19

Since March 2020, the outbreak of the novel strain of coronavirus, specifically identified as “COVID-19”, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness which may impact the Company’s ability to obtain external financing as required for the Transaction described below. 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.

QUALIFYING TRANSACTION

On January 26, 2021, the Company entered into the Letter Agreement with Bangles in respect of the Transaction.

On June 15, 2021, the Company entered into the Definitive Agreement in respect of the Transaction pursuant to which Gladiator agreed to acquire all of the issued and outstanding common shares of Bangles from the Bangles shareholders, in exchange for the shareholders of Bangles receiving Gladiator common shares.

Bangles is the holder of a 100% legal and beneficial interest in three exploration licence applications (“ELA’s”) located in New South Wales (“NSW”), Australia. ELA 6056, ELA 6058 and ELA 6059 cover an area of ~680 km² over sections of the mineralised Koonenberry Fault and associated secondary faults and splays located in NSW, Australia. The Koonenberry region is an emerging gold district.

Summary of the Transaction

Pursuant to the Transaction, Gladiator issued 5,000,000 Gladiator common shares and made a \$125,000 of cash consideration paid pro rata to the shareholders of Bangles in exchange for 100% of the Bangles Shares. A finder’s fee of 386,161 Gladiator common shares was issued by Gladiator to an arm’s length third party in connection with the closing of the Transaction.

In connection with the Letter Agreement, Gladiator and Bangles entered a Promissory Note Agreement dated February 4, 2021. Under the terms of the Promissory Note Agreement, Gladiator will advance secured loans of up to \$250,000 to Bangles, which are non-interest bearing and have a term of one year. In the event that the Definitive Agreement is terminated, these loans will be due on demand and bear interest at 10%, compounded monthly. The loans are secured by the common shares of Bangles, of which there are currently 1,500,000 outstanding. The loans will be used by Bangles for working capital purposes. As at August 31, 2021, Gladiator has advanced \$250,000 (February 28, 2021 – \$125,000) to Bangles under the terms of the Promissory Note Agreement.

On October 14, 2021, the Company completed its business combination with Bangles and changed its name to “Gladiator Metals Corp.”. Upon completion of the Transaction, the Company is listed as a Tier 2 Mining Issuer on the TSX-V, with Bangles as its primary operating subsidiary.

Concurrently with the Transaction, the Company completed a non-brokered private placement of units of the Company (“Units”) for gross proceeds of \$2,380,000 at a price of \$0.28 per Unit. Each Unit consists of one Gladiator common share and one-half of a share purchase warrant of Gladiator (“Warrants”), with each whole Warrant exercisable for a period of eighteen months at a price of \$0.40 per Gladiator common share.

SUMMARY OF QUARTERLY RESULTS

The following selected financial data is prepared in accordance with IFRS:				
	3 months ended August 31, 2021	3 months ended May 31, 2021	3 months ended February 28, 2021	3 months ended November 30, 2020
Total revenue	\$0	\$0	\$0	\$0
Loss before other items	\$137,913	\$37,384	\$23,920	\$12,313
Net loss	\$137,913	\$37,384	\$23,920	\$12,313
Loss per common share, basic and diluted	\$0.03	\$0.01	\$0.00	\$0.00
Total assets	\$393,433	\$406,529	\$439,574	\$450,014

The following selected financial data is prepared in accordance with IFRS:

	3 months ended August 31, 2020	3 months ended May 31, 2020	3 months ended February 29, 2020	3 months ended November 30, 2019
Total revenue	\$0	\$0	\$0	\$0
Loss (income) before other items	\$12,309	\$8,931	\$(10,200)	\$30,054
Net loss (income)	\$12,309	\$8,931	\$(10,200)	\$30,054
Loss (income) per common share, basic and diluted	\$0.00	\$0.00	\$(0.01)	\$0.02
Total assets	\$464,598	\$15,249	\$20,512	\$21,646

The increases in net loss since Q4 2021 relate to increased spending on professional fees and filing fees in relation to the Proposed Transaction with Bangles as described above.

The income recognized in Q4 2020 relates to an expense recovery related to the termination of the Swarmio Proposed Transaction..

SELECTED ANNUAL FINANCIAL INFORMATION

The following selected financial data is derived from the financial statements prepared in accordance with IFRS:			
	Year ended February 28, 2021	Year ended February 29, 2020	Year ended February 28, 2019
Total revenue	\$0	\$0	\$0
Loss before other items	(\$57,473)	(\$42,282)	(\$65,968)
Net loss	(\$57,473)	(\$42,282)	(\$65,968)
Loss per common share, basic and diluted	(\$0.01)	(\$0.03)	(\$0.05)
Total assets	\$439,574	\$20,512	\$45,941
Long term debt	\$0	\$0	\$0
Dividends paid/payable	\$0	\$0	\$0

DISCLOSURE OF OUTSTANDING SHARE DATA

As of the date of this MD&A, the Company had 19,142,627 (February 28, 2021 – 5,256,473) common shares outstanding. The following table summarizes maximum number of common shares outstanding as at August 31, 2021 and as of the date of this MD&A if all outstanding share purchase warrants and options were converted to common shares:

	August 31, 2021	As of the date of this MD&A
Common shares	5,256,473	19,142,627
Share purchase warrants	-	4,249,991
Options to purchase common shares	-	1,200,000
	5,256,473	24,592,618

RESULTS OF OPERATIONS

During the six months ended August 31, 2021, the Company recorded a net loss of \$175,297 compared to a net loss of \$21,240 during the six months ended August 31, 2020. The increase in net loss was mainly due to increased filing fees and legal fees in relation to the Transaction which was completed on October 14, 2021.

The Company's net loss for the six months ended August 31, 2021 can be attributed to incurring filing fees of \$14,279, general and administrative costs of \$12,824, professional fees of \$11,116 and transaction costs of \$137,078. The Company's net loss for the six months ended August 31, 2020 can be attributed to incurring filing fees of \$4,704, general and administrative costs of \$13,815, professional fees of \$171 and transaction costs of \$2,550.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements.

As at August 31, 2021 the Company had working capital of \$245,478 compared to working capital of \$420,775 as at February 28, 2021.

As at August 31, 2021, the Company had cash of \$141,846 (February 28, 2021 - \$313,674) available to meet short-term business requirements and liabilities of \$147,955 (February 28, 2021 - \$18,799). The Company's accounts payable and accrued liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

In connection with the Letter Agreement, Gladiator and Bangles entered a Promissory Note Agreement dated February 4, 2021. Under the terms of the Promissory Note Agreement, Gladiator will advance secured loans of up to \$250,000 to Bangles, which are non-interest bearing and have a term of one year. As at August 31, 2021, Gladiator had advanced \$250,000 to Bangles.

The Company has no long-term debt.

On October 12, 2021, in connection to The Transaction, the Company completed a non-brokered private placement of units of the Company ("Units") for gross proceeds of \$2,380,000 at a price of \$0.28 per Unit. The net proceeds of the private placement will be used by the Company to fund Phase 1 of the exploration program on Koonenberry North Project and for working capital purposes. Until the Company starts generating profitable operations from extraction of minerals and precious metals, the Company intends to continue relying upon the issuance of equity securities to finance its operations and acquisitions. There is no assurance that the Company will be able to obtain such financings or obtain them on favorable terms. These uncertainties cast significant doubt on the Company's ability to continue as a going concern. The Company will need to raise sufficient working capital to maintain operations. On closing of the Transaction, the promissory note is now considered an intercompany loan between Gladiator and Bangles.

OFF-BALANCE SHEET ARRANGEMENTS

There are no off-balance sheet arrangements.

CONTRACTUAL COMMITMENTS

There are no contractual commitments.

TRANSACTIONS WITH RELATED PARTIES

The Company's related party and key management personnel consist of a company owned by the executive officer and directors as follows:

	Relationship	Nature of Transactions
CDM Capital Partners Inc.	Partially owned the President, CEO, CFO and a director of the Company	Rent

During the six months ended August 31, 2021, the Company paid \$4,500 (2020 - \$4,500) for rent to CDM Capital Partners Inc.

CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates include accrued liabilities, and the recoverability of deferred tax assets.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Information about critical judgments in applying accounting policies that have the most significant effect of amounts recognized in the financial statements is included going concern assessment.

FINANCIAL INSTRUMENTS

The Company accounts for its financial instruments as follows:

Cash	FVTPL
Loans receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

The carrying value of the financial instruments is shown in the table below:

Cash	\$ 141,846
Loans receivable	\$ 250,000
Accounts payable and accrued liabilities	\$ 85,455

The fair value of cash, loans receivable and accounts payable and accrued liabilities approximates their carrying value due to their short-term maturity.

The Company is exposed to potential loss from various risks including commodity price risk, credit risk, liquidity risk and interest rate risk. These risks are described in more details in Risk and Uncertainties section of this MD&A.

RISK AND UNCERTAINTIES

The Company's financial performance is likely to be subject to the following risks:

1. The Company has not commenced commercial operation, and has no assets other than cash, has no history of earnings and shall not generate earnings to pay dividends until at least after the completion of the Qualifying Transaction;

2. Until the completion of the Qualifying Transaction, the Company is not permitted to carry on any business other than the identification of and evaluation of potential Qualifying Transactions;
3. The Company only has limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Company will be able to identify or complete a suitable Qualifying Transaction.

The following are risks related to the Company's financial instruments:

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Concentration of credit risk exists with respect to the Company's cash and loans receivable.

Credit risk is minimized by ensuring that cash is placed with a major Canadian financial institution with a strong investment-grade rating by a primary ratings agency. The carrying amount of these financial assets represents the maximum credit exposure. The loans receivable are secured by the common shares of the borrower and due on demand in the event that the Definitive Agreement is terminated (See Proposed Transaction).

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements. At August 31, 2021, the Company had cash of \$141,846 available to meet short-term business requirements and current liabilities of \$85,455. The Company's accounts payable and accrued liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk. The Company is not exposed to significant market risk.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The information provided in this report, including the financial statements is the responsibility of Management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgements and have been properly reflected in the accompanying financial statements.

FORWARD-LOOKING STATEMENTS

Certain sections of this Management Discussion and Analysis may contain forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from actual future results. The risks, uncertainties and other factors that could influence actual results are described in the "Risks and Uncertainties" section of this report. The forward-looking statements contained herein are based on information available as of the date of this report.