

**Gladiator Metals Corp.**  
**(formerly Cairo Resources Inc.)**  
**Management Discussion and Analysis (“MD&A”)**  
**for the year ended February 28, 2022**

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 year ended February 28, 2022 should be read in conjunction with the audited consolidated financial statements for the year ended February 28, 2022. The effective date of this report is May 9, 2022. All figures are presented in Canadian dollars, unless otherwise indicated. Additional information and disclosure relating to the Company can be found on SEDAR at [www.sedar.com](http://www.sedar.com).

**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 properties, with its principal focus on the Koonenberry North Project located in New South Wales, Australia.

**QUALIFYING TRANSACTION**

On October 8, 2021, the Company completed the acquisition of Bangles Gold Pty Ltd. (“Bangles”) (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 consisted 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 twenty-four months at a price of \$0.40 per Gladiator common share. As part of the Transaction, the Company issued 386,160 finders shares to an arms length third party. The Company also issued 1,200,000 stock options, each of which is exercisable into one (1) common share at a price of \$0.28 for a period of five years from the date of issuance.

As a result of the Transaction, the Company is now 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 km<sup>2</sup> 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.

The acquisition price of the mineral property interests was determined to be \$2,540,284 and is comprised of the following consideration:

5,000,000 common shares issued	\$	1,850,000
386,160 common shares issued as finders’ fees		142,879
Cash payment		112,500
Loan receivable forgiven		250,000
Transaction costs		184,905
<b>Total purchase price</b>	<b>\$</b>	<b>2,540,284</b>
Exploration and evaluation assets acquired	\$	2,507,584
Reclamation deposit		32,700
<b>Total assets acquired</b>	<b>\$</b>	<b>2,540,284</b>

## SUMMARY OF QUARTERLY RESULTS

The following table summarizes selected information from the Company's unaudited condensed interim consolidated financial statements, prepared in accordance with International Financial Reporting Standards ("IFRS"), for the last eight quarters:

	3 months ended February 28, 2022	3 months ended November 30, 2021	3 months ended August 31, 2021	3 months ended May 31, 2021
Total revenue	\$0	\$0	\$0	\$0
Loss before other items	\$81,507	\$420,936	\$38,219	\$37,384
Net loss	\$81,507	\$420,936	\$38,219	\$37,384
Loss per common share, basic and diluted	\$0.01	\$0.01	\$0.03	\$0.01
Total assets	\$4,512,964	\$4,640,336	\$393,433	\$406,529

	3 months ended February 28, 2021	3 months ended November 30, 2020	3 months ended August 31, 2020	3 months ended May 31, 2020
Total revenue	\$0	\$0	\$0	\$0
Loss before other items	\$23,920	\$12,313	\$12,309	\$8,931
Net loss	\$23,920	\$12,313	\$12,309	\$8,931
Loss per common share, basic and diluted	\$0.00	\$0.01	\$0.00	\$0.00
Total assets	\$439,574	\$450,014	\$464,598	\$15,249

The increase in net loss in the last two quarters relates to increased spending on professional fees and filing fees in relation to the Transaction with Bangles as described above. Consulting fees also increased in the current and previous quarter due to the addition of new management and advisors that were hired after the Transaction closed.

## DISCLOSURE OF OUTSTANDING SHARE DATA

The following table summarizes the maximum number of common shares outstanding as at February 28, 2022 and as of the date of this MD&A:

	February 28, 2022	As of the date of this MD&A
Common shares	19,142,627	19,142,627
Share purchase warrants	4,249,991	4,249,991
Options to purchase common shares	1,200,000	1,200,000
	24,592,618	24,592,618

## RESULTS OF OPERATIONS

The following table summarizes information regarding the Company's operations on a yearly basis for the last three years in accordance with IFRS:

	2022	2021	2020
Total revenue	\$0	\$0	\$0
Loss for the year	\$578,046	\$57,473	\$42,282
Loss per share, basic and diluted	\$0.05	\$0.02	\$0.03
Total assets	\$4,512,964	\$439,574	\$20,512

### ***Year ended February 28, 2022***

During the year ended February 28, 2022, the Company recorded a net loss of \$578,046 compared to a net loss of \$57,473 during the year ended February 28, 2021. The increase in net loss was the result of the Company identifying and completing the Transaction and the increased corporate expenses as a result. The increase was mainly driven by consulting expenses of \$207,240, share based payment expenses of \$277,468, an increase in filing fees of \$17,005, and an increase in professional fees of \$46,895.

### ***Three months ended February 28, 2022***

During the three months ended February 28, 2022, the Company recorded a net loss of \$81,507 compared to a net loss of \$23,920 during the three months ended February 28, 2021. The increase in net loss was the result of the Company identifying and completing the Transaction and the increased corporate expenses as a result.

### **LIQUIDITY AND CAPITAL RESOURCES**

	<b>Year ended February 28,</b>	
	<b>2022</b>	<b>2021</b>
Net cash used in operating activities	\$ (236,644)	\$ (90,116)
Net cash used in investing activities	(422,405)	(125,000)
Net cash provided by financing activities	2,303,058	509,700
Net change	1,644,009	294,584
Cash, end of year	\$ 1,957,683	\$ 313,674

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.

Cash used in operating activities for the current year ended February 28, 2022, was \$236,644, compared to \$90,116 for the year ended February 28, 2021. The higher outflow in the current year was due to increased business activity as the company completed the Transaction during the 3 month period ended November 30, 2021 and incurred additional operational expenses that were not required in the comparative period.

Cash used in investing activities during the year ended February 28, 2022, was \$422,405, and represents the cash component of the purchase price and the transactions costs associated with the acquisition of Bangles, as well as the loan forgiven to Bangles. The \$125,000 used in investing activities in the comparative period was advanced to Bangles as the company completed the Transaction.

Cash provided by financing activities during the year ended February 28, 2022, was \$2,303,058, and was the result of cash received from an equity financing through a private placement. In the comparative period, cash provided by financing activities was \$509,700, which was the result of an equity financing through a private placement.

As at February 28, 2022 the Company had working capital of \$1,875,850 compared to working capital of \$420,775 as at February 28, 2021.

As at February 28, 2022, the Company had cash of \$1,957,683 (2021 - \$313,674) available to meet short-term business requirements and liabilities of \$96,830 (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.

The Company has no long-term debt.

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

There are no off-balance sheet arrangements.

#### **CONTRACUAL COMMITMENTS**

There are no contractual commitments.

#### **PROPOSED TRANSACTIONS**

There are no proposed transactions.

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

The Company's related party transactions for the year ended February 28, 2022 and 2021, consist of directors, officers, and the following companies with common directors:

<b>Related Party</b>	<b>Nature of Transactions</b>
CDM Capital Partners Inc. (Director, former CEO & CFO)	Rent
Chelmer Consulting Corp. (Director)	Consulting fees
S2K Capital Corp. (Director)	Consulting fees
Roma Capital Corp. (Officer)	Consulting fees

As at February 28, 2022, the Company had \$37,500 outstanding in accounts payable and accrued liabilities (2021 - \$nil) associated with related parties.

#### **Key Management Compensation**

Key management personnel are persons responsible for planning, directing, and controlling the activities of the Company, and include certain directors and offices. Key management compensation including amounts discussed above, are comprised of:

	<b>Year ended February 28, 2022</b>	<b>Year ended February 28, 2021</b>
Consulting fees	\$ 142,500	\$ -
Share based payments	208,101	-
Rent	5,250	9,000
	<b>\$ 355,851</b>	<b>\$ 9,000</b>

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

The preparation of consolidated 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 consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period.

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 in the going concern assessment.

## FINANCIAL INSTRUMENTS

The Company accounts for its financial instruments as follows:

Cash	Amortized cost
Loans receivables	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

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

Cash	\$ 1,957,683
Loans receivable	\$ 0
Accounts payable and accrued liabilities	\$ 96,830

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

### Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Financial instruments that are potentially subject to significant concentrations of credit risk consist primarily of cash and other receivables. The Company's cash is held through large Canadian financial institutions and receivables are primarily related to tax credits receivable from the government of Canada.

### Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by maintaining sufficient cash to enable settlement of transactions on the due date. Management monitors the Company's contractual obligations and other expenses to ensure adequate liquidity is maintained. Accounts payable and accrued liabilities are due within 30 days.

### 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.

## 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.

## **MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS**

The information provided in this report, including the consolidated 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 consolidated 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.