
Gladiator Metals Corp. (formerly Cairo Resources Inc.)

Management Discussion and Analysis (“MD&A”) Six months ended – August 31, 2022

(Expressed in Canadian dollars, unless otherwise noted)

October 27, 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 period ended August 31, 2022 should be read in conjunction with the Company’s unaudited condensed consolidated interim financial statements and related notes for the six months ended August 31, 2022 and the audited financial statements for the year ended February 28, 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.

CORPORATE 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 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.

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
Total purchase price	\$	2,540,284
	\$	
Exploration and evaluation assets acquired		2,507,584
Reclamation deposit		32,700
Total assets acquired	\$	2,540,284

SUMMARY OF CONSOLIDATED INCOME (LOSS)

	Three months ended August 31, 2022	Three months ended August 31, 2021	Six months ended August 31, 2022	Six months ended August 31, 2021
Expenses				
Exploration expenses	\$ (22,422)	-	\$ (77,244)	\$ -
General and administrative	(15,428)	(7,157)	(18,146)	(12,824)
Professional fees	(43,354)	(5,059)	(130,598)	(11,116)
Filing fees	-	(1,250)	-	(14,279)
Transaction costs	-	(124,447)	-	(137,078)
Foreign exchange	(103)	-	(103)	-
Transfer agent and regulatory fees	(3,718)	-	(12,094)	-
Net Loss	\$ (62,500)	\$ (137,913)	\$ (160,838)	\$ (175,297)
Total assets	\$ 4,381,370	\$ 393,433	\$ 4,381,370	\$ 393,433
Total non-current financial liabilities	\$ -	\$ -	\$ -	\$ -
Total dividend declared	\$ -	\$ -	\$ -	\$ -

During the six months ended August 31, 2022, the Company incurred a net loss of 160,838 which is a lower loss comparing to a net loss of \$175,297 in 2021. Excluding the non routine transaction cost in the prior period, the losses in the current period was higher due to increase in corporate activity upon the completion of the Bangles transaction in the prior year.

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 August 31, 2022	3 months ended May 31, 2022	3 months ended February 28, 2022	3 months ended November 30, 2021
Total revenue	\$ -	\$ -	\$ -	\$ -
Loss before other items	(85,026)	(153,160)	(578,046)	(420,936)
Net loss	(85,026)	(153,160)	(578,046)	(420,936)
Loss per common share, basic and diluted	(0.00)	(0.01)	(0.05)	(0.03)
Total assets	4,381,370	4,440,662	4,512,964	4,640,336
Total Liabilities	203,421	177,688	96,830	105,311

	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	\$ -	\$ -	\$ -	\$ -
Loss before other items	(137,913)	(37,384)	(57,473)	(12,313)
Net loss	(137,913)	(37,384)	(57,473)	(12,313)
Loss per common share, basic and diluted	(0.03)	(0.01)	(0.02)	(0.00)
Total assets	393,433	406,529	439,574	450,014
Total Liabilities	5,256,473	4,956,474	18,799	5,319

The increase in net losses since November 30, 2021 was due to the increase in corporate activity ever since the closing of the Bangles transaction. This was a similar trend for the increase in assets since November 30, 2021. Current quarter's losses were lower than post Bangles transactions losses due to timing differences.

LIQUIDITY AND CAPITAL RESOURCES

	Six months ended August 31,	
	2022	2021
Cash inflow (outflow) from operating activities	\$ (124,757)	(46,828)
Cash inflow (outflow) from investing activities	-	(125,000)
Cash inflow (outflow) from financing activities	-	-
Net cash flows	(124,757)	(171,828)
Cash balance	1,832,926	141,846

As at August 31, 2022, the Company's net working capital was \$1,648,024 (February 28, 2022 - \$1,875,850), which was lower than February 28, 2022 due to general corporate and exploration expenditures.

Cash outflow from operating activities was a higher outflow in the current quarter end when compared to 2021's comparative period due to increase in corporate activity since the closing of Bangles transaction in the prior year.

There were no financing activities and investing activities in the current quarter.

SHAREHOLDERS' EQUITY

A summary of the status of the Company's stock options at August 31, 2022 are as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding, March 1, 2021	-	-
Granted	1,200,000	\$0.28
Outstanding, February 28, 2022	1,200,000	\$0.28
Granted	-	-
Outstanding, August 31, 2022	1,200,000	\$0.28

Expiry Date	Weighted Average Exercise Price	Number of Options Outstanding	Weighted Average Remaining Contractual Life (in years)	Number of Options Exercisable (vested)
October 12, 2026	\$0.28	1,200,000	4.22	1,200,000
		1,200,000		1,200,000

(a) Warrants

As at August 31, 2022, there were 4,249,991 share purchase warrants outstanding. Each share purchase warrant is exercisable at a price of \$0.40 per common share. These warrants expire October 8, 2023.

There were no share purchase warrants outstanding as at August 31, 2022.

REGULATORY DISCLOSURES

Off-Balance Sheet Arrangements

As at the date of this report, the Company did not have any off-balance sheet arrangements.

Proposed Transactions

The Company does not have any proposed transactions as at August, 2022 and the date of the report, other than as disclosed elsewhere in this document.

Related Party Transactions

The Company's related party transactions during the six months ended August 31, 2022 and 2021, consist of directors, officers, and the following companies with common directors:

Related Party	Nature of Transactions
CDM Capital Partners Inc. (Director, former CEO & CFO)	Rent
Chelmer Consulting Corp. (Director)	Professional fees
S2K Capital Corp. (Director)	Professional fees
Roma Capital Corp. (Officer)	Professional fees
Jason Bontempo (Director)	Professional fees
Ian Harris (CEO)	Professional fees

Key Management Compensation

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

	Six months ended August 31, 2022	Six months ended August 31, 2021
Professional fees	\$ 86,700	\$ -
Rent	-	4,500
	\$ 86,700	\$ 4,500

As at August 31, 2022, the Company had \$105,250 (February 28, 2022 - \$37,500) outstanding in accounts payable and accrued liabilities associated with related parties.

Financial Instruments

The fair values of the Company's cash, accounts payable and accrued liabilities, other liabilities, promissory notes, and shareholder loan approximate their carrying values due to their short term nature. The Company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk and market risk with respect to currency risk and interest risk. The following table summarize the Company's financial instruments as of August 31, 2022 and February 28, 2022:

	August 31, 2022 \$	February 28, 2022 \$
Financial Assets		
Amortized cost:		
Cash	1,832,926	1,957,683
Financial Liabilities		
Amortized cost:		
Accounts payable and accrued liabilities	203,421	96.830

Financial instruments disclosure requires a statement of the inputs to fair value measurements, including their classification within a hierarchy that prioritizes the inputs to fair value measurement. The three levels of fair value are:

Level 1 Unadjusted quoted prices in active markets for identical assets and liabilities

Level 2 Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, and;

Level 3 Inputs that are not based on observable market data Fair values of financial instruments

The Company has classified all of its financial assets at Level 1.

A) 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

B) 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.

C) 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.

Management of Capital

The capital structure of the Company consists of equity attributable to common shareholders, comprising share capital, reserves and deficit. Its capital resources consist of cash and cash equivalents. The Company manages its capital to fund its exploration and development expenditures and corporate costs with the primary objective of maintaining adequate liquidity within the Company to safeguard its ability to continue as a going concern while minimizing dilution to current equity holders.

The capital of the Company consists of items included in shareholders' equity, net of cash and cash equivalents as follows:

	August 31, 2022	February 28, 2022
Total shareholders equity	\$ 4,177,949	\$ 4,416,134
Less: cash and cash equivalent	(1,832,926)	(1,957,683)
	2,345,022	2,458,451

To effectively manage its resources and minimize risk the Company maintains the majority of its capital at the parent company level and funds activities in its operating subsidiaries through a monthly cash call process. The Company prepares annual expenditure budgets that are updated as necessary depending on factors including success of programs and general industry conditions. The budget and any revisions to it are approved by the Board of Directors (the "Board").

The Company maintains an investment policy that specifies the investment products and credit exposures permitted relating to the short-term investments of the Company's cash (the "Cash Investment Policy").

The Company is not subject to any externally imposed capital requirements, and it does not have exposure to asset-backed commercial paper or similar products.

Significant Accounting Policies

Please refer to audited consolidated financial statements for the year ended February 28, 2022, and unaudited condensed interim consolidated financial statements for the period ended August 31, 2022, which were filed on SEDAR.

Risk and uncertainties

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.

OTHER RISKS FACTORS

In making and providing the forward-looking information included in this MD&A, the Company has made numerous assumptions. These assumptions include among other things:

- (i) assumptions about the price of precious metals;
- (ii) assumptions about operating costs and expenditures;
- (iii) assumptions about future production and recovery;
- (iv) that the supply and demand for precious metals develops as expected;
- (v) that there is no unanticipated fluctuation in foreign exchange rates; and
- (vi) that there is no material deterioration in general economic conditions.

Although management believes that the assumptions made and the expectations represented by such information are reasonable, there can be no assurance that the forward-looking information will prove to be accurate. By its nature, forward-looking information is based on assumptions and involves known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, performance or achievements, or results, to be materially different from future results, performance or achievements expressed or implied by such forward-looking information. Such risks, uncertainties and other factors include among other things the following:

- (i) decreases in the price of precious metals;
- (ii) the risk that the Company will continue to have negative operating cash flow;
- (iii) the risk that additional financing will not be obtained as and when required;
- (iv) material increases in operating costs;
- (v) adverse fluctuations in foreign exchange rates;
- (vi) environmental and political risks and changes in environmental and mining legislation;

- (vii) community relations risks associated with operating in Australia; and
- (viii) the risk that the Company will not be able to meet its continued listing requirements by the TSXV.

Cautionary note regarding forward-looking information

Certain information in this MD&A, including all statements that are not historical facts, constitutes forward-looking information within the meaning of applicable Canadian securities laws. Such forward-looking information includes, but is not limited to, information which reflect management's expectations regarding the Company's future growth, results of operations (including, without limitation, future production and capital expenditures), performance (both operational and financial) and business prospects (including the timing, execution, and success of exploration activities) and opportunities.

This MD&A contains information on risks, uncertainties and other factors relating to the forward-looking information. Although the Company has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking information, there may be other factors that cause actual results, performances, achievements or events not to be anticipated, estimated or intended. Also, many of the factors are beyond the Company's control. Accordingly, readers should not place undue reliance on forward-looking information. The Company undertakes no obligation to reissue or update forward looking information as a result of new information or events after the date of this MD&A except as may be required by law. All forward-looking information disclosed in this document is qualified by this cautionary statement.