
Gladiator Metals Corp.

Management Discussion and Analysis (“MD&A”) Six months ended – August 31, 2023

(Expressed in Canadian dollars, unless otherwise noted)

October 30, 2023

The following Management Discussion and Analysis of the operations, results, and financial position of Gladiator Metals Corp (“Gladiator” or “the Company”) for the period ended August 31, 2023, and 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, 2023 and the audited financial statements for the year ended February 28, 2023.

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 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 Whitehorse Copper Project located near Whitehorse, Yukon Territory.

The head office and records office of the Company are located at Suite 1012 – 1030 West Georgia Street, Vancouver, British Columbia, Canada, V6E 2Y3.

The unaudited condensed consolidated interim financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and settle its obligations in the normal course of business. Several conditions discussed below cast substantial doubt regarding this assumption. As at August 31, 2023, the Company has no operating revenue and has an accumulated deficit of \$7,261,139 (February 28, 2023 - \$4,733,557), and incurred a net loss during the period of \$2,527,582 (February 28, 2023 – \$3,513,423). The ability of the Company to carry out its planned business objectives is dependent on its ability to raise adequate financing from lenders, shareholders and other investors and/or generate operating profitability and positive cash flow. There can be no assurances that the Company will continue to obtain the additional financial resources necessary and/or achieve profitability or positive cash flows. These consolidated financial statements do not include any adjustments to the recoverability and classification of recorded amounts that might be necessary should the Company be unable to continue as a going concern, which could be material.

Acquisition of Option to Acquire Whitehorse Copper Project, Yukon Territory

On November 8, 2022, the Company entered into a Mineral Property Option Agreement (the “Option”) with H. Coyne & Sons Ltd. (the “Optionor”) whereby the Optionor has granted the Company the right to acquire up to a 100% legal and beneficial interest in all of the Optionor’s title and interest in 315 contiguous mineral claims located in the Yukon (the “Whitehorse Copper Project”).

Pursuant to the terms and conditions of the Option, in order to exercise the Option the Company must make the following cash and share payments:

	Cash		Common Shares	
Within three days of TSX-V approval	\$25,000	Paid	1,000,000	Issued
On or before February 14, 2024	\$50,000		3,000,000	
On or before February 14, 2026	\$100,000		5,000,000	
On or before February 14, 2029	\$125,000		6,000,000	

In addition, the Company must incur an aggregate of \$12,000,000 in exploration expenditures on the Whitehorse Copper Project, as follows:

- i) \$1,500,000 by February 14, 2024 (as at August 31, 2023, \$1,299,181 was spent)
- ii) \$4,500,000 by February 14, 2026
- iii) \$6,000,000 by February 14, 2029

Following the exercise of the Option, the Company must pay the Optionor, or such other person(s) as the Optionor may direct from time to time, a 1.0% net smelter returns royalty on the Whitehorse Copper Project. Certain mineral claims forming part of the Whitehorse Copper Project are also encumbered by pre-existing royalties which the Company shall be responsible for following the exercise of the Option. The Company has also granted the Optionor: (i) a right of right of first refusal to act as qualified contractor for each exploration or development program on the Whitehorse Copper Project; (ii) the right to subscribe for and be issued as part of any public offering of the securities of the Company up to such number of securities that will allow the Optionor to maintain a percentage ownership interest of the common shares of the Company that is equal to the percentage of common shares that it then owns or controls of the total issued and outstanding common shares at such time; and (iii) the right to nominate one (1) director to the board of the directors of the Company, each for specified time periods as set forth in the Option Agreement.

In connection with the Option, the Company has entered into a finder's fee agreement pursuant to which the Company has agreed to issue up to 1,362,500 Common Shares to an arms-length third party as payment for introducing the Optionor to the Company, with such common shares to be issued based upon the aggregate amount of money spent by Gladiator over time to acquire the Option. To date, the Company has issued 112,500 finder's fee shares, with a fair value of \$22,500 determined by the market value of the Company's publicly traded common shares on the date of issuance.

The Company capitalized \$28,811 in transaction costs associated with legal fees incurred in the transaction.

The Whitehorse Copper Project is an advanced-stage copper (Cu) ± molybdenum (Mo) ± silver (Ag) ± gold (Au) skarn exploration project in the Yukon Territory, Canada. The property comprises 315 contiguous claims covering approximately 5,380 Hectares (13,294 acres) in the Whitehorse Mining District. The Whitehorse Copper Project covers a significant portion of what has historically been known as the Whitehorse Copper Belt.

Copper mineralization was first discovered in 1897 on the Whitehorse Copper Belt, as it became to be known. The Whitehorse Copper Belt comprised over 30 copper-related, primarily skarn occurrences covering an area of 35 by 5 km in a north westerly trending arc. Exploration and mining development have been carried out intermittently since that time with the main production era lasting between 1967 and 1982 where production totaled 267,500,000 pounds copper, 225,000 ounces of gold and 2,838,000 ounces of silver from 11.1 million tons of mineralized skarn ore were milled (Watson, 1984).

The Whitehorse Copper Project is road accessible with numerous access roads located within 2 km of the South Klondike Highway and the Alaska Highway. An extensive network of historical gravel exploration and haul roads exists throughout the project area and provide excellent access to the majority of the claim package. Access to existing electric power facilities is available through the main Yukon power grid.

The Whitehorse Copper Project is located within the traditional territory of the Kwanlin Dün and Ta'an Kwäch'än Council First Nations. Gladiator acknowledges and respects the traditional territory of the Kwanlin Dün and Ta'an Kwäch'än Council First Nations and is committed to developing a respectful relationship with them.

The intrusive rocks of the region are predominantly granodioritic to dioritic and Cretaceous in age (109 - 199 Ma). They are thought to form the upper reaches of a large batholith belonging to the Whitehorse Plutonic Suite and intrude primarily into Triassic to Jurassic Lewes River Group clastic and carbonate metasediments. Throughout the Whitehorse Copper Project, skarning occurs variably through limestone horizons and along the contacts with the intrusive rocks. Skarn deposits within the Whitehorse Copper Project are considered exoskarns that formed within 150 m of the mid Cretaceous calc-alkaline Whitehorse Batholith contact; however, a number of endoskarns are documented within the intrusion as well. Two main types of skarn deposits are observed. Iron-rich, in which copper occurs with magnetite, serpentine, specularite, talc, chlorite and occasional pyrrhotite and pyrite and Iron-poor (calc-silicate) where copper occurs with garnet, diopside, wolastonite, tremolite, epidote, chlorite, calcite and quartz. The copper minerals occur as grains, blebs, pods and stringers that appear to postdate the skarn minerals. Bornite is predominant in the iron-rich skarns and is slightly more abundant than chalcopyrite in the silicate skarns. Silver content is proportional to the copper grade but gold is more erratically distributed, being more abundant in the iron-rich skarn deposits.

The last mining activity in the region ceased in 1982 with the closure of the Little Chief mine. With the acquisition of the claims by H. Coyne & Sons Ltd. in 1998 from Hudson Bay Mining and Smelting Co. Ltd, a fragmented land package was amalgamated, and a new phase of exploration began which focused primarily on drilling, trenching, geophysics, geology and surface geochemistry work. The most recent work on the Whitehorse Copper Project has focused on defining and extending mineralization at the Cowley Park prospect through diamond drilling. The recent drilling campaigns have returned drill core assay intervals consistent in grade with historical results.

The Cowley Park prospect is the Company's main focus during initial exploration. Cowley Park sits at the southern end of the Whitehorse Copper Project and had reached feasibility stage before operations in the belt were shut down in 1982. Diamond drilling was carried out in the 1960's loosely defining the main zone mineralization and more thorough drilling was conducted in the early 1970's culminating in a total of ~125 holes and ~11,500 meters of core (Hureau, 1981).

Gladiator has recently compiled a digital database containing 475 drill holes within the current and historical project boundaries. Many of the drill holes are historical in nature and lack documented modern QA/QC methods, chain of custody documentation, proper GPS collar locations and down hole surveying and would not meet the standard for a current NI 43-101 resource estimate. The more recent drilling, from 2007 onward appears to have been conducted in a much more systematic manner but significant amounts of core is currently in storage and needs to be logged, sampled and assayed.

The Company is undertaking an initial work program that includes data compilation and digitization of the historical drill logs, geological mapping, surface geochemistry and geophysical surveys. Additionally, approximately 10,000 m of diamond drill core is being logged and assayed. Targets generated from this work are being followed up in a maiden diamond drilling program.

Private Placement

On March 14, 2023, the Company completed a non-brokered private placement of 3,400,000 flow-through shares at a price of \$0.37 and 5,262,855 units ("Units") at a price of \$0.35, for gross proceeds of \$3,100,000. Each Unit consists of one common share and one half of one common share purchase warrant, with each warrant being exercisable by the holder at a price of \$0.55 into one common share for a period of 18 months from the date of issuance (expiry date – September 14, 2024). Total share issuance cost was \$17,483. As \$95,200 was collected in the previous fiscal year ended February 28, 2023, the total net proceeds collected was \$2,897,317.

As at August 31, 2023, 131,500 warrants were exercised at a price of \$0.40 for gross proceeds of \$52,600.

On June 8, 2023, the Company announced a brokered private placement for a combination of securities for total proceeds of up to \$7,000,000.

On June 30, 2023, the Company closed the first tranche of the abovementioned brokered private placement. The first tranche consisted of 3,808,018 units at a price of \$0.55 per unit for aggregate gross proceeds of \$2,094,410. 1,904,009 share purchase warrants were issued with an exercise price of \$0.90 and an expiry date of June 30, 2025.

On July 7, 2023, the Company closed the second tranche of the brokered private placement, consisting of 5,908,728 flow-through units sold to charitable purchasers at a price of \$0.7975 per unit for gross proceeds of \$4,712,211. 2,954,364 share purchase warrants (non-flow through) were issued with an exercise price of \$0.90 and an expiry date of July 7, 2025. A flow-through premium liability of \$1,384,151 was recorded as a result of this transaction.

On July 11, 2023, the Company closed the final tranche of the private placement, consisting of 1,364,000 units at a price of \$0.55 per unit for aggregate gross proceeds of \$750,200. 682,000 share purchase warrants were issued with an exercise price of \$0.90 and an expiry date of July 11, 2025.

For the abovementioned private placement, a total of 220,026 finder's fee share purchase warrants were issued to an arm's length third party with an exercise price of \$0.55 and an expiry date of December 31, 2024.

Cash transaction costs of \$449,069 were incurred in relation to the private placement.

Strengthening of Senior Management Team

On September 26, 2023, Mr. Jason Bontempo remained as CEO and resigned as President. His President role was replaced by Mr. Marcus Harden. Mr. Harden is a geologist with more than 20 years of exploration and management experience with key roles in multiple discoveries globally. He is also the former Principal Geologist of First Quantum Minerals. The Company also appointed Ms. Leneath Yanson as Community Liaison. Ms. Yanson has more than 5 years of community and public relations experience in Non-Profit and Yukon First Nations community and economic development.

SUMMARY OF CONSOLIDATED INCOME (LOSS)

The following table summarizes selected financial data reported by Gladiator for the three and six months ended August 31, 2023 and 2022. The information set forth should be read in conjunction with the audited consolidated financial statements, prepared in accordance with IFRS, and the related notes thereon. All amounts are in Canadian dollars, unless otherwise specified.

	Three months ended August 31, 2023	Three months ended August 31, 2022	Six months ended August 31, 2023	Six months ended August 31, 2022
Expenses				
Exploration	\$ (577,334)	(22,422)	\$ (1,320,562)	\$ (77,244)
Amortization	(8,144)	-	(8,144)	-
Consulting	(518,624)	-	(623,624)	-
General and administrative	(18,617)	(15,429)	(124,278)	(18,147)
Marketing and investor relations	(271,820)	-	(503,530)	-
Professional fees	(13,543)	(43,354)	(30,332)	(130,598)
Transfer agent and regulatory fees	(5,577)	(3,718)	(27,291)	(12,094)
Share-base payments	(15,266)	-	(34,758)	-
	(1,428,925)	(84,923)	(2,672,519)	(238,083)
Other (expenses) income				
Foreign exchange loss	(416)	(103)	(3,585)	(103)
Finance income	55,263	-	70,263	-
Recovery of flow through share premium	78,259	-	78,259	-
Net loss	\$ (1,295,819)	\$ (85,026)	\$ (2,527,582)	\$ (238,186)
Total assets	\$ 9,354,502	\$ 4,381,370	\$ 9,354,502	\$ 4,381,370
Total non-current financial liabilities	1,384,151	-	1,384,151	-
Total dividend declared	-	-	-	-
Basic and diluter loss per common	(0.04)	(0.00)	(0.08)	(0.01)

During the six months ended August 31, 2023, the Company incurred a net loss of \$2,527,582 compared to a net loss of \$238,186 during the six months ended August 31, 2022. The increase in net loss in the current year was mainly driven by significant increases in i) exploration expenses as a result of the work completed on the newly acquired Option on the Whitehorse Copper Project ii) marketing and investor relations to increase awareness of the Company iii) consulting fees and G&A costs as the company has increased its labour force to support the increased exploration activities. The increase in other income represents the amortization of the flow-through premium liability recorded as a result of the issuance of flow-through units on July 7, 2023 as well as the finance income earned from cash invested in GIC's.

The following exploration expenditures were incurred for the six months ended:

Whitehorse Copper Exploration Expenses	August 31, 2023	August 31, 2022
Assaying	290,987	14,883
Consulting	418,469	16,069
Consumables	45,931	-
Drilling	431,781	-
General and administration and other	8,975	7,319
Vehicle rental and housing	41,160	-
Travel	41,260	13,131
Staking	37,000	-
Other	8,975	7,319
Other exploration projects – consulting	4,999	25,842
Total	1,320,562	77,244

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. All amounts are in Canadian dollars, unless otherwise specified.

	3 months ended August 31, 2023	3 months ended May 31, 2023	3 months ended February 28, 2023	3 months ended November 30, 2022
Total revenue	\$ -	\$ -	\$ -	\$ -
Loss before other items	(1,295,819)	(1,178,014)	(3,163,589)	(111,648)
Net loss	(1,295,819)	(1,178,014)	(3,163,589)	(111,648)
Loss per common share, basic and diluted	(0.04)	(0.15)	(0.04)	(0.15)
Total assets	9,354,502	3,798,484	1,679,312	4,268,312
Total Liabilities	1,798,839	553,859	316,082	209,012

	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)	(81,507)	(420,936)
Net loss	(85,026)	(153,160)	(81,507)	(420,936)
Loss per common share, basic and diluted	(0.00)	(0.01)	(0.00)	(0.01)
Total assets	4,381,370	4,440,662	4,512,964	4,640,336
Total Liabilities	203,421	177,688	96,830	105,311

The net loss for the three months ended August 31, 2023 was \$1,295,819 which was higher than all historic periods except for February 28, 2023 (which recorded a non-routine \$2.5M impairment loss). The increase in net loss in the current period was mainly driven significant increase in exploration expenses, investor relations, consulting fees and G&A costs.

In the current quarter ended August 31, 2023, total assets increased to \$9.4M from \$3.8M due to the equity financing that took place.

LIQUIDITY AND CAPITAL RESOURCES

	Three months ended August 31,		Six months ended August 31,	
	2023	2022	2023	2022
Cash outflow from operating activities	(1,493,680)	(52,416)	(2,665,336)	(124,757)
Cash outflow from investing activities	(68,413)	-	(68,413)	-
Cash inflow from financing activities	7,107,750	-	10,147,668	-
Net cash flows	5,545,657	(52,416)	7,413,919	(124,757)
Cash balance, beginning of period	2,948,492	1,885,342	1,080,230	1,957,683
Cash balance, end of period	8,494,149	1,832,926	8,494,149	1,832,926

As at August 31, 2023, the Company's net working capital was \$8,613,591 (February 28, 2023 - \$1,097,275), which was higher than February 28, 2023 due to the cash received from the private placement that took place, as well as the purchase of the short-term GIC investment.

Cash outflow from operating activities was higher in the current quarter end when compared to the comparative period due to an increase in corporate activity since the closing of Whitehorse Copper Option acquisition in the prior year. This is also driven by the increased operating loss in the period which is attributable to higher exploration activities as compared to the previous year.

Cash outflow from investing activities was higher in the current period as a result of the purchase of the exploration equipment.

Cash inflow from financing activities in the current period were related to equity financings that took place. This did not incur in the prior year.

SHAREHOLDERS' EQUITY

The Company has authorized an unlimited number of common shares without par value. The table below is a continuity schedule of various shareholders' equity items from August 31, 2023 to the date of this report:

	Common shares	Stock options	Warrants	Restricted stock units
As at August 31, 2023	40,130,228	1,950,000	12,510,316	-
Exercise of warrants	711,249	-	(711,249)	-
Stock options granted	-	1,825,000	-	-
Restricted stock units granted	-	-	-	1,700,000
Warrants expired	-	-	(3,407,243)	-
As at date of report	40,841,477	3,775,000	8,391,824	1,700,000

In October 2023, 711,249 warrants were exercised at a price of \$0.40, for total gross proceeds of \$284,500.

On October 27, 2023, the Company granted 1,700,000 restricted stock units to certain directors, officers, and consultants of the Company. 850,000 of the 1,700,000 units will vest on October 27, 2024, and the remaining 850,000 units will vest on October 27, 2025.

(a) Stock options

A summary of the Company's stock options as at date of the report is as follows:

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	1,050,000	2.94	1,050,000
February 27, 2028	\$0.35	900,000	4.33	787,500
September 26, 2028	\$0.55	1,825,000	4.90	1,825,000
		3,775,000		3,662,500

(b) Warrants

A summary of the Company's share purchase warrants as at date of the report is as follows:

Warrants outstanding	Exercise price (CAD\$)	Date of Grant	Date of Expiry
2,631,425	0.55	14-Mar-2023	14-Sep-2024
220,026	0.55	30-Jun-2023	31-Dec-2024
1,904,009	0.90	30-Jun-2023	30-Jun-2025
2,954,364	0.90	7-Jul-2023	7-Jul-2025
682,000	0.90	11-Jul-2023	11-Jul-2025
8,391,824			

(c) Escrow shares

As at the date of the report, there were 135,000 common shares (August 31, 2022 – 180,000) being held in escrow and are subject to a TSX-V mandated CPC Escrow Agreement. The CPC escrow shares will be released as follows:

Date of Automatic Release	Escrow Shares Released	Remaining Shares in Escrow
April 12, 2022	45,000	225,000
October 12, 2022	45,000	180,000
April 12, 2023	45,000	135,000
October 12, 2023	45,000	90,000
April 12, 2024	45,000	45,000
October 12, 2024	45,000	-

In connection with the Company's qualifying transaction, there was an escrow agreement placed on the 5,000,000 (2022 – 4,500,000) common shares issued as payment shares. As at August 31, 2023, there were 2,250,000 common shares being held in escrow (August 31, 2022 – 3,750,000).

These escrow shares will be released as follows:

Date of Automatic Release	Escrow Shares Released	Remaining Shares in Escrow
October 12, 2021	500,000	4,500,000
April 12, 2022	750,000	3,750,000
October 12, 2022	750,000	3,000,000
April 12, 2023	750,000	2,250,000
October 12, 2023	750,000	1,500,000
April 12, 2024	750,000	750,000
October 12, 2024	750,000	-

In connection with the Whitehorse Copper Project Option acquisition, there was an escrow agreement placed on the 1,000,000 common shares issued as payment shares. As at August 31, 2023, there are 1,000,000 common shares being held in escrow to be released on February 14, 2024.

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 31, 2023 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, 2023 and 2022, consist of directors, officers, and the following companies with common directors:

Related Party	Nature of Transactions
Chelmer Consulting Corp. (Director)	Consulting fees
S2K Capital Corp. (Director)	Consulting fees
RW Global Consulting Corp. (Officer)	Consulting fees
BR Corporation (Director & Officer)	Consulting fees

As at August 31, 2023, the Company had \$80,500 outstanding in accounts payable and accrued liabilities (February 28, 2023 - \$96,875) associated with related parties. These amounts are non-interest bearing and due on demand.

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:

	Three months ended		Six months ended	
	2023	August 31 2022	2023	August 31 2022
Consulting fees	132,500	\$ 42,000	215,000	\$ 86,700

Financial Instruments

The fair values of the Company's cash, accounts payable and accrued liabilities 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 summarizes the Company's financial instruments as of August 31, 2023 and February 28, 2023:

	August 31, 2023 \$	February 28, 2023 \$
Financial Assets		
Amortized cost:		
Cash	8,494,149	1,080,230
Financial Liabilities		
Amortized cost:		
Accounts payable and accrued liabilities	414,688	316,082

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 instruments at Level 1.

A) 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. The Company's cash and cash equivalents are held through large Canadian financial institutions.

B) 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 90 days.

C) Market Risk

The Company's market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity prices.

D) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows from a financial instrument will fluctuate because of changes to market interest rates. The Company is not exposed to significant interest rate risk.

E) Foreign Exchange Risk

Currency risk is the risk of a loss due to the fluctuation of foreign exchange rates and the effects of those fluctuations on the Company's foreign currency denominated monetary assets and liabilities. The Company currently operates in Canada and Australia. Certain costs and expenses are incurred in Australian dollars. The Company attempts to mitigate currency risk through the preparation of short and long term expenditure budgets in the foreign currencies and planning for the conversion of Canadian dollars into foreign currencies whenever exchange rates are favourable.

The Company's financial assets and liabilities as at August 31, 2023 are denominated in Canadian Dollars. The Company is not exposed to significant foreign exchange risk.

Management of Capital

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and equity comprised of issued share capital and deficit.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements. There has been no change to the Company's approach to capital management during the year ended August 31, 2023.

Significant Accounting Policies

Please refer to audited consolidated financial statements for the year ended February 28, 2023, and unaudited condensed interim consolidated financial statements for the period ended August 31, 2023, which were filed on SEDAR.

New Accounting Standards and Interpretations

Please refer to audited consolidated financial statements for the year ended February 28, 2023, and unaudited condensed interim consolidated financial statements for the period ended August 31, 2023, which were filed on SEDAR.

Certain accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on these financial statements.

Change in Accounting Policy and New Accounting Pronouncements

Please refer to audited consolidated financial statements for the year ended February 28, 2023, and unaudited condensed interim consolidated financial statements for the period ended August 31, 2023, which were filed on SEDAR.

Judgments and Estimates

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments and estimates and form assumptions that affect the reported amount of assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenues and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions.

Risk and uncertainties

Other Risk 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.