



ATOMIC MINERALS CORPORATION

MANAGEMENT DISCUSSION & ANALYSIS

Form 51-102F1

Nine months ended May 31, 2023

The following management discussion and analysis ("MD&A") of the financial position and results of operations for Atomic Minerals Corporation (the "Company" or "Atomic") should be read in conjunction with the unaudited condensed consolidated financial statements and the notes thereto for the nine months ended May 31, 2023 and 2022 and the year-end audited financial statements as at August 31, 2022. Except as otherwise disclosed, all dollar figures included therein and in the following management discussion and analysis are quoted in Canadian dollars. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com.

1.1 Date of This Report

July 31, 2023

1.2 Overall Performance

Description of Business

Atomic Minerals Corporation is a junior company listed on the TSX Venture Exchange. The Company is engaged in the acquisition, exploration, and development of resource properties.

The Company is incorporated in British Columbia, Canada. The Company's head office and principal place of business is located at 830 -1100 Melville Street, Vancouver, BC, V6E 4A6. Its registered and records office is located at 900-885 West Georgia Street, Vancouver, BC, V6C 3H1.

Mineral Properties

Western United States Strategic Uranium Assets

Atomic has broadened its North American uranium focus acquired by staking three strategic properties on the Colorado Plateau in the southwestern United States, concentrating in the two states with the most prolific uranium history and potential: Utah and Colorado.

Utah's premier uranium production area, the Big Indian mining district, is located in Lisbon Valley. The Big Indian mining district yielded 77.9 million pounds of uranium oxide and 19 million pounds of vanadium from 16 large mines between 1952 and 1988 from the Triassic Chinle and Permian Cutler formations. This production represents more than 80 per cent of the uranium ore mined in Utah during this time period. Ore grades averaged 0.34 per cent uranium oxide, making it the highest grade of all the large uranium mining districts discovered in the United States. Due to the high-grade nature of the orebodies exploited in the Big Indian mining district, it accounts for more uranium than any other area of a similar size on the Colorado Plateau. Of the nearly 80 million pounds of uranium oxide mined on the Lisbon Valley anticline, more than 43 million pounds were produced from a cluster of orebodies on the north end of the anticline, including 21 million pounds that was produced from Rio Algom Mining's Lisbon Valley mine during the years between 1969 and 1988 from a depth of 2,550 feet.

**Source Chenoweth, W.L. (1990). Lisbon Valley, Utah's Premier Uranium Area, a Summary of Exploration and Ore Production. Utah Geological Survey Open File Report 188, July 1990.*

The Company's uranium technical team believes Lisbon Valley is not a one off, as the area consists of a series of northwest-southeast trending salt dome generated synclines and anticlines across the region.



Reviews of gamma ray logs from the numerous widespread historical oil and gas holes throughout the Colorado Plateau show definitive anomalies associated with basal sections of the Chinle Formation associated with a number of the anticlinal structures. The Company identified strategic high priority target areas resulting in the staking of the following claim groups:

SC Claim Group

During the year ended August 31, 2022, the Recoupment acquired by staking the SC Claim Group ("SC"), consisting of 50 unpatented lode claims in San Miguel County, Colorado, USA. Recoupment incurred \$27,205 (USD \$20,750) in acquisition costs and \$10,817 (USD \$8,250) in claim maintenance fees during the year ended August 31, 2022.

The SC claim group consists of 50 unpatented lode claims totalling more than 1,000 acres, and lies 30 miles southeast of Lisbon Valley on the northern end of the Dolores anticline, at the southern end of the Uravan mineral belt. The Uravan (a contraction of uranium-vanadium) mineral belt produced 75.5 million pounds of uranium oxide and 331.8 million pounds of vanadium from the Salt Wash member of the Jurassic Morrison formation during the years between 1947 and 1979 from more than 1,200 mines. While these mining claims are located on the southern end of the Uravan, they were located in an area considered to be very favourable for the concentration of uranium mineralization in the Moss Back member of the Triassic-age Chinle formation and the Permian Cutler formation as well as the Salt Wash member of the Morrison formation.

**Source Chenoweth, W.L. (1981). The Uranium-Vanadium Deposits of the Uravan Mineral Belt and Adjacent Areas, Colorado and Utah. New Mexico Geological Society Guidebook, 32nd Field Conference. pp. 165-170.*

The SC claims are located on the north end of the Dolores anticline, where a strong association of anticlinal structural control and favourable host rocks for uranium mineralization similar to Lisbon Valley were determined to be present by the United States Geological Survey. In the late 1970s, widely spaced exploration drilling for uranium by the Hunt Oil Company and Newmont Mining Company confirmed the presence of the highly favourable Moss Back member of the Chinle formation on this anticlinal structure. Gamma ray logs of a number of these holes reported spikes within the Chinle formation. Atomic Minerals' geological consultants have confirmed the presence of uranium mineralization in several prospects in the Dolores River Canyon, where the favourable Moss Back member has been exposed and appears to have a wide extent. The SC claim block was staked based on their review of the gamma ray logs and their Dolores River Canyon observations.

Atomic Minerals' SC claim group is approximately 75 miles from Energy Fuels' White Mesa uranium processing facility.

SC exploration completed during the quarter ended May 31, 2023

None

SC exploration completed subsequent to the quarter ended May 31, 2023

None.

Harts Point

During the year ended August 31, 2022, the Recoupment acquired by staking the Harts Point, consisting of 324 unpatented lode claims in San Juan County, Utah, USA. Recoupment incurred \$170,902 (USD \$130,350) in acquisition costs, \$70,941 (USD \$54,108) in claim maintenance fees during and \$3,804 (USD \$2,901) in other evaluation and exploration assets during the year ended August 31, 2022.

The Harts Point claim group consists of 324 unpatented lode claims totaling more than 6,500 acres and lies on the eastern flank of the southern extension of Gibson Dome, a non-diapiric salt anticline, in San Juan



county, Utah, near the northeastern limits of the White Canyon mining district and 19 miles to the southwest of Lisbon Valley. Four mines located about seven miles west of the Harts Point, the Jean, Moki, Lavender and Conglomerate, in upper Indian Creek shipped a total of 42,000 tons of material hosted by Chinle formation sandstones during the 1950s uranium boom. Average uranium grades were 0.30 per cent U_3O_8 (triuranium octoxide) and vanadium values were also present.

**Source Chenoweth, W.L. (1993): The geology and Production History of the Uranium deposits in the White Canyon Mining District, San Juan County, Utah, Utah Geological Survey Miscellaneous Publication 93-3.*

Atomic's management team believes the Harts Point anticline lies in an identical geological setting to the Lisbon Valley anticline. Historic oil and gas drilling throughout the Colorado Plateau included three holes within the HP claims. Diligent review of the drill logs by Atomic's geological consultant showed the prospective Chinle formation lies between 1,200 feet and 1,400 feet below surface and correlates well between the three holes roughly 2.8 miles apart. Gamma ray logs from each of the three holes showed spikes within the basal section of the Chinle, the primary location for uranium mineralization in the formation throughout the area. The Hart Point claim block was staked based on their review of the Harts Point historic oil and gas gamma ray logs.

Atomic Minerals Harts Point lies approximately 40 miles by road west of Energy Fuel's White Mesa uranium mill.

On May 19, 2023, the Company and Recoupment entered into a definitive option agreement with Kraken Energy Corp. ("Kraken"). Kraken may acquire up to 75% interest in the Hart Point Property by meeting the following requirements:

- Kraken will be the operator and must incur USD \$1,500,000 of eligible expenditures within 18 months from the date of the option agreement to earn 65% interest.
- Kraken has the option to increase interest in the Property from 65% to 75% by incurring an additional USD \$2,000,000 of eligible expenditures within 30 months from the date of the option agreement and issuing the Company 2,000,000 common shares of Kraken.
- Kraken will grant the Company a 2% net smelter royalty (subject to a buy down to 1% for USD \$5,000,000).
- After the initial option (Kraken 65%; the Company 35%) or the extended option (Kraken 75%; the Company 25%), a definitive Joint Venture Agreement will be formed.

Kraken advanced the Company 77,999 (USD \$58,140) for the reclamation bond. The advance is recorded in notes payable and bears no interest.

Harts Point exploration completed during the quarter ended May 31, 2023

None

Harts Point exploration completed subsequent to the quarter ended May 31, 2023

On July 5th, Atomic announced receipt of the drilling permits for the Harts Point. The Bureau of Land Management ("BLM") approved up to 20 drill pads to test the extent of uranium mineralization across the Property.

On July 18th, Atomic announced phase 1 drilling had begun at the Harts Point. The initial holes will focus on a five-kilometre strike length where historic oil and gas holes recorded off-scale radioactivity at the base of the uraniferous Chinle formation. Favourable results will lead to the next series of holes which will evaluate the Chinle trend along strike to determine its full extent.

NVM Claim Block – 10 Mile Property

During the nine months ended May 31, 2023, Recoupment acquired by staking, the NVM Claim Blocks,



collectively the 10 Mile Property, consisting of 521 unpatented lode claims totaling more than 10,400 acres encompassing four separate blocks, in Grand County, Utah, USA.

10 Mile claims cover the eastern and western flanks and southern nose of the Ten Mile Anticline, in a geological setting Atomic's management team believes is identical to the Lisbon Valley Anticline. Lisbon Valley encompasses the Big Indian mining district, which produced 77.9 million pounds of uranium oxide and 19 million pounds of vanadium from 16 large mines between 1952 and 1988 from the Triassic Chinle and Permian Cutler Formations from relatively shallow depths to in excess of 2,550 feet. This production represents more than 80 percent of the uranium ore mined in Utah during this time period. Ore grades averaged 0.34 percent U₃O₈, making it the highest grade of all the large uranium mining districts discovered in the United States.

**Source Chenoweth, W.L. (1990). Lisbon Valley, Utah's Premier Uranium Area, a Summary of Exploration and Ore Production. Utah Geological Survey Open File Report 188, July 1990.*

Supporting the uranium potential of the 10 Mile property is the 7 Mile district, located 8 miles to the southeast. Seven Mile is located on the northwestern flank of northern nose of the Moab anticline and produced over 1,700,000 pounds of U₃O₈ and 890,000 pounds of vanadium from thicknesses ranging from 1 foot and 8 feet at an average grade of 0.26% U₃O₈ from the basal Moss Back Member of the Chinle Formation.

**Source: Seven Mile Canyon Mining District, Grand County, Utah, USA. <https://www.mindat.org/loc-203792.html>. This description referenced Drouillard, R.F., and Jones, E.E. (1955) Geology of the Seven Mile Canyon uranium deposits. U.S. Atomic Energy Commission Rare Metals Evaluation RME-4066, 14 pages.*

Further supporting the uranium potential of 10 Mile are a series of historic oil and gas drill holes throughout the area. This drilling indicates the depth to the Moss Back is 1,400 feet on the southwestern flank and 2,390 to 2,500 on the northeast flank. Gamma Ray logs from several of these holes show spikes, indicative of uranium mineralization, within the basal section of the Chinle Formation. The basal Chinle beds are the primary location for uranium mineralization in the Formation throughout the area. The 10 Mile claim blocks was staked based on the geological similarity to the prolific Big Indian District, the presence of significant uranium in the 7 Mile District of the Moab Anticline and the historic oil and gas gamma ray log anomalies at the 10 Mile Anticline. Atomic Minerals 10 Mile claims lies approximately 95 miles by road north of Energy Fuel Inc's White Mesa Mill, the only fully licensed and operating conventional uranium mill in the United States.

10 Mile exploration completed during the quarter ended May 31, 2023

None.

10 Mile exploration completed subsequent to the quarter ended May 31, 2023

None.

Lloyd Lake

The Lloyd Lake project lies south of the western Athabasca basin approximately 90 km SE of Fission Uranium's Patterson Lake project. The Lloyd Lake project has a significant dataset. It was extensively explored by the Western Athabasca Syndicate as part of the Preston property in 2013. Work by the syndicate involved airborne EM-magnetic and radiometric surveys followed by preliminary prospecting of areas identified in historical assessment reports. This was followed by systematic lake-bottom sediment sampling and lake-bottom water sampling for radon gas analysis, radon gas being a decay product of uranium. Ground exploration included broad soil, biogeochemical and radon-in-soil surveys, generally at 100 m to 200 m sample spacing and 200 m to 400 m line spacing. Groundwork was tailored to cover anomalous airborne geophysical features and lake geochemical anomalies derived from phase 2 work. Throughout phases 2 and 3 prospecting and mapping traverses were undertaken as follow-up to airborne radiometric anomalies, and to further ground-truth the airborne responses for the purposes of generating a baseline geological map of the property. The project was also investigated by a versatile time-domain



electromagnetic (VTEM plus) and aeromagnetic survey completed by Geotech Ltd., and an airborne radiometric-VLF-EM and magnetic survey completed by Goldak Airborne Surveys.

These exploration programs highlighted an ~8.5km northeast trending zone corresponding to a magnetic break concurrent with an array of parallel EM conductors: a typical exploration signature in the basin. Anomalous radon gas as well as anomalous uranium and gold values in lake sediments, also lie within the target zone.

Lloyd Lake exploration completed during the quarter ended May 31, 2023

None

Lloyd Lake exploration completed subsequent to the quarter ended May 31, 2023

None

Mitchell Lake

The 292 hectare Mitchell Lake project lies contiguous to UEX Corp.'s West Bear property in the eastern Athabasca basin, approximately 660 km north of Saskatoon, Sask., and west of Wolliston Lake on the western edge of the Athabasca basin. Historic exploration has identified a major 10-plus km linear EM (electromagnetic) anomaly associated with a northeast-trending regional structure. The southern end of the anomaly lies along the southern boundary of the Mitchell property, with ground EM also highlighting linear splay structures trending well into the property.

Mitchell Lake exploration completed during the quarter ended May 31, 2023

None

Mitchell Lake exploration completed subsequent to the quarter ended May 31, 2023

None

Hamilton Lake

The 2,972 hectare Hamilton Lake project lies approximately 45 kilometres northeast of Uranium City, in the Beaverlodge district of Northern Saskatchewan, contiguous to Appia Rare Earths & Uranium Corp. Alces Lake property. The claims are underlain by intrusives, metasediment and mylonites, and lie along the regional St. Louis fault. Historic airborne EM surveys have located linear EM anomalies associated with the fault in the immediate area of a splay fault.

Hamilton Lake exploration completed during the quarter ended May 31, 2023

None

Hamilton Lake exploration completed subsequent to the quarter ended May 31, 2023

None

Gravity Jack

The Gravity and Jack White claim block, collectively the Gravity Jack property, comprise 10,050 hectares in the New Westminster mining division, 13 kilometres northeast of Boston Bar, B.C., Canada.



Historic exploration of magnetite-copper skarns returned highlight values of 2 per cent copper and 61 per cent iron over 12.9 metres. These skarns have received minimal exploration utilizing modern exploration methods and the company feels they are high-priority targets.

The property is underlain by the Mount Lytton Complex, comprised of Permian to Jurassic diorite and amphibolite, Permian to Triassic granodiorite, and Paleozoic to Mesozoic calcareous sedimentary rocks. Mineralization consists of several magnetite (-copper) skarns and "hematite showings" located adjacent to intrusive / limestone contacts. Historic grab sampling returned highlight grab samples of 1% copper and 63% iron from the skarns, while composite chip sampling returned highlights of 2% copper and 61% iron over 12.9 metres. Select 2018 and 2019 rock sampling returned copper values ranging from 8 to 4,745 ppm and iron values ranging from 0.1% to 50.01% (the upper detection limit of the analysis).

The Company has yet to verify the historical data.

The Company terminated the Gravity Jack option agreement in May 2023. As a result of the termination the Company recorded an impairment of \$266,027 during the period ended May 31, 2023.

Gravity Jack exploration completed during the quarter ended May 31, 2023

None.

Gravity Jack exploration completed subsequent to the quarter ended May 31, 2023

None.

The technical content of this Management Discussion and Analysis has been reviewed and approved by R. Tim Henneberry, P.Geo. (BC) a technical advisor to Atomic Minerals Corporation.

Private Placements and Share Capital Issued

On February 7, 2023, the Company issued 6,000,000 common shares (with a fair value of \$180,000) of the Company in connection with the Hamilton Lake project and the Mitchell Lake project option agreements.

On July 15, 2022, the Company issued an aggregate of 1,312,500 common shares with a fair value of \$52,500 to an arm's-length third party and two officers of the Company, to settle an aggregate indebtedness of \$65,625. Pursuant to the transaction, the Company recognized a gain on debt settlement of \$13,125.

On May 12, 2022, the Company issued 100,000 common shares (with a fair value of \$5,500) of the Company in connection with the Gravity Jack amendment agreement.

On January 14, 2022, the Company closed the second and final tranche of a private placement and issued 12,333,332 units at \$0.075 per unit for gross proceeds of \$925,000. Each unit comprises one common share at \$0.075 per common share and one warrant exercisable at \$0.10 per common share for two years from closing. Cash finder's fees totalling \$31,815 were paid and 390,867 Broker's warrants were issued to finders which have the same terms as the warrants issued to subscribers of the private placement.

On December 30, 2021, the Company closed the first tranche of a private placement and issued 13,517,665 units at \$0.075 per unit for gross proceeds of \$1,013,825. Each unit is composed of one common share and one share purchase warrant exercisable at \$0.10 per common share for two years from closing. Cash finders' fees totalling \$72,713 were paid, and 969,513 Broker warrants were issued to finders, which have the same terms as the warrants issued to subscribers of the private placement.

During the year ended August 31, 2022, a total of 170,000 warrants were exercised at \$0.10 per warrant



share for proceeds of \$17,000.

On March 10, 2021, the Company closed a private placement whereby it issued 4,401,667 units at \$0.075 per unit for gross proceeds of \$330,125. Each unit is comprised of one common share and one share purchase warrant exercisable at \$0.10 per common share for two years from closing. Aggregate finders' fees totalling \$18,510 in cash and 206,800 broker warrants with the same terms as the subscriber warrants. The estimated fair value of the brokers warrants was \$11,210 calculated using the Black-Scholes Option Pricing Model based on the following assumptions: risk free interest rate of 0.245%, expected life of 2 years, no annual dividends, expected volatility of 125% and a forfeiture rate of 0%.

1.3 Selected Annual Information

n/a

1.4 Results of Operations

Discussion of Acquisitions, Operations and Financial Condition

The Company is in the development stage and does not generate any revenues. To date, the Company has not earned any significant revenues.

General and Administrative Expenses

For the Nine months ended May 31, 2023

The Company's operating costs during the nine months ended May 31, 2023 (the "Current Period") were less than those of the nine months ended May 31, 2022 (the "Comparative Period"). Loss from operations increased by \$270,971 to \$744,462 (2022 - \$483,379). Key contributors to the change in operating costs are as follows:

- Consulting fees decreased by \$27,125 to \$141,500 (2022 - \$168,625) and management fees increased by \$6,500 to \$162,000 (2022: \$155,500). Management fees are similar to those of the previous year. Consultants were engaged in association with the work at the Company's properties and to assist with financing and property evaluation.
- Marketing and promotion increased by \$8,500 from 52,500 to \$61,000 in relation to the promotion of the Company's projects.
- Regulatory, transfer and filing fees decreased by \$13,180 to \$21,711 (2022 - \$34,891) in relation to the Company's activities, including financings, during the Comparative Period.
- Share-based compensation increased from \$31,525 to \$14,009 as a result of stock options being granted during the Current Period.
- Property investigation increased from \$Nil to \$20,151 as a result of the Company reviewing potential projects in Colorado and Utah.
- Mineral property impairment increased from \$Nil to \$266,027 as a result of the termination of the Gravity Jack property option agreement.

There are no trends, commitments, events, or uncertainties presently known to management that are reasonably expected to have a material effect on the Company's business, financial condition, or results of operation other than uncertainty as to the speculative nature of the business, the uncertainty of commodity prices, and the uncertainty of fundraising activities.

For the three months ended May 31, 2023

The Company's operating costs during the three months ended May 31, 2023, were less than those of the three months ended May 31, 2022. Loss from operations decreased by \$77,237 to \$103,880 (2022 - \$181,117). Key contributors to the change in operating costs in addition to those outlined above are as follows:

	2023	2022
	\$	\$
Consulting	11,500	53,000
Management and admin	54,000	58,000
Marketing and promotion	12,000	52,500
Regulatory, transfer and filing fees	11,479	3,176
Office, rent and telephone	8,307	5,846
Mineral property impairment	266,027	-

1.5 Summary of Quarterly Results

The following is a summary of the Company's financial results, under IFRS, for the eight most recently completed quarters:

Three months ended	Total Revenues	Net Loss	Loss Per Share (basic and diluted)
May 31, 2023	\$Nil	\$369,907	\$0.01
February 28, 2023	\$Nil	\$179,122	\$0.00
November 30, 2022	\$Nil	\$195,433	\$0.00
August 31, 2022	\$Nil	\$178,901	\$0.00
May 31, 2022	\$Nil	\$181,117	\$0.00
February 28, 2022	\$Nil	\$247,025	\$0.01
November 30, 2021	\$Nil	\$55,237	\$0.00
August 31, 2021	\$Nil	\$126,246	\$0.01

During the quarters ended May 31, 2021, and August 30, 2021, the Company was reviewing acquisition and financing opportunities. During the three months ended November 30, 2021, and February 28, 2022, the Company completed an acquisition, began work at the company's projects, and completed a financing. During the quarter ended May 31, 2022, the Company completed work at the Company's projects and began uranium project staking in the Western United States which continued through to November 30, 2022. During the quarter ended February 28, 2023, the Company continued staking in the Western United States, commenced the permitting process, and acquired the Hamilton Lake and Mitchell Lake projects in Saskatchewan.

1.6 Liquidity

As the Company has no revenue generating projects at this time, the ability of the Company to carry out its business plan rests with its ability to secure equity and other financings. At May 31, 2023, the Company's working capital was \$30,913 compared to working capital of \$672,698 at August 31, 2022. The Company's current liabilities as of May 31, 2023, were \$110,841 (August 31, 2022 - \$68,574).

The Company will require additional financing to fund any new acquisitions and exploration programs. The Company's continuation as a going concern is dependent upon its ability to raise equity capital or borrowings sufficient to meet current and future obligations. The ability of the Company to acquire additional projects is conditional on its ability to secure financing when required. There is material uncertainty that may cast significant doubt upon the ability of the Company to continue as a going concern. Management intends to finance operating costs over the next twelve months with cash on hand, loans from directors and or

private placement of common shares.

1.7 Capital Resources

At May 31, 2023 the capital of the Company consisted of cash in the bank, and GST recoverable totaling \$124,904 (August 31, 2022 - \$645,937). The Company will have to generate additional cash from equity and/or debt raised through the Canadian public markets to meet its commitments.

1.8 Off Balance Sheet Arrangements

At May 31, 2023, there were no off-balance sheet arrangements to which the Company is committed.

1.9 Transactions with Related Parties

Transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. All amounts due to related parties are unsecured, non-interest bearing and have no specific repayment terms.

a) Transactions with Key Management Personnel

	Nine months ended May 31,	
	2023	2022
Clive Massey (CEO)	90,000	60,000
a company controlled by Alexander Helm (CFO)	45,000	33,000
Penilla Klomp (Secretary)	27,000	28,000
a company controlled by a director (Jamie Hyland)	23,500	15,000
Management and consulting fees	\$ 185,500	\$ 136,000
Share-based compensation	\$ -	\$ -

As at May 31, 2023, \$7,113 (August 31, 2022 - \$3,438) of fees and expenses was due to related parties included in accounts payable and accrued liabilities.

Payments and accruals to key management personnel including the President, a former director, and companies directly controlled by current and former key management personnel are for consulting fees or management fees and are directly related to their position in the organization.

1.10 Third Quarter

The Company's focus during the third quarter was to continue to explore opportunities to acquire mineral exploration projects, explore its existing projects, and raise capital for the Company.

1.11 Proposed Transactions

There are no proposed transactions that will materially affect the performance of the Company other than those which have been disclosed in the accompanying financial statements.

1.12 Critical Accounting 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 amount of revenues and



expenses during the reporting period. Actual results could differ from those estimates.

Reference should be made to Note 2 c) Significant Accounting Judgments and Estimates in the notes to the Company's unaudited condensed consolidated interim financial statements for the nine months ended May 31, 2023 and the audited consolidated financial statements for the years ended August 31, 2022 and 2021 for more information concerning the accounting principles used in the preparation of the Company's audited consolidated financial statements.

1.13 Changes in Accounting Policies

No new accounting policies were adopted during the nine months ended May 31, 2023, other than those disclosed in the accompanying financial statements.

1.14 Financial Instruments and Risks

As at May 31, 2023, the Company's financial instruments consist of cash and cash equivalents, accounts receivable, prepaid expenses, accounts payable and accrued liabilities, and note payable. The carrying value of these financial instruments approximate their fair values.

Fair Value

The Company classifies its fair value measurements in accordance with an established hierarchy that prioritizes the inputs in valuation techniques used to measure fair value as follows:

- Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities
- Level 2 Inputs other than quoted prices that are observable for the assets or liabilities either directly or indirectly, and
- Level 3 Inputs that are not based on observable market data

Cash is carried at fair value using a Level 1 fair value measurement. The carrying value of note receivable and accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

Financial Risks

The Company has analyzed the following risks:

Credit Risk

Financial instruments that potentially subject the Company to credit risk consist of cash, receivables and note receivable. Cash deposits and term deposits are maintained with a financial institution of reputable credit and are redeemable on demand. Amounts receivable consists primarily of GST returns due from Canada Revenue Agency. The Company evaluates the creditworthiness of the counterparty, the value of any collateral, and the fair value of the credit loss of the note receivable. The Company's opinion is that credit risk is minimal.

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's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. At May 31, 2023, the Company had cash of \$105,637 to settle accounts payable and accrued liabilities of \$110,841. Readers' attention is drawn to Note 1 of the financial statements regarding going concern issue of the Company and section 1.6 of this MD&A.

Market Risk



Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, commodity prices, marketing prices and/or stock market movements (price risk). The Company is subject to Market Risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Cash and cash equivalents bear interest at market rates. Other current financial assets and liabilities are not exposed to interest rate risk because of their short-term nature or being non-interest bearing. The Company is not subject to significant interest rate risk.

Foreign Currency Risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The foreign currency risk for the Company is low.

Commodity Risk

Commodity risk is the risk provided by uncertainties of future market values and of the size of the future income, caused by the fluctuation in the prices of commodities. The commodity risk for the Company is significant.

1.15 Other MD&A Requirements

Share Capital as at the date of this report:

	As at May 31, 2023: <i>Number Issued and outstanding</i>	As at the date of this report: <i>Number Issued and outstanding</i>
Common Shares	62,274,598	68,274,598
Warrants	36,197,959	36,197,959
Stock Options	3,100,000	3,100,000
Fully Diluted	101,572,557	107,572,557

Controls and Procedures

In contrast to the certificate required under National Instrument 52-109 Certificate of Disclosure in Issuers' Annual and Interim Filings (NI 52-109), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109, in particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized, and reported within the time periods specified in securities legislation; and



- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Forward-Looking Statements

All statements made in this MD&A, other than statements of historical fact, are forward-looking statements. The Company's actual results may differ significantly from those anticipated in the forward-looking statements and readers are cautioned not to place undue reliance on these forward-looking statements. Except as required by securities regulations, the Company undertakes no obligation to publicly release the results of any revisions to forward-looking statements that may be made to reflect events or circumstances after the date of this MD&A or to reflect the occurrence of unanticipated events. Forward-looking statements include, but are not limited to, statements with respect to the future metal prices, success of exploration activities, permitting timelines, currency fluctuations, requirements for additional capital, environmental risks, unanticipated reclamation expenses, title disputes or claims, limitations on insurance coverage and the timing and possible outcome of pending litigation.

In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking statements involve 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 any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks related to the integration of acquisitions; future price of metals; accidents, labor disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

Subsequent Events

On July 14, 2023, the Company entered into a debt settlement agreement to settle a total indebtedness of CAD \$300,000 with an arm's length party. The Company received TSX Venture Exchange approval and on July 27, 2023, allotted and issued an aggregate of 6,000,000 common shares in the capital of the Company at a deemed price of \$0.05 per share.