



**Management Discussion & Analysis  
Quarterly Highlights**

**For the nine months ended September 30, 2023**

**(Expressed in Canadian dollars)**

# **North Shore Uranium Ltd. (formerly Clover Leaf Capital Corp.)**

## **Management Discussion & Analysis – Quarterly Highlights**

### **For the nine months ended September 30, 2023**

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The following is management’s discussion and analysis, quarterly highlights (“MD&A”) of the results of operations and financial condition of North Shore Uranium Ltd. (formerly Clover Leaf Capital Corp.) (the “Company”) for the nine months ended September 30, 2023 and up to the date of this MD&A, and has been prepared to provide material updates to the business operations, financial condition, liquidity and capital resources of the Company since its last management’s discussion and analysis for the year ended December 31, 2022 (the “Annual MD&A”).

This MD&A should be read in conjunction with the Annual MD&A and the audited financial statements for the year ended December 31, 2022, together with the notes thereto, and the accompanying unaudited condensed interim financial statements, and related notes thereto, for the nine months ended September 30, 2023 (the “Financial Report”).

All financial information in this MD&A is derived from the Company’s financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”) and all dollar amounts are expressed in Canadian dollars unless otherwise indicated.

The effective date of this MD&A is November 22, 2023.

#### **CORPORATE OVERVIEW AND OUTLOOK**

The Company was incorporated on March 2, 2021 pursuant to the provisions of the Business Corporations Act (British Columbia). The corporate office and registered and records office of the Company is located at Unit 1 – 15782 Marine Drive, White Rock, BC, Canada, V4B 1E6.

On December 29, 2021, the Company filed its final prospectus to become a capital pool company (“CPC”) and for the Company’s initial public offering (“IPO”). On January 11, 2022, the Company became a reporting issuer in the provinces of British Columbia and Alberta as a result of the filing of its final prospectus. On March 22, 2022, the Company completed its IPO through the issuance of 4,650,000 common shares at a price of \$0.10 per share for gross proceeds of \$465,000, following which its common shares were listed on the TSX Venture Exchange (“TSX-V”). The Company’s shares commenced trading on the TSX-V on March 24, 2022 under the symbol CLVR.P.

#### **QUALIFYING TRANSACTION**

On October 31, 2023, the Company and North Shore Energy Metals Ltd. (“North Shore”) completed a transaction that resulted in a reverse takeover of the Company by North Shore (the “Transaction”). The Transaction constituted the Company’s Qualifying Transaction.

On October 26, 2023, as a condition to the completion of the Transaction, North Shore closed a private placement (the “Concurrent Financing”) through the issuance of 7,530,660 non-flow-through subscription receipts at a price of \$0.30 for gross proceeds of \$2,259,198 and 200,200 flow-through subscription receipts at a price of \$0.35 for gross proceeds of \$70,070. Immediately prior to the closing of the Transaction, each subscription receipt was automatically converted into one common share of North Shore, and on closing of the Transaction, each North Shore share was exchanged for one common share of the Company pursuant to the terms of the share exchange agreement dated December 19, 2022, as amended, entered into among the Company, North Shore, and the shareholders of North Shore.

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### **For the nine months ended September 30, 2023**

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The Company also paid cash finder's fees of \$64,705 and issued 210,014 finder's warrants. Each North Shore finder's warrant was exchanged in connection with the Transaction for a finder's warrant of the Company exercisable into one common share at a price of \$0.30 for a period of 24 months.

On closing of the Transaction, the shareholders of North Shore were issued one common share of the Company for every common share of North Shore held, or 24,455,960 common shares.

Following completion of the Transaction (and prior to the Concurrent Financing), North Shore shareholders will own approximately 59% of the combined company resulting in the shareholders of North Shore controlling Clover Leaf.

Although Clover Leaf will be regarded as the parent for legal purposes, North Shore will be the acquirer for accounting purposes. Consequently, North Shore will be deemed to be a continuation of the reporting entity, and control of the net assets and operations of Clover Leaf will be deemed to have been acquired in consideration for the issuance of Clover Leaf shares to the shareholders of North Shore.

In connection with closing of the Transaction, the Company issued 500,000 common shares pursuant to the May 2023 Falcon option agreement (as described in the amended and restated filing statement of the Company and North Shore dated September 21, 2023).

Concurrent with closing of the Transaction, the Company changed its name from Clover Leaf Capital Corp. to North Shore Uranium Ltd. and now trades on the TSX-V under the symbol NSU.

#### **EXPLORATION PROJECTS**

North Shore Uranium Ltd., through its wholly owned subsidiary, North Shore Energy Metals Ltd., holds the Falcon and West Bear properties located in northern Saskatchewan.

##### *Falcon uranium property*

The Falcon property originally consisted of four mineral claims totalling 12,791 hectares located approximately six kilometres southeast of the margin of the Athabasca basin which hosts two producing uranium mines. In May 2023, the Company entered into an option agreement to acquire a majority interest in 11 claims increasing the size of the property to 15 claims totalling approximately 55,700 hectares. The Falcon property area has seen intermittent exploration for uranium since the 1960s.

In 2022, the Company completed a fixed-wing airborne gravity-magnetic-radiometric airborne geophysical survey covering all of the original four Falcon property claims. The data from the airborne survey, proprietary data from the 11 claims subject to the May 2023 option agreement and publicly available geologic and geophysical data is being assessed by the Company to prioritize target zones with uranium potential for exploration. The exploration would consist of further desktop studies which are ongoing, ground geophysical surveys, prospecting and geologic mapping that would commence in 2024 and the drilling of the most prospective uranium targets 2024.

# North Shore Uranium Ltd. (formerly Clover Leaf Capital Corp.) Management Discussion & Analysis – Quarterly Highlights For the nine months ended September 30, 2023

## West Bear uranium property

The West Bear property consists of five mineral claims totalling 4,511 hectares located at the eastern edge of the Athabasca Basin which hosts two producing uranium mines. The West Bear property area has seen significant levels of uranium exploration activity since the 1960s.

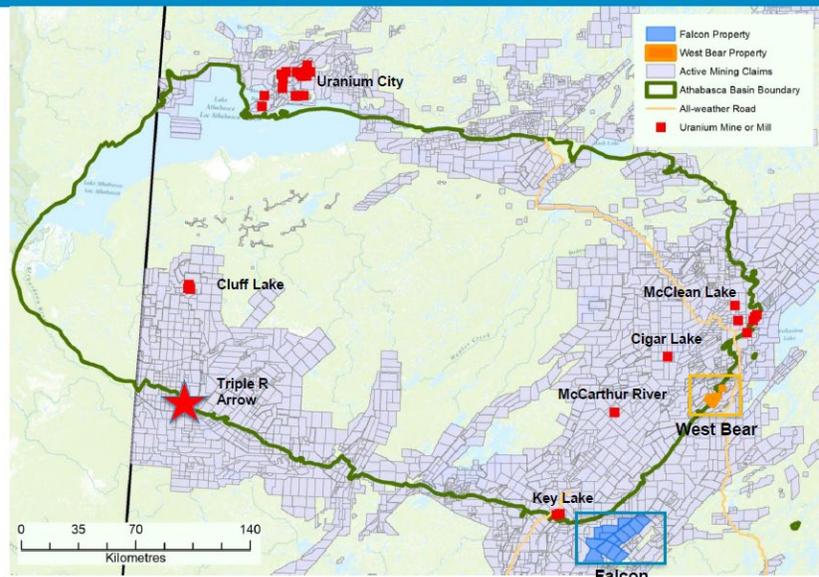
In 2022, the Company completed a fixed-wing airborne gravity-magnetic-radiometric airborne geophysical survey covering approximately 80 percent of the West Bear property. The data from the airborne survey and publicly available geologic and geophysical data is being assessed by the Company to prioritize target zones with uranium potential for future exploration. The exploration would consist of further desktop studies which are ongoing, and ground geophysical surveys and geologic mapping starting in the third quarter of 2024. If warranted, this work would be followed by the drilling of the most prospective target zones.

## OVERVIEW OF EASTERN ATHABASCA BASIN PROPERTIES

Two exploration properties totaling **60,210 ha** at the eastern margin of the Basin, Falcon and West Bear, which are close to:

- Two globally significant active uranium mines, Cigar Lake and McCarthur River that produce 100% of Canada's uranium; and
- Operating uranium mills located at McClean Lake and Key Lake that process the mined uranium ore from the two mines

*Excitement is building over increasing geological knowledge and new discoveries at the eastern margin of the Basin.*



*Mine and mill locations, claim data and geologic information from Saskatchewan government database.*

NORTH SHORE URANIUM LTD.

6

## QUALIFIED PERSON

Brooke Clements, P.Geo. the President of the Company and a Qualified Person as defined by NI 43-101, has reviewed and approved the exploration information contained in this MD&A.

# **North Shore Uranium Ltd. (formerly Clover Leaf Capital Corp.)**

## **Management Discussion & Analysis – Quarterly Highlights**

### **For the nine months ended September 30, 2023**

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#### **LOAN FACILITY**

On April 6, 2023, the Company entered into a secured loan facility agreement with North Shore to provide interim funding for North Shore to complete certain property acquisition payments and meet other working capital needs prior to the completion of the Transaction. The maximum principal amount was \$250,000. The credit facility was at an interest rate of 7% per annum and payable no later than October 31, 2023.

During the nine months ended September 30, 2023, the Company loaned North Shore \$205,000 under the credit facility.

During the three and nine months ended September 30, 2023, the Company recorded interest income of \$3,617 and \$6,551, respectively.

On closing of the Transaction, the loan and accrued interest became an intercompany loan between the Company and North Shore.

#### **RESULTS OF OPERATIONS**

The loss for the nine months ended September 30, 2023 was \$151,670 compared to \$69,873 for the nine months ended September 30, 2022.

During the nine months ended September 30, 2023, the Company paid or accrued consulting fees of \$9,000 (2022 - \$9,000) for the services of a Chief Financial Officer, a Corporate Secretary, and accounting and administrative staff to the Company.

Professional fees for the nine months ended September 30, 2023 were \$125,428 (2022 - \$9,575) primarily related to legal fees on the Transaction.

Regulatory and filing fees for the nine months ended September 30, 2023 were \$20,051 compared to \$16,524 in the prior period. In the current period, regulatory and filing fees primarily relate to filing fees on the Transaction, whereas in the prior period, they primarily related to the Company's IPO on the TSX-V in March 2022.

No stock options were granted during the nine months ended September 30, 2023. During the nine months ended September 30, 2022, the Company recorded share-based compensation of \$30,948 on stock options that were granted during the period.

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## Management Discussion & Analysis – Quarterly Highlights

### For the nine months ended September 30, 2023

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#### LIQUIDITY AND CAPITAL RESOURCES

During the nine months ended September 30, 2023, the Company spent \$224,435 on operating activities, net of working capital changes, and \$205,000 on investing activities to end at September 30, 2023 with \$172,118 cash.

As at September 30, 2023, the Company had working capital of \$392,455. Subsequent to September 30, 2023, and concurrent with closing of the Transaction, North Shore completed a private placement for gross proceeds of \$2,329,268 (as described above). However, management estimates that these funds may not provide the Company with sufficient financial resources to carry out currently planned operations through the next twelve months. Additional financing may be required by the Company to complete its strategic objectives and continue as a going concern. While the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

#### RELATED PARTY TRANSACTIONS

The Company had no other related party transactions other than those incurred in the normal course of business as disclosed in the Financial Report.

#### ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

The Company has no disclosure.

#### OUTSTANDING SHARE DATA AS AT THE DATE OF THIS MD&A

Authorized: an unlimited number of common shares without par value.

	Number of Shares	Warrants	Stock Options
Balance, September 30, 2023	11,850,000	465,000	1,185,000
Qualifying Transaction	24,455,960	210,014	-
Shares for E&E assets	500,000	-	-
Balance, the date of this MD&A	36,805,960	675,014	1,185,000

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## Management Discussion & Analysis – Quarterly Highlights

### For the nine months ended September 30, 2023

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#### CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A includes "forward-looking statements", within the meaning of applicable securities legislation, which are based on the opinions and estimates of management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgment regarding the direction of our business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions, or other future performance suggested herein.

Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words suggesting future outcomes or statements regarding an outlook. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. These forward-looking statements include but are not limited to statements concerning:

- The Company's ability to identify, successfully negotiate and/or finance an acquisition of a new business opportunity
- The Company's success at completing future financings
- The Company's strategies and objectives
- General business and economic conditions
- The Company's ability to meet its financial obligations as they become due
- The positive cash flows and financial viability of new business opportunities
- The Company's ability to manage growth with respect to a new business opportunity
- The Company's tax position, anticipated tax refunds and the tax rates applicable to the Company

Readers are cautioned that the preceding list of risks, uncertainties, assumptions and other factors are not exhaustive. Events or circumstances could cause actual results to differ materially from those estimated or projected and expressed in, or implied by, these forward-looking statements. Due to the risks, uncertainties, and assumptions inherent in forward-looking statements, investors in securities of the Company should not place undue reliance on these forward-looking statements.

#### ADDITIONAL INFORMATION

Additional information relating to the Company is available at SEDAR+.