FORAN

Management's Discussion and Analysis

For the three and six months ended June 30, 2023 and 2022

TABLE OF CONTENTS

FORWARD LOOKING STATEMENTS 3
NATURE OF BUSINESS 4
OUTLOOK FOR 2023 5
RECENT EVENTS AND DEVELOPMENTS 6
MINERAL PROPERTIES 6
  MCILVENNA BAY PROPERTY 7
  BIGSTONE PROPERY 10
OVERALL PERFORMANCE 10
  SELECTED FINANCIAL INFORMATION 10
  RESULTS OF OPERATIONS 11
  SUMMARY OF QUARTERLY RESULTS 12
  CASH FLOWS 12
LIQUIDITY AND CAPITAL RESOURCES 13
TABLE OF CONTRACTUAL OBLIGATIONS 15
OFF-BALANCE SHEET ARRANGEMENTS 15
RELATED PARTY TRANSACTIONS 15
SHARE CAPITAL 15
PROPOSED TRANSACTIONS 15
CRITICAL ACCOUNTING POLICIES AND ESTIMATES 16
CONTROLS AND PROCEDURES 16
FINANCIAL INSTRUMENTS 16
RISKS AND UNCERTAINTIES 17
QUALIFIED PERSON 18

This Management's Discussion and Analysis ("**MD&A**") of the financial position and results of operations for Foran Mining Corporation (the "**Company**" or "**Foran**") should be read in conjunction with the audited consolidated financial statements of the Company as at and for the year ended December 31, 2022 and unaudited condensed consolidated interim financial statements for the three and six months ended June 30, 2023 and the related notes thereto, which have been prepared using accounting policies consistent with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**"). For further information on the Company, reference should be made to its public filings on SEDAR+ at www.sedarplus.com or the Company's website at www.foranmining.com.

This MD&A is prepared by management and approved by the Board of Directors as of August 10, 2023. The discussion covers the three ("**Q2 2023**") and six months ended June 30, 2023 and the subsequent period up to the date of issuance of this MD&A. All amounts are stated in Canadian dollars unless otherwise indicated.

FORWARD LOOKING STATEMENTS

This MD&A contains certain forward-looking information and forward-looking statements, as defined under applicable securities laws (collectively referred to herein as "forward - looking statements"). These statements relate to future events or to the future performance of the Company and reflect management's expectations and assumptions as of the date hereof or as of the date of such forward- looking statement.

All statements other than statements of historical fact are forward-looking statements. The forward - looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. Readers are cautioned not to place undue reliance on these statements and should note that the assumptions and risk factors discussed in this MD&A are not exhaustive. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A. All forward-looking statements herein are qualified by this cautionary statement. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Inherent in forward - looking statements are known and unknown risks, estimates, assumptions, uncertainties and other factors that 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 contained in this MD&A. These factors include, but are not limited to, management's belief, expectations and response to the following: The Company's reliance on McIlvenna Bay (as defined below); The Company has a history of losses and may not be able to generate sufficient revenue to be profitable or to generate positive cash flow on a sustained basis; The Company is exposed to risks related to mineral resources exploration and development; Activities of the Company may be impacted by the COVID-19 Pandemic, Infectious Diseases and other health crises; The current global financial conditions are volatile and may impact the Company in various manners; The Company's business may be impacted by the Ukraine-Russia conflict; The Company has no history of mineral production; The Company is subject to government regulation and failure to comply could have an adverse effect on the Company's operations; Failure to comply with covenants under the Credit Facility (as defined below) may have a material adverse impact on the Company's operations and financial conditions; The Company may be involved in legal proceedings which may have a material adverse impact on the Company; The market price of the Company's common shares may be subject to volatility and a lack of an active market for the Company's common shares may develop; The Company may be unable to obtain adequate insurance to cover risks; The Company's operations are subject to extensive environmental, health and safety regulations; Mining operations involve hazards and risks; The Company may not be able to acquire or maintain satisfactory mining title rights to its property interests; Indigenous peoples' title claims may adversely affect the Company's ability to develop its mineral projects; The Company's operations require the acquisition and maintenance of permits and licenses, and strict regulatory requirements must be adhered to; Mineral resource and mineral reserve estimates are based on interpretations and assumptions that may not be accurate; Uncertainties and risks relating to the 2022 Feasibility Study; The estimation of mineral resources and reserves; The realization of mineral resource and reserve estimates; There is no assurance that the Company's exploration and development programs and properties will result in the discovery, development or production of a commercially viable ore body or develop new resources; Metals prices are subject to wide fluctuations; The mining industry is highly competitive; The Company's success is largely dependent on management; The Company has a limited history of operations; Loss of key personnel could materially affect the Company's operations and financial condition; The Company may require additional financing and future share issuances may adversely impact share prices; Exercise or settlement of outstanding options, restricted share units, deferred share units and warrants may be dilutive; Price volatility of publicly traded securities may affect the market price of the Company's common shares; The Company's operations may be adversely impacted by the effects of climate change and climate change regulation; Inadequate infrastructure may affect the Company's operations; The Company's future success depends on its relationships with the communities in which it operates; Reputational damage could adversely affect the Company's operations and profitability; The Company may be subject to production risks; The Company has incurred substantial losses and may never be profitable; The Company may use certain financial instruments that subject it to a number of inherent risks; The Company may not be able to complete acquisitions it pursues and any completed acquisitions or business arrangements may ultimately not benefit its business; The Company has no history of paying dividends; The Company may be subject to potential conflicts of interest with its directors and/or officers; Any enforcement proceedings under Canada's Extractive Sector Transparency Measures Act against the Company could adversely affect the Company; Security breaches of the Company's information systems could adversely affect the Company; The expected commencement of additional drilling; The receipt of assay results, and the additional risks identified in our filings with Canadian securities regulators on SEDAR+ in Canada (available at www.sedarplus.com).

The forward-looking statements contained in this MD&A reflect the Company's current views with respect to future events and are based upon a number of assumptions that, while considered reasonable by the Company, are inherently subject to significant operational, business, economic and regulatory uncertainties and contingencies. These assumptions include: the Company's mineral reserve and resource estimates and the assumptions upon which they are based, including geotechnical and metallurgical characteristics of rock confirming to sampled results and metallurgical performance; tonnage of ore to be mined and processed; ore grades and recoveries; assumptions and discount rates being appropriately applied to the technical studies; success of the Company's projects, including McIlvenna Bay; prices for zinc, copper, gold and silver remaining as estimated; currency exchange rates remaining as estimated; availability of funds for the Company's projects; capital decommissioning and reclamation estimates; mineral reserve and resource estimates and the assumptions upon which they are based; prices for energy inputs, labour, materials, supplies and services (including transportation); no labour-related disruptions; no unplanned delays or interruptions in scheduled construction and production; all necessary permits, licenses and regulatory approvals are received in a timely manner; the investment of Ontario Teachers' (as defined below) in the McIlvenna Bay Project; and the ability to comply with environmental, health and safety laws. The foregoing list of assumptions is not exhaustive.

NATURE OF BUSINESS

The Company was originally incorporated under the laws of British Columbia ("**BC**") on June 21, 1989. The Company is a reporting issuer in BC, Alberta, Ontario, New Brunswick, Nova Scotia and Newfoundland and Labrador. The Company's common shares are traded on the Toronto Stock Exchange under the symbol "FOM". The Company's principal business activity is the acquisition, exploration and development of mineral properties with the objective of discovering mineral reserves and the development of an operating mine. The Company's flagship property is its 100% owned McIlvenna Bay property in Saskatchewan, Canada, 65 kilometres ("**km**") west of Flin Flon, Manitoba. Further information regarding the business of Foran, its operations and its mineral properties can be found in the most recent Annual Information Form filed on SEDAR+ and found at www.sedarplus.com.

To date the Company has not generated any revenues.

Foran is presently in the pre-development stage after announcing the results from a Feasibility Study for the McIlvenna Bay Project (“**McIlvenna Bay**”). McIlvenna Bay is a copper (“**Cu**”) - zinc (“**Zn**”) - gold (“**Au**”) - silver (“**Ag**”) rich volcanic hosted massive sulphide deposit intended to be the center of a new mining camp in a prolific district that has already been producing for 100 years.

Foran's objective is to build McIlvenna Bay based on the Company's carbon neutrality goals and initiatives, part of a broader mission to create a blueprint for responsible mining that is upheld as leading practice globally. Foran is committed to creating value for all stakeholders, which includes working with and supporting local communities, providing safe employment, ensuring diversity and equality, enhancing biodiversity, and not contributing to climate change.

OUTLOOK FOR 2023

Surface Prep and Exploration Decline

The underground development associated with the exploration decline is planned to be 1,475 metres in length upon completion. During the year-ended December 31, 2022, total costs incurred were $26 million, including $9 million on underground development and supporting infrastructure on surface. Pre-conditioning of the sandstone by jet grouting from surface was completed and approximately 132 metres were advanced, 67m of which were through the challenging sandstone layer in 2022.

After pausing the decline development in late 2022, the Company anticipates restarting the development of the decline in August of 2023 following the receipt of water treatment discharge permits. Approximately 400 metres of development is expected to be completed during 2023 with the remaining metres expected to be completed in 2024.

Early Works

Early Works commenced in 2022 and focused primarily on securing long lead items including the semi-autogenous grinding (“SAG”) and ball mills, primary crusher, flotation circuits and underground mobile equipment.

During 2023, and in advance of a construction decision, the Company’s early works program is expected to focus on the following key areas:

- Detailed engineering for surface and underground infrastructure;
- Procurement and installation of both temporary and permanent construction camps;
- Complete definition phase of the SaskPower transmission line and initiate the development phase;
- Long-lead mobile mining equipment procurement;
- Procurement of surface infrastructure including warehouse, truck shop, pre-engineering building and modular office complex; and
- Commissioning of the LNG power plant for the construction phase.

Exploration

Exploration activities in 2022 were primarily focused on regional targets in close proximity to the McIlvenna Bay Deposit as well as the adjacent Bigstone Property. Exploration in 2022 was highlighted by the discovery of the Tesla Zone, a new zone of near-mine mineralization located approximately 300 metres from the currently defined McIlvenna Bay Deposit.

During 2023, the Company continues to focus on regional exploration of its land holdings and the expansion of the Tesla Zone. For the six months ended June 30, 2023, the Company has completed approximately 18,500 metres of drilling and by the conclusion of 2023, the Company plans to complete approximately 34,000 metres of drilling, including:

- 22,000 metres of drilling on regional targets in the McIlvenna Bay area, including the Tesla Zone;
- 3,500 meters of drilling on other regional targets in the Hanson Lake area;
- 3,000 metres of drilling at Bigstone focused on new discoveries; and
- 5,500 metres of drilling at McIlvenna Bay for metallurgical and infill purposes,

For the remainder of 2023, Foran is planning to focus on additional Tesla Zone drilling in an effort to continue to expand the mineralized horizons, along with drill testing of several exploration targets in close proximity to the McIlvenna Bay, Hanson Lake and along the Bigstone trend to the west. In addition, a large program of airborne geophysics is also planned for the second half of 2023, mostly focused on the Company's extensive land holdings to the south of McIlvenna Bay and Bigstone.

RECENT EVENTS AND DEVELOPMENTS

- On July 26, 2023, the Company announced that its wholly-owned subsidiary, McIlvenna Bay Operating Ltd had received Ministerial Approval under the Environmental Assessment Act (Saskatchewan) for the McIlvenna bay Project, which concludes the Environmental Impact Assessment process for the McIlvenna Bay Project.

- On July 17, 2023, the Company announced the signing of a Collaboration Agreement between the Peter Ballantyne Cree Nation ("PBCN") and Foran's wholly-owned subsidiary, McIlvenna Bay Operating Ltd.

- On June 7, 2023, the Company announced that its common shares were approved for listing on the Toronto Stock Exchange ("TSX") and commenced trading on the TSX on June 12, 2023.

- On May 11, 2023, the Company announced the appointment of Jessica McDonald and Nancy Guay to its Board of Directors. Ms. McDonald brings extensive experience in the clean energy, mining and government sectors. Ms. McDonald's career includes past leadership roles such as President and Chief Executive Officer of BC Hydro and she currently sits on the board of GFL Environmental (TSX:GFL). Ms. Guay is currently the Vice President, Technology, Optimization & Innovation at Agnico Eagle Mines Ltd. and brings 25 years of experience in the mining industry with extensive technical and operational expertise.

- On May 11, 2023, the Company announced that Darren Morcombe was stepping down as Director of the Company after more than 12 years of dedicated service. During his tenure, Mr. Morcombe provided strong stewardship and played a significant role in advancing the Company to its current state. Mr. Morcombe will remain with the Company as a strategic advisor.

- On March 27, 2023, the Company closed a private placement (the "Offering") for aggregate gross proceeds of $100 million. The net proceeds of the Offering are expected to be used for exploration and development of the Company's mineral projects in Saskatchewan, and for working capital and general corporate purposes.

- On February 23, 2023, the Company announced the appointment of Majd Bakar to its Board of Directors. Mr. Bakar brings a wealth of experience and knowledge from the technology sector to Foran's Board, having spent over 20 years holding key positions at Google and Microsoft.

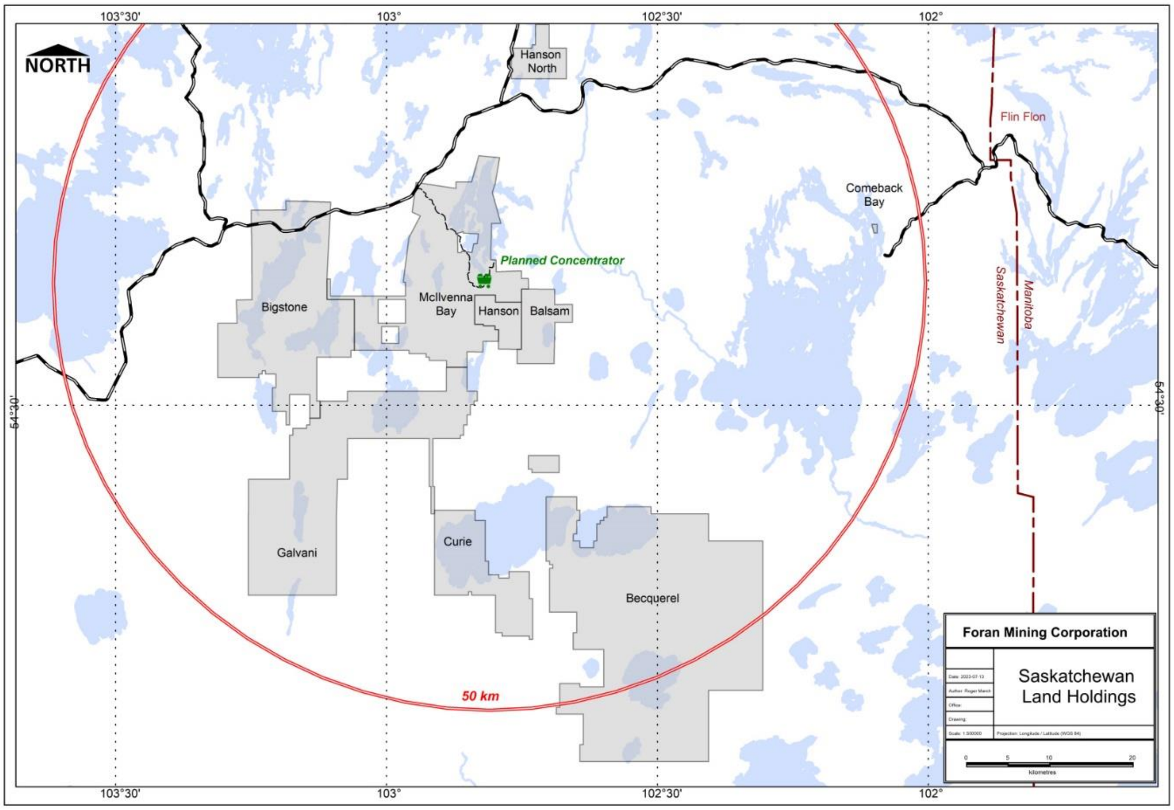
- From January 2023 to June 2023, the Company completed several drill programs encompassing over 18,500 metres of drilling at its regional targets in the McIlvenna Bay area, including the Tesla Zone and metallurgical and infill drilling at the McIlvenna Bay Deposit.

MINERAL PROPERTIES

As of the date of this MD&A, the Company has nine properties in Saskatchewan comprising a total of 112 mining claims covering approximately 159,542 hectares ("ha"), located between 15 and 102 km west of Flin

Flon, Manitoba. All tenements are within 63 km of the McIlvenna Bay Deposit where a centralized processing facility is proposed to be constructed.

Four properties are higher priority: the McIlvenna Bay Property, which contains the McIlvenna Bay Deposit and the Tesla Zone; and three adjacent properties - Hanson, Balsam and Bigstone, all of which occur at the western limit of the Flin Flon Greenstone Belt. All four properties are underlain by prospective felsic volcanic stratigraphy that hosts variably significant volcanic-hosted massive sulphide ("**VHMS**") styles of alteration and mineralization. The Comeback Bay property, also located in Saskatchewan, is of lower priority but has both precious and base metal VHMS potential within the western limit of the Flin Flon Arc Assemblage (Birch Lake Belt). The Galvani, Curie, Becquerel and Hanson North properties were recently acquired, and while at this time are of lower priority, they also have the potential to host significant precious and base metal VHMS occurrences.



Further details on the Company's significant properties are as follows:

MCILVENNA BAY PROPERTY

The Company has a 100% interest in the McIlvenna Bay Property in east central Saskatchewan. The McIlvenna Bay Property consists of 42 claims covering a total of 24,081 ha. The McIlvenna Bay Deposit is located on the McIlvenna Bay Property, approximately one km south of Hanson Lake, Saskatchewan, 375km northeast of Saskatoon, Saskatchewan and 65km west south-west of Flin Flon, Manitoba. The McIlvenna Bay Deposit is linked to Flin Flon, Manitoba by 85km of highway followed by 18km of unsealed secondary road.

The McIlvenna Bay Deposit was discovered in 1988 and includes two distinct styles of VHMS mineralization which include massive to semi-massive sulphides and copper stockwork. Since 2011, the Company has been working to advance the McIlvenna Bay Deposit through continued exploration, resource definition and environmental and engineering studies.

Some of the claims that make up the McIlvenna Bay Property are subject to a Net Tonnage Royalty of $0.75 per tonne of ore extracted.

Cameco Corporation and BHP Billiton collectively hold a 1% Net Smelter Return royalty interest on McIlvenna Bay, which can be repurchased by the Company at any time for $1 million.

The claims that comprise the McIlvenna Bay Property are in good standing for periods between 2 and 19 years.

2023 Activity

Tesla Zone

The Tesla Zone lies adjacent to the McIlvenna Bay Deposit and was discovered during the 2022 summer program while drill testing a 900m long by 300m wide EM conductor, located 300m north of the McIlvenna Bay Deposit.

Drilling during Q1 and Q2 2023 continued to intersect significant widths of copper and zinc-rich sulphide mineralization at Tesla and has expanded the currently defined strike length of the zone to 550 metres. Tesla remains open in all directions for expansion with further drilling. During Q2 2023, prior to spring breakup, the Company completed approximately 1,300 metres of drilling on the Tesla Zone. For 2023, the Company has completed 11,400 metres of drilling of its full-year plan of approximately 15,000 metres at Tesla. Prior to the end of Q2, the summer drill program was just getting underway with three drills targeting both expansion of the Tesla Zone along the strike to the north and investigating a potential connection between the Tesla Zone and the current McIlvenna Bay deposit.

Key highlights for 2023 include:

- Hole TS-23-10:
  - 39.0m grading 2.86% Cu, 0.88% Zn, 41.4 g/t Ag and 0.74 g/t Au, including 11.2m grading 4.97% Cu, 1.72% Zn, 60.2 g/t Ag and 1.26 g/t Au;
  - 5.9m grading 0.54% Cu, 7.18% Zn, 24.9 g/t Ag and 0.16 g/t Au, including 1.4m grading 0.22% Cu, 13.67% Zn, 20.8 g/t Ag and 0.09 g/t Au;
  - 3.5m grading 6.47% Cu, 1.49% Zn, 86.5 g/t Ag and 0.03 g/t Au, including 2.11m grading 9.95% Cu, 0.99% Zn, 127.8 g/t Ag and 0.04 g/t Au.

- Hole TS-23-08:
  - 16.9m grading 1.1% Cu, 6.1% Zn, 30.4 g/t Ag and 0.02 g/t Au,
  - 32.1m grading 2.0% Cu, 1.1% Zn, 21.5 g/t Ag and 0.02 g/t Au, including 3.6m grading 4.2% Cu, 2.0% Zn, 29.5 g/t Ag and 0.001 g/t Au.
- Hole TS-23-07w1:
  - 34.3m grading 0.25% Cu, 8.47% Zn, 57.5 g/t Ag and 0.41 g/t Au, including 19.8m grading 0.25% Cu, 12.44% Zn, 74.6 g/t Ag and 0.37 g/t Au.

The proximity of the Tesla zone to the McIlvenna Bay Project suggests that a potential future mining scenario could benefit from economies of scale and the existing and planned infrastructure of the McIlvenna Bay Project.

Other Regional Targets

A helicopter-supported program focused on drill testing a number of regional exploration targets located in the Hanson Lake area within 5-10km of the McIlvenna Bay Deposit is scheduled to begin in August.

McIlvenna Bay Project

During 2023, the Company has completed 4,956 metres of mostly infill drilling at the McIlvenna Bay Project in 26 holes designed to increase the confidence in certain areas of the deposit identified for near term production. The drilling also included a number of larger diameter (PQ sized) drill holes completed to collect additional sample material for further metallurgical test work.

Surface Prep & Exploration Decline

During Q2 2023, decline development remained on standby as the Company focused on the construction and commissioning of the temporary water treatment plant and the award of a contract for the next phase of underground development.

Total costs incurred over the quarter pertaining to decline development were $2.2 million, which primarily related to additional grouting, water treatment and the purchase of dormitories.

Detailed Engineering

During Q2 2023, detailed engineering and procurement services continued in relation to surface mineral processing facilities and associated support infrastructure. As of June 2023, overall progress of surface engineering was 41.5% (as compared to plan of 43.3%).

Early Works

During Q2 2023, the Company procured cyclones, thickeners and backup power generators and awarded contracts for the earthworks and installation of the construction camp and associated equipment. Progress payments were paid for certain long-lead items including the construction camp, warehouse, flotation cells, concentration filtration, concentration regrind, mills, and the crushing and grinding circuit.

The tendering process for the underground mine development contractor and grouting scope is underway and a temporary effluent treatment vendor was selected for the initial dewatering stage of the underground development. A tailings management facility engineering firm was selected with final designs progressing.

Pursuant to an agreement dated June 3, 2022, the Company has funded a discovery phase of a project, to be carried out by SaskPower, to consider the viability of the construction of a ~110kV transmission line to provide electrical service to the McIlvenna Bay Project. The discovery phase agreement was modified in June 2023 to include geotechnical and site works. Upon written notice from SaskPower advising that the discovery phase services have been completed, the Company will have 60 days to enter into a construction agreement.

On July 25, 2022, the Company selected Sandvik as the preferred supplier for underground mobile equipment that will be used for potential future mining at the McIlvenna Bay Project and made a $2.2 million deposit to secure the 2023 deliveries. Subsequent to Q2, 2023, the Company made a $1.0 million payment for the fabrication of the first mobile equipment to be delivered in Q3, 2023.

Community and Permitting

Subsequent to Q2 2023, the Company signed a landmark Collaboration Agreement with PBCN, an integral partner of the McIlvenna Bay Project.

Foran has also reached a significant milestone, with the Ministerial Approval of its McIlvenna Bay Project. The Ministerial Approval concludes the Environmental Impact Assessment process for the McIlvenna Bay Project and now enables the Company to progress with addressing required conditions and securing necessary approvals to construct and operate prior to entering into full construction.

BIGSTONE PROPERY

The Company holds a 100% interest in Bigstone Property, which is comprised of 22 claims totalling approximately 24,578 hectares. The Bigstone Property is oriented north-south and covers roughly 20 km of prospective volcanic stratigraphy. Some of the claims that comprise the Bigstone Property are subject to a 2% NSR Royalty. The claims comprising the Bigstone Property are in good standing for a period of between 2 and 20 years.

On December 7, 2020, the Company announced an initial NI 43-101 compliant resource at Bigstone. This represents the second NI 43-101 compliant resource defined by Foran within the Hanson Lake District and could be an important contributor to a potential long-life mining camp that may be developed in the region. Indicated resources are estimated at 1.98 Mt grading 2.22% CuEq and inferred resources are estimated at 1.88 Mt grading 2.14% CuEq.

The 2023 drill plan of up to 3,000 metres includes a summer helicopter-supported drill program on the Bigstone Property focused on a number of known electromagnetic conductors that have been defined along the Bigstone trend.

OVERALL PERFORMANCE

SELECTED FINANCIAL INFORMATION

Expressed in thousands of Canadian dollars		June 30, 2023		December 31, 2022
Cash and cash equivalents	$	137,310	$	87,322
Exploration and evaluation assets		186,482		140,812
Total assets		333,476		236,734
Accounts payable and accrued liabilities		11,694		8,902
Share-based payment liabilities		6,585		5,210
Flow-through share premium liability		7,480		-
Total non-current liabilities		36,091		34,321
Total liabilities		62,065		49,033

The Company's total assets as at June 30, 2023 were $333.5 million compared to $236.7 million as at December 31, 2022, an increase of $96.8 million. The increase in assets is explained below:

- <u>Cash and cash equivalents</u>: The increase from December 31, 2022 relates to the Offering (net of transaction costs) of approximately $95.0 million. The net proceeds were partially offset by exploration and evaluation expenditures and general and administrative expenses.

- <u>Exploration and evaluation assets</u>: The increase from December 31, 2022 was primarily a result of the Company's 2023 work program on its McIlvenna Bay property. The most significant costs were early work costs at $18.3 million, detailed engineering costs of $6.9 million and drilling costs of $5.6 million.

The Company's total liabilities as at June 30, 2023 were $62.1 million compared to $49.0 million as at December 31, 2022, an increase of $13.1 million. The increase in liabilities is explained below:

- <u>Flow-through share premium liability:</u> The increase from December 31, 2022 was due to the Company issuing common shares on a flow-through basis for gross proceeds of $25.0 million as part of the Offering which closed on March 27, 2023. The flow-through share premium liability will be amortized to other income as qualifying exploration expenditures are incurred by the Company.

- Share-based liabilities: The increase from December 31, 2022 was due to the issuance of deferred share units ("**DSUs**") to the Company's CEO and previous Executive Director in accordance with the Company's long-term incentive plans ("**LTIP**"), a reclassification of the restricted share units ("**RSUs**") obligation from equity to liabilities due to a modification to the terms of the RSUs, and the appreciation of the Company's share price during the six months ended June 30, 2023.

In order to maximize ongoing exploration efforts, the Company has not and does not currently intend to pay dividends.

RESULTS OF OPERATIONS

Expressed in thousands of Canadian dollars	Three months ended June 30, 2023	2022	Six months ended June 30, 2023	2022
Consulting	$ 322	$ 148	$ 1,004	$ 403
Depreciation	-	34	-	58
Directors' fees	62	60	125	128
Investor relations	270	112	385	273
Office and administration	409	256	774	389
Professional fees	332	193	538	448
Salaries and benefits	596	447	1,133	982
Share-based payment expense	(65)	(209)	3,008	1,448
Total general and administration	$ 1,926	$ 1,041	$ 6,967	$ 4,129
Other (income) loss	(1,683)	(288)	(652)	(390)
Total other income	(1,683)	(288)	(652)	(390)

Three months ended June 30, 2023 compared to 2022:

Details of the expenses and other items are as follows:

- Consulting fees: The increase in consulting fees were primarily related to corporate advisory services.

- Office and administration: The increase in office and administration costs were primarily related to the TSX uplisting, increased corporate travel costs and increased technology costs associated with various system upgrades.

- Share-based payment expense: The decrease in share-based payment expense was due to the Company's share price decreasing from $3.95 per share on March 31, 2023 to $3.52 per share on June 30, 2023. This was partly offset by an increase in the RSU expense due to a modification to the terms of the RSUs.

- Other income: The increase in other income was primarily due to the recognition of the flow-through share premium, partly offset by an increase in interest expense associated with the Credit Facility.

Six months ended June 30, 2023 compared to 2022:

Details of the expenses and other items are as follows:

- Consulting fees: The increase in consulting fees were primarily related to corporate advisory services.

- Office and administration: The increase in office and administration costs were primarily related to the TSX uplisting, increased corporate travel costs and increased technology costs associated with various system upgrades.

- Share-based payment expense: The increase in share-based payment expense was due to the issuance of share-based compensation to certain key management personnel in accordance with the Company's LTIP, increase in the RSU's expense due to the change in valuation and non-cash revaluations of outstanding DSUs and RSU's, with the Company's share price increasing from $2.99 per share on December 31, 2022 to $3.52 per share on June 30, 2023.

- Other income: The increase in other income was primarily due to the recognition of the flow-through share premium, partly offset by an increase in interest expense associated with the Credit facility.

SUMMARY OF QUARTERLY RESULTS

The following table summarizes selected unaudited financial data for the last eight quarters which have been derived from the financial records of the Company.

The Company has increased its activity significantly throughout 2021, 2022 and the first half of 2023 and is in the midst of an early works program, constructing an exploration decline and related surface preparation at its McIlvenna Bay Project.

(Expressed in thousands of Canadian dollars, except share information)	Q2, 2023	Q1, 2023	Q4, 2022	Q3, 2022
General and administration expenses	1,926	5,040	4,554	1,793
Other (income) and expenses	(1,683)	1,031	(111)	(187)
Net loss for the period	243	6,071	4,443	1,606
Net loss per share (basic and diluted)	0.00	0.02	0.02	0.01
Weighted average shares outstanding (basic)	283,771,906	258,448,021	252,715,354	239,836,305

(Expressed in thousands of Canadian dollars, except share information)	Q2, 2022	Q1, 2022	Q4, 2021	Q3, 2021
General and administration expenses	1,041	3,088	1,796	2,038
Other (income) and expenses	(288)	(102)	(845)	(1,471)
Net loss for the period	753	2,986	1,624	567
Net loss per share (basic and diluted)	0.00	0.01	0.00	0.00
Weighted average shares outstanding (basic)	239,197,794	237,998,069	237,332,546	214,732,894

CASH FLOWS

Three months ended June 30, 2023 compared to 2022:

Cash and cash equivalents, excluding the impact of foreign exchange rate changes, decreased by $20.6 million during the three months ended June 30, 2023, to $137.3 million, from $158.4 million as at March 31, 2023. The decrease was primarily a result of $21.4 million of cash used in investing activities.

The $0.3 million of cash provided by operating activities consisted of a $0.7 million change in working capital, partially offset by a $0.2 million net loss and $0.2 million of items not involving cash.

The $21.4 million of cash used in investing activities consisted of exploration and evaluation expenditures, primarily related to early works at McIlvenna Bay.

The $0.5 million of cash provided by financing activities consisted primarily of the excise of $0.3 million in options and $0.3 million in warrants, partially offset by lease payments of $0.1 million.

Six months ended June 30, 2023 compared to 2022:

Cash and cash equivalents, excluding the impact of foreign exchange rate changes, increased by $50.5 million during the six months ended June 31, 2023, to $137.3 million, from $87.3 million as at December 31, 2022. The increase was primarily a result of $95.9 million of cash provided by financing activities, partially offset by $43.0 million used in investing activities.

The $2.4 million of cash used in operating activities consisted of a $6.3 million net loss and $0.2 million change in working capital, partially offset by $4.1 million of items not involving cash.

The $43.0 million of cash used in investing activities consisted of exploration and evaluation expenditures, primarily related to early works at McIlvenna Bay.

The $95.9 million of cash provided by financing activities consisted primarily of net cash of $95.0 million received from a private placement.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has in place a planning and budgeting process to determine the funds required to support the Company's operating requirements as well as its planned capital expenditures. The Company manages its financial resources to ensure that there is sufficient working capital to fund near-term planned exploration work and operating expenditures. The Company has considerable discretion to reduce or increase plans or budgets depending on current or projected liquidity. The Company does not currently own or have an interest in any producing mineral properties and does not derive any revenues from operations.

Operational activities have been funded through debt financing and the issuance of share capital by way of private placements and stock option and warrant exercises. As at June 30, 2023, the Company had current assets in excess of current liabilities of $112.6 million (December 31, 2022: $73.7 million).

Credit Facility

On December 20, 2022, the Company closed the Credit Facility with Sprott (the "Credit Facility"), with the following key terms:

- US$150 million non-revolving facility with a maturity date of September 30, 2030.

- Interest shall accrue at a floating rate of 6.95% per annum plus the greater of the Secured Overnight Financing Rate ("SOFR") and 2.00% per annum. Interest costs may be deferred and capitalized until the end of the Availability Period, which is to be either 18 months following the company meeting certain drawdown conditions or June 30, 2025, whichever is earlier. After the Availability Period ceases, any remaining undrawn funds may, at the lender's discretion, be deposited into a blocked proceeds account, which would be available to the Company subject to certain conditions.

- Quarterly principal repayments will commence on June 30, 2026, in the amount of 4% of the outstanding principal balance at each repayment date.

- The Company may elect to prepay the outstanding principal amount in whole, including all accrued interest, at any time subsequent to December 20, 2025 (the "Voluntary Prepayment Option"). The Company would incur a premium of between 3% - 4% of the total amount prepaid in exercising the Voluntary Prepayment Option on or before December 20, 2027, and a 0% premium thereafter.

- The Company's obligations under the Credit Facility are guaranteed by the realizable value of the Company's assets. In addition, the Company is expected to maintain compliance with specified covenants (including financial covenants). The Company was in compliance with all covenants contained in the Credit Facility as at June 30, 2023.

- As at June 30, 2023, the Company has drawn US$29.5 million of the Credit Facility.

Share capital

The Company is authorized to issue an unlimited number of common shares, non-voting shares and preference shares, each with no par value.

The rights, privileges, restrictions and conditions of the non-voting shares are identical to those of the common shares, except that the non-voting shares will not entitle the holder thereof to vote at a shareholder meeting and that the non-voting shares may be converted, under certain conditions at the option of the holder, on a one-to-one basis into common shares. Once a non-voting share is converted into a common share, it shall have all the rights and privileges that attach to the common shares.

Private placement financing

On March 27, 2023, the Company completed the Offering whereby an aggregate of 24,687,300 common shares were issued for gross proceeds of $100.0 million. The Company issued 20,270,300 common shares at a price of $3.70 per share for gross proceeds of $75.0 million and 4,417,000 common shares on a flow-through basis at a price of $5.66 per flow-through share for gross proceeds of $25.0 million. Share issue costs totaled approximately $5.0 million.

As a result of subscribers paying a premium for the flow-through shares, the Company allocated $8.7 million of the gross proceeds of the flow-through shares to the flow-through share premium liability and the remaining $16.3 million to share capital.

The anticipated use of the $95.0 million net proceeds of the Offering as described below is based on the best estimates prepared by management of the Company.

Expressed in thousands of Canadian dollars	Anticipated use of net proceeds	Expenditures to June 30, 2023	Remaining as at June 30, 2023
Pre-construction & development	60,000	17,234	42,766
Exploration & studies	25,000	3,399	21,601
Corporate administration	10,029	-	10,029
Total expenditure	$ 95,029	$ 20,633	$ 74,396

The $100.0 million private placement (the “Fairfax Placement”) in 2021 with Fairfax contained restrictions on the conversion of the 27,777,778 non-voting shares issued to Fairfax. Such non-voting shares can only be converted to common shares upon a change of control event or upon disposal of the non-voting shares by Fairfax.

The proceeds from the Fairfax Placement have been largely spent on the surface prep & exploration decline, early works and exploration activities.

The Company’s project is evolving and not all of the development steps and associated costs are established at this time. In addition, there may be circumstances where, for sound business reasons, a reallocation of the funds may be necessary. The Company will update the use of the funds and the particular application of these funds in future management’s discussion and analysis.

The Company’s financial success is dependent on its ability to discover and advance economically viable mineral deposits. The exploration, development, and operation of the Company’s properties are expected to require additional financing, the availability of which is subject to several factors, many of which are beyond the Company’s control. While the Company has been successful in securing financing to date, there can be no assurances that it will be able to do so in the future, therefore, a material uncertainty exists that may cast significant doubt about the Company's ability to continue as a going concern.

TABLE OF CONTRACTUAL OBLIGATIONS

The Company enters into contracts that give rise to commitments in the normal course of business. The following table summarizes the contractual cash flows of the Company's financial liabilities and contractual obligations shown in contractual undiscounted cash flows, at June 30, 2023:

Expressed in millions of Canadian dollars		Total	Due in less than one year	Due in one to three years	Due in four to five years	Due after five years
Accounts payable and accrued liabilities	$	11.7	11.7	-	-	-
Leases	$	0.2	0.2	-	-	-
Credit Facility	$	35.3	-	-	18.9	16.4

OFF-BALANCE SHEET ARRANGEMENTS

As at the date of this MD&A, the Company does not have any off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

The Company's related party transactions for the three and six months ended June 30, 2023 and 2022 were as follows:

Expressed in thousands of Canadian dollars	Three months ended June 30,				Six months ended June 30,			
		2023		2022		2023		2022
Short-term benefits[1]	$	561	$	351	$	1,016	$	720
Directors' fees[2]		62		60		125		128
Share-based payments[3]		(156)		327		2,806		1,480
Total	$	467	$	738	$	3,947	$	2,328

1. Short-term benefits consisted of salaries and bonuses for key management personnel and fees paid to Gorilleo Advisors Limited, a company controlled by the CEO.
2. Directors' fees consist of cash retainers paid to the directors.
3. Share-based payment expense consists of RSUs, DSUs and stock options granted to key management personnel.

SHARE CAPITAL

As at the date of this MD&A, the Company had the following securities issued and outstanding:

- 256,705,480 common shares
- 27,777,778 non-voting shares
- Nil preference shares
- 15,438,335 stock options exercisable for common shares
- 5,714,285 warrants exercisable for common shares
- 1,792,375 deferred shares units convertible into common shares
- 236,667 restricted shares units convertible into common shares

PROPOSED TRANSACTIONS

Ontario Teachers' Pension Plan Investment

On August 8, 2022, the Company announced it had entered a non-binding term sheet with the Ontario Teachers Pension Plan Board ("**Ontario Teachers**"), which contemplates a transaction that would have Ontario Teachers' invest up to $200 million in the McIlvenna Bay Project.

If the proposed investment proceeds as expected, it would consist of a $180 million convertible secured interest-bearing instrument, with interest payable quarterly, in cash or common shares of the Company, at the Company's election. The instrument will be converted into a 19.99% equity interest of an operating subsidiary of the Company, which will hold the McIlvenna Bay Project and surrounding properties, upon achieving commercial production and certain other conditions. An additional $20 million of consideration would be payable upon the McIlvenna Bay Project reaching certain production thresholds.

The proposed investment will be conditional on, among other things, the execution of joint operating and governance agreements, as well as other conditions customary for a transaction of this nature.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

In preparing the accompanying condensed consolidated interim financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ. All estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognized in the period in which the estimates are revised and in any future periods affected. Information about critical judgements and estimates in applying accounting policies that have the most significant effect on amounts recognized in the condensed consolidated interim financial statements are the same as those described in the consolidated annual financial statements for the year ended December 31, 2022.

CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

The Company's management, with the participation of its Chief Executive Officer ("**CEO**") and Chief Financial Officer ("**CFO**"), has evaluated the design of the Company's disclosure controls and procedures. Based on the results of that evaluation, the Company's CEO and CFO have concluded that, as of June 30, 2023, the Company's disclosure controls and procedures framework provides reasonable assurance that the information required to be disclosed by the Company in reports it files is recorded, processed, summarized and reported, within the appropriate time periods and is accumulated and communicated to management, including the CEO and CFO, as appropriate to allow timely decisions regarding required disclosure. The design of any system of controls and procedures is based in part upon certain assumptions about the likelihood of future events. Therefore, even those systems determined effective can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

Changes in Internal Control over Financial Reporting

Management, including the CEO and CFO, has evaluated the Company's internal controls over financial reporting to determine whether any changes occurred during the period that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting. During the six months ended June 30, 2023 there have been no significant changes in internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting. Under the supervision and with the participation of management, including the CEO and CFO, management will continue to monitor and evaluate the design and effectiveness of its internal controls over financial reporting and disclosure controls and procedures, and may make modifications from time to time as considered necessary.

FINANCIAL INSTRUMENTS

The Company's financial instruments are exposed to certain financial risks which are discussed in detail in Note 10 of the Company's condensed consolidated interim financial statements for the three and six months ended June 30, 2023.

RISKS AND UNCERTAINTIES

Besides the risks discussed elsewhere in this MD&A, there are other risks and uncertainties that have affected the Company's financial statements or that may affect them in the future. See "Risk Factors" in the Company's Annual Information Form for the year ended December 31, 2022 for other risks affecting or that could potentially affect the Company.

Going Concern Risk

The principal risk faced in the advanced exploration stage is the ability to raise the funds required to complete exploration and evaluation and develop a mineral deposit. The Company does not operate any producing properties and as such, is dependent on the ability to raise funds. Although the Company believes it has sufficient access to financial markets to support its intended work plan, failure to do so would result in future work being suspended. While the Company has been successful in securing financing to date, there can be no assurances that it will be able to do so in the future. These uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

Financial Instrument Risk

Financial assets and liabilities consist of cash and cash equivalents, accounts receivable, investments, restricted cash, accounts payable and accrued liabilities, Credit Facility and embedded derivatives. It is management's opinion that the Company is not exposed to significant credit risks arising from these financial assets as all cash and cash equivalents are held at reputable Canadian institutions and the accounts receivable amounts are due from Canadian governmental agencies.

Environmental and Permitting Risk

The Company's activities involve the application for licenses and permits from government authorities and such activities are governed by various laws and regulations that cover the protection of the environment, land use, exploration, development, co-ordination of operations and infrastructure with third parties engaged in other activities on the lands, taxes, labour standards, occupational health, waste disposal, safety, and other matters. Environmental legislation in Saskatchewan provides restrictions and prohibitions on various substances used or produced in association with certain exploration activities, which if spilt, could potentially impact the environment. A breach of such legislation may result in imposition of fines and penalties in addition to potential cleanup costs. In addition, certain types of activities require approval from the relevant agencies prior to being undertaken. Environmental legislation is evolving in a direction of higher standards and enforcement. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of future operations.

The Company believes that it is in compliance with all material laws and regulations which currently apply to its activities. There can be no absolute assurance, however, that all permits which the Company may require for exploration activities and land use will be obtainable on reasonable terms or on a timely basis, or that such laws and regulations will not have an adverse effect on any exploration projects that the Company may undertake.

Exploration Risk

Mineral exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations within the Company will be subject to all the hazards and risks normally incidental to exploration, development and production of minerals, any of which could result in work stoppages, damage to property, and possible environmental damage. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruption, impaired access to site, legal or regulatory changes, flooding, explosions, cave-ins, landslides, weather conditions and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in extraction operations and the conduct of exploration programs. The Company's exploration activities will be subject to the availability of third-party contractors and equipment. There are also physical risks to the exploration personnel. If any of the Company's additional properties are found to have commercial quantities of mineralization, the Company could be subject to additional risks respecting any development and production activities.

McIlvenna Bay Project

The McIlvenna Bay Project is in the pre-development stage and has a completed feasibility study. The potential development of this mineral property may only follow upon the preparation of detailed engineering plans, access to adequate funding, community support and obtaining of necessary permits, licenses, and approvals, including that of the Board of Directors. Substantial expenditures are required to develop the mining and processing facilities and the infrastructure at the McIlvenna Bay Project.

Other properties

All properties other than the McIlvenna Bay Project are in the exploration stage. The potential development of these mineral properties may only follow upon obtaining satisfactory exploration results, receipt of positive engineering studies, access to adequate funding, community support and all necessary permits, licenses, and approvals, including that of the Board of Directors. Mineral exploration and development involve a high degree of risk and few properties which are explored are ultimately developed into producing mines. The long-term profitability of the Company's operations will be in part directly related to the cost and success of its exploration programs, which may be affected by a number of factors beyond the Company's control.

Commodity Price Risk

Factors beyond the control of the Company may affect the market price and marketability of any ore or minerals discovered at and produced from the Company's properties. Metal prices are subject to significant fluctuation and are affected by numerous factors beyond the Company's control including international economic, financial and political events, global or regional supply and demand patterns and speculative activities. The effect of these factors on the Company's operations cannot accurately be predicted.

Liquidity of Common Shares

There can be no assurance that an active and liquid market for the Company's common shares will continue to exist, and investors may find it difficult to resell their common shares. In addition, trading in the common shares of the Company may be halted from time to time.

QUALIFIED PERSON

Mr. Roger March, P.Geo., Senior Geoscientist for the Company and a Qualified Person within the meaning of NI 43-101, has reviewed and approved the technical information in this MD&A.