

Cartier Silver Corporation
(formerly Cartier Iron Corporation)
Management's Discussion and Analysis

This Management's Discussion and Analysis ("MD&A") provides discussion and analysis of the financial condition and results of operations of Cartier Silver Corporation (formerly Cartier Iron Corporation)(the "Company") for the year ended December 31, 2022 and should be read in conjunction with the audited financial statements and the accompanying notes which have been prepared in accordance with International Financial Reporting Standards.

The MD&A is the responsibility of management and is dated as of April 28, 2023.

All dollar amounts in the MD&A are stated in Canadian dollars unless otherwise indicated.

Additional information relating to the Company is available on SEDAR at www.sedar.com and the Company's website at www.cartiersilvercorp.com.

Forward-Looking Statements

This MD&A may contain, without limitation, statements concerning possible or assumed future operations, performance or results preceded by, followed by or that include words such as "believes", "expects", "potential", "anticipates", "estimates", "intends", "plans" and words of similar connotation, which would constitute forward-looking statements. Forward-looking statements are not guarantees. The reader should not place undue reliance on forward-looking statements and information because they involve risks and uncertainties that may cause actual operations, performance or results to be materially different from those indicated in these forward-looking statements. The Company is under no obligation to update any forward-looking statements contained herein should material facts change due to new information, future events or other factors. These cautionary statements expressly qualify all forward-looking statements in this MD&A.

See page 10 for Material assumptions and risk factors for forward-looking statements.

The Company

The Company is a public company engaged in the acquisition, exploration and development of mineral resource properties. The Company is a reporting issuer in Ontario, British Columbia and Alberta and its common shares are listed for trading on the Canadian Securities Exchange ("CSE") under the trading symbol "CFE".

Overall Performance

Grant of stock options

On December 31, 2022, the Company granted 2,705,000 stock options to directors, officers, employees and consultants. Each stock option entitles the holder to purchase one common share for \$0.78 until December 31, 2027.

On April 24, 2023, the Company granted 150,000 stock options to two consultants. Each stock option entitles the holder to purchase one common share for \$0.60 until April 24, 2028.

Private placement of units

On December 15, 2022, the Company completed the first tranche of a private placement of 7,501,250 units at a price of \$0.40 per unit ("Units") for gross proceeds of \$3,000,500. Each unit consisted of one common share and one common share purchase warrant entitling the holder to purchase one common share for \$0.70 until June 15, 2025. In respect of the closing of the first tranche, the Company paid a commission of \$76,890.

On December 22, 2022, the Company completed the second tranche of a private placement of 2,498,750 units at a price of \$0.40 per unit for gross proceeds of \$999,500. Each unit consisted of one common share and one common share purchase warrant entitling the holder to purchase one common share for \$0.70 until June 22, 2025. In respect of the closing of the second tranche, the Company paid a commission of \$4,905. Directors and officers subscribed for 306,250 units for gross proceeds of \$122,500.

Option agreement

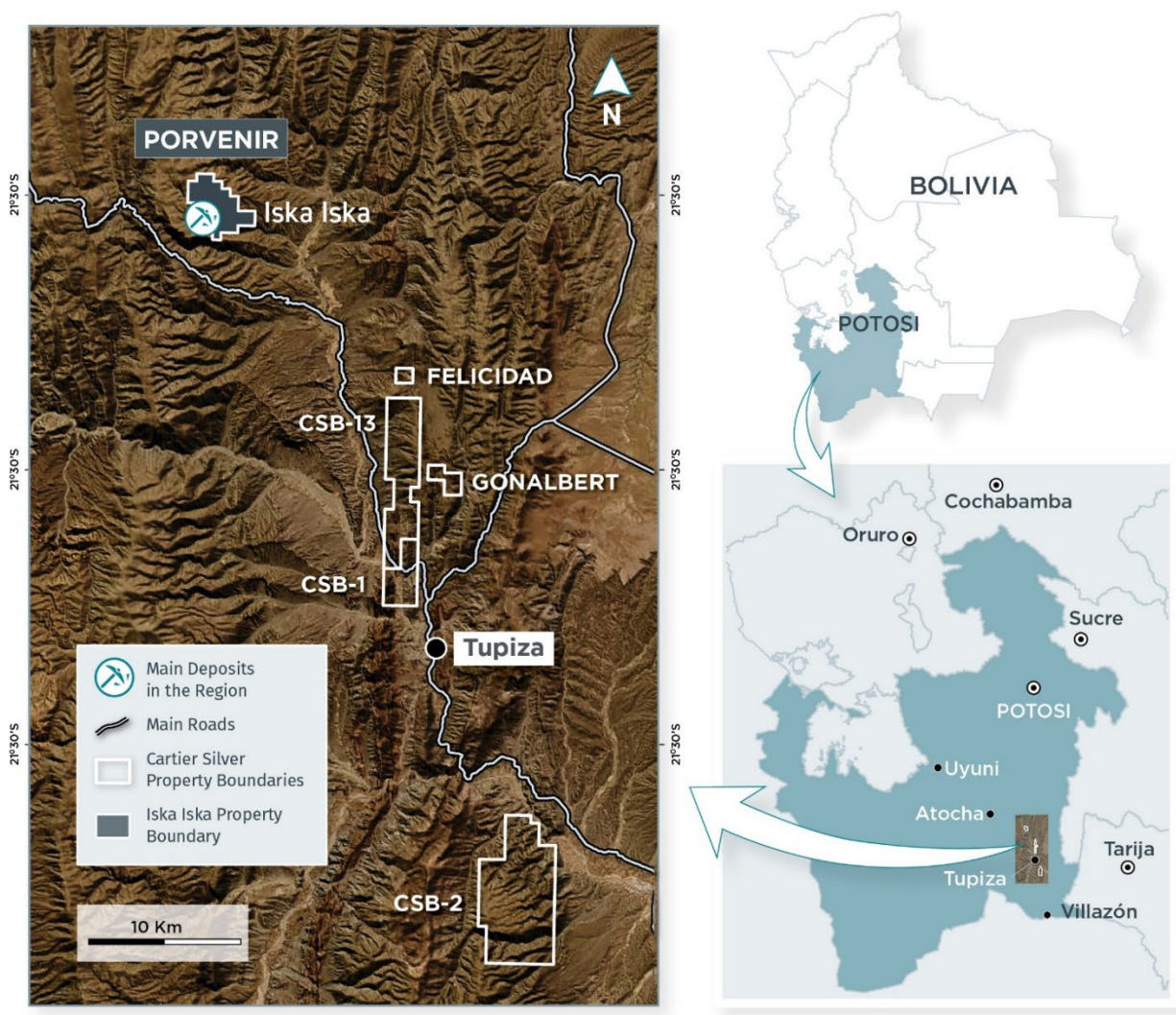
The incorporating shareholders of Minera Cartier Bolivia S.R.L. ("Minera Carter") have agreed to transfer a 98% interest in Minera Cartier to the Company. The Company will have the option to increase its interest in Minera Cartier to 99% by purchasing a 1% interest for US\$3,000,000.

Pursuant to a definitive agreement dated December 12, 2022 (“Definitive Agreement”), Minera Cartier will have the right to acquire a 100% interest in the Chorrillos Project located in southern Bolivia, comprising two separate properties known as the Gonalbert Mining area (consisting of 10 grids covering 2.5 sq.km) and the Felicidad Mining area (consisting of 4 grids covering 1 sq. km). In order to earn its interest, Minera Cartier must make option payments, as follows:

Deadline	Option payment US \$
June 12, 2023	80,000
December 12, 2023	220,000
December 12, 2024	500,000
December 12, 2025	700,000
December 12, 2026	1,000,000
December 12, 2027	2,000,000
	<u>4,500,000</u>

On November 22, 2022, Minera Cartier staked additional claims covering 29.25 km² (CSB-13 and CSB-1) immediately south and west of the Felicidad and Gonalbert properties and acquired an additional claim (CSB-2) in the same belt about 5 km south of Tupiza, Bolivia. The Company’s total holdings, including areas under option, in the Chorrillos Project now total 69.75 km² as shown in Figure 1. The Chorrillos Project area is predominantly underlain by Ordovician basement sediments that have been intruded by a Tertiary-age volcanic complex of dacites, rhyodacites, tuffs and epiclastic sediments. Alteration and polymetallic mineralization are widespread in the region characteristic of intermediate to high sulphidation epithermal systems.

FIGURE 1 – Cartier Silver’s holdings, including areas under option, in the Chorrillos Project, Potosi Department, Bolivia.



Name change

On November 15, 2022, the Company changed its name to Cartier Silver Corporation.

Share consolidation

Effective November 18, 2022, based on the consolidation of 5 pre-consolidation common shares into 1 post-consolidation common share, the Company consolidated the 140,081,138 issued and outstanding pre-consolidation common shares into 28,016,216 post-consolidation common shares. The number of and exercise prices of the outstanding stock options and warrants have been adjusted to reflect the share consolidation. All common shares and per share amounts disclosed herein reflect the post-consolidation shares.

Investment in Eloro Resources Ltd.

At December 31, 2022, the Company held 2,210,000 common shares of Eloro Resources Ltd. ("Eloro") with a fair value of \$8,596,900. Three directors of the Company are also directors of Eloro.

Gagnon

The Company owns a 55% interest in Round Lake (formerly known as Round Lake, Penguin Lake, Black Dan and Aubrey-Ernie), consisting of 111 claims covering 58.75 square kilometres in the Fermont Iron Ore District in the Labrador Trough in northeastern Québec ("Gagnon"). Champion Iron Mines Ltd. ("Champion") owns the remaining 45% interest in Gagnon.

A joint venture was formed between the Company and Champion to incur additional exploration expenditures. If a joint venture partner does not fund its proportionate interest in the joint venture, its interest will be diluted and, when its interest is reduced below 10%, its interest would be reduced solely to a 1% royalty. The other joint venture partner will have the option to reduce the royalty from 1% to 0.5% by making a payment of \$3,000,000.

In the event that a joint venture partner proposes to acquire any property within 10 kilometres of Gagnon, the acquirer must offer the property at cost to the other party for inclusion in Gagnon.

The Company has incurred the following cumulative exploration and evaluation expenditures on Gagnon:

	December 31, 2021	Expenditures	December 31, 2022
	\$	\$	\$
Gagnon	3,906,363	3,223	3,909,586

Gagnon - Exploration

Gagnon is adjacent and in close proximity to Arcelormittal's Mont Reed property which encompasses the Mont Reed Mine deposit.

On December 19, 2013, the Company reported the completion of a National Instrument 43-101 compliant Mineral Resource Estimate ("MRE") for the Penguin Lake Project, authored by Abder Ladidi, P. Geo., an independent Qualified Person of MRB & Associates ("MRB") of Val d'Or, Quebec. Based on 10 drill holes totaling 3,315 m, the MRE reported 531 million tonnes ("Mt") grading 33.1% Total Iron ("FeT") of In-pit Inferred Resources at a 15% FeT cut-off grade. The global in-situ mineral resource of 534.8 Mt grading 33.1% FeT was subject to a Whittle pit optimization to estimate the portion of in-situ mineral resource within the pit shell. P&E Mining Consultants of Brampton, ON were contracted by MRB to run the pit shell using a 1.05:1.00 \$CDN:\$US exchange rate, a mining cost of \$2.50/Tonne, and a charge of \$18.10/Tonne for the total processing, G&A, and freight costs. The process recovery, estimated to be 82%, an iron ore price of \$1.77/dmtu, and a 48° overall pit-slope, were used to complete the Whittle pit optimization. The sensitivity of the resource estimates is demonstrated by comparing the proportion of the mineral resources that may be economically exploited within the optimized pit shell to the global in-situ resource. A summary of the Global In-Situ Mineral Resource Estimate is presented in Table 1 and the results of the In-Pit Mineral Resource are presented in Table 2.

Table 1: Global In-situ Mineral Resource Estimate, Penguin Lake Project

Cut-off Grade	Global Inferred Resources*				Below Cut-off			
	Tonnes (millions)	Grade			Tonnes (millions)	Grade		
		FeT%	CaO%	MgO%		FeT%	CaO%	MgO%
15%	534.8	33.1	3.1	2.8	0.0	0.0	0.0	0.0
20%	534.7	33.1	3.1	2.8	0.1	15.4	2.1	1.7
25%	531.4	33.2	3.0	2.8	3.4	23.2	4.7	3.0
30%	466.4	33.9	2.9	2.8	68.4	28.2	4.1	2.7

Table 2: In-Pit Mineral Resource Estimate, Penguin Lake Project

Cut-off Grade	In-Pit Inferred Resources*				Below Cut-off			
	Tonnes (millions)	Grade			Tonnes (millions)	Grade		
		FeT%	CaO%	MgO%		FeT%	CaO%	MgO%
15%	531.2	33.1	3.1	2.8	0.0	0.0	0.0	0.0
20%	531.1	33.1	3.1	2.8	0.0	15.4	2.1	1.7
25%	527.8	33.2	3.0	2.8	3.4	23.2	4.7	3.0
30%	463.9	33.9	2.9	2.8	67.3	28.2	4.1	2.7

* The quantity and grade of the reported Mineral Resources within the Project are categorized as Inferred Mineral Resources. Inferred Mineral Resources are that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from drill core. There is no guarantee that further exploration will upgrade the Inferred Mineral Resources to Indicated or Measured Mineral Resources. Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability. The estimate of Inferred Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.

The 10 drill holes that define the MRE drilled only the southern portion of the deposit. The deposit occurs in the form of a multiply refolded tightly overturned synform that produces a bowl-like shape of shallow dipping iron formation host rock. No recent drilling has been completed in the northern portion of the deposit however, the strong correlation of magnetic response to where iron formation surfaces and a historic drill hole located in the NW portion of the deposit allow for projection of the modelled iron formation and an estimate of the exploration target potential¹. The interpreted 3D model of iron formation includes an additional 700 to 900 million tonnes of similar grade as suggested by the current inferred resource, predominantly in the undrilled portion of the deposit to the north and northwest where additional resources might be identified.

A comparison of the current global in-situ mineral resource and in-pit mineral resource demonstrates the amenable geometry of the deposit to open-pit mining with 99+% of the in-situ resource occurring within the optimized pit shell. Furthermore, it is apparent that a natural geological cut-off grade exists for the modelled high-grade iron oxide deposit that is above the economic cut-off grade. As can be seen by the quantity and grade of below cut-off grade material at the higher cut-off grades, the natural cut-off grade of the deposit is near 25% FeT where only 0.6% of the material is below cut-off at an average grade of 23.2% and well above the economic cut-off grade of 15% FeT.

The current resource reported in the MRE comprises less than half of the modelled bowl-shaped deposit and makes the Penguin Lake deposit the largest iron resource in the southern Gagnon Terrane.

Through 2016 and 2017, the Company completed metallurgical testwork studies and investigated base-case process flowsheet aspects for the Penguin Lake deposit. Metallurgical test results announced by the Company on April 28, 2015, indicate that the iron at the Penguin Lake deposit will be most efficiently liberated by a 2-stage process designed to yield iron-fines to produce a final sinter product.

The metallurgical tests were targeted towards producing a concentrate of 65% iron (Fe) and 4.5% silica (SiO₂) from an average sample-grade of 30% Fe. Stage-1 gravimetric separation tests by Wilfley Table on 18 samples returned average grades of 65.3% Fe, 4.5% SiO₂ and 1.1% MgO. Iron concentrate of similar grade (65% Fe / <4.5% SiO₂) will be sought from the second-stage regrinding and magnetic separation process. Additional tests to determine the process model for optimal second-stage iron recovery are on-going. Overall iron recoveries of >80% are targeted for the 2-stage circuit. The maximum 4.5% SiO₂ content for the Penguin Lake concentrate is a value imposed by the Company, guided by today's selective-market requirement for the highest-quality iron concentrate.

The Company will evaluate the exploration programs at the Gagnon Holdings while managing its capital resources to ensure it has sufficient capital to support its ongoing operations. Further exploration and development of the Company's properties are contingent upon the Company raising an adequate amount of financing.

¹ Exploration Target Potential is not a Mineral Resource. There is insufficient work completed to estimate the quantity and grade or quality of the exploration target on the basis of geological evidence and sampling. There is no guarantee that further exploration will define additional mineral resources from any portion of the exploration target potential.

Big Easy, Newfoundland and Labrador

The Company has earned a 100% interest in Big Easy consisting of 409 mining claims covering 102 square kilometres located in Newfoundland and Labrador. On October 6, 2020, the Company staked an additional 256 claims to hold 665 mining claims covering 166 square kilometres.

Big Easy is subject to a 3% net smelter royalty ("NSR"). The Company had an option to reduce the NSR by 0.25% by making a payment of \$250,000 by November 21, 2022 ("NSR Option"). The Company did not exercise NSR Option and the NSR Option expired on November 21, 2022.

Big Easy-Exploration

On May 1, 2018 the Company announced the successful completion of a 48-line kilometre Induced Polarization/Resistivity (IP/Res) survey at the Big Easy by MES Geophysics of St. John's, Newfoundland under the direction of Dr. Chris Hale, P.Geo., Chief Geophysicist for the Company.

Four diamond drill holes were completed in the fall of 2018 at Big Easy. Hole BE18-30 intersected a major new anomalous alteration zone grading 0.11 g Au/t and 2.65 g Ag/t over 180.4 m core length on the western edge of the Central chargeability anomaly. The results from the drill program confirmed that the Central chargeability anomaly reflects an extensive zone of epithermal alteration and mineralization that is up to 200 m wide with a depth extent of at least 250 m (see press releases December 20, 2018 and January 16, 2019).

On September 29, 2020, the Company reported the results of a geological mapping, soil sampling and prospecting program. The program focused on follow-up of major target areas outlined by magnetic and induced polarization/resistivity (IP/Res) surveys as well as exploration of the potential southern extension of these chargeability zones which have had only limited previous work. The bulk of the area explored is covered by extensive bog and small lakes/ponds so there is very limited outcrop. Nevertheless, five (5) boulders of quartz were found, but the most significant find, however, was a small outcrop of weakly banded siliceous cherty quartz located in the centre of claim 025452M.

On June 8, 2021, the Company announced the results of its winter 2021 diamond drilling and Induced Polarization/Resistivity ("IP/Res") program. Four (4) diamond drill holes totaling 1,348m were completed to test IP chargeability targets on the Central Anomaly and Shoal Harbour Grid. An additional 39.5 linekm of IP surveys were carried out to follow-up a major new target area outlined by geological mapping, geochemical soil sampling, airborne magnetics and prospecting on the Sleigh Pond Grid in the southern part of the property. Significant results include an intersection of 0.62 g Au/t and 16.12 g Ag/t over 13.0m in a Low Sulphidation Epithermal Au-Ag System.

In August 2021, the Company commissioned Clearview Geophysics of Brampton, Ontario to carry out a reconnaissance Controlled Source Audio Magneto-Telluric (CSAMT) in the Central Anomaly – Big Easy Showing Area. The findings of this survey were announced on September 21, 2021, which provided further information about the on-strike and depth extent of potential epithermal mineralization. The CSAMT survey confirms that the low sulphidation gold-silver mineralizing system at Big Easy occurs on a major structure that extends to a depth of a least one km.

On November 23, 2021, the Company provided an update on additional diamond drilling at Big Easy, reporting that six holes totaling 3,457m had been completed, with lengths ranging from 425m to 623m, with one additional hole in progress.

On January 24, 2022, a further update was provided, reporting that drilling had recommenced and that eight holes totaling 4,865m were complete by the Christmas break, with lengths ranging from 425m to 725m. Two holes were drilled at the Central Anomaly target (BE-22-45 and BE-22-46), then drilling shifted to test the resistivity highs in the Central North area located approximately 400m to 500m north of the Central Anomaly (holes BE-22-50 and BE-22-51) and further northward to the Big Easy South area, approximately 400m south of the original Big Easy showing.

On May 10, 2022, the Company reported on the seventeen (17) hole, 9,470m diamond drill program. All the drill holes intersected wide sections up to 150m thick of interbedded rhyolites and siltstones in the lower part of the Musgravetown Group. The rhyolite units are typically extensively brecciated and cut by quartz veins with fine pyrite mineralization and local black sulfosalts. Hydrothermal alteration is very extensive consisting primarily of silicification and phengite micas. Visually the intersections looked promising however assay results returned only geochemically anomalous values of silver with very little gold as detailed in the May 10, 2022 press release.

The Company is reviewing the results to determine if there are other targets that may reflect deeper mineralization that warrant testing. As disclosed in the Company's press release dated June 14, 2022, the 2022 winter drill program has outlined a major structural boundary east of the Big Easy Zone and the Central Anomaly Zone. Property scale geophysical surveys suggest this structural boundary could extend tens of kilometres to the south. With only a small fraction of the property tested to date, there is potential for a future discovery within this large strike extent.

Further information on Big Easy can be found in an independent National Instrument 43-101 Technical Report ("NI 43-101 Report") prepared by Mercator Geological Services Limited and filed by the Company on SEDAR (www.sedar.com) on June 5, 2018. The NI 43-101 Report summarizes all historical work on the property and has an effective date of April 20, 2018.

Risks and Uncertainties

Going concern

The Company is in the exploration stage and does not generate revenue. For the year ended December 31, 2022, the Company incurred a loss of \$4,689,924 (2021 - income of \$3,962,446) and a cashflow deficit from operating activities of \$3,233,053 (2021 - \$2,777,219). The losses and cashflow deficits limit the Company's ability to fund its operations and the acquisition, exploration and development of its mineral properties.

At December 31, 2022, the Company has an investment in Eoro Resources Ltd. ("Eoro") with a fair value of \$8,596,000. The Company has classified the investment in Eoro as a long-term asset as it does not expect to realize the investment within the next 12 months.

The continued operation of the Company is dependent upon the Company's ability to secure equity financing to meet its existing obligations and finance the acquisition, exploration and development of mineral resource properties. The Company is actively seeking to raise the necessary equity financing, however, there can be no assurance that additional equity financing will be available. As a result, there is material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Exploration

The Company is exposed to the inherent risks associated with mineral exploration and development, including the uncertainty of mineral resources and their development into mineable reserves; the uncertainty as to potential project delays from circumstances beyond the Company's control; and the timing of production; as well as title risks, risks associated with joint venture agreements and the possible failure to obtain licences and permits.

Results of Operations

In prior periods the Company's policy was to defer exploration expenditures until such time as the properties are put into commercial production, sold or became impaired. In order to enhance the relevance to the decision-making needs of users and improve comparability with its peers, the Company has voluntarily changed its accounting policy with respect to exploration and evaluation, consistent with the guidance provided in IFRS 6, *Exploration for and Evaluation of Mineral Resources* and IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*.

Prior year amounts have been restated to reflect the change in accounting policy.

	3 months ended		Years ended	
	December 31,		December 31,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Expenses				
Professional fees	68,687	23,897	95,937	48,922
Consulting fees	78,000	78,000	312,000	322,000
Bonus	120,000	–	120,000	–
Stock-based compensation	1,646,000	–	1,646,000	632,000
General and administrative	61,859	62,541	209,390	218,462
Investor relations	55,708	21,646	97,405	85,219
Exploration and evaluation	76,146	1,327,603	2,247,693	2,929,227
Interest	2,902	115	12,457	1,472
Depreciation	11,088	10,579	44,352	42,325
Gain on statute-barred accounts payable	(4,430)	–	(39,471)	–
Flow-through share premium	–	–	(252,080)	(276,569)
Part XII.6 tax	–	–	(3,070)	–
Refundable tax credit assessments	–	–	–	159,742
Other recoveries	(3,000)	(13,867)	(16,252)	(33,170)
	2,112,960	1,510,514	4,474,361	4,129,630
Loss before investment income (loss)	(2,112,960)	(1,510,514)	(4,474,361)	(4,129,630)
Gain on sale of investment in Eloro	–	–	96,811	13,158
Increase in (decrease) in fair value of investment in Eloro	280,387	1,064,734	(312,374)	8,078,918
Income (loss) and comprehensive income (loss)	(1,832,573)	(445,780)	(4,689,924)	3,962,446

Years ended December 31

The Company recorded a loss of \$4,689,924 in the current year compared to income of \$3,962,446 in the previous year. The change reflects the following:

- an increase in stock-based compensation of \$1,646,000 (2021 - \$632,000) in respect of stock options granted during the year.
- a change in the decrease in fair value of the investment in Eloro of \$312,374 (2021 -increase of \$8,078,918).

3 months ended December 31

The Company recorded a loss of \$1,832,573 in the current year compared to a loss of \$445,780 in the previous year. The increase in the loss reflects the following:

- an increase in stock-based compensation of \$1,646,000 (2021 - \$nil) in respect of stock options granted during the period.
- a decrease in exploration and evaluation to \$76,146 (2021 - \$1,327,603) expended on Big Easy.
- an increase in fair value of the investment in Eloro to \$280,387 compared to an increase of \$1,064,734 in the previous period.

Summary of Quarterly Results

	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue	–	–	–	–	–	–	–	–
Income (loss)								
- Total	5,635,710	1,235,273	(2,462,757)	(445,780)	1,164,360	(4,977,969)	956,258	(1,832,573)
- Per share	0.31	0.07	(0.10)	(0.01)	0.04	(0.18)	0.03	(0.05)

Income (loss) includes the following increase (decrease) in fair value of the investment in Eloro:

Quarter	\$
Q1 2021	7,535,190
Q2 2021	1,452,175
Q3 2021	(1,973,181)
Q4 2021	1,064,734
Q1 2022	2,728,000
Q2 2022	(4,378,000)
Q3 2022	1,057,239
Q4 2022	280,387

Liquidity and Capital Resources

Capital resources

At December 31, 2022, the Company had cash of \$3,219,162, receivables of \$54,699 and an investment in Eloro Resources Ltd. ("Eloro") with a fair value of \$8,596,900. The Company has classified the investment in Eloro as a long-term asset as it does not expect to realize the investment within the next 12 months.

As the Company is in the exploration stage and has no revenue, the Company has financed its operations with advances from related parties, sale of Eloro common shares and equity financings. The Company is dependent upon the support of its creditors and the Company's ability to secure advances from related parties and equity financings to meet its existing obligations and to fund its working capital requirements and the acquisition, exploration and development of mineral properties.

Corporate and general costs for the years ended December 31, 2022 and 2021 were approximately \$715,000 and \$675,000, respectively. For the year ended December 31, 2023, the Company estimates its corporate and general costs at approximately \$725,000.

Management is of the opinion that sufficient working capital will be obtained from advances equity financings to meet the Company's liabilities and commitments as they become due.

Transactions with Related Parties

	Year ended December 31, 2022				Outstanding at December 31, 2022
	Fees \$	Bonus \$	Stock-based compensation \$	Total \$	
Gambier Holdings Corp., a company controlled by Thomas G. Larsen, for his services as Chief Executive Officer	120,000	90,000	486,802	696,802	105,466
A.S Horvath Engineering Inc., a company controlled by Alexander Horvath, a director	11,000	–	42,595	53,595	49,190
Marlborough Management Limited, a company controlled by Miles Nagamatsu, for his services as Chief Financial Officer	90,000	10,000	152,126	252,126	106,379
J. Estepa Consulting Inc., a company controlled by Jorge Estepa, for his services as Vice President and Corporate Secretary	90,000	20,000	152,126	262,126	111,519
Dickinson Wright LLP, a law firm associated with Don Sheldon, a director for legal fees	49,771	–	42,595	92,366	27,927
Francis Sauve for his services as director	–	–	42,595	42,595	–
Harry Burgess for his services as director	–	–	42,595	42,595	–
	360,771	120,000	961,434	1,442,205	400,481

Financial Instruments and Other Instruments

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Cash, receivables, accounts payable and accrued liabilities and CEBA term loan

The fair values of cash, receivables, accounts payable and accrued liabilities and CEBA term loan at December 31, 2022 approximated their respective carrying value due to their short term to maturity.

Classification of fair value of financial instruments

The Company classified the fair value of its financial instruments measured at fair value according to the following hierarchy based on the amount of observable inputs used to value the instrument:

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

Level 2: inputs, other than the quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly;

Level 3: inputs for the asset or liability that are not based on observable market data

The Company accounts for its investment in Eloro at fair value using level 1 inputs.

Financial risk management

The Company's activities expose it to a variety of financial risks that arise as a result of its exploration and financing activities, including credit risk, liquidity risk and market risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors oversees management's establishment and execution of the Company's risk management framework. Management has implemented and monitors compliance with risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities.

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's maximum exposure to credit risk is equal to the Company's cash. The Company limits its exposure to credit risk on its cash by holding deposits with a Canadian chartered bank.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial liabilities that are settled in cash or other financial assets. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities as they come due, other than amounts owing to related parties. The continued operation of the Company is dependent upon the Company's ability to secure equity financing to meet its existing obligations and finance the acquisition, exploration and development of mineral properties. Accounts payable and accrued liabilities are subject to normal trade terms.

The following table sets out financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows):

	Accounts payable and accrued liabilities \$	Refundable tax credit assessments payable	Canada Emergency Business Account loan \$	Total \$
Less than 1 year	1,181,113	101,742	–	1,282,855
1-5 years	–	–	40,000	40,000
More than 5 years	–	–	–	–
Balance, December 31, 2022	1,181,113	101,742	40,000	1,322,855

Market risk

Market risk is the risk that changes in market prices, such as equity prices, foreign exchange rates, and interest rates will affect the Company's income or the value of its financial instruments.

Equity price risk

Equity price risk arises from the Company's marketable securities. The Company's approach to managing equity price risk is to optimize the return from its marketable securities within acceptable parameters for equity price risk. At December 31, 2022, the Company is exposed to equity price risk on its investment in Eloro. At December 31, 2022, the Company estimates that if the market price of its investment in Eloro had changed by 10%, with all other variables held constant, the fair value would have increased or decreased by \$860,000

Currency risk

Currency risk arises from the Company's financial instruments and purchases that are denominated in a currency other than the Canadian dollar, the Company's functional currency. As all of the Company's purchases are in Canadian dollars, the Company limits its exposure to currency risk by maintaining its cash in Canadian dollars.

Interest rate risk

The Company's exposure to interest rate risk is limited due to the short-term nature of its financial instruments.

Capital management

Capital of the Company consists of share capital, contributed surplus, warrants and deficit. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can acquire, explore and develop mineral resource properties for the benefit of its shareholders. The Company manages its capital structure and makes adjustments based on the funds available to the Company in light of changes in economic conditions. The Board of Directors has not established quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain the future development of the Company. In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that consider various factors, including successful capital deployment and general industry conditions. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

As the Company is an exploration stage company and has no revenues, its principal source of capital is from the issuance of common shares or advances from related parties. In order to achieve its objectives, the Company intends to raise additional funds as required.

The Company is not subject to externally imposed capital requirements and there were no changes to the Company's approach to capital management during the year.

Material assumptions and risk factors for forward-looking statements

The following table outlines certain forward-looking statements contained in this MD&A and provides material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

Page	Forward-looking statement	Assumption	Risk factor
8	Liquidity and Capital Resources "Management is of the opinion that sufficient working capital will be obtained from the sale of Eloro common shares, advances from related parties and equity financings to meet the Company's liabilities and commitments as they become due."	The Company will obtain working capital from the sale of Eloro common shares, advances from related parties and equity financings will be obtained.	The Company is unable to obtain future financing to meet its liabilities and commitments as they become due.

Other Information

Additional disclosure for venture companies without significant revenue

The following table sets forth a breakdown of material components of the general and administration costs, capitalized or expensed exploration and development costs of the Company for the periods indicated.

General and administrative expenses

	Years ended December 31,	
	2022	2021
	\$	\$
Office	150,550	175,152
Public company costs	58,840	43,310
	209,390	218,462

Exploration and evaluation expensed

	Year ended December 31, 2022	Year ended December 31, 2021
	\$	\$
Property		
Big Easy	2,235,231	2,919,596
Gagnon	3,223	9,631
Chorillos	9,239	—
	2,247,693	2,929,227

Shares outstanding as at April 28, 2023*Authorized:*

Unlimited number of common shares.

Outstanding:

38,251,216 common shares.

Stock options*Authorized:*

3,825,121 stock options, representing 10% of the issued and outstanding common shares.

Outstanding:

Exercise price	Expiry date	Number of stock options issued and exercisable
\$0.85	February 3, 2026	830,000
\$0.78	December 31, 2027	2,705,000
\$0.60	April 24, 2028	150,000
		3,685,000

Warrants

Exercise price	Expiry date	Number of warrants
\$0.50	September 10, 2023	1,514,286
\$0.50	September 17, 2023	1,866,826
\$0.70	July 7, 2024	3,833,333
\$0.70	July 7, 2024	5,750,000
\$0.70	June 15, 2025	3,750,625
\$0.70	June 22, 2025	1,249,375
		17,964,445