VICTORY BATTERY METALS CORP. (FORMERLY VICTORY RESOURCES CORPORATION)
FORM 51-102F1
MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A")
For the Year Ended February 28, 2023

The following management's discussion and analysis, prepared as of June 28, 2023 should be read together with the audited consolidated financial statements for the years ended February 28, 2023 and 2022 and related notes attached thereto (the "financial statements"), which are prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are stated in Canadian dollars unless otherwise indicated.

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements (see "Note Regarding Forward-Looking Statements").

Additional information related to Victory Battery Metals Corp. is available for view on SEDAR at www.sedar.com.

DESCRIPTION OF THE BUSINESS

Victory Battery Metals Corp. (Formerly Victory Resources Corporation, ("Victory" or "the Company") is a publicly traded company (CSE: VR) incorporated under the laws of British Columbia, Canada. The Company has been a junior exploration stage mining corporation with interests in North America. The Company has no plans to divest itself of its existing operations in respect of its assets in British Columbia and Nevada, USA, although it is currently seeking and investigating in other business opportunities in the mining space.

The Company's business financial condition and results of operations may be further negatively affected by economic and other consequences from Russia's military action against Ukraine and the sanctions imposed in response to that action in late February 2022. While the Company expects any direct impacts, of the pandemic and the war in the Ukraine, to the business to be limited, the indirect impacts on the economy and on the mining industry and other industries in general could negatively affect the business and may make it more difficult for it to raise equity or debt financing. There can be no assurance that the Company will not be impacted by adverse consequences that may be brought about on its business, results of operations, financial position and cash flows in the future.

INVESTMENTS AND DEPOSITS

Loan receivable

CIA Cannabis Intelligence Agency Inc. ("CIA")

During the year ended February 29, 2020, the Company entered into an LOI with CIA with respect to an equity investment. The Company advanced $80,000 to CIA by way of a secured loan bearing interest at 8% and repayable in one year. The loan was extended to be repayable by February 28, 2023. Security on the loan consists of a general security interest against the assets and undertakings of CIA. The Company had recorded this amount as a loan receivable until such time as the transaction is completed and an equity investment in CIA is received. On February 28, 2023 the Company wrote off the $80,000 loan receivable as it was determined to be uncollectible.

Long-term investments

Jolt Health Inc. ("Jolt") (Formerly Love Pharma Inc.)

During the year ended February 29, 2020, the Company advanced $150,000 to Love Pharma Inc. for the future issuance of common shares which was recorded as a deposit. On March 20, 2020, the Company received 30,000 common shares with respect to this deposit. At February 28, 2023, the fair value of the shares was $15,000 (2022 - $60,000). An unrealized loss on long-term investments of $45,000 (2022 - $120,000) was recognized on profit or loss.

Love Hemp Group PLC ("Love Hemp") (formerly World High Life PLC)

On October 22, 2019, the Company purchased 6,666,670 convertible debenture units (the "Debentures") of Love Hemp for $1,100,000. Love Hemp is a UK CBD wellness and medicinal cannabis investment company listed on the London NEX Exchange under the symbol LIFE. The debentures pay interest of 10% annually, and are convertible into ordinary shares of Love Hemp at a price of £0.10 per share, subject to Love Hemp's right to force conversion upon 30 days' notice in the event that the Ordinary Shares trade at £0.30 or higher for a 10 day period. The debenture units consisted of a £1.00 principal amount and included 1 warrant to purchase additional ordinary shares at a price £0.15 per share for two years (6,666,670 warrants in total), subject to Love Hemp's right to accelerate the maturity date upon 30 days' notice in the event that the Ordinary Shares trade at £0.25 or higher for a 10 day period. The debentures mature two years plus one day from closing.

On October 22, 2019, the initial fair value of the convertible debenture was determined to be the initial cost of $1,100,000, which was split between the principal note and the conversion feature being $606,498 and $493,502, respectively. Initially, $Nil was allocated to the warrants received.

On July 3, 2020 the Company converted all of the debentures and accrued interest into 7,182,138 Love Hemp shares. The Company recorded a $201,745 realized loss on the investment.

During the year ended February 28, 2020, the Company entered into a loan agreement with Love Hemp whereby the Company loaned Love Hemp $300,000 with an annual interest rate of 10% repayable by January 30, 2021. On September 30, 2020 the Company entered into a loan agreement whereby the Company loaned Love Hemp $50,000 with an annual interest rate of 10% repayable by January 30, 2021. The Company entered into a settlement agreement with Love Hemp on November 10, 2020. 9,196,950 Love Hemp common shares at £0.02 for total consideration $314,774 (£183,749) including interest $7,840 (£4,696) were issued on November 24, 2020. During the year ended February 28, 2021 the Company recorded interest income of $60,137.

During the year ended February 28, 2022 the Company sold 881,538 shares of Love Hemp for total proceeds $77,621 and recorded the realized loss on the Love Hemp long-term investments of $8,727. During the year ended February 28, 2022, the Company recorded an unrealized loss on the Love Hemp long-term investments of $1,135,973 (2021 - $222,602).

On February 28, 2023, the Company held 13,820,600 shares of Love Hemp with a fair value of $96,873 (2022 – 13,820,600 shares with a fair value of $157,945). During the year ended February 28, 2023, the Company recorded an unrealized loss on the Love Hemp long-term investments of $61,072 (2022 – $1,135,973).

EXPLORATION AND EVALUATION ASSETS

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims that may be impacted by the conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties, and to the best of its knowledge, title to all of its properties are properly registered and in good standing.

Lac Simard Property, Quebec

On September 22, 2020, the Company acquired the Lac Simard Property in Quebec by issuing 1,666,667 shares at a fair value of $0.075 per share or $375,000. The Company was required to pay $25,000 in cash on acquisition however as at February 28, 2023 the amount remains unpaid and is included in accounts payable and accrued liabilities. Both the amount and date of payment are being renegotiated currently. A work program is being comprised currently and will be completed by August 15, 2023 requiring a minimum spend of $36,750 to extend the title on claims in good standing date to August 2025.

Hammond Reef South, Ontario

The Company entered into an agreement dated July 27, 2020 and amended on August 5, 2020 to earn a 100% interest in the Hammond Reef South Project, in Northwestern Ontario. To earn the interest, the Company must make cash payments totaling $275,000 and issue a total of 2,750,000 common shares. During the year ended February 28, 2021, the Company paid $50,000, issued 500,000 shares at a fair value of $0.20 per share or $100,000, and paid finders' fees of $4,000.

During the year ended February 28, 2021, the Company determined the Hammond Reef South property to be impaired, due to a lack of mineral deposit findings and the lapsing of the exploration claims, and wrote down the carrying value to $Nil in accordance with level 3 of the fair value hierarchy. During the period ended August 31, 2021 the Company made a final cash payment of $6,000 for option lapse and wrote down this amount.

Mal-Wen Property, British Columbia

The Company owns 100% of certain claims to the Mal-Wen property. A $160,000 drill program has been put on hold. Focus is redirected to the north end of the property and spend scaled back to $15,000. The drill program will be reconsidered under better market conditions.

Black Diablo Property, Nevada, USA

During the year ended February 28, 2021, the Company staked certain claims to the Black Diablo Property, located in Nevada, USA. During nine months period ended August 31, 2021 the Company paid $21,310 toward exploration expenditures. Current work program budgeted at $40,000 will include staking additional claims to the south of existing claims held.

Smokey Lithium Property, Nevada, USA

On April 14, 2021 the Company acquired the Smokey Lithium Project, located in Esmeralda County, Nevada for cash consideration of $221,970 (US$178,500) and by issuing 500,000 common shares (valued at $135,000). The property is subject to a net smelter return royalty equal to 2% on revenues derived from the sale of lithium and other ores extracted from the property. The Company has the right to buy one half (1%) of the royalty at any time for $1,000,000 in cash. The Company has further agreed to pay the vendor $1,000,000 in cash or common shares in 4 staged payments (90-day intervals), upon completion of a positive feasibility study. The Company has the option to purchase an additional 350 claims for consideration of $200 per claim and the issuance of 500,000 shares.

On December 8, 2021 the Company received a drill permit to commence drilling on its Smokey Lithium property in Esmeralda County, Nevada. On February 7, 2023 the Company received a second drill permit and Phase 2 drill program was completed in April 2023. Lab assays results are currently under review by the Company's land and Geologists team to determine next drill targets and potentially staking additional claims.

Saguenay Nickel Property, Quebec Canada

On April 11, 2022, the Company acquired a 100% interest in the Saguenay Nickel Project in Saguenay, Quebec by paying $10,000 and issuing 833,333 shares (valued at $137,500). An initial study and preliminary report was completed in April 2023 and a further work program of an additional $20,000 has been recommended and scheduled for summer 2023.

Georgia Lithium Property, Ontario, Canada.

On April 11, 2022, the Company entered into an option agreement to earn a 100% interest in the Georgia Lithium Property located in Ontario, Canada. To earn the interest the Company must:

i) pay $25,00 on signing (paid);
ii) issue $40,000 worth of common shares of the Company (issued 700,361 shares);
iii) pay $25,000 on or before April 11, 2023;
iv) issue $40,000 worth of common shares of the Company on or before April 11, 2023 (issued 610,603 shares);
v) pay $100,000 on or before April 11, 2024;
vi) issue $75,000 worth of common shares of the Company on or before April 11, 2024;
vii) pay $100,000 on or before April 11, 2025; and
viii) issue $175,000 worth of common shares of the Company on or before April 11, 2025.

The Company is required to incur aggregate expenditures of $750,000 on or before April 11, 2025 as follows:

i) $100,000 on or before April 11, 2023;
ii) $250,000 on or before April 11, 2024; and
iii) $400,000 on or before April 11, 2025.

The agreement is subject to a 2% NSR. The Company will have the right to purchase 1% of the NSR at any time for $1,100,000. The Company will have the right to purchase an additional 0.5% of the NSR for $1,000,000.

The $25,000 first anniversary payment due April 11, 2023 has not been paid and the vendor has agreed to monthly installments of $5000 per month commencing June 28, 2023.

The Company has just completed a $50,000 work program. Samples have been sent to the lab for analysis and to assess what and how much the next work program will entail.

Stingray Nickel Property, Quebec Canada

The Company owns 100% of certain claims to the Stingray property that were acquired from three individual vendors as follows:

i) acquired 48 claims for $10,000 cash on closing plus 833,333 common shares of the company;
ii) acquired 17 claims for $7,000 cash on closing plus 933,333 common shares of the company; and
iii) acquired 280 claims for $100,000 cash on closing plus 3,000,000 common shares of the company.

Work program for this property is being determined currently.

Tahlo Lake Property, BC Canada

On November 15, 2022, the Company has staked the Tahlo Lake property in British Columbia's prolific Babine Copper-Gold Porphyry District. The Tahlo Lake Property currently consists of 735 hectares 11 km NW of the NAK Property and 19 km NW of the Morrison Deposit. During the year ended February 28, 2023, the Company paid staking fees of $3,461.

The exploration costs for the Company for the year ended February 28, 2023 are summarized as follows:

Year ended February 28, 2023	Black Diablo Property USA	Tahlo Lake, Canada	Smokey Lithium Property, USA	Mal-Wen Property, Canada	Stingray Property, Canada	Georgia Property, Canada	Saquenay Property, Canada	Total
Assay	$ 10,521	$ -	$ 23,764	$ -	$ -	$ -	$ -	$ 34,285
Drilling	-	-	69,291	-	-	-	-	69,291
Field work	21,675	-	130,429	-	-	-	-	152,104
Geological and geophysical	660	840	22,354	6,055	715	6,731	-	37,355
Staking	3,915	-	-	-	-	-	640	4,555
Travel	-	-	-	2,860	-	-	-	2,860
Balance, February 28, 2023	$ 36,771	$ 840	$ 245,838	$ 8,915	$ 715	$ 6,731	$ 640	$ 300,450

LIQUIDITY AND CAPITAL RESOURCES

Continuance of Operations and Going Concern

The consolidated financial statements are prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at February 28, 2023, the Company has a deficit of $36,611,278 (February 28, 2022 - $35,175,664). The Company is in the process of exploring and developing its mineral properties and has not yet determined whether those properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to fund property commitments and to complete the exploration and development of the properties and upon achieving future profitable production or proceeds from the disposition thereof. There is a material uncertainty related to these conditions may cast significant doubt about the Company's ability to continue as a going concern.

The Company has financed its operations primarily through the issuance of common shares, proceeds from loans and advances from related parties. The Company continues to seek capital through various means including the issuance of equity and/or debt. While the Company has been successful in securing financing in the past, there is no assurance that it will be able to do so in the future or on terms that are favorable to the Company. Accordingly, the consolidated financial statements do not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern. If the going concern assumption was not used then the adjustments required to report the Company's assets and liabilities on a liquidation basis could be material to the consolidated financial statements.

Liquidity

At February 28, 2023, the Company had working capital of $928,978 (February 28, 2022 – $941,579).

During the year ended February 28, 2023, the Company had the following cash flows:

i) cash used in operating activities of $1,001,086 consisting primarily of general operational costs including consulting fees, management fees and professional fees.

ii) cash provided by financing activities of $1,699,345 consisting primarily from share issuance and payable to related parties.

iii) cash used in investing activities of $460,142 consisting primarily of an exploration and evaluation expenditures of $432,360 and repayment of lease liabilities of $27,782.

During the period from March 1, 2022 to June 28, 2023, the Company:

i) issued 833,333 shares pursuant to an option agreement to acquire a 100% interest in the Saguenay Nickel Project in Quebec.

ii) issued 233,454 shares pursuant to an option agreement on the Georgia Lithium property .

iii) issued 4,766,667 shares pursuant to an option agreement to acquire a 100% interest in the Stingray Nickel Project in Quebec.

iv) completed a non-brokered private placement of 2,608,333 units at $0.066 per unit for gross proceeds of $172,500. Each unit consists of one common share and one warrant. Each warrant entitles the holder to purchase one additional share at a price of $0.15 per share, with an expiry date of November 7, 2024. Unit warrants were valued at $Nil using the residual value method. The Company incurred cash finder fees of $3,520 and issued 53,333 finder's warrants with a fair value of $3,100 using the Black-Scholes option pricing model. The warrants have the same terms as those in the private placement unit.

v) completed a non-brokered private placement of 18,757,500 units at $0.08 per unit for gross proceeds of $1,500.600. Each unit consists of one common share and one warrant. Each warrant entitles the holder to purchase one additional share at a price of $0.12 per share, with an expiry date of two years from issuance. The Company incurred cash finder fees of $30,880 and issued 386,000 finder's warrants with a fair value of $21,400 using the Black-Scholes option pricing model. The warrants have the same terms as those in the private placement unit.

vi) completed a non-brokered private placement of 3,440,000 units at $0.08 per unit for gross proceeds of $275,200 and private placement of 1,250,000 flow-through units at $0.12 per unit for gross proceeds of $150,000, of which $84,800 was received during the year ended February 28, 2023. Each unit consists of one common share and one warrant. Each warrant entitles the Each unit consists of one common share and one warrant. Each warrant entitles the holder to purchase one additional share at a price of $0.15 per share, with an expiry date of two years from issuance. The Company incurred cash finder fees of $8,800 and issued 100,000 finder's warrants. The warrants have the same terms as those in the private placement unit.

vii) entered into an agreement for payment of indebtedness in the aggregate total of $65,000 through conversion of such debt into common shares of the Company. Pursuant to the agreement, the Company issued an aggregate of 1,000,000 shares at a price of $0.065 per share.

viii) completed a non-brokered private placement of 6,000,000 units at $0.05 per unit for gross proceeds of $300,000. Each unit consists of one common share and one warrant. Each warrant entitles the Each unit consists of one common share and one warrant. Each warrant entitles the holder to purchase one additional share at a price of $0.07 per share, with an expiry date of two years from issuance.

ix) cancelled 2,476,665 options.

Capital Resources

As our exploration-stage properties are not revenue generating, the Company's sole source of long-term funding has traditionally been the issuance of common shares for cash, primarily through private placements.

The Company has traditionally supplemented equity financing from time to time by obtaining loans from related parties. These are used to provide interim, short-term financing to meet day-to-day cash flow needs, on occasion, and are not intended to be a long-term source of capital.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Proposed Transactions

There are no proposed transactions that have not been disclosed herein.

RELATED PARTY TRANSACTIONS

Management compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and directors.

Key management personnel compensation during the year ended February 28, 2023 and 2022 was as follows:

		February 28, 2023	February 28, 2022
Related Parties:			
Mark Ireton A company owned by the CEO	Management and directors' fees	$ 120,000	$ 140,000
Tatiana Kovaleva A company owned by the CFO	Management and directors' fees	$ 58,000	$ 54,000
David Lane A director	Management and directors' fees	$ 56,000	$ 81,500
David Deering A director	Management and directors' fees	$ -	$ 14,400
Mark Ireton A company owned by the CEO	Share-based compensation	$ -	$ 75,742
David Lane A director	Share-based compensation	$ -	$ 51,761
Tatiana Kovaleva A company owned by the CFO	Share-based compensation	$ -	$ 11,149
Allan Levien A director	Share-based compensation	$ -	$ 2,141
David Deering A director	Service fees, included in exploration and evaluation assets	$ -	$ 131,850
David Deering *A director*	Accounting and professional fees, included in profession fees	$ -	$ 14,400
		$ 234,000	$ 576,943

The amounts due to the related parties are as follows:

	February 28, 2023	February 28, 2022
Due to directors and officers	$ -	$ 3,500
Due to a company with common directors	18,088	-
	$ 18,088	3,500

The amounts owing are unsecured, non-interest bearing and have no fixed term for repayment.

Results of Operations

For the year ended February 28, 2023

Below are the significant changes in expenses when comparing the year ended February 28, 2023 to the year ended February 28, 2022:

- Advertising and promotion expenses of $277,282 (2022 – $471,343) decreased as a result of a decrease in prospective business development initiatives.

- Consulting decreased to $307,815 (2022 - $423,950) as a result of a decrease in the number of consultants.

- Management and directors' fees of $234,500 (2022 - $289,900) decreased as a result of additional fees paid to the directors in the comparative year.

- Stock-based compensation decreased to $Nil (2022 – $482,500) due to no share options granted nor vested during the current year.

- Write off loan receivable of $80,000 (2022 - $Nil) due to loan receivable determined to be uncollectible.

- Travel decreased to $29,855 (2022 - $48,411) as a result of a decrease in prospective business development initiatives.

- Unrealized loss on long-term investments decreased to $193,541 (2022 – $1,255,973) due to a decrease in market value.

- Other variations in expenses in the period presented reflect the variation inherent in normal course operations. We expect other items to remain at relatively constant levels, as these primarily reflect recurring operational expenses that do not vary significantly within a certain range of corporate and exploration activity.

For the three months ended February 28, 2023

Below are the significant changes in expenses when comparing the three months ended February 28, 2023 to the three months ended February 28, 2022:

- Advertising and promotion expenses of $114,174 (2022 - $9,750) increased as a result of an increase in prospective business development initiatives.

- Consulting fees of $206,125 (2022 - $81,720) increased as a result of an increase in the number of consultants.

- Management and directors' fees of $64,500 (2022 - $54,000) increased as a result of an increase in CEO monthly fees.

- Stock-based compensation decreased to $Nil (2022 – $93,300) due to no share options granted nor vested during the current period.

- Travel increased to $11,991 (2022 - $3,969) as a result of easing the travel restrictions during COVID-19 pandemic.

- Unrealized gain on long-term investments increased to $101,819 (2022 – loss of $223,611) due to an increase in market value.

- Other variations in expenses in the period presented reflect the variation inherent in normal course operations. We expect other items to remain at relatively constant levels, as these primarily reflect recurring operational expenses that do not vary significantly within a certain range of corporate and exploration activity.

SUMMARY OF QUARTERLY RESULTS

	Three Months Ended February 28, 2023	Three Months Ended November 30, 2022	Three Months Ended August 31, 2022	Three Months Ended May 31, 2022
Total assets	$ 3,641,278	$ 2,276,420	$ 2,298,841	$ 2,495,286
Working capital	928,978	186,667	240,896	606,804
Shareholders' equity	3,457,054	2,095,203	2,147,960	2,268,848
Net loss	(609,054)	(221,387)	(198,388)	(350,063)
Loss per share	(0.01)	(0.01)	(0.00)	(0.00)

	Three Months Ended February 28, 2022	Three Months Ended November 30, 2021	Three Months Ended August 31, 2021	Three Months Ended May 31, 2021
Total assets	$ 2,711,932	$ 3,068,208	$ 3,001,695	$ 3,491,326
Working capital (deficiency)	941,579	1,373,923	645,078	1,016,247
Shareholders' equity	2,441,411	2,838,518	2,764,346	3,120,919
Net income (loss)	(399,688)	(1,142,450)	(356,572)	(1,783,821)
Income (loss) per share	(0.00)	(0.01)	(0.00)	(0.026)

For the three months ended February 28, 2023, the Company incurred a net loss of $609,054 primarily due to advertising and promotion expenses, consulting fees and professional costs incurred during the current period as a result of prospective business developments initiatives.

For the three months ended November 30, 2022, the Company incurred a net loss of $278,109 primarily due to advertising and promotion expenses, consulting fees and professional costs incurred during the current period as a result of prospective business developments initiatives.

For the three months ended August 31, 2022, the Company incurred a net loss of $198,388 primarily due to advertising and promotion expenses, consulting fees and professional costs incurred during the current period as a result of prospective business developments initiatives.

For the three months ended May 31, 2022, the Company incurred a net loss of $350,063 primarily due to advertising and promotion expenses, consulting fees, professional costs and an unrealized loss on long-term investments incurred during the current period as a result of prospective business developments initiatives.

For the three months ended February 28, 2022, the Company incurred a net loss of $399,688 primarily due to advertising and promotion expenses, consulting fees, professional costs and stock-based compensation incurred during the current period as a result of prospective business developments initiatives. As well the Company incurred an unrealized loss on long-term investments of $223,611 relating to the change in the fair value and wrote off the Loner property.

For the three months ended November 30, 2021, the Company incurred a net loss of $1,142,450 primarily due to advertising and promotion expenses, consulting fees, professional costs and stock-based compensation incurred during the current period as a result of prospective business developments initiatives. As well the Company incurred an unrealized loss on long-term investments of $408,086 relating to the change in the fair value and wrote off the Loner property.

For the three months ended August 31, 2021, the Company incurred a net loss of $356,572 primarily due to advertising and promotion expenses and professional advertising and promotion expenses, consulting fees, professional costs and stock-based compensation incurred during the current period as a result of prospective business developments initiatives. As well the Company incurred an unrealized loss on long-term investments of $127,437 relating to the change in the fair value.

For the three months ended May 31, 2021, the Company incurred a net loss of $1,783,821 primarily due to advertising and promotion expenses and professional advertising and promotion expenses, consulting fees, professional costs and stock-based compensation incurred during the current period as a result of prospective business developments initiatives. As well the Company incurred an unrealized loss on long-term investments of $496,839 relating to a decrease in the fair value.

FINANCIAL AND OTHER INSTRUMENTS

The Company's financial instruments consist of cash, loan receivable, reclamation deposits, long-term investments, accounts payable and accrued liabilities and due to related parties. Cash and long-term investments are carried at fair value. The fair values of loan receivable, reclamation deposits, accounts payable and accrued liabilities and due to related parties approximate their carrying amounts due to their current nature. Reclamation deposits are non-interest-bearing, have no maturity date and carrying amounts approximate fair value.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy based on the degree to which the inputs used to determine the fair value are observable. The three levels of the fair value hierarchy are:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The classification and measurement bases of the Company's financial instruments are as follows:

Financial Instrument	**Classification**
Cash	FVTPL
Reclamation deposits	Amortized cost
Loan receivable	Amortized cost
Long-term investments	FVTPL
Accounts payable and accrued liabilities	Amortized cost
Due to related parties	Amortized cost

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Credit risks associated with cash are minimal as the Company deposits the majority of its cash with a large Canadian financial institution. The Company's credit risks associated with its loan receivable and reclamation deposits are monitored by management. The Company's exposure to potential loss is equal to the carrying value of cash, loan receivable and reclamation deposits.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk through the management of its capital structure, as outlined below. As at February 28, 2023, the Company had a cash balance of $1,156,773 (February 28, 2022 - $918,656) to settle current liabilities of $258,721 (February 28, 2022 - $182,236). All of the Company's trade accounts payable and amounts due to related parties have contractual maturities of 30 days or are due on demand and accounts payable are subject to normal trade terms. The Company will require financing from lenders, shareholders and other investors, or liquidation of long-term investments to generate sufficient capital to meet its short-term business requirements.

Market risk

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

a) Interest rate risk

As of February 28, 2023, the Company did not hold any material interest bearing investments or liabilities and has no significant interest rate risk.

b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company has foreign currency exposure with respect to the investments in Jolt Health and Love Hemp, which are denominated in British Pounds and US dollars. A 5% change in the value of the British Pound and US dollar with respect to the Canadian Dollar would impact profit or loss by approximately $1,000.

c) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market.

The recoverability of the Company's exploration and evaluation assets is indirectly related to the market price of commodities. The Company's ability to continue with its exploration of the properties is also indirectly subject to commodity prices. The Company is not currently directly exposed to fluctuations in commodity prices as the Company is currently in the exploration phase and has no production.

The recoverability of the Company's investments in Jolt Health and Love Hemp are directly tied to the market price of those companies' common shares. A 5% change in the value of the Jolt Health and Love Hemp common shares would impact profit or loss by approximately $1,000.

Capital management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, to pursue the development of its investments and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. In the management of capital, the Company includes the components of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, issue new debt, acquire or dispose of assets.

The Company can expect to encounter competition from other entities having similar investment objectives, including institutional investors and strategic investors. These groups may compete for the same investments as the Company, will have a longer operating history and may be better capitalized, have more personnel and have different return targets. As a result, the Company may not be able to compete successfully for investments. In addition, competition for investments may lead to the price of such investments increasing, which may further limit the Company's ability to generate desired returns. There can be no assurance that there will be a sufficient number of suitable investment opportunities available to invest in or that such investments can be made within a reasonable period of time. There can also be no assurance that the Company will be able to identify suitable investment opportunities, acquire them at a reasonable cost or achieve an appropriate rate of return. Identifying attractive opportunities is difficult, highly competitive and involves a high degree of uncertainty. Potential returns from investments will be diminished to the extent that the Company is unable to find and make a sufficient number of investments.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

NEWLY ADOPTED ACCOUNTING POLICIES AND FUTURE ACCOUNTING POLICY PRONOUNCEMENTS

Please refer to the consolidated financial statements for the year ended February 28, 2023 on www.sedar.com.

CURRENT SHARE DATA

As at June 28, 2023, the Company has 76,595,176 common shares issued and outstanding.

At June 28, 2023, the following stock options were outstanding and exercisable:

Expiry Date	Number of Options		Exercise Price
December 14, 2025	66,667	$	0.162
Total outstanding:	66,667	$	0.162

At June 28, 2023, the following share purchase warrants were outstanding.

Expiry date	Number of Warrants Outstanding		Exercise Price
November 12, 2023	295,556		0.15
November 4, 2023	6,413,605		0.21
November 4, 2023 – agent warrants	330,085		0.21
November 7, 2024	2,608,333		0.15
November 7, 2024– agent warrants	53,333		0.15
February 13, 2025	5,600,000		0.12
February 16, 2025	4,550,000		0.12
February 16, 2025– agent warrants	354,000		0.12
February 22, 2025	8,607,500		0.12
March 10, 2025	3,440,000		0.12
February 22, 2025– agent warrants	32,000		0.12
March 10, 2025	1,250,000		0.15
March 10, 2025– agent warrants	100,000		0.15
May 26, 2025	6,000,000		0.07
Total outstanding and exercisable:	39,634,412	$	0.17

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS

In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the annual audited consolidated financial statements and this accompanying annual MD&A (together the "Annual Filings").

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information the reader should refer to the Venture Issuer Basic Certificates filed by the Company with the Annual Filings on SEDAR at www.sedar.com.

NOTE REGARDING FORWARD-LOOKING STATEMENTS

Statements herein that are not historical facts are forward-looking statements that are subject to risks and uncertainties. Words such as "expects", "intends", "may", "could", "should", "anticipates", "likely", "believes" and words of similar import also identify forward-looking statements.

Forward-looking statements are based on current facts and analyses and other information that are based on forecasts of future results, estimates of amounts not yet determined and assumptions of management, including, but not limited to, assumptions regarding the Company's ability to raise additional debt and/or equity financing to fund operations and working capital requirements and assumptions regarding the Company's mineral properties.

Actual results may differ materially from those currently anticipated due to a number of factors including, but not limited to, general economic conditions, the geology of mineral properties, exploration results, commodity market conditions, the Company's ability to generate sufficient cash flows from operations and financing to support general operating activities and capital expansion plans, and laws and regulations and changes thereto that may affect operations, and other factors beyond the reasonable control of the Company.

Additional information on factors that may affect the business and financial results of the Company can be found in filings of the Company on www.sedar.com