PAN AMERICAN ENERGY CORP.

(FORMERLY GOLDEN SUN MINING CORP.)

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the three and nine months ended December 31, 2022

This Management's Discussion and Analysis ("MD&A") has been prepared by management in accordance with the requirements of National Instrument 51-102 and should be read in conjunction with the condensed consolidated interim financial statements and notes thereto for the three and nine months ended December 31, 2022 (the "financial statements") of Pan American Energy Corp. (formerly "Golden Sun Mining Corp.") (the "Company"). Such financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

All dollar amounts are expressed in Canadian Dollars, the reporting and functional currency of the Company, unless otherwise indicated.

Readers should use the information contained in this report in conjunction with all other disclosure documents including those filed on SEDAR at www.sedar.com.

DATE

This MD&A is prepared as of March 1, 2023.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this MD&A are forward-looking statements, which reflect our management's expectations regarding our future growth, results of operations, performance and business prospects and opportunities including statements related to the development of future property interests, availability of financing and projected costs and expenses. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits we will obtain from them. These forward-looking statements reflect management's current views and are based on certain assumptions and speak only as of the date of this MD&A. These assumptions, which include management's current expectations, estimates and assumptions about the global economic environment and our ability to manage our operating costs, may prove to be incorrect. A number of risks and uncertainties could cause our actual results to differ materially from those expressed or implied by the forward-looking statements, including: (1) a downturn in general economic conditions, (2) the uncertainty of government regulation and politics (3) potential negative financial impact from regulatory investigations, claims, lawsuits and other legal proceedings and challenges, and (4) other factors beyond our control.

There is a significant risk that such forward-looking statements will not prove to be accurate. Investors are cautioned not to place undue reliance on these forward-looking statements. No forward-looking statement is a guarantee of future results. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. Additional information about these and other assumptions, risks and uncertainties are set out in the section entitled "Risk Factors" below.

DESCRIPTION OF BUSINESS

Pan American Energy Corp. (formerly "Golden Sun Mining Corp.") (the "Company") was incorporated under the laws of British Columbia on March 14, 2007. The Company's corporate office and principal place of business is 521 3rd Avenue SW, Suite 100, Calgary, Alberta T2P 3T3.

On May 5, 2022, the Company entered into a share purchase agreement (the "Agreement") with 1328012 B.C. Ltd. ("Numberco"). Pursuant to the terms of the Agreement, the Company acquired all of the outstanding securities of Numberco in exchange for securities of the Company. The shareholders of Numberco received securities of the Company such that they collectively control the Company subsequent to the completion of the transaction. The transaction constitutes a reverse acquisition of the Company by Numberco for accounting purposes. Consequently, the comparative figures reported are those of Numberco.

Numberco was incorporated under the laws of the Business Corporations Act (British Columbia) on October 12, 2021, and as such, the comparative periods for presentation are from the period of incorporation on October 12, 2021 to December 31, 2021.

On May 19, 2022, the Company listed its common shares on the Canadian Securities Exchange (the "CSE") under the symbol "GSU". On June 29, 2022, the Company changed its name to "Pan American Energy Corp." from "Golden Sun Mining Corp." and began trading under the symbol "PNRG". On October 10, 2022, the Company's common shares commenced trading on the Frankfurt Stock Exchange under the symbol "SS6".

The Company is a Canadian corporation that is in the business of acquisition, exploration and evaluation of mineral properties.

COVID-19

The COVID-19 pandemic continues to impact the global economic recovery. The current situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on the Company is not known at this time. Estimates and judgments made by management in the preparation of these financial statements are subject to a higher degree of measurement uncertainty during this volatile period.

OVERALL PERFORMANCE

The Company has not generated revenues to date from operations as it is in the start up phase and continues to focus on obtaining strategic mining and exploration assets.

The net assets of the Company at December 31, 2022 and March 31, 2022 consisted of the following:

As at	December 31, 2022	March 31, 2022
	$	$
Cash	6,285,521	1,310,469
Accounts receivable	70,529	-
Prepaid expenses	449,415	-
Promissory note receivable	-	151,397
Exploration and evaluation assets	3,874,524	-
Accounts payable and accrued liabilities	(488,633)	(119,210)
Other liability	(692,308)	-
Loan payable	(166,943)	-
Net assets	**9,332,105**	**1,342,656**

The change in net assets from March 31, 2022 to December 31, 2022 was largely related to the Corporate Transaction (described below), the completion of the $8.0 million financing, the acquisition of an interest in two additional mineral properties and exploration costs associated with the Company's mineral properties.

CORPORATE TRANSACTION

On May 5, 2022, the Company entered into a share purchase agreement (the "Agreement") with Numberco, pursuant to which the Company acquired 100% of the Company's issued and outstanding securities of Numberco in exchange for 20,000,100 common shares and 20,000,000 share purchase warrants of the Company. As a result of the Agreement, securityholders of Numberco hold 20,000,100 common shares of the Company representing 82.99 percent and securityholders of the Company hold 4,099,366 common shares representing 17.01 percent of the Company. The securityholders of Numberco, therefore, control the Company upon completion of the Agreement. The transaction was accounted for as a reverse acquisition, with Numberco identified as the acquirer. The fair value of the consideration was determined based on 4,099,366 common shares issued at the price of $0.10 per share, which corresponds to the price of the most recent financing closed totaling $409,937.

The purchase price allocation at the acquisition date was:

	$
Net assets acquired	
Cash	27,405
Accounts receivable	24,159
Prepaid expenses	10,103
Exploration and evaluation assets	167,422
Accounts payable and accrued liabilities	(940,900)
Promissory note payable	(150,000)
Loan payable	(159,171)
Listing expense(1)	1,430,919
Net assets acquired	**409,937**
Consideration	
Fair value of 4,099,366 shares issued	**409,937**

(1) The transaction costs, primarily relating to the acquired public exchange listing, were expensed.

QUARTERLY FINANCIAL INFORMATION & RESULTS OF OPERATIONS

The following information sets out quarterly selected financial information for the quarters ended December 31, 2022, September 30, 2022, June 30, 2022, March 31, 2022 and the period from incorporation on October 12, 2021 to December 31, 2021:

	Quarter Ended December 31, 2022	Quarter Ended September 30, 2022	Quarter Ended June 30, 2022	Quarter Ended March 31, 2022	Period Ended December 31, 2021
	($)	($)	($)	($)	($)
Operating expenses	(1,876,643)	(661,536)	(204,838)	(75,230)	(83,512)
Net and comprehensive loss	(1,868,875)	(663,978)	(1,940,701)	(73,833)	(83,512)
Loss per share, basic and diluted	(0.05)	(0.03)	(0.09)	(0.01)	(0.01)

During the quarter ended December 31, 2022, the Company incurred a net loss and comprehensive loss of $1,868,875. The net loss and comprehensive loss for the period consists primarily of the following:

- Advertising and marketing fees of $492,109, which relate to costs incurred for fundraising (i.e. branding, investor presentation) and website development.
- Consulting fees of $161,400 consists primarily of fees paid to directors and officers of the Company and fees paid to other service providers for corporate activities.
- Filing fees of $31,529 consists primarily of costs associated with the Company's filings on the CSE and transfer agent fees.
- Office and miscellaneous of $32,302 consists primarily of costs related to travel expenses, meals & entertainment and other office costs.
- Professional fees of $98,436 consists primarily of for legal costs incurred for general corporate matters.
- Share-based compensation costs of $1,060,867 relates to the vesting of stock options and RSRs that were granted during the three months ended December 31, 2022.

- Interest expense of $3,910 relates to interest accrued on loans payable.
- Interest income of $11,678 relates to interest earned on the Company's savings account.

During the quarter ended September 30, 2022, the Company incurred a net loss and comprehensive loss of $663,978. The net loss and comprehensive loss for the period consists primarily of the following:

- Advertising and marketing fees of $22,000, which relate to costs incurred for fundraising (i.e. branding, investor presentation) and website development.
- Consulting fees of $84,000 consists primarily of fees paid to directors and officers of the Company and fees paid to other service provides for corporate activities.
- Filing fees of $24,660 consists primarily of costs associated with the Company's filings on the CSE and transfer agent fees.
- Office and miscellaneous of $11,661 consists primarily of costs related to travel expenses, meals & entertainment and other office costs.
- Professional fees of $32,729 consists primarily of for legal costs incurred for general corporate matters.
- Share-based compensation costs of $486,486 relates to the vesting of stock options and RSRs that were granted during the three months ended September 30, 2022.
- Interest expense of $2,442 relates to interest accrued on loans payable.

During the quarter ended June 30, 2022, the Company incurred a net loss and comprehensive loss of $1,940,701. The net loss and comprehensive loss for the period consists primarily of the following:

- Consulting fees of $107,000 consists primarily of fees paid to directors and officers of the Company and fees paid to other service provides for corporate activities.
- Filing fees of $47,449 consists primarily of costs associated with the Company's filings on the CSE and registering for filing on the OTC markets.
- Office and miscellaneous of $6,597 consists primarily of costs related to travel expenses, meals & entertainment and other office costs.
- Professional fees of $39,801 consists primarily of costs related to legal and accounting services related to the public listing of the Company's shares on the CSE.
- Share-based compensation costs of $3,991 relates to the vesting of stock options and RSRs that were granted during the three months ended June 30, 2022.
- Listing expense of $1,430,919 relates to the Corporate Transaction (see section above).
- Loss on debt settlement of $304,944 relates to the June 23, 2022 debt settlement agreements entered into with certain creditors of the Company, pursuant to which it discharged aggregate indebtedness of $228,708 in consideration of the issuance of a total of 1,270,600 common shares of the Company at a fair value of $0.42 per common share. The Company recognized a loss on debt settlement of $304,944.

During the quarter ended March 31, 2022, the Company incurred a net loss and comprehensive loss of $73,833. The net loss and comprehensive loss for the period consists primarily of the following:

- Consulting fees of $70,875 consists primarily of services used in corporate activities.
- Office and miscellaneous of $91 consists primarily of costs related to bank fees.
- Professional fees of $4,264 consists primarily of costs related to legal and accounting services related to the public listing of the Company's shares on the CSE.

During the period ended December 31, 2021, the Company incurred a net loss and comprehensive loss of $83,512. The net loss and comprehensive loss for the period consists primarily of the following:

- Consulting fees of $70,875 consists primarily of services used in corporate activities.
- Office and miscellaneous of $66 consists primarily of costs related to bank fees.
- Professional fees of $12,571 consists primarily of costs related to legal and accounting services related to the public listing of the Company's shares on the CSE.

On a quarter-by-quarter basis, losses are expected to fluctuate significantly due to a number of factors including timing of operating activities from the date of incorporation due to the nature of a start up Company.

An analysis of the quarterly results from incorporation shows that the Company has incurred mostly professional fees, consulting fees and share-based compensation related to the newly formed entity, the share exchange transaction and acquisition of mineral properties. Advertising and marketing has been an expense that has increased in the three months ended December 31, 2022 as a result of increased investor / brand awareness for the Company.

EXPLORATION AND EVALUATION ASSETS

General

The Company is a junior mineral exploration company engaged in the business of acquiring, exploring and evaluating lithium projects in mining friendly jurisdictions. Currently, the Company has two material mineral projects, being the Green Energy Property and the Big Mack Property.

The Company holds a 100% interest in and to the mining licenses comprising the Green Energy property, located in Cane Creek Anticline, Grand County, Utah, USA (the "**Green Energy Property**"). The Company intends to "spin-out" the Green Energy Property into its wholly-owned subsidiary, Legacy, following which the Company intends to distribute all, or the majority, of the common shares of Legacy to its shareholders, on a *pro rata* basis and pursue a listing of the common shares of Legacy on a Canadian stock exchange. See "*Summary Description of the Business – Recent Updates*".

The Company also has options to acquire (A) up to 90% of the Big Mack property, located in the Paterson Lake Area, Ontario, Canada (the "**Big Mack Property**") and (B) 100% of the Horizon property, located in the Big Smoky and Monte Cristo Basins of Esmeralda County, Nevada (the "**Horizon Property**").

Green Energy Property

The Green Energy Property is located in Grand County, southeastern Utah, approximately 12 air miles west of the town of Moab, in the Paradox Basin area. The Green Energy Property consists of 208 unpatented placer mining claims, totaling approximately 4160 acres. The Paradox Basin area has been explored for oil and gas for quite some time. The claims were acquired by the Company on January 6, 2022 for the purposes of exploring the claims for lithium. The Company has not done any exploration work on the claims to date, but has submitted an exploration and drilling plan to the Bureau of Land Management – Moab Field Office within Grand County, Utah to re-enter the previously drilled and plugged Cane Creek Fed 11-1 well.

A National Instrument 43-101 technical report in respect of the Green Energy Property, entitled "Technical Report, Green Energy Lithium Project, Cane Creek Anticline, Grand County, Utah, USA" with an effective date of March 24, 2022 (the "**Green Energy Technical Report**") was filed on SEDAR on May 20, 2022.

The Company is currently proceeding with the work program recommended in the Green Energy Technical Report, involving the evaluation of recent and historic drilling data, development of a 3-D model, permitting and bonding for well re-entry, re-entering the previously drilled and plugged Cane Creek Federal 11-1 sample well (the "**Cane Creek Well**"), on-site testing and evaluation of the brine acquired from well re-entry and related metallurgical testing. At the date of the Green Energy Technical Report, this work program was estimated to cost $950,000 (including a $60,000 contingency).

Since acquiring the Green Energy Property, the Company has been evaluating the most promising wells for re-entry. After validation through geological, engineering and survey work, on December 13th, 2022, the Company submitted a Notice of Intent to the Bureau of Land Management Office (the "**BLM**"), Moab District Field, for re-entry well exploration drilling at the Cane Creek Well. The proposed well re-entry is expected to provide a more thorough understanding of the geologic structure and subsurface stratigraphy underlying the prospect area. The estimated duration of the program upon receipt of the permit from the BLM is approximately three months for construction, drilling and sampling, and seven months including full surface reclamation. To date, this work has cost the Company approximately $112,000. Based on the estimate contained in the Green Energy Technical Report, the remaining amount to be spent on the work program is expected to be approximately $838,000. Following the re-entry of the Cane Creek Well, the Company expects to have a better understanding of the lithium, bromine, iodine and other potentially valuable mineral concentrations at the Green Energy Property, and that it will then be in a position to proceed with testing the brine.

The AIF contains a summary of the Green Energy Technical Report. The summary in the AIF does not purport to be a complete summary of the Green Energy Property and the Green Energy Technical Report and is subject to all the assumptions, qualifications, references and procedures set out in Green Energy Technical Report and is qualified in its entirety with reference to the full text of the Green Energy Technical Report. Readers should read the summary in conjunction with the Green Energy Technical Report.

In the event that the Arrangement is completed during the current work program, it is expected that Legacy will continue with the work program recommended in the Green Energy Technical Report and the re-entry of the Cane Creek Well.

Big Mack Property

The Big Mack Property is located in the Paterson Lake Area, approximately 80 kilometres north of Kenora, Ontario. The Big Mack Property is comprised of one mining lease, LEA-110010, which is recorded within the Kenora Mining Division of Ontario and has an expiry date of February 28, 2042. Magabra is the recorded owner of the Big Mack Property, with the Company holding its interest to acquire 90% of the Big Mack Property pursuant to the Big Mack Option Agreement. The area in which the Big Mack Property is located has a history of base and precious metals exploration, with some work focusing on the uranium and iron potential. In addition, extensive research and mapping initiated in 1992 by the Ontario government increased interest in the rare-metal pegmatite potential of the area. The Company has completed drill trails on the Big Mack Property, to allow for safer access for trucks and drilling equipment onto the Big Mack Property, and plans to complete a diamond head core drilling and sampling program incorporating at least 5,000 metres of drilling.

A National Instrument 43-101 technical report in respect of the Big Mack Property entitled “Technical Report on the Big Mack Property, Kenora Mining District, Northwestern Ontario, Canada” with an effective date of December 12, 2022 (the “**Big Mack Technical Report**”) was filed on SEDAR on December 14, 2022.

The Company is currently proceeding with phase one and two of the work program recommended in the Big Mack Technical Report, involving prospecting, mapping, sampling, stripping and channel-cut sampling to further define the potential lithium and rare earth mineralization present at the Big Mack Property, reviewing the geochemistry of all of the pegmatites previously located at the Big Mack Property and diamond drilling of the Big Mack pegmatite to depth and along strike to evaluate the continuity and the potential associations to the other pegmatites in the immediate area. At the date of the Big Mack Technical Report, this work program was estimated to cost $2,442,542 (including contingency).

On September 6, 2022, the Company announced that it had validated a number of pegmatites at surface and historical grades through its review of prior scientific and technical work and a site visit. On November 15, 2022, the Company completed its first infrastructure development on the Big Mack Property by establishing drill trails to the Big Mack, Eleven Zone and Sprinkler Zone/6-59 LCT-pegmatites, allowing for safer access for trucks and drilling equipment onto the Big Mack Property. The drill trails were established in preparation for the Company’s planned diamond head core drilling and sampling program, which is expected to involve at least 5,000 metres of diamond head core drilling focussing on the Big Mack and Eleven Zone surface exposures. The Company has renewed the mining lease at the Big Mack Property for another 21 years (to 2042) and is currently working with the Ministry of Energy, Northern Development and Mines to update the Big Mack advanced exploration and closure plan. Following the update of this plan, the Company expects to commence the drilling and sampling program when ground conditions permit.

In addition, on January 23, 2023, the Company announced its participation in a UAV-borne magnetic survey to be flown by EarthEx Geophysical Solutions Inc. to be flown for the Company and Avalon Advanced Materials Inc. at the Big Mack Property and the Big Whopper Project near Kenora, Ontario. The survey is estimated to comprise 725 line-km with spacing of 25m and tie line spacing of 250m. The work program is focused on advancing an understanding of the structural framework and strain in the emplaced pegmatites in the Separation Rapids area. The cost of the survey is being shared by both companies, proportioned to their land holding size, and both companies will be provided access to all results.

To date, the Company’s work at the Big Mack Property has cost the Company approximately $90,000. The Company anticipates that its total expenditures with respect to the planned drilling and sampling program will be approximately $2.3 million. The proposed drilling and sampling program is expected to enable the Company to further delineate the Big Mack pegmatite along strike and to depth, as well as to assess the structural complexity and potential zonation of the Big Mack pegmatite. The Company also anticipates that the drilling and sampling program will assist the Company in understanding the relationships between the identified pegmatites within the immediate area and to those adjacent to the Property, such as the Big Whopper pegmatite.

The AIF contains a summary of the Big Mack Technical Report. The summary in the AIF does not purport to be a complete summary of the Big Mack Property and the Big Mack Technical Report and is subject to all the assumptions, qualifications, references and procedures set out in Big Mack Technical Report and is qualified in its entirety with reference to the full text of the Big Mack Technical Report. Readers should read the summary in conjunction with the Big Mack Technical Report.

Horizon Property

The Company has received approval of its Notice of Intent to the BLM, Tonopah Field Office, for exploration drilling of up to twenty-two (22) lithium prospecting core holes. The Company expects to commence its exploration efforts at the Horizon Property by drilling eleven (11) high-priority drill targets, at an estimated cost of $1.5 million. Mobilization of the drilling rig for this drilling occurred on February 9th, 2023 and drilling began on February 11th, 2023. The proposed drilling program is designed to focus on assessing overburden, lithium concentration and the thickness and depth of the mineralized zone. Following the drilling of the eleven (11) high-priority drill holes described above, the Company expects to re-evaluate its drill targets for the remaining permitted drill holes.

For additional information with respect to the Green Energy Property, Big Mack Property, Horizon Property and the business of the Company, readers are referred to the Company's most recent annual information form, annual management's discussion and analysis and interim management's discussion. See also "*Risk Factors*" in this Prospectus and the Company's then-current annual information form.

LIQUIDITY

The Company had cash of $6,285,521 at December 31, 2022 ($1,310,469 at March 31, 2022). The Company had working capital of $5,457,581 at December 31, 2022 ($1,342,656 at March 31, 2022).

If additional funds are required, the Company plans to raise additional capital primarily through the private placement of its equity securities. Under such circumstances, there is no assurance that the Company will be able to obtain further funds required for the Company's continued working capital requirements.

Operating Activities

The Company used net cash of $2,256,228 in operating activities during the nine months ended December 31, 2022. The cash used primarily related to manage the Company, which includes advertising and marketing, consulting and professional fees paid, filings fees incurred, and prepayment on other working capital items.

Investing Activities

The Company used net cash of $590,625 from investing activities during the nine months ended December 31, 2022. The cash used primarily related to option payments for the Big Mack Lithium Project and Horizon Lithium Project of $425,750 and exploration expenditures of $192,281 at the Green Energy Lithium Project ($112,152), the Big Mack Lithium Project ($89,623) and the Horizon Lithium Project ($89,688).

Financing Activities

The Company received net cash of $7,821,906 from financing activities during the nine months ended December 31, 2022. The cash received was primarily from the completion of a non-brokered private placement of units and flow-through units for aggregate proceeds of $8,000,000 (see "Disclosure of Outstanding Share Data" below). The Company incurred share issuance costs of $329,491 related to the private placement.

COMMITMENTS

The Company has a contract with a company controlled by the CEO and Director of the Company for monthly payments of $12,000 for a period of two years beginning in May 2021.

As a result of the flow-through financing structure (see Note 8(a) of the financial statements) on October 11, 2022, the Company is committed to expend $3,000,000 of flow-through share proceeds related to flow-through shares issued during the period on qualifying exploration expenditures. The Company must incur the eligible expenditures within 24 months from issuing the flow-through shares.

As at December 31, 2022, the Company has $2,910,377 remaining in committed flow-through proceeds to be expended.

TRANSACTIONS WITH RELATED PARTIES

Key management personnel are those personnel having the authority and responsibility for planning, directing, and controlling the Company and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel.

Related party transactions are conducted in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the parties.

The aggregate value of transactions relating to key management personnel during the nine months ended December 31, 2022 and comparative period were as follows:

For the Period Ended	December 31, 2022	to December 31, 2021
	$	$
Management fees (to company owned by CEO)	110,000	23,625
Management fees (to company owned by CFO)	88,875	-
Share-based compensation (to directors and officers)	419,713	-
Total	**618,588**	**23,625**

As at December 31, 2022, a $24,198 balance was owing to key management personnel for fees and expenses incurred on behalf of the Company with these amounts all included in accounts payable and accrued liabilities (2021 – $23,625). The amounts payable are non-interest bearing, are unsecured, and have no specific terms of repayment.

PROPOSED TRANSACTIONS AND SUBSEQUENT EVENTS

On February 8, 2023, the Company announced that it has entered into an arrangement agreement (the “Arrangement”) with a newly incorporated, wholly owned subsidiary of the Company named Legacy Lithium Corp. (“Legacy”) with respect to the proposed “spin out” of the Company’s Green Energy Lithium Property, (the “Property”). The Arrangement involves, among other things, the distribution of 100% of the common shares of Legacy (the “Legacy Common Shares”) to Company shareholders pursuant to the terms and subject to the conditions contained in the Arrangement Agreement, such that each shareholder as of a particular record date, occurring immediately prior to closing of the Arrangement (the “Record Date”), will receive one Legacy Common Share for each five common shares of the Company held as of the Record Date. It is anticipated that the Record Date of the Arrangement will be on or about April 17th, 2023 and the closing date of the Arrangement will occur on or about April 19th, 2023. In connection with the Arrangement, share purchase warrants of the Company will be adjusted in accordance with their terms, as described in more detail in the information circular (“Circular”) that will be mailed to shareholders prior to the Meeting.

Subsequent to December 31, 2022, the following share awards were exercised into common shares of the Company:

- 2,600,000 share purchase warrants for total proceeds of $284,000.
- 850,000 restricted share rights for nil proceeds.

As of the date of this MD&A, there are no other proposed transactions.

ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

There are no new standards issued, but not yet effective, that are anticipated to have a material impact on the Company's financial statements.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The following is the Company's accounting policy for financial instruments under:

(i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The Company classifies its financial instruments as follows:

Financial assets/liabilities	
Cash	FVTPL
Accounts payable and accrued liabilities	Amortized cost
Loan payable	Amortized cost

(ii) Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in profit or loss in the period in which they arise.

(iii) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(iv) Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in profit or loss.

DISCLOSURE OF OUTSTANDING SHARE DATA

The Company had following securities outstanding, as of December 31, 2022 and as of the date of this MD&A:

	December 31, 2022	Date of this MD&A
Common shares	43,389,780	46,839,780
Share purchase warrants	34,615,384	32,015,384
Finder's warrants	676,738	676,738
Share purchase options	1,850,000	1,850,000
Restricted share rights	4,450,008	3,600,008
Total	**84,981,910**	**84,981,910**

*** Subsequent to December 31, 2022, 2,600,000 share purchase warrants were exercised into common shares of the Company for total proceeds of $284,000. In addition, 850,000 RSR's were exercised into common shares of the Company.*

Common Shares

The authorized share capital consists of an unlimited number of common shares without par value. Common shares issued and outstanding as at December 31, 2022 are 43,389,781 (March 31, 2022 – 20,000,100).

During the nine months ended December 31, 2022, and to the date of this MD&A, the Company had the following common share transactions:

	Description	Number of Shares	Amount ($)
Balance, March 31, 2022		**20,000,100**	**1,500,001**
May 19, 2022	Corporate Transaction	4,099,366	409,937
June 23, 2022	Settlement of indebtedness	1,270,600	533,652
August 30, 2022	Option Agreement - Big Mack	392,156	200,000
October 11, 2022	Private placement	10,000,000	5,000,000
October 11, 2022	Private placement (flow-through)	4,615,384	3,000,000
October 17, 2022	Option Agreement – Horizon	3,012,174	2,746,000
Balance, December 31, 2022		**43,389,780**	**13,389,590**
Various dates	Warrant exercise	2,600,000	274,000
Various dates	RSR exercise	850,000	-
Balance, Date of this MD&A		**46,839,780**	**13,663,590**

On June 23, 2022, the Company entered into debt settlement agreements with certain creditors of the Company, pursuant to which it discharged aggregate indebtedness of $228,708 in consideration of the issuance of a total of 1,270,600 common shares of the Company at a fair value of $0.42 per common share. The Company recognized a loss on debt settlement of $304,944.

On October 11, 2022, the Company completed a non-brokered private placement of 10,000,000 units of the Company at $0.50 per unit for aggregate gross proceeds of $5,000,000. Each unit is composed of one common share and one common share purchase warrant. Finder's fees of $205,900 were paid and 674,100 finder's warrants fair valued at $257,322 were issued in connection with the private placement. Each finder's warrant is exercisable at $0.75 for two years from the date of issuance. There was no residual value allocated to the warrants. All securities issuable in connection with the private placement are subject to a statutory hold period, in accordance with applicable securities laws, of four months and one day from the date of issue.

On October 11, 2022, the Company completed a non-brokered private placement of 4,615,384 flow-through units (each, a "FT Unit") of the Company at $0.65 per FT Unit for aggregate gross proceeds of $3,000,000. Each FT Unit is composed of one common share, issued on a flow-through basis pursuant the Income Tax Act (Canada), and one common share purchase warrant. Each warrant is exercisable at $0.85 per share for two years from the date of issuance. Finder's fees of $123,591 were paid and 2,638 finder's warrants fair valued at $950 were issued in connection with the private placement. There was residual value allocated to the flow-through obligation, based on a $0.15 premium between the $0.65 FT Unit issued and the $0.50 unit issued. As a result, $692,308 in flow-through premium liability was recorded as an “Other Liability” on the Statement of Financial Position. The Company will begin to reverse the flow-through premium when the paperwork to renounce is filed. All securities issuable in connection with the private placement are subject to a statutory hold period, in accordance with applicable securities laws, of four months and one day from the date of issue.

On October 17, 2022, the Company issued common shares in value of US$2,000,000, related to the Horizon Lithium Property option agreement.

During the year ended March 31, 2022, the Company had the following common share transactions:

- On October 12, 2021, the Company issued 100 common shares at $0.01 per common share for total proceeds of $1 pursuant to incorporation;

- On October 25, 2021, the Company issued 10,000,000 units at $0.05 per unit for total proceeds of $500,000 pursuant to a private placement. Each unit consists of one common share and one common share purchase warrant exercisable at $0.10 for a period of twenty four months; and

- On December 8, 2021, the Company issued 10,000,000 units at $0.10 per unit for total proceeds of $1,000,000 pursuant to a private placement. Each unit consists of one common share and one common share purchase warrant exercisable at $0.12 for a period of twenty four months.

RISK FACTORS

Much of the information included in this MD&A includes or is based upon estimates, projections or other forward-looking statements. Such forward-looking statements include any projections or estimates made by the Company and its management in connection with the Company’s business operations. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect the Company’s current judgment regarding the direction of its business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions, or other future performance suggested herein. Except as required by law, the Company undertakes no obligation to update forward-looking statements to reflect events or circumstances occurring after the date of such statements.

Such estimates, projections or other forward-looking statements involve various risks and uncertainties as outlined below. The Company cautions readers of this report that important factors in some cases have affected and, in the future, could materially affect actual results and cause actual results to differ materially from the results expressed in any such estimates, projections or other forward-looking statements. In evaluating the Company, its business and any investment in its business, readers should carefully consider the following factors:

Risks Related to the Company’s Business

The Company is a mining exploration stage company. The ability of the Company to acquire additional strategic mining assets is dependent upon (but not limited to) market conditions, the ability of the Company’s management team to obtain necessary financing to successfully complete an attractive acquisition on acceptable terms and funding necessary to execute development programs.

In conducting its business, the Company is subject to a number of other risks and uncertainties that could have a material adverse effect on the Company’s business prospects or financial condition that could result in a delay or indefinite postponement in the development of the Company’s future mineral interests.

Risks associated with exploration stage companies

Exploring for mineral resources involves a variety of operational, financial, and regulatory risks that are typical in the natural resource industry. The Company has not commenced commercial operations and has no proven history of performance, earnings, or success. There is no guarantee that the Company will ever be able to achieve profitable results or successfully execute its business plan. The Company’s Common Shares must be considered speculative primarily due to the nature of the Company’s business. The Company has no revenue or income from operations. The Company has limited capital resources and will rely upon the sale of equity and/or debt securities for cash required for exploration and development purposes, for acquisitions, and to fund the administration of the Company.

Since the Company does not expect to generate any revenues from operations in the near future, it must continue to rely upon the sales of it equity or debt securities or joint venture agreements to raise capital. There can be no assurance that financing, whether equity or debt, will be available to the Company in the amount required by the Company at any particular time or for any period, and that such financing can be obtained on terms satisfactory to the Company.

Licenses and permits

The Company will require licenses and permits from various governmental authorities regarding any mineral interests acquired. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development, and mining operations for its mineral interests. Failure to obtain and maintain such licenses and permits may adversely affect the Company's business as the Company would be unable to legally conduct its intended exploration and development work which may result in its losing its interest in the subject property.

Operating hazards and risks

Fires, power outages, labour disputes, flooding explosions, cave-ins, landslides, and the inability to obtain suitable or adequate machinery, equipment, or labour are some of the risks involved in exploration programs. Unknowns with respect to geological structures and other conditions are involved. Existing and future environmental laws may cause additional expense and delays in the activities of the Company, and may render the Company's properties uneconomic. The Company has no liability insurance and the Company may become subject to liability for pollution, cave-ins, or hazards against which it cannot insure, or against which it may elect not to insure. The payment of such liabilities may have a material, adverse effect of the Company's financial position.

Competition

The mining industry is intensely competitive and the Company must compete in all aspects of its operations with a substantial number of other corporations which have greater technical and financial resources. The Company may be unable to acquire attractive mining properties on terms it considers acceptable.

Profitability of operations

The Company does not have profitable operations at this time and it should be anticipated that it will operate at a loss until such time as production is achieved from any acquired mining assets, if production is in fact ever achieved. Investors also cannot expect to receive any dividends on their investment in the foreseeable future.

Foreign currency risk

The Company's has acquired exploration and evaluation assets in Utah and Nevada, United States of America. As a result, future changes in exchange rates could materially affect the viability of exploration and development activities.

Market risks

Even if the Company's exploration programs are successful, factors beyond the control of the Company may affect the marketability of any mineral products discovered. Mineral prices have fluctuated widely in recent years. The marketability and price of minerals which may be produced or acquired by the Company will be affected by numerous factors beyond the control of the Company. These factors include delivery uncertainties related to the proximity of its reserves to processing facilities, and extensive government regulation relating to price, taxes, royalties, allowable production land tenure, the import and export of minerals, and many other aspects of the mining business. Declines in mineral prices may have a negative effect of the Company.

Future financings

As the Company continues to acquire mining assets and starts to develop them, the Company may require additional funds to execute exploration and development programs and additional funds if the Company wishes to pursue commercial production. The Company's available sources of funds are: sale of equity capital. There is no assurance such sources will continue to be available on favorable terms or at all. If available, future equity financings may result in dilution to current shareholders.

Going concern

The Company's condensed consolidated interim financial statements have been 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. The continuing operations of the Company are dependent upon its ability to obtain the necessary financing to meet its on-going commitments, further its mineral exploration program, and to commence profitable operations in the future.

The Company's directors and officers are engaged in other business activities and accordingly may not devote sufficient time to the Company's business affairs, which may affect its ability to conduct operations and generate revenues.

The Company's directors and officers are involved in other business activities. As a result of their other business endeavours, the directors and officers may not be able to devote sufficient time to the Company's business affairs, which may negatively affect its ability to conduct its ongoing operations and its ability to generate revenues. In addition, the management of the Company may be periodically interrupted or delayed as a result of its directors' and officers' other business interests.

The Company has no operating history

The Company has no operating history and may not succeed. The Company is subject to all risks inherent in a developing business enterprise. The Company's likelihood of continued success must be considered in light of the problems, expenses, difficulties, undercapitalization, cash shortages, limitations with respect to personnel, financial and other resources, lack of revenues, complications, and delays frequently encountered in connection with the competitive and regulatory environment in which it operates. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of the early stage of operations.

History of losses

The Company has incurred losses in the period from incorporation on October 12, 2021 to December 31, 2022. The Company may not be able to achieve or maintain profitability and may continue to incur significant losses in the future.

Dependence on suppliers and skilled labour

The ability of the Company to compete and grow will be dependent on it having access, at a reasonable cost and in a timely manner, to skilled labour, equipment, parts and components. No assurances can be given that the Company will be successful in maintaining its required supply of skilled labour, equipment, parts and components. This could have an adverse effect on the financial results of the Company.

Management of growth

The Company may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Company to deal with this growth may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Liquidity

The Company cannot predict at what prices the Company's securities will trade and there can be no assurance that an active trading market will develop or be sustained. There is a significant liquidity risk associated with an investment in the Company.

Litigation

The Company may become party to litigation from time to time in the ordinary course of business which could adversely affect its business. Should any litigation in which the Company becomes involved be determined against the Company such a decision could adversely affect the Company's ability to continue operating and the market price for the Company's shares and could use significant resources. Even if the Company is involved in litigation and wins, litigation can redirect significant resources.

Privacy

There can be no assurance that the Company's existing policies, procedures and systems will be sufficient to address the privacy concerns of existing and future clients whether or not such a breach of privacy were to have occurred as a result of the Company's employees or arm's length third parties. If a client's privacy is violated, or if the Company's found to have violated any law or regulation, it could be liable for damages or for criminal fines and/or penalties.

BOARD APPROVAL

The board of directors of the Company have approved this MD&A.