

CANADIAN PALLADIUM RESOURCES INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS

(Expressed in Canadian Dollars)

Three Months Ended
December 31, 2022

Report Date -March 1, 2023

CANADIAN PALLADIUM RESOURCES INC.
Management's Discussion and Analysis
Three Month Period Ended December 31, 2022

Introduction

Canadian Palladium Resources Inc. (the "Company") is a public company incorporated on August 25, 2005, under the laws of British Columbia, Canada. The Company is a reporting issuer in British Columbia and Alberta, and its common shares are listed and posted for trading on the Canadian Securities Exchange ("CSE") under the trading symbol "BULL". The Company's offices are located at 1558 West Hastings Street, Vancouver, BC, V6G 3J4.

The Company is a natural resource company engaged in the acquisition and exploration of resource properties in North America and in Europe.

In accordance with Form 51-102F1, the following Management's Discussion & Analysis ("MD&A") provides a review of activities, results of operations and financial condition of the Company for the three month period ended December 31, 2022. The following discussion and analysis should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements for the three month period ended December 31, 2022 and audited consolidated financial statements for the years ended September 30, 2022 and 2021 which were prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). All monetary amounts, unless otherwise indicated, are expressed in Canadian dollars.

Overall Performance and Results of Operations

Three Month Period Ended December 31, 2022

During the three months ended December 31, 2022 (the "Current Quarter"), the Company reported a loss from operations of \$335,155 compared to \$624,890 during the three months ended December 31, 2021 (the "Prior Quarter"), representing a decrease in loss of \$289,735.

The decrease in loss from operations is primarily attributed to the following:

- Exploration and evaluation expenses decreased by \$144,436 from \$396,353 during the Prior Quarter to \$251,917 during the Current Quarter. The decrease is primarily due to the Company scaling back on exploration while waiting for market conditions to improve to complete a financing to fund further exploration.
- Consulting fees decreased by \$43,232, from \$90,915 during the Prior Quarter to \$47,683 during the Current Quarter, due to the Company scaling back on activities to conserve funding.

Total comprehensive loss for the Current Quarter was \$341,732 compared to comprehensive loss of \$943,150 for the Prior Quarter, representing an increase in loss of \$601,418.

During the three months ended December 31, 2022, the Company reported an unrealized loss on short-term investments of \$Nil, whereas during the Prior Quarter, the Company reported an unrealized loss on short-term investments of \$390,078.

Exploration and Evaluation Properties

Tisová/TGER European Copper-Cobalt Properties

On July 6, 2018 the Company entered into an arm's length share purchase agreement to purchase 100% of the shares of Tisová Pty. Ltd. ("Tisová") And TGER Pty. Ltd. ("TGER"). Tisová and TGER are private companies which have been granted 100% interest in and to certain mineral concessions located in the Czech Republic and Germany.

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Exploration and Evaluation Properties (continued)

Tisová/TGER European Copper-Cobalt Properties

Pursuant to the agreement, and in exchange for the Tisová and TGER shares, the company is committed to issue, in aggregate, to the shareholders of Tisová and TGER the following:

- \$60,000 cash to the vendors upon execution of the agreement (paid);
- Upon satisfaction of certain conditions precedent, issue 1,500,000 common shares of the Company to the vendors on the closing date (issued);
- Spend \$1,000,000 on the properties by July 1, 2019, and issue an aggregate of 2,500,000 common shares of the Company to the vendors at such time (issued);
- Spend an additional \$1,000,000 on the properties each year for the next three years and no later than July 1, 2022 and issue an additional 4,000,000 common shares of the Company to the vendors.

If the Company fails to satisfy any of the above requirements, the shares of Tisová and TGER will be returned to the original vendors. On October 23, 2018, the Company issued 1,500,000 common shares with fair value of \$450,000 in exchange for 100% ownership of Tisová and TGER, subject to the above terms, and their respective mineral concessions. A finder's fee was issued in connection with this closing through the issuance of 46,875 common shares with a fair value of \$14,063. The related mineral concessions are subject to a 1.5% NSR of which one-half can be purchased for \$750,000.

The Company incurred the minimum exploration expenditures on the properties by June 1, 2019 and issued an aggregate of 2,500,000 common shares with a fair value of \$525,000 pursuant to the terms of the agreement. The Company paid a finder's fee by way of the issuance of 78,125 common shares with a fair value of \$16,406.

Effective February 1, 2021, the Company agreed to amend the terms of its previously entered into share purchase agreements dated July 6, 2018, pursuant to which the Company agreed to acquire both Tisová Pty. Ltd. and TGER Pty. Ltd.

Pursuant to the amended agreements, the Company has agreed to immediately issue an aggregate of three million common shares to the vendors, and in exchange, the Company shall own all of the shares of Tisová and TGER (and indirectly, the properties) unconditionally and absolutely and shall have no further obligations to the vendors under the purchase agreements. On February 2, 2021, the Company issued 3 million common shares to the vendors with a fair value of \$390,000.

The Company and the vendors have also agreed that one-third of the common shares issued to the vendors shall be restricted from being traded before August 1, 2021, another one-third of the common shares shall be restricted from being traded before November 1, 2021, and the final one-third of the common shares shall be restricted from being traded before February 1, 2022.

During the year ended September 30, 2022, the Company impaired the Tisova, TGER, and Agnew Lake properties, recognizing \$1,557,184 in property impairment. While additional exploration is planned for fiscal 2023, there were several factors of impairment including a delay and decrease in exploration expenditures, a decrease in the Company's share price, and lack of availability of equity financing.

As at December 31, 2022, the Company has recorded \$Nil (September 30, 2022 - \$Nil) related to the acquisition of the TGER property, and \$Nil (September 30, 2022 - \$Nil) related to the Tisová property, as a result of the impairment.

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Exploration and Evaluation Properties (continued)

East Bull Palladium Property

On February 26, 2019, and as amended August 10, 2022, the Company entered into an option agreement through its newly incorporated and wholly-owned subsidiary, East Bull Resources Inc. with Pavey Ark Minerals Inc. to acquire a 100 percent interest in the East Bull palladium property in the Sudbury mining division, Ontario.

Pursuant to the Agreement, and over a period of four years (should the Company elect to continue), the Company is obliged to incur \$1,750,000 in exploration expenditures, issue \$1,120,000 in cash payments, and issue an aggregate of 4.5 million common shares of the Company to Pavey Ark in accordance with the following schedule:

Minimum Exploration Expenditures	Common Shares Issued	Cash Issued	Due Date
-	-	\$25,000	On Term Sheet signing (paid)
-	750,000	\$75,000	Within 5 days of signing (paid and issued)
\$250,000	750,000	\$150,000	On or before March 1, 2020 (met, paid and issued)
\$500,000	1,000,000	\$200,000	On or before March 1, 2021 (met, paid and issued)
\$500,000	1,000,000	\$50,000	On or before March 1, 2022 (met, paid and issued)
\$500,000	1,000,000	\$370,000	On or before March 1, 2023
-	-	\$250,000	On or before March 1, 2024
\$1,750,000	4,500,000	\$1,120,000	

During the year ended September 30, 2022, the Company issued 1,000,000 common shares and made a cash payment of \$50,000 pursuant to the terms of the East Bull property option agreement.

As at December 31, 2022, the Company has recorded \$1,019,148 (September 30, 2022 - \$1,019,148) related to the acquisition of the East Bull property.

Agnew Lake Property

During the year ended September 30, 2019, the Company acquired a significant palladium project in Ontario through staking. The Agnew Lake property is located 80 kilometers west of Sudbury, Ont., home of Glencore and Vale's Canadian nickel-copper-platinum-group-elements mining and smelting operations. The Agnew Lake property comprises over 260 claims (about 6,000 hectares) and is part of the larger East Bull Lake-Agnew Lake mafic-ultramafic complex.

As at December 31, 2022, the Company has recorded \$Nil (September 30, 2022 - \$Nil) related to the acquisition of the Agnew Lake property, as a result of the impairment.

During the three months ended December 31, 2022, the Company incurred \$251,917 (2021 - \$396,353) in exploration expenses on its mineral properties.

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Summary of Quarterly Results

The following table sets out selected unaudited financial information for the eight most recent quarters. The financial data has been prepared in accordance with IFRS.

Three Months Ended	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022
	(\$)	(\$)	(\$)	(\$)
Total Revenue	-	-	-	-
Loss from Operations	(335,155)	(282,637)	(242,920)	(366,462)
Net Loss and Comprehensive Loss	(341,732)	(1,838,759)	(449,406)	(541,475)
Basic and Diluted Loss per Share	(0.00)	(0.01)	(0.00)	(0.00)

Three Months Ended	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021
	(\$)	(\$)	(\$)	(\$)
Total Revenue	-	-	-	-
Loss from Operations	(624,890)	(1,158,942)	(1,130,427)	(919,138)
Net Income (Loss) and Comprehensive Income (Loss)	(943,150)	(1,450,170)	(1,619,057)	(814,826)
Basic and Diluted Earnings (Loss) per Share	(0.01)	(0.01)	(0.01)	(0.01)

Liquidity and Capital Resources

The Company's consolidated 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 continue to raise adequate financing on reasonable terms and to commence profitable operations in the future.

The Company had a cash position of \$Nil and working capital deficiency of \$1,741,293 as at December 31, 2022, compared to cash position of \$21,751 and working capital deficiency of \$1,362,782 as at September 30, 2022.

Selected Annual Information

The following table sets out selected financial information for the Company for each of the fiscal years ended September 30, 2022, 2021 and 2020. The selected financial information should only be read in conjunction with the Company's audited annual financial statements for the fiscal year ended September 30, 2022, including the notes thereto.

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Selected Annual Information (continued)

Statement of Operations, Comprehensive Loss and Deficit Data:

	Year Ended September 30, 2022	Year Ended September 30, 2021	Year Ended September 30, 2020
	(\$)	(\$)	(\$)
Revenue	-	-	-
Loss from operations	(1,523,909)	(4,845,363)	(4,155,146)
Loss and comprehensive loss for the year	(3,772,790)	(4,006,296)	(4,156,432)
Loss per share, basic and diluted	(0.03)	(0.03)	(0.05)

Balance Sheet Data:

	As at September 30, 2022	As at September 30, 2021	As at September 30, 2020
	(\$)	(\$)	(\$)
Current Assets	56,415	1,755,838	1,366,084
Total Assets	1,090,563	4,197,170	3,103,721
Current Liabilities	1,419,197	779,497	729,643
Long Term Debt	-	-	-
Shareholders' Equity	(328,634)	3,335,916	2,374,078

Disclosure of Outstanding Share Data

The authorized capital of the Company consists of an unlimited number of common shares without par value.

Shares Issued and Outstanding

As at the Report Date, there were 144,067,286 common shares issued and outstanding.

Warrants

As at the Report Date, there were 16,160,476 warrants outstanding as follows:

<u>Expiry Date</u>	<u>Warrants Outstanding</u>	<u>Exercise Price</u> (\$)
September 24, 2023	3,108,693	0.17
September 24, 2023	404,783	0.115
October 6, 2023	12,647,000	0.18
	16,160,476	

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Disclosure of Outstanding Share Data (continued)

Stock Options

As at the Report Date, there were 12,085,000 stock options outstanding as follows:

Expiry Date	Options Outstanding	Options Exercisable	Weighted Average Exercise Price
			(\$)
October 28, 2025	2,750,000	2,750,000	0.14
August 9, 2023	2,550,000	2,550,000	0.39
October 2, 2023	300,000	300,000	0.30
October 16, 2023	500,000	500,000	0.31
October 24, 2023	100,000	100,000	0.30
June 4, 2024	2,560,000	2,560,000	0.20
February 11, 2025	3,000,000	3,000,000	0.20
March 1, 2024	250,000	125,000	0.15
May 6, 2024	75,000	75,000	0.17
	12,085,000	12,085,000	0.23

Off Balance Sheet Arrangements

The Company is not a party to any off-balance sheet arrangements or transactions.

Transactions with Related Parties

The Company's key management personnel consist of directors, officers and companies owned or controlled in whole or in part by officers and directors. The following summarizes the Company's related party transactions during the three months ended December 31, 2022 and 2021:

Key Management Compensation

	2022	2021
	(\$)	(\$)
Consulting fees (b)	30,000	30,000
Management fees (c and d)	52,500	52,500
Share-based payments	-	-
	82,500	82,500

- As at December 31, 2022, included in accounts payable and accrued liabilities was \$514,674 (September 30, 2022 - \$427,250) owing to current and former officers and directors and companies.
- During the three months ended December 31, 2022, \$30,000 (2021 - \$30,000) was paid or accrued to the CFO and Corporate Secretary for services rendered and included in Consulting Fees.
- During the three months ended December 31, 2022, \$30,000 (2021 - \$30,000) was paid or accrued to the CEO for services rendered, and included in Management Fees.
- During the three months ended December 31, 2022, 22,500 (2021 - \$22,500) was paid or accrued to the Chair of the board of directors for services rendered, and included in Management Fees.
- As of December 31, 2022 \$389,335 (September 30, 2022 - \$362,235) in notes payable was payable to corporations controlled by the CEO of the Company. The notes payable are interest free and repayable on demand.

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Transactions with Related Parties (continued)

- f) Accounts payable as of December 31, 2022 includes \$12,042 (September 30, 2022 - \$12,042) in accrued interest payable to corporations controlled by the CEO of the Company in relation to notes payable that have been repaid.

Recent Accounting Pronouncements

The Company has not adopted any new or revised standards, along with any consequential amendments for the period ended December 31, 2022.

Financial Instruments and Risk Management

Financial risk management

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's financial instruments consist of cash, short-term investments, receivables, restricted deposits, accounts payable and notes payable.

The Company classified its cash and short-term investments as fair value through profit or loss; receivables and restricted deposits as loans and receivables; and accounts payable and notes payable as other financial liabilities. The fair values of cash and short-term investments are measured on the statement of financial position using level 1 of the fair value hierarchy. The fair values of receivables, restricted deposits, accounts payable approximate their book values because of the short-term nature of these instruments.

Financial instrument risk exposure

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes.

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its payment obligations. The Company has no material counterparties to its financial instruments with the exception of the financial institutions which hold its cash. The Company manages this credit risk by ensuring that these financial assets are placed with a major financial institution with strong investment grade ratings by a primary ratings agency. The Company's receivables consist primarily of goods and services tax due from the government and other receivables; the balances are in good standing as at December 31, 2022. The Company does not believe it has a material exposure to credit risk.

Financial Instruments and Risk Management (continued)

Liquidity risk

The Company ensures that there is sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash. The Company's cash is invested in business accounts which are available on demand. The Company has a planning and budgeting process in place by which it anticipates and determines the funds required to support its normal operating requirements.

Liquidity risk

The Company's ongoing liquidity is impacted by various external events and conditions. The Company expects to repay its financial liabilities, consisting of accounts payable and accrued liabilities and notes payable, in the normal course of operations and to fund future operational and capital requirements future equity and debt financing.

To the extent that the Company does not believe it has sufficient liquidity to meet these obligations, management will seek to secure additional funds through long term debt and equity transactions.

Interest rate risk

The Company is exposed to interest rate risk. The Company's bank account earns interest income at variable rates. The fair value of its portfolio is relatively unaffected by changes in short-term interest rates. Interest rate risk is minimal as the Company does not have significant interest-bearing assets or any variable interest bearing liabilities that are tied into market rates.

Commodity price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in pricing may be significant.

Foreign exchange risk

The Company is not exposed to any significant foreign currency risk.

Management of Capital

The Company manages its common shares, stock options and share purchase warrants as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its exploration and evaluation assets and to maintain a flexible capital structure which optimizes the cost of capital at an acceptable risk. The Company is not subject to any externally imposed capital requirements.

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 the capital structure, the Company may attempt to issue new shares, issue debt or acquire or dispose of assets.

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Management of Capital (continued)

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

In order to maximize ongoing exploration efforts, the Company does not pay out dividends. The Company's investment policy is to keep its cash treasury invested in certificates of deposit with major financial institutions.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company has historically relied on the equity markets and debt securities to fund its activities. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

There have been no changes to the Company's approach to capital management during the period ended December 30, 2022.

Additional Information

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

Forward-Looking Statements

Except for statements of historical fact, this MD&A contains certain "forward-looking information" within the meaning of applicable securities law. Forward-looking information is frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may" or "will" occur. In particular, forward-looking information in this MD&A includes, but is not limited to, statements with respect to future events and is subject to certain risks, uncertainties and assumptions. Although we believe that the expectations reflected in the forward-looking information are reasonable, there can be no assurance that such expectations will prove to be correct. We cannot guarantee future results, performance or achievements. Consequently, there is no representation that the actual results achieved will be the same, in whole or in part, as those set out in the forward-looking information.

Forward-looking information is based on the opinions and estimates of management at the date the statements are made, and is subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking information.

Some of the risks and other factors could cause results to differ materially from those expressed in the forward-looking statements include, but are not limited to: general economic conditions in Canada, the United States and globally; industry conditions, including fluctuations in commodity prices; governmental regulation of the mining industry, including environmental regulation; geological, technical and drilling problems; unanticipated operating events; competition for and/or inability to retain drilling rigs and other services; the availability of capital on acceptable terms; the need to obtain required approvals from regulatory authorities; stock market volatility; volatility in market prices for commodities; liabilities inherent in mining operations; changes in tax laws and incentive programs relating to the mining industry; and the other factors described herein under "Risks and Uncertainties" as well as in our public filings available at www.sedar.com. Readers are cautioned that this list of risk factors should not be construed as exhaustive. The forward-looking information contained in this MD&A is expressly qualified by this cautionary statement. We undertake no duty to update any of the forward-looking information to conform such information to actual results or to changes in our expectations except as otherwise required by applicable securities legislation. Readers are cautioned not to place undue reliance on forward-looking information.

Risks and Uncertainties

The Company is in the mineral exploration and development business and, as such, is exposed to a number of risks and uncertainties that are not uncommon to other companies in the same business. Some of the possible risks include the following:

- a) The industry is capital intensive and subject to fluctuations in metal prices, market sentiment, foreign exchange and interest rates. The recovery of the Company's investment in exploration and evaluation assets and the attainment of profitable operations are dependent upon the discovery and development of economic ore reserves and the ability to arrange sufficient financing to bring the ore reserves into production.
- b) The most likely source of future funds for further acquisitions and exploration programs undertaken by the Company are the sale of equity capital or the offering by the Company of an interest in its properties to be earned by another interested party carrying out further exploration or development. If such exploration programs are successful, the development of economic ore bodies and commencement of commercial production may require future equity financings by the Company which are likely to result in substantial dilution to the holdings of existing shareholders.
- c) The Company's capital resources are largely determined by the strength of the resource markets and the status of the Company's projects in relation to these markets, and its ability to compete for the investor support of its projects.
- d) The prices of metals greatly affect the value of and the potential value of its exploration and evaluation assets. This, in turn greatly affects its ability to raise equity capital, negotiate option agreements and form joint ventures.
- e) The Company must comply with health, safety, and environmental regulations governing air and water quality and land disturbances and provide for mine reclamation and closure costs. The Company's permission to operate could be withdrawn temporarily where there is evidence of serious breaches of such regulations, or even permanently in the case of extreme breaches. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of acquired properties or noncompliance with environmental laws or regulations.
- f) The operations of the Company will require various licenses and permits from various governmental authorities. There is no assurance that the Company will be successful in obtaining the necessary licenses and permits to continue exploration and development activities in the future.
- g) Although the Company has taken steps to verify title to exploration and evaluation assets in which it has an interest, these procedures do not guarantee the Company's title. Such assets may be subject to prior agreements or transfers and title may be affected by such undetected defects.

Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, then actual results may vary materially from those described in any forward-looking statement. The development and exploration activities of the Company are subject to various laws governing exploration, development, and labour standards which may affect the operations of the Company as these laws and regulations set various standards regulating certain aspects of health and environmental quality. They provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted.

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Corporate Information

Directors:	Michelle Gahagan Wayne Tisdale Garry Clark Bryce Tisdale Jamie Newall
Officers:	Wayne Tisdale, President and CEO Kelsey Chin, CFO and Corporate Secretary
Auditor:	Manning Elliott LLP Chartered Professional Accountants Suite 1700, 1030 West Georgia Street Vancouver, BC, V6E 2Y3
Legal Counsel:	Tingle Merrett LLP Suite 639 – 1250 Standard Life Building 5 th Avenue SW Calgary, AB T2P 0M9
Transfer Agent:	Odyssey Trust Company 323 – 409 Granville Street Vancouver, BC, V6C 1T2

Contact Information

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