



CANADIAN METALS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Nine-month period ended

April 30, 2022

(Third Quarter)

MANAGEMENT'S DISCUSSION AND ANALYSIS

Table of contents	Page Number
Forward-looking information	3
Nature of activities	4
Business Development - Highlights	4
Mining Properties	7
Exploration Highlights	9
Financial Condition	11
Selected financial information for Nine months	11
Cash Flows and Liquidity	15
Selected quarterly financial information	16
Related Party Transaction	18
Contingencies	18
Functional and presentation currency	19
Off-Financial position arrangements	19
Going concern assumption	19
Changes in significant accounting policies	19
Outstanding share capital	20
Warrants	20
Share option plan	20
Use of estimates and judgements	21
Risk and uncertainties	21
Certification of interim fillings	25
Additional information	26

MANAGEMENT'S DISCUSSION AND ANALYSIS

This management discussion and analysis ("MD&A") of Canadian Metals Inc., ("Canadian Metals" or "CME" or the "Company") provides information that management believes is relevant to the assessment and understanding of the Company's results of operation and financial condition for the Nine-month period ended April 30, 2022.

This MD&A complements the condensed interim unaudited financial statements for the Nine-month period ended April 30, 2022 which were prepared in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*. This MD&A should be read in conjunction with the Company's audited financial statements and corresponding notes for the year ended July 31, 2021 and related MD&A. This MD&A is prepared as at June 21, 2022.

The unaudited condensed interim financial statements and this MD&A have been reviewed by the Audit Committee and approved by the Board of Directors on June 21, 2022.

All figures are in Canadian dollars unless otherwise stated. Additional information relating to the Company can be found on SEDAR at www.sedar.com.

The shares of Canadian Metals are listed on the Canadian Securities Exchange ("CSE") under the symbol "CME".

CAUTION REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains forward-looking statements that are based on the Company's expectations, estimates and projections regarding its business, the mining industry in general and the economic environment in which it operates as of the date of the MD&A. To the extent that any statements in this document contain information that is not historical, the statements are essentially forward-looking and are often identified by words such as "anticipate", "expect", "estimate", "intend", "project", "plan" and "believe". In the interest of providing shareholders and potential investors with information regarding Canadian Metals, including management's assessment of future plans and operations, certain statements in this MD&A are forward-looking and are subject to the risks, uncertainties and other important factors that could cause the Company's actual performance to differ materially from that expressed in or implied by such statements. Such factors include, but are not limited to: volatility and sensitivity to market metal prices, impact of change in foreign currency exchange rates and interest rates, imprecision in reserve estimates, environmental risks including increased regulatory burdens, unexpected geological conditions, adverse mining conditions, changes in government regulations and policies, including laws and policies; and failure to obtain necessary permits and approvals from government authorities, and other development and operating risks. The preliminary assessments contained in the Technical Report referred to in this MD&A, and the estimates contained therein to date are preliminary in nature and are based on a number of assumptions, any one of which, if incorrect, could materially change the projected outcome.

Although the Company believes that the expectations conveyed by the forward-looking statements are based upon information available on the date that such statements were made, there can be no assurance that such expectations will prove to be correct. The reader is cautioned not to rely on these forward-looking statements. The Company disclaims any obligation to update these forward-looking statements unless required to do so by applicable Securities laws. All subsequent forward-looking statements, whether written or orally attributable to the Company or persons acting on its behalf, are expressly qualified in their entirety by these cautionary statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

NATURE OF ACTIVITIES:

Canadian Metals, incorporated on August 17, 2012 under the *Québec Business Corporations Act*, specializes in the acquisition, exploration, evaluation and development of mineral properties in Quebec and New Brunswick.

BUSINESS DEVELOPMENT HIGHLIGHTS – INCLUDING SUBSEQUENT EVENTS:

- **Board of Directors - Management:**

On September 25, 2020, the Company announced that Patrick Moryoussef, who's been actively advising the Company over the years, and Yves Rougerie have accepted to be appointed to the board of directors. Mr. Rougerie and Mr. Moryoussef fill the vacancy created by Paul Dumas and Roger Urquhart, who have resigned from the board of directors to pursue other ventures.

Mr. Yves Rougerie, P.Geo. is a graduate of Montreal's UQAM in Earth Sciences and brings 40 years of experience in the mining exploration and development business. He has been the President and CEO of Vision Lithium and its predecessors since 2007. Throughout his career, Mr. Rougerie has worked for several companies, including AREVA and AUR Resources. He played a significant role in the exploration, discovery and development phases of Aur Resources' Louvicourt Cu-Zn-Ag-Au Mine near Val-d'Or, participated in the discovery and definition of Areva's "L" uranium-gold deposit and Vision's nearby Epsilon high grade discoveries in the Otish Mountains and was responsible for the initial discovery of the Gladiator gold deposit of Bonterra Resources, all in Quebec. Mr. Rougerie has a wide range of experience in exploration techniques and project management pertaining to narrow-vein Gold, VMS Cu-Zn, uranium-gold and lithium deposits. Mr. Rougerie was also a founding Director of Scorpio Mining Corporation, now Americas Gold and Silver Corp.

Mr. Patrick Moryoussef formerly Senior Vice President – Technical Services and Operational Performance at Endeavour Mining, currently acting as an independent professional mining consultant. He previously served 16 years as Vice-President, Mining Operations with SEMAFO inc. prior to the merger in July 2020 with Endeavour. In his past career Mr. Moryoussef occupied various positions as General Manager, Senior Project Engineer, Chief Engineer and Captain at various mining operations within the Noranda, Placer Dome and Falconbridge group. He has also acted as Administrator of various junior mining companies. Expertise includes, mining, strategic development, financials, feasibility studies, 43-101, construction, acquisitions, and support to operations. Mr. Moryoussef is a professional mining engineer graduate from McGill University and a member of Ordre des Ingénieurs du Québec.

On July 27, 2021, the Company announced that Maxime Lemieux, who's been actively advising the Company over the years, has accepted to be appointed to the board of directors. Mr. Lemieux fills the vacancy created by Pierre Renaud who has resigned from the board of directors to pursue other ventures.

On August 4, 2021, the Company announced the appointment of Mr. Arnab Kumar De as the Chief Financial Officer replacing Patsie Ducharme who has stepped down as the CFO but remains as consultant. Mr. De, CPA, CGMA, CMA, MBA, is a seasoned mining executive with nearly 20 years' experience in financial management, mine financial planning, business optimization and strategy development. He is the principal of Resurgent Montreal Inc., a financial management consulting firm. Prior to that he served Tata Steel for 19 years, last occupying the position of CFO at JCAPCPL (a 50:50 JV of Tata Steel with Nippon Steel) producing automotive steels. Prior to that, he was appointed as the CFO for Tata Steel Minerals Canada in 2011, where he oversaw the DSO project from conception and gained +\$1.3B in investment funding.

MANAGEMENT'S DISCUSSION AND ANALYSIS

BUSINESS DEVELOPMENT HIGHLIGHTS – INCLUDING SUBSEQUENT EVENTS (CONTINUED):

- **Private placement**

On December 21, 2020, the Company completed a first tranche of its previously announced non-brokered private placement pursuant to which it has issued 4,375,000 units at a price of \$0.08 per unit for total proceeds of \$350,000. Each unit is comprised of one common share and one non-transferable share purchase warrant. Each warrant will entitle the holder to purchase one additional share for a period of 24 months from the closing date at an exercise price of \$0.15 per share.

On February 19, 2021, the Company completed a second tranche of its previously announced non-brokered private placement pursuant to which it issued an aggregate of 25,350,000 units at a price of \$0.08 per unit for gross proceeds of \$2,028,000. Each unit is comprised of one common share in the capital of the Company and one-half of one non-transferable share purchase warrant. Each Warrant entitles the holder to purchase one additional share in the capital of the Company for a period of 24 months from the closing date at an exercise price of \$0.15 per share. All securities issued in respect of the private placement are subject to a hold period of four (4) months and a day from closing in accordance with securities laws. The proceeds will be used for general working capital.

- **Debentures**

On December 18, 2020, the Company announced that all outstanding debentures have been substituted for new debentures in the same principal amount of \$1.675 million. The new debentures have an issue price of \$1,000 per new debentures, mature on March 31, 2025, bear interest at 3% per annum, payable on March 31 of each year, which interest may, at the option of the Company be settled in common shares. The principal amount of the new debentures can be convertible into common shares of the Company at the price of \$0.40 per conversion share. Interest in the amount of 3% per annum on the principal amount of the outstanding debentures for the period from January 1, 2020 to June 30, 2020, shall be payable on the closing date of the Private Placement (see above). The first interest payment pursuant to the new debentures shall be calculated for the period commencing on July 1, 2020 and ending on March 31, 2021. Fifty percent (50%) of the amount that the Company receives from Les Minéraux Industriels du Québec Inc will be used to reduce the principal amount of the new debentures.

- **Acquisition of New Brunswick Projects**

On March 31, 2021, Canadian Metals announced the signing of a binding letter agreement with Targets Minerals Inc. (Target) for the proposed acquisition of a 100% interest in the Nicholas-Denis and Oxford Brook projects located in New Brunswick, the "Acquisition". The Company will pay the shareholders of Target through the issuance of 27,000,000 common shares of CME at a deemed price of C\$0.20 per Share. Canadian Metals will be assuming the following pre-existing net smelter royalties ("NSR") to underlying parties: (i) 3% Au + Ag NSR and 2% on other metal on Beresford, half of which can be bought back for C\$1 million, (ii) 2% Au + Ag NSR and 1% on other metals on Ann's Creek, all of which can be bought back for C\$1.75 million, (iii) an additional 1% NSR on Ann's Creek and Beresford half of which can be bought back for C\$1 million, (iv) 2% NSR on Goldstrike and Millstream half of which can be bought back for C\$1 million, and (v) 2% NSR on Oxford Brook. As a result, except for 0.5% on Ann's Creek, 1% on Goldstrike and Millstream and 2% on Oxford Brook, all the overriding NSR can be retired for \$4,000,000 at any time.

These large properties with multiple targets and strong historic results for polymetallic minerals within the well known Bathurst mining camp which is home to some of the world's largest mining operations such as the closed Brunswick No. 12 Mine. The acquired claims contain high grades for silver and gold both from surface exploration and historic drill results. The combination of industrial metals (zinc, lead and copper and others) together with precious metals (gold and silver) provides a natural hedge through the various cycles of the economy. The property is just off Bathurst and is accessible throughout the year and in proximity to the Caribou mine and mill.

MANAGEMENT'S DISCUSSION AND ANALYSIS

BUSINESS DEVELOPMENT HIGHLIGHTS – INCLUDING SUBSEQUENT EVENTS (CONTINUED):

- **Acquisition of New Brunswick Projects (Continued)**

Completion of the acquisition was approved by the Canadian Metals shareholders at a special meeting held on July 27 2021. The Acquisition constitutes a “related party transaction” as defined in Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions (“MI 61-101”). The Acquisition required minority approval in accordance with MI 61-101, for which the votes attached to the Shares owned by Stéphane Leblanc, Beat Frei and Michel Gagnon were excluded. These Shares were excluded due to the fact that their owners are principals of both Target and CME. Only directors who are “independent” as such term is defined in MI 61-101 (the “Disinterested Directors”) were entitled to vote on any board resolutions, or make any decisions, to approve the Acquisition. The Acquisition has been approved by only the Disinterested Directors. The shares issued as consideration under the acquisition will be subject to a statutory hold period of four months and one day from the date of issuance.

In connection with the Acquisition, the Company also issued 2,160,000 common shares of CME to Generic Capital Corporation (“Generic”) as advisory fee shares (“Fee Shares”) pursuant to an advisory agreement dated October 1, 2020 entered into between Target and Generic. The Fee Shares are subject to a regulatory four month hold and a voluntary escrow providing for staggered releases over the next 18 months.

On April 30, 2022 the Company entered into a transaction to acquire all the rights and interest including Mining Rights in the Mineral Claim Block Number 8874, McRae Lake 9. Pursuant to the terms and conditions of the option, the Company issued 500,000 common shares of the Company and a cash payment of \$35,000. The Company valued the shares at a fair market value of \$0.10 or \$50,000. The property is subject to a NSR of 2%.

- **Spin out of Lac La Chesnaye Property**

On June 17, 2021, the Company entered into an arrangement agreement (the “Arrangement Agreement”) with Spinco. The Arrangement Agreement, a copy of which is available under the Company’s profile on SEDAR, sets out the terms on which the Company will complete the Arrangement Agreement under the Business Corporations Act (Québec) with Spinco whereby the Company’s Lac La Chesnaye Property located in Québec will be spun out to Spinco in exchange for the issuance of 4,300,000 Class A common shares of Spinco (“Spinco Shares”) to the Company. In accordance with the terms of the Arrangement Agreement, the Company will then effect a reorganization of its share capital and distribute such Spinco Shares to the shareholders of the Company on a pro rata basis.

In connection with the Arrangement Agreement, Spinco completed a private placement of 5,000,000 units of Spinco (“Spinco Units”) at a price of \$0.10 per Spinco Unit for aggregate gross proceeds of \$500,000 (the “Spinco Financing”). Each Unit will be comprised of one Spinco Share (“Spinco Shares”) and one-half of one share purchase warrant of Spinco (each whole warrant, a “Spinco Warrant”). Each Spinco Warrant will entitle the holder to purchase one Spinco Share at a price of \$0.18 for a period of 24 months from the date of issuance. Consequent to the private placement Spinco ceased to be a subsidiary of the Corporation on July 30, 2021.

In connection with the Arrangement, Spinco listed its shares on the Canadian Securities Exchange (the “CSE”) following the completion of the Arrangement as QNB Metals Inc. under the symbol “TIM”.

On September 9, 2021, pursuant to the Arrangement, the Company spun out its Lac La Chesnaye Property located in Québec to QNB Metals Inc in exchange for the issuance of 4,299,961 Class A common shares of QNB Metals Inc. (“Spinco Shares”) to the Company. In accordance with the terms of the Arrangement Agreement, the Company has effected a reorganization of its share capital and distributed such Spinco Shares to the shareholders of the Company (“Shareholder”) on a pro rata basis. As a result, each Shareholder has received such number of Spinco Shares equal to the number of CME shares held by such Shareholder on September 8, 2021 multiplied by 0.05866. DRS registration statements representing an appropriate number of Spinco Shares have been sent to all registered Shareholders.

MINING PROPERTIES – DESCRIPTION:

The Langis East Property (acquired from Osisko Metals Incorporated on August 1, 2018):

The Colline Tortue Property consists of 10 designated claims (CDCs) covering a total area of 569.08 hectares located in the Matapedia region of the Gaspé peninsula of Québec.

The property is located 2.5 kilometres west of the Langis Property owned by the Company.

Historical work done on the Colline Tortue Property consists of mapping sampling and diamond drilling. The historical diamond drilling was conducted by Uniquartz Inc. in 1983. The quartzite of the Val Brillant formation was intercepted with thickness of over 80 metres and remains open at depth and along strike. According to historical documents from Uniquartz and MERN (Ministry of Energy and Natural Resource of Québec) data, the Val Brillant formation is subhorizontal, dipping up to 13 degrees. It appears as a large band approximately 450 metres wide and has a minimum strike length of 1,700 metres: with potential length of 3,300 metres within the property's boundaries. The property was fully impaired as at July 31, 2021.

The La Chesnaye Lake Silica Property:

The La Chesnaye Lake Silica Property is located 11km north of Baie-Comeau, in the province of Québec, Canada. The property covers a total area of 448 ha and comprises of 10 claims that are in the process of being granted and one claim that was previously acquired from SiO₂ Canada Ltd. These claims are 100% held by the Company.

An exploration campaign consisting of 15 diamond drill holes (565 m) and 4 trenches was conducted by North Shore Paper Co. between 1952 and 1957. Ressources Vogues Inc. conducted another exploration campaign in 1994 and obtained an average grade of 99.18% SiO₂ for the property's silica. NI 43-101 non-compliant reserves of 3.5 Mt were published in the 20/10/1985 edition of the Northern Miner Magazine (GM #54172).

The historical drilling presents a zone of interest of 300 meters long by 60m by width by 30m depth. The quartzite is within a paragneiss in the geological province of Greenville of the Paleoproterozoic era and mapped as part of the de Bourdon complex. The quartzite grain size varies from medium to coarse and show colorless material with glass look and conchoidal fractures. In some places micas and hematite are observed. The silica deposit is oriented Nord 45.

The Brunswick Black Shale Property:

The Brunswick Black Shale Property is composed of a total of 166 claim units covering approximately 5,479 hectares and is located 10 km west of the Brunswick No. 12. Property geology is composed of Ordovician sediments intruded by Silurian/Devonian gabbroic and diabase dikes. The property is situated on one of the largest gravity anomalies of the Bathurst mining camp and several conductivity anomalies. New Brunswick regional stream sediment sampling has identified anomalous zinc, manganese, nickel and cobalt values.

Mineralization highlights for the Brunswick Black Shale Property include a quartz carbonate zone with assay results up to 15 grams per tonne Au coincident with a prominent magnetic anomaly. Noranda reported float containing 12,600 parts per million Zn and 2,320 ppm lead in the vicinity of a conductor. A local prospector later reported a brecciated boulder containing 4.1 g/t Au.

The TV Tower Property:

The TV Tower Property is composed of a total of 53 claim units covering approximately 1,157 hectares. The TV Tower Property hosts a Zn-Cu-Au massive sulphide lens. A new target for mineral exploration, located only 14 km south of the Trevali Caribou mines. The geological unit comprises dacitic to rhyolitic quartz-feldspar crystal tuff, dark grey iron formation and massive sulphides of the Tetagouche group.

MANAGEMENT'S DISCUSSION AND ANALYSIS

MINING PROPERTIES – DESCRIPTION (CONTINUED):

The Mountain Brook Property:

The Mountain Brook Property is composed of a total of 139 claim units covering approximately 4,233 hectares. The Mountain Brook Property is located only seven km south of the Heath Steele mines. The geological unit comprises quartz-feldspar crystal tuff and mafic volcanic rocks of the Tetagouche group. Zn, Pb, Cu and Ag mineralization is disseminated along the contact of the mafic rock and felsic rock and it is closely associated with rich magnetite and siderite mineralization. New Brunswick provincial geologist R.R. Irrinki, in 1986, estimated that the mineralization may have a strike length of 4,000 metres. Mountain Brook's best drill intersects include results up to 4.6 per cent Zn, 4.9 per cent Pb and 13.37 g/t Ag.

The Iron Ore Properties – 20% direct interest:

The Company owns 20% of five iron ore properties located in Québec: Mouchelagane, Silicate Lake, Seignely, Baie Trinité and Lac Robot. Three of five properties have been drilled in the past and have a combined conceptual estimated resource of 2,430 – 3,940 Mt at an average grade of approximately 30% (Table 1). The other two Iron Projects are new discoveries with no resources.

Table 1

Iron Project	Conceptual Estimate* (Mt)
Mouchalagane	1315 - 2,440
Silicates Lake	400 - 500
Seignelay	715 - 1,000
Total	2,430 - 3,940

**Conceptual estimates, as defined by the National Instrument 43-101 Standards of Disclosure for Mineral Projects, are intended to demonstrate the potential tonnage and grade, expressed as ranges, of mineralized iron formations underlying the Iron Projects.*

The Mouchalagane Property incorporates 98 claims covering a total of 52.17 km² that are locally underlain by iron formation horizons of the Sokoman Formation. The Property is located in the northwestern part of the Gagnon Terrane in the southern part of the Labrador Trough and comprises the South Mountain Block (29 claims), Crazy Lake Block (47 claims), and the South Parr Block (22 claims). The property was fully impaired as at July 31, 2021.

The Silicates Lake Property comprises 173 claims covering 91.85 km² in the south-central part of the Gagnon Terrane. The western part of the Property is transected by the Trans-Québec Labrador Road (Highway 389). The Silicates Lake Property is underlain by approximately 40 km (aggregate strike length) of narrow, sinuous synforms of iron formation horizons that host several deposits with historic resources. The property was fully impaired as at July 31, 2021.

The Seignelay Property comprises five separate but localized blocks of claims (112 claims in total, covering 59.14 km²) in the northwestern part of the Gagnon Terrane. The claims cover parts of a 25 km, northeast-southwest stretch of ground underlain by narrow, poly-deformed synforms of iron formation that host seven (7) occurrences with historic estimated resources. The property was fully impaired as at July 31, 2021.

Qualified Person

John Langton, P.Geo., a Qualified Person as defined under NI 43-101, has reviewed and approved the scientific and technical content of the Iron Ore Properties summary.

MANAGEMENT'S DISCUSSION AND ANALYSIS

EXPLORATION HIGHLIGHTS:

- Exploration activities were carried out in the New Brunswick properties during the 9 months ended April 30, 2022. The results of sampling are awaited.

EXPLORATION ACTIVITIES:

QUEBEC AND NEW BRUNSWICK

Exploration activities for the Nine-month period ended April 30, 2022

During the Nine-month period ended April 30, 2021, the Company invested \$385,389 in exploration and evaluation assets (\$nil in exploration and evaluation assets for the Nine-month period ended April 30, 2021).

	July 31, 2021	Exploration costs	April 30, 2022
	\$	\$	\$
Québec			
Lac La Chesnaye	-	-	-
Silicate Brutus	-	-	-
Mouchalagane	-	-	-
Lac Robot	-	-	-
Seignelay	-	-	-
New Brunswick			
Blackshale	57,586	108,056	165,642
Mountain Brook	27,195	65,394	92,589
TV Tower	379,876	-	379,876
Frenette	8,050	-	8,050
Oxford Brook	-	23,332	23,332
Nicholas Denys	-	114,950	114,950
Goldstrike & Millstream	-	161,972	161,972
	472,707	473,705	946,412

MANAGEMENT'S DISCUSSION AND ANALYSIS

EXPLORATION ACTIVITIES (CONTINUED):

During the 6 month period ending April 30, 2022, the Company focused its exploration activities in the Province of New Brunswick as below:

Exploration and evaluation assets For the nine-month period ended April 30, 2022											
	Quebec			New Brunswick							Total
	Lac La Chesnaye	Brutus Silicate	Mouchalagane	Blackshale	Mountain Brook	TV Tower	Frenette	Oxford Brook	Nicholas Denys	Goldstrike Millstream	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Exploration and evaluation costs:											
Geology	-	-	-	3,889	3,889	-	-	-	58,266	1,800	67,844
Line Cutting	-	-	-	25,148	10,698	-	-	-	-	5,400	41,246
Assays	-	-	-	-	-	-	-	-	1,501	3,002	4,503
Surveys	-	-	-	79,019	50,808	-	-	-	-	146,800	276,627
Transportation	-	-	-	-	-	-	-	-	2,703	3,050	5,753
Analysis	-	-	-	-	-	-	-	-	52,481	-	52,481
Maintenance and field supplies	-	-	-	-	-	-	-	-	-	1,920	1,920
Technical studies	-	-	-	-	-	-	-	23,332	-	-	23,332
Travel and entertainment	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	108,056	65,394	-	-	23,332	114,950	161,972	473,705
Balance at the beginning	-	-	-	57,586	27,195	379,876	8,050	-	-	-	472,707
Balance at the end	-	-	-	165,642	92,589	379,876	8,050	23,332	114,950	161,972	946,412

The Company received results of the 42 assays conducted in the LG Discovery Zone, of which 30 samples reported more than 1 g/t Au. The LG Discovery Zone is located 800 meters NE of the Clarinda Zone and 2450 meters SW of the Arleau Zone where high-grade gold samples were collected and assayed during the 2020 exploration and trenching program. Historic bedrock samples grading up to 2.40 g/t Au at Clarinda have been observed in brecciated quartz veins at the contact between the sediments and the altered rhyolite. The contact sediment/rhyolite is hosting most of the high-grade gold samples collected along the Goldstrike Gold Trend (GGT) so far. Also, Silver-Antimony and bismuth mineralization were encountered in the trenches. When added to the geological model, they will be used as high-grade gold pathfinders.

The GGT is represented as a altered and brecciated rhyolite unit hosting significant gold showings and occurrences followed by trenching over a strike length of about 3.0 km. The favourable unit (rhyolite) is similar and parallel to the structures hosting the Clarinda and Arleau Zones.

The gold bearing quartz veins are mostly perpendicular to the major trend and contain the gold mineralization. The LG Discovery Zone and the surrounding area have never been drilled before.

The Goldstrike property which includes three (3) zones named Clarinda, Arleau and LG Discovery, is covering more than 6580 hectares. The project is located about 40 km NW of Bathurst with full road access and existing road crosscuttings the property. CME is currently focusing its field work on the LG Discovery Zone

These impressive new results together with data and interpretation from initial ground IP and aerial MAG-TDEM survey (close to completion) will lead to the drilling target definition for the first ever 2022/2023 drilling program along the Goldstrike Gold Trend (GGT). The first step is to proceed with a major stripping area on the GGT where the main objective will be to better define and locate the fertile contact between the sediments and rhyolite along the GGT.

Also, the district-scale Airborne MAG-TDEM survey (1,352i-km) of the Goldstrike Gold Project is almost finalized and will help define the geophysical signature of gold-bearing rhyolite.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL CONDITION

SELECTED FINANCIAL INFORMATION FOR NINE-MONTHS ENDED APRIL 30, 2022

The following discussion of the Corporation's financial performance is based on the unaudited Condensed Interim Financial Statements as of April 30, 2022 ("Financial Statements") set forth herein.

Consolidated Statement of Loss and Comprehensive Loss	Nine month period ended	
	April 30, 2022	April 30, 2021
	\$	\$
General and administrative expenses:		
Professional fees	146,311	155,784
Management and consulting fees	383,350	220,500
Share based compensation	221,000	-
Registration, listing fees and shareholders information	45,212	20,356
Insurance and office expenses	18,536	14,361
Travel and promotion	807	448
Loss from operating activities	815,216	411,449
Other Expenses		
Exploration and evaluation assets recovery	(2,209)	(2,800)
	813,007	411,449
Finance income	(50,999)	(58,829)
Finance expense	152,402	282,881
Gain on exchange of convertible debentures	-	(355,699)
Total net finance expense (income)	101,403	(131,647)
Net loss and comprehensive loss	914,410	279,802
Weighted average number of common shares outstanding	73,329,941	23,117,010
Basic and diluted loss per share	0.012	0.012

MANAGEMENT'S DISCUSSION AND ANALYSIS

SELECTED FINANCIAL INFORMATION FOR NINE-MONTHS ENDED APRIL 30, 2022 (CONTINUED)

Consolidated Statement of Cash Flow	Nine month period ended	
	April 30, 2022	April 30, 2021
	\$	\$
Cash flows used for operating activities	(748,025)	(566,901)
Cash flows provided from (used for) financing activities	-	2,277,036
Cash flows provided from investing activities	(466,990)	205,106
Net change in cash	(1,215,015)	1,915,241
Cash, beginning of year	2,234,048	516,795
Cash, end of year	1,019,033	2,432,036

Consolidated Statement of Financial Position	April 30, 2022	April 30, 2021
	\$	\$
Cash	1,019,033	2,234,048
Accounts receivable	26,213	124,219
Grant receivable	45,337	45,337
Advances to a related company	34,867	11,801
Prepaid expenses	6,631	17,794
Current portion of balance of purchase price receivable	312,074	168,058
Mining properties	8,664,730	8,548,853
Exploration and evaluation assets	946,412	472,707
Purchase Price Receivable (Including current portion)	838,891	1,023,616
Total assets	11,582,114	12,822,375
Trade accounts payable and accrued liabilities	474,486	717,050
Grants refundable	337,320	337,320
Convertible Debentures (Including current portion)	994,732	1,005,018
Total liabilities	1,806,537	2,059,387
Total equity	9,775,577	10,762,988
Total liabilities and equity	11,582,114	12,822,375

MANAGEMENT'S DISCUSSION AND ANALYSIS

SELECTED FINANCIAL INFORMATION FOR NINE-MONTHS ENDED APRIL 30, 2022 (CONTINUED)

The basic and diluted loss per share during the Nine months ended April 30, 2022 is \$0.012 (\$0.012 in the Nine months ended April 30, 2021). During the Nine months ended April 30, 2022 the Company realized a net loss and comprehensive loss of \$914,410 as compared to a net loss and comprehensive loss of \$277,002 during the nine months ended April 30, 2021 (an increase of \$540,811). The main reasons behind the increase are:

- a) During the previous year, the Company registered a gain upon exchange of the debentures that resulted out of the difference in the value of the old debentures exchanged and the new debentures issued. The gain amounted to \$ 355,699
- b) Share based compensation of \$221,000 on account of 1,700,000 stock options issued during March 2022.
- c) Increase in Management and consulting fees by \$162,850, which is a consequence of restaffing the Company to undertake the development activities;
- d) Interest expenses on account of Debentures decreased by \$130,479
- e) Filing fees and registration fees increased by \$24,856 which is direct consequence of the various regulatory filings that were required in relation to the Spin-off transaction (of Lac La Chesnaye property) and the acquisition of Target Minerals;

A detailed analysis of the profitability is provided in the next section.

The Financial Statements indicates Cash and Cash Equivalents of \$1,019,033 (July 31, 2021: \$2,234,048); Accounts Receivable of \$26,213 (July 31, 2021: \$124,219); Grant receivable of \$45,337 (July 31, 2021: \$45,337); Advances to related parties amounting to \$34,867 (July 31, 2021: \$11,801); Prepaid Expenses of \$6,631 (July 31, 2021: \$17,794), Current portion of balance of purchase consideration of \$312,074 (July 31, 2021: \$168,058) and Non-current assets held for distribution of \$ Nil (July 31, 2021: \$344,000) resulting in total current assets of \$1,444,155, a decrease of \$1,501,102 from July 31, 2021 balance of \$2,945,257.

The non-current assets are comprised of mineral properties of \$8,664,730 which is an increase of \$115,877 from July 31, 2021 balance of \$8,548,853; Exploration and evaluation assets of \$946,412, which is an increase of \$473,705 from the July 31, 2021 balance of \$472,707; and Balance of the purchase consideration receivable amounting to \$526,817, a decrease of \$328,741 from the July 31, 2021 balance of \$855,558. The total assets are \$11,582,114 which is a decrease of \$1,240,261 from July 31, 2021 balance of \$12,822,375.

The Company's current liabilities at April 30, 2022 comprises of its trade accounts payable and accrued liabilities of \$474,486 which is a decrease of \$242,564 from July 31, 2021 balance of \$717,050, the Grants refundable balances stayed at the same level of \$337,320; and the current portion of the convertible debentures amounting to \$156,037, an increase of \$6,037 from the July 31, 2022 balance of \$150,000. The long term portion of the convertible debentures stood at \$838,695 as on April 30, 2022 (July 31, 2021: \$855,018).

Equity attributable to shareholders of the Company is \$9,775,577, a decrease of \$987,411 from July 31, 2021 balance of \$10,762,987, and is comprised of share capital of \$17,373,393 (July 31, 2021: \$17,323,393), Warrants Reserve \$861,624 (July 31, 2021: \$861,624), Share options \$469,175 (July 31, 2021: \$248,175), Equity component of the convertible debentures \$562,455 (July 31, 2021: \$562,455), Contributed surplus \$3,128,626 (July 31, 2021: \$3,472,627) less the deficit of \$12,619,696 (July 31, 2021: 11,705,286).

MANAGEMENT'S DISCUSSION AND ANALYSIS

SELECTED FINANCIAL INFORMATION FOR NINE-MONTHS ENDED APRIL 30, 2022 (CONTINUED)

The key movements in the Assets and Liabilities are as follows:

- a) The cash in the Company decreased by \$1,215,015 during the year as explained under "Cash Flows" below;
- b) The non-current assets held for distribution amounting \$344,000 to has been adjusted with contributed surplus pursuant to the transfer of the Lac La Chesnaye Property to QNB Metals Inc.
- c) The balances for Purchase price receivable (short term and long term) reduced by \$184,725 on account recoveries.
- d) Mineral Properties increased by \$115,877 mainly on account of acquisition of the claims of the Gold Strike Project of a fair value of \$85,000 and on account renewal of mining claims;
- e) The trade accounts payable and accrued liabilities reduced by \$242,564
- f) Exploration and evaluation assets increased by \$473,705. Details of exploration activities as are follows:

Details of Exploration expenses:

	July 31, 2021	Exploration costs	April 30, 2022
	\$	\$	\$
Blackshale	57,586	108,056	165,642
Mountain Brook	27,195	65,394	92,589
TV Tower	379,876	-	379,876
Frenette	8,050	-	8,050
Oxford Brook	-	23,332	23,332
Nicholas Denys	-	114,950	114,950
Goldstrike & Millstream	-	161,972	161,972
	472,707	473,705	946,412

	Blackshale	Mountain Brook	TV Tower	Frenette	Oxford Brook	Nicholas Denys	Goldstrike Millstream	Total
Exploration and evaluation costs:	\$	\$	\$	\$	\$	\$	\$	\$
Geology	3,889	3,889	-	-	-	58,266	1,800	67,844
Line Cutting	25,148	10,698	-	-	-	-	5,400	41,246
Assays	-	-	-	-	-	1,501	3,002	4,503
Surveys	79,019	50,808	-	-	-	-	146,800	276,627
Transportation	-	-	-	-	-	2,703	3,050	5,753
Analysis	-	-	-	-	-	52,481	-	52,481
Maintenance and field supplies	-	-	-	-	-	-	1,920	1,920
Technical studies	-	-	-	-	23,332	-	-	23,332
	108,056	65,395	0	0	23,332	114,951	161,972	473,706
Balance at the beginning	57,586	27,195	379876	8050	-	-	-	472,707
Balance at the end	165,642	92,589	379876	8050	23,332	114,950	161,972	946,412

MANAGEMENT'S DISCUSSION AND ANALYSIS

SELECTED FINANCIAL INFORMATION FOR NINE-MONTHS ENDED APRIL 30, 2022 (CONTINUED)

Statement of Loss and Comprehensive Loss for 9 months ended April 30, 2022:

	Nine month period ended		Variance	Remarks on Key Variances
	April 30 2022	April 30 2021		
	\$	\$	\$	
General and administrative expenses:				
Professional fees	146,311	155,784	(9,473)	Q3 2021 witnessed increased Legal expenses pursuant several M&A activities (Target Minerals, Spin-Off, et.al).
Management and consulting fees	383,350	220,500	162850	The Company enhanced its staffing during the current year to support its developmental activities
Share based compensation	221,000	-	221000	The Company issued 1,700,000 Stock Options in May that were fair valued at \$221,000.
Registration, listing fees and shareholders information	45,212	20,356	24856	The Company concluded several transaction like acquisition of Target Minerals, Spin -off of Lac La Chesnaye Property, etc., that involved substantial filing requirement.
Finance expense	152,402	282,881	-130479	Restructuring of Debentures led to reduction in interest costs
Gain on exchange of convertible debentures	-	(355,699)	355,699	During the previous year, the Company registered a gain upon exchange of the debentures that resulted out of the difference in the value of the old debentures exchanged and the new debentures issued.

CASH FLOWS AND LIQUIDITY:

As at April 30, 2022, the Company had a working capital of \$476,313 (working capital of \$1,740,887 as at July 31, 2021) and cash of \$1,019,033 (\$2,234,048 as at July 31, 2021). During the 9 months ended April 30, 2022, the Corporation used \$748,025 (9 months ended April 30, 2020 / Previous Year (PY): \$566,901) of its cash and cash equivalents to meet the Operating Activities i.e., pay its trade and other payables, fund its operations, maintain its listing in the Canadian Stock Exchange (CSE) and pay for the corporate operating expenses. The Company's Investing Activities includes incurring an amount of \$466,990 (PY: a receipt of \$205,106) that included expenditure on exploration activities amounting to \$541,791 (PY: NIL); repayment of convertible debentures amounting to \$163,131 (PY: \$62,595) and receipt of purchase price receivable amounting to \$235,723 (PY: \$257,909). The Company's Financing Activities proceeds from issuance of shares amounting to \$ NIL (Previous Year: \$2,277,036).

MANAGEMENT'S DISCUSSION AND ANALYSIS

SELECTED QUARTERLY FINANCIAL INFORMATION:

Canadian Metals anticipates that the quarterly and annual results of operations will primarily be impacted for the near future by several factors, including the timing and efforts of the exploration's expenditures and efforts related to the development of the Company. Due to these fluctuations, the Company believes that the quarter to quarter and the year-to-year comparisons of the operating results may not be a good indication of its future performance.

The following selected quarterly financial information is derived from our unaudited condensed interim financial statements for each of the two most recently completed financial years.

	2022		2021		2020			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
	\$	\$	\$	\$	\$	\$	\$	\$
Statements of comprehensive loss								
Operating expenses (income)	323,894	489,592	255,959	638,716	175,876	89,881	142,892	101,347
Net finance expense (income)	30,966	70,436	32,667	40,927	81,909	-293,191	79,635	-79,963
Net loss (income)	354,860	560,028	288,626	679,643	257,785	-203,310	222,527	21,384
Loss per share Basic and diluted	0.012	0.008	0.004	0.015	0.007	-0.012	0.015	0.001

	2022		2021		2020			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
	\$	\$	\$	\$	\$	\$	\$	\$
Statements of financial position								
Cash	1,019,033	1,241,589	1,714,022	2,234,048	2,432,036	582,401	486,810	516,795
Mining properties	8,664,730	8,559,030	8,548,854	8,548,853	2,400,228	2,400,228	2,400,228	2,400,228
Exploration and evaluation assets	946,712	858,096	677,878	472,707	603,460	613,252	613,252	613,252
Total assets	11,582,114	11,672,151	12,180,902	12,822,375	6,618,156	4,890,534	4,847,371	4,971,984
Total liabilities	967,842	1,813,193	2,050,541	2,059,388	1,590,726	11,538,335	2,044,896	1,944,588
Equity	9,775,577	11,672,151	12,180,902	10,762,987	5,027,430	3,352,199	2,802,475	3,027,396

MANAGEMENT'S DISCUSSION AND ANALYSIS

SELECTED QUARTERLY FINANCIAL INFORMATION (CONTINUED):

The net loss of \$354,860 for Q3-2022 is mostly attributable to share-based compensation of \$221,000 management and consulting fees of \$78,354, professional fees of \$10,036, net finance expenses of \$30,966; Registration, listing fees, etc., \$7,620 and Insurance and office expenses \$6,623.

The net loss of \$269,672 for Q2-2022 is mostly attributable to management and consulting fees of \$147,498, professional fees of \$52,210, net finance expenses of \$37,769 and Registration, listing fees, etc., \$27,617.

The net loss of \$288,626 for Q1-2022 is mostly attributable to management and consulting fees of \$157,498, professional fees of \$84,065 and net finance expenses of \$32,667.

The net loss of \$679,643 for Q4-2021 is mostly attributable to impairment of non-current assets held for distribution of \$193,269, professional fees of \$192,133, impairment of mining rights of \$132,175 and management and consulting fees of \$124,396.

The net loss of \$257,785 for Q3-2021 is mostly attributable to management and consulting fees of \$100,500, professional fees of \$67,293 and net finance expenses of \$81,909.

The net income of \$203,310 for Q2-2021 is mostly attributable to management and consulting fees of \$60,000 and net finance income of \$293,1191.

The net loss of \$222,527 for Q1-2021 is mostly attributable to professional fees of \$72,414, management and consulting fees of \$60,000 and net finance expense of \$79,635.

The net loss of \$21,384 for Q4-2020 is mostly attributable to management and consulting fees of \$58,128, professional fees of \$18,643, net finance expenses of \$34,976 and general exploration expenses of \$10,000 offset by gain on settlement of interest related to debentures of \$114,939.

RESULTS OF OPERATIONS FOR THE THREE-MONTH PERIOD ENDED APRIL 30, 2022:

Net loss and comprehensive loss

The basic and diluted loss per share for the three-month period ended April 30, 2022 is \$0.012 as compared to the basic and diluted gain per share \$0.012 for the three-month period ended April 30, 2021. The results of operation for the three-month period ended April 30, 2022 is as follows:

	Three month period ended		Variance	Remarks on Key Variances
	April 30 2022	April 30 2021		
Share based compensation	\$ 221,000	\$ -	\$ 221,000	The Company issued 1,700,000 Stock Options in May that were fair valued at \$221,000.
Professional fees	10,036	67,293	(57,257)	
Management and consulting fees	78,354	100,500	(22,146)	The Company enhanced its staffing during the current year to support its developmental activities
Registration, listing fees and shareholders information	7,620	6,217	1402.61	AGM Related costs in Q3, 2022
Insurance and office expenses	6,623	4,520	2,103	
Finance expense	48,132	101,532	(53,400)	Restructuring of Debentures led to reduction in interest costs
Gain on exchange of convertible debentures	-	(355,699)	355,699	During the previous year, the Company registered a gain upon exchange of the debentures that resulted out of the difference in the value of the old debentures exchanged and the new debentures issued.

MANAGEMENT'S DISCUSSION AND ANALYSIS

RELATED PARTY TRANSACTIONS:

Related parties include the Company's key management personnel. Unless otherwise stated, balances are usually settled in cash. Key management includes directors and senior executives. The remuneration of key management personnel includes the following expenses:

	Three-month period ended		Nine-month period ended	
	April 30, 2022	April 30, 2021	April 30, 2022	April 30, 2021
	\$	\$	\$	\$
Management and consulting fees	78,354	100,500	383,350	220,500

In addition to the related party transactions presented elsewhere in these financial statements, the following is a summary of other transactions:

As at April 30, 2022, trade accounts payable and accrued liabilities include \$13,500 payable to key management personnel. As at July 31, 2021, trade accounts payable and accrued liabilities include \$26,913 payable and \$10,000 due to key management personnel.

As at April 30, 2022, accounts receivable includes an amount of \$3,500 receivable from a key managerial personnel (July 31, 2021: \$3,500),

These transactions, entered into the normal course of operations, are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

As at April 30, 2022, the Company has advances to a related company amounting to \$34,867 (July 31, 2021: \$11,801)

Unless otherwise stated, none of the transactions incorporated special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

During March 2022, the Company issued 1,700,000 stock options to its Directors and officers. The stock options issued to the directors and key managerial personnel were as follows:

Directors and Key Managerial Personnel	No. of Optioned Shares
Chief Executive Officer	200,000
Vice President Finance & Business Developments	200,000
Chief Financial Officer	200,000
Chairman	300,000
Other Directors (4)	800,000

CONTINGENCIES:

Governmental laws and regulations regarding environmental protection regulate the Company's operations. The environmental consequences are not easily identifiable, either in terms of results, the impacts or the expiration date. Currently, and to the best knowledge of its management, the Company is in conformity with current laws and regulations.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FUNCTIONAL AND PRESENTATION CURRENCY:

The selected annual financial information selected quarterly financial information and other financial information are presented in Canadian dollars, the Company's functional currency.

OFF-FINANCIAL POSITION ARRANGEMENTS:

As at April 30, 2022, the Company does not have any off-financial position arrangements.

GOING CONCERN ASSUMPTION:

The accompanying financial statements have been prepared on the basis of the on-going concern assumption meaning the Company will be able to realize its assets and discharge its liabilities in the normal course of business. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period.

As at April 30, 2022, the Company has working capital of \$476,313 including cash and cash equivalents of \$1,019,033 and a cumulative deficit of \$12,619,696 and incurred a loss of \$914,410 during the nine months then ended. Management does not believe it has sufficient funds to pay its ongoing general and administrative expenses, to pursue its budgeted exploration and evaluation expenditures, and to meet its liabilities, obligations and existing commitments for the ensuing twelve months as they fall due. These circumstances indicate the existence of material uncertainties that cast significant doubt upon the Company's ability to continue as a going concern and accordingly, the appropriateness of the use of IFRS applicable to a going concern. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities, expenses and financial position classifications that would be necessary if the going concern assumption was not appropriate. These adjustments could be material.

For the nine-month period ended April 30, 2022, the Company recorded a net loss of \$914,410 (\$277,002 in 2020) and has an accumulated deficit of \$12,619,696 as at April 30, 2022 (\$11,705,286 as at July 31, 2021). Besides the usual needs for working capital, the Company must obtain funds to enable it to meet the timelines of its exploration programs and to pay its overhead and administrative costs. Any funding shortfall may be met in the future in a number of ways, including but not limited to, the issuance of new equity instruments. Given that the Company has not yet determined whether its mineral properties contain mineral deposits that are economically recoverable, the Company has not yet generated income nor cash flows from its operations. The recovery of the cost of exploration and evaluation assets as well as other tangible and intangible assets, is subject to certain conditions: the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to continue the exploration, evaluation, development, construction and ultimately disposal of these assets.

CHANGES IN SIGNIFICANT ACCOUNTING POLICIES:

These condensed interim financial statements were prepared in accordance with standard IAS 34 – Interim Financial Reporting and do not include all of the information required for a full set of financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"). They, however, include specific complimentary notes in order to provide information necessary to assess the financial situation of the Company at period end since its last annual financial statements dated July 31, 2021.

The accounting policies used to prepare these condensed interim unaudited financial statements are those described in the Company's audited financial statements for the year ended July 31, 2021, and have been applied throughout the period unless otherwise stated.

MANAGEMENT'S DISCUSSION AND ANALYSIS

OUTSTANDING SHARE CAPITAL:

DISCLOSURE OF OUTSTANDING SHARE DATA (AS AT APRIL 30, 2022)

Outstanding common shares:	73,509,794
Outstanding share options:	1,965,000
Outstanding warrants:	18,439,500

In April 2022, the Company issued 500,000 common shares as consideration for acquiring a claim adjoining to the new LG discovery at its Gold Strike Project. Pursuant to the terms and conditions of the option, the Company issued 500,000 common shares of the Company and a cash payment of \$35,000. The Company valued the shares at a fair market value of \$0.10 or \$50,000.

WARRANTS:

The changes to the number of outstanding warrants granted by the Company and their weighted average exercise price are as follows:

	April 30, 2022		July 31, 2021	
	Number of outstanding warrants	Weighted average exercise price	Number of outstanding warrants	Wtd average exercise price
		\$		\$
Outstanding at beginning	475,000	1.5	475,000	1.5
Granted	18,089,500	0.15	18,089,500	0.15
Expired	-125,000	-1.5	-125,000	-1.5
Outstanding at end	18,439,500	0.18	18,439,500	0.18

The following table provides outstanding warrants information as at April 30, 2022:

Expiry date	Outstanding warrants		
	Number of outstanding warrants	Exercise price	Remaining life
		\$	(years)
21-Dec-22	4,375,000	0.15	1.39
19-Feb-23	13,714,500	0.15	1.56
28-Nov-23	350,000	1.5	2.33
	18,439,500	0.34	1.53

SHARE OPTION PLAN:

The changes to the number of outstanding share options granted by the Company and their weighted average exercise price are as follows:

	April 30, 2022		July 31, 2021	
	Number of outstanding share options	Weighted average exercise price	Number of outstanding share options	Wtd average exercise price
		\$		\$
Outstanding at beginning	402,500	1.38	402,500	1.38
Issued	1,700,000	0.2		
Expired	-57,500	-1	-57,500	-1
Forfeited	-80,000	-1.5	-80,000	-1.5
Outstanding at end	1,965,000	0.55	265,000	1.43
Exercisable at end	1,965,000	1.43	265,000	1.43

MANAGEMENT'S DISCUSSION AND ANALYSIS

SHARE OPTION PLAN (CONTINUED):

The following table provides outstanding share options information as at April 30, 2022:

Expiry date	Share options outstanding			
	Number of granted share options	Number of exercisable share options	Exercise price	Remaining life
			\$	(years)
October 3, 2022	20,000	20,000	0.75	0.50
February 5, 2023	35,000	35,000	1.4	0.83
June 27, 2023	180,000	180,000	1.5	1.17
November 5, 2023	30,000	30,000	1.5	1.58
March 24, 2027	1,700,000	1,700,000	0.2	4.83
	1,965,000	1,965,000	1.43	4.33

USE OF ESTIMATES AND JUDGEMENTS: CRITICAL ESTIMATES:

The preparation of the financial statements requires management to use judgment and make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amount of expenses during the period. Actual results could materially differ from these estimates. Refer to note 3 of the Company's annual audited financial statements for the year ended July 31, 2021 for a more detailed discussion of the critical accounting estimates and judgments.

RISK AND UNCERTAINTIES:

An investment in the common shares of the CME should be considered highly speculative. Canadian Metals is subject to a variety of risks, some of which are described below. If any of the following risks occur, the business, results of operations or financial condition could be adversely affected in a material manner.

Credit risk

Credit risk is the risk that the other party to a financial instrument fails to honour one of its obligations and, therefore, causes the Company to incur a financial loss.

The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets at the reporting date.

The Company's management considers that all of the above financial assets that are not impaired or past due for each of the reporting dates are of good credit quality.

Credit risk of cash and is considered negligible, since the counterparty is a reputable bank with excellent external credit rating.

None of the Company's financial assets is secured by collateral or other credit enhancements.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Liquidity risk management serves to maintain a sufficient amount of cash and to ensure that the Company has financing sources such as private and public investments for a sufficient amount.

Over the past and during the year, the Company has financed its acquisitions of mining rights, exploration costs and working capital needs through private financings (issuance of shares and convertible debentures).

MANAGEMENT'S DISCUSSION AND ANALYSIS

RISK AND UNCERTAINTIES (CONTINUED):

Convertible Debentures:

	30-Apr 2022	30-Jul 2021
	\$	\$
Convertible debentures bearing interest at 3% payable annually and maturing in March 2025.	994,732	1,005,018
Current portion of convertible debentures	156,037	150,000
Non-current portion of convertible debentures	838,695	855,018

(a) Debentures (4) from related parties:

	30-Apr 2022	31-Jul 2021
	\$	\$
Directors	3,000	3,000
Company under control of a director	9,000	9,000
Company under control of an officer	12,600	12,600
	24,600	24,600

Exploration and mining risks

The Company is engaged in the business of acquiring and exploring mineral properties in the hope of locating economic deposits of minerals. The Company's property interests are in the exploration and evaluation stage only. The business of mineral exploration involves a high degree of risk. Few properties that are explored are ultimately developed into production. Currently, there are no known bodies of commercial ore on the mineral properties of which the Company owns an interest. Accordingly, there is little likelihood that the Company will realize any profits in the short to medium term. Any profitability in the future from the Company's business will be dependent upon locating an economic deposit of minerals. However, there can be no assurance, even if an economic deposit of minerals is located, that it can be commercially mined.

Unusual or unexpected formations, fires, power outages, labour disruptions, flooding, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the conduct of exploration programs.

The economics of developing mineral properties is affected by many factors including the cost of operations, variation of the grade of ore mined and fluctuations in the price of any minerals produced. There are no underground or surface plants or equipment on the Company's mineral properties, nor any known body of commercial ore. Programs conducted on the Company's mineral property would be an exploratory search for ore.

Titles to property

While the Company has diligently investigated title to the various properties in which it has interest, and to the best of its knowledge, title to those properties are in good standing, this should not be construed as a guarantee of title. The properties may be subject to prior unregistered agreements or transfer, or native or government land claims, and title may be affected by undetected defects.

According to the mining law and regulations of the Province of Québec, to renew its claims, the Company must incur a minimum of exploration expenditures and must pay the Québec government, a rent per claim, for every 2 years renewal period. Between the date of this MD&A and July 31, 2021, no claim will need to be renewed for a negligible amount and will not require additional exploration expenditures because the Company has met the requirement.

MANAGEMENT'S DISCUSSION AND ANALYSIS

RISK AND UNCERTAINTIES (CONTINUED):

According to the mining law and regulations of the Province of New Brunswick, to renew its claims, the Company must incur a minimum of exploration expenditures and must pay the Nova Scotia government, a rent per claim of \$20.00 and \$200.00 of expenditures, for every one-year renewal period. Between the date of this MD&A and April 30, 2022, no claim will need to be renewed for a negligible amount and will not require additional exploration expenditures because the Company has met the requirement.

Permits and licenses

The Company's operations may require licenses and permits from various governmental authorities. 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 at its projects.

Metal prices

Even if the Company's exploration programs are successful, factors beyond the control of the Company may affect marketability of any minerals discovered. Metal prices have historically fluctuated widely and are affected by numerous factors beyond the Company's control, including international, economic and political trends, expectations for inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and worldwide production levels. The effect of these factors cannot accurately be predicted.

Competition

The mining industry is intensely competitive in all its phases. The Company competes with many companies possessing greater financial resources and technical facilities than itself for the acquisition of mineral interests as well as for recruitment and retention of qualified employees.

Environmental regulations

The Company's operations are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions of spills, release or emission of various substances produced in association with certain mining industry operations, such as seepage from tailing disposal areas, which could result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations require submissions to and approval of environmental impact assessments. Environmental legislation is evolving in a manner which means stricter standards and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. The Company intends to fully comply with all environmental regulations.

MANAGEMENT'S DISCUSSION AND ANALYSIS

RISK AND UNCERTAINTIES (CONTINUED)

Conflicts of interest

Certain directors or proposed directors of the Company are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Stage of development

The Company's properties are in the exploration stage and to date none of them has a proven ore body, except as disclosed for the Langis Property. The Company does not have a history of earnings or providing a return on investment, and in future, there is no assurance that it will produce revenue, operate profitably or provide a return on investment.

Industry conditions

Mining and milling operations are subject to government regulations. Operations may be affected in varying degrees by government regulations such as restrictions on production, price controls, tax increases, expropriation of property, pollution controls or changes in conditions under which minerals may be mined, milled or marketed. The marketability of minerals may be affected by numerous factors beyond the control of the Company, such as government regulations. The effect of these factors cannot be accurately determined.

Uninsured risks

The Company's business is subject to a number of risks and hazards, including environmental conditions adverse, environmental regulations, political uncertainties, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to the Company's properties or the properties of others, delays in mining, monetary losses and possible legal liability.

Capital needs

The exploration and evaluation, development, mining and processing of the Company's properties may require substantial additional financing. The only current source of future funds available to the Company is the sale of additional equity capital and the borrowings of funds. There is no assurance that such funding will be available to the Company or that it will be obtained on terms favourable to the Company or will provide the Company with sufficient funds to meet its objectives, which may adversely affect the Company's business and financial position.

In addition, any future equity financings by the Company may result in a substantial dilution of the existing shareholders. Failure to obtain sufficient financing may result in delaying or indefinite postponement of further exploration and evaluation, development or production on any or all of the Company's properties or even a loss of property interest.

MANAGEMENT'S DISCUSSION AND ANALYSIS

RISK AND UNCERTAINTIES (CONTINUED)

Key employees

Management of the Company rests on a few key officers and members of the Board of Directors, the loss of any of whom could have a detrimental effect on its operations. The development of the Company's business is and will continue to be dependent on its ability to attract and retain highly qualified management and mining personnel. The Company faces competition for personnel from other employers.

Canada Revenue Agency

No assurance can be made that Canada Revenue Agency will agree with the Company's characterization of expenditures as Canadian exploration expenses or Canadian development expenses or the eligibility of such expenses as Canadian exploration expenses under the *Income Tax Act* (Canada).

CERTIFICATION OF INTERIM FILINGS:

The President and the Chief Financial Officer have signed the Basic Certifications of Interim Filings as required by National Instrument 52-109 for venture issuer, thus confirming, the review, the absence of misrepresentations and the fair presentation of the interim filings.

- The President and the Chief Financial Officer confirm to have reviewed the interim financial report and the interim MD&A (together, the "interim filings") of the Company for the Nine-month period ended April 30, 2022.
- Based on their knowledge, having exercised reasonable diligence, the President and the Chief Financial Officer confirm that the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, for the period covered by the interim filings.
- Based on their knowledge, having exercised reasonable diligence, the President and the Chief Financial Officer confirm that the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the period presented in the interim filings.

MANAGEMENT'S DISCUSSION AND ANALYSIS

ADDITIONAL INFORMATION:

The additional information on the Company is available through regular filings of quarterly financial statements and press releases on Sedar (www.sedar.com) and on the Company's web site www.canadianmetalsinc.com.

Officers

Michel Gagnon
Chairman

Arnab De
CFO

Stéphane Leblanc
President and CEO

Beat Frei
V.P. - Corporate Development

George Yordanov
V.P. - Exploration

Directors

Michel Gagnon (Audit chair)
Maxime Lemieux
Guy Simard
Patrick Moryoussef
Yves Rougerie

Transfer agent

Computershare Canada
Montréal (Quebec)

Special advisors

Javier Bullon

Legal advisors

McMillan
Montréal (Quebec)

Head office

866, 3ieme Avenue
Val-d'Or (Quebec) J9P 1T1
Tél : 819-825-0001

Auditor

PwC
Montréal (Quebec)