CANADIAN METALS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year ended

July 31, 2022

(Fourth Quarter)

This management discussion and analysis ("MD&A") of Canadian Metals Inc., ("Canadian Metals" or "CME" or the "Company") follows rule 51-102 of the Canadian Securities Administrators regarding continuous disclosure.

The following MD&A is a narrative explanation, through the eyes of the management of Canadian Metals, on how the Company performed during the three-month period and year ended July 31, 2022. It includes a review of the Company's financial condition and a review of operations for the three-month period and year ended July 31, 2022 as compared to the three-month period and year ended July 31, 2021.

This MD&A complements the audited consolidated financial statements for the year ended July 31, 2022 but does not form part of them. It is intended to help the reader understand and assess the significant trends, risks and uncertainties related to the results of operations and it should be read in conjunction with the audited consolidated financial statements as at July 31, 2022 and related notes thereto.

The audited consolidated financial statements for the years ended July 31, 2022 and 2021 have been prepared in accordance with the International Financial Reporting Standards ("IFRS") applicable to the preparation of annual consolidated financial statements. The accounting policies applied in the consolidated financial statements are based on IFRS issued and effective as at July 31, 2022. On November 28, 2022, the Board of Directors approved, for issuance, the annual consolidated financial statements.

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".

FUNCTIONAL AND PRESENTATION CURRENCY

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

REPORT'S DATE

The MD&A was prepared with the information available as at November 28, 2022.

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.

CAUTION REGARDING FORWARD-LOOKING INFORMATION (CONTINUED)

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.

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 New Brunswick.

BUSINESS DEVELOPMENT HIGHLIGHTS – YEAR ENDED JULY 31, 2022:

- **Board of Directors - Management:**

  During August 2022, Mr. Yves Rougerie resigned as a Director of the Company.

- **Private placements**

  On July 25, 2022, the Company completed a non-brokered private placement pursuant to which it has issued 1,950,000 units of the Company (each a "Unit") at a price of $0.10 per Unit for a gross proceeds of $195,000. Each Unit being comprised of one (1) Share and one-half of one (1/2) Share purchase warrant, each whole warrant entitling the holder thereof to acquire one (1) additional Share at a price of $0.20 per Share for a period of 24 months from the closing date.
  Also on July 25, 2022, the Company completed a private placement pursuant to which it has issued 1,247,300 common shares of the Company (each a "Share"), issued on a flow-through basis, at a price of $0.13 per Share for a gross proceeds of $162,149.. The Company paid finder fee of $9,599 in cash and issued 73,836 non-transferable Finder's warrants entitling the holder thereof to purchase one (1) Share at an exercise price of $0.20 per Share for a period of 24 months from the closing date.

MINING PROPERTIES – DESCRIPTION:

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.

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.

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.

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.

- **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 Goldtstrike 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.

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 an 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.

- **Spin out of Lac La Chesnaye Property (Continued)**

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 Company 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.

EXPLORATION ACTIVITIES:

NEW BRUNSWICK

Exploration activities for the three-month ended July 31, 2022

During the three-month ended July 31, 2022, the Company invested $89,655 in exploration and evaluation assets and received a grant of $15,000 in connection with the Mountain Brook property and reimbursed a grant of $8,000 in connection with the Oxford Brook property.

Exploration and evaluation assets								
For the 3 months ended July 31, 2022								
Exploration and evaluation costs:	**New Brunswick**							
	Blackshale	**Mountain Brook**	**TV Tower**	**Frenette**	**Oxford Brook**	**Nicholas Denys**	**Goldstrike & Millstream**	**Total**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Geology	-	-	-	-	-	-	20,355	20,355
Line cutting	11,990	-	-	-	-	-	-	11,990
Surveys	-	-	-	-	-	-	57,310	57,310
	-	-	-	-	-	-	-	-
	11,990	-	-	-	-	-	77,665	89,655
Other items:								
Grant received	-	(15,000)	-	-	8,000	-	-	(7,000)
Impairment	-	-	-	-	-	-	-	-
Balance at the beginning	165,642	92,589	379,876	8,050	23,332	114,950	161,972	946,411
Balance at the end	177,632	77,589	379,876	8,050	31,332	114,950	239,637	1,029,067

Exploration activities for the three-month ended July 31, 2021

During the three-month ended July 31, 2021, the Company invested $14,143 in exploration and evaluation assets and received a grant of $10,000 of which 86% of the total was spent on the Blackshale Property and 14% on the Lac La Chesnaye Property.

Exploration and evaluation assets
For the 3 months ended July 31, 2021

Exploration and evaluation costs:	**Quebec**					**New Brunswick**							
	Lac La Chesnaye	**Silicate Brutus**	**Mouchalagane**	**Lac Robot**	**Seigneleay**	**Blackshale**	**Mountain Brook**	**TV Tower**	**Frenette**	**Oxford Brook**	**Nicholas Denys**	**Gold strike & Millstream**	**Total**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**		**$**	**$**	**$**	**$**
Geology	2,043	-	-	-	-	-	-	-	-	-	-	-	2,043
Surveys	-	-	-	-	-	12,100	-	-	-	-	-	-	12,100
	2,043	-	-	-	-	12,100	-	-	-	-	-	-	14,143
Other items:											-	-	
Grant received	-	-	-	-	-	-	(10,000)	-	-	-			(10,000)
Impairment	(109,116)	(13,196)	(11,864)	(540)	(180)	-	-	-	-	-			(134,896)
Balance at the beginning	107,073	13,196	11,864	540	180	45,486	37,195	379,876	8,050	-	-	-	603,460
Balance at the end	-	-	-	-	-	57,586	27,195	379,876	8,050	-	-	-	472,707

Exploration activities for the year ended July 31, 2022

During the year ended July 31, 2022, the Company invested $563,360 in exploration and evaluation assets and received a grant of $15,000 in connection with the Mountain Brook property and reimbursed a grant of $8,000 in connection with the Oxford Brook property.

Exploration and evaluation assets
For the year ended July 31, 2022

Exploration and evaluation costs:	**New Brunswick**							
	Blackshale	**Mountain Brook**	**TV Tower**	**Frenette**	**Oxford Brook**	**Nicholas Denys**	**Goldstrike & Millstream**	**Total**
	$	$	$	$	$	$	$	$
Geology	3,889	3,889	-	-	-	58,266	22,875	88,919
Line cutting	37,138	10,698	-	-	-	-	5,400	53,236
Assays	-	-	-	-	-	1,501	3,002	4,503
Surveys	79,019	50,808	-	-	-	-	204,110	333,937
Transportation	-	-	-	-	-	2,556	2,530	5,086
Analysis	-	-	-	-	-	52,481	-	52,481
Maintenance and field supplies	-	-	-	-	-	147	1,720	1,867
Technical reports	-	-	-	-	23,332	-	-	23,332
	120,046	65,395	-	-	23,332	114,951	239,637	563,361
Other items:								
Grant received	-	(15,000)	-	-	8,000	-	-	(7,000)
Tax credits received	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Balance at the beginning	57,586	27,195	379,876	8,050	-	-	-	472,707
Balance at the end	177,632	77,589	379,876	8,050	31,332	114,950	239,638	1,029,067

Exploration activities for the year ended July 31, 2021

During the year ended July 31, 2021, the Company invested $14,143 in exploration and evaluation assets, received tax credits of $9,792 and a grant of $10,000 of which 86% of the total was spent on the Blackshale Property and 14% on the Lac La Chesnaye Property.

Exploration and evaluation assets
For the year ended July 31, 2021

	Quebec					New Brunswick				
	Lac La Chesnaye	Silicate Brutus	Mouchalagane	Lac Robot	Seignelay	Blackshale	Mountain Brook	TV Tower	Frenette	Total
Exploration and evaluation costs:	$	$	$	$	$	$	$	$		$
Geology	2,043	-	-	-	-	-	-	-	-	2,043
Surveys	-	-	-	-	-	12,100	-	-	-	12,100
	2,043	-	-	-	-	12,100	-	-	-	14,143
Other items:										
Grant received	-	-	-	-	-	-	(10,000)	-	-	(10,000)
Tax credits received	-	(5,015)	(4,497)	(210)	(70)	-	-	-	-	(9,792)
Impairment	(109,116)	(13,196)	(11,864)	(540)	(180)	-	-	-	-	(134,896)
Balance at the beginning	107,073	18,211	16,361	750	250	45,486	37,195	379,876	8,050	613,252
Balance at the end	-	-	-	-	-	57,586	27,195	379,876	8,050	472,707

The Company received results of the 42 assays conducted in the LG Discovery Zone of the Nicholas Denys Property, 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 an 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 (1,352l-km) of the Goldstrike Gold Project is almost finalized and will help define the geophysical signature of gold-bearing rhyolite.

SELECTED ANNUAL FINANCIAL INFORMATION

The following selected financial information is derived from our audited consolidated financial statements for each of the two most recently completed financial years.

	July 31, 2022	July 31, 2021
	$	$
Statements of loss and comprehensive loss		
Loss from operating activities	934,877	1,047,365
Net finance expenses (income)	152,827	(90,720)
Net loss and comprehensive loss	1,087,704	956,645
Basic and diluted loss per share	0.01	0.03
Mining properties and exploration and evaluation assets		
Acquisition of mining properties	123,921	6,708,953
Additions to exploration and evaluation assets	556,360	14,143
Statements of cash flows		
Cash flows used for operation activities	(1,028,329)	(755,139)
Cash flow provided from financing activities	217,809	2,277,036
Cash flow (used for) provided from investing activities	(493,866)	195,356
Net change in cash	(1,304,386)	1,717,253

	July 31, 2022	July 31, 2021
	$	$
Statements of financial position		
Cash	929,663	2,234,048
Mining properties	8,672,774	8,548,853
Exploration and evaluation assets	1,029,067	472,707
Total assets	11,665,532	12,822,375
Non-current financial liabilities	781,778	855,018
Equity	9,898,645	10,762,987

The basic and diluted loss per share during the year ended July 31, 2022 is $0.01 ($0.03 in 2021). During the year ended July 31, 2022, the Company realized a net loss of $1,087,703 as compared to a net loss of $956,645 for the year ended July 31, 2021 (an increase of $131,058 compared to 2021).

The variance of $131,058 for the year ended July 31, 2022 as compared to 2021 in net loss is mostly attributable to an increase of $131,058 in operating expenses (described below in operating expenses section).

SELECTED ANNUAL FINANCIAL INFORMATION (CONTINUED)

The total assets as at July 31, 2022 were $11,665,532 as compared to $12,822,375 as at July 31, 2021. The major change in 2022 compared to 2021 in total assets is the increase of Mineral Property and Exploration and Evaluation assets amounting to $680,281 which is offset by the reduction of property held for sale of $344,000, reduction in purchase price receivable of $185,704 and reduction in cash balance amounting to $1,304,385.

Current liabilities as at July 31, 2022 were $985,110 as compared to $1,204,370 for the year ended July 31, 2021. The decrease of $219,261 in 2022 compared to 2021 is mainly due to the decrease in trade accounts payable and accrued liabilities of $312,770 and the increase in current portion of the convertible debentures of $81,037 and increase of liability for flow through shares amounting to $12,473.

Non-current financial liabilities as at July 31, 2022 were $781,778 as compared to $855,018 for the year ended July 31, 2021, a decrease of $73,240 in 2022 compared to 2021 mainly due to the decrease of the current portion of the convertible debentures.

RESULTS OF OPERATIONS FOR THE YEAR ENDED JULY 31, 2022

Net loss

During the year ended July 31, 2022, the Company incurred a net loss of $1,087,703 as compared to a net loss of $956,645 for the year ended July 31, 2021.

The variance of $131,058 for the year ended July 31, 2022 as compared to 2021 in net loss is mostly attributable to the incidence of share based compensation in connection with issuance of share options amounting to $187,000.

Operating expenses

During the year ended July 31, 2022, operating expenses were $934,877 as compared to $1,047,365 for the year ended July 31, 2021.

The decrease of $112,488 for the year ended July 31, 2022 as compared to 2021 in operating expenses is mainly attributable to the following; an increase of $187,000 owing to share based compensation that was offset by reductions in the following: a) $351,224 impairment of non-current assets held for distribution, mineral property and exploration and evaluation assets; and b) net reduction in professional and management fees amounting to $64,655.

Net finance expense

During the year ended July 31, 2022, net finance expense was $152,827 as compared to net finance income of $90,720 for the year ended July 31, 2021.

The variance of $243,547 in 2022 as compared to 2021 in net finance expense is mainly attributable to the decrease in the gain on exchange of convertible debentures of $355,699 offset by the decrease in finance expense of $112,152.

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
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
	$	$	$	$	$	$	$	$
Statements of loss and comprehensive loss								
Operating expenses	121,869	323,415	233,633	255,959	638,716	175,876	89,881	142,892
Net finance expense (income)	51,424	30,966	37,769	32,667	40,927	81,909	(293,191)	79,635
Net loss (income)	173,294	354,381	271,402	288,626	679,643	257,785	(203,310)	222,527
Loss per share	0.002	0.012	0.008	0.004	0.015	0.007	(0.012)	0.015
Basic and diluted								

				2022				2021
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
STATEMENTS OF FINANCIAL POSITION	$	$	$	$	$	$	$	$
Cash	929,663	1,019,033	1,241,589	1,714,022	2,234,048	2,432,036	582,401	486,810
Mining properties	8,672,774	8,664,730	8,559,030	8,548,854	8,548,853	2,400,228	2,400,228	2,400,228
Exploration and evaluation assets	1,029,067	946,712	858,096	677,878	472,707	603,460	613,252	613,252
Total assets	11,665,532	11,582,114	11,672,151	12,180,902	12,822,375	6,618,156	4,890,534	4,847,371
Total liabilities	1,766,887	967,842	1,813,193	2,050,541	2,059,388	1,590,726	11,538,335	2,044,896
Equity	9,898,645	9,775,577	11,672,151	12,180,902	10,762,987	5,027,430	3,352,199	2,802,475

The net loss of $173,294 for Q4-2022 is mostly attributable to management and consulting fees of $129,606 and general exploration expenses of $45,337.

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.

SELECTED QUARTERLY FINANCIAL INFORMATION (CONTINUED)

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.

RESULTS OF OPERATIONS FOR THE THREE-MONTH PERIOD ENDED JULY 31, 2022

Net loss

The basic and diluted loss per share for the three-month period ended July 31, 2022 is $0.002 as compared to $0.015 for the three-month period ended July 31, 2021.

During the three-month period ended July 31, 2022, the Company realized a net loss of $173,294 as compared to a net loss of $679,643 for the three-month period ended July 31, 2021. The significant decrease of $506,349 in net loss is mostly attributable to a decrease of $348,424 in impairment charges, and a decrease of $223,242 in professional fees.

Operating expenses

During the three-month period ended July 31, 2022, operating expenses were $121,869 as compared to $638,716 for the three-month period ended July 31, 2021.

The decrease of $516,847 in operating expenses is mostly attributable to a decrease of $348,424 in impairment charges, and a decrease of $223,242 in professional fees.

Net finance expense

During the three-month period ended July 31, 2022, net finance expense was $51,424 as compared to $40,927 for the three-month period ended July 31, 2021.

The variance of $10,497 in net finance expense is mainly due to the decrease of $8,949 in finance income.

CASH FLOWS

Cash flows used for operating activities

Cash flows used for operating activities were $1,028,329 during the year ended July 31, 2022 as compared to cash flows of $755,139 provided from operating activities during the year ended July 31, 2021. The increase of $273,190 is mainly due to a higher payout of the liabilities by $482,559 and a decrease of $232,715 in professional fees.

Cash flows provided from financing activities

Cash flows provided from financing activities were $217,809 during the year ended July 31, 2022 compared to cash flows provided from financing activities of $2,277,036 during the year ended July 31, 2021. The decrease of $2,059,227 in cash flows is mainly explained by the incidence of $2,378,000 in proceeds from issuance of shares and units during 2021.

Cash flows provided from investing activities

Cash flows used for investing activities were $493,866 during the year ended July 31, 2022 compared to $195,356 (inflow) during the year ended July 31, 2021. The increase of $689,222 is mainly explained by the increase of $530,060 in exploration and evaluation assets; decrease of $82,707 in proceeds from balance of purchase price receivable, increase in repayment of convertible debentures $98,659; incidence of $30,454 of cash acquired from acquisition of Target Minerals Inc. in 2021.

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:

	July 31, 2022	July 31, 2021
	$	$
Management and consulting fees	512,956	344,332
	512,956	344,332

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

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.

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.

The Company has consulting agreements with certain management personnel ending at various dates until January 2024. These agreements are for payments of $479,668 in 2022. Some agreements require payment in case of a change of control of the Company or if the Company sells or leases substantially all of its assets or activities. One agreement requires a payment in case of termination of this agreement by the Company or the consultant.

As at July 31, 2022, trade accounts payable and accrued liabilities include $40,366 ($26,913 as at July 31, 2021) payable to key management personnel.

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, impacts or the expiration date. Currently, and to the best knowledge of its management, the Company is in conformity with current laws and regulations.

OFF-FINANCIAL POSITION ARRANGEMENTS

As at July 31, 2022, the Company has no off-financial position arrangements.

GOING CONCERN ASSUMPTION

As at July 31, 2022, the Company has working capital of $602,743 including cash and cash equivalents of $929,663 and a cumulative deficit of $12,792,989 and incurred a loss of $1,087,703 during the year 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. The 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.

In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future.

To continue the Company's exploration and evaluation programs on its properties and its operations, the Company will need to raise additional funds through the issuance of new equity instruments, the selling of mineral properties and the search for partners to sign option agreements on certain of its mineral properties. While it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future or that these sources of funding or initiatives will be available for the Company or that they will be available on terms that are acceptable to the Company.

The Company's business involves a high degree of risk and there is no assurance that the Company will be successful in discovering economically recoverable deposits on its mineral properties. Furthermore, the Company has not yet generated any income or cash flows from its operations and there is no assurance that the business will be profitable in the future.

IFRS ACCOUNTING POLICIES AND ESTIMATES

The Company's significant accounting policies and estimates, changes in significant accounting policies and new standards and interpretations that have not yet been adopted under IFRS are disclosed in the audited annual financial statements for the year ended July 31, 2022.

FINANCIAL INSTRUMENTS

The Company's description of the financial instruments is disclosed in Note 4 of the audited annual financial statements for the year ended July 31, 2022.

DISCLOSURE OF OUTSTANDING SHARE DATA (AS AT NOVEMBER 28, 2022)

Outstanding common shares:	77,007,094
Outstanding share options:	1,965,000
Outstanding warrants:	19,488,336

OTHER REQUIREMENTS IN THE MANAGEMENT DISCUSSION AND ANALYSIS

The following selected financial information is derived from our audited financial statements as at July 31, 2022.

Outstanding share options:	1,965,000	
Average exercise price of	$1.43	
Average remaining life of	4.33	years

OTHER REQUIREMENTS IN THE MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Outstanding warrants:	19,488,336	
Average exercise price of	$0.19	
Average remaining life of	0.65	years

RISK AND UNCERTAINTIES

An investment in the common shares of 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 financial assets that are not impaired or past due for each of the reporting dates are of good credit quality. The Company's credit risk is primarily attributable to cash and balance of purchase price receivable. Credit risk of cash is considered negligible, since the counterparty is a reputable bank with excellent external credit rating. The credit risk associated with the balance of purchase price arises from the possibility that the buyer may not be able to pay its debts. This receivable results from the sale of the Langis Property and is guaranteed by the properties.

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 in 2020).

Contractual maturities of financial liabilities (including capital and interest) are as follows:

				July 31,2022
	< 1 year	1-5 years	> 5 years	Total
	$	$	$	$
Trade accounts payable and accrued liabilities	404,280	-	-	404,280
Grants refundable	337,320	-	-	337,320
Liability for flow through shares	12,473	-	-	12,473
Convertible debentures (4)	231,037	781,778	-	1,012,815
	985,110	781,778	-	1,766,887

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 New Brunswick, to renew its claims, the Company must incur a minimum of exploration expenditures and must pay the New Brunswick 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 July 31, 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.

RISK AND UNCERTAINTIES (CONTINUED):

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.

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. 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.

RISK AND UNCERTAINTIES (CONTINUED)

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.

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 ANNUAL FILINGS

The Director and Chairman and the Chief Financial Officer have signed the Basic Certifications of Annual 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 annual filings.

- The Director and Chairman and the Chief Financial Officer confirm to have reviewed the annual financial statements and the annual MD&A (together, the "annual filings") of the Company for the year ended July 31, 2022.

- Based on their knowledge, having exercised reasonable diligence, the Director and Chairman and the Chief Financial Officer confirm that the annual 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 annual filings.

- Based on their knowledge, having exercised reasonable diligence, the Director and Chairman and the Chief Financial Officer confirm that the annual financial statements together with the other financial information included in the annual 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 annual filings.

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).

Officers

Michel Gagnon
Chairman

Stéphane Leblanc

President and CEO

Beat Frei

V.P. - Corporate development

Arnab De
CFO

Directors

Michel Gagnon (Audit chair)

Maxime Lemieux

Guy Simard

Patrick Moryoussef

Transfer agent

Computershare Canada

Montréal (Quebec)

Legal advisors

McMillan

Montréal (Quebec)

Head office

866, 3ieme Avenue

Val-d'Or (Quebec) J9P 1T1

Tél : 819-825-0001

Auditor

PwC

Montréal (Quebec)