NEXCO RESOURCES INC.
Management Discussion and Analysis
For the three months ended November 30, 2022

The Management Discussion and Analysis ("MD&A"), prepared January 30, 2023 should be read in conjunction with Nexco Resources Inc.'s (the "Company") unaudited condensed interim financial statements and the accompanying notes for the three month period ended November 30, 2022 and 2021 and the audited financial statements and accompanying notes for the year ended August 31, 2022. The unaudited condensed interim financial statements for the three month period ended November 30, 2022 and 2021 have been prepared in accordance with IAS 34 and International Financial Reporting Standards ("IFRS"). Except as otherwise disclosed, all dollar figures included therein and in the following MD&A are quoted in Canadian dollars. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com.

This management discussion and analysis may contain forward-looking statements in respect of various matters including upcoming events. The results or events predicted in these forward-looking statements may differ materially from the actual results or events. The Company disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

COMPANY OVERVIEW AND GOING CONCERN

The Company was incorporated on December 14, 2012 under the laws of British Columbia. The address of the Company's corporate office and its principal place of business is 750-1095 West Pender Street, Vancouver, British Columbia, Canada.

The Company's principal business activities include the acquisition and exploration of mineral property assets. As at November 30, 2022, the Company had not yet determined whether the Company's mineral property asset contains ore reserves that are economically recoverable. The recoverability of amount shown for exploration and evaluation asset is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the property or realizing proceeds from its disposition. The outcome of these matters cannot be predicted at this time and the uncertainties cast significant doubt upon the Company's ability to continue as a going concern. As at November 30, 2022, the Company had a deficit of $6,787,538 (2021 – $1,858,985), which has been funded by the issuance of debt and equity. The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs. These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these financial statements.

The outbreak of the Coronavirus Disease 2019, or COVID-19, has spread across the globe and is impacting worldwide economic activity. This global pandemic poses the risk that the Company or its clients, employees, contractors, suppliers, and other partners may be unable to conduct regular business activities for an indefinite period of time. At this point, the impact on the Company has been minimal. The Company continues to monitor the situation and is taking all necessary precautions in order to follow rules and best practices as set out by the federal and provincial governments.

BERGER PROPERTY

	Acquisition costs	Exploration costs	Total
Balance, August 31, 2022	$1	-	$1
No Activity	-	-	-
Balance, November 30, 2022	$1	-	$1

Pursuant to an initial and amended option agreements (the "Agreement") dated August 21, 2014 and July 31, 2015, with the Optionor, the Company was granted an option to acquire a 100% undivided interest in the Berger Property (the "Property") which consists of 2 mining claims located in the Kamloops Mining District of British Columbia. In accordance with the Agreement, the Company has acquired a 100% undivided interest in the Property by issuing a total of 100,000 common shares and making cash payment of $12,000. The Optionor will retain a 2% Net Smelter Returns ("NSR") royalty on the Property. The Company has the right to purchase the NSR at a purchase price of $1,000,000 per percentage point during the 5-year period commencing from the date upon which the Property is put into commercial production. During the year ended August 31, 2021, the Company recorded an impairment charge of $174,594 to reflect the uncertainty related to the Company of future work.

LETTER OF INTENT

On November 30, 2020, the Company entered into a Letter of Intent ("LOI") with SymptomSense, LLC ("SymptomSense"). Pursuant to the LOI, the Company proposed to purchase all of the issued and outstanding securities of SymptomSense. Upon completion of the transaction, SymptomSense would become a wholly owned subsidiary of the Company and the Company would carry on the business of SymptomSense. The LOI's terms and conditions were superseded with the execution of a share exchange agreement discussed below.

SHARE EXCHANGE AGREEMENT ("SEA")

On May 25, 2021, the Company's LOI was superseded by the execution of a share exchange agreement (the "SEA") with Soter Technologies, LLC ("Soter" or the "Target") and the owners of the Soter (the "Vendors"). Soter is a limited liability company incorporated under the laws of the State of New York and is the parent company of SymptomSense. The Company has agreed to purchase all of the issued and outstanding equity securities of Soter (the "Soter Securities") from the Vendors (the "Transaction"). Upon completion of the Transaction, Soter will become a wholly owned subsidiary of the Company and the Company will carry on the business of Soter, which includes the business of its subsidiary, SymptomSense. The Transaction will constitute a Fundamental Change of the Company in accordance with the policies of the Canadian Securities Exchange (the "CSE"). Completion of the Transaction (the "Closing") was agreed to be on or before November 1, 2022, or on such other date as mutually agreed to. The Company, Soter and SymptomSense continue negotiations in order to move forward with the Transaction, however, there can be no assurance that the Transaction will complete, in whole or in part, either under the current terms and conditions or under amended terms.

SEA AMENDMENTS

The SEA was subsequently amended through the following agreements:

i. a Letter Agreement dated July 9, 2021;
ii. an Amended and Restated Share Exchange Agreement dated June 15, 2022;
iii. a Letter Agreement dated July 20, 2022; and
iv. an Acknowledgement, Consent and Waiver Agreement dated October 4, 2022.

Together, the "Amended and Restated SEA"

AMENDED AND RESTATED SEA

The Amended and Restated SEA provides terms and conditions whereby the Company will acquire all of the outstanding Soter Securities from the Vendors in exchange for the issuance of common shares of the Company (each, a "Consideration Share") to the Vendors at a deemed price of $0.25 per Consideration Share as follows:

(i) the issuance of 18,266,200 Consideration Shares on a pro-rata basis on the Closing; and

(ii) the issuance of up to 38,815,675 Consideration Shares to the Vendors, on a pro-rate basis, as a post-Closing performance earn-out (the "Earn-Out Consideration Shares") upon the Company achieving the following business objectives and revenue milestones following the Closing:

i. 7,763,135 Earn-Out Consideration Shares upon the Company achieving USD $5,000,000 in Target Revenue within 12 months following the Closing;
ii. 7,763,135 Earn-Out Consideration Shares upon the Company achieving USD $10,000,000 in Annual Revenue within 24 months following the Closing;
iii. 7,763,135 Earn-Out Consideration Shares upon the Company achieving USD $20,000,000 in Annual Revenue within 36 months following the Closing;
iv. 7,763,135 Earn-Out Consideration Shares upon the Company achieving USD $25,000,000 in Annual Revenue within 36 months following the Closing; and
v. 7,763,135 Earn-Out Consideration Shares upon the Company achieving USD $30,000,000 in Annual Revenue within 48 months following the Closing.

Target Revenue is defined as the last-twelve month consolidated revenue of the Company that is attributable to the Target for milestones for any calculation period, determined in accordance with U.S. GAAP, as reflected in the financial statements of the Company (except, if applicable, to the Target Revenue calculated in respect of the Stub Calculation Period which shall be calculated independently of, but in a manner consistent with, the financial statements of the Company).

Annual Revenue is defined as the consolidated revenue of the Company that is attributable to the Target for milestones for any financial year, determined in accordance with U.S. GAAP, as reflected in the financial statements of the Company.

The Earn-Out Consideration Shares will be issued to the Vendors on a pro-rata basis at a deemed price of $0.25 per Earn-Out Consideration Share. The dollar amount thresholds stated in items i. through v. above are not exclusive and are cumulative. Should the Company achieve USD $30,000,000 in Annual Revenue within 48 months of the Closing, the Company will issue all 38,815,675 Earn-Out Consideration Shares.

On Closing, and subject to compliance with securities laws, the Company will also issue an aggregate of 1,000,000 performance share units to two senior executives of the Target (500,000 performance share units each) that will vest and become exercisable into common shares of the Company (each, a "Share") upon the Company achieving Target Revenues of USD $20,000,000.

Each of the Consideration Shares and performance shares units may be subject to escrow provisions imposed by the policies of the CSE.

On Closing, the Company has also agreed to: (i) issue an aggregate of 2,233,800 restricted share units ("RSUs") to employees and consultants of the Target which will vest and become exercisable into Shares immediately upon the Closing; and (ii) issue an aggregate of 4,184,325 performance share units ("PSUs") to employees and consultants of the Target, which will vest and become exercisable following the Closing, into Shares upon the Company achieving the following business objectives and revenue milestones:

i. 836,865 PSUs upon the Company achieving USD $5,000,000 in Target Revenue within 12 months following the Closing;
ii. 836,865 PSUs upon the Company achieving USD $10,000,000 in Annual Revenue within 24 months following the Closing;
iii. 836,865 PSUs upon the Company achieving USD $20,000,000 in Annual Revenue within 36 months following the Closing;
iv. 836,865 PSUs upon the Company achieving USD $25,000,000 in Annual Revenue within 36 months following the Closing; and
v. 836,865 PSUs upon the Company achieving USD $30,000,000 in Annual Revenue within 48 months following the Closing.

The Company has agreed to pay a finder's fee of 1,000,000 common shares in connection with the Transaction.

In additional to any escrow conditions imposed by the CSE, all of the Consideration Shares, Earn-Out Consideration Shares, performance share units, RSUs and PSUs will be subject to a pooling agreement between the Company and the recipients of such securities providing for the release of such securities as follows: 1/8th on the date that is nine months from issuance (the "First Release Date") and an additional 1/8th every three months after the First Release Date.

In the event there is a change of control transaction ("Change of Control") valued greater than USD $300,000,000 (the "Transaction Value") and is effected within three years of the Closing (the "Change of Control Transaction"), the Company agrees to pay a transaction fee equal to 1% of the Transaction Value (the "Transaction Fee") to certain executives of the Target. The employees and consultants must have maintained their status as an employee or contractor of the Company since Closing through to the date of the Change of Control Transaction in order to be eligible to receive the Transaction Fee. The Transaction Fee may be paid in either cash, securities or consideration of equivalent value within sixty days of completing the Change of Control Transaction. Change of Control is defined generally as a transaction, subsequent to the Closing, whereby there is a new beneficial owner acquiring more than 50% of the voting power of the outstanding securities or the company sells all, or substantially all, of its assets.

LOAN AGREEMENT

On December 31, 2020, the Company entered into a loan agreement (the "Loan Agreement") with SymptomSense.

AMENDED AND RESATED LOAN AGREEMENT

The Loan Agreement was subsequently amended through the following agreements:

i. an Amended and Restated Loan Agreement dated May 25, 2021; and
ii. a Letter Agreement dated July 9, 2021.

Together, the "Amended and Restated Loan Agreement"

Pursuant to the Amended and Restated SEA and the Amended and Restated Loan Agreement, the Company agreed to advance a secured bridge loan (the "Bridge Loan") in the amount of up to USD $3,450,000 to the Target, which is secured against all present and after acquired property of Soter.

The Amended and Restated Loan Agreement includes the following material terms:

- interest rate of 5% per annum, commencing on March 31, 2021;
- maturity date of November 25, 2021 ("Maturity Date");
- loans advanced are secured by a general security agreement dated May 25, 2021 and an intellectual property agreement dated May 25, 2021;
- with no obligation to make payment of either principal or interest prior to the Maturity Date; and
- covenants limiting Sorter's ability to use proceeds from the Bridge Loan for purposes other than maintenance of working capital.

Advances

i. During the year ended August 31, 2021, pursuant to the Amended and Restated SEA and Amended and Restated Loan Agreement, the Company advanced a total principal amount of $4,124,466 (USD $3,300,000) to Soter and SymptomSense;

ii. During the year ended August 31, 2022, pursuant to the Amended and Restated SEA and Amended and Restated Loan Agreement, the Company advanced a principal amount of $194,404 (USD $150,000) to Soter; and

iii. During the three months ended November 30, 2022 the Company did not make any advances pursuant to the Amended and Restated SEA or Amended and Restated Loan Agreement to the Target.

Default Notice

On December 2, 2021, the Company issued a demand letter to Soter and SymptomSense stating they were in default of the Amended and Restated Loan Agreement and that the principal amount of USD $3,300,000 plus accrued interest to November 25, 2021 of USD $83,733 was due in full. According to the general security agreement dated May 25, 2021, Soter and SymptomSense had until February 17, 2022 to cure their default. As at November 30, 2022 and the date of this report, Soter and SymtpomSense have not cured their default, however, the Company, Soter and SymptomSense continue negotiations in order to move forward with the Transaction. There can be no assurance that the Transaction will complete, in whole or in part, either under the current terms or under amended terms.

Due to the uncertainty of the Company's ability to collect the advances, the Company recorded an impairment charge during the year ended August 31, 2022 for the full amount advanced of $4,318,870 (USD $3,450,000).

AMENDED AND RESATED SEA (CONCURRENT FINANCING)

Pursuant to the Amended and Restated SEA, the Company anticipates completing a concurrent financing on Closing for minimum aggregate gross proceeds of $4,500,000 ("Concurrent Financing").

If the Company is successful in completing the Concurrent Financing:

i. $1,000,000 of the net proceeds of the Concurrent Financing will be used for investor relations activities following Closing;

ii. The Company will issue 9,000,000 financing securities of the Company ("Financing Securities") as a corporate finance fee in the event the concurrent financing results in gross proceeds to the Company in excess of $4,500,000. The Financing Securities shall vest 25% upon the Closing and 25% every three months thereafter; and

iii. The Company will issue an additional 3,000,000 Financing Securities of the Company ("Additional Financing Securities") as an additional corporate finance fee for any subsequent post-Closing financing in excess of $5,000,000 (the "Post-Closing Financing"). The Post-Closing Financing shall only be carried out if approved by the Company's Board, in its sole discretion, and the Additional Financing Securities shall vest upon closing the Post-Closing Financing.

The Financing Securities and Additional Financing Securities may be in the form of performance share units, restricted share units, common share purchase warrants, or any combination thereof. Each Financing Security and Additional Financing Security shall have a deemed issuance or exercise price of $0.10 per Financing Security and Additional Financing Security, or such other deemed issuance or exercise price as may be required by securities law or exchange policies.

AMENDED AND RESATED SEA (BOARD OF DIRECTORS AND OFFICER)

In connection with the Closing, the Company will cause the board of directors of the Company to be reconstituted to consist of 5 directors, two of which will be nominees of the Company, two of which will be nominees of Soter and 1 will be a nominee of Soter, to be mutually agreed to by the Company, to serve as chair of the board of directors. Soter will appoint the Company's chief executive officer.

CONVERTIBLE DEBENTURES

Balance outstanding, August 31, 2022	$2,095,896
Adjustment to the carrying value, netted against accretion and interest expense	($78,702)
Accretion and interest for the period	$103,634
Balance outstanding, November 30, 2022	$2,120,828

The convertible debentures were issued in three tranches as follows:

i. On July 20, 2021, the Company closed the first tranche of its non-brokered private placement of unsecured convertible debentures (each, a “Debenture”) of the Company for total gross proceeds of $350,000. All securities issued in connection with the first tranche will be subject to a hold period expiring November 21, 2021. In connection with the closing of the first tranche, the Company paid finders’ fees in the amount of $28,100 and issued 112,000 broker warrants exercisable at $0.25 for two years.

   The fair value of the brokers’ warrants was $23,666 and was estimated using the Black-Scholes pricing model with the following assumptions:

Risk free interest rate	0.4%
Expected life	2 years
Expected volatility	109%
Expected dividends	0%

ii. On July 30, 2021, the Company closed a second tranche of a non-brokered private placement of unsecured convertible debentures (each, a “Debenture”) of the Company for total gross proceeds of $959,500. All securities issued in connection with the second tranche will be subject to a hold period expiring December 1, 2021. In connection with the closing of the second tranche, the Company paid finders’ fees in the amount of $77,360 and issued 307,040 broker warrants exercisable at $0.25 for two years. The fair value of the brokers’ warrants was $64,878 and was estimated using the Black-Scholes pricing model with the following assumptions:

Risk free interest rate	0.4%
Expected life	2 years
Expected volatility	109%
Expected dividends	0%

iii. On August 25, 2021, the Company announced it closed a third tranche of a non-brokered private placement of unsecured convertible debentures (each, a “Debenture”) of the Company for total gross proceeds of $720,500. All securities issued in connection with the third tranche will be subject to a hold period expiring December 26, 2021. In connection with the closing of the third tranche, the Company paid finders’ fees in the amount of $57,740 and issued 230,560 brokers’ warrants exercisable at $0.25 for two years. The fair value of the brokers’ warrants was $48,531 and was estimated using the Black-Scholes pricing model with the following assumptions:

Risk free interest rate	0.4%
Expected life	2 years
Expected volatility	109%
Expected dividends	0%

On August 9, 2022, the Company announced it entered into agreements to amend the maturity dates for the convertible debentures. All other terms of the convertible debentures remain the same. Amended maturity dates are as follows:

Principal Amount	Effective Date	Original Maturity Date	Amended Maturity Date
$350,000	July 20, 2021	July 20, 2022	July 20, 2023
$959,500	July 31, 2021	July 30, 2022	July 30, 2023
$720,500	August 25, 2021	August 25, 2022	August 25, 2023
$2,030,000			

The Company recorded an adjustment of $78,702 to reduce the carrying value of the convertible debentures to its fair value as at September 30, 2022 and was netted against accretion and interest expense for the period. During the three months ended November 30, 2022, the Company recorded accretion and interest expense of 103,634 (2021 - $118,021), which after accounting for the adjustment, resulted in a net accretion and interest expense for the three months ended November 30, 2022 of $24,932. At the Maturity Date, the outstanding Debentures will automatically convert into units of the Company (each, a "Unit") at the following conversion price: (a) if the Company's Transaction with Soter and SymptomSense has not yet closed, $0.225 per Unit (the "Conversion Price"), with each Unit consisting of one common share in the capital of the Company (each, a "Share") and one-half of one non-transferable share purchase warrant (each whole warrant, a "Warrant"), with each Warrant exercisable into one Share (each, a "Warrant Share") at a price of $0.75 per Warrant Share for a period of two years from the date of the Closing; and (b) if the Transaction has closed, the greater of: (i) the Conversion Price and (ii) a price (the "Alternative Conversion Price") equal to 75% of the price per security at which equity securities are issued by the Company in the concurrent financing (the "Concurrent Financing") carried out in connection with the Transaction (the "Concurrent Financing Price"). As a result of the debt modification, the Company recorded a gain on modification of $98,724.

SELECTED FINANCIAL DATA – SUMMARY OF QUARTERLY RESULTS

The following selected financial information is derived from the unaudited interim financial statements prepared in accordance with IFRS.

	Nov 30, 2022 $	**Aug 31, 2022 $**	**May 31, 2022 $**	**Feb 28, 2022 $**
Revenues	-	-	-	-
General and administrative expenses	(108,615)	(137,987)	(220,889)	(240,916)
Loss and comprehensive loss	(108,615)	(4,358,133)	(220,889)	(240,916)
Basic and diluted loss per share	(0.00)	(0.11)	(0.01)	(0.01)
Working capital (deficiency)	(2,016,654)	(1,908,039)	(1,674,372)	1,503,483
Total assets	151,384	248,766	4,665,807	4,690,096
Non-current liabilities	-	-	-	-

	Nov 30, 2021 $	**Aug 31, 2021 $**	**May 31, 2021 $**	**Feb 28, 2021 $**
Revenues	-	-	-	-
General and administrative expenses	(200,164)	(194,952)	(89,631)	(185,507)
Loss and comprehensive loss	(200,164)	(332,536)	(89,631)	(185,507)
Basic and diluted loss per share	(0.01)	(0.01)	(0.00)	(0.01)
Working capital (deficiency)	(1,262,567)	(1,062,403)	253,766	1,674,166
Total assets	4,780,348	4,902,682	3,330,099	3,478,139
Non-current liabilities	-	-	-	-

Three months ended November 30, 2022 compared to three months ended November 30, 2021

During the three months ended November 30, 2022 ("Q1-2023) the Company reported a net and comprehensive loss of $108,615 (Q1-2022 - $200,164). The Company's net and comprehensive loss during Q1-2023 included $24,932 (Q1-2022 - $118,021) for accretion and interest expense on convertible debentures, $63,419 (Q1-2022 - $36,088) for consulting fees, $4,654 (Q1-2022 – $9,051) incurred for professional fees, $9,000 (Q1-2022 - $31,478) incurred for rent, $2,400 (Q1-2022 - $2,780) for transfer agent and filing fees, $3,870 (Q1-2022 - $ Nil) for travel expenses and $340 (Q1-2022 - $2,746) for office and general.

Three months ended November 30, 2021 compared to three months ended November 30, 2020

During the three months ended November 30, 2021 ("Q1-2022) the Company reported a net and comprehensive loss of $200,164 (2020 - $151,776). The Company's net and comprehensive loss during Q1-2022 included $118,021 (2020 - $Nil) for accretion and interest expense on convertible debentures, $36,088 (2020 - $119,803) for consulting fees, $9,051 (2020 – $3,592) incurred for professional fees, $31,478 (2020 - $12,216) incurred for rent, $2,780 (2020 - $8,733) for transfer agent and filing fees, $Nil (2020 - $2,312) for travel expenses and $2,746 (2020 - $5,120) for office and general.

LIQUIDITY AND CAPITAL RESOURCES

The Company's cash position as at November 30, 2022 was $74,053 compared to $165,147 as at August 31, 2022. As at November 30, 2022, the Company has accounts receivable of $77,330, accounts payable and accrued liabilities of $47,209 and convertible debentures of $2,120,828. The Company will require additional funding within the next twelve months.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

RELATED PARTY BALANCES AND TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Key management includes directors and key officers of the Company, including the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO").

The Company had the following related party transactions during the three months ended November 30:

	2022	**2021**
Consulting fees - CEO	$30,000	$30,000

As at November 30, 2022 and 2021 there is $Nil in accounts payable and accrued liabilities owing to related parties of the Company.

As at November 30, 2022 there is $27,032 (2021: $27,032) recorded in accounts receivable from a company with common management personnel. Amounts due from the related parties are non-interest bearing, unsecured and have no fixed terms of repayment.

ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS

The Company has performed an assessment of new standards issued by the IASB that are not yet effective. The Company has assessed that the impact of adopting these accounting standards on its financial statements would not be significant.

CRITICAL ACCOUNTING ESTIMATES

A detailed summary of all the Company's significant accounting estimates and policies are included in Note 3 of the condensed interim financial statements for the three months ended November 30, 2022 and 2021.

CRITICAL ACCOUNTING POLICIES

Share-based payments

The Company has a stock option plan, which is described in to the financial statements. Share-based payments to employees and others providing similar services are measured at the estimated fair value of the instruments issued on the grant date and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received.

The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to equity settled share-based payments reserve.

Consideration received on the exercise of stock options is recorded as share capital and the related equity settled share-based payments reserve is transferred to share capital. Charges for options that are forfeited before vesting are reversed from equity settled share-based payment reserve.

Share-based compensation expense relating to deferred share units is accrued over the vesting period of the units based on the quoted market price. As these awards can be settled in cash, the expense and liability are adjusted each reporting period for changes in the underlying share price.

Convertible debentures

The convertible debentures were determined to be compound instruments, comprising a financial liability (debt obligation) and an equity component (conversion option). The debt obligation is recognized at fair value by discounting the principal balance by the borrowing rate for a similar instrument without the conversion feature.

Using the residual method, the carrying amount of the conversion option represents the difference between the principal amount and the discounted debt obligation.

The convertible debentures, net of the conversion option, is accreted to the principal balance using the effective interest rate method over the term of the convertible debentures, such that the carrying amount of the debt obligation will equal the principal balance at maturity.

Income taxes

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and includes any adjustments to tax payable or receivable in respect of previous years.

Deferred income taxes are recorded using the liability method whereby deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the statement of financial position date. Deferred tax is not recognized for temporary differences which arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable profit or loss.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

FINANCIAL INSTRUMENTS AND FINANCIAL RISK

International Financial Reporting Standards 7, *Financial Instruments: Disclosures*, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

Fair Value of Financial Instruments

The Company's financial assets include cash and are classified as Level 1. The carrying value of these instruments approximates their fair values due to the relatively short periods of maturity of these instruments.

Assets measured at fair value on a recurring basis were presented on the Company's statements of financial position as at November 30, 2022 are as follows:

	Fair Value Measurements Using			
	Quoted prices in active markets for identical instruments (Level 1)	**Significant other observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	$	$	$	$
Cash	74,053	-	-	74,053

Financial risk management objectives and policies

The Company's financial instruments include cash and accounts payable. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below.

Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(i) *Currency risk*

The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal. The Company does not have any significant foreign currency denominated monetary liabilities. The principal business of the Company is the identification and evaluation of assets or a business and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval and acceptance by regulatory authorities.

(ii) *Interest rate risk*

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant as the deposits are short-term. The Company has not entered into any derivative instruments to manage interest rate fluctuations.

(iii) *Credit risk*

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations.

Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk, the Company places these instruments with a high quality financial institution.

(iv) *Liquidity risk*

In the management of liquidity risk of the Company, the Company maintains a balance between continuity of funding and the flexibility through the use of borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations.

FINANCINGS

During the three months ended November 30, 2022 and 2021, the company did not issue any common shares.

SHARE CAPITAL

Authorized

The Company is authorized to issue an unlimited number of common shares without par value.

Common Shares - Issued

As at November 30, 2022, and the date of this report, 35,862,666 (August 31, 2022 – 35,862,666) common shares were issued and outstanding.

STOCK OPTIONS

The Company has adopted a 10% rolling incentive stock option plan, which provides that the Board of Directors may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Company non-transferable options ("Options") to purchase up to 10% of the issued and outstanding common shares of the Company at the date of grant.

In addition, no Options may be granted under the stock option plan if the number of common shares, calculated on a fully diluted basis, issued within 12 months to (i) related persons, exceeds 10% of the outstanding common shares of the Company, or (ii) a related person and the associates of the related person, exceeds 5% of the outstanding common shares of the Company.

During the three months ended November 30, 2022 and 2021, the Company did not grant any stock options. As at November 30, 2022 and the date of this report, there were no share purchase options issued and outstanding.

WARRANTS

During the three months ended November 30, 2022 and 2021, the Company did not issue any warrants.

During the year ended August 31, 2022, the Company received gross proceeds of $50,000 from the exercise of 250,000 warrants at an exercise price of $0.20.

On April 26, 2022, the Company announced the extension of the warrant expiry date for the holders of 4,019,500 warrants issued on April 16, 2019. The new expiry date is June 16, 2022 and other terms of the original warrants remained unchanged. On June 16, 2022, 4,019,500 warrants expired unexercised. The following table summarizes warrant transactions during the three months ended November 30, 2022:

	# of warrants	**Weighted average warrant exercise price**
Outstanding, August 31, 2022	17,385,606	$0.26
No activity	-	-
Outstanding, November 30, 2022	17,385,606	$0.26

The following table summarizes the warrants outstanding and exercisable as at November 30, 2022:

Warrant Exercise price	**# of Warrants Issued**	**# of Warrants Exercisable**	**Expiry date**
$ 0.30	6,211,500	6,211,500	December 31, 2022
$ 0.20	993,840	993,840	December 31, 2022
$ 0.30	5,288,333	5,288,333	January 20, 2023
$ 0.20	843,333	843,333	January 20, 2023
$ 0.25	112,000	112,000	July 20, 2023
$ 0.25	307,040	307,040	July 30, 2023
$ 0.25	230,560	230,560	August 25, 2023
$ 0.15	3,399,000	3,399,000	October 16, 2023
	17,385,606	17,385,606	

On January 12, 2023, the Company announced the extension of the warrant expiry date for the holders of 7,205,340 warrants issued on December 31, 2020 to be extended to December 31, 2024 and the extension of 6,131,666 warrants issued on January 20, 2021 to be extended to January 20, 2025. No other terms of the warrants have changed.

As at November 30, 2022 and the date of this report, there were 17,385,606 warrants outstanding.

ESCROW SHARES

At November 30, 2022 and at the date of this report, there were nil shares held in escrow.

CORPORATE GOVERNANCE

The Company's Board and its committees substantially follow the recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The current Board members are comprised of 3 individuals: Zayn Kalyan, Brandon Rook and Geoff Balderson. The current Audit Committee members are comprised of 3 individuals: Brandon Rook (Chair), Zayn Kalyan and Geoff Balderson.

RISK FACTORS

Exploration and Mining Risks

Mineral exploration and development involves a high degree of risk and few properties which are explored are ultimately developed into producing mines.

The long-term profitability of operations will be in part directly related to the cost and success of exploration programs, which may be affected by a number of factors beyond the Company's control. Mineral exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome.

Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of mineral resources, any of which could result in work stoppages, damage to property, and possible environmental damage.

Hazards such as unusual or unexpected formations and other conditions such as formation pressures, fire, power outages, labor disruptions, flooding, explorations, cave-ins, landslides and the inability to obtain suitable machinery, equipment or labor are involved in mineral exploration, development and operation. We may become subject to liability for pollution, cave-ins or hazards against which we cannot insure or against which we may elect not to insure. The payment of such liabilities may have a material, adverse effect on our financial position.

The Company relies upon consultants and others for exploration and development expertise. Substantial expenditures are required to establish ore reserves through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis.

The economics of developing mineral properties is affected by many factors including the cost of operations, variations in the grade of ore mined, fluctuations in metal markets, allowable production, importing and exporting of minerals and environmental protection.

Financing Risks

The Company is currently limited in financial resources, has no sources of operating cash flow and can provide no assurance that additional funding will be available to the Company for any further exploration and/or development. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable.

Regulatory Requirements

Even if mineral properties are proven to host economic reserves of mineral resources, factors such as governmental expropriation or regulation may prevent or restrict mining of any such deposits or repatriation of profits. The Company may acquire other properties in other jurisdictions or countries. Any changes in regulations or shifts in political conditions are beyond the control of the Company and may adversely affect our business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, and expropriation of property, environmental legislation and mine safety.

Uninsurable Risks

In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. It is not always possible to fully insure against such risks and the Company has currently decided not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Company.

No Assurance of Titles

It is possible that any of our properties may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects.

Permits and Licenses

The operations of the Company may require licenses and permits from various governmental authorities. There can be no assurance that such licenses and permits as may be required to carry out exploration, development and mining operations at our projects will be granted.

Competition

The mineral industry is intensely competitive in all its phases. The Company competes with many companies possessing greater financial resources and technical facilities than the Company for the acquisition of mineral concessions, claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees. In addition, there is no assurance that a ready market will exist for the sale of commercial quantities of ore. Factors beyond the control of the Company may affect the marketability of any substances discovered.

These factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital or losing our investment capital.

Environmental Regulations

Operations may be subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. There is no assurance that future changes in environmental regulation, if any, will not adversely affect our operations.

Stage of Development

The Company is in the business of exploring for, with the ultimate goal of producing, mineral resources from mineral exploration properties. The Company has not commenced commercial production and we have no history or earnings or cash flow from operations. As a result of the foregoing, there can be no assurance that we will be able to develop any properties profitably or that our activities will generate positive cash flow. A prospective investor in the Company must be prepared to rely solely upon the ability, expertise, judgment, discretion, integrity and good faith of our management in all aspects of the development and implementation of our business activities.

Markets for Securities

There can be no assurance that an active trading market in our securities will be established and sustained. The market price for our securities could be subject to wide fluctuations. Factors such as commodity prices, government regulation, interest rates, share price movements of our peer companies and competitors, as well as overall market movements, may have a significant impact on the market price of the securities of the Company.

The stock market has from time to time experienced extreme price and volume fluctuations, particularly in the mining sector, which have often been unrelated to the operating performance of particular companies.

Reliance on Key Individuals

Our success depends to a certain degree upon certain key members of the management. It is expected that these individuals will be a significant factor in our growth and success. The loss of the service of members of the management and certain key employees could have a material adverse effect on the Company.

Geopolitical Risks

The Company may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on future exploitation and production, price controls, export controls, currency availability, income taxes, delays in obtaining or the inability to obtain necessary permits, opposition to mining from environmental and other non-governmental organizations, expropriation of property, ownership of assets, environmental legislation, labor relations, limitations on mineral exports, increased financing costs, and site safety. In addition, legislative enactments may be delayed or announced without being enacted and future political action that may adversely affect the Company cannot be predicted.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this MD&A are forward-looking statements or forward-looking information (collectively "forward-looking statements") within the meaning of applicable securities legislation. We are hereby providing cautionary statements identifying important factors that could cause the actual results to differ materially from those projected in the forward-looking statements. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance are not historical facts and may be forward-looking and may involve estimates, assumptions and uncertainties which could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or the negatives thereof or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements in this MD&A may include, but are not limited to, statements with respect to: (i) the estimation of inferred and indicated mineral resources; (ii) the registration of the concession agreements; (iii) the market and future price of gold or gold equivalent; (iv) the timing, cost and success of future exploration activities, including, but not limited to, the Company's proposed work program and the advancement of its Properties (v) currency fluctuations; (vi) requirements for additional capital; (vii) the Company's ability to continue as a going concern; and (viii) increases in mineral resource estimates. Forward-looking statements are based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect. The Company believes that the assumptions and expectations reflected in such forward-looking information are reasonable. The risks, uncertainties and other factors, many of which are beyond the control of the Company, that could influence actual results include, but are not limited to: risks inherent in the exploration and development of mineral deposits, including risks relating to changes in project parameters as plans continue to be redefined, risks relating to variations in ore reserves, grade or recovery rates resulting from current exploration and development activities, risks relating to changes in the price of gold, silver and copper and the worldwide demand for and supply of such metals, risks related to current global financial conditions, uncertainties inherent in the estimation of mineral resources, access and supply risks, reliance on key personnel, risks inherent in the conduct of mining activities, including the risk of accidents, labor disputes, increases in capital and the risk of delays or increased costs that might be encountered during the development process, regulatory risks, including risks relating to the acquisition of the necessary licenses and permits, financing, capitalization and liquidity risks, including the risk that the financing necessary to fund the exploration and development activities at the Company's projects may not be available on satisfactory terms, or at all, risks related to disputes concerning property titles and interest, and environmental risks.

Readers are cautioned that the foregoing lists of factors are not exhaustive.

The forward-looking statements in this MD&A are based on the reasonable beliefs, expectations and opinions of management on the date of this MD&A. Although we have attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended.

There is no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information.

The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement. Except as required by applicable securities laws, the Company does not undertake any obligation to publicly update or revise any forward-looking statements contained in this MD&A.