## Overview

The following covers the operations of Four Nines Gold Inc. (the "Company" or "Four Nines") for the nine months ended October 31, 2022, prepared as of December 29, 2022. This management discussion and analysis ("MD&A") should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements for the period ended October 31, 2022 and related notes and the audited financial statements for the year ended January 31, 2022 and related notes. These documents are available for viewing on SEDAR at www.sedar.com. All dollar amounts therein and in the following MD&A are in Canadian dollars unless otherwise indicated. These unaudited condensed interim consolidated financial statements were prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

## Forward-Looking Statements

This MD&A contains certain statements that may be deemed "forward-looking statements". All statements in this MD&A, other than statements of historical fact, that address exploration drilling, exploitation activities and events or developments that the Company expects to occur, are forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur. Information inferred from the interpretation of drilling results and information concerning mineral resource estimates may also be deemed to be forward-looking statements, as it constitutes a prediction of what might be found to be present when and if a project is actually developed. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in the forward - looking statements. Factors that could cause the actual results to differ materially from those in the forward-looking statements include market prices, exploitation and exploration successes, and continued availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. Forward-looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made. The Company undertakes no obligation to update these forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change beyond the procedures required under applicable securities laws.

## Description of Business

The Company is a junior resource company engaged in the acquisition and exploration of properties in Canada. The Company was incorporated on March 19, 2015 under the name "Hornby Acquisition Ltd." pursuant to the *Business Corporations Act* (British Columbia). On April 20, 2016, the Company changed its name to "Eureka Dome Gold Inc." and on November 30, 2016, the Company changed its name to "Four Nines Gold Inc.".

On August 24, 2017, the Company completed an initial public offering ("IPO") and was listed on the Canadian Securities Exchange ("CSE"). The Company commenced trading on the CSE on August 31, 2017 under the symbol "FNAU".

The head office, principal address and records office of the Company are located at Suite 1000, 409 Granville Street, Vancouver, British Columbia, Canada, V6C 1T2.

COVID-19

During March 2020, there was a global pandemic outbreak of COVID-19. The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and, specifically, the regional economies in which the Company operates. As at the date of this report, the Company has not been significantly impacted by the spread of COVID-19. However, the duration and impact of the pandemic could continue to have a negative impact on the stock market, including trading prices of the Company's shares and its ability to raise new capital. These factors, amongst others, could have a significant impact on the Company's operations going forward.

War in Ukraine

The Company's business financial condition and results of operations may be further negatively affected by economic and other consequences from Russia's military action against Ukraine and the sanctions imposed in response to that action in late February 2022. While the Company expects any direct impacts, of the pandemic and the war in the Ukraine, to the business to be limited, the indirect impacts on the economy and on the mining industry and other industries in general could negatively affect the business.

Mineral properties

Bonneville Property, Quebec

By a mineral property option agreement dated June 18, 2020 and as amended on July 27, 2020, the Company may acquire up to 100% interest in the Bonneville Property. This property consists of 36 mineral tenures and is located in central Quebec. The project covers an area of approximately 2,018 hectares in the Lac Bachelor gold camp 215 kilometres northeast of Val d'Or, Quebec. The property is located within the Abitibi greenstone belt, five km west of the village of Miquelon. Recent exploration at the Bonneville gold project includes soil sampling, ground geophysics and a single diamond drill hole in 2018, which tested one of the three target zones.

As consideration the Company will pay cash of $210,000, and incur $350,000 in exploration expenditures as follows:

a) Cash payment of $35,000 upon signing (June 18, 2020) (Paid);
b) Cash payment of $75,000 upon regulatory authorities' approval (June 22, 2020) (Paid);
c) Cash payment of $75,000 by July 31, 2020 (Paid);
d) Cash payment of $25,000 by June 18, 2021 (Paid); and
e) Incur $350,000 in exploration expenditures on or before June 18, 2022.

In the event of a shortfall of exploration expenditures, the Company can pay the Optionor in cash or shares of the Company as long as the share issuance does not make the Optionor a holder of more than 19.9% of the shares outstanding at the time of issuance.

Should the Company acquire 100% of the property the Optionor will retain a 1% Net Smelter Returns ("NSR") royalty. The Company shall be entitled to buy back the 1% NSR for $1,000,000.

On November 8, 2022, the Company extended the exploration expenditure commitment till December 31, 2022, and in consideration for the extension, the Company subsequently paid $15,000 as a one- time payment.

Lassen Properties, California

During the nine months ended October 31, 2022, the Company staked 25 claims located in Hayden Hill Mining District in California totaling $71,901.

**(Expressed in Canadian Dollars)**

On August 19, 2022, the Company entered into an exploration agreement with an option to acquire all the issued and outstanding shares of a wholly owned subsidiary which holds an interest in 62 mineral claims located in Lassen County, California till November 1, 2025 ("option period"). As consideration, the Company has agreed to an amount equal to US$2,000,000 minus all the options payments paid as of the date of exercise of the option and minus the financial assurances adjustment amount if any and the assumption of any bonds, guarantees, or other financial assurances provided or guaranteed by the parent or its affiliates in respect of the Property. The Company can exercise the option with a written notice at any time within the option period. As consideration, the Company is required to make aggregate cash payments of US$210,000, US$50,000 was paid on signing, and incur US$1,250,000 in work commitments on or before November 1, 2025. The parent will retain a 2.0% Net Smelter Returns Royalty ("NSR") on all minerals produced and sold from the property. The Company has an option to purchase back 0.5% of the NSR for a payment of US$1,900,000.

Selected Annual Information

The following is a summary of the Company's financial results for the Company's three most recently completed financial years:

| | **Year-ended January 31, 2022** | **Year ended January 31, 2021** | **Year ended January 31, 2020** |
|---|---|---|---|
| | $ | $ | $ |
| Total revenues | Nil | Nil | Nil |
| Net and comprehensive loss | (469,125) | (159,952) | (86,564) |
| Loss per share – basic and diluted | (0.03) | (0.01) | (0.01) |
| Total assets | 1,246,021 | 580,133 | 724,222 |
| Long term liabilities | Nil | Nil | Nil |
| Cash dividends declared per share | Nil | Nil | Nil |

During the year ended January 31, 2020, the Company completed the reclamation obligation on the Mariposa property. During the year ended January 31, 2021, the Company acquired a mineral property and granted stock options. During the year ended January 31, 2022, the Company continued to review potential mineral property acquisitions and granted stock options.

Fourth Quarter

N/A

Results of Operations

During the three months ended October 31, 2022:

During the three months ended October 31, 2022, the Company has not generated revenue to date and has recorded a net loss of $90,450 as compared to the net loss of $60,203 for the comparable three months ended October 31, 2021.

Total expenses for the three months ended October 31, 2022, amounted to $90,450 as compared to $60,203 for the comparable period, an increase of approximately $30,000. The main increases can be attributed an increase in filing fees to $16,404 as compared to $5,396 for the comparable quarter as the Company incurred listing fees in Germany. The Company also incurred $16,710 in rent paid to a company with a director in common as compared to $Nil for the comparable quarter. Office and general have also increased to $9,613 as compared to $1,341 for the comparable quarter and travel expenses have increased to $2,785 as compared to $nil for the comparable quarter, as a director of the Company visited its Lassen properties located in California USA.

**(Expressed in Canadian Dollars)**

In connection with the potential listing in Germany, the Company incurred $7,500 in marketing expenses in Germany. The Company also recorded $19,510 in share-based payments as compared to $14,875 for the comparable quarter. The share-based payments represent stock options that vested during the quarter. Share-based payment is a non-cash transaction.

The above increases were offset by a decrease in professional fees from $27,569 to $6,221 in the comparable quarter.

During the nine months ended October 31, 2022:

During the nine months ended October 31, 2022, the Company has not generated revenue to date and has recorded a net loss of $448,370 as compared to the net loss of $235,550 for the comparable nine months ended October 31, 2022.

Total expenses for the nine months ended October 31, 2022 amounted to $448,370 as compared to $235,550 for the comparable period, an increase of approximately $213,000. The main increases can be attributed to an increase in property investigation costs, filing and transfer agent fees, rent, and share-based payments. During the current period to date, the Company continued to evaluate mineral properties for potential acquisition as the Company incurred $125,791 in property investigation cost as compared to $nil for the comparable period to date. Professional fees have increased to $66,214 in the current period as compared to $31,576 for the comparable period as the Company engaged legal counsel to perform due diligence on any potential acquisitions. Filing fees and transfer agent fees have increased to $32,649 from $24,434 due to the acquisition made during the current year and the potential listing in Germany. The Company also incurred $33,420 in rent paid to a company with a director in common.

The Company also recorded $138,802 in share-based payments as compared to $86,196 for the comparable period. The share-based payments represent stock options that vested during the quarter. Share-based payment is a non-cash transaction.

During the nine months ended October 31, 2022, the Company staked 25 claims located in Hayden Hill Mining District in California totaling $71,901.

Summary of Quarterly Results

The following is a summary of the Company's financial results for the eight most recently completed quarters.

| For the quarter ended | October 31, 2022 | July 31, 2022 | April 30, 2022 | January 31, 2022 |
|---|---|---|---|---|
| Total comprehensive loss | ($83,148) | ($207,709) | ($152,161) | ($233,575) |
| Loss per share – basic and diluted | ($0.01) | ($0.01) | ($0.01) | ($0.01) |

| For the quarter ended | October 31, 2021 | July 31, 2021 | April 30, 2021 | January 31, 2021 |
|---|---|---|---|---|
| Total comprehensive loss | ($60,203) | ($123,908) | ($51,439) | ($66,746) |

**(Expressed in Canadian Dollars)**

| | | | | |
|---|---|---|---|---|
| Loss per share – basic and diluted | ($0.00) | ($0.01) | ($0.00) | ($0.00) |

Factors causing Variance for each Quarter

During the quarter ended January 31, 2021, the Company recorded a total comprehensive loss of $66,746 as compared to $34,986 for the previous quarter. The increase can be attributed to the recording of the share-based payments on the vested portion. During the quarter ended April 30, 2021, the Company recorded a total comprehensive loss of $51,439 as compared to $66,746 for the previous quarter a decrease of $15,307. The prior year was the Company's year and had an accrual for year-end audit fee. During the quarter ended July 31, 2021, the Company recorded a total comprehensive loss of $123,908 as compared to the total comprehensive loss of $51,439 an increase of $72,469. The increase can be attributed to the Company paying $60,000 to a third party for advisory service. During the quarter ended October 31, 2021, the Company recorded a total comprehensive loss of $60,203 as compared to $123,908 for the previous quarter a decrease of $63,705 which can be attributed to the $60,000 that was paid to a third party for advisory service in the previous quarter. During the quarter ended January 31, 2022, the Company recorded a total comprehensive loss of $233,575 as compared to $60,203 an increase of $173,372 which can be attributed to the recording of share-based payments on stock options granted during the quarter. During the quarter ended April 30, 2022, the Company recorded a total comprehensive loss of $152,161 as compared to a total comprehensive loss of $$233,575. Included in the prior year were year-end adjustments. During the quarter ended July 31, 2022, the Company recorded a total comprehensive loss of $207,709 as compared to a total comprehensive loss of $152,161 for the previous quarter. The increase can be attributed to an increase in property investigation cost and professional fees as the Company continues to investigate potential mineral property acquisitions. During the quarter ended October 31, 2022, the Company recorded a total comprehensive loss of $83,348 as compared to a total comprehensive loss of $207,709 for the previous quarter. The decrease can be attributed to a decrease in property investigation cost and professional fees.

Liquidity and Capital Resources

The Company had cash of $412,418, GST receivable of $4,612 and prepaid expense of $43,737 at October 31, 2022, compared to $1,014,975, $2,505 and $10,487 at January 31, 2022 respectively. As at October 31, 2022, the Company had accounts payable of $59,822 as compared to accounts payable of $132,062 at January 31, 2022 and working capital of $400,945 as compared to a working capital of $895,905 as at January 31, 2022.

The Company's estimated its budget to be its working capital and believes that the current capital resources are not sufficient to pay overhead expenses for the next twelve months and will need to seek additional funding to fund its overhead expenses and future commitments. The Company will continue to monitor the current economic and financial market conditions and evaluate their impact on the Company's liquidity and future prospects.

Since the Company will not be able to generate cash from its operations in the foreseeable future, the Company will have to rely on the issuance of shares or the exercise of options and warrants to fund ongoing operations and investment. The ability of the Company to raise capital will depend on market conditions and it may not be possible for the Company to issue shares on acceptable terms or at all.

During the nine months ended October 31, 2022, the Company issued 570,000 common shares pursuant to the exercise of share purchase warrants for total proceeds of $57,000

Off Balance Sheet Arrangements

**(Expressed in Canadian Dollars)**

The Company has no off-balance sheet arrangements to report.

Related Party Transactions

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Related party transactions are comprised of services rendered by directors and/or officers of the Company or by a company with a director in common. Related party transactions are in the ordinary course of business and are measured at the exchange amount.

***Key management personnel compensation***

The Company considers its President, Chief Executive Officer, Chief Financial Officer, and the directors of the Company to be key management.

| | Relationship | For the nine months ended October 31, 2022 | | For the nine months ended October 31, 2021 |
|---|---|---|---|---|
| Consulting fees | | | | |
| Harmony Corporate Services Ltd. | Company controlled by Geoff Balderson, Director and CFO | $ 18,000 | | $ 16,500 |
| Rent | | | | |
| Norsemont Mining Inc. | Common director | 33,420 | | - |
| Share-based payments | | | | |
| Daniel Schieber | Former Director | - | | 23,000 |
| Charles Ross | Director and CEO | 2,362 | | 12,473 |
| Jim Mustard | Director | 1,181 | | 6,236 |
| Geoff Balderson | Director and CFO | 394 | | 2,079 |
| Joseph Yelder | Director | 787 | | 4,158 |
| David Flint | Director | 19,834 | | - |
| Winthrop Rowe | Director | 1,527 | | - |
| | | 26,085 | | 47,946 |
| | | $ 77,505 | | $ 64,446 |

Included in accounts payable and accrued liabilities at October 31, 2022, is $26,976 (January 31, 2022 - $22,008) owed to a director and a Company controlled by the CFO for reimbursements of expenses or unpaid fees. The amounts are unsecured, non-interest bearing with no specific terms of repayment.

Proposed Transactions

The Company has no proposed transactions to report.

Critical Accounting Estimates and Judgments

The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Actual results may differ from these estimates, and as such, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognized in the period in which the estimates are revised and in any future periods affected. Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position reporting date that could result in a material adjustment to the carrying value of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

*Judgments*

Going concern

The assumption that the Company is a going concern and will continue in operation for the foreseeable future and at least one year is a judgment. The factors considered by management are disclosed in Note 1 of the financial statements.

Exploration and Evaluation Asset and Impairment

The application of the Company's accounting policy for exploration and evaluation assets and impairment of the capitalized expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after an expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off in profit or loss in the year the new information becomes available.

Title to Mineral Property Interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title or interest therein. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Financial Instruments

Determination of Fair Value:

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Fair Value Hierarchy:

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 – Applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

- Level 2 – Applies to assets or liabilities for which there are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly such as quoted prices for similar assets or liabilities in active markets or indirectly such as quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions.
- Level 3 – Applies to assets or liabilities for which there are unobservable market data.

The fair value hierarchy level at which a fair value measurement is categorized is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

Cash is measured using level 1 fair value inputs. As at October 31, 2022, the Company believes the carrying values of accounts payable and accrued liabilities approximate their fair values because of their nature and relatively short maturity dates or durations.

The Company's financial instruments are exposed to certain financial risks which are in common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. The following note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them.

General Objectives, Policies and Processes

The Board of Directors have overall responsibility for the determination of the Company's risk management objectives and policies and have delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function. The Board of Directors are kept apprised on the process and would monitor the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility.

The Company's risk exposures and the impact on the Company's financial statements are summarized below.

*Credit risk*

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with major financial institutions.

*Interest rate risk*

Interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at October 31, 2022, the Company has no interest bearing financial instruments and considers interest rate risk to be insignificant.

*Liquidity risk*

All of the Company's financial liabilities are classified as current and are anticipated to mature within the next fiscal period. The Company intends to settle these with funds from its positive working capital position.

**(Expressed in Canadian Dollars)**

*Foreign currency risk*

The Company may be exposed to foreign currency risk on fluctuations related to cash and cash equivalents and accounts payable and accrued liabilities that are denominated in a foreign currency. As at October 31, 2022, the Company did not have any accounts in foreign currencies and considers foreign currency risk insignificant.

## SUBSEQUENT EVENT

**N/A**

## Disclosure of Outstanding Share Capital

The Company's outstanding share capital as at the date of the MD&A is as follows:

Common shares

| | |
|---|---|
| Balance, October 31, 2022 | 15,537,763 |
| Balance, MD&A | 15,537,763 |

Options

| | |
|---|---|
| Balance, October 31, 2022 | 1,495,000 |
| Balance, MD&A | 1,495,000 |

Share purchase warrants

| | |
|---|---|
| Balance, October 31, 2022 | 10,135,933 |
| Balance, MD&A | 10,135,933 |