Overview

The following covers the operations of Four Nines Gold Inc. (the “Company” or “Four Nines”) for the year ended January 31, 2023 prepared as of May 29, 2023. This management discussion and analysis (“MD&A”) should be read in conjunction with the Company’s audited financial statements for the years ended January 31, 2023 and 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 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.

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.

Significant Acquisitions

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 (extended per below) (Incurred $8,054).

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 until December 31, 2022, and in consideration for the extension, the Company paid $15,000. On December 29, 2022, the Company extended the period further to March 31, 2023 and paid $7,500 for the extension. On March 31, 2023, the Company and the Optionor amended the agreement and extended the exploration expenditure commitment whereby $50,000 in exploration expenditures would be due on or before December 31, 2023 and the reminder will be due on or before December 31, 2024. As consideration for the extension, the Company will pay the Optionor $2,500 per month for the duration of the option commencing January 2023.

(Expressed in Canadian Dollars)

Lassen Properties, California

During the year ended January 31, 2023, the Company staked 25 claims located in Hayden Hill Mining District in California totaling $71,901.

On August 19, 2022, the Company entered into an option agreement to acquire the right to explore the Lassen properties and all of the issued and outstanding shares of a Lassen Gold Mining, Inc. ("Lassen Gold") from its parent company Kinam Gold Inc. ("Kinam"). Lassen Gold holds an interest in 62 mineral claims located in Lassen County, California. The agreement shall be effective from August 19, 2022 (the "Effective Date") through to November 1, 2025 (the "Option Period").

In order to earn the right to explore the property, the Company shall incur the following"

- Pay US$50,000 in cash on execution date (Paid);
- Pay US$60,000 (paid Subsequent to year-end) and incur US$250,000 in qualifying expenditures on or before March 1, 2023;
- Pay US$100,000 and incur additional US$500,000 in qualifying expenditures on or before November 1, 2024;
- Incur additional US$500,000 in qualifying expenditures on or before November 1, 2025.

The US$250,000 due on or before March 1, 2023 is a firm commitment and shall not be affected by any termination of the agreement. If the agreement is terminated prior to LRI completing the US$250,000 expenditure requirement, LRI will need to pay Lassen the amount of shortfall within 30 days following termination.

During the Option Period, the Company shall have the opportunity, but not the obligation, to purchase all of the issued and outstanding shares of Lassen. As consideration for the acquisition, the Company will pay 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 any decommissioning liabilities, and the assumption of any bonds, guarantees, or other financial assurances provided or guaranteed by Kinam 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.

Kinam 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, 2023	**Year-ended January 31, 2022**	**Year ended January 31, 2021**
	$	$	$
Total revenues	Nil	Nil	Nil
Comprehensive loss	(495,484)	(469,125)	(159,952)
Loss per share – basic and diluted	(0.03)	(0.03)	(0.01)
Total assets	861,048	1,246,021	580,133
Long term liabilities	Nil	Nil	Nil
Cash dividends declared per share	Nil	Nil	Nil

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. During the year ended January 31, 2023, the Company acquired a new property and as a result, all costs incurred prior to obtaining legal title were expensed to property investigation.

Fourth Quarter

During the fourth quarter ended January 31, 2023, the Company reported a net loss of $46,487 as compared to a net loss of $233,575 for the corresponding period in 2022. Included in the net loss of $46,487 for 2023 was the recording of the share-based payment of $2,168 for the vested portion of the stock options that was vested in the current quarter. Total expenses for the fourth quarter were $46,319, excluding share-based payment, as compared to $143,150 excluding share-based payment of $90,424. In the prior quarter the Company incurred $87,763 in exploration expenditure. All other costs were consistent with maintaining the Company's reporting issuer status.

Results of Operations

During the year ended January 31, 2023, the Company has not generated revenue to date and has recorded a net loss of $494,858 for the year ended January 31, 2023 which is comparable to the net loss of $469,125 for the comparable year ended January 31, 2022.

Total expenses for the year ended January 31, 2023 amounted to $494,858 which is comparable to $469,125 for the comparable year ended January 31, 2022.

During the year, filing fees increased to $42,329 from $31,510 for the comparable year as the Company incurred listing fees in Germany. In connection with the potential listing in Germany, the Company incurred $7,500 in marketing expenses in Germany.

The Company continued to evaluate mineral properties for potential acquisition as the Company incurred $115,050 in property investigation costs prior to obtaining legal title, as compared to $100,235 for the comparable year to date.

Professional fees have increased to $81,260 for 2023 as compared to $64,344 for 2022. As part of their due diligence the Company consulted legal counsel on the mineral property acquisition.

The Company also incurred $47,990 in month-to-month rent paid to a company with a director in common as compared to $Nil for the comparable year. Office and general have also increased to $14,619 as compared to $8,806 for the comparable year and travel expenses have increased to $9,874 as compared to $Nil for the comparable year, as a director of the Company visited its Lassen properties located in California, USA.

Consulting fees have decreased to $24,500 for 2023 as compared to $84,396 for 2022. The decrease can be attributed to few consultants hired for business advisory and development.

Share-based payments have decreased to $140,970 for 2023 as compared to $176,620 for 2022. During the prior year, the Company granted 735,000 stock options which vested in 2022 and 2023.

Summary of Quarterly Results

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

(Expressed in Canadian Dollars)

For the quarter ended	January 31, 2023	October 31, 2022	July 31, 2022	April 30, 2022
Net loss for the period	($46,488)	($90,450)	($206,758)	($151,162)
Loss per share – basic and diluted	($0.00)	($0.01)	($0.01)	($0.01)

For the quarter ended	January 31, 2022	October 31, 2021	July 31, 2021	April 30, 2021
Net loss of for the period	($233,575)	($60,203)	($123,908)	($51,439)
Loss per share – basic and diluted	($0.01)	($0.00)	($0.01)	($0.00)

Factors causing Variance for each Quarter

During the quarter ended April 30, 2021, the Company recorded a net loss of $51,439 as compared to $66,746 for the previous quarter a decrease of $15,307. The prior quarter was the Company's yearend and had an accrual for year-end audit fee. During the quarter ended July 31, 2021, the Company recorded a net loss of $123,908 as compared to the net 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 net loss of $60,203 as compared to $123,908 for the previous quarter, a decrease of $63,705 as noted earlier. During the quarter ended January 31, 2022, the Company recorded a net 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 net loss of $152,162 as compared to a net loss of $$233,575. Included in the prior year were year-end adjustments. During the quarter ended July 31, 2022, the Company recorded a net loss of $206,758 as compared to a net loss of $152,162 for the previous quarter. The increase can be attributed to an increase in exploration 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 net loss of $90,450 as compared to a net loss of $206,758 for the previous quarter. The decrease can be attributed to a decrease in exploration cost and professional fees. During the quarter ended January 31, 2023, the Company recorded a net loss of $46,488 as compared to a net loss of $90,450 for the previous quarter. The decrease can be attributed to a decrease in share-based payments.

Liquidity and Capital Resources

The Company had cash of $245,545, GST receivable of $1,890 and prepaid expense of $17,211 at January 31, 2023, compared to $1,014,975, $2,505 and $10,487 at January 31, 2022 respectively. As at January 31, 2023, the Company had accounts payable of $44,603 as compared to accounts payable of $132,062 at January 31, 2022 and working capital of $220,043 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.

(Expressed in Canadian Dollars)

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 year ended January 31, 2023, the Company issued 570,000 common shares pursuant to the exercise of share purchase warrants for total proceeds of $57,000.

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	**2023**	**2022**
Consulting fees			
Harmony Corporate Services Ltd.	Company controlled by Geoff Balderson, Director and CFO	$ 24,000	$ 22,500
Exploration costs			
David Flint	Director	69,087	-
Winthrop Rowe	Director	13,932	
Property investigation costs			
David Flint	Director	521	-
Rent			
Norsemont Mining Inc.	Common director	47,990	-
Share-based payments			
Charles Ross	Director and CEO	2,313	14,538
Jim Mustard	Director	1,156	7,269
Geoff Balderson	Director and CFO	385	2,423
Joseph Yelder	Director	771	4,846
Daniel Schieber	Former Director	-	23,000
David Flint	Director	20,195	12,601
Winthrop A. Rowe	Director	2,092	-
		26,912	64,677
		$ 182,442	$ 87,177

Included in accounts payable and accrued liabilities at January 31, 2023, is $8,804 (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.

Off Balance Sheet Arrangements

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

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 audited consolidated 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.

Income taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities. In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which

the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

Estimates

Share-based payments

The determination of the fair value related to share-based payments are subject to estimate. The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

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 January 31, 2023, 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

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash and cash equivalents. 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 January 31, 2023, the Company has no interest bearing financial instruments and considers interest rate risk to be insignificant.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations with respect to financial liabilities as they fall due. 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.

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 January 31, 2023, the Company's foreign currency risk was not significant.

(Expressed in Canadian Dollars)

SUBSEQUENT EVENTS

On March 31, 2023, the Company and the optionor of the Bonneville Property amended the agreement and extended the exploration expenditure commitment whereby $50,000 in exploration expenditures would be due on or before December 31, 2023 and the reminder will be due on or before December 31, 2024. As consideration for the extension, the Company will pay the Optionor $2,500 per month for the duration of the option commencing January 2023.

Subsequent to year end, 175,000 share purchase warrants were exercised at a price of $0.10 per warrant for total proceeds of $17,500.

Subsequent to January 31, 2023, 100,000 stock options with an exercise price of $0.48 expired unexercised.

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, January 31, 2023	15,537,763
Balance, MD&A	15,712,763

Options

Balance, January 31, 2023	1,470,000
Balance, MD&A	1,370,000

Share purchase warrants

Balance, January 31, 2023	10,135,933
Balance, MD&A	9,960,933