ACME LITHIUM INC.

(Formerly HAPUNA VENTURES INC.)

Management Discussion and Analysis

AS AT AND FOR THE PERIODS ENDED MARCH 31, 2022, AND 2021
(with Comparative AUDITED Figures as at SEPTEMBER 30, 2021)

This report is dated May 25, 2022
(the “Report Date”)

300 – 2015 Burrard Street Vancouver BC Canada V6J 3H4

INTRODUCTION

This Management's Discussion and Analysis is intended to assist in the understanding of the trends and significant changes in the financial condition and results of operations of ACME Lithium Inc. (formerly Hapuna Ventures Inc.) ("ACME" or the "Company") for the period ended March 31, 2022 and the years ended September 30, 2021 and 2020, and the notes thereto (the "Financial Statements"). The MD&A should be read in conjunction with the interim condensed consolidated financial statements for the period ended March 31, 2022 and audited financial statements for the fiscal years ended September 30, 2021 and 2020. Certain notes to the Financial Statements are specifically referred to in this Management's Discussion and Analysis and such notes are incorporated by reference herein. The MD&A has been prepared effective May 25, 2022.

The following is a discussion and analysis of ACME Lithium Inc. The Company reports its financial results in Canadian dollars and in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

FORWARD-LOOKING STATEMENTS

Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those implied by the forward-looking statements. These forward-looking statements are based on, but not limited to, material assumptions including: the raising of additional capital, carrying out work programs on the Company's mineral properties; the ability of the Company to successfully make acquisitions of other mineral property interests; a sufficiently stable and healthy global economic environment; and other expectations, intentions and plans contained in this MD&A that are not historical fact. When used in this MD&A, the words "plan," "expect," "believe," and similar expressions generally identify forward looking statements. These statements reflect current expectations. They are subject to a number of risks and uncertainties, including, but not limited to, changes in general market conditions. In light of the many risks and uncertainties, readers should understand that the Company cannot offer assurance that the forward-looking statements contained in this analysis will be realized. **Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks as set forth below.**

CORPORATE OVERVIEW AND DESCRIPTION OF BUSINESS

ACME Lithium Inc. (formerly Hapuna Ventures Inc.) (the "Company") was incorporated under the provisions of the Business Corporations Act of British Columbia on January 31, 2017. On November 23, 2020, the Company changed its name to ACME Lithium Inc. and changed its principal business from technology to mineral exploration company. The Company's corporate office is located at 300 – 2015 Burrard Street Vancouver British Columbia, V6J 3H4 Canada and its registered and records office address is at 2900-595 Howe St. Vancouver, British Columbia V7X1J5, Canada. Effective August 13, 2021, the Company's common shares are traded on the Canadian Securities Exchange ("CSE") under the symbol "ACME" and on the OTCQB Venture Market ("OTCQB") under the symbol "ACLHF".

The Company is a mineral exploration company engaged in the acquisition, exploration and evaluation of natural resource properties located in the state of Nevada and Oregon, USA and Manitoba, Canada. To date, no mineral development projects have been completed and no commercial development or production has commenced.

As at March 31, 2022, the Company has not yet determined whether the properties are economically viable. The recoverability 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 future profitable production from the properties or realizing proceeds from their disposition and permitting from government authorities.

The Company is a reporting issuer in the Province of British Columbia. All public filings for the Company can be found on the SEDAR website www.sedar.com.

Corporate Restructure and Amalgamation

The Company was incorporated on January 31, 2017 as a wholly-owned subsidiary of Kona Bay Technologies ("Kona Bay") whose line of business was in technology specializing in digital customer acquisition.

On November 23, 2020, the Company changed its name to ACME Lithium Inc. and changed its principal business from technology to mineral exploration company.

On December 19, 2020, the Company disposed of all its digital business to an arms-length purchaser for $1 with the purchaser assuming all its outstanding obligations. On December 31, 2020, the Company terminated all remaining historic service agreements.

On December 30, 2020, the Company entered into an Amalgamation Agreement (the "Amalgamation Agreement") with 1281524 B.C. Ltd. ("Subco") and 1266291 B.C. Ltd. ("Fundco") which closed on December 30, 2020. Pursuant to the Amalgamation Agreement, the following occurred: (i) Subco and Fundco amalgamated. (ii) The unit holders of Fundco received an equivalent number of units of the Company; and (iii) The amalgamated Company, "Amalco" became a wholly-owned subsidiary of the Company. On November 27, 2020, the Company closed a private placement of 10,300,000 units at a price of $0.03 per unit for proceeds of $309,000. Each unit consists of one common share and one-half share purchase warrant. Each full warrant entitles the holder to purchase one additional common share at $0.10 for a period of 24 months. Fundco was established by the Company solely for the purpose of raising funds from at least 150 investors and loaning the same to the Company pending closing of the Amalgamation.

On July 26, 2021, the Company incorporated its wholly owned subsidiary, ACME Lithium USA Inc. in the state of Nevada to undertake exploration activities in the USA.

Effective December 16, 2021, the Company amalgamated with its previously wholly owned subsidiary, 1266291 BC Ltd. and will continue to act as one company under the name ACME Lithium Inc.

Potential impact of the Pandemic on Corporate Operations and Activities

During March 2020, there was a global outbreak of COVID-19 ("Coronavirus"), which has had a significant impact on businesses through the restrictions put in place by the governments in which the Company operates regarding travel, business operations and isolation/quarantine orders. At this time, the extent of the impact that the COVID-19 outbreak may have on the Company is unknown as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence.

ACME Lithium has lowered the impact on our workplace by preventing and reducing transmission among its team members which includes social distancing, wearing of PPE, lowering interaction with the public accomplished thru telework and geographical isolation of the workplace. ACME continues to monitor federal, provincial, state and local public health communications about COVID-19 regulations, guidance and recommendations and ensures that workers have access to this information. ACME has a protocol of response preparedness which incorporates potential isolation, quarantine and sick leave.

As a mineral company operating in both the United States and Canada, ACME expects that government agencies as well as third party contractors may be delayed in providing services due to COVID protocols and/or staffing issues.

These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put in place. While the extent of the impact is unknown, the Company anticipates this outbreak may adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations.

MINERAL PROPERTY INTERESTS

As at March 31, 2022, the Company has a total of $2,393,231 (September 30, 2021 – $945,669) in exploration and evaluation assets as follows:

	Fish Lake Valley, Nevada	Clayton Valley, Nevada	Cat- Euclid and Shatford Lakes, Manitoba	Warm Springs, Oregon	Total
	$	$	$	$	$
Acquisition costs					
Balance, September 30, 2021	53,000	433,947	120,000	-	606,947
Additions	-	939,083	-	152,304	1,091,387
Balance, March 31, 2021	**53,000**	**1,373,030**	**120,000**	**152,304**	**1,698,334**
Exploration and evaluation costs					
Balance, September 30, 2021	53,960	257,792	27,000	-	338,752
Consulting	36,653	4,073	-	-	40,726
Geological	-	54,238	2,174	8,547	64,959
Staking and claims fees	34,356	23,903	-	-	58,259
Reports and administration	1,714	13,833	-	64	15,611
Travel	582	2,904	-	1,104	4,590
Balance, March 31, 2022	**127,265**	**356,743**	**29,174**	**9,715**	**522,897**
Total, March 31, 2022	**180,265**	**1,729,773**	**149,174**	**162,019**	**2,393,231**

FLV PROPERTY (FISH LAKE VALLEY), NEVADA

On November 9, 2020, the Company entered into a mineral property purchase and sale agreement (the "FLV agreement") with an arm's length party whereby it acquired 81 lode mining claims located in Esmeralda County, Nevada, USA totaling approximately 1,620 acres. Under the terms of the FLV agreement, the vendor's right, title and interest in the FLV claims was purchased by paying consideration of $50,000 (paid) and by issuing 100,000 common shares. On January 14, 2021, the Company issued 100,000 common shares with a fair value of $3,000 to the arm's length party.

On August 26, 2021, the Company commenced geological field work to further develop knowledge of lithium occurrences at the project site and better understand the geological model focused on a major drainage area where lithium values occurred.

On October 7, 2021, the Company released surface value lithium results from a sampling program and geological field review at Fish Lake Valley, Nevada.

On October 9, 2021, the Company staked 63 new claims on its FLV Project located in Fish Lake Valley, Esmeralda County, Nevada (the "FLV new claims") by paying $34,982 (US$ 28,047).

As at March 31, 2022, the FLV project has a carrying value of $180,265 (September 30, 2021 - $106,960).

CLAYTON VALLEY PROPERTY, NEVADA

On May 12, 2021, the Company entered into an agreement with an arm's length party to acquire a 100% interest in 64 claims encompassing approximately 1,280 acres, comprising the CC, CCP and SX placer lithium claims (the "Project Claims"), located in Clayton Valley, Esmeralda County, Nevada. Under the terms of the agreement, the Company needs to undertake the following to exercise its option: Total cash payments of US$278,500 ($103,629 - USD$88,500 paid), issuance of 5,250,000 (750,000 issued) common shares, incurring a total of US$2,750,000 ($257,792 - USD$193,634 incurred) in exploration and development expenditures and delivery of royalties of (3%) Gross Overriding Royalty. The Company has the right to buyback one-half of the royalty for US$1,500,000 for a period of 3 years following commencement of the production. Also in May 2021, the Company expanded its Clayton Valley property position by 58 claims. Total cost incurred to obtain the claims was $23,902 (US$19,362).

The Company's commitments in relation to the Option agreement are summarized below:

	Cash Payment	Common Shares*	Exploration expenditures
	$ (in USD)	#	$ (in USD)
Earlier of 60 days following execution of the Letter of Intent and the Approval Date (paid and issued) March 2, 2021,	78,500	750,000	
On or before the 1st anniversary date of closing March 2, 2022 (paid and issued)	50,000	750,000	250,000
On or before the 2nd anniversary date of closing March 2, 2023,	50,000	750,000	500,000
On or before the 3rd anniversary date of closing March 2, 2024	50,000	1,000,000	1,000,000
On or before the 4th anniversary date of closing March 2, 2025	50,000	2,000,000	1,000,000
Total	**278,500**	**5,250,000**	**2,750,000**

On June 9, 2021, The Company has acquired by staking 58 new claims ("JR claims") encompassing approximately 1,160 acres contiguous to the Company's CC, CCP and SX lithium claims ("Project Claims") located in Clayton Valley, Esmeralda County, Nevada - the centre of lithium development in the United States. With the additional JR claims, ACME has nearly doubled its footprint in Clayton Valley, strategically protecting the north and northeastern portion of the basin. ACME's exploration focus will be on key prospective lithium brine targets.

The Project Claims are contiguous to the south with the only lithium brine production operation in North America, NYSE-listed Albemarle's Silver Peak Lithium mine, which has been in production since 1966. In addition, the Project claims are contiguous with Pure Energy Minerals joint venture with Schlumberger Technology Corporation to the east. The Project Claims are located on the northwestern part of Clayton Valley about 20 miles northwest of the county seat of Goldfield, NV, and approximately 30 miles southwest of Tonopah, NV. With extensive infrastructure nearby, Nevada is one of the best mining jurisdictions in the world.

In connection with the option agreement entered with GeoXplor, the Company is required pay the Vendor an advance royalty payment of US$200,000 on the 5th anniversary of the effective date of the agreement, and continuing on each annual anniversary date thereafter, until property is in production. The cash advances will be credited against future royalty payments due.

On August 10, 2021, the Company, through Hasbrouck Geophysics, has commenced Phase 1 of a two-phase geophysical survey program at ACME's Clayton Valley project in Nevada. Phase 1 entails a gravity survey and Phase 2 is a Hybrid-Source Audio-Magnetotellurics (HSMAT) survey. The results of the gravity survey will be used to prioritize drill locations to test for lithium concentrations within brines. ACME's project is contiguous to Albemarle's Silver Peak lithium resource and production facility.

Data collected in the gravity survey will more accurately map variations in basin depth and topography, as well as map inferred geologic structures relative to the occurrence of lithium-bearing brine. This work will also provide key information for the design of additional geophysical surveys to be acquired over ACME's CC, CCP, JR and SX claim package. The survey will include a total of 120 gravity stations acquired over the claim area on a grid of 250 meters.

Previously, reconnaissance gravity data had been acquired in Clayton Valley by Sierra Geothermal Power Corporation (under contract to the U.S. Department of Energy) ("Sierra") and GeoXplor Corporation ("GeoXplor"). Lithium source material and transport mechanisms for the CC, CCP, JR and SX claims are present and could be similar to those that have supplied Clayton Valley lithium-bearing brines and may be conducive to increased lithium-bearing brine concentrations.

On November 10, 2021, the Company completed Phase 2 of the Hasbrouck Geophysics survey program at Clayton Valley, Nevada.

On December 20, 2021, the Company filed Notice of Intent (NOI) with the Bureau of Land Management (BLM) to cover a three-hole drill program up to a depth of 500 meters focused on prospective lithium-brine targets as defined by the recent geophysical work. On February 7, 2022, the NOI was approved.

On January 24, 2022, the Company paid $30,561 ($24,197) in reclamation bond for this Property to the Bureau of Land Management of the State of Nevada. On the same date, the Company filed a Notice of Intent (NOI) to drill before the State of Nevada. On February 7, 2022, the NOI was approved.

On February 7, 2022, the company has received a letter of approval under a "Notice of intent to drill" from the United States Bureau of Land Management (BLM), Tonopah field office Nevada, for ACME's near term drill program at its Clayton Valley lithium brine project. The Notice of Intent (NOI) covers a multi-hole drill program up to a depth of 500 meters and focuses on the most prospective lithium brine targets as defined by recent geophysical work, in addition to drill road access and site preparation. A US$24,197 bond has now been accepted and put in place with the BLM to cover reclamation of up to 3.55 acres of permitted disturbance.

As at March 31, 2022, the Clayton Valley project has a carrying value of $1,729,773 (September 30, 2021 – $691,739) with $356,743 (September 30, 2021 – $257,792) in exploration expenditures.

CAT-EUCLID LAKE AND SHATFORD LAKE, MANITOBA

On September 9, 2021, the Company entered into a staking agreement to acquire mineral rights in Cat-Euclid and Shatford Lake areas of Southeast Manitoba. The Cat-Euclid groups has 6 claim blocks and the Shatford group has 21 claim blocks. These claims are subject to a 2% Gross Overriding Royalty agreement with an investor. For period ended December 31, 2021, initial staking, claim fees and geological surveys were incurred for two properties in Manitoba – the Euclid Lake (March 31, 2022 – $51,674) and Shatford Lake (March 31, 2022 – $97,500) Properties.

On March 9, 2022, the Company closed a funding agreement with an arm's length party for its Manitoba Properties. Under the agreement, the Company received $832,975 (US$650,000) from the grant of project royalties and $2,988,730 (US$2,350,000) by way of non-brokered private placement or total of C$3,821,705. The Company issued 3,179,500 units consisting of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share for two years at a price of $1.22 per share. On April 5, 2022, the Gross Revenue Royalty Agreement with the arm's length party for Manitoba properties was signed. The Company will pay the arm's length party 2.0% of all Gross Revenue received on the properties in perpetuity.

WARM SPRINGS PROJECT, OREGON

On March 23, 2022, the company entered into an agreement to acquire 340 placer mining claims (the "WS Project") encompassing approximately 6727 acres near the Nevada border, in south east Oregon.

On March 29, 2022, the Company contracted with KLM Geoscience of Las Vegas, Nevada for an induced Polarization (IP) survey of ACME's WS lithium brine project near the Nevada border in southern Harney County, Oregon. KLM mobilized on March 26th and final results are expected within 45 days. The survey will be used to locate a drill test of the Property.

William Feyerabend, Certified Professional Geologist, is a qualified person as defined by NI 43-101, and has supervised the preparation of the scientific and technical information that forms the basis for this MD&A.

SUMMARY OF QUARTERLY RESULTS

	Q2 Mar. 31, 2022 $	Q1 Dec. 31, 2021 $	Q4 Sept. 30, 2021 $	Q3 June 30, 2021 $
Sales	-	-	-	-
Expenses	(526,417)	(324,229)	(1,127,230)	(162,228)
Net income (loss)	(542,982)	(324,855)	(1,145,452)	(162,519)
Comprehensive income (loss)	(542,982)	(324,855)	(1,145,452)	(162,519)
Basic earnings (loss) per share	(0.01)	(0.01)	(0.03)	(0.01)
Diluted earnings (loss) per share	(0.01)	(0.01)	(0.03)	(0.01)
Total Assets	9,489,509	4,982,294	3,942,780	3,907,368
Working capital surplus (deficiency)	6,204,643	3,690,692	2,746,824	3,372,998

	Q2 Mar. 31, 2021 $	Q1 Dec. 31, 2020 $	Q4 Sept. 30, 2020 $	Q3 June 30, 2020 $
Sales	-	-	6,223	8,606
Expenses	(17,619)	(64,028)	(32,756)	(63,273)
Net income (loss)	(17,619)	708,133	(26,533)	(54,667)
Comprehensive income (loss)	(17,619)	708,133	(26,533)	(54,667)
Basic earnings (loss) per share	(0.00)	0.15	(0.04)	(0.09)
Diluted earnings (loss) per share	(0.00)	0.13	(0.04)	(0.09)
Total Assets	451,123	469,366	50,601	48,823
Working capital surplus (deficiency)	393,495	411,115	(1,004,819)	(603,600)

Net losses decreased in the quarters ended in 2020 primarily due to decreased operations and management decreasing compensation costs as the technology operations of the company decreased during the year ended September 30, 2020. During the period ended December 31, 2020, the Company had a net income due to the gain on settlement of debt. Towards the second and third quarter of Fiscal 2021, the Company's expenses increased mostly due to the ramp up of exploration and financing activities as well as the slow re-opening of the economy which permitted the commencement of the said activities In the quarters ended in 2021 compared with the 2020 quarters, net losses saw a general increase primarily due to increases in advertising, consulting, management, and regulatory fees as the Company changed its business focus from technology to mineral exploration and funded the Company via private placement funding and ramped up operations on its mineral exploration projects. Net loss during the quarter ended December 31, 2021 decreased mostly due to lower marketing fees and the absence of share-based compensation recorded in the preceding quarter. During the quarter ended March 31, 2021, the Company ramped up its marketing and investor relation efforts to raise awareness for its projects and upcoming activities, hence the increase in expenses and losses.

OVERALL PERFORMANCE AND OPERATIONAL ACTIVITIES

During the period ended March 31, 2022, the Company incurred a net loss of $867,837 as compared to a net income of $690,514 last year. Total expenses incurred during the period was $850,646 (2021 – $81,647) and total other expense was $17,191 (2021 - $48,300). Income from discontinued operations amounted to $Nil (2020 – $820,461).

The reversal of last year's same period net income to this year's net loss for the period ended March 31, 2022 was primarily due to the following significant changes:

- Accounting and legal expenses of $64,379 (2021 – $22,577) increased due to increase in legal, bookkeeping, and accounting fees related to being a reporting issuer and increased projects and project acquisition activities during the period. The Company also had increased private placement financing activities, additional yearend audit fees and additional accounting fees related to the financing and operation of the Company.
- Advertising and corporate development expenses of $606,000 (2021 – $5,050) increased compared to same period last year, as to the Company, increased investor relations activities, digital and marketing awareness campaigns to create market awareness of the Company's projects and activities as well as to help raise funds for said projects.
- Consulting fees of $Nil (2021 – $6,244) decreased compared to the previous year as last year's fees were primarily for general survey costs on exploration properties that were not identified at that time.
- Interest expense of $384 (2021 – $4,462) decreased compared to the prior year due to extinguishment of a majority of company's debt to related parties and consultants through a debt settlement agreement.
- Management fees of $82,000 (2021- $15,000) were paid or accrued to CFO and CEO (see **Transactions with Related Parties**). The increase were mostly due to the full six month period payments for the officers as they were only appointed part way through the period in the prior year.
- Regulatory and filing fees of $46,169 (2021 – $23,140) increased in the current period due to the Company's payments for share capital transactions including private placements, warrants exercises and other compliance requirements relating to being a listed issuer. Last year's fees pertain to listing, corporate restructuring and amalgamation.
- Rent of $21,246 (2021 – $1,089) increased mostly due to the office lease which began in August 2021.
- Amalgamation expense of $Nil (2021 – $48,300) was incurred in relation to the amalgamation activity in incurred in the same period in the prior year.
- Income from discontinued operations of $Nil (2021 – $820,461). On November 23, 2021, the Company disposed its technology operations and changed its business to mineral exploration. As a result of the change in operations, the technology segment has been recorded as a discontinued operation on the statement of loss and comprehensive loss and as cash flow from discontinued operations. The total amount recognized in the same period in the prior year includes gain on settlement of debt of $874,435, write-off of GST receivable $8,316 and due from ACT360 of $45,658.

Cash flows

Sources and Uses of Cash	March 31, 2022	March 31, 2021
	$	$
Cash used in operations prior to changes in working capital	(867,837)	742,863
Changes in non-cash working capital	(355,749)	(171,526)
Cash used in operating activities – discontinued operations	-	(874,435)
Cash used in operating activities	(1,223,586)	(303,098)
Cash used to invest activities	(420,532)	(50,000)
Cash sourced from financing activities	5,770,964	709,500
Total change in cash	**4,126,846**	**356,402**

Operating Activities

For the period ended March 31, 2022, cash used in operating activities prior to changes in working capital was $828,699 compared to $742,863 inflow for the period ended March 31, 2021. The increase in cash used is due primarily to variances under the *Overall Performance and Operating Activities section.* For the period ended March 31, 2022, the non-cash working capital used increased to $375,839 as compared to $171,526 from previous year mainly due to timing of payments to suppliers as well as the increase in prepayments during the period. Cash used in discontinued operations also added a decrease in previous year's balance of $874,435 due to settlement of debt.

For the period ended March 31, 2022, cash used by operating activities was $1,223,586 compared to the use of $303,098 from the same period in the previous year for reasons mentioned above.

Investing Activities

For the period March 31, 2022, cash used in investing activities of $420,532 (2021 - $50,000) was primarily used for acquisition of mineral properties and for expenditures on exploration and evaluation assets.

Financing Activities

For the period ended March 31, 2022, cash inflows consisted of funds provided by financing activities totaling $5,770,964 (2021 – $709,500).

The cash inflow is primarily attributed to proceeds from the flow-through financing through a private placement closed on December 16, 2021 and a non-brokered private placement on March 9, 2022 (see **Liquidity and Capital Resources**) which generated total gross proceeds of $3,797,063, subscriptions to previously completed private placements of $48,000 and warrants exercise of $971,125 partly offset by share issuance costs of $70,000. In the previous year, the cash inflows came from a private placement financing and the amalgamation transaction.

LIQUIDITY AND CAPITAL RESOURCES

The Company's aggregate operating, investing and financing activities for the period ended March 31, 2022, resulted in a net cash increase of $4,126,846 (2021 – $356,402). As at March 31, 2022, the Company's cash balance was $6,929,098 (September 30, 2021 – $2,802,252) and the Company had working capital of $6,204,643 (September 30, 2021 –$2,746,824), which the Company anticipates will meet its requirements to cover working capital and mineral property obligations for the coming fiscal year.

As at March 31, 2022, the Company had not advanced its exploration and evaluation properties to commercial production. The Company's continuation as a going concern is dependent upon successful results from exploration activities on its mineral properties and its ability to attain profitable operations and generate cash from its operations in the foreseeable future. As at March 31, 2022, the Company has an accumulated deficit of $2,760,109 (September 30, 2021 – $1,892,272) since inception and is expected to incur further losses in the development of its business. 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.

The continuation of the Company as a going concern is dependent on its ability to raise additional capital either through equity or debt financing in order to meet business objectives of achieving profitable business operations.

SHARE CAPITAL AND OUTSTANDING SHARE DATA

Authorized
The Company has authorized share capital of an unlimited number of common shares and preferred shares without par value. Common and/or preferred shares are entitled to receive dividends if and when they are declared by the Board of Directors.

Issued and Outstanding Common Shares
As of March 31, 2022, the Company has a total issued and outstanding common shares: 47,167,523 (September 30, 2021 – 26,463,647).

Outstanding share data

As at March 31, 2022 and the Report Date, the following table summarizes the outstanding share capital of the Company:

	March 31, 2022	**Report Date**
Common Shares	47,167,523	51,989,817
Warrants	16,404,940	14,834,851
Options	1,325,000	3,550,000
Total, Fully Diluted	**55,366,088**	**70,374,668**

Share Issuances

Transactions subsequent to March 31, 2022:

On May 13, 2022, the Company completed a non-brokered private placement (the "Private Placement") through the issuance of 3,194,976 units (the "Units") at a price of $1.08 per Unit for aggregate gross proceeds of $3,450,574. The Units consist of one common share and one half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share at a price of $1.40 per share for three years.

Also on May 13, 2022, the Company completed a non-brokered flow-through financing with another arm's length party. The Flow-Through Private Placement ("FT Private Placement") consisted of 666,668 units (the "FT Units") at a price of CN$1.50 per Unit for aggregate gross proceeds of $1,000,002.00. The FT Units consist of one flow-through common share and one-half of one non-flow through common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share at a price of CN$1.80 per share for two years. The Company paid aggregate finder's fee of $87,500 cash, 46,667 compensation warrants exercisable for two years at $1.50 and 16,204 compensation warrants exercisable for three years at $1.08.

On May 19, 2022, the Company completed its second and final tranche of its non-brokered private placement financing through the issuance of 231,482 units (the "Units") at a price of $1.08 per Unit for aggregate gross proceeds of $250,000. The Units consist of one common share and one half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share at a price of $1.40 per share for three years.

Also on May 19, 2022, the Company completed a non-brokered flow-through financing with another arm's length party. The Flow-Through Private Placement ("FT Private Placement") consisted of 666,668 units (the "FT Units") at a price of CN$1.50 per Unit for aggregate gross proceeds of $1,000,002.00. The FT Units consist of one flow-through common share and one-half of one non-flow through common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share at a price of CN$1.80 per share for two years. The Company paid aggregate finder's fee of $87,500 cash, 46,667 compensation warrants exercisable for two years at $1.50 and 16,204 compensation warrants exercisable for three years at $1.08.

Subsequent to March 31, 2022, the Company issued 12,500 common shares for warrants exercised at $0.60 per share for total proceeds of $7,500 and 50,000 common shares for warrants exercised at $0.10 per share for total proceeds of $5,000.

<u>Transactions during the Period Ended March 31, 2022:</u>

On March 9, 2022, the Company issued 3,179,500 units (the “Units”) in a non-brokered private placement at a price of $0.94 per Unit for gross proceeds of $2,988,730 (US$2,350,000). Each Unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share for two years at a price of $1.22 per share.

On March 2, 2022, the Company issued 750,000 shares at $1.14 per share for the Clayton Valley Project.

On December 16, 2021, the Company closed a non-brokered private placement through the issuance of 833,334 units at a price of $1.20 per unit for aggregate proceeds of $1,000,001. Part of the proceeds were recognized as Flow-through premium liability amounting to $183,333 and will be recognized as income over a period of 12 months from closing date. Each unit consists of one flow-through common shares and one-half non-flow through common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share at a price of $1.50 per share for two years. Finder’s fees totaling $70,000 in cash and 58,333 compensation warrants exercisable for two (2) years at $1.20 were paid to Qwest Investment Fund Management Ltd.

During the period ended March 31, 2022, 6,076,875 warrants were exercised into common shares at $0.10-$0.60 per share for total gross proceeds of $971,125.

<u>Transactions during the Year Ended September 30, 2021:</u>

On September 2, 2021, the Company issued 80,000 common shares for gross proceeds of $48,000 through the exercise of share purchase warrants.

On July 2, 2021, the Company issued 2,388,650 units at a price of $0.40 per unit for gross proceeds of $955,460 from the second tranche of a non-brokered private placement financing. Each unit is comprised of one common share and one-half common share purchase warrant. Each warrant is exercisable into one common share at a price of $0.60 per share and expires on July 2, 2023. Finder’s fees and other share issuance costs totaling $30,028 in cash were paid to third parties.

On June 21, 2021, the Company closed a private placement of 6,645,517 units at a price of $0.40 per unit for gross proceeds of $2,658,207. Each unit consisted of one common share and one half-warrant. Each full warrant is exercisable at $0.60 for one common share until June 21, 2023. In connection with the private placement, the Company paid $140,385 in finders’ fees.

On May 13, 2021, the company issued 750,000 common shares at a price of $0.40 per share to GeoXplor Corp. for a total value of $300,000 in relation to an option agreement for the acquisition of 100% interest of several mineral claims located in Clayton Valley, Nevada.

On January 25, 2021, the Company issued 13,350,001 units in relation to its Amalgamation agreement in exchange for all the outstanding common shares of Fundco at a price of $0.03 per share. In connection with the Amalgamation, the Company also issued 1,610,000 common shares priced at $0.03 per share for a total value of $48,300 as finder’s fee. A more detailed description of the Amalgamation transaction is found in **Corporate Overview and Description Of Business**.

On January 14, 2021, the Company issued 100,000 at a price of $0.03 per share for a total value of $3,000 to an arm’s length party in connection with the FLV Mineral Property .

On November 27, 2020, the Company closed a private placement of 10,300,000 units at a price of $0.03 per unit for proceeds of $309,000. Each unit consisted of one common share and one half-warrant. Each full warrant is exercisable at $0.10 for one common share until November 27, 2022. In connection with the private placement, the Company issued 490,000 common shares with a total value of $14,700 as finders' fee. The Company also paid $12,000 in legal fees.

On November 23, 2020, the Company completed a 7:1 share consolidation of its common shares. All common share and per share amount in these financial statements are retroactively presented on a post-share consolidation basis, including the number and exercise price of all share warrants.

Amalgamation

On December 30, 2020, the Company entered into an Amalgamation Agreement. The asset purchase agreement did not meet the definition of a business and therefore, was accounted for as an asset acquisition in accordance with IFRS 2.

Under the terms of the agreement, the Company issued 13,350,001 units in exchange for the issued and outstanding common shares of Fundco at a price of $0.03 per unit. Each unit consists of one common share and one-half share purchase warrant. Each full warrant entitles the holder to purchase one additional common share at $0.10, of which 6,525,001 warrants will expire on November 27, 2022, and remaining 150,000 warrants will expire on October 9, 2022. The warrants were assigned a residual value of $nil on the transaction. In connection with the transaction, the Company also issued, 1,610,000 common shares as finder's fees with a total value of $48,300 ($0.03 per share) and paid $15,000 in legal fees. A breakdown of the transaction is as follows:

		September 30, 2021
Consideration		
Common shares (13,350,001 units – issued on January 25, 2021)	$	400,500
Finders' fees (1,610,000 common shares)		48,300
Legal fees		15,000
		463,800
Assets acquired		
Cash		358,500
Loan receivable		42,000
		400,500
Amalgamation expense	**$**	**63,300**

During the year ended September 30, 2021, the Company received a working capital advance of $42,000 from Fundco in advance of closing the Amalgamation Agreement. On the closing of the transaction, the loan payable balance on the Company's books was offset with the loan receivable acquired.

Shares held in Escrow

Pursuant to an escrow agreement dated March 25, 2021, (the "Escrow Agreement"), a total of 3,242,244 common shares held by principals of the Company were placed under escrow. Of that number, as of March 31, 2022, a total of 2,431,683 remained in escrow. Of the remaining shares held in escrow, 486,337 will be released every six months with the final shares being released on April 28, 2024.

Stock Options

The Company has a stock option plan for directors, officers, employees, and consultants. The aggregate number of shares issuable pursuant to options granted under the plan is limited to 10% of the Company's issued and outstanding common shares at the time the options are granted. The number of shares reserved for issuance to any individual director, officer or consultant shall not exceed 5% of the issued and outstanding common shares. The exercise price of each option is determined by the Board.

As at March 31, 2022, the Company has 1,325,000 incentive stock options outstanding (September 30, 2021 – 1,325,000). A summary of the movements of the stock options for the periods ended March 31, 2022 and September 30, 2021 is presented below:

Period ended	**March 31, 2022**		September 30, 2021	
	Number of options	**Weighted Average Exercise Price**	Number of options	Weighted Average Exercise Price
Outstanding, beginning	**1,325,000**	**$ 0.80**	-	$ -
Granted	**-**	**-**	1,325,000	0.80
Outstanding, end	**1,325,000**	**$ 0.80**	1,325,000	$ 0.80
Exercisable	**1,325,000**		1,250,000	

On July 9, 2021, the Company granted $1,325,000 incentive stock options to directors and a consultant with an exercise price of $0.80 per share for a period of five years from date of grant. A total of 1,250,000 options were vested immediately. The remaining 75,000 options were fully vested by November 9, 2021. The estimated fair value of the options was $845,285, of which $822,744 has been recorded during the year ended September 30, 2021, in connection with the issuance of these options. The options were fair valued using Black-Scholes Option Pricing Model with the following assumptions: average risk-free rate - 0.94%; expected life – 5 years; expected volatility – 100%; forfeiture rate – Nil and expected dividends – Nil.

On April 24, 2022, the Company granted an aggregate of 2,000,000 incentive stock options to directors, consultants, and employees as per the Company's Stock Option Plan, with an exercise price of C$1.28 per share for a period of five years from the date of grant.

Warrants

For the period ended March 31, 2022, the Company has 12,391,712 total outstanding warrants (September 30, 2021 – 16,404,940).

On March 9, 2022, the Company granted 1,588,647 warrants exercisable at $1.22 per share for a period of two years in connection with a private placement.

On December 16, 2021, the Company granted $58,333 warrants to finders with an exercise price of $1.50 per share for a period of two years from date of grant. The estimated fair value of the warrants was $23,362, recorded during the period ended March 31, 2022, in connection with the issuance of these warrants. The warrants were fair valued using Black-Scholes Option Pricing Model with the following assumptions: average risk-free rate - 0.90%; expected life – 2 years; expected volatility – 100%; forfeiture rate – Nil and expected dividends – Nil.

Pursuant to an escrow agreement dated March 25, 2021, (the "Escrow Agreement"), a total of 1,575,000 warrants held by principals of the Company were placed under escrow. Of that number, as of March 31, 2022, a total of 1,181,250 remained in escrow. Of the remaining warrants, 236,250 will be released every six months with the final warrants being released on April 28, 2024.

The following table summarizes information regarding share purchase warrants outstanding as of March 31, 2022:

Date issued	Number of warrants	Exercise price	Expiry date
July 17, 2020	142,857	$ 0.70	February 21, 2023
November 27, 2020	6,325,000	0.10	November 27, 2022
December 30, 2020	150,000	0.10	October 9, 2022
June 21, 2021	2,654,633	0.60	June 21, 2023
July 2, 2021	1,055,575	0.60	July 2, 2023
December 16, 2021	475,000	1.50	December 16, 2023
March 9, 2022	1,588,647	1.22	March 9, 2024
	12,391,712		

A summary of changes in the Company's share purchase warrants outstanding for the periods ended March 31, 2022 and September 30, 2021, is as follows:

	March 31, 2022		September 30,2021	
	Number of warrants	**Weighted Average Exercise Price**	Number of warrants	Weighted Average Exercise Price
Outstanding, beginning	**16,404,940**	**$ 0.24**	142,857	$ 0.70
Issued	**475,000**	**1.50**	16,342,083	0.24
Granted	**1,588,647**	**1.22**	-	-
Exercised	**(6,076,875)**	**0.09**	(80,000)	0.60
Outstanding, end	**12,391,712**	**$ 0.45**	16,404,940	$ 0.24

TRANSACTIONS WITH RELATED PARTIES

The Company has identified its directors and certain senior officers as its key personnel and the compensation costs for key personnel and companies related to them were recorded at their exchange amounts as agreed upon by transacting parties.

During the periods ended March 31, 2022 and 2021, the Company entered into the following transactions with related parties:

Six months ended	**March 31, 2022**	March 31, 2021
Management fees	**$ 82,000**	$ 15,000
Accounting fees	**15,356**	9,649
Total	**$ 97,356**	$ 24,649

(a) Management fees of $82,000 in the current year were paid to companies controlled by the CEO – $50,000 (2021 – $Nil) and CFO – $32,000 (2021 – $15,000).
(b) Accounting fees of $15,356 was paid to a company controlled by the Company's current CFO (2020 – $9,649).

The breakdown of expenses by key management personnel is as follows:

Six months ended	**March 31, 2022**	March 31, 2021
Chief Executive Officer	**$ 50,000**	$ -
Chief Financial Officer	**47,356**	24,649
Total related party expenses by key management personnel	**$ 97,356**	$ 24,649

As at March 31, 2022, $17,322 (September 30, 2021 – $47,923) were owing to companies controlled by key management personnel for fees and expenses and the amounts were included in due to related parties.

Due to related parties	**March 31, 2022**	September 30, 2021
CEO, Director	**$ 10,651**	$ 36,767
CFO	**6,671**	11,103
Director – Vivian Katsuris	**-**	53
Total	**$ 17,322**	$ 47,923

As at March 31, 2022, $10,000 was prepaid to the CEO and $7,000 was prepaid to the CFO (September 30, 2021 - $Nil).

On July 2, 2021, management and a board member participated in a non-brokered private placement financing of units for gross proceeds of $10,000 at a price of $0.40 per unit. Each unit consists of one common share and one-half common share purchase warrant. Each warrant is exercisable into one common share at a price of $0.60 per share and expires on July 2, 2023.

SETTLEMENT OF DEBT

On October 15, 2020, the Company entered into a series of debt settlement agreements to extinguish most of the Company's accounts payable and accrued liabilities and loan balances with related parties.

The Company paid a total of $166,350 to settle $418,950 in accounts payables and accrued liabilities, $225,385 due to Kona Bay, $12,800 in shareholder loan and the $383,650 promissory note payable, resulting in a gain on settlement of $874,435. The total debt and settlement for each party is as follows:

	Total Debt	**Settlement Amount**	**Gain on Settlement**
Former CEO	$ 217,550	$ 43,510	$ 174,040
Former Consultant	214,200	42,840	171,360
Kona Bay	609,035	80,000	529,035
Total Debt	**$ 1,040,785**	**$ 166,350**	**$ 874,435**

Concurrent with the debt settlement, the Company offset the balance due from ACT360 of $45,658 against the remaining amounts owed to Kona Bay. The Company wrote-off $8,316 of GST receivable related to certain accrued expenditures from related parties.

COMMITMENTS

On August 1, 2021 the Company entered into a 12-month lease agreement for its office premises for annual rental fees of $36,000.

On September 1, 2021, the Company entered into a marketing agreement with an arm's length party for annual payment of $25,000. The contract is automatically renewed annually unless terminated by either party.

On January 31, 2022, the Company entered into a term sheet with an arm's length party for the purchase of royalties in the Manitoba Properties. The Company received $833,526 (US$650,000) in cash for a 2% share of all revenues to be derived from the projects. As at March 31, 2022, a definitive agreement has not yet been reached and as such, the amount received was recorded as Deferred revenue in the statement of financial position (September 30, 2021 – $Nil). On April 5, 2022, the Gross Revenue Royalty Agreement with the arm's length party for Manitoba properties was signed. The Company will pay the arm's length party 2.0% of all Gross Revenue received on the properties in perpetuity.

On April 28, 2022, the Company engaged an arm's length party to provide marketing and investor relations services for a contract price of $10,000 per month. In addition, the Company has agreed to grant this third party a total of 225,000 incentive stock options exercisable at $1.30 per share for a period of three years, vesting four months from the date of grant.

The Company has certain commitments in connection with its mineral properties (see **Mineral Property Interests**).

CHANGES IN ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

For a detailed summary of the Company's significant accounting policies, the readers are directed to Note 3 of the notes to the interim condensed consolidated financial statements for the period ended March 31, 2022 and the audited consolidated financial statements for the year ended September 30, 2021 that are available on SEDAR at www.sedar.com.

OFF BALANCE SHEET ARRANGEMENTS

To the best of management's knowledge, there are no other off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the company.

PROPOSED TRANSACTIONS

As at the report date, there are no proposed transactions which have not been publicly disclosed.

CAPITAL DISCLOSURE

The Company's capital currently consists of common shares of $10,348,211. The Company's objective when managing capital is to safeguard the entity's ability to continue as a going concern, meet financial obligations, have sufficient capital to achieve and maintain profitable operations and to provide returns for shareholders and benefits for other stakeholders. As of March 31, 2022, the Company had a working capital of $6,252,115 (September 30, 2021 – $2,746,824). Management expects to raise additional capital from the capital markets or from private placements of securities.

FINANCIAL INSTRUMENTS

The fair value of financial assets and financial liabilities at amortized cost is determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable current market transactions. The Company considers that the carrying amount of all its financial assets and financial liabilities recognized at amortized cost in the financial statements approximates their fair value due to the demand nature or short-term maturity of these instruments.

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1, that are observable either directly or indirectly.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data. As at March 31, 2022, the Company does not have any Level 3 financial instruments.

The fair value of the Company's financial instruments approximates their carrying values due to their short term to maturity. The fair value of cash is based on level 1 inputs of the fair value hierarchy.

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below:

- Market Risk
- Credit Risk
- Liquidity Risk

In common with all other businesses, the company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies, and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

General Objectives, Policies, and Processes

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, while retaining ultimate responsibility for them, it has 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 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. Further details regarding these policies are set out below.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of four types of risk: foreign currency risk, interest rate risk, commodity price risk and equity price risk.

Foreign Currency Risk

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and United States dollar or other foreign currencies will affect the Company's operations and financial results. The Company is exposed to currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars. The Company has not entered into any foreign currency contracts to mitigate this risk.

The Company is exposed to currency risk through the following monetary assets and liabilities denominated in foreign currencies:

		March 31, 2022	**September 30, 2021**
Cash and cash equivalents	USD$	555,351	13,099
Accounts payable and accrued liabilities	USD$	219	47,103

Based on the above net exposures and assuming that all other variables remain constant, a 10% change in the value of the foreign currency against the Canadian dollar would result in an increase or decrease of $69,369 (September 30, 2021 – $4,332) in income/loss from operations.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments which are potentially subject to credit risk for the Company consist primarily of cash and cash equivalents and trade accounts receivable. Cash and cash equivalents are maintained with financial institutions of reputable credit and may be redeemed upon demand. The Company has no trade accounts receivable as at March 31, 2022.

The Company has no credit exposure and no credit risk at March 31, 2022 relating to trade accounts receivable.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meets its financial obligations as they become due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. They key to success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases.

The Company's objective is to ensure that it has sufficient cash on demand to meet expected operational expenses. To achieve this objective, the Company will prepare annual capital expenditure budgets which will be regularly monitored and updated as necessary.

The Company monitors its risk of shortage of funds by monitoring the maturity dates of existing trade and other accounts payable.

RISKS AND UNCERTAINTIES

An investment in the Company' shares should be considered highly speculative due to the nature of the Company's business and the present stage of its development. In evaluating the company and its business, the Reader should carefully consider the following risk factors in addition to the other information contained in this management discussion and analysis. These risk factors are not a definitive list of all risk factors associated with the Company. It is believed that these are the factors that could cause actual results to be different from expected and historical results. Investors should not rely upon forward-looking statements as a prediction of future results.

Limited Operating History

The Company has no history of business or mining operations or production. The Company is subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its growth objective. The Company anticipates that it may take several years to achieve positive cash flow from operations.

Exploration Risk

The exploration for and development of minerals involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. There can be no guarantee that the estimates of quantities and qualities of minerals disclosed will be economically recoverable. With all mining operations there is uncertainty and, therefore, risk associated with operating parameters and costs resulting from the scaling up of extraction methods tested in pilot conditions. Mineral exploration is speculative in nature and there can be no assurance that any minerals discovered would result in an increase in the Company's resource base.

The Company's operations are subject to all of the hazards and risks normally encountered in the exploration, development and production of minerals. These include unusual and unexpected geological formations, rock falls, seismic activity; flooding and other conditions involved in the extraction of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although precautions to minimize risk will be taken, operations are subject to hazards that may result in environmental pollution and consequent liability that could have a material adverse impact on the business, operations and financial performance of the Company.

Metal Price Risk

Even if the Company's exploration programs are successful in locating economic deposits of minerals or precious metals, factors beyond the Company's control may affect the value and marketability of such deposits. Natural resource prices have wide historic fluctuations due to many factors, including inflation, currency fluctuations, interest rates, consumption trends and local and worldwide financial market conditions. The prices of such natural resources greatly affect the value of the Company and the potential value of its properties. This, in turn, greatly affects its ability to form joint ventures and the structure of any joint ventures formed.

Environmental Risk

The Company's exploration and appraisal programs will, in general, be subject to approval by regulatory bodies. Additionally, all phases of the mining business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and federal, provincial, and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with mining operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned, and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs.

Global Economic Conditions

Global economic conditions could have a negative effect on the Company's business and results of operations. Economic activity throughout much of the world has been volatile. Market disruptions have included extreme volatility in securities prices, as well as severely diminished liquidity and credit availability. The economic crisis may adversely affect the Company in a variety of ways. Access to lines of credit or the capital markets may be severely restricted, which may preclude the Company from raising funds required for operations and to fund continued expansion. It may be more difficult for the Company to complete strategic transaction with third parties. Such developments could decrease the Company's ability to obtain financing and could expose it to risk that one of its customers or banks will be unable to meet their obligations under agreements with them.

Additional Requirements for Capital

Substantial additional funds for the establishment of the Company's current and planned mining operations will be required. No assurances can be given that the Company will be able to raise the additional funding that may be required for such activities, should such funding not be fully generated from operations. Mineral prices, environmental rehabilitation or restitution, revenues, taxes, transportation costs, capital expenditures, operating expenses and geological results are all factors which will have an impact on the amount of additional capital that may be required. To meet such funding requirements, the Company may be required to undertake additional equity financing, which would be dilutive to shareholders. Debt financing, if available, may also involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion and pursue only those development plans that can be funded through cash flows generated from its existing operations.

Management of Growth

The Company may be subject to growth-related risks including pressure on its internal systems and controls. The Company's ability to manage its growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Company to deal with this growth could have a material adverse impact on its business, operations and prospects. While management believes that it will have made the necessary investments in infrastructure to process anticipated volume increases in the short term, the Company may experience growth in the number of its employees and the scope of its operating and financial systems, resulting in increased responsibilities for the Company's personnel, the hiring of additional personnel and, in general, higher levels of operating expenses. In order to manage its current operations and any future growth effectively, the Company will also need to continue to implement and improve its operational, financial and management information systems and to hire, train, motivate, manage and retain its employees. There can be no assurance that the Company will be able to manage such growth effectively, that its management, personnel or systems will be adequate to support the Company's operations or that the Company will be able to achieve the increased levels of revenue commensurate with the levels of operating expenses associated with this growth.

Dependence on Management Team

The Company will depend on certain key senior managers to oversee the core marketing, business development, operational and fund-raising activities and who have developed key relationships in the industry. Their loss or departure in the short-term would have an adverse effect on the Company's future performance.

Exchange Rate

The reporting currency of the Company is the Canadian Dollar. Exploration and evaluation expenditures are mostly in United States dollar ("US dollar"). Future fluctuations in the value of the Canadian Dollar relative to these currencies will likely have a material impact on the Company's overall financial results. A further depreciation on the value of the Canadian dollar against US dollar will likely cause explorations costs denominated in US dollar to increase which will have a material effect on the Company's loss and comprehensive loss results.

Smaller Companies

Market perception of junior companies may change, potentially affecting the value of investors' holdings and the ability of the Company to raise further funds through the issue of further Common Shares or otherwise. The share price of publicly traded smaller companies can be highly volatile. The value of the Common Shares may be subject to sudden and large falls in value given the restricted marketability of the Common Shares.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Detailed listing of exploration expenditures and a breakdown of general and administrative expenses are provided in the interim condensed consolidated financial statements for the period ended March 31, 2022 and the audited financial statements for the year ended September 30, 2021 which are available on SEDAR at www.sedar.com.

DIRECTORS

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

Current Directors and Officers of the Company are as follows:

Stephen Hanson, President, CEO and Director, Audit Committee Member
Vivian Katsuris, Director, Audit Committee Member
Ioannis Tsitos, Director, Audit Committee Member
Zara Kanji, CFO

OUTLOOK

The Company's primary focus for the foreseeable future will be on reviewing its financial position, raising funds to support exploration and operational activities, continuing exploration activities on its mineral properties and financing business ventures in the mineral resource industry.

The Company is focused on advancing the projects in the United States and Canada with the intent to build shareholder value.

ADDITIONAL INFORMATION

Additional information related to the Company can be found on SEDAR at www.sedar.com.