Mich Resources Ltd.

Management's Discussion and Analysis
of Financial Condition and Results of Operations
Third Quarter – August 31, 2021

The following discussion is management's assessment and analysis of the results and financial condition of Mich Resources Ltd. (the "Company"), and should be read in conjunction with the accompanying unaudited condensed interim financial statements and related notes. The preparation of financial data is in accordance with International Accounting Standard 34 - Interim Financial Reporting ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS") and all figures are reported in Canadian dollars unless otherwise indicated.

Certain information included in this discussion may constitute forward looking statements. Forward looking statements are based on current expectations and entail various risks and uncertainties. These risks and uncertainties could cause or contribute to actual results that are materially different from those expressed or implied.

The effective date of this report is October 29, 2021.

Description of Business

The Company is incorporated and domiciled in Canada under the Business Corporations Act (British Columbia), and its registered office is 25th Floor, 700 West Georgia Street, Vancouver, BC, V7Y 1C3. The Company's common shares are listed on the Canadian Securities Exchange ("CSE") under the trading symbol "MICH" effective June 19, 2019.

The Company is principally engaged in the acquisition and exploration of mineral properties.

In March 2021, the Company appointed Szascha Lim as a director of the Company.

In June 2021, the Company completed a non-brokered private placement of 8,875,600 common shares at a price of $0.25 per common share for gross proceeds of $2,218,900.

In July 2021, the Company announced that it had signed a term sheet dated July 27, 2021, for the acquisition of the advanced-stage Pecoy copper exploration project located in Peru (the "Pecoy Project"), via a reverse takeover (the "Transaction").

Reverse Takeover Transaction

In July 2021, the Company announced the Transaction. The signatories to the term sheet include Pembrook Copper Corp. ("Pembrook"), Minera Andina de Exploraciones SAA ("Minandex") and UMS projects LP ("UMS"). The term sheet contemplates that the Pecoy Project will be acquired from Pembrook and Minandex for cash and shares of the Company that will be immediately distributed by Pembrook to its shareholders. UMS acted as finder and facilitated the negotiations of the Transaction which will constitute a reverse takeover ("RTO") of the Company when completed.

The Pecoy Project is an advanced copper exploration project located 150 kilometres northwest of Arequipa, within the Cretaceous copper porphyry belt of Peru, host to the Zafranal copper porphyry (Teck Resources Ltd. and Mitsubishi Materials Corp.) located approximately 100 kilometres to the southeast of the Pecoy Project.

The Pecoy Project is located within the Peruvian coastal desert region which grades into the Atacama desert further south in Chile. Topography within the Pecoy Project area ranges from 800 metres at the Rio Ocona, to slightly more than 4,000 m at the highest ridges. Within the area of mineralization, the relief ranges from 1,650 m to 2,200 m. There is no infrastructure in the immediate project area, but water is available from the Rio Ocona delta some eight km to the west, and power is available from the national grid 100 km from site. The site also has excellent road access to a number of nearby seaports for shipping of concentrates.

The combined Pecoy Project area consists of approximately 13,300 hectares. Exploration on the property dates back to 2009, and consists of 48,500 m of diamond drilling in 121 drill holes completed by previous operators including Pembrook. The project database consists of 1,222 downhole surveys, and 23,210 assays. The average drill spacing is about 118 m in the main mineralized zone on the Pembrook property, and 80 m on the Minandex (Ocana) side. The project database also includes quality control data including blanks, standards and duplicates.

In 2018 Pembrook engaged Micon International ("Micon") to prepare a Canadian National Instrument 43-101-compliant technical report and mineral resource estimate; however, as a non-reporting issuer the report was never filed on SEDAR. The 2018 technical report considers two mining scenarios: the first being a pit constrained to the Pembrook-owned concessions only and excluding any resources on the adjacent land, and the second assuming the adjacent Minandex (Ocana) ground is available for pit expansion.

These assumptions led to two historical mineral resource estimates as shown in table 1 below.

Table 1
Historical Inferred Mineral Resource Estimates as reported by Micon International (2018)

Scenario	k Tonnes[1]	Cu (%)	Mo(%)	Au (ppm)	Ag (ppm)
Pembrook Only	473,000	0.33	0.012	0.03	1.18
Pembrook/Ocaña	721,000	0.34	0.011	0.05	1.27

Notes:
1 – above a cutoff of 0.25% Cu
2 – based on the following metal prices – Cu ($3.25), Mo ($8.00), Au ($1,400), Ag ($20.00)
3 – based on the following metal recoveries - Cu (88-90%), Mo (70-72%), Au (40-54%), Ag (52-80%)
4 – the Qualified Person for this estimate is Christopher Keech, P.Geo. of CGK Consultants
5 – Effective date of the resource estimate is May 1, 2018

The Micon estimate was prepared to CIM (May, 2014) standards for the reporting of mineral resources and in accordance with CIM Best Practice Guidelines. The mineral resources were estimated in a three-dimensional block model using commercial mine planning software. Resource classifications were assigned in accordance with CIM guidance.

The Company considers the Micon 2018 estimate to be a historical estimate since it was never filed on SEDAR. It should be noted that a qualified person has not done sufficient work to classify the historical estimate as current mineral resources, and the Company is not treating the historical estimate as current mineral resources.

The Company intends to verify the historical estimate and complete an updated technical report with current mineral resources prior to the closing of the Transaction. Verification of the Micon 2018 resource is expected to be straightforward as the core and pulps are available at the Pecoy Project, the drilling database is available along with original surveys and assay certificates.

The Pecoy Project to be acquired by the Company comprises all rights and title of the Pecoy Project currently held indirectly by Pembrook and Minandex. Additionally, Minandex is the owner of certain lands adjoining the Pecoy Project which will be optioned to the Company concurrently with the closing of the Transaction.

As an RTO, the Transaction is a fundamental change pursuant to the polices of the CSE. As consideration for Pembrook and Minandex's interests in the Pecoy Project, the Company will pay the amount of US$2,000,000 and issue 121,000,000 common shares of the Company to the shareholders of Pembrook and Minandex and 6,400,000 common shares of the Company to UMS. It is anticipated that the shareholders of Pembrook and Minandex will hold approximately 70% of the Company following closing of the Transaction and UMS will hold 3.7% of the resulting issuer.

Upon completion of the Transaction, the resulting issuer will continue to carry on the business of exploration and development of the Pecoy Project under the Company's existing name or such other name as may be approved by the Board of Directors of the resulting issuer and the TSX Venture Exchange ("TSX-V").

Completion of the Transaction is subject to a number of conditions, including but not limited to the execution of definitive agreements, mutual due diligence, the approval of all regulatory bodies having jurisdiction in connection with the Transaction (including the approval of the TSX-V), and approval of both the Company's shareholders and the shareholders of Pembrook. The Company intends to apply for an exemption from any sponsorship requirements of the TSX-V. There can be no assurance that the Transaction will be completed as proposed or at all.

In connection with the announcement of the term sheet and the Transaction, trading of the common shares of the Company on the CSE has been halted, and will remain halted until closing of the Transaction, which is currently targeted for the fourth quarter of 2021.

The term sheet has been approved by each of the Company, Pembrook, Minandex and UMS. Further details of the Transaction and related transactions, including the proposed executive management and Board of Directors of the resulting issuer were disclosed in a material change report filed on SEDAR, and will be further disclosed in future news releases.

Rude Creek Gold Property

The Rude Creek Gold property (the "Property") consists of 204 mining claims, covering 4,157 hectares located in the Whitehorse Mining District in the Yukon Territory.

Agreement

On November 16, 2018, the Company entered into an option agreement (the "Agreement") with a private entity, later amended on January 17, 2019, whereby the Company could earn a 70% interest in the Property by issuing an aggregate of 7,900,000 common shares, making cash payments totaling $2,500,001, and carrying out exploration and development work of $4,120,000.

The Company had not fulfilled the cash payment and share issuance due on January 15, 2020 and let the option to acquire 70% interest in the Property lapse. During the nine months ended August 31, 2020, the Company impaired all capitalized exploration and evaluation costs related to the Property, resulting in a loss of $151,146 in the statement of net loss and comprehensive loss.

Overall Performance and Results of Operations

Total assets increased to $2,213,052 at August 31, 2021 from $52,049 at November 30, 2020, primarily due to an increase in cash of $2,075,589. The most significant asset at August 31, 2021, was cash of $2,121,789 (November 30, 2020: $46,200). The change in cash during the nine months ended August 31, 2021 was primarily the result of $40,141 used in operating activities, $2,218,900 in proceeds on shares issued, net of share issuance costs of $32,959, and $10,800 received from the exercise of warrants.

Three months ended August 31, 2021 and 2020

The Company recorded net loss and comprehensive loss of $48,856 for the three months ended August 31, 2021 (2020: $30,791). The increase in net loss and comprehensive loss for the period was primarily attributable to:

- Professional services of $14,298 (2020: $2,250): An increase of $12,048 was primarily due to higher legal fees, related to the Transaction, incurred in the current period.

Nine months ended August 31, 2021 and 2020

The Company recorded net loss and comprehensive loss of $128,942 for the nine months ended August 31, 2021 (2020: $295,498). The decrease in net loss and comprehensive loss for the period was primarily attributable to:

- Professional services of $19,228 (2020: $40,001): A decrease of $20,773 was primarily due to higher legal fees, related to general matters, incurred in the prior period.

- Regulatory and filing of $18,154 (2020: $26,503): A decrease of $8,349 was primarily due to higher transfer agent fees incurred in the prior period.

- Loss on impairment of exploration and evaluation assets of $nil (2020: $151,146): The Company decided to let the option to acquire 70% interest in the Property lapse and incur an impairment loss in the prior period.

The decrease in net loss and comprehensive loss was partially offset by:

- Share-based compensation of $10,534 (2020: $nil): An increase of $10,534 was due to 50,000 share options granted to a director and officer in the current period, whereas none were granted in the prior period.

Liquidity and Capital Resources

As at August 31, 2021, the Company had working capital of $2,030,338 (November 30, 2020: working capital of $33,016). The ability of the Company to continue as a going concern is dependent on obtaining additional financing through equity financing or obtaining joint venture or property sale agreements for one or more properties. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms that are acceptable to the Company.

In June 2021, the Company completed a non-brokered private placement of 8,875,600 common shares at a price of $0.25 per common share for gross proceeds of $2,218,900. Proceeds of the non-brokered private placement will be used for general administrative and working capital purposes.

The Company has no bank debt or banking credit facilities in place.

Summary of Quarterly Results

The following tables summarize the Company's financial information for the last eight quarters in accordance with IFRS:

	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Revenue	$ -	$ -	$ -	$ -
Net loss for the period	(48,856)	(47,419)	(32,667)	(348,947)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.01)

	Q3 2020	Q2 2020	Q1 2020	Q4 2019
Revenue	$ -	$ -	$ -	$ -
Net loss for the period	(30,791)	(68,435)	(196,272)	(106,857)
Basic and diluted loss per share	(0.00)	(0.00)	(0.01)	(0.00)

Loss for Q1 2020 increased due to loss on impairment of exploration and evaluation assets of $151,146. Loss for Q4 2020 increased due to share-based compensation of $317,114.

Outstanding Share Data

In June 2021, pursuant to a non-brokered private placement, the Company issued 8,875,600 common shares at a price of $0.25 per common share for gross proceeds of $2,218,900.

As at the date of this report, there were 42,976,602 common shares (August 31, 2021: 42,976,602), 2,175,000 share options (August 31, 2021: 2,175,000) and nil warrants (August 31, 2021: nil) issued and outstanding.

Related Party Transactions

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

During the nine months ended August 31, 2021, key management personnel compensation included share-based compensation of $10,534 (2020: $nil).

Critical Accounting Policies and Estimates

The Company has prepared the accompanying financial statements in accordance with IAS 34, using accounting policies consistent with IFRS. Significant accounting policies, except as described below, are described in Note 3 of the Company's financial statements as at and for the year ended November 30, 2020.

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

Risks and Uncertainties

The Company currently has no revenues from operations. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company.

The Company is engaged in the acquisition of mineral properties, an inherently risky business, and there is no assurance that an economic mineral deposit will ever be discovered and subsequently put into production. Most exploration projects do not result in the discovery of commercially mineable ore deposits. The Company will seek to counter these risks to the extent possible by selecting exploration areas on the basis of their recognized geological potential to host economic deposits.

The following sets out the principal risks faced by the Company.

<u>Financing</u>
Exploration and development of mineral deposits is an expensive process, and frequently the greater the level of interim stage success the more expensive it can become. The Company has no producing properties and generates no operating revenues; therefore, for the foreseeable future, it will be dependent upon selling equity in the capital markets to provide financing for its continuing substantial exploration budgets. Restrictions on the Company's ability to finance could have a material adverse outcome on the Company and its securities.

<u>Critical accounting estimates</u>
In the preparation of financial information, management makes judgments, estimates and assumptions that affect, amongst other things, the carrying value of its mineral property assets. All deferred mineral property expenditures are reviewed, on a property-by-property basis, to consider whether there are any conditions that may indicate impairment. When the carrying value of a property exceeds its net recoverable amount that may be estimated by quantifiable evidence of an economic geological resource or reserve, joint venture expenditure commitments or the Company's assessment of its ability to sell the property for an amount exceeding the deferred costs, a provision is made for the impairment in value. Management's estimates of exploration, operating, capital and reclamation costs, if any, are subject to certain risks and uncertainties which may affect the recoverability of mineral property costs. Although management has made its best estimate of these factors, it is possible that changes could occur in the near term that could adversely affect management's estimate of the net cash flow to be generated from its properties.

<u>Legal proceedings</u>
As at the period-end and the date of this MD&A, there were no legal proceedings against or by the Company.

<u>COVID-19 uncertainty</u>
To the date of this MD&A, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic

slowdown. Global stock markets have also experienced great volatility. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions. As at the date of this report, the Company has not been significantly impacted by the spread of COVID-19.

The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Company for future periods.

Financial Instruments and Other Instruments

Financial Risk Management and Fair Value Measurement

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's financial instruments consist of cash, amounts receivable, and amounts payable and accrued liabilities. The Company measures its cash, amounts receivable, and amounts payable at amortized cost.

The carrying amounts for cash, amounts receivable, and amounts payable and accrued liabilities, approximate fair values due to the immediate or short-term maturities of these financial instruments.

Financial Instrument Risk Exposure

The Company is exposed in varying degrees to a variety of financial instrument related risks.

Credit Risk

Credit risk arises from the potential for non-performance by counterparties of contractual financial obligations. The Company is exposed to credit risk on cash and amounts receivable. The Company reduces its credit risk on cash by maintaining its bank account with a large international financial institution. The maximum exposure to credit risk is equal to the carrying value of its cash.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company controls liquidity risk by ensuring that it has sufficient cash resources to pay for its financial obligations. At August 31, 2021, the Company had working capital of $2,030,338.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign currency and price risk.

a) *Interest Rate Risk*

   The Company is nominally exposed to interest rate risk. The Company's cash earns interest at variable rates. The Company's future earned interest is exposed to short-term rate fluctuations. Interest rate exposure is considered to be insignificant.

b) *Foreign Currency Risk*

   The Company is not exposed to currency risk as all transactions are denominated in Canadian dollars.

c) *Price Risk*

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

Fair value

IFRS establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

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

The Company's financial instruments are classified and subsequently measured as follows:

Account	Classification
Cash	Amortized cost
Accounts Payable and accrued liabilities	Amortized cost

Management's Report on Internal Control over Financial Reporting

In connection with National Instrument ("NI") 52-109 (Certification of Disclosure in Issuer's Annual and Interim Filings) adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited condensed interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis.

The Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

Outlook

The Company is currently working towards closing the Transaction.

Additional information relating to the Company and the Transaction are available on SEDAR at www.sedar.com.