

**VOLATUS CAPITAL CORP.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the nine months ended October 31, 2022**

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The Management's Discussion and Analysis ("MD&A") was prepared as of December 16, 2022 and is intended to supplement and complement the unaudited condensed interim consolidated financial statements of Volatus Capital Corp. (the "Company") for the nine months ended October 31, 2022 and related notes attached thereto. Readers are also encouraged to refer to the audited consolidated financial statements of the Company for the year ended January 31, 2022 and related notes attached thereto. Accordingly, this MD&A includes the results of operations and cash flows of the Company for the nine months ended October 31, 2022 and the reader must be aware that historical results are not necessarily indicative of the future performance. All amounts are reported in Canadian dollars. The aforementioned documents can be accessed on the SEDAR web site [www.sedar.com](http://www.sedar.com).

Unless otherwise stated, financial results have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), and in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting.

The Company's unaudited condensed interim consolidated financial statements were prepared with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation for the foreseeable future. The operations of the Company were primarily funded by the issue of share capital. The continued operations of the Company are dependent on its ability to develop a sufficient financing plan, complete sufficient debt or equity financing, or generate profitable operations in the future. These condensed interim consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

**DESCRIPTION OF BUSINESS**

The Company, which was incorporated on November 6, 2018, under the laws of British Columbia, is a public company listed on the Canadian Securities Exchange (the "CSE") and trades under the symbol VC. The address of the Company's corporate office is located at Suite 2900 - 733 Seymour Street, Vancouver, British Columbia, Canada, V6B 0S6.

The Company's principal business activities include the acquisition and exploration of mineral property assets. As at October 31, 2022, the Company had not yet determined whether the Company's mineral property asset contains ore reserves that are economically recoverable. The recoverability of amount shown for exploration and evaluation asset is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the property or realizing proceeds from its disposition. The outcome of these matters cannot be predicted at this time and the uncertainties cast significant doubt upon the Company's ability to continue as a going concern.

During the year ended January 31, 2022, 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. The pandemic could result in delays in the course of business, including potential delays to its business plans and activities, and 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 uncertainties raise substantial doubt upon the Company's ability to continue as a going concern and realize its assets and settle its liabilities and commitments in the normal course of business.

## FORWARD-LOOKING STATEMENTS

Certain information in this MD&A, including all statements that are not historical facts, constitutes forward-looking information within the meaning of applicable Canadian securities laws. Such forward-looking information may include, but is not limited to, information which reflect management's expectations regarding the Company's future growth, results of operations (including, without limitation, future production and capital expenditures), performance (both operational and financial) and business prospects (including the timing and development of new deposits and the success of exploration activities) and opportunities. Often, this information includes words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate" or "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

In making and providing the forward-looking information included in this MD&A the Company's assumptions may include among other things: (i) assumptions about the price of metals; (ii) that there are no material delays in the optimisation of operations at the exploration and evaluation assets; (iii) assumptions about operating costs and expenditures; (iv) assumptions about future production and recovery; and (v) that there is no material deterioration in general economic conditions. Although management believes that the assumptions made and the expectations represented by such information are reasonable, there can be no assurance that the forward-looking information will prove to be accurate. By its nature, forward-looking information is based on assumptions and involves known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements, or results, to be materially different from future results, performance or achievements expressed or implied by such forward-looking information. Such risks, uncertainties and other factors include among other things the following: (i) decreases in the price of base precious metals; (ii) the risk that the Company will continue to have negative operating cash flow; (iii) the risk that additional financing will not be obtained as and when required; (iv) material increases in operating costs; and (v) environmental risks and changes in environmental legislation.

This MD&A contains information on risks, uncertainties and other factors relating to the forward-looking information. Although the Company has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking information, there may be other factors that cause actual results, performances, achievements or events not to be anticipated, estimated or intended. Also, many of the factors are beyond the Company's control. Accordingly, readers should not place undue reliance on forward-looking information. The Company undertakes no obligation to reissue or update forward-looking information as a result of new information or events after the date of this MD&A except as may be required by law. All forward-looking information disclosed in this document is qualified by this cautionary statement.

## EXPLORATION PROJECT

Period Ended October 31, 2022	Split Dome Copper Property	Untapped Property	To Do and Lions Den Gold Properties	JD Property	Belle Property	More Creek Property	Bentley Property	Lone Mountain Property	Williams EXT	Total
<b>Acquisition Costs:</b>										
Balance, beginning of period	\$ 363,500	\$ 960,000	\$ 1,205,000	\$ 262,250	\$ 124,793	\$ 106,606	\$ 41,250	\$ 550,000	\$ 220,000	\$ 3,833,399
Acquisition costs – cash	-	-	-	200,000	25,000	-	-	-	-	225,000
Acquisition costs – shares	-	-	-	8,750	1,875	-	-	-	-	10,625
Balance, end of period	363,500	960,000	1,205,000	471,000	151,668	106,606	41,250	550,000	220,000	4,069,024
<b>Exploration Costs:</b>										
Balance, beginning of period	117,524	98,159	183,059	1,618,379	700	168,391	56,286	95,951	125,313	2,463,762
Administration and consulting	2,500	4,000	9,950	62,873	-	-	-	5,100	4,200	88,623
Field work	-	-	500	152,385	-	-	-	-	-	152,885
Balance, end of period	120,024	102,159	193,509	1,833,637	700	168,391	56,286	101,051	129,513	2,705,270
<b>Total</b>	<b>\$ 483,524</b>	<b>\$1,062,159</b>	<b>\$ 1,398,509</b>	<b>\$ 2,304,637</b>	<b>\$ 152,368</b>	<b>\$ 274,997</b>	<b>\$ 97,536</b>	<b>\$ 651,051</b>	<b>\$ 349,513</b>	<b>\$ 6,774,294</b>

Year Ended January 31, 2022	Split Dome Copper Property	Sunset Copper Star Property	Untapped Property	To Do and Lions Den Gold Properties	JD Property	Belle Property	More Creek Property	Bentley Property	Lone Mountain Property	Lunar- Frog Property	Williams EXT	Gosco and Last Zone Properties	Total
<b>Acquisition Costs:</b>													
Balance, beginning of year	\$ 363,500	\$ -	\$ 960,000	\$ 1,205,000	\$ 139,750	\$ 88,543	\$ 81,606	\$ -	\$ 550,000	\$ 330,000	\$ 220,000	\$ 66,000	\$ 4,004,399
Acquisition costs – cash	-	-	-	-	100,000	25,000	25,000	7,500	-	-	-	25,000	182,500
Acquisition costs – shares	-	-	-	-	22,500	11,250	-	33,750	-	-	-	-	67,500
Write-down	-	-	-	-	-	-	-	-	-	(330,000)	-	(91,000)	(421,000)
Balance, end of year	363,500	-	960,000	1,205,000	262,250	124,793	106,606	41,250	550,000	-	220,000	-	3,833,399
<b>Exploration Costs:</b>													
Balance, beginning of year	-	-	-	-	196,778	700	500	-	-	-	-	-	197,978
Administration and consulting	61,126	2,400	8,263	14,175	213,988	-	6,750	2,537	49,850	-	125,313	287	484,689
Assay	-	-	-	-	5,720	-	-	-	-	-	-	-	5,720
Field work	56,398	-	89,896	168,884	1,232,224	-	161,141	53,749	46,101	-	-	-	1,808,393
Cost recovery	-	-	-	-	(30,331)	-	-	-	-	-	-	-	(30,331)
Write-down	-	(2,400)	-	-	-	-	-	-	-	-	-	(287)	(2,687)
Balance, end of year	117,524	-	98,159	183,059	1,618,379	700	168,391	56,286	95,951	-	125,313	-	2,463,762
<b>Total</b>	<b>\$ 481,024</b>	<b>\$ -</b>	<b>\$ 1,058,159</b>	<b>\$ 1,388,059</b>	<b>\$ 1,880,629</b>	<b>\$ 125,493</b>	<b>\$ 274,997</b>	<b>\$ 97,536</b>	<b>\$ 645,951</b>	<b>\$ -</b>	<b>\$ 345,313</b>	<b>\$ -</b>	<b>\$ 6,297,161</b>

## **Split Dome Copper Project**

During the year ended January 31, 2020, the Company entered into a purchase and sale agreement with a Company owned by the Chief Executive Officer to acquire up to a 100% interest, subject to a 0.25% NSR royalty, in the Split Dome copper project located near Hazelton, British Columbia. In exchange for the 100% interest, during the year ended January 31, 2021, the Company issued 250,000 shares at a value of \$270,000 and 125,000 warrants with a term of 36 months and an exercise price of \$1.20.

The Split Dome copper project consists of four claim groups totaling four claims for 5,840 hectares located 55 km north-east of Hazelton, British Columbia on the west side of the Babine Valley. The project can be accessed by active forestry roads on the northern and southern sides of the claim group, which in turn are accessed by two turnoffs north and south of Smithers on Highway 16. Lodges and camp areas are found to the south-southeast in the Fort Babine area.

The project target is a dome feature which is bifurcated by two north-south magnetic lows and has the overall magnetic signature that is indicative of an intrusive host rock but has been mapped as a sedimentary rock with a small window of intrusive rocks mapped on the north side of the magnetic signature. The regional stream sampling downstream of the Split Dome claims indicate second-order copper in silt anomalies and only one sample has been taken in the target area.

Structurally, the Split Dome Target lays on the southwest side of a Northwest / Southeast regional scale strike slip fault that locally follows the Babine river. The Split dome target is nestled in a dilational jog in the fault geometry. This dilational jog gives room for a significant sized granitic intrusive body to rise and become emplaced in the near surface. Continued activity in the dilational jog in the fault allows for the long-term structural development and the open spaces required for copper mineralization. The Lone Mountain/Mount Horetzky copper showing is located to the northwest on the opposite side of the regional fault structure and demonstrates the pregnant nature of the intrusive system. Split Dome has the signature of a large intrusive body and has the potential to host a significant copper resource.

In 2021, the Company completed a 650-line kilometer airborne survey on the project which was carried out by Precision GeoSurveys Inc. In addition, 102 soil sample were collected.

## **Untapped Property (formerly called Compass Project)**

During June 2020, the Company earned a 100% interest, subject to a 1% NSR royalty of which the Company may purchase 0.5% for \$500,000 at any time, in the Compass project by issuing 800,000 common shares with a value of \$960,000.

The Compass Project is composed of six mineral claims encompassing a land area of approximately 7,470 hectares located in the resurgent Toodoggone Mining Camp in northwestern British Columbia.

In 2021, the Company completed a 1063-line kilometer VTEM airborne survey over To Do Property.

In 2021, The Company completed a 1196-line kilometer airborne survey on the project which was carried out by Precision GeoSurveys Inc.

## **To Do and Lions Den Gold Properties (formerly called Peak and Lions Den Gold Properties)**

In June 2020, the Company entered into a purchase and sale agreement with a Company controlled by the Chief Executive Officer to acquire a 100% interest, subject to a 1.5% NSR royalty, in the Peak and Lions Den gold properties located in the Kemess-Toodoggone porphyry gold-copper epithermal gold district in northwestern British Columbia.

In exchange for the 100%, the Company issued 950,000 common shares with a value of \$1,140,000 and made a cash payment of \$65,000 during the year ended January 31, 2021.

The To Do (4,742 ha) and Lions Den (11,569 ha) properties are composed of 17 mineral claims, encompassing a total land area of approximately 13,765 ha located in the Kemess-Toodoggone porphyry gold-copper epithermal gold district in northwestern British Columbia.

Historic Showings include:

- The JIMO showing is a west trending ridge within a valley of a west-flowing stream with mineralized outcrop occurring over a 500x400 m area along the ridge and crossing into the valley floor. A 9x4 m quartz-calcite stockwork zone, hosted within andesite, along the ridge, yielded 0.38% Cu and 21.94 g/t Au over 3.7 metres. A grab sample from a 20 cm wide quartz-calcite vein hosted within brecciated tuff along the valley floor assayed 34.0 g/t Ag (Assessment Report 18465).
- The Fred showing is a series of southerly dipping quartz-carbonate-(barite) veins (up to 30 cm wide) containing mineralization with varying amounts of chalcopyrite, bornite, chalcocite, pyrite and galena. The veins are in a 10x1.5 m zone of argillic and siliceous altered brecciated augite porphyry andesites. A grab sample of the mineralization assayed 10.26 g/t Au, 2.42% Pb, 0.49% Zn, and 0.24% Cu (Assessment Report 4643).

In 2021, the Company completed a 169 line kilometers VTEM airborne survey on the To Do project.

In 2021, the Company completed a 1196-line kilometer airborne survey on the Lions Den project which was carried out by Precision GeoSurveys Inc.

### **JD Property**

In July 2020, the Company entered into an option agreement to acquire a 100% interest subject to a 2.5% NSR royalty, in the JD property ("JD") located in the Omineca Mining Division in northern British Columbia. To earn the interest, the Company must make payments totaling \$1,200,000, issue 1,000,000 common shares and incur exploration expenditures totaling \$16,000,000, as follow:

- i)\$70,000 in cash (paid) and shares valued at \$30,000 (issued) in accordance with regulatory requirements;
- ii)\$100,000 (paid) and 62,500 common shares on July 28, 2021 (issued);
- iii)\$200,000 (paid) and 125,000 common shares on July 28, 2022 (issued);
- iv)\$200,000 and 187,500 common shares on July 28, 2023;
- v)\$250,000 and 250,000 common shares on July 28, 2024;
- vi)\$350,000 and 375,000 common shares on July 28, 2025;
- vii)incur not less than \$200,000 on or before October 28, 2020 (incurred);
- viii)incur \$1,000,000 on or before October 28, 2021 (incurred);
- ix)incur \$1,300,000 on or before October 28, 2022 (being negotiated for extension);
- x)incur \$2,000,000 on or before October 28, 2023;
- xi)incur \$3,000,000 on or before October 28, 2024;
- xii)incur \$4,000,000 on or before October 28, 2025; and
- xiii)incur \$4,500,000 on or before October 28, 2026.

The Company also issued 28,393 common shares (valued at \$39,750) as finder's fees during the year ended January 31, 2021.

The property is comprised of 39 mineral claims (13,697 ha) in the resurgent Toodoggone Mining Camp located in northwestern British Columbia. The JD Property is 280 km northeast of the Omineca Mining Division (Smithers, B.C.) in the historically significant Toodoggone gold district of north-central British Columbia.

The JD Property is strategically located in the center of the Toodoggone District. It lies adjacent to the north and east of Benchmark's Lawyers property, adjacent to the south of the Porphyry Pearl and Oxide Peak properties and some 15 km south of Evergold's Golden Lion property on the north and east. Guardsmen's Ranch property is adjacent to the west.

The Kyba Red Line is on the JD Property and is prospective for epithermal gold mineralization and porphyry copper mineralization. The Triassic Stuhini Group - Jurassic Hazelton Group stratigraphic contact as depicted by the Kyba

Red Line - is predictive of a geological environment favorable for the formation of major metal deposits in proximal Hazelton Group rocks. Kyba recognized that most of the major deposits in the region occur within two kilometres of a regional stratigraphic contact and there are lithological and structural clues to narrow that window even more.

#### Project Highlights:

- Center of the Toodoggone District which is seeing a resurgence of interest in 2020 with Benchmark Metals Inc. working on the Lawyers gold deposit with a 50,000m drill program.
- \$15 million in historical work on the Project focused primarily on the epithermal gold targets.
- High grade zone with the Finn Zone has values of up to 13.28 g/t gold over 8.8m.
- 12 other significant Au and Au/Ag targets ranging from high grade veins, to stratiform and fault zone hosted mineralization with grades of up to 4m at 103.3g/t Au, 92.2 g/t Ag, 1.34% Cu and 11.7% Zn.
- Freeport-McMoran of Canada Ltd explored for and was developing a strong porphyry target from 2017 to 2019 before withdrawing for corporate imperatives, leaving a well-developed untested copper porphyry target.
- The Toodoggone region hosts Lawyers, Kemess, Baker and Shasta historic mines.

The Company's initial 2020 exploration program focused on gold exploration in the Moosehorn area, (north of Benchmark's Lawyers Trend) and porphyry copper alteration and mineralization in Mc Claire Creek and the North East Zone.

- New Copper, Gold and Silver discovery at the North East Zone.
- Grades from the North East Zone range from nil to 7.2 g/t Au, 1845 g/t Ag and 36.7 % Cu.
- 2 new gold targets defined at Moosehorn based on Soil Gas Hydrocarbon (SGH) sampling combined.
- The company is focused to continue on exploration on these core targets in 2021 while also expanding on the known gold mineralization around the Finn Zone.

The Company undertook an exploration program on the JD property from August 5, 2021 to December 21, 2021. The program consisted of setting up a helicopter access camp, mapping, sampling VTEM survey, JD resources Modeling, and Induced polarization ground geophysics.

The Company engaged the services of Geotech to undertake a helicopter-borne versatile time domain electromagnetic (VTEM) survey on the JD Property (1888-line kilometers).

#### **Leigh Creek Magnesite Project**

During the year ended January 31, 2021, the Company entered into an agreement to acquire MagMetal, a private Australian Issuer holding a 20% interest in the Leigh Creek Magnesite Pty Ltd. The Company is required to issue 1,788,724 common shares (issued at a value of \$3,040,831) and pay \$500,000 (paid). The underlying property is subject to a NSR ranging from 1.25% to 2.5%.

The fair value of 1,788,724 common shares of the Company was determined to be \$1.70 per common share, based on the market value at the date of issuance.

The Company paid \$300,000 to enter an option agreement to purchase a 100% undivided interest in exploration license #5730 in Southern Australia.

The Leigh Creek project is located in Southern Australia and is composed of two exploration licences totalling 664 square kilometres. Within the bounds of the project there are several historical magnesite occurrences: the Mount Hutton South, Mount Hutton, Mt Playfair, Pug Hill, Termination and Witchelina.

Magnesite is predominantly present as magnesium carbonate and can either be upgraded via calcination into various industrial products or refined into magnesium metal. Crest is also reviewing the significant research that is being done on magnesium-ion battery formulations, as an alternative to lithium-ion chemistry, and will establish research partnerships to actively participate in this aspect of the global electrification initiative.

Magnesite showings on the Leigh Creek project are of the cryptocrystalline sedimentary type, occurring in eoproterozoic skillogalee dolomite beds which are known to extend over 120 km in a northwest trend. The magnesite beds, which are up to eight metres thick in places, were formed by almost pure magnesite precipitation in ancient, shallow marginal marine lagoons and mud flats. The cryptocrystalline magnesite clasts are set in a microcrystalline dolomite and talc matrix, and each magnesite bed has unique chemical and mineralogical characteristics making beds.

The magnesite occurrences on the Leigh Creek project have historical resources associated with them.

Historical Resource	Measured (Mt)	Indicated (Mt)	Inferred (Mt)	Total (Mt)	MgO (%)
Mount Hutton	18.3	42.0	53.0	113.3	42.9
Mount Hutton South		72.0	53.0	125.0	42.9
Mount Playfair	0.0	21.0	23.0	44.0	42.5
Pug Hill	0.0	10.0	10.0	20.0	42.7
Termination Hill	4.0	5.0	20.0	29.0	42.8
Witchelina	23.7	94.0	99.0	216.7	40.0
Myrtle Springs	0.0	10.0		10.0	42.9

The Leigh Creek project was formerly owned by a succession of related companies, including Samag, Pima Mining and Magnesium Development Ltd., and Magnesium International Ltd. For simplicity all reference to historic information will be attributed to Samag.

These mineral resources are historical in nature and should not be relied upon. It is unlikely they conform to current CIM definition standards. They have not been verified to determine their relevance or reliability. The workload required to update these mineral resources to the current CIM standards criteria has not been evaluated. The historical resources above are all from a 2002 feasibility study generated by Samag Ltd. The parameters used to calculate each of the above historical estimates are discussed below as known. The historical resources are reported using Australasian Code for Reporting of Mineral Resources and Ore Reserves. How the categories were calculated are unknown other than stated below.

The qualified person has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves; the issuer is not treating the historical estimate as current mineral resources.

**Mount Hutton and Mount Hutton South** historical resources are sedimentary magnesite beds and were assumed to be tabular bodies, due to their planar top and bottom surfaces and consistent thickness. Tonnage calculations were made considering thickness, vertical depth, dip and specific gravity. All inferred resources were calculated to a vertical depth of 60 m. Thicknesses of each bed were calculated by considering the apparent thickness from drill intercepts and the bedding angle of the top and bottom contacts.

A thickness for each bed at an average dip was extrapolated halfway to the neighbouring traverse. Not all magnesite beds were targeted in each traverse as some beds were only intercepted twice. In this situation, beds were identified in outcrop along strike and placed in the inferred resource category. Magnesite beds intercepted in neighbouring traverses are assumed to be continuous between traverses and hence were placed in the indicated resource category. A total of 328 specific gravity readings were taken, including 100 of dolomite interburden rock. An average specific gravity was used for lower beds, which were not sampled. Grades represent weighted averages of all intercepts used in tonnage calculations.



**Witchelina resource** historical measured resources were calculated using wireframes and digital terrain model volumes. The consistent nature of the shallow marine sedimentary magnesite beds enabled this method to be used with a high level of confidence. The simple geological structure and thick uniform width of the magnesite beds at Witchelina enabled confident interpretation of cross-sections. Magnesite bed drill hole intercepts were joined with the corresponding surface outcrop, and then interpolated or extrapolated to approximately 60 m vertical depth from the overlying ground surface. Wireframe bodies were built by interpolating between magnesite intersections in each drill section. Wireframes were then validated using Micromine, and visually inspected in 3-D view. Resources were calculated from the wireframe using the Micromine modelling wireframe reserves function. An average specific gravity of 2.91 grams per millilitre was used for tonnage estimation. The average SG value was calculated from 53 magnesite half-core samples.

MgO and CaO grades from the down-hole assay file were assigned to the wireframe using 3-D-point method in the Micromine modelling wireframe reserves function. The wireframes weighted average grades were calculated using the from-to weighted method available in the wireframe reserve calculation function. A simple volumetric approach based on the assumption that magnesite beds represent tabular bodies was used to calculate tonnages from Witchelina drilling data. Weighted averages of all geochemical intercepts used in tonnage calculations constitute the grades quoted.

**Myrtle Springs and Mount Playfair** historical resources were calculated using a simple volumetric approach based on the assumption that magnesite beds represent tabular bodies was used to calculate the tonnages.

**Pug Hill and Termination Hill** historical resources were calculated using a simple volumetric approach based on the assumption that magnesite beds represent tabular bodies and was used to calculate tonnages from Pug Hill drilling data. Weighted averages of all geochemical intercepts used in tonnage calculations constitute the grades quoted.

The company's investment in magnesium metal is in alignment with its vision of the growth of the green economy. The unique properties of magnesium to create a high-strength, low-weight metal and associated alloys for use in electric vehicles allows for the reduction of vehicle weight while driving down battery size and costs.

### **Belle Property**

In August 2020, the Company entered into an agreement to acquire a 100% interest in the Belle property, located in the center of the Toodoggone Gold and Copper Mining District, northern British Columbia. To execute the option, the Company is required to make the following payments:

- i)\$25,000 (paid) and 31,250 common shares on August 5, 2020 (issued);
- ii)\$25,000 (paid) and 31,250 common shares on August 5, 2021 (issued);
- iii)\$25,000 (paid)and 31,250 common shares on August 5, 2022 (issued); and
- iv)\$25,000 and 31,250 common shares on August 5, 2023.

The Company also issued 8,464 common shares as finder's fees during the year ended January 31, 2021.

The property is subject to a 2% NSR.

The Belle property is located in the center of the Toodoggone Gold and Copper Mining District, northern British Columbia. The Belle is prospective for both gold and copper mineralization with exploration vectors suggesting that the potential for a mineralized core in the larger JD-Belle Porphyry system is located on the Belle Project.

The Belle Property comprises seven mineral tenures covering 1,691 ha and is surrounded by, and contiguous to the Company's optioned JD property in the Toodoggone gold district of north-central BC. The Belle Property is underlain by the same Jurassic age volcanic package (Toodoggone Formation) that hosts widespread gold mineralization on the JD property. Exploration on the Belle Property was most recently conducted during the 1980's where programs consisting of mapping and sampling, soil geochemistry and trenching were completed primarily by Manson Creek Resources. This work was centered approximately three kilometres due south of the JD Project's Finn Zone.

*Large scale gold and silver target highlights:*

- Strong gold and silver in soil anomalies
- Silica sinter on NE ridge with gold and silver values
- High grade grab samples with grades of up to 107 g/t Au and 103 g/t Ag
- Surrounded by the more advanced JD gold and silver project
- Located north of Benchmark's Lawyers historic gold mine and advanced exploration project

*Porphyry Copper target indicated by:*

- NW trend in QSP dykes and alteration system
- Magnetic and IP anomalies
- Spectral scanning study by Freeport McMoran in JD Project vectors towards a porphyry core on the Belle Project

In 2019, MDRU's "An Exploration Framework for Porphyry to Epithermal Transitions in the Toodoggone Mineral District" suggested the new age relationships implies that epithermal-type deposits formed contemporaneously with pluton emplacement and porphyry type K-silicate alteration at depth. The transition to a porphyry center is further supported by the high concentrations of Cu, Mo, W, and Sn (which are typically enriched in the core of porphyry system) relative to Sb, As, Ag, Li and Ti (which are typically enriched in shallow level above porphyry systems). MDRU's new framework clearly suggest the potential for exploration of porphyry-type copper mineralization in areas previously known for epithermal mineralization.

*Mineralization details*

In 2013, Tower was first to recognize a significant porphyry-related hydrothermal alteration system in which classic alteration, mineralization and veining were encountered in three holes along a strike length of 850 metres. The dominantly phyllic (quartz plus sericite plus pyrite) alteration with anomalous copper mineralization is believed to be related to a deeper copper-mineralized porphyry system as one hole (JD-13-025) bottomed in 1.4 metres of 4,665 ppm Cu hosted in an altered intrusion at 229 metres downhole. The 2013 drilling only tested a small portion of an induced polarization chargeability. The chargeability anomaly is largely coincident with a multiple element (copper, gold, silver and tellurium) soil geochemical anomaly and an 800 m by 800m magnetic anomaly identified in a historic airborne geophysical survey. The discovery of the alteration system indicates that a robust porphyry related hydrothermal system underlies the eastern side of the Property. Work by Freeport in 2019 suggest the core of this porphyry system is located on the Belle Project.

Gold and silver mineralization on the Belle Property has been observed in two areas; the South Zone and the North Zone, which are 1.5 kilometres apart. Gold and silver mineralization of the South Zone is hosted in a northwest striking shear zone that has been traced by systematic trenching for 200 meters along strike. This zone is characterized by a wide (up to 20 meters) northwest trending zone of argillic alteration cored by sulphide bearing (pyrite, galena, and sphalerite) siliceous breccias with minor barite. Numerous open gold in-soil anomalies (up to 300 by 100 meters) are associated and correlate well with known areas of mineralization of the South Zone. High grade grab samples collected in 1986 by Manson Creek Resources from altered andesite located in outcrop at the northern extent of this zone have returned impressive assays of up to 107 g/t Au with 103 g/t Ag. In 1988 Manson Creek Resources completed 328 meters of trenching in the vicinity of the aforementioned grab sample aimed at expanding the mineralized zone along strike. Highlights from this trenching program include intersections such as 9 meters grading 2.1 grams per ton (g/t) Au and 9.5 g/t Ag (trench 88-04).

The Northern Zone is mostly exposed in mineral claims comprising the JD property. This zone is characterized by northeast trending discrete structurally controlled alteration zones comprising varying degrees of silicification with secondary barite up to 32 metres wide. Northeast trending gold in-soil anomalies correlate well with known areas of mineralization. All geochemical anomalies remain open along strike. Grab samples from this zone have returned assays of up to 2.2 g/t Au and 16.8 g/t Ag from altered volcanic rocks.

The Company completed 3 survey lines of the proposed 4 lines by Induced Polarization geophysical survey ("IP") at Belle property. The survey was carried out by Peter E. Walcott and Associates Ltd.

## **More Creek Property**

In August 2020, the Company entered into an agreement to acquire a 100% interest in the More Creek Project, located the Golden Triangle District of northwest British Columbia. To execute the option, the Company is required to make the following payments:

- i)\$25,000 on August 21, 2020 (paid);
- ii)25,000 common shares on or before September 1, 2020 (issued);
- iii)\$25,000 in cash or shares on or before July 22, 2021 (paid);
- iv)\$50,000 in cash or shares on or before August 21, 2022 (pending); and
- v)\$50,000 in cash or shares on or before July 22, 2023.

The Company is required to incur exploration expenditures totaling \$600,000 as follow:

- i)\$100,000 on or before December 31, 2021 (incurred);
- ii)\$250,000 on or before August 21, 2023; and
- iii)\$250,000 in development costs on or before December 31, 2023.

The Company also issued 11,286 common shares as finder's fees during the year ended January 31, 2021.

The property is subject to a 2% NSR. In the event the Company acquires 100% interest in the property, the property will be subject to an additional 1% NSR of which 0.5% can be purchased at any time for \$500,000.

The More Creek Project is located in the heart of the Golden Triangle District, British Columbia. It is an early stage project which hosts gold in stream and till samples. Looking up slope from the stream and till sample locations anomalous mercury in two discrete silica caps suggest the potential for a gold enrichment lower in the epithermal system.

The More Creek property comprises five mineral tenures totaling 6,432 hectares in the Golden Triangle District of northwest British Columbia. The property was staked by Tower. More Creek is approximately 55 kilometers north of Newcrest Mining Limited's significant Brucejack development project.

Together, these historic data suggest the Sinter zone may represent the upper, barren zone of an epithermal gold system and gold mineralization should be targeted vertically below the outcropping alteration zone. This exploration model has not yet been tested by systematic diamond drilling. The known showings remain underexplored with numerous opportunities to expand the exploration targets through follow up on anomalous stream sediments and till samples.

In 2021 The Company completed a 965-line kilometer airborne survey on the Project which was carried out by Precision GeoSurveys Inc.

## **Bentley Property**

During the year ended January 31, 2022, the Company acquired a 100% interest in the Bentley property located in the Toodoggone district north central British Columbia by issuing 62,500 common shares (valued at \$33,750) and paying \$7,500 (paid).

In 2022, the Company engaged the services of Geotech to undertake a helicopter-borne versatile time domain electromagnetic (VTEM) survey on the Bentley Property (266-line kilometers), Nine (09) rock samples were collected. The property consists of four contiguous mineral tenures with a total area of 4904 hectares.

## **EXT Property (formerly called Williams Extension East-West Property)**

In November 2020, the Company entered into an agreement to acquire a 100% interest in Williams Extension East-West property located in the Golden Horseshoe of Toodoggone Region, located 70 km northwest of Kemess, British Columbia. To earn the interest, the Company issued 250,000 common shares (valued at \$220,000).

The Company engaged the services of Precision GeoSurveys of Langley to undertake a 1445 -line km airborne geophysical survey. The survey was flown October 16 to October 19, 2021. The EXT property consists of 9 contiguous mineral claims covering 12,879.82 ha located on NTS Map sheet 94E/13 centered at 57° 50' 00" North Latitude 127° 43' 38" West Longitude in the Liard Mining Division of British Columbia, 3450 km north of Smithers. Access to the property is by helicopter, with the nearest road 75 km to the southeast.

### **Lone Mountain Property**

In November 2020, the Company entered into an agreement to acquire a 100% interest in Lone Mountain property located in British Columbia. To earn the interest, the Company issued 625,000 common shares (valued at \$550,000). The Lone Mountain property is subject to historical underlying 2% NSR.

The Company completed a 521 line kilometer airborne magnetic survey on the project which was carried out by Precision GeoSurveys Inc.

### **Gosco claims and the Last Zone**

In November 2020, the Company entered into an agreement to acquire a 100% interest in Gosco claims and the Last zone located in British Columbia. To earn the interest, the Company is required to pay \$25,000 and issue 75,000 common shares (issued at a value of \$66,000). The Gosco claims and the Last Zone claims are subject to a 1% NSR. The Gosco claims are approximately 60 kilometres north of the town of Hazelton, B.C.

Mineralization identified to date occurs as polymetallic veins. Copper and gold are reported in some of the occurrences with average grades of 0.09% copper and 4 g/t gold. The Last Zone property consists of five non-contiguous mineral claims located 73 km southeast of the village of Dease Lake. Known mineralization on the Last zone property is the Bonus and No. 1 MINFILE occurrences. Chip samples across the Bonus zone averaged up to 1.94 % copper and 35.7 g/t silver over 10.0 metres. The No.1 occurrence is located 1.8 km southwest of the Bonus zone. It consists of a north-striking shear vein which ranges in width between 0.6 and 1.5 metres. Some high grades, including 5.94% Cu and 41.5 g/t Ag, have been reported.

During the year ended January 31, 2022, the Company has impaired the property to \$Nil and recorded a write-down of \$91,287 in the statement of loss and comprehensive loss.

## **RESULTS OF OPERATIONS**

### *Nine Months Ended October 31, 2022*

The Company incurred a loss and comprehensive loss of \$586,747 (2021 – \$289,032) for the nine months ended October 31, 2022. A brief explanation of the significant changes in expenses by category is provided below:

- Gain on investment of \$Nil (2021 – \$139,811) decreased due to the exercise of warrants in Rain City Resources during the comparative period.
- Interest on loans receivable of \$Nil (2021 – \$19,269) due to a decrease in loan amounts outstanding in the current period.
- Interest on loans payable of \$65,176 (2021 – \$Nil) due to an increase in loans received in the current period.
- Management and consulting fees of \$373,210 (2021 – \$181,550) due to an increase in activity in the Company resulting in increased number of consultants in the current period.
- Realized gain on marketable securities of \$5,229 (2021 – \$10,325) due to the sale of marketable securities during the current period.
- Rent of \$15,525 (2021 – \$35,350) due to the timing of rent fees incurred in comparative period.

- Reversal of flow-through premium liability of \$Nil (2021 – \$40,000) due to the flow-through proceeds incurred during the current period.
- Unrealized loss on marketable securities of \$39,547 (2021 – \$174,961) due to a decrease in the fair market value of unsold marketable securities in the current period.
- Write-off of exploration and evaluation assets of \$Nil (2021 – \$2,400) decreased due to a write-down related to the Sunset Copper Star in the comparative period.

#### *Three Months Ended October 31, 2022*

The Company incurred a loss and comprehensive loss of \$233,523 (2021 – \$155,816) for the three months ended October 31, 2022. A brief explanation of the significant changes in expenses by category is provided below:

- Interest on loans payable of \$1,139 (2021 – \$Nil) due to an increase in loans received in the current period.
- Management, director and consulting fees of \$164,310 (2021 – \$56,050) due to an increase in activity in the Company resulting in an increased number of consultants in the current period.
- Realized gain on marketable securities of \$3,230 (2021 – loss of \$42,996) due to the sale of marketable securities during the current and previous period.
- Reversal of flow-through premium liability of \$Nil (2021 – \$40,000) due to the flow-through proceeds incurred during the current period.
- Unrealized loss on marketable securities of \$36,845 (2021 – \$46,436) due to a decrease in the fair market value of unsold marketable securities in the current period.

#### **QUARTERLY INFORMATION**

	<b>October 31, 2022</b>		<b>July 31, 2022</b>		<b>April 30, 2022</b>		<b>January 31, 2022</b>	
Total revenue	\$	-	\$	-	\$	-	\$	-
Net loss for the period	\$	(233,523)	\$	(196,420)	\$	(156,804)	\$	(541,200)
Basic and diluted loss per share	\$	(0.01)	\$	(0.01)	\$	(0.01)	\$	(0.01)
Total assets	\$	10,935,909	\$	10,435,123	\$	10,425,485	\$	10,398,738
Total long-term liabilities	\$	-	\$	-	\$	-	\$	-
	<b>October 31, 2021</b>		<b>July 31, 2021</b>		<b>April 30, 2021</b>		<b>January 31, 2021</b>	
Total revenue	\$	-	\$	-	\$	-	\$	-
Net income (loss) for the period	\$	(155,816)	\$	(163,302)	\$	30,086	\$	(125,883)
Basic and diluted income (loss) per share	\$	(0.00)	\$	(0.00)	\$	0.00	\$	(0.00)
Total assets	\$	10,542,211	\$	9,914,147	\$	9,401,519	\$	9,192,281
Total long-term liabilities	\$	-	\$	-	\$	-	\$	-

During the quarter ended October 31, 2022, net loss increased to \$233,523 (July 31, 2022 – \$196,420) due to unrealized loss of \$36,845 in the current period.

During the quarter ended July 31, 2022, net loss increased to \$196,420 (April 30, 2022 – \$156,804) due consulting fees of \$134,400 in the current period.

During the quarter ended April 30, 2022, net loss decreased to \$156,804 (January 31, 2022 – \$541,200) due to writing off of the Lunar-Frog, Gosco and Last Zone Properties resulting in an impairment cost of \$421,287 in the comparative period.

During the quarter ended January 31, 2022, total assets decreased to \$10,398,738 (October 31, 2021 - \$10,542,211) due to write-off of the exploration and evaluation assets of \$423,687 related to the Sunset Copper Star, Lunar-Frog, Gosco & Last Zone Properties.

During the quarter ended October 31, 2021, total assets increased to \$10,542,211 (July 31, 2021 - \$9,914,147) due to field work of \$275,866 and geological and survey work of \$473,726 completed at the JD property.

During the quarter ended July 31, 2021, net loss increased to \$163,302 (April 30, 2021 – income of \$30,086) primarily due to the exercise of warrants in Rain City Resources.

During the quarter ended April 30, 2021, net income increased to \$30,086 (January 31, 2021 – net loss of \$125,883) due to unrealized gain on Origen Resources Inc. common shares of \$123,597.

During the quarter ended January 31, 2021, net loss increased to \$125,883 (October 31, 2020 – net income of \$45,156) due to write off of the Sunset Copper Star property of \$133,795. Total assets increased from \$9,192,281 (October 31, 2020 - \$7,609,768) due to acquisition costs related to four new properties during the quarter.

## TRANSACTIONS WITH RELATED PARTIES

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

Key management includes directors and key officers of the Company, including the President, Chief Executive Officer and Chief Financial Officer. The remuneration of directors and other members of key management personnel during the periods ended October 31, 2022 and 2021 were as follows:

	Nature of transactions	2022	2021
<b>Related parties:</b>			
Chief Executive Officer	Management fees	\$ 40,000	\$ -
Former Chief Executive Officer	Exploration	\$ 50,000	\$ 44,000
Former Chief Executive Officer	Management fees	\$ -	\$ 31,000
Chief Financial Officer	Management fees	\$ 14,000	\$ 9,000
A Company controlled by a director of the Company's subsidiary	Management fees	\$ -	\$ 28,000
A Company related by a common former Chief Executive Officer	Management fees	\$ 50,750	\$ 65,250
A Company related by a common former Chief Executive Officer	Consulting fees	\$ -	\$ 37,500

As at October 31, 2022, accounts payable and accrued liabilities include \$208,934 (January 31, 2022 – \$170,009) due to related parties. All amounts due to related parties are unsecured, non-interest bearing and have no fixed terms of repayment.

During the year ended January 31, 2020, the Company entered into a loan agreement with a Company controlled by a common director to lend \$100,000. The principal amount of the loan plus accrued interest of 12% per annum shall be payable on demand and the borrower has pledged marketable securities as collateral against repayment of the loan and accrued interest. During the year ended January 31, 2020, the Company accrued \$2,334 of interest. During the year ended January 31, 2021, the Company accrued \$6,148 of interest and received \$100,000. During the year ended January 31, 2022, the Company accrued \$42 and transferred \$8,524 to accounts payable. At January 31, 2022, \$Nil (2021 - \$8,482) of interest remained unpaid.

In May 2020, the Company entered into a loan agreement with a Company controlled by the former Chief Executive Officer to lend \$40,000. The principal amount of the loan plus accrued interest of 2% per month shall be payable on or before 10 days after notice in writing of demand by the Company. The borrower has pledged 4,000,000 common shares of Origen Resources Inc. as collateral against repayment of the loan and accrued interest. During the year ended January 31, 2022, the Company accrued \$4,760 (2021 - \$6,523) in interest receivable and received \$51,286.

In June 2020, the Company entered into a loan agreement with a company controlled by a common director to lend \$150,000. The principal amount of the loan plus accrued interest of 2% per month shall be payable on or before 10 days after notice in writing of demand by the Company. During the year ended January 31, 2021, the Company accrued \$6,707 of interest and received \$150,000. During the year ended January 31, 2022, the Company transferred \$6,653 to accounts payable. At January 31, 2022, \$Nil (2021 - \$6,707) of interest remained unpaid.

In June 2020, the Company entered into a loan agreement with a Company controlled by the former Chief Executive Officer to lend \$100,000. The principal amount of the loan plus accrued interest of 2% per month shall be payable on or before 10 days after notice in writing of demand by the Company, such demand not to be made before November 20, 2020. The Company received a 5% interest in certain mineral claims of True Grit and Middle Ridge projects in Newfoundland as a loan fee (valued at \$Nil). During the year ended January 31, 2022, the Company accrued \$8,613 (2021 - \$14,597) of interest, received \$13,313, and transferred \$109,897 to accounts payable.

In August 2020, the Company entered into a loan agreement with a Company controlled by the former Chief Executive Officer to lend \$50,000. The principal amount of the loan plus accrued interest of 2% per month shall be payable on or before 10 days after notice in writing of demand by the Company, such demand not to be made before February 18, 2021. The Company received a 5% interest in certain mineral claims in Labrador and Quebec as a loan fee (valued at \$Nil). During the year ended January 31, 2022, the Company accrued \$5,198 (2021 - \$5,458) and received \$60,656.

In December 2021, the Company entered into a loan agreement with a Company controlled by a common director to borrow \$115,000. The principal amount of the loan plus accrued interest of 10% per annum and a 20% bonus shall be payable on June 17, 2022. During the year ended January 31, 2022, the Company accrued \$1,393 of interest. During the period ended October 31, 2022, the Company accrued \$23,945 of interest. During the period ended October 31, 2022, the Company repaid the loan in full.

In February 2022, the Company entered into a loan agreement with a Company controlled by a common director to borrow \$187,000. The principal amount of the loan plus accrued interest of 10% per annum and a 20% bonus shall be payable on August 2, 2022. During the period ended October 31, 2022, the Company accrued \$38,578 of interest. During the period ended October 31, 2022, the Company repaid the loan in full.

In March 2022, the Company entered into a loan agreement with a Company controlled by a common director to borrow \$30,000. The principal amount of the loan plus accrued interest of 10% per annum and a 20% bonus shall be payable on demand. During the period ended October 31, 2022, the Company accrued \$1,596 of interest and repaid \$28,000 of the loan.

In April 2022, the Company entered into a loan agreement with a Company controlled by a common director to borrow \$12,000. The principal amount of the loan plus accrued interest of 10% per annum and a 20% bonus shall be payable on October 20, 2022. During the period ended October 31, 2022, the Company accrued \$638 of interest.

In May 2022, the Company entered into a loan agreement with a Company controlled by a common director to borrow \$10,000. The principal amount of the loan plus accrued interest of 10% per annum and a 20% bonus shall be payable on November 30, 2022. During the period ended October 31, 2022, the Company accrued \$419 of interest.

During the year ended January 31, 2021, the Company received 432,500 shares of Exploits, a company controlled by the Company's Chief Executive Officer, at a fair value of \$142,025 as a loan fee. The Company purchased 50,000 shares of Exploits, at a fair value of \$32,495 and sold 50,000 shares for \$33,312 resulting in a realized gain of \$15,227. At January 31, 2021, the fair value of the shares was \$203,275 using the quoted trading price. An unrealized gain on marketable securities of \$46,840 was recognized on profit or loss. During the year ended January 31, 2022, the Company sold 432,500 shares for \$212,977 resulting in a realized gain of \$56,542 and an unrealized loss of \$46,840.

During the year ended January 31, 2021, the Company purchased 400,000 units in Origen Resources Inc., a company controlled by the Company's Chief Executive Officer, at a fair value of \$72,000. Each unit consists of one common share and one common share purchase warrant. Each warrant may be exercised to purchase a additional common share at a price of \$0.22 on or before April 28, 2022. The fair value of the warrants was \$49,800 resulting in a gain on investment of \$49,800. The Company purchased an additional 427,000 shares in Origen Resources Inc., at a fair value of \$102,377 and sold 85,000 shares for \$11,972 resulting in a realized loss of \$3,328. At January 31, 2021, the fair value of the shares was \$170,660 using the quoted trading price. An unrealized gain on marketable securities of \$11,583 was recognized on profit or loss. During the year ended January 31, 2022, the Company purchased 496,500 shares at a fair value of \$137,158 and sold 708,500 shares for \$197,766 resulting in a realized gain of \$27,917 and an unrealized loss of \$11,583. The Company transferred 530,000 shares to Rain City Resources Inc. as compensation when the Company exercised 3,000,000 warrants of Rain City Resources Inc. resulting in a loss on investment of \$126,387. At October 31, 2022, the fair value of the warrants was \$Nil (January 31, 2022 - \$25,500) resulting in a loss on investment of \$25,500 (January 31, 2022 - \$24,300).

## **LIQUIDITY AND CAPITAL RESOURCES AND CAPITAL EXPENDITURES**

At October 31, 2022, the Company had working capital deficiency of \$542,414 (January 31, 2022 – \$931,659). Management of the Company is confident that it will have sufficient working capital to meet its anticipated financial obligations for the next fiscal year.

During the period ended October 31, 2022, cash flows used in operating activities was \$492,429 (2021 – \$866,556) relating to general operating expenses detailed on the statement of financial position (see [www.sedar.com](http://www.sedar.com)). The majority of these cash flows related to interest on loans payable and management, director and consulting fees.

During the period ended October 31, 2022, cash flows used in investing activities was \$710,248 (2021 – \$681,919). It consists primarily of exploration and evaluation assets and purchase of marketable securities.

During the period ended October 31, 2022, cash flows provided by financing activities was \$1,287,584 (2021 – \$1,605,874). It consists primarily of proceeds received related to private placement.

During the period from February 1, 2022 to December 16, 2022, the Company had the following share capital transactions:

- (i) closed a non-brokered private placement and issued 3,050,000 units at \$0.20 per unit for gross proceeds of \$610,000. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.28 for a term of five years expiring March 9, 2027.
- (ii) issued 125,000 common shares pursuant to the acquisition of JD Property.



- (iii) issued 31,250 common shares pursuant to the acquisition of Bentley Project.
- (iv) closed the first tranche of a non-brokered private placement and issued 4,500,000 flow-through units and 9,850,000 non-flow through units at \$0.05 per unit for total proceeds of \$717,500. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one common share for a period of five years at a price of \$0.06.
- (v) closed the second tranche of a non-brokered private placement and issued 2,000,000 flow-through units and 300,000 non-flow through units at \$0.05 per unit for total proceeds of \$115,000. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one common share for a period of five years at a price of \$0.06.

## **OFF-BALANCE SHEET ARRANGEMENTS**

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

## **PROPOSED TRANSACTIONS**

The Company is continually involved in the review and evaluation of mineral projects. However, no agreements with respect to the acquisition of any such mineral projects have yet been entered into, and there can be no assurance that the Company will, in fact, be successful in entering into any such agreements or acquiring interests in any additional mineral properties, even if a formal letter of intent to proceed with formal negotiations is executed.

As at the date of this MD&A, there are no proposed transactions where the Board of Directors, or senior management who believe that confirmation of the decision by the board is probable, have decided to proceed with that have not been publicly disseminated.

## **ACCOUNTING POLICIES AND FUTURE ACCOUNTING POLICIES**

Please refer to the October 31, 2022 condensed interim consolidated financial statements on [www.sedar.com](http://www.sedar.com) for details on accounting policies adopted in the year as well as future accounting policies.

## **FINANCIAL INSTRUMENTS AND FINANCIAL RISK**

The Company's financial instruments consist of cash, amounts receivable, loan payable, marketable securities and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted. See Note 8 of the Company's condensed interim consolidated financial statements for the period ended October 31, 2022 for a discussion of the Company's risk exposure and the impact thereof on the Company's financial instruments.

The Company's cash at October 31, 2022 was \$89,734 and was primarily held at a major Canadian financial institution.

## **DISCLOSURE OF OUTSTANDING SHARE DATA (as at December 16, 2022)**

### Authorized Capital

Unlimited common shares without par value

### Issued and Outstanding Capital

34,748,604 common shares outstanding

### Warrants Outstanding

The following warrants were outstanding.

<u>Expiry Date</u>	<u>Exercise Price</u>	<u>Number of warrants</u>	<u>Number of warrants Exercisable</u>
February 5, 2023	\$1.20	125,000	125,000
September 22, 2026	\$0.48	1,000,000	1,000,000
October 12, 2026	\$0.48	1,000,000	1,000,000
November 12, 2026	\$0.48	231,250	231,250
March 9, 2027	\$0.28	3,050,000	3,050,000
September 6, 2027	\$0.06	14,350,000	14,350,000
October 5, 2027	\$0.06	2,300,000	2,300,000
		22,056,250	22,056,250

### Escrow Shares

The Company had Nil shares held in escrow as at October 31, 2022 and December 16, 2022.

### **CHANGE IN MANAGEMENT**

On February 22, 2022, the Company announced the appointment of Alex McAulay as a director of the Company.

On July 5, 2022, the Company announced the appointment of Christopher Reynolds as President, CEO, and director of the Company replacing former President, CEO, and director Fred Tejada.