

Nine Mile Metals Ltd.

Management’s Discussion and Analysis

Year Ended September 30, 2022

Nine Mile Metals Ltd.

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Management's Discussion and Analysis

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The following is management's discussion and analysis ("MD&A") of Nine Mile Metals Ltd. and its subsidiary (together, "Nine Mile" or the "Company"), prepared as of January 24, 2023. This MD&A is intended to assist the reader to assess material changes in the financial condition and results of operations of Nine Mile as of September 30, 2022 and for the year then ended. This MD&A should be read together with the audited consolidated financial statements for the year ended September 30, 2022 and related notes thereof. Financial amounts are expressed in Canadian dollars unless otherwise indicated.

This MD&A contains "forward-looking information" which may include, but is not limited to, statements with respect to the future financial or operating performance of the Company. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or statements that certain actions, events or results "may", "could", "would", "likely", "might" or "will" be taken, occur or be achieved.

To the extent that such statements are not recitations of historical fact, such statements constitute forward-looking statements which, by definition involve risks and uncertainties. Where in any forward-looking information, the Company expresses an expectation or belief as to future results or events, such expectation or belief is expressed in good faith and believed to have a reasonable basis, but there can be no assurance that the statement of expectation or belief will result or be achieved or accomplished.

Although the Company believes that the expectations reflected in the forward-looking statements are reasonable, the Company cannot guarantee future results, levels of activity, performance or achievements. Except as required by applicable law, the Company does not intend to update any of the forward-looking statements to conform these statements to actual results.

The Company's audited consolidated financial statements for the year ended September 30, 2022 have been prepared in accordance with accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee.

Overview

The Company was incorporated under the *Business Corporations Act* in British Columbia on June 8, 2018 as 1167609 B.C. Ltd. On November 19, 2018, the Company changed its name to Stevens Gold Nevada Inc. In April 2021, the Company completed an amalgamation, whereby the Company and its wholly-owned subsidiaries Lynx Gold Mining Corp. ("LGMC") and Lynx Gold Corp. were amalgamated as one company under the name Stevens Gold Nevada Inc. On June 14, 2022, the Company dissolved its wholly-owned subsidiary, Lynx Gold Exploration Corp. (a Nevada corporation).

On January 18, 2022, the Company changed its name to Nine Mile Metals Ltd. and commenced trading on the CSE under the symbol "NINE". The Company changed its name to reflect its focus on its mining projects in New Brunswick, Canada, one of which is known as "Nine Mile Brook". The Company's shares are also listed or quoted on the OTCQB Venture Market under the trading symbol "VMSXF" and the Frankfurt Stock Exchange (the "FSE") under the symbol "KQ9".

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The principal business of the Company is to acquire, explore, and develop mineral properties and ultimately seek earnings by exploiting mineral claims. The Company is currently focused on its mineral projects in New Brunswick and continues to evaluate and review potential resource properties and other business opportunities as possible options or joint ventures. The Company's registered and head office is located at 350 – 1650 West 2nd Ave, Vancouver, BC, V6J 1H4.

The disclosure of technical information in this MD&A has been prepared in accordance with Canadian regulatory requirements as set out in National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101") and reviewed and approved by Gary Lohman, B.Sc., P. Geo. Director and V.P. Exploration who acts as the Company's Qualified Person, and is not independent of the Company.

Covid-19

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, leading to an economic downturn. The COVID-19 pandemic has impacted and could further impact the Company's operations and the operations of the Company's suppliers and vendors resulting from quarantines, facility closures, and travel and logistics restrictions. The extent to which the COVID-19 pandemic impacts the Company's business, results of operations and financial condition will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to the duration, spread, severity, and impact of the COVID-19 pandemic, the effects of the COVID-19 pandemic on the Company's suppliers and vendors and the remedial actions and stimulus measures adopted by local and federal governments, and to what extent normal economic and operating conditions can resume. Even after the COVID-19 pandemic has subsided, the Company may experience adverse impacts to its business related to economic recession or depression that has occurred or may occur in the future. At the date of this MD&A, the impact on the Company has not been significant, but management continues to monitor the situation.

Corporate Developments

- In January 2022, the Company, pursuant to a purchase and sale agreement with Fiddlehead Mining Corp. ("Fiddlehead"), acquired 100% of the mineral claims know as Canoe Landing Lake West ("Canoe" or "Canoe Project"), 50% of the mineral claims known as Nine Mile Brook ("Nine Mile Brook" or "Nine Mile Brook Project") and a mineral property option to acquire the remaining 50% of the Nine Mile Brook claims (the "Nine Mile Option") (the "Transaction"). Canoe and Nine Mile Brook (the "Properties") are located in eastern New Brunswick. See *Mineral Properties* below.
- In January 2022, the Company changed its name to Nine Mile Metals Ltd. to reflect its focus on the Properties, as defined below, in New Brunswick, Canada.
- In March 2022, the Company acquired 35 claim units (the "New Claims") on the east flank of the Nine Mile Brook Project, New Brunswick. See *Mineral Properties* below.
- In March 2022, the Company announced its Technical Committee members. The Technical Committee is comprised of the Company's directors Jean Luc Roy and Patrick Cruickshank, MBA, and also advisors Gary Lohman, B.Sc., P.Geo., and Daniel Card, P.Geo, RPGeo.
- In March 2022, the Company entered into an agreement to engage EarthEX Geophysical Solutions Inc. ("EarthEX") of Selkirk, Manitoba, utilizing their proprietary technology and methodology for a

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complete reprocessing and 3D interpretive analysis of its New Brunswick properties. See *Mineral Properties* below.

- In April 2022, the Company announced an initial Phase 1 drill program and commenced mobilization at its Nine Mile Brook Project in New Brunswick. See *Mineral Properties* below.
- In April 2022, the Company signed a new mineral property option to acquire all the vendor's right, title and interest in and to 12 mineral claims: California Lake (6 claims), Canoe Landing Lake East (4 claims); and Nine Mile Brook area (2 claims) of the BMC, New Brunswick. See *Mineral Properties* below.
- In May 2022, the Company completed its Phase 1 drill program on its Nine Mile Brook property located in the BMC, New Brunswick. See *Mineral Properties* below.
- In June 2022, the Company's announced certified assay results from its Phase 1 drill program. See *Mineral Properties* below.
- In July 2022, the Company completed a non-brokered private placement for proceeds of \$1,682,153 from the issuance of 8,858,625 units of its securities. A total of 876,000 of the units are flow-through at a price of \$0.28 per FT unit, and a total of 7,982,625 of the units are non-flow-through units at a price of \$0.18 per NFT unit.
- In August 2022, the Company held its AGSM and elected six members to its board of directors including new member Gary Lohman. The Company also appointed Patrick Cruickshank as CEO and Gary Lohman as VP Exploration. Charles MaLette stepped down as CEO but remains President.
- In September 2022, the Company announced it had filed the necessary drill permits for its previously announced 5,000m stage 2 drill program at its Nine Mile Brook Volcanogenic Massive Sulphides ("VMS") Project in the world famous Bathurst Mining Camp ("BMC").
- In September 2022, the Company announced it had filed the necessary drill permits for its initial phase 1 drill program at its California Lake VMS Project in the BMC.
- In October 2022, the Company announced that drilling has commenced at the Company's California Lake VMS Project utilizing track-mount drill rigs operated by Lantech Drilling.
- In October 2022, the Company announced its 1,000-line Kms UAV Magnetics Drone Survey has discovered three (3) massive VMS source targets, two (2) additional new Spruce Lake formation VMS target systems and a host of additional high priority lens targets.
- In November 2022, the Company announced it had drilled and confirmed a VMS system at its inaugural California Lake Project drill program, in the BMC. The Company also announced it has drilled additional VMS mineralization at its California Lake VMS project drill program.
- In November 2022, the Company announced that it had completed its initial stage 1 drill program at its California Lake VMS Project. See *Mineral Properties* below.
- In November 2022, the Company announced that it has secured a track mounted deep drilling rig for its Nine Mile Brook VMS project and drilling to begin in December 2022.
- In November and December 2022, the Company announced the XRF results for VMS target holes at its initial Phase 1 drill program at its California Lake VMS Project in the BMC. See *Mineral Properties* below for results.

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- In December 2022, the Company announced it had received a full grant from The National Research Council of Canada Industrial Research Assistance Program for its bulk sample metallurgical analysis being conducted by RPC Science & Engineering, Fredericton, New Brunswick. This grant was provided by The National Research Council of Canada Industrial Research Assistance Program ("NRC-IRAP"). The objectives of this analytical program are to improve and define the recovery opportunities for the VMS mineralization of the upcoming 2000-3000 Tonne bulk sample at the Nine Mile Brook VMS Lens project.
- In December 2022, the Company completed a private placement offering, raising total gross proceeds of \$1,271,000 with the issuance of 3,971,875 flow-through units (each, a "Flow Through Unit") at a price of \$0.32 per Flow Through Unit. Each Flow Through Unit consists of one flow-through common share of the Company and one-half of one common share purchase warrant, with each warrant entitling the holder thereof to purchase one common share at a price of \$0.45 for a period of 24 months. In consideration for their services in introducing subscribers to the Company under the private placement, finders received 109,375 common share purchase warrants, exercisable to purchase one common share at a price of \$0.45 for a period of 24 months and cash of \$35,000.

New Directors

In connection with the acquisition of the Properties, the Company appointed Mr. Patrick J. Cruickshank to its board of directors, effective January 24, 2022. Mr. Cruickshank received his MBA from the Schulich School of Business at York University in 1989. Mr. Cruickshank brings over 20 years of experience from the wealth management sector working for Merrill Lynch, Legg Mason, Citigroup Capital Markets, where he focused on creating and protecting wealth while specializing in funding growth companies. Mr. Cruickshank was an NFLPA Advisor from 2000 to 2012, until transitioning into Private Equity. Since 2012, Mr. Cruickshank has concentrated on acquiring, funding and growing companies in the energy and resource sector. Mr. Cruickshank has been the current CEO of Fiddlehead since 2019 and serves as a director on a number of private companies. Mr. Cruickshank is also a former Canadian Olympic/U23 soccer player, US NCAA Division 1 Collegiate player and coach.

In February 2022, the Company appointed Mr. Jean Luc Roy to its board of directors and Mr. John Mirko resigned as a director of the Company. Mr. Roy is a mining executive with over 30 years of experience. He was President and CEO of El Nino Ventures Inc. where they were involved in the BMC in New Brunswick, Canada and the Democratic Republic of Congo ("DRC") in Africa. He worked and lived in Africa for over 25 years where he held the following positions: Chief Operating Officer for Ampella Mining Ltd., West African Manager for Centamin PLC, Country Manager for First Quantum Minerals Ltd. in the DRC, and Managing Director West Africa for Semafo Inc. in Burkina Faso. He is presently COO of Deep South Resources Inc. and director of Can Alaska Uranium Ltd. and Deep South Resources Inc. where he is also a member of the audit and compensation committees. Mr. Roy holds a Bachelor of Commerce from Concordia University.

In August 2022, Gary Lohman has been appointed as a new member of the company's board of directors and as the vice-president of exploration. Mr. Lohman is a founder and chief operating officer of Royal Stewart Resources Corp. As an exploration geologist, he has 40 years of management experience in both precious and base metal exploration. He is skilled in geological, geochemical, and geophysical exploration techniques in a wide variety of settings including VMS, porphyry and iron-oxide-copper-gold style deposits. Mr. Lohman's experience includes evaluations and research conducted on bonanza grade and bulk tonnage gold-silver

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properties in Canada, Mexico, California, Ecuador, and Chile.

Acquisition of Lynx Gold Mining Corp.

In November 2020, the Company completed a share purchase agreement with LGMC and LGMC shareholders (collectively, the "Vendors"), pursuant to which the Company acquired all the issued and outstanding common shares of LGMC from the Vendors for consideration of 7,372,399 common shares of the Company. LGMC had one subsidiary, Lynx Gold Corp., a British Columbian corporation, which itself had a subsidiary, Lynx Gold Exploration Corp., a Nevada corporation. In connection with the acquisition, the Company was also required to issue 500,000 common shares as a finder's fee for the introduction of LGMC to the Millennium Gold Project.

Upon closing, LGMC had no securities convertible or exchangeable into other LGMC securities. The acquisition did not represent a change of business. There was no change of directors or officers of the Company required by the transaction. The acquisition of LGMC was at arm's length accounted for as an asset acquisition.

Mineral Properties

New Brunswick Properties

As previously discussed, In November 2021, the Company entered into a mineral property purchase and sale agreement (the "Agreement") with Fiddlehead to acquire 100% of the rights, title, and interest of Canoe, and 50% of the rights, title and interest of Nine Mile Brook, each located in New Brunswick, Canada. Under the terms of the Agreement, the Company paid \$25,000 in cash and issued 21,000,000 common shares (the "Consideration Shares") of the Company. The Transaction was completed in January 2022.

Approximately 18,000,000 of the Consideration Shares are also held under lock up agreements with the Company. The locked-up shares will be released as follows:

- i. 10% on the date that is four months following the Closing Date (the "First Release Date");
- ii. 15% on the date that is three months following the First Release Date;
- iii. 15% on the date that is six months following the First Release Date;
- iv. 15% on the date that is nine months following the First Release Date;
- v. 15% on the date that is 12 months following the First Release Date;
- vi. 15% on the date that is 15 months following the First Release Date;
- vii. the remainder on the date that is 18 months following the First Release Date.

The Company also agreed to the following in the Agreement:

- Appoint Patrick Cruickshank, CEO of Fiddlehead, to its board of directors and engage Mr. Cruickshank as a consultant for a period of 24 months at a salary of at least \$6,000 per month.
- Engage a specified individual as a consultant for a period of 24 months at a salary of at least \$3,500 per month for P.Geo. services.

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- Establish a Technical Advisory Committee and invite specified individuals to join.
- Reimburse Fiddlehead \$15,000 for the 43-101 Technical Report.

The Properties are subject to a 3% Net Smelter Royalty ("NSR") and the Company issued 630,000 common shares as a finder's fee upon completion of the Transaction.

Under the terms of the Agreement, the Company also acquired a mineral property option (the "Nine Mile Option") to acquire the remaining 50% of the rights, title, and interest of Nine Mile Brook (the "Nine Mile Option Agreement"). Further details regarding the Nine Mile Option Agreement can be found below within the *Nine Mile Mineral Property Option* subsection.

Technical Committee

In March 2022, the Company announced its Technical Committee members. The Technical Committee is comprised of the Company's directors Jean Luc Roy and Patrick Cruickshank, and advisors Gary Lohman, B.Sc., P.Geo., and Daniel Card, P.Geo., RPGeo.

The purpose of the Technical Committee is to guide and deliver the path with oversight into the exploration and development plans on the Company's two properties: Nine Mile Brook and Canoe, located in the BMC, New Brunswick.

Mr. Card is a professional geophysicist, who holds a BSc. Hons degree from the University of Manitoba and is currently registered in Canada and Australia. He is the founder of EarthEx, which provides a highly specialized geophysical prospecting for hard-rock minerals, and work with cutting edge technologies and data analysis methodology. Since its inception in 2014, EarthEx has quickly become a household name in the Canadian mineral exploration industry, with rapid and continued growth expected in the coming years. EarthEx are specialists in the acquisition, analysis, interpretation, and 3D MODELLING of Geophysical data. EarthEX has a proven track record of exploration analysis utilizing its cutting-edge proprietary 3D-AI Technologies and Algorithms for specialized targeted mineral exploration.

The other members of the Technical Committee also have experience working in the BMC, New Brunswick. Mr. Roy is a mining executive with over 30 years of experience. He was President and CEO of El Nino Ventures Inc., where they were involved in the BMC. Mr. Cruickshank is the president of Fiddlehead that sold Nine Mile the two New Brunswick properties. Mr. Lohman is a Senior VP with Fiddlehead and has worked on each of these properties since Fiddlehead acquired them. As an exploration geologist, he has 40 years of experience in both precious and base metal exploration around the world.

Nine Mile Mineral Property Option

As described above, the Company acquired the Nine Mile Option as part of the Agreement. The Nine Mile Option Agreement entitles the Company to obtain the remaining 50% ownership in Nine Mile Brook from Fiddlehead. To exercise the Nine Mile Option, the Company must pay to Fiddlehead an aggregate of \$3,000,000 prior to the fourth anniversary of the effective date and incur an aggregate of \$1,000,000 of expenditures on the property over three years, with at least \$500,000 of the expenditures being in the first 12 months of the Nine Mile Option and a minimum of \$150,000 per year spent on expenditures after the first 12 months of the Nine Mile Option.

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Under the terms of the Nine Mile Option Agreement, the Company is required to make the following payments:

- i. \$25,000 upon signing the Agreement ("Option Fee") (paid);
- ii. \$50,000 upon each anniversary of the Agreement ("Annual Option Fee"); and
- iii. An additional payment of \$3,000,000 less the Option Fee and all Annual Option Fees paid.

Despite the schedule noted above, the Company can exercise the Nine Mile Option at any time during the four-year term by paying Fiddlehead \$3,000,000, less the payments already made as long as the Company is not in breach of the Nine Mile Option at that time.

Acquisition of Additional Nine Mile Brook Claims

In March 2022, the Company acquired the New Claims on the east flank of Nine Mile Brook, New Brunswick. The New Claims cover the contact between the Canoe Landing Lake and Boucher Brook Formations.

With the acquisition of the New Claims, the Nine Mile Brook Project land package now covers 25.13 km² and includes a large portion of the prospective California Lake Group stratigraphy and all geophysical anomalies. The Company can now focus on its 2022 exploration program including the integration of the New Claims into the existing 3D geophysical exploration model.

The Company paid cash consideration of \$15,000 and issued 75,000 common shares of the Company, which have a four-month hold legend. In addition, there is a 1% NSR on the New Claims derived from metallic mineral production. The Company has the right to purchase the 1% NSR from the vendors for \$1 million at any time prior to commencement of commercial production. The vendors are individuals and at arm's length from the Company.

Acquisition of Additional BMC Claims

In April 2022, the Company signed a new mineral property option agreement to acquire all the vendor's right, title, and interest in and to 12 mineral claims: California Lake (6 claims), Canoe Landing Lake East (4 claims); and Nine Mile Brook area (2 claims) of the BMC property, located in New Brunswick. To exercise its option to acquire the mineral claims, the Company must pay \$100,000 and issue 1,500,000 common shares during a period of up to three years as follows:

- \$20,000 and 500,000 common shares on the date of the mineral property option agreement (paid and issued);
- \$20,000 and 333,334 common shares on the first anniversary of the date of the mineral property option agreement;
- \$30,000 and 333,334 common shares on the second anniversary of the date of the mineral property option agreement; and
- \$30,000 and 333,334 common shares on the third anniversary of the date of the mineral property option agreement.

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The vendor shall retain a 2% NSR on the property. The Company has the right to purchase half of the NSR or \$1,000,000 at any time. The Company has agreed to keep the claims in good standing during the term of the agreement but has not agreed to any minimum exploration expenditures on the new claims. The agreement was negotiated at arm's length. All Company shares issued to the vendors will be subject to four-month resale restrictions in accordance with Canadian securities legislation.

With the mineral property option agreement, the Company's geological exploration footprint has now increased from 31.24 km² to a massive 70.18 km², over some of the most fruitful host rocks in the entire BMC. The Company now has three distinct advanced VMS Projects: Nine Mile Brook; California Lake; and Canoe Landing Lake (East and West). These acquisitions transform the Company into one of the largest exploration companies in the BMC.

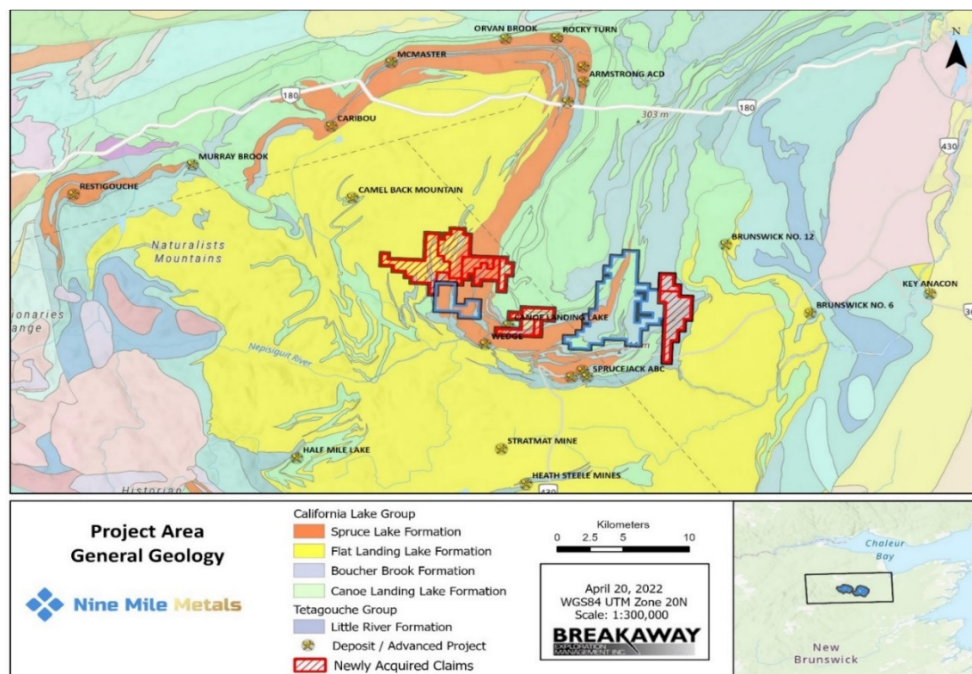


Figure 1 – Updated Claim Map

These strategic acquisitions solidify the Company's land position in the highly target rich Spruce Lake, Canoe Landing Lake, and Boucher Brook Formations, in the BMC. These prolific formations host 16 of the 46 known VMS deposits, including Trevali's producing Caribou mine. (see Figure 1).

California Lake VMS Project

The California Lake VMS Project covers 24.42 square kilometers immediately north of the Canoe Landing Lake Project and includes a large section of the highly prospective Spruce Lake Formation. Included in the land package are four known base metal (Cu, Pb, Zn) mineral occurrences: South Branch Forty Mile Brook; California Lake 32 South; California Lake 68 South; and California Lake - Murray Brook. Historical work in the area identified a variety of VMS depositional styles including disseminated and stringer sulphides in addition to massive, tabular massive sulphides as at the California Lake 32 South Zone where previous drilling intersected values ranging from 7.86% Zn, 2.51% Pb, 73.9 g/t Ag and 1.41 g/t Au over 6 metres. At California

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Lake - Murray Brook, historical surface trenching identified an extensive hydrothermal alteration zone some 500 metres in length and between 10 and 100 metres wide with significant concentrations of base metal sulphides including grab samples up to 5% Cu. At California Lake 68 South, 4-meter drill intersections assayed 2% Pb/Zn with minor copper and silver.

In September 2022, the Company announced its initial phase 1 drill program at its California Lake VMS Project and commenced drilling in October 2022, utilizing track-mount drill rigs operated by Lantech Drilling. The results of the drilling program confirmed a VMS system and the initial stage 1 drill program at the California Lake VMS Project was completed in November 2022.

The initial program comprised of 1,226 meters of diamond drilling in 13 holes on its California Lake VMS Project. There were 2 initial orientation holes, 3 holes targeting a new gold target 400m north along the prospective VMS trend, and 8 holes were collared to intersect VMS mineralization along a 1.5-kilometer, late time conductance electromagnetic anomaly defined by EarthEx. To date, 7 drill holes core have been measured, logged, photographed and cut with 59 samples sent for assay analysis.

With an extensive geophysical anomaly defined, the initial 2 drill holes, CL2201 – CL2202, were collared as orientation holes (depth 116m and 107m respectively) to confirm the geologic units and associated structure. Drilled approximately due west perpendicular to the anomaly, the geological units were confirmed along with a controlling structural feature.

Drill holes CL2203 – CL2205 (depth 160m, 50m and 119m) were collared approximately 400 meters to the north targeting the same anomaly and an associated feature identified immediately west. Targeting gold mineralization, the drill holes intersected disseminated sulphides in addition to locally extensive silicification and brecciation indicative of potential mineralization. Samples have been submitted for analysis.

Drill holes CL2206 and CL2207 (depth 89m and 90m) were collared approximately 75 meters northeast of the orientation holes and drilled to the west, perpendicular to the geophysical anomaly. Collared approximately 15 meters apart, both holes intersected visual VMS mineralization at a depth of approximately 40 – 50 meters. From the same drill pads, holes CL2208 – CL2210 (depth 89m, 104m and 80m) were then drilled at oblique angles to the trend to expand the mineralized footprint, with holes CL2208 and CL2210 intersecting visual VMS mineralization. Drill hole CL2211 (depth 80m) was collared approximately 20 meters north of CL2206 and drilled to the west, again intersecting visual VMS mineralization.

Drill holes CL2212 and CL2213 (depth 62m and 80m) were collared approximately 75 meters west of CL2206 and drilled at from west to east to test the west side of the anomaly. Drilled from the same collar, the holes had a dip of -45 and -55 degrees respectively. Numerous zones of visual VMS mineralization were intersected in both drill holes at depths of 50 – 60 meters.

Certified Assay Results (ALS Global) for VMS target holes 6, 7, 8 and 11 are shown below:

Drill hole CL2206 was the discovery drill hole and drilled to a depth of 89 meters intersecting multiple horizons of VMS mineralization. Mineralization was typical BMC style, consisting primarily of Zn, lesser Pb and Cu. The mineralization is structurally controlled, the VMS horizons occurring within a sheared sedimentary package.

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- VMS Target Hole CL2206 was drilled to a depth of 89 meters intersecting 3 zones of VMS between 45.80 and 56.20 meters (10.40m.)

Sample #	From (m)	To (m)	Width (m)	Cu (%)	Pb (%)	Zn (%)	Pb+Zn (%)	Ag (g/t)	Ag (Oz)	Au (g/t)
226016	45.80	46.88	1.08	.113	2.98	8.41	11.39	142	4.56	1.04
226017	46.88	47.45	0.57	.104	2.07	6.51	8.58	65	2.10	.889
226018	47.45	48.12	0.67	.018	.133	.886	1.019	7	.225	.063
226023	52.00	53.08	1.08	.145	1.40	11.2	12.60	44	1.41	.501
226028	55.48	56.20	0.72	.1328	2.29	9.18	11.47	32	1.03	.616

- VMS Target Hole CL2207 was collared approximately 15 meters west along the same azimuth, drilled to a depth of 90 meters, intersecting 6 zones of VMS mineralization between 39.05 and 49.40 meters (10.35m.).

Sample #	From (m)	To (m)	Width (m)	Cu (%)	Pb (%)	Zn (%)	Pb+Zn (%)	Ag (g/t)	Ag (Oz)	Au (g/t)
226040	39.05	39.62	0.57	.138	2.34	8.96	11.3	64	2.06	1.065
226042	41.00	41.50	0.50	.174	.25	2.70	2.95	11	.3537	.196
226045	44.95	45.05	0.10	.111	2.77	9.8	12.57	34	1.09	.747
226049	47.00	48.00	1.00	.191	1.38	6.24	7.62	56	1.80	1.015
226051	48.50	48.70	0.20	.327	3.9	12.95	16.85	115	3.70	3.69
226053	48.85	49.40	0.55	.105	1.19	6.41	7.6	27	.87	.259

- VMS Target Hole CL2211 was a step out hole collared approximately 20 meters north of discovery hole CL2206 and drilled to a depth of 80 meters intersecting (4) zones of massive VMS mineralization between 51.10 and 62.00 meters (10.90m.).

Section	From (m)	To (m)	Width (m)	Cu %	Pb (%)	Zn (%)	(Pb + Zn) %	Ag (g/t)	Au (g/t)
OVERALL	51.10	62.00	10.90	0.07	0.98	3.33	4.31	29.76	0.40
including	51.10	56.00	4.90	0.11	1.95	6.26	8.21	58.58	0.77
including	54.04	56.00	1.96	0.21	3.71	11.54	15.25	123.68	1.70
Including	59.63	62.00	2.17	0.06	0.43	2.27	2.70	13.39	0.22

- VMS Target Hole CL2208 was collared near hole CL2206 and drilled at an azimuth of 312 degrees to a depth of 89 meters intersecting visible massive VMS mineralization between 65.33 and 70.50 meters (5.17m).

Section	From (m)	To (m)	Width (m)	Cu (%)	Pb (%)	Zn (%)	(Pb + Zn) %	Ag (g/t)	Au (g/t)
OVERALL	65.33	72.50	7.17	0.06	1.18	3.79	4.97	30.68	0.41

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including	67.33	72.50	5.17	0.06	1.60	5.24	6.84	42.00	0.56
including	67.33	70.50	3.17	0.13	2.65	8.50	11.15	68.44	0.90

The x-ray Fluorescence ("XRF") results for VMS target holes CL22-12 and CL22-13 are shown below for reference:

- VMS Target Hole CL22-12 was collared approximately 75 meters northwest of discovery hole CL22-06 and drilled towards its collar, dipping – 45 degrees to a depth of 62 meters intersecting (7) zones of massive VMS mineralization between 34.15 and 52.60 meters (18.45m.)

Sample #	From (m)	To (m)	Width (m)	Cu %	Pb (%)	Zn (%)	(Pb + Zn) %	Ag (g/t)	Au (g/t)
226116	34.15	35.30	1.15	.27	2.17	9.76	11.93	TBD	TBD
226118	36.30	36.78	0.48	.11	1.30	8.68	9.97	TBD	TBD
226121	38.54	38.82	0.28	.13	0.21	1.40	1.61	TBD	TBD
226125	42.10	42.22	0.12	.08	0.37	2.40	2.85	TBD	TBD
226133	48.80	49.40	0.60	.11	2.42	10.63	13.16	TBD	TBD
226136	49.60	50.14	0.54	.06	2.66	8.30	11.02	TBD	TBD
226138	51.04	52.04	1.00	.09	1.55	7.47	9.11	TBD	TBD
226139	52.04	52.60	0.56	.04	5.74	19.49	25.27	TBD	TBD

- VMS Target Hole CL22-13 was drilled from the same setup as CL22-12 along the same azimuth dipping – 55 degrees to a depth of 80 meters to test the depth extension of the mineralization in CL22-12. The hole intersected (4) zones of visible massive VMS mineralization between 51.23 and 67.65 meters (16.42m).

Sample #	From (m)	To (m)	Width (m)	Cu (%)	Pb (%)	Zn (%)	(Pb + Zn) %	Ag (g/t)	Au (g/t)
226145	51.23	52.23	1.00	.14	0.98	7.25	8.23	TBD	TBD
226146	52.23	53.23	1.00	.14	0.93	4.88	5.81	TBD	TBD
226147	53.23	53.77	0.54	.22	0.34	3.30	3.64	TBD	TBD
226149	54.33	54.48	0.15	.03	2.19	6.60	8.79	TBD	TBD
226151	56.18	56.44	0.26	.28	2.55	14.48	17.03	TBD	TBD
226156	66.97	67.65	0.68	.09	0.49	1.40	1.89	TBD	TBD

Canoe Landing Lake VMS Project

To the southeast of California Lake, the acquired Canoe Landing Lake East VMS property covers 5.5 square kilometers along the east flank of the Canoe Landing Lake VMS Deposit. Hosted within the Boucher Brook Formation near the contact with the Canoe Landing Lake Formation, the deposit consists of 22.8 million tons grading 0.64% Pb, 1.82% Zn, 0.56% Cu, 0.94 oz/ton Ag and 0.034 oz/t Au. This additional property increases our Canoe Landing Lake VMS Project to 10.78 km², which includes both Canoe Landing Lake West and Canoe Landing Lake East properties.

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Nine Mile Brook VMS Project

The newly acquired Upper Pabineau River and Nine Mile Brook properties on the eastern flank of our existing Flagship Nine Mile Brook VMS Project, adds 9.02 square kilometers of prospective stratigraphy along the Boucher Brook Formation, host of the Nine Mile Brook VMS occurrence and the Canoe Landing Lake Deposit to the west. These additional properties increase our Nine Mile Brook VMS Project to 34.98 km².

Utilizing recent proprietary advances in both technology and data processing, this large project portfolio will be aggressively explored for its VMS potential. Initial geophysical targeting will be followed up by ground-based surveys, 3D modeling and diamond drilling. Bore hole surveys will be conducted to define subsurface mineralization.

In April 2022, the Company announced an initial Phase 1 drill program at its Nine Mile Brook VMS Project (see Figure 2). The Company received all drill and forestry permits from the New Brunswick Department of Energy and Mines for the Phase 1 drill program.

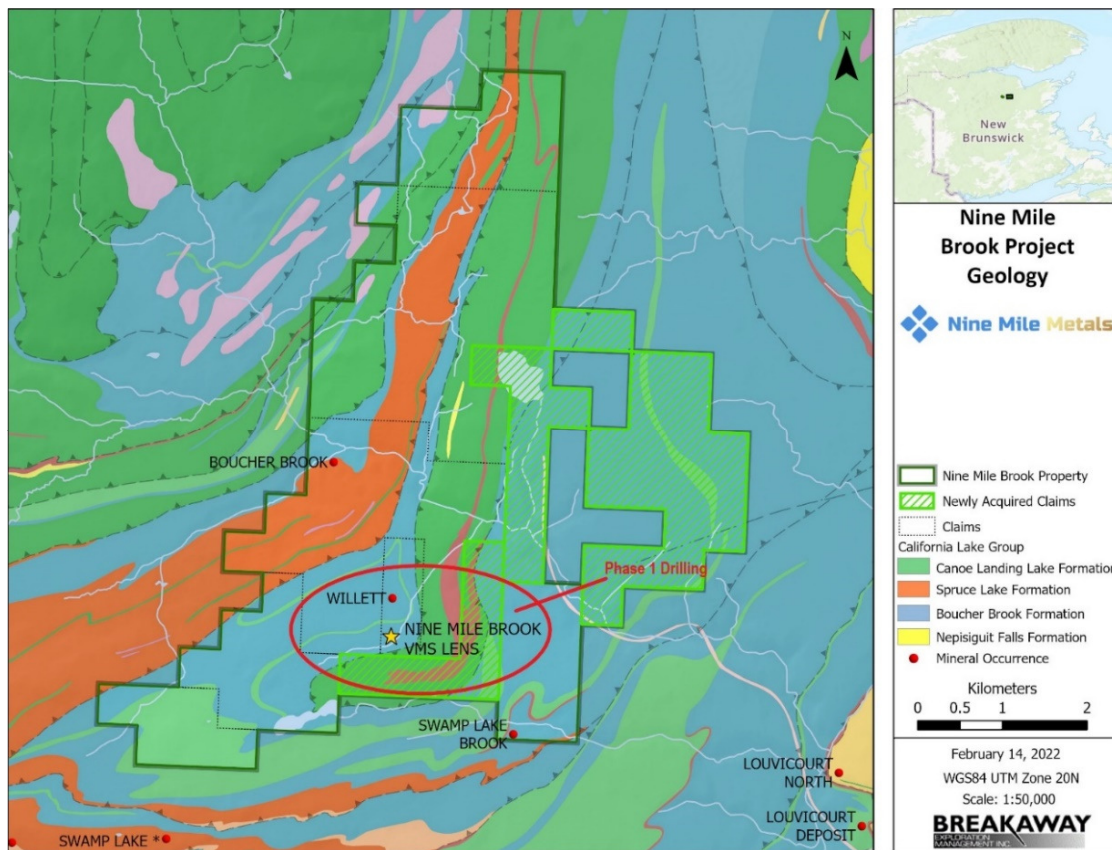


Figure 2 – Phase 1 Drilling Target Area

The Company engaged a very experienced VMS drill crew from Lantech Drilling, based in Dieppe, New Brunswick. Utilizing an environmentally friendly track mounted drill rig, the Phase 1 drill program consisted of 5 drill holes targeting the mineralized horizon at the southern section of the Nine Mile Brook Property. Last year's work program analysis defined two zones of mineralization at the southern area of Nine Mile Brook Property generated by our geophysical partner, EarthEX. The Company's Phase 1 drill program tested both

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targets. Upon completion of this Phase 1 drill program, the drill holes were capped to facilitate Borehole Electro Magnetic Surveying ("BHEM") which identifies subsurface conductors along strike and at depth providing a 3D model of the mineralization. The results identified in the BHEM program will be tested in Phase 2 along with the forthcoming 3D AI Analysis that EarthEX Geophysical Solutions is currently processing.

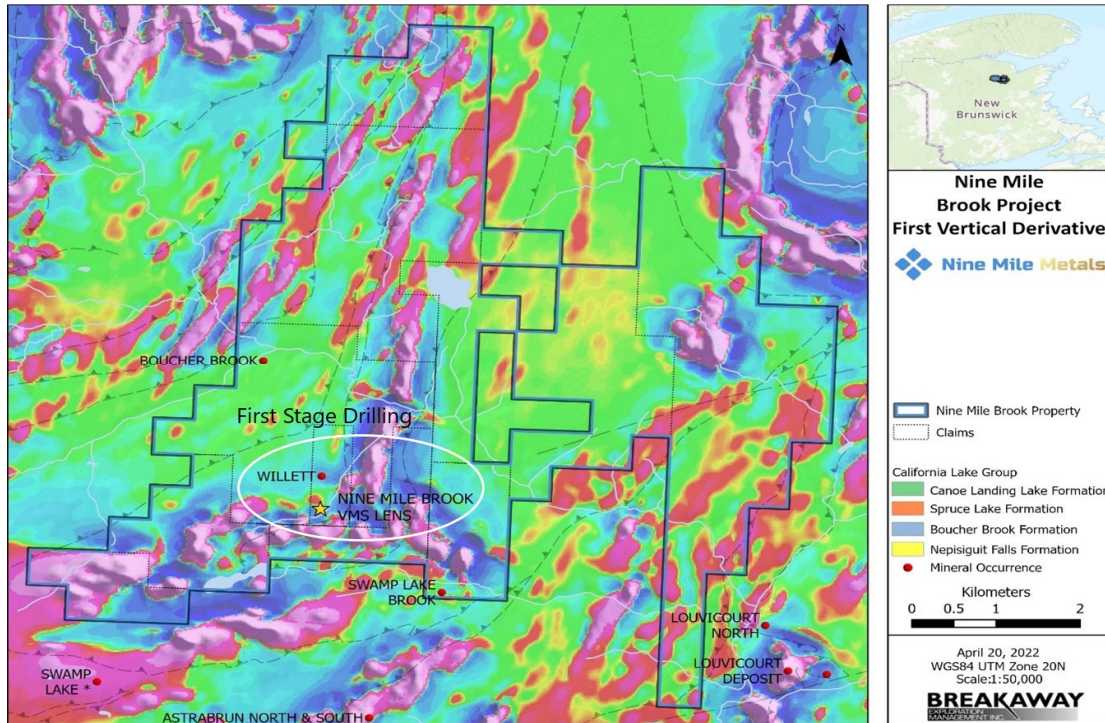


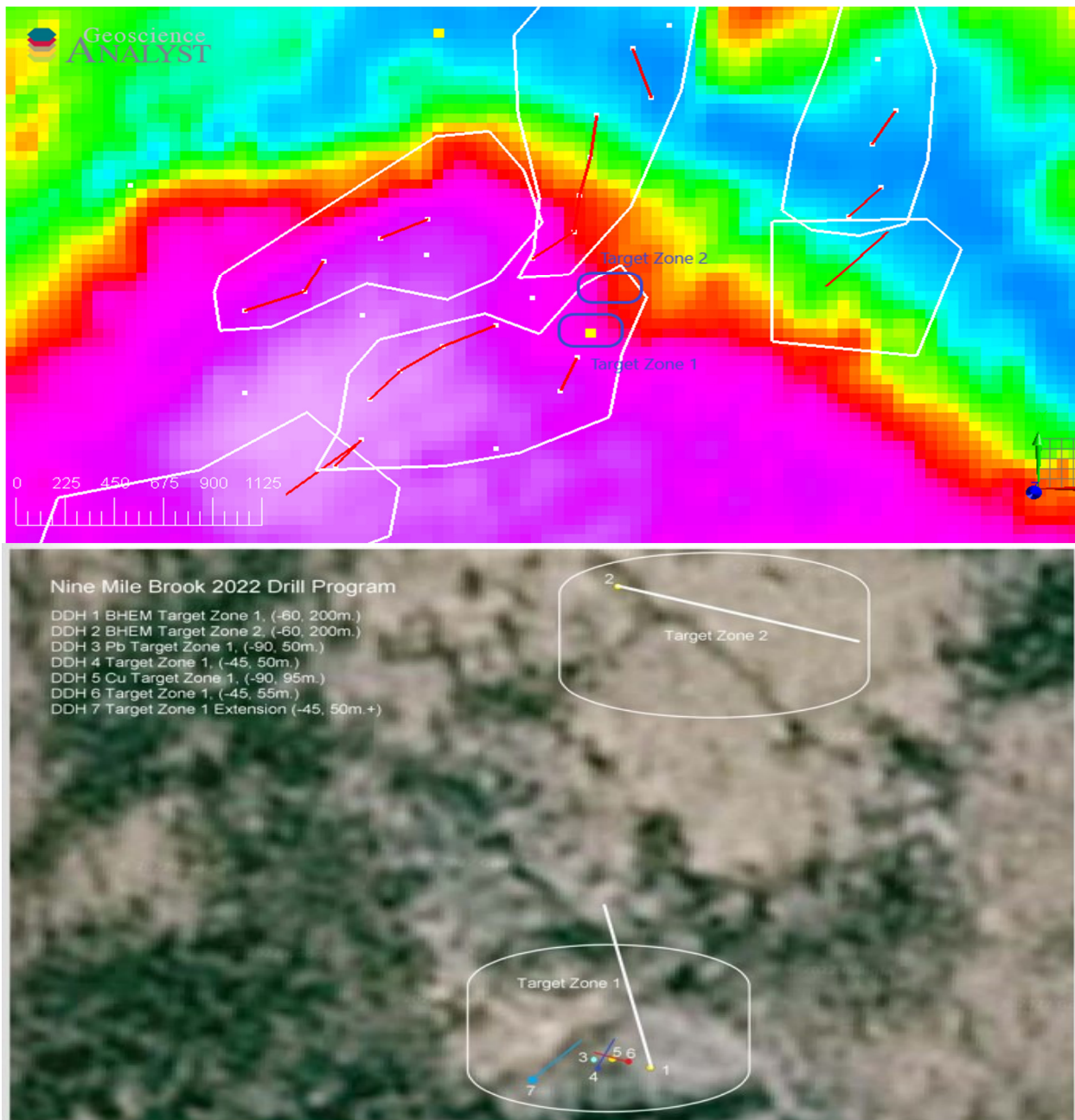
Figure 3 – Nine Mile Brook Project

In May 2022, the Company completed the phase 1 drill program on the Company's flagship Nine Mile Brook VMS Project on southern Target Zones #1 and #2. Seven (7) diamond drill holes were completed including five (5) target drill holes and two (2) borehole EM drill holes.

At Target Zone #1, five (5) drill holes were collared to drill the sample area, collect samples for assay and mineralogy, and for analysis by EarthEX Geophysical Solutions Inc. ("EarthEX") for physical properties. The results of the EarthEX study will assist in defining the survey parameters for upcoming ground and borehole electro-magnetic surveys.

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The Company reported visual mineralization on all five (5) VMS target DDH drill holes with intersections ranging from 9 meters to 14 meters+ of high-grade VMS mineralization (Copper, Lead, Zinc). In all five (5) VMS target drill holes, abundant pyrite, chalcopyrite, sphalerite, and galena were observed in drill core locally mixed with sediments. The style of mineralization varied from banded, massive to disseminated, the latter typical for sphalerite. This style of mineralization is typical of the VMS occurrences in the BMC. Several core photos are displayed below.

Included in the drill program were two (2) exploratory holes, both 200 meters in depth. They were drilled to facilitate a bore hole electro-magnetic geophysical survey (“BHEM”) designed to test the Willet Horizon which

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hosts the VMS mineralization at the VMS (Target Zone #1) and 250 meters to the north at Target Zone #2. The BHEM survey will be completed shortly and will detect any subsurface VMS mineralization associated with the horizon, outline the size and shape of the previously defined VMS intersections, and identify additional mineralization along strike and at depth.



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Massive VMS Mineralization – Chalcopyrite (Cu), Sphalerite (Zn), and Galena (Pb).
Silver (Ag) and Gold (Au) to be determined.

In July 2022, the Company reported certified ALS Lab assay results from 4 of the 5 drill holes. The results of each of the holes are below.

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DDH HOLE - NM220005 (CERTIFIED LAB ASSAY RESULTS)									
(11 Continuous Meters - Sampled)									
Sample #	From (m)	To (m)	Width	Cu %	Zn %	Pb %	Ag (g/t)	Ag (oz)	Au g/t
683504	0.00	1.00	1.0 m	3.68	12.1	11.2	283	9.10	3.88
683505	1.00	2.00	1.0 m	15.1	15.1	4.34	609	19.58	2.53
683506	2.00	3.00	1.0 m	13.5	17.8	2.89	593	19.07	2.03
683507	3.00	4.00	1.0 m	10.85	16.2	2.91	425	13.67	2.54
683508	4.00	5.00	1.0 m	8.45	29.4	1.13	321	10.32	2.33
683509	5.00	6.00	1.0 m	10.45	22.7	2.01	377	12.12	1.945
683510	6.00	7.00	1.0 m	7.57	17.1	5.93	246	7.91	1.10
683511	7.00	8.00	1.0 m	14.05	0.33	0.392	104	3.34	0.449
683512	8.00	8.60	0.60 m	18.3	0.17	0.404	119	3.83	0.842
683513	8.60	10.00	1.40 m	4.63	0.29	0.622	50	1.61	0.299
683514	10.00	11.00	1.0 m	5.52	0.09	0.061	17	0.55	0.422
TOTAL	0.00 m	11.00 m	11.00 m	9.69	11.93	2.90	283.31	9.12	1.65
Including	0.00 m	8.60 m	8.60 m	11.00	15.20	3.60	352.26	11.32	2.01
	0.00 m	7.00 m	7.00 m	9.94	18.61	4.34	407.71	13.12	2.34

DDH HOLE - NM220003 (CERTIFIED LAB ASSAY RESULTS)									
(10.45 Continuous Meters - Sampled)									
Sample #	From (m)	To (m)	Width	Cu %	Zn %	Pb %	Ag (g/t)	Ag (oz)	Au g/t
683604	0.00	1.50	1.50 m	7.00	0.39	0.77	191	6.14	1.935
683605	1.50	2.75	1.25 m	4.83	0.26	0.30	36	1.16	0.822
683606	2.75	3.75	1.00 m	8.8	0.25	0.44	92	2.96	1.275
683607	3.75	4.75	1.00 m	6.46	8.98	5.96	322	10.35	0.913
683608	4.75	5.75	1.00 m	5.17	12.30	4.96	443	14.24	1.335
683609	5.75	6.75	1.00 m	3.81	24.40	5.46	270	8.68	2.28
683610	6.75	7.75	1.00 m	4.61	7.56	3.38	166	5.34	1.97
683611	7.75	8.25	0.50 m	7.99	2.74	2.23	204	6.56	1.035
683612	8.25	9.45	1.20 m	12.5	0.47	0.32	60	1.93	0.808
683613	9.45	10.45	1.00 m	7.95	2.21	3.07	75	2.41	0.663
TOTAL	0.00 m	10.45 m	10.45 m	6.92	5.60	2.52	179.28	5.76	1.33
Including	0.00 m	8.25 m	8.25 m	5.99	6.76	2.77	209.27	6.73	1.48
	3.75 m	8.25 m	4.50 m	5.34	12.40	4.64	289.56	9.31	1.56

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DDH HOLE - NM220004 (CERTIFIED LAB RESULTS)									
(15.10 Continuous Meters - Sampled)									
Sample #	From	To	Width	Cu %	Zn %	Pb %	Ag g/t	Ag (oz)	Au g/t
683529	0.00	1.20	1.20 m	0.94	2.22	0.83	12.00	0.39	0.24
683530	1.20	1.50	0.30 m	7.40	17.70	8.56	188.00	6.05	2.06
683531	1.50	2.50	1.00 m	12.80	1.19	3.60	177.00	5.69	0.896
683532	2.50	3.50	1.00 m	18.55	0.26	0.36	64.00	2.06	0.552
683533	3.50	4.50	1.00 m	11.80	0.30	0.59	78.00	2.51	1.64
683534	4.50	5.50	1.00 m	16.85	0.57	0.98	125.00	4.02	1.13
683535	5.50	6.50	1.00 m	12.65	1.19	7.89	212.00	6.82	0.842
683536	6.50	7.56	1.06 m	16.10	0.70	0.60	153.00	4.92	1.765
683537	7.56	8.56	1.00 m	4.33	0.16	0.07	10.00	0.32	0.152
683538	8.56	9.56	1.00 m	3.68	0.08	0.06	6.00	0.19	0.158
683539	9.56	10.00	0.44 m	0.47	0.13	0.02	2.00	0.06	0.376
683540	10.00	10.68	0.68 m	3.93	0.07	0.07	19.00	0.61	0.523
683541			Standard						
683542	10.68	11.68	1.00 m	15.45	2.03	2.45	173.00	5.56	1.055
683543	11.68	12.68	1.00 m	12.40	0.26	0.37	91.00	2.93	0.902
683544	12.68	13.68	1.00 m	11.90	0.07	0.48	126.00	4.05	1.39
683545	13.68	14.10	0.42 m	14.80	0.09	0.42	139.00	4.47	1.465
683546	14.10	15.10	1.00 m	2.83	0.08	0.06	14.00	0.45	0.118
TOTAL	0.00	15.10	15.10 m	10.12	1.00	1.41	91.47	2.94	0.84
Including									
Zone 1 VMS	1.20	7.56 m	6.36 m	14.46	1.50	2.61	137.51	4.42	1.19
Zone 2 Seds	7.56 m	10.68 m	3.12 m	3.49	0.11	0.06	9.55	0.30	0.27
Zone 3 VMS	10.68 m	14.10 m	3.42 m	13.44	0.70	1.02	131.11	4.22	1.16

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DDH HOLE - NM220006 (CERTIFIED LAB ASSAY RESULTS)									
(10.40 Continuous Meters - Sampled)									
Sample #	From (m)	To (m)	Width	Cu %	Zn %	Pb %	Ag (g/t)	Ag (oz)	Au g/t
683549	0.00	1.00	1.00 m	2.60	13.45	14.35	232	7.46	2.83
683550	1.00	1.74	0.74 m	0.849	20.00	16.15	118	3.79	2.27
683551	1.74	2.74	1.00 m	0.066	0.91	0.16	3	0.10	0.09
683552	2.74	3.50	0.76 m	0.011	0.06	0.03	2	0.06	0.02
683553		Standard							
683554	3.50	4.50	1.00 m	9.11	5.86	4.03	264	8.49	1.89
683555	4.50	5.30	0.80 m	4.16	4.73	9.25	372	11.96	0.98
683556	5.30	5.65	0.35 m	6.16	0.48	0.26	160	5.15	0.74
683557	5.65	6.65	1.00 m	4.18	14.20	5.44	345	11.09	1.81
683558	6.65	7.65	1.00 m	5.88	5.10	1.83	313	10.06	3.38
683559	7.65	8.65	1.00 m	3.07	10.80	2.33	165	5.31	3.49
683560	8.65	9.05	0.40 m	1.39	17.80	5.06	124	3.99	3.14
683561	9.05	9.40	0.35 m	0.98	0.76	0.16	14	0.45	0.18
683562	9.40	10.40	1.00 m	0.05	0.99	0.16	4	0.13	0.08
TOTAL	0.00 m	10.4 m	10.40 m	3.07	7.35	4.78	175.28	5.64	1.69
Including	0.00 m	9.05 m	9.05m	3.49	8.42	5.48	200.45	6.45	1.93

In September 2022, the Company announced that it has filed the necessary drill permits with the New Brunswick Department of Energy & Mines Branch for 5,000m stage 2 drill program at its Nine Mile Brook VMS Project. The Company secured a track mount drill rig from Lantech Drilling in Dieppe, NB. The Company will utilize two (2) 12-hour drill crews producing a 24hr drill program field team.

In August – September, a 1,000-line kilometer UAV Magnetics Drone Survey was conducted over the central portion of the project area. Data processing and interpretation by EarthEX identified three (3) massive VMS source targets. The UAV drone magnetic survey showed a folded nose trend with a Hinge as identified in Figure 4 in white: as Hinges A, B and C. The folded nose trends are depicted in white in Figure 4 below, while the Hinge targets are depicted in black polygons adjacent to the folded nose. In addition, the drone survey has uncovered and defined two (2) new Spruce Lake formation VMS target systems identified as D and E (Figure 4).

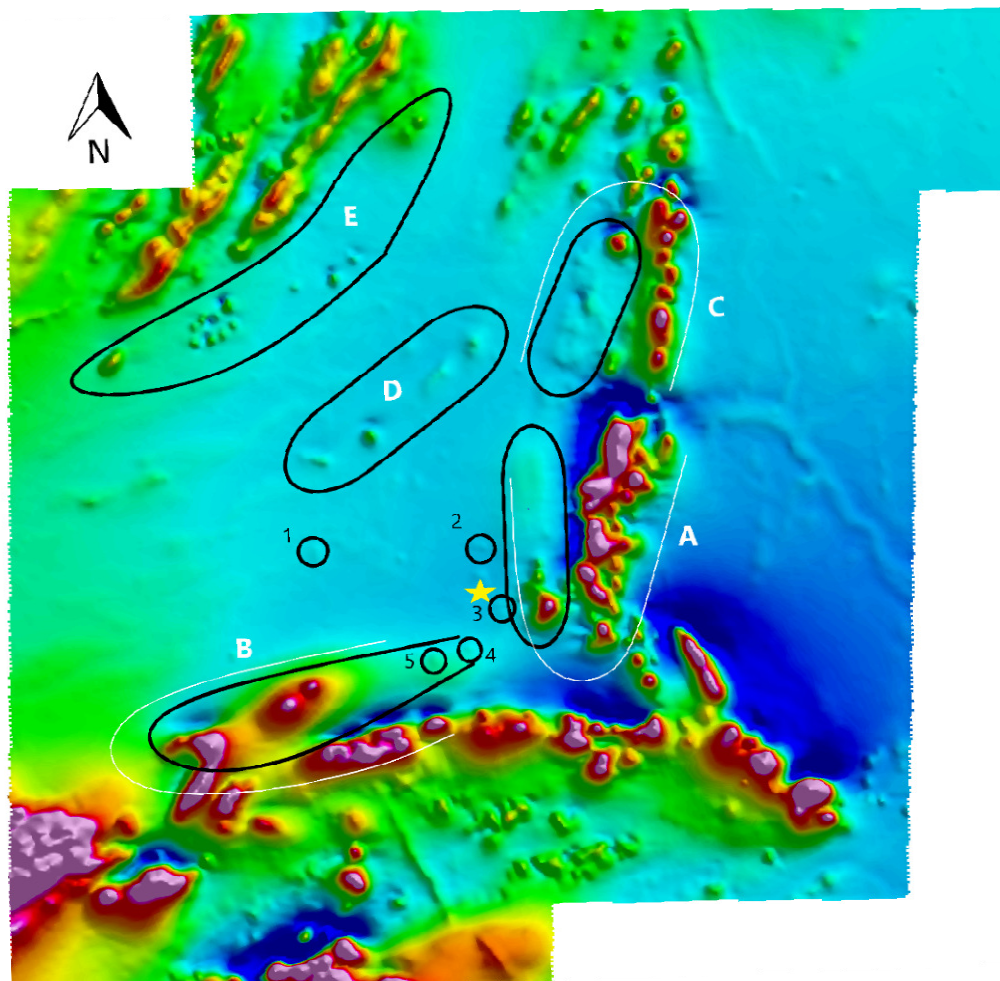


Figure 4 – UAV Drone Survey Processed Results - Total Magnetic Intensity

Targets D and E are a VMS separate system located approximately 1- 2 kilometers northwest of Hinge A. The host rocks include the Spruce Lake Formation of the California Lake Group, host to 11 VMS deposits / occurrences in the BMC including the Caribou Mine. At Nine Mile, the Boucher Brook Pb, Zn occurrence is located along the northern contact of the California Lake Group, mineralization hosted by pyritized, sericitized rhyolite tuffs.

Prior to commencing the 5,000-meter drill program in December 2022, a 21-kilometer IP survey was conducted as recommended by EarthEx. Following data analysis and interpretation by EarthEX, a total of eighteen (18) high priority drill holes were proposed to intersect a variety of high chargeable, conductive, resistive, and magnetic anomalies. Four of the 18 holes were proposed for Target D.

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Millennium Gold Project

The Company assumed, through its acquisition of LGMC, an agreement to earn a 100% interest in the Millennium Gold Project, in Mohave County, Arizona. In June 2021, the Company terminated its Millennium Gold Project option agreement because it discovered the permits are not sufficient to allow the Company to explore the Millennium Property and that curing the permits' deficiencies is not worth the overall cost. Other than the transfer of property interests and removal of equipment from the property, the Company does not have any further obligations to the property or its owners. As a result, the Company fully impaired the acquisition costs related to the Millennium Gold Project in fiscal 2021.

Black Point Project

In October 2018, the Company entered into a letter of intent with Golden Pursuit Resources Ltd. ("Golden Pursuit"), a public company listed on the TSX Venture Exchange, to earn up to a 60% interest in the Black Point Property located in Eureka County, Nevada, USA. In December 2020, the Company terminated its option agreement with Golden Pursuit as a result of disappointing drilling results. As a result, the Company fully impaired the acquisition costs related to the Black Point Property in fiscal 2021.

Financial

Selected Annual Information

The following provides a summary of the Company's financial position and results of operations:

	September 30, 2022 \$	September 30, 2021 \$	September 30, 2020 \$
Loss for the year	(1,722,640)	(6,269,036)	(737,689)
Basic loss per share	(0.04)	(0.31)	(0.09)
Total assets	5,248,138	982,400	281,652
Total non-current financial liabilities	-	50,373	-

Quarterly Results

During the most recent eight quarters, the Company has not recognized any revenue or incurred any loss from discontinued operations. The following provides a summary of selected quarterly results:

Period ended:	Revenues \$	Net loss \$	Net loss per share \$
December 31, 2020	-	(336,643)	(0.02)
March 31, 2021	-	(468,572)	(0.04)
June 30, 2021	-	(5,398,457)	(0.25)
September 30, 2021	-	(65,364)	(0.00)

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December 31, 2021	–	(118,571)	(0.01)
March 31, 2022	–	(560,453)	(0.01)
June 30, 2022	–	(423,717)	(0.01)
September 30, 2022	–	(619,899)	(0.02)

Some differences in the results of operations for each quarter include:

- September 30, 2020 – The Company incurred mineral exploration costs of \$196,813 primarily related to the drill program at the Black Point Property and recognized an impairment of \$66,363 related to the terminated option agreement for the Black Point Project. The Company also incurred higher professional expenses related to the transaction with LGMC and recorded share-based compensation of \$181,867 with the grant of options in the period.
- December 31, 2020 – The Company incurred mineral exploration costs of \$69,426 due to initial preparation and work for the drill program at the Millennium Gold Project. The Company also incurred consulting and professional fees in the period as a result of increased activity to complete the transaction with LGMC.
- March 31, 2021 – The Company incurred mineral exploration costs of \$95,393 as the Company continued work on the Millennium Gold Project including preparation for the drill program and the staking of additional claims.
- June 30, 2021 – The Company recorded an impairment expense of \$5,114,316 related to the termination of the Millennium Gold Project option.
- September 30, 2021 and December 31, 2021 – The Company incurred minimal expenses as it evaluated potential resource projects, including the Nine Mile Brook project.
- March 31, 2022 – The Company incurred mineral exploration expenditures of \$44,788 related to the Nine Mile Brook and Canoe Landing projects. The Company also incurred share-based compensation of \$348,025 with the issuance of incentive stock options. Professional fees for the quarter were \$53,370 in relation to the acquisition of additional mineral claims in the BMC.
- June 30, 2022 – The Company incurred mineral exploration expenditures of \$211,149 related primarily to exploration and drill program on the Nine Mile Brook VMS project. The Company also incurred share-based compensation of \$57,117 with the issuance of incentive stock options. Consulting fees for the quarter were \$62,258.
- September 30, 2022 – The Company incurred mineral exploration expenditures of \$276,380 related primarily to exploration and drill program on the Nine Mile Brook VMS project. The Company also incurred share-based compensation of \$121,207 with the issuance of incentive stock options. Consulting fees for the quarter were \$171,150.

Results of Operations

For the year ended September 30, 2022, the Company incurred a loss of \$1,722,640 (2021 - \$6,269,036).

Certain notable expenses and related costs in the Company's operations during the year ended September 30, 2022, compared to the previous period, include:

- Consulting fees include amounts paid for administrative, marketing and accounting services. The fees in the comparative period were higher by \$260,394 as a result of increased activity to complete the acquisition of LGMC.

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- Management fees include amounts paid to the President, two directors, the CEO, and the CFO.
- Mineral exploration costs include drilling and exploration costs and amounts related to the NI 43-101 technical report and other exploration programs on the Nine Mile Brook, California Lake and Canoe Landing projects (see breakdown of costs below).
- Professional fees include audit and legal fees. The Company incurred increased professional fees in during the year ended September 30, 2022, compared to the prior period, as a result of the closing of the Transaction with Fiddlehead Mining Corp, and the acquisition of additional mineral claims in the BMC.
- Share-based compensation expense is related to the grant of options in the period.
- Transfer agent and filing fees include amounts incurred for shareholder services and fees for regulatory filings.
- Wages and benefits include amounts paid to employees for administrative and accounting services.

Exploration costs:

The Company incurred exploration costs of \$532,317 (September 30, 2021 - \$231,566).

Year ended September 30, 2022:

	Canoe Landing Lake West Project \$	Canoe Landing Lake East Project \$	Nine Mile Brook Project \$	California Lake Project \$	Total \$
Geological and geophysics	15,456	1,721	305,478	6,516	329,171
Assays	—	—	21,571	—	21,571
Drilling	—	—	125,911	—	125,911
Camp supplies	—	—	30,559	—	30,559
Rentals	—	—	21,435	—	21,435
Staking fees	—	—	3,670	—	3,670
	15,456	1,721	508,624	6,516	532,317

Year ended September 30, 2021:

	Black Point Property \$	Millennium Property \$	Total \$
Drilling	18,523	-	18,523
Assays	17,784	13,127	30,911
Geological and geophysics	5,810	114,948	120,758
Staking fees	—	58,420	58,420
Travel	—	2,954	2,954
	42,117	189,449	231,566

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The Company fully impaired the acquisition costs related to the Millennium Gold and Black Point Projects during the year ended September 30, 2021.

Loss for the year

The loss for the year ended September 30, 2022 was \$1,722,640 (2021 - \$6,269,036). Changes in the financial position since September 30, 2021 primarily relate to expenditures for the evaluation of potential resource projects, the completion of the property option agreements to acquire new mineral claims, exploration expenses for the Phase 1 drill program at the Nine Mile Brook Project, and share-based compensation expense from the granting of options during the current year. In the prior year ended September 30, 2021, the Company fully impaired the acquisition costs related to the Black Point and Millennium Gold projects for total impairment expense of \$5,120,931.

Results of the Fourth Quarter

The loss for the quarter ended September 30, 2022 was \$619,899 compared to a loss of \$423,717 in the third quarter and \$65,364 in the fourth quarter of fiscal 2021. The loss for the fourth quarter of fiscal 2022 increased from the third quarter as the Company evaluated potential resource projects. During the fourth quarter of 2022, the Company recorded mineral exploration costs of \$276,380 as compared to \$211,149 in the third quarter of fiscal 2022 and \$37,231 during the fourth quarter of fiscal 2021. The majority of the mineral exploration costs incurred during the fourth quarter of fiscal 2022 relate to expenditures for the Phase 1 drill program at the Nine Mile Brook Project. During the fourth quarter of fiscal 2022, the Company repaid \$40,000 of the \$60,000 Canada Emergency Business Account ("CEBA") loan from the Government of Canada, with the remaining \$20,000 being forgiven and recognized on the statement of operations and comprehensive loss.

Liquidity and Capital Resources

At September 30, 2022, the Company had cash of \$1,073,662 (2021, - \$947,358) and working capital of \$1,173,234 (2021 - \$957,078). For the year ended September 30, 2022, the Company had negative cash flows from operations.

Certain factors that may have an effect on the Company's liquidity include:

- The Company has entered into an agreement to acquire mineral property interests in the BMC area that requires the Company to make option payments in aggregate of \$100,000 over three years.
- The Company has entered into an agreement with Fiddlehead to acquire the Properties that requires the Company to make option payments in aggregate of \$3,000,000 over four years and incur \$1,000,000 of expenditures, including at least \$500,000 of expenditures in the 12 months following the effective date of the option agreement.
- Obtaining financing is subject to a number of factors that may make the timing, amount, terms or conditions of additional financing unavailable to the Company. As previously stated, In December 2022, the Company completed a private placement offering, raising total gross proceeds of \$1,271,000 with the issuance of 3,971,875 Flow Through Units.

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Related Party Transactions

The Company does not have any contractual relationships with directors or officers other than employment contracts in the normal course of business.

- (a) During the year ended September 30, 2022, the Company incurred management fees of \$111,863 (2021 – \$85,500) to the former Chief Executive Officer of the Company.
- (b) During the year ended September 30, 2022, the Company incurred management fees of \$17,000 (2021 – \$nil), consulting fees of \$26,000 (2021 – \$nil), and mineral exploration costs of \$1,600 (2021 – \$nil) to a company controlled by the Chief Executive Officer (“CEO”) of the Company.
- (c) During the year ended September 30, 2022, the Company incurred management fees of \$10,500 (2021 – \$12,000) to the Chief Financial Officer (“CFO”) of the Company.
- (d) During the year ended September 30, 2022, the Company incurred a total of \$4,000 in directors’ fees (2021 – \$nil) to two directors of the Company. As at September 30, 2022, the Company owed the directors \$4,000. The amounts are unsecured, non-interest bearing and due on demand.
- (e) During the year ended September 30, 2022, the Company incurred mineral exploration costs of \$47,200 (2021 – \$nil) to companies controlled by a director of the Company.
- (f) During the year ended September 30, 2022, the Company incurred an aggregate of \$65,865 (2021 – \$nil) in mineral exploration costs to a company controlled by directors of the Company.
- (g) During the year ended September 30, 2022, the Company incurred consulting fees of \$13,000 (2021 – \$nil) to a company controlled by the CEO of the Company.
- (h) During the year ended September 30, 2022, the Company incurred mineral exploration costs of \$17,720 (2021 – \$nil) to a company controlled by the sons of the CEO of the Company.
- (i) During the year ended September 30, 2022, the Company incurred management fees of \$2,317 (2021 – \$nil) to the son of the CFO of the Company and consulting fees of \$79,000 (2021 – \$63,000) to a company controlled by the son of the CFO of the Company. As at September 30, 2022, the Company owed \$3,594 (2021 - \$nil) to the son of the CFO of the Company, which is included in accounts payable and accrued liabilities. The amount is unsecured, non-interest bearing and due on demand.
- (j) During the year ended September 30, 2022, the Company incurred rent of \$40,500 (2021 – \$38,250), and office and miscellaneous of \$nil (2021 – \$12,750) to a company with common officers and directors.
- (k) During the year ended September 30, 2022, the Company granted share-based compensation with a fair value of \$274,404 (2021 - \$nil) to key management personnel.

Significant Accounting Policies

Refer to Note 2 of the notes to the financial statements as at and for the year ended September 30, 2022 for details of the Company’s significant accounting policies.

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Fair Value Measurements and Risks

(a) Fair Values

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

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

The fair values of the Company's financial instruments, which include cash, accounts payable and accrued liabilities, due to related parties, and loan payable approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

(c) Foreign Exchange Rate Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's functional and reporting currency is the Canadian dollar. The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. As at September 30, 2022, the Company has a cash balance of US\$16,856 denominated in U.S. dollars. The Company has not entered into foreign exchange rate contracts to mitigate this risk.

(d) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk as it does not have any liabilities with variable rates.

(e) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company manages liquidity risk by maintaining sufficient cash balances and adjusting its operating budget and expenditure. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term and other specific obligations.

(f) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

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Management's Report on Internal Controls Over Financial Reporting

In connection with National Instrument 52-109 – Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109") adopted by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company are required to file a Venture Issuer Basic Certificate with respect to the financial information contained in the Condensed Interim Financial Statements and the audited annual consolidated financial statements and respective accompanying MD&A. The Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal controls over financial reporting as defined in NI 52-109.

Off-Balance-Sheet Arrangements

As of the date of this MD&A, the Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the financial performance or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

Business Risks

(a) Limited Operating History

The Company has no history of operations and is considered an early-stage exploration company. As such, the Company is subject to many risks common to such enterprises, including undercapitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment. There is no guarantee that economic quantities of mineral reserves will be discovered on any properties optioned by the Company in the near future or at all. If the Company does not generate revenue, it will be unable to sustain its operations, in which case it will become insolvent and investors will lose their investment in the Company.

(b) Negative Cash Flow from Operations

The Company has had negative cash flow from operations since its inception. The Company has a limited history of operations, and no history of earnings, cash flow or profitability. The Company's assets are in the early exploration stage only. Nine Mile has no source of operating cash flow and no assurance that additional funding will be available for further exploration and development of the exploration and evaluation assets when required. No assurance can be given that the Company will ever attain positive cash flow or profitability.

(c) Substantial Capital Expenditures Required

Substantial expenditures are required to establish ore reserves through drilling, to develop metallurgical processes to extract metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis. The discovery of mineral

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deposits is dependent upon a number of factors. The commercial viability of a mineral deposit once discovered is also dependent upon a number of factors, some of which relate to particular attributes of the deposit, such as size, grade and proximity to infrastructure, and some of which are more general factors such as metal prices and government regulations, including environmental protection. Most of these factors are beyond the Company's control. In addition, because of these risks, there is no certainty that the expenditures made on the exploration and evaluation assets will result in the discovery of commercial quantities of ore.

(d) Management Experience

The Company's success is currently largely dependent on the performance of its directors and officers. Members of the Company's management team have experience in resource exploration and business. The experience of these individuals is a factor that will contribute to the Company's success or failure. Nine Mile will initially be relying on our board members, as well as independent consultants, for certain aspects of our business. The amount of time and expertise expended on the Company's affairs by each member of the management team will vary according to the Company's needs. Nine Mile does not intend to acquire any key man insurance policies and there is, therefore, a risk that the death or departure of any member of management, the board, or any key consultant, could have a material adverse effect on the Company's future. Investors who are not prepared to rely on the Company's management team should not invest in its securities.

(e) Speculative Nature of Mineral Exploration

Resource exploration is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors which are beyond Nine Mile's control and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection, the combination of which factors may result in the Company not receiving an adequate return of investment capital. There is no assurance that Nine Mile's mineral exploration activities will result in any discoveries of commercial bodies of ore. The long-term profitability of the Company's operations will in part be directly related to the costs and success of its exploration programs, which may be affected by a number of factors. Substantial expenditures are required to establish reserves through drilling and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis.

(f) Fluctuating Mineral Prices

The mining industry is heavily dependent upon the market price of the metals or minerals being mined or explored for. There is no assurance that, even if commercial quantities of mineral resources are

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discovered, a profitable market will exist for their sale. There can be no assurance that mineral prices will be such that the Company's properties can be mined at a profit. Factors beyond Nine Mile's control may affect the marketability of any minerals discovered. The prices of base and precious metals have experienced volatile price movements over short periods of time, and are affected by numerous factors beyond the Company's control. There is no assurance that, a profitable market may exist for the sale of products. Factors beyond Nine Mile's control may affect the marketability of minerals or concentrates produced, including quality issues, impurities, deleterious elements, government regulations, royalties, allowable production and regulations regarding the importing and exporting of minerals, the effect of which cannot be accurately predicted.

Fluctuations in base and precious metal prices may adversely affect the Company's financial performance and results of operations. Further, if the market price of applicable metals falls or remains depressed, we may experience losses or asset write-downs and may curtail or suspend some or all of the Company's exploration, development and mining activities.

(g) Exploration and Development

The Company's exploration and evaluation assets are in the early stages of exploration. Mineral exploration and development involves a high degree of risk which even a combination of experience, knowledge and careful evaluation may not be able to mitigate. The vast majority of properties which are explored are not ultimately developed into producing mines. There is no assurance that the Company's mineral exploration and development activities will result in any discoveries of sustainable commercial bodies of ore. The long-term profitability of the Company's operations will be in part directly related to the cost and success of its exploration programs, which may be affected by a number of factors.

(h) Operating Hazards and Risks

Mineral exploration and development involves risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which the Company has a direct or indirect interest will be subject to hazards and risks normally incidental to exploration, development and production of minerals, any of which could result in work stoppages, damage to or destruction of property, loss of life and environmental damage. The nature of these risks is such that liabilities might exceed any insurance policy limits (if any), the liabilities and hazards might not be insurable or the Company might not elect to insure itself against such liabilities due to high premium costs or other factors. Such liabilities may have a materially adverse effect on the Company's financial condition.

(i) Competition

The mining industry is intensely and increasingly competitive, and Nine Mile competes for exploration and exploitation properties with many companies possessing greater financial resources and technical facilities than the Company does. Competition in the mining business could adversely affect the Company's ability to acquire suitable producing properties or prospects for mineral exploration in the future.

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(j) Environmental Risks and Other Regulatory Requirements

Nine Mile's current or future operations, including exploration or development activities and commencement of production on exploration and evaluation assets, require permits from various federal and local governmental authorities, and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. Companies engaged in the development and operation of mines and related facilities generally experience increased costs and delays in production and other schedules as a result of the need to comply with the applicable laws, regulations and permits. There can be no assurance that all permits which the Company may require for the construction of mining facilities and conduct of mining operations will be obtainable on reasonable terms or that such laws and regulations would not have an adverse effect on any mining project which Nine Mile might undertake.

Failure to comply with applicable environmental and other laws, regulations and permitting requirements may result in enforcement actions including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations.

Amendments to current environmental and other laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could increase Nine Mile's costs and remove the Company's ability to acquire permits for current or future operations. These factors would have material negative impacts on the Company's ability to continue operations.

(k) Industry Regulation

Nine Mile currently operate its business in a regulated industry. There can be no assurances that the Company may not be negatively affected by changes in the applicable legislation, or by any decisions or orders of any governmental or administrative body or applicable regulatory authority.

(l) Uninsured or Uninsurable Risks

Nine Mile may become subject to liability for cave-ins, pollution or other hazards against which the Company cannot insure or against which the Company may elect not to insure because of high premium costs or for other reasons. The payment of any such liabilities would reduce or eliminate the funds available for exploration and mining activities. Payments of liabilities for which the Company do not carry insurance may have a material adverse effect on the Company's financial condition.

Capital Management

The Company's objectives when managing capital are to raise the necessary equity financing to fund its projects and to manage the equity funds raised which best optimizes its programs and the interests of its equity shareholders at an acceptable risk. In the management of capital, the Company includes the

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components of shareholders' equity. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may raise additional equity funds. The Company is not subject to externally imposed capital requirements.

Significant Transactions After September 30, 2022.

- (a) On November 7, 2022, the Company issued 70,680 common shares for proceeds of \$33,220 pursuant to the exercise of share purchase warrants.
- (b) On December 7, 2022, the Company issued 534,375 flow-through units ("FT Unit") at \$0.32 per FT Unit for proceeds of \$171,000. Each FT Unit consisted of one flow-through common share of the Company and one-half of one non-flow-through common share purchase warrant. Each whole share purchase warrant entitles the holder thereof to purchase one common share at \$0.45 per share expiring on December 7, 2024.
- (c) On December 12, 2022, the Company issued 1,875,000 flow-through units ("FT Unit") at \$0.32 per FT Unit for gross proceeds of \$600,000. Each FT Unit consisted of one flow-through common share of the Company and one-half of one non-flow-through common share purchase warrant. Each whole share purchase warrant entitles the holder thereof to purchase one common share at \$0.45 per share expiring on December 12, 2024. In connection with the private placement, the Company incurred finders' fees of \$36,000 and issued 112,500 finders' warrants. Each finder's warrant is exercisable at \$0.45 per common share expiring on December 12, 2024.
- (d) On December 19, 2022, the Company issued 1,562,500 flow-through units ("FT Unit") at \$0.32 per FT Unit for gross proceeds of \$500,000. Each FT Unit consists of one flow-through common share of the Company and one-half of one share purchase warrant. Each whole share purchase warrant entitles the holder thereof to purchase one common share at \$0.45 per share expiring on December 19, 2024. In connection with the private placement, the Company incurred finders' fees of \$35,000 and issued 109,375 finders' warrants. Each finder's warrant is exercisable at \$0.45 per common share expiring on December 19, 2024.
- (e) On January 11, 2023, the Company entered into consulting agreement, whereby the consultant will provide statistical and artificial intelligence services that assist in identifying targets on the Company's exploration properties for consideration of \$65,000, of which \$10,000 is payable upon execution of the agreement, \$22,500 is due on the 1 month anniversary of the agreement, and \$32,500 is due prior to the release of the final deliverables from the consultant. In addition, the Company agreed to acquire a mineral claim from the consultant, known as the Swamp Brook Lake claim, located in New Brunswick, Canada, for consideration of \$65,000, payable in common shares of the Company. The claim is subject to a 2% NSR, with the right to purchase back 1% of the NSR for \$500,000.

Share Capital

The Company had 52,982,354 common shares issued and outstanding at September 30, 2022 (2021 - 21,918,729).

On December 20, 2021, the Company consolidated its share capital on a 2 old for 1 new basis. All share and per-share amounts have been retroactively restated for all periods presented to reflect the consolidation.

Share Issuances

In January 2022, the Company issued 21,000,000 common shares in connection with the acquisition of 100% of the Canoe Landing Lake West project and 50% of the Nine Mile Brook project.

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In January 2022, the Company issued 630,000 common shares as a finder's fee upon completion of the Transaction.

In March 2022, the Company issued 75,000 common shares in connection with the acquisition of the New Claims.

In April 2022, the Company issued 500,000 common shares in connection with the mineral property option agreement to acquire the BMC mineral claims.

In July 2022, the Company issued 8,858,625 common shares in connection with a non-brokered private placement of flow-through units and non-flow-through units.

Stock Options

In March 2022, the Company granted stock options to various directors, officers, consultants and an employee of the Company, to acquire up to 2,600,000 common shares of the Company at \$0.18 per share. The options vested immediately and expire five years from the date of issuance.

In June 2022, the Company granted stock options to a consultant of the Company, to acquire up to 400,000 common shares of the Company at \$0.25 per share. The options vest 25% every three months and expire two years from the date of issuance.

In June 2022, the Company granted a stock option to acquire 500,000 shares to a consultant of the company. The options will vest 50 per cent immediately and 50 per cent in three months and may be exercised at an exercise price of \$0.25 per share, for a period of two years.

In August 2022, the Company granted a stock option to acquire 500,000 shares to a consultant of the company. The options will vest 50 per cent immediately and 50 per cent in three months and may be exercised at an exercise price of \$0.25 per share, for a period of two years.

Outstanding Share Information

The Company has one class of authorized capital, being an unlimited number of common shares without par value. As at the date of this MD&A, the Company has the following issued and outstanding:

- 57,024,909 common shares.
- Warrants to purchase 13,280,189 common shares.
- Stock options to purchase 4,350,000 common shares.

Additional Information

Additional information relating to Nine Mile may be found on the Company's website at www.ninemilemetals.com and the Company's profile on SEDAR at www.sedar.com.