PNG Copper Inc.
Management's Discussion and Analysis

For the Year Ended December 31, 2022

May 1, 2023

Introduction

The following management's discussion and analysis ("MD&A") of the financial condition and results of operations of PNG Copper Inc. ("PNG" or the "Company") has been prepared by management as of May 1, 2023 and should be read in conjunction with the audited financial statements of the Company for the years ended December 31, 2022 and December 31, 2021 (the "Financial Statements") and related notes. The Company's public filings can be viewed on the SEDAR website (www.sedar.com) and on the Company's website (www.pngcopper.ca).

The Financial Statements, including comparative, and the related notes have been prepared in accordance and compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). All amounts are expressed in Canadian dollars unless otherwise stated. Other information contained in this document has also been prepared by management and is consistent with the data contained in the Financial Statements.

The Company's certifying officers are responsible for ensuring that the Financial Statements and MD&A do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made. The Company's certifying officers certify that the Financial Statements together with the other financial information included in the filings fairly present in all material respects the financial condition, financial performance, and cash flows of the Company as of the date of and for the periods presented in the filings.

The Company's Audit Committee and the Board of Directors provide an oversight role with respect to all public financial disclosures by the Company. The Board of Directors approves the Financial Statements and MD&A after the completion of its review and recommendation for approval by the Audit Committee, which meets periodically to review all financial reports, prior to filing.

Forward-Looking Statements

Certain statements contained in this document constitute "forward-looking statements". All statements other than statements of historical fact contained in this MD&A, including, without limitation, those regarding the Company's future financial position and results of operations, strategy, proposed acquisitions, plans, objectives, goals and targets, and any statements preceded by, followed by or that include the words "believe", "expect", "aim", "intend", "plan", "continue", "will", "may", "would", "anticipate", "estimate", "forecast", "predict", "project", "seek", "should" or similar expressions or the negative thereof, are forward-looking statements. These statements are not historical facts but instead represent only the Company's expectations, estimates and projections regarding future events. These statements are not guarantees of future performance and involve assumptions, risks and uncertainties that are difficult to predict. Therefore, actual results may differ materially from what is expressed, implied or forecasted in such forward-looking statements.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to risks associated with: geological risks, limited operating history; inability to generate earnings or pay dividends for the foreseeable future; no current assets other than cash; uncertain ability to raise additional funds when required; reliance on a small number of key managers lacking backup; potential conflicts of interest among directors and officers of the Company; lack of liquidity for shareholders of the Company; ability to secure needed permits; ability to physically access and work the Company's property assets; availability of skilled labor; timing and amount of capital expenditures; future currency exchange and interest rates; and market risk consisting of fluctuations in the Company's share price, metal prices, credit market conditions and investor appetite for early stage exploration companies. See "Risks and Uncertainties".

Management provides forward-looking statements because they believe such statements deliver useful guidance and information to readers when considering their investment objectives. Though management believes such statements to be as accurate as possible in the context of the information available to management at the time in which they are made, management cautions readers that the guidance and information contained in such statements may rapidly be superseded by subsequent events. Consequently, all of the forward-looking statements made in this MD&A are qualified by these cautionary statements and other cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments suggested by such forward-looking statement will be realized or, even if substantially realized, that they will have the expected results, or effects upon, the Company. These forward-looking statements are made as of the date of this MD&A and the Company assumes no obligation to update or revise them to reflect subsequent information, events or circumstances or otherwise, except as required by law.

The forward-looking statements in this MD&A are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future, including assumptions regarding business and operating strategies.

Description of the Business

PNG was incorporated on October 4, 2017, under the Canada Business Corporations Act (the "Act") as PNG Resources Inc. The name was changed to PNG Copper Inc. on August 12, 2021. The principal business of the Company is the acquisition, exploration, and development of mineral property interests in Papua New Guinea. The Company is a public company incorporated in Canada with limited liability under the legislation of Canada. The Company's portfolio is comprised of an option to acquire an 85% interest in two mineral concessions located in Papua New Guinea, known as the Mount Suckling Project (the "Mt Suckling Project"). The project was previously known as the Keveri Project, however subsequent to December 31, 2021, the name was changed to reflect the correct geographical location.

Both the registered and head office of the Company are located at 66 Wellington Street West, Suite 4100, Toronto, ON M5K 1B7.

Pursuant to an option and joint venture agreement (the "Option Agreement") with Papuan Mineral Pty Ltd. ("PMPL") and its wholly owned subsidiary Papuan Miners Ltd. ("PML") dated August 28, 2018, which agreement was replaced by a definitive option agreement amongst the parties dated March 20, 2020 and subsequently amended in November 2021, the Company acquired an option to acquire 85% of the issued and outstanding shares of PML. PML is the legal and beneficial owner of 100% of the licenses which encompass the Mt Suckling Project in Papua New Guinea.

On February 14, 2023, PNG gave notice terminating the Mount Suckling option agreement.

On February 14, 2023, the Company entered into an option agreement with a private arms' length vendor to earn a one hundred per cent (100%) interest in one hundred and thirty-eight (138) mineral claims situated in the Oba area of the Province of Ontario, generally referred to as the "Lost Molly" Property (the "Claims"). During the term of the option in respect of the Lost Molly Property, the Company will have the exclusive and irrevocable right to access, explore and develop the Claims at its sole and absolute discretion.

The Lost Molly Property is comprised of 139 contiguous mining claims covering 2,534 hectares in Walls Township and is located 80 km south of the town of Hearst, 16 km southeast of the village of Oba.

To earn its 100% interest, the Company must make the following optional cash and share payments and incur the following Exploration Work Expenditures on any of the Claims:

Cash and Share Payments

• Initial Payment - $30,000 (paid – see Subsequent events)
• 1st Anniversary - $80,000
• 2nd Anniversary - $120,000
• 3rd Anniversary - $160,000

Exploration Work Expenditures

• Year 1 - $50,000
• Year 2 – $100,000
• Year 3 - $200,000
• Year 4 - $400,000

Up to 50% of the respective cash payments may, at the option of the Company, be paid in common shares of the Company. If the Company exercises its right and option to make the respective cash payments partially in shares, the number of shares payable shall be determined for each such partial payment by dividing the amount of the partial payment by the 10-trading day average closing trading price of the Company's shares prior to the date of such payments. Such shares will be subject to required regulatory trading restrictions.

The Vendors are entitled to a three per cent (3%) Net Smelter Return royalty (the "NSR Royalty") on all minerals or metals extracted from the Claims two-thirds of which (a 2% NSR) may be bought back for $2,000,000.

The Company is in the exploration stage and is subject to the same risks and challenges as other companies in a comparable stage of development. These risks include, but are not limited to, the dependence on key individuals, successful exploration, and the ability to secure adequate financing to meet the minimum capital required to successfully complete its planned work programs on mineral properties. The financial statements for the year ended December 31, 2022, have been prepared using accounting policies applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due. The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company's continued existence is dependent upon the preservation of its interests in the underlying properties, the discovery of economically recoverable reserves and the Company's ability to dispose of its interests on an advantageous basis.

PNG is at an early stage of operating, developing, exploring, and acquiring mineral properties and as is common with many small companies, it raises financing for its exploration and acquisition activities in discrete tranches. The Company has a working capital deficiency of $(298,865) (working capital deficiency of $(425,662) at December 31, 2021). For the year ended December 31, 2022, the Company had a net loss and comprehensive loss of $2,265,812 (2021 - $3,026,647).

These circumstances cast significant doubt about the Company's ability to continue as a going concern and, accordingly, the ultimate use of accounting principles applicable to a going concern.

The Company's ability to continue as a going concern is dependent upon obtaining additional financing and eventually achieving profitable production in the future. The Company is currently evaluating various options in order to address its financing needs. There can be no assurance that the Company's financing activities will continue to be successful or sufficient.

Longer term, the Company may pursue opportunities to raise additional capital through equity markets; however, there can be no assurance it will be able to raise funds in the future. The ultimate ability of the Company to remain a going concern and complete exploration and development of properties, if properties are proven successful, is dependent upon successfully raising additional capital.

Highlights – Year-ended December 31, 2022

The Company's exploration focus during the third quarter of 2022 was a four-hole drill programme at the Doriri nickel-palladium-platinum prospect. PNG was inactive in the fourth quarter of 2022, as it was unable to raise funds to continue exploration of the property. The directors reviewed the results of the afore-mentioned programme and determined that, in light of the significant cost of exploration work in PNG and the share and cash requirements of the option agreement, it was in the best interest of the Company's shareholders to terminate the option agreement on the Mount Suckling and focus its efforts elsewhere.

Overall Performance

The Mt Suckling Project is at an early stage of exploration. As such, the Company's only source of funds is derived from the issuance of equity, plus whatever interest it may earn from cash balances and the investment of that portion of the proceeds of such equity issuances not otherwise immediately required for exploration purposes, in short-term investments and money market instruments.

SELECTED ANNUAL INFORMATION

Selected Annual and Year to Date Information

Year ended	**2022** **$**	**2021** **$**	**2020** **$**
Net income (loss)	(2,265,812)	(3,026,647)	(2,864,109)
Net (loss) per share			
- Basic	(0.02)	(0.03)	(0.04)
- Diluted	(0.02)	(0.03)	(0.04)
Total assets	4,437	202,624	1,599,202
Long Term Liabilities	Nil	Nil	Nil

SELECTED QUARTERLY INFORMATION
Summary of Quarterly Results

For the three-month period ended

	December 31, 2022 **$**	**September 30, 2022** **$**	**June 30, 2022** **$**	**March 31, 2022** **$**
Net income (loss)	(223,496)	(850,480)	(469,220)	(722,616)
Net (loss) per share				
- Basic	(0.00)	(0.00)	(0.00)	(0.01)
- Diluted	(0.00)	(0.00)	(0.00)	(0.01)
Total assets	4,437	110,029	151,986	140,191

For the three-month period ended

	December 31, 2021 $	September 30, 2021 $	June 30, 2021 $	March 31, 2021 $
Net income (loss)	(330,251)	(1,073,768)	(451,171)	(1,171,457)
Net (loss) per share				
- Basic	(0.00)	(0.01)	(0.00)	(0.01)
- Diluted	(0.00)	(0.01)	(0.00)	(0.01)
Total assets	202,624	337,858	388,338	630,895

Selected Annual Financial Information

The following is a summary of exploration expenditures of the Mt Suckling Project for the year ended December 31, 2022 and 2021:

Category	Year ended December 31,	
	2022 $	2021 $
Accommodations	7,708	33,910
Accounting services	18,771	54,206
Administration	10,664	10,393
Assays	2,933	9,015
Communication	16,791	14,775
Community support	7,573	2,098
Compensation	285	29,590
Drilling	74,459	117,831
Employment services	26,508	223,696
Field supplies	48,490	108,047
Geologists	146,799	155,621
Helicopter chartering	276,455	466,718
In-country logistics	1,856	69,133
Option payments	734,538	260,500
Other	15,109	13,566
Road maintenance	1,262	(9,365)
Site meal services	14,290	52,729
Storage	7,018	(3,265)
Travel	100,201	90,983
Wages	104,948	162,592
TOTAL	**1,616,658**	**1,862,773**

Results of Operations

Year ended December 31, 2022 compared to year ended December 31, 2021:

Net loss and comprehensive loss were $(2,265,812) for the year ended December 31, 2022 compared to $(3,026,647) in the year ended December 31, 2021, a decrease of $815,807.

The following is a summary of general and administrative expenses of the Company for the years ended December 31, 2022 and 2021:

Category	**Year ended December 31,**	
	2022 **$**	**2021** **$**
Consulting services	4,322	34,509
Foreign exchange loss (gain)	(5,820)	38,763
Investor relations	4,648	7,027
Management fees	Nil	277,083
Professional fees	296,234	314,804
Property agreement termination costs	67,584	nil
Salaries and employee benefits	Nil	310,662
Share based payments	153,487	77,587
Transfer agent and filing fees	31,541	32,306
Travel	2,289	174
All others	42,986	70,959
TOTAL	**606,271**	**1,197,837**

Consulting services declined due to the change in the nature of the exploration activity during the year compared with 2021.

Foreign exchange loss varies with the change in exchange rates amongst the foreign currencies in which the company incurs expenses, being primarily the PNG Kina and the Australian dollar.

Management fees decreased as a result of the termination of the president's contract on May 18, 2021.

Investor relations costs declined due to the continuation of the pandemic and difficulties experienced working on the property, resulting in the company having limited information to communicate to investors.

Professional fees decreased due to the cost of negotiating the termination of the Company's relationship with both the President and CAO in the prior year .

Property agreement termination costs were incurred in conjunction with the termination of the Mount Suckling property agreement.

Salaries and employee benefits decreased by virtue of the termination of the CAO's contract on September 27, 2021.

Share based payments vary with the number of options vested in the period and the assumptions in the Black-Scholes option pricing model. Share based payments increased as a result of options forfeited due to departures during the prior year.

Travel costs increased in the year ended December 31, 2022 compared with 2021 as the pandemic restricted travel.

Three months ended December 31, 2022 compared to three months ended December 31, 2021:

General and administrative expenses totaled $270,369 in the fourth quarter of 2022, compared to $270,369 in the prior year period. The following is a summary of general and administrative expenses of the Company for the three months ended December 31, 2022 and 2021:

Category	Three months ended December 31,	
	2022 $	2021 $
Foreign exchange loss (gain)	(12,382)	3,828
Professional fees	64,427	52,759
Property agreement termination costs	67,584	Nil
Salaries and employee benefits	Nil	175,000
Share-based payment	52,395	(13,635)
All others	412	18,454
TOTAL	**172,436**	**236,406**

Foreign exchange loss (gain) varies with the change in exchange rates amongst the foreign currencies in which the company incurs expenses, being primarily the PNG Kina and the Australian dollar.

Professional fees increased as the Company used more legal and accounting services with the winding down of operations in PNG.

Property agreement termination costs were incurred in conjunction with the termination of the Mount Suckling property agreement.

Salaries and employee benefits decreased due to the termination of the contract with the company's CAO on September 27, 2021.

Share-based payments vary with the number of options vested and the assumptions in the Black-Scholes option pricing model and options forfeited due to departures in the year.

Related Party Transactions

PNG entered into the following transactions with related parties during the years ended December 31, 2022 and 2021:

	2022 $	2021 $
Salaries and management fees paid to directors of the Company	Nil	587,745
Exploration and evaluation expenses paid to an officer of the Company	110,000	Nil
Share-based payments made to the Company's directors	131,034	69,501
Accounting services paid to a partnership in which an officer of the Company is a partner	107,687	133,838
Rent paid to persons related to a Company director	Nil	8,000
Mount Suckling acquisition payments paid to a corporation whose directors were directors of the Company	732,091	296,985

Accounts payable and accrued liabilities as at December 31, 2022 include amounts owing to directors and officers in the amount of $28,814 (December 31, 2021 - $430,052). These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

On February 25, 2021, the Company issued 664,032 Class A common shares with a stated value of $0.225 per share pursuant to the option on the Mount Suckling property. The value attributed to the shares was based on the quoted market price on the date of issuance.

On March 21, 2022, the Company issued 4,703,364 Class A common shares with a stated value of $0.059 per share pursuant to the option on the Mount Suckling property. The value attributed to the shares was based on the quoted market price on the date of issuance.

On January 24, 2022, the Company issued 500,000 Class A common shares to the acting president to settle accounts payable in the amount of $35,000.

On March 7, 2022, the Company settled outstanding obligations in the amount of $108,711 with a director of the Company by the issuance of 1,553,020 Class A common shares of the Company and warrants to purchase 1,553,020 Class A common shares of $0.10 per share expiring March 7, 2027.

On March 21, 2022, the Company settled outstanding obligations in the amount of $349,996 with former senior management of the Company by the issuance of 5,833,266 Class A common shares of the Company.

On May 18, 2022, the Company settled outstanding obligations in the amount of $25,000 with acting president of the Company by the issuance of 500,000 Class A common shares of the Company.

On May 18, 2022, the Company settled outstanding obligations in the amount of $257,768 with a director of the Company by the issuance of 5,155,365 Class A common shares of the Company and warrants to purchase 5,155,365 Class A common shares of $0.07 per share expiring May 18, 2027.

On August 16, 2022, the Company settled outstanding obligations in the amount of $25,000 with acting president of the Company by the issuance of 500,000 Class A common shares of the Company.

On August 16, 2022, the Company settled outstanding obligations in the amount of $313,164 with a director of the Company by the issuance of 6,263,285 Class A common shares of the Company and warrants to purchase 6,263,285 Class A common shares of $0.07 per share expiring August 16, 2027.

On September 2, 2022, the Company issued 10,102,041 Class A common shares with a stated value of $0.045 per shares pursuant to the option on the Mt Suckling property. The value attributed to the shared was based on the most recent financing prior to this event.

The directors of the company are the chairman of the board, Mr. David Drinkwater, Mr. Steven Balch, Mr. Paul Rokeby, Mr. Stephen Grey and Mr. Andrew Morris.

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Company directly or indirectly, including directors (executive or non-executive) of the Company.

Liquidity, Capital Resources, and Outlook

The Company is an exploration-stage company and does not generate revenues. As such, it finances all of its operations and the exploration of its mineral properties entirely through the issuance of share capital. Although PNG has to date been successful in its attempts to raise capital, there can be no assurance that its future efforts will likewise be successful. The mineral exploration business is high risk, and the vast majority of exploration projects will not result in producing mines. The success of future financings will depend on a variety of factors including geological success – i.e. obtaining superior results from exploration; a positive investment climate encompassing strong metal prices, solid stock market conditions, and a "risk-on" appetite among investors; and the Company's track record and the ability and experience of management. If such financing is unavailable, PNG may be unable to retain its mineral interests and execute its business plans.

Off-Balance Sheet Arrangements

The Company had no off-balance sheet arrangements as at December 31, 2022.

Critical Accounting Estimates and Policies

The Company's significant accounting policies and the adoption of new accounting policies are disclosed in Notes 2(b) to the financial statements prepared for the years ended December 31, 2022, and 2021.

Critical accounting estimates used in the preparation of the financial statements include the Company's estimate of the value of stock-based compensation and income tax accounts. These estimates involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control.

The factors affecting stock-based compensation include estimates of when stock options and compensation warrants might be exercised and stock price volatility. The timing for exercise of options is out of the Company's control and will depend on a variety of factors, including the market value of the Company's shares and financial objectives of the share- based instrument holders. The Company used historical data to determine volatility in accordance with the Black-Scholes option pricing model. However, the future volatility is uncertain and the model has its limitations.

The Company's recoverability of its recorded value of its mineral exploration properties and associated deferred exploration and evaluation expenses is based on current market conditions for minerals, underlying mineral resources associated with the properties and future costs that may be required for ultimate realization through mining operations or by sale. The Company operates in an industry that is dependent on a number of factors including environmental, legal and political risks, the existence of economically recoverable reserves, and the ability of the Company to obtain necessary financing to complete the development, and future profitable production or the proceeds of disposition thereof.

Future Accounting Changes

The Company has not yet adopted certain new International Financial Reporting Standards ("IFRS") standards, amendments, and interpretations to existing standards, which have been published but are only effective for its annual periods beginning on or after January 1, 2023. These include:

IAS 1 – In February 2021, the IASB issued 'Disclosure of Accounting Policies' with amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements. The amendments are effective for year ends beginning on or after January 1, 2023.

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2023.

IAS 8 – In February 2021, the IASB issued 'Definition of Accounting Estimates' to help entities distinguish between accounting policies and accounting estimates. The amendments are effective for year ends beginning on or after January 1, 2023.

New IFRS standards adopted:

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for accounting periods beginning on January 1, 2022 or later. These new standards and changes did not have any material impact on the Company's financial statements. Updates that are not applicable or are not consequential to the Company have been excluded.

Financial Instruments & Risk

The Company's financial instruments consist of cash, accrued liabilities and accrued liabilities and share subscriptions.

The Company's activities expose it to a variety of financial risks: liquidity risk, market risk (including interest rate, foreign exchange rate and price risk) and credit risk.

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Credit Risk

The Company's credit risk is primarily attributable to cash. The Company has no significant concentration of credit risk arising from operations. Cash has been invested with reputable financial institutions from which management believes the risk of loss to be remote.

Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2022, the Company had a cash balance of $3,591 (December 31, 2021 - $87,502) to settle current liabilities of $303,303 (December 31, 2021 - $515,560). Subsequent to

December 31, 2022, the Company issued 50,000,000 units in consideration for $500,000. The Company's accounts payable and accrued liabilities generally have contractual maturities of less than 30 days and are subject to normal trade terms.

Interest Rate Risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. The Company is sensitive to changes in the interest rates through interest income earned on its cash balance.

Price Risk

Price risk with respect to commodity prices is remote since the Company is not a producing entity.

Foreign Currency Risk

The Company is subject to foreign exchange risk as some of its operating and investing activities are transacted in currencies other than the Canadian dollar, including the Australian dollar and the Papua New Guinea kina. The Company is therefore subject to losses due to fluctuations in these currencies relative to the Canadian dollar.

As at December 31, 2022, the Company held approximately $nil (December 31, 2021 - $9,668) of cash balances denominated in Papua New Guinea kinas. As at December 31, 2022, the Company had accounts payable and accrued liabilities denominated in US dollars of $nil (December 31, 2021 - $15,995), Australian dollars of $nil (December 31, 2021 - $3,039) and in Papua New Guinea kinas of $75,110 (December 31, 2021 - $27,703). A 10% change in the value of the Canadian dollar compared to the other foreign currencies in which the Company transacts would result in a corresponding foreign exchange gain/loss of approximately $7,511 based on the balance of monetary assets and liabilities at December 31, 2022 (2021 - $2,500).

Commodity price risk

The ability of the Company to develop its properties and the future profitability of the Company is directly related to fluctuations in the market price of certain minerals.

Commitments and Contingencies

The Company's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Capital Management

The capital of the Company consists of common shares, treasury shares, warrants and options. The Company manages and adjusts its capital structure based on available funds in order to support the acquisition, exploration and development of its exploration and evaluation assets. The Company manages its 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 its capital structure, the Company may issue new shares, seek debt financing, or acquire or dispose of assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company is not subject to any externally imposed capital requirements. Management reviews its capital management approach on an on-

going basis and believes that this approach, given the relative size of the Company, is reasonable. There have been no significant changes in the risks, objectives, policies and procedures in 2022 or 2021.

Management has chosen to mitigate the risk and uncertainty associated with raising additional capital in current economic conditions by:

(i) ensuring cost-effective deployment of existing funds, generally through competitive bidding;
(ii) avoiding project "overstretch" – i.e. too many properties and projects, and too many commitments;
(iii) minimizing discretionary disbursements;
(iv) reducing or eliminating exploration expenditures that are of limited value;
(v) maintaining a liquidity cushion in order to address any potential disruptions or industry downturns; and
(vi) exploring alternative sources of liquidity.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is appropriate.

Disclosure of Outstanding Share Data as at May 1, 2023

The following is a description of the outstanding equity securities and convertible securities previously issued by the Company at May 1, 2023:

Common Shares

Authorized:	Unlimited number of common shares.
Outstanding:	190,531,368 common shares.

Options

The Company has 12,255,000 options exercisable at prices ranging from $0.05 and $0.25

Warrants

The Company has 96,525,440 warrants outstanding exercisable at prices ranging from $0.05 and $0.20.

Subsequent Events

(a) Issuance of Class A shares

On January 27, 2023, the Company completed the first tranche of a non-brokered private placement financing. This tranche of 18,300,000 units at a price of $0.01 per unit for gross proceeds of $183,000 is comprised of one common share and one common share purchase warrant. Each warrant entitles the holder thereof to purchase one common share of the Company at a price of $0.05 per common share until January 27, 2028.

On February 9, 2023, the Company completed the second and final tranche of a non-brokered private placement financing. This tranche of 31,700,000 units at a price of $0.01 per unit for gross proceeds of $317,000 is comprised of one common share and one common share purchase warrant. Each warrant entitles the holder thereof to purchase one common share of the Company at a price of $0.05 per common share until February 9, 2028. The Company paid a finder's fee of $47,000 in cash and 3,170,000 non-transferable finder's warrants, with each such warrant entitling the holder thereof to acquire one unit at a price of $0.05 per share until February 9, 2028.

(b) Mt Suckling Property

On February 14, 2023, the Company gave notice terminating the Mount Suckling option agreement relating to the exploration properties in Papua New Guinea.

(c) Lost Molly Property

On February 14, 2023, Accordingly, the Company entered into an option agreement with a private arms' length vendor to earn a one hundred per cent (100%) interest in one hundred and thirty-eight (138) mineral claims situated in the Oba area of the Province of Ontario, generally referred to as the "Lost Molly" Property (the "Claims"). During the term of the option in respect of the Lost Molly Property, the Company will have the exclusive and irrevocable right to access, explore and develop the Claims at its sole and absolute discretion.

The Lost Molly Property is comprised of 139 contiguous mining claims covering 2,534 hectares in Walls Township and is located 80 km south of the town of Hearst, 16 km southeast of the village of Oba.

To earn its 100% interest, the Company must make the following optional cash and share payments and incur the following Exploration Work Expenditures on any of the Claims:

Cash and Share Payments
• Initial Payment - thirty thousand dollars ($30,000)
• 1st Anniversary - a further eighty thousand dollars ($80,000)
• 2nd Anniversary - a further one hundred and twenty thousand dollars ($120,000)
• 3rd Anniversary - a further one hundred and sixty thousand dollars ($160,000)

Exploration Work Expenditures
• Year 1 - fifty thousand dollars ($50,000)
• Year 2 – a further one hundred thousand dollars ($100,000)
• Year 3 - a further two hundred thousand dollars ($200,000)
• Year 4 - a further four hundred thousand dollars ($400,000)

Up to 50% of the respective cash payments may, at the option of the Company, be paid in common shares of the Company. If the Company exercises its right and option to make the respective cash payments partially in shares, the number of shares payable shall be determined for each such partial payment by dividing the amount of the partial payment by the 10-trading day average closing trading price of the Company's shares prior to the date of such payments. Such shares will be subject to required regulatory trading restrictions.

The Vendors are entitled to a three per cent (3.0%) Net Smelter Return royalty (the "NSR Royalty") on all minerals or metals extracted from the Claims two-thirds of which (a 2% NSR) may be bought back for $2,000,000.

(d) Grant of stock options

On April 5, 2023, the Company granted 5,500,000 stock options to purchase common shares of the Company at a price of $0.05 per share for a period of five years to certain consultants, employees, directors, and officers of the Company, subject to the policies of the Canadian Securities Exchange and the Company's stock option plan.

Risks and Uncertainties

The Company's securities should be considered high risk and highly speculative due to the nature of its business.

Substantial Number of Authorized but Unissued Shares

The Company has an unlimited number of Common Shares that may be issued by the Board without further action or approval of the Company's shareholders. While the Board is required to fulfill its fiduciary obligations in connection with the issuance of such shares, the shares may be issued in transactions with which not all shareholders agree, and the issuance of such shares will cause dilution to the ownership interests of the Company's shareholders.

Dilution

The financial risk of the Company's future activities will be borne to a significant degree by purchasers of the Common Shares. If the Company issues Common Shares from its treasury for financing purposes, control of the Company may change, and purchasers may suffer additional dilution.

No Market for Securities

There is currently no market through which any of the Common Shares may be sold, and there is no assurance that such securities of the Company will be listed for trading on a stock exchange, or if listed, will provide a liquid market for such securities. Until the Common Shares are listed on a stock exchange, holders of the Common Shares may not be able to sell their Common Shares. Even if a listing is obtained, there can be no assurance that an active public market for the Common Shares will develop or be sustained after completion of the Offering. The holding of Common Shares involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. Common Shares should not be purchased by persons who cannot afford the possibility of the loss of their entire investment.

Negative Cash Flow from Operating Activities

The Company has no history of earnings and had negative cash flow from operating activities since inception. The Mt Suckling Property is in the exploration stage and there are no known mineral resources or reserves and the proposed exploration program on the Mt Suckling Property is exploratory in nature. Significant capital investment will be required to achieve commercial production from the Company's existing projects. There is no assurance that the Mt Suckling Property will generate earnings, operate profitably, or provide a return on investment in the future. Accordingly, the Company will be required to obtain additional financing in order to meet its future cash commitments.

Current Market Volatility

The securities markets in the United States and Canada have recently experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any market for the Common Shares will be subject to market trends generally, notwithstanding any potential success of the Company. The value of the Common Shares distributed hereunder will be affected by such volatility.

Use of Funds

The Company has prepared a detailed budget setting out the way in which it proposes to expend the funds. However, the quantum and timing of expenditure will necessarily be dependent upon receiving positive results from the Company's exploration activities on the Lost Molly Property. As the Company conducts its exploration program, it is possible that results and circumstances may dictate a departure from the pre-existing budget. Further, the Company may, from time to time as opportunities arise, utilise part of its financial resources to participate in additional opportunities that arise and fit within the Company's broader objectives, as a means of advancing shareholder value.

No Production History

The Lost Molly Property is not a producing property, and its ultimate success will depend on its operating ability to generate cash flow from producing properties in the future. The Company has not generated any revenue to date and there is no assurance that it will do so in the future. The Company's business operations are at an early stage of development and its success will be largely dependent upon the outcome of the exploration programs that the Company proposes to undertake.

Limited Operating History

The Company has no properties producing positive cash flow and its ultimate success will depend on its ability to generate cash flow from producing properties in the future. The Company has not earned profits to date and there is no assurance that it will do so in the future. Significant capital investment will be required to achieve commercial production from the Company's existing projects. There is no assurance that the Company will be able to raise the required funds to continue these activities.

Exploration, Mining and Operational Risks

The business of exploring for and mining minerals involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. At present, the Mt Suckling Property does not have any known mineral resources or reserves, and the proposed exploration and drilling programs are an exploratory search for such mineral resources or reserves.

The Company's operations are subject to all the hazards and risks normally associated with the exploration, development, and mining of minerals, any of which could result in risk to life, to property, or to the environment. The Company's operations may be subject to disruptions caused by unusual or unexpected formations, formation pressures, fires, power failures and labour disputes, flooding, explosions, cave-ins, landslides, the inability to obtain suitable or adequate equipment, machinery, labour, or adverse weather conditions. The availability of insurance for such hazards and risks is extremely limited or uneconomical at this time.

In the event the Company is fortunate enough to discover a mineral deposit, the economics of commercial production depend on many factors, including the cost of operations, the size and quality of the mineral deposit, proximity to infrastructure, financing costs and Government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting minerals and environmental protection. The effects of these factors cannot be accurately predicted, but any combination of these factors could adversely affect the economics of commencement or continuation of commercial mineral production.

Mining Claims

The operations of the Company will require licenses and permits from various governmental authorities in Ontario. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out the exploration and development of its projects in a timely manner or at all.

The activities of the Company will be subject to government approvals, various laws governing prospecting, development, land resumptions, production taxes, a gold export license, labour standards and occupational health, mine safety, toxic substances, and other matters. Although the Company intends to carry out its activities in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development.

The Company's operations will also be subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties.

Corruption and Bribery

The Company must comply with anti-corruption and anti-bribery laws, including the Canadian Corruption of Foreign Public Officials Act as well as similar laws in the countries in which the Company conducts its business. Such laws apply to all directors, officers, employees, consultants and agents of the Company and each subsidiary thereof. If the Company finds itself subject to an enforcement action or is found to be in violation of such laws, this may result in significant penalties, fines and/or sanctions imposed on the Company, which may have a material adverse effect on it.

Mining Decision

The Company may choose to initiate mining operations on any part of the Lost Molly Property, without basing its production decision on a feasibility study, pre-feasibility study, preliminary economic assessment or mining study of mineral reserves demonstrating economic and technical viability, and therefore be subject to a higher risk of uncertainty. There is no assurance, given all of the known and potentially unknown risks associated with the Mt Suckling Property that the Company will be able to profitably carry-on mining operations. In addition, there is no assurance continued exploration of the Lost Molly Property will demonstrate adequate additional mineralization which can be mined economically, such that mining operations on the Lost Molly Property may not be sustainable beyond currently estimated resources.

Assurance of Title

The Company has taken all reasonable steps to attempt to ensure that proper title to the Lost Molly Property has been obtained and that all grants of such rights thereunder, if any, have been registered with the appropriate public offices. Despite the due diligence conducted by the Company, there is no guarantee that title to such Lost Molly Property will not be challenged or impugned. The Company's mineral property interests may be subject to prior unregistered agreements or transfers, or aboriginal land claims and title may be affected by undetected defects.

Possible Loss of Interests in Lost Molly Property

The Lost Molly Option Agreement pursuant to which the Company acquired its interest in the Lost Molly Property requires the Company to make a series of payments in cash and to issue Common Shares over certain time periods and expend certain minimum amounts on the exploration of the Lost Molly Property. If the Company fails to make such payments or expenditures within the prescribed time periods, the Company may lose its interest in the Lost Molly Property without any recourse.

Possible Failure to Obtain Mining Licenses

Even if the Company does complete the required exploration activities on the Lost Molly Property, it may not be able to obtain the necessary licences or permits to conduct mining operations, and thus would realize no benefit from such exploration activities.

Competition

The Company competes with numerous other companies and individuals possessing greater financial resources and technical facilities than itself in the search for, and acquisition of, mineral claims, leases, and other mineral interests, as well as the recruitment and retention of suitably qualified individuals.

Conflicts of Interest

Some of the Company's directors and officers act as directors and/or officers of other mineral exploration companies. As such, the Company's directors and officers may be faced with conflicts of interests when evaluating alternative mineral exploration opportunities. In addition, the Company's directors and officers may prioritize the business affairs of another Company over the affairs of the Company.

Personnel

The Company has a small management team, and the loss of any key individual could affect the Company's business. Additionally, the Company will be required to secure other personnel to facilitate its exploration program on the Lost Molly Property. Any inability to secure and/or retain appropriate personnel may have a materially adverse impact on the business and operations of the Company.

Volatility of Commodity Prices

The market prices of commodities are volatile and are affected by numerous factors, which are beyond the Company's control. These factors include international supply and demand, consumer product demand, international economic trends, currency exchange rate fluctuations, interest rates, inflation, global or regional political events, as well as a range of other market forces. Sustained downward movements in commodity prices could render less economic, or uneconomic, some or all of the exploration activities to be undertaken by the Company.

Environmental Risks and Other Regulatory Requirements

Inherent with mining operations is an environmental risk. The current or future operations of the Company, including exploration and development activities and commencement of production on the Mt Suckling Property, require permits from various governmental authorities. Such operations are governed by laws and regulations that govern prospecting, mining, development, 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 as a result of needing to comply with applicable laws, regulations and permits. There can be no assurance that all permits that the Company requires for future, exploration, development, construction and operation of mining facilities and the conduct of mining operations will be obtainable on reasonable terms or that such laws and regulations would not have an adverse effect on the operations of the Company.

The legal framework governing this area is constantly developing, therefore the Company is unable to fully ascertain any future liability that may arise from the implementation of any new laws or regulations, although such laws and regulations are typically strict and may impose severe penalties (financial or otherwise). The proposed activities of the Company, as with any exploration, may have an environmental impact which may result in unbudgeted delays, damage, loss and other costs and obligations including, without limitation, rehabilitation and/or compensation. There is also a risk that the Company's operations and financial position may be adversely affected by the actions of environmental groups, or any other group or person opposed in general to the Company's activities and, in particular, the proposed exploration and mining by the Company within the Province of Ontario.

Uninsured Risks

The Company, as a participant in exploration and mining programs, may become subject to liability for hazards such as unusual geological or unexpected operating conditions that cannot be insured against or against which it may elect not to be so insured because of high premium costs or other reasons. The Company is currently uninsured against all such risks as such insurance is either unavailable or uneconomic at this time. The Company also currently has no key man insurance or property insurance as such insurance is uneconomical at this time. The Company will obtain such insurance once it is available and, in the opinion of the Board, economical to do so. The Company may incur a liability to third parties (in excess of any insurance coverage) arising from pollution or other damage or injury.

The Company is not insured against most environmental risks. Insurance against environmental risks has not been generally available to companies within the mining and exploration industry. Without such insurance, and if the Company does become subject to environmental liabilities, the costs of such liabilities would reduce or eliminate the Company's available funds or could result in bankruptcy. Should the Company be unable to fully fund the remedial costs of an environmental problem, it may be required to enter into interim compliance measures pending completion of the required remedy.

Health and Safety Risks

A violation of health and safety laws, or the failure to comply with the instructions of relevant health and safety authorities, could lead to, among other things, a temporary cessation of activities on the Lost Molly Property or any part thereof, a loss of the right to prospect for minerals, or the imposition of costly compliance procedures. This could have a material adverse effect on the Company's operations and/or financial condition.

Tax Issues

Income tax consequences in relation to the securities offered will vary according to the circumstances of each purchaser. Prospective purchasers should seek independent advice from their own tax and legal advisers prior to subscribing for the securities.

Additional Requirements for Capital

Substantial additional financing will be required if the Company is to be successful in pursuing its ultimate strategy of discovering and extracting mineral resources. No assurances can be given that the Company will be able to raise the additional capital that it may require for its anticipated future operations. Commodity prices, environmental rehabilitation or restitution, revenues, taxes, transportation costs, capital expenditures, operating expenses, geological results, and the political environment are all factors which will have an impact on the amount of additional capital that may be required. Any additional equity financing may be dilutive to investors and debt financing, if available, may involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company, if at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion, forfeit its interest in the Lost Molly Property, incur financial penalties, or reduce or terminate its operations.

Smaller Companies

The share price of publicly traded smaller companies can be highly volatile. The value of the Common Shares may go down as well as up and, in particular, the share price may be subject to sudden and large falls in value given the restricted marketability of the Common Shares.

Liquidity of the Common Shares

Listing on the Exchange should not be taken as implying that there will be a liquid market for the Common Shares. Thus, an investment in the Common Shares may be difficult to realise. Investors should be aware that the value of the Common Shares may be volatile. Investors may, on disposing of Common Shares, realise less than their original investment, or may lose their entire investment. The Common Shares, therefore, may not be suitable as a short-term investment.

The market price of the Common Shares may not reflect the underlying value of the Company's net assets. The price at which the Common Shares will be traded, and the price at which investors may realise their Common Shares, will be influenced by a large number of factors, some specific to the Company and its proposed operations, and some that may affect the sectors in which the Company operates. Such factors could include the performance of the Company's operations, large purchases or sales of the Common Shares, liquidity, or the absence of liquidity in the Common Shares, legislative or regulatory changes relating to the business of the Company, and general market and economic conditions.

General

Although management believes that the above risks fairly and comprehensibly illustrate all material risks facing the Company, the risks noted above do not necessarily comprise all those potentially faced by the Company as it is impossible to foresee all possible risks.

Disclosure of Internal Controls

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the audited annual financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the audited annual financial statements and (ii) the audited annual financial statements fairly present in all material respects the financial condition, results of operations and cash flow of the Company, as of the date of and for the years presented.

The Company is not required to certify the design and evaluation of the Company's disclosure controls and procedures ("**DC&P**") or its internal control over financial reporting ("**ICFR**"). There are inherent limitations on the ability of the certifying officers of the Company to design and implement on a cost-effective basis DC&P and ICFR for the Company, which may result in risks to the quality, reliability, transparency, and timeliness of interim and annual filings and other reports required under applicable securities legislation."

Additional Information

Additional information relating to the Company is available at www.pngcopper.ca.