PNG Copper Inc.

Management's Discussion and Analysis Form 51-102F1

For the Three and Six months Ended June 30, 2023 and 2022

August 28, 2023

Introduction

The following management's discussion and analysis ("MD&A") of the financial condition and results of operations of PNG Copper Inc. ("PNG Copper" or the "Company") has been prepared by management as at August 28, 2023 and should be read in conjunction with the interim financial statements of the Company for the six months ended June 30, 2023 and 2022 (the "Financial Statements") and related notes.

The Financial Statements have been prepared by management in accordance with IAS 34 Interim Financial Reporting ("IAS 34") 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 interim 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 Copper was incorporated on October 4, 2017, under the Canada Business Corporations Act (the "Act") as Golden Birch 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. The Company is a public company incorporated in Canada with limited liability under the legislation of Canada. The Company's shares trade on the Canadian Securities Exchange under the symbol PNGC.

The registered office of the Company is located at 66 Wellington Street West, Suite 4100, Toronto, ON Canada 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 138 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.

The Company 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 at various times when necessary and available. The Company had a working capital deficiency of $56,509 at June 30, 2023 (deficiency of $298,865 at December 31, 2022). For the six months ended June 30, 2023, the Company had a net loss and comprehensive loss of $238,813 (six months ended June 30, 2022 – loss of $1,191,837).

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 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 – Q2 June 30, 2023

Corporate

During the quarter the Company granted a total of 6,000,000 incentive stock options to directors, officers and a consultant of the Company. These options are exercisable over five years at an exercise price of $0.05. 25% of the options will vest on the date of grant and 25% of the options will vest at the end of each subsequent six-month period during the term of the option.

SELECTED QUARTERLY INFORMATION
Summary of Quarterly Results

Description	June 30/23	Mar 31/23	Dec 31/22	Sept 30/22	June 30/22	Mar 31/22	Dec 31/21	Sept 30/21
	$	$	$	$	$	$	$	$
Sales/Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net Income/Loss	(104,566)	(134,247)	(223,496)	(850,480)	(469,220)	(722,616)	(330,251)	(1,073,,768)
Net Income/Loss Per share – Basic - Diluted	(0.00) (0.00)	(0.00) (0.00)	(0.00) (0.00)	(0.00) (0.00)	(0.00) (0.00)	(0.01) (0.01)	(0.00) (0.00)	(0.01) (0.01)
Total Assets	96,006	173,490	4,437	110,029	151,986	140,191	202,624	337,858

Results of Operations

Three months ended June 30, 2023 compared to three months ended June 30, 2022:

Exploration expenditures for the three months ended June 30, 2023 were Nil compared to $331,904 during the three months ended June 30, 2022. The decrease in exploration expenditures is due to the termination of the Company's operations in Papua New Guinea.

The following is a summary of general and administrative expenses of the Company for the three months ended June 30, 2023, and 2022:

Category	Three months ended June 30, 2023 $	2022 $
Consulting services	Nil	4,322
Foreign exchange loss	Nil	1,613
Management fees	11,075	Nil
Professional fees	21,039	85,539
Salaries and employee benefits	22,671	Nil
Share based payment	39,237	20,327
All others	10,544	40,707
TOTAL	104,566	137,316

Consulting services declined due to changes in company focus with the change of management.

Foreign exchange loss decreased with the ending of funds being sent from Canada to PNG.

Management fees started as a result of the appointment of a new CFO.

Professional fees decreased with the change in company management.

Salaries and employee benefits started due to the appointment of a new CEO.

Share based payments represent the Black-Scholes value of the options vested in the period.

Six months ended June 30, 2023 compared to six months ended June 30, 2022:

Exploration expenditures for the six months ended June 30, 2023 were $30,000 compared to $908,591 during the six months ended June 30, 2022. The decrease in exploration expenditures is due to the termination of the Company's operations in Papua New Guinea. $30,000 was paid as the initial payment on the Lost Molly Property.

The following is a summary of general and administrative expenses of the Company for the six months ended June 30, 2023, and 2022:

Category	Six months ended June 30,	
	2023 $	2022 $
Consulting services	Nil	4,322
Foreign exchange loss	Nil	12,906
Management fees	11,075	Nil
Professional fees	78,788	167,682
Salaries and employee benefits	34,177	Nil
Share based payment	55,891	57,629
All others	28,882	40,707
TOTAL	208,813	283,246

Consulting services declined due to changes in company focus with the change of management.

Foreign exchange loss decreased with the ending of funds being sent from Canada to PNG.

Management fees started as a result of the appointment of a new CFO.

Professional fees decreased with the change in company management.

Salaries and employee benefits started due to the appointment of a new CEO.

Share based payments represent the Black-Scholes value of the options vested in the period.

Related Party Transactions

PNG Copper entered into the following transactions with related parties during the six month periods ended June 30, 2023 and 2022:

With Directors of the Company:	2023 $	2022 $
Management fees and wages to directors of the Company	45,252	Nil
Share-based Payments to directors of the Company	44,245	12,159
Accounting services paid to a partnership in which an officer of the Company is a partner	17,092	68,022
Option payments to a company controlled by one director of the Company	Nil	277,499

Accounts payable and accrued liabilities as at June 30, 2023 include amounts owing to directors and officers in the amount of $1,070 (June 30, 2022 - $9,650). These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

The directors of the company are Mr. David Drinkwater, Chairman of the Board; Mr. John O'Donnell, the Interim Chief Executive Officer, and non-executive director, Mr. Steven Balch.

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 Copper 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 Copper 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 at June 30, 2023.

Critical Accounting Estimates and Policies

The Company's significant accounting policies and the adoption of new accounting policies are disclosed in Notes 2(b) 3 to the interim financial statements prepared for the six months ended June 30, 2023 and 2022.

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.

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, 2022.

Commitments and Contingencies

The Company's 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 2023 or 2022.

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;
(vi) performing in-house some of the functions previously outsourced; and
(vii) 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.

The Company is not presently subject to any capital requirements imposed by a regulator or lending institution body.

Disclosure of Outstanding Share Data

The following is a description of the outstanding equity securities and convertible securities previously issued by the Company:

Common Shares

Authorized: Unlimited number of Class A shares.

Issued and outstanding: June 30, 2023 – 190,531,368;
Issued and outstanding: August 28, 2023 (date of this report) – 190,531,368.

Warrants outstanding: June 30, 2023 – 99,695,440
Warrants outstanding: August 28, 2023 – 99,695,440
The warrants expire between May 2025 and February 2028 and have a weighted average exercise price of CDN $0.09 per warrant.

Stock Options outstanding: June 30, 2023 – 9,805,000; Exercisable 4,380,000
Stock Options outstanding: August 28, 2023 – 9,805,000; Exercisable 4,380,000
The options expire between October 2023 and May 2028 and have a weighted average exercise price of CDN $0.08 per share.

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.

Negative Cash Flow from Operating Activities

The Company has no history of earnings and had negative cash flow from operating activities since inception. The Lost Molly Property is in the exploration stage and there are no known mineral resources or reserves and the proposed exploration program on the Lost Molly 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 Lost Molly 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, utilize 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 the Company's 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 Lost Molly 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 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.

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 Lost Molly 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 projects.

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 or long-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 DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Additional disclosure concerning the Company's: (a) capitalized or expensed exploration and development costs; (b) expensed research and development costs; (c) deferred development costs; (d) general and administrative expenses; and (e) any material costs, whether expensed or recognized as assets, not already referred to in this MD&A is provided in the Company's Condensed Interim Consolidated Financial Statements and its Audited Consolidated Financial Statements for the year ended December 31, 2022, which can be accessed on SEDAR under the Company's profile page at www.sedarplus.com.