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**METALITE RESOURCES INC.**  
**(FORMERLY ROOGOLD INC.)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**YEAR ENDED DECEMBER 31, 2022**

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## **MANAGEMENT DISCUSSION AND ANALYSIS**

The following Management's Discussion and Analysis ("MD&A") dated as of April 28, 2023, supplements the consolidated financial statements of Metalite Resources Inc. (formerly RooGold Inc; the "Company") and the notes thereto for the years ended December 31, 2022 and 2021. The MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the consolidated financial statements of the Company for the years ended December 31, 2022 and 2021 together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's consolidated financial statements and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC"). Information contained herein is presented as of April 28, 2023, unless otherwise indicated.

For the purposes of preparing this MD&A, Management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company's common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

The Company's shares are listed on the Canadian Securities Exchange ("CSE"). Further information about the Company and its operations can be obtained from the offices of the Company or from [www.sedar.com](http://www.sedar.com) and the Company's website [www.metaliteresources.com](http://www.metaliteresources.com).

## **COMPANY OVERVIEW**

On April 1, 2019, Metalite Resources Inc. ("Metalite" or the "Company"; formerly RooGold Inc.) was incorporated under the laws of the province of British Columbia. The Company's principal business activity is the exploration for mineral resources in New South Wales, Australia. Metalite is a public company whose common shares trade on the Canadian Securities Exchange ("CSE") under the symbol METL. On January 27, 2021, the Company split its share capital on a 3 new to 1 old basis. On September 16, 2021, the Company changed its name to RooGold Inc. and consolidated its share capital on a 1 new to 2 old basis. All share and per share amounts have been restated to reflect the share split and consolidation. On March 21, 2023, the Company changed its name to Metalite Resources Inc., and its symbol for the common shares traded on the CSE was changed to METL from ROO.

The Company's head office address is 82 Richmond Street East, Toronto, Ontario, M5C 1P1.

## **CORPORATE UPDATES**

On January 20, 2022, the Company announced it has engaged CanaCom Group, the parent company of The Deep Dive, to provide digital content, marketing and media distribution services to the Company. Under the terms of the engagement, The Deep Dive has been retained for a 12-month term and will be paid a monthly fee of \$18,750 plus applicable taxes.

On January 20, 2022, the Company closed a second tranche of its previously announced Non-Brokered Unit Private Placement, on a post-Consolidation basis, by issuing 2,399,500 Units at \$0.25 per Unit and raising \$599,875. Each Unit consists of a Common Share and a half (1/2) a Common Share Purchase Warrant, each whole Warrant entitling the holder to purchase an additional Common Share at \$0.40 per Share for a two year period from Closing. The term of the Warrants is subject to an Accelerator Clause that the Issuer can elect to trigger if the Issuer's Share price trades above \$0.50 for 30 consecutive trading days. In connection with the Private Placement, Foundation Markets Inc. received Finder's Fees of \$17,440 and 69,760 Finders' Warrants, each Finder's Warrant entitling the holder to purchase a Common Share at \$0.32 for a two year period. The term of the Finder's Warrants is subject to an Accelerator Clause that the Issuer can elect to trigger if Metalite's shares trade above \$0.50 for 30 consecutive trading days.

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On February 3, 2022, the Company announced the appointment of Alexandra Bonner as Vice-President of Exploration. Additionally the Company granted 750,000 stock options, of which 250,000 vest on February 9, 2022, and the remainder vesting 250,000 each year on the anniversary. The stock options have an exercise price of \$0.25 and are exercisable for a period of five years, expiring February 9, 2027.

On February 9, 2022, the Company announced effective March 4, 2022, Carlos Espinosa was appointed as Chief Executive Officer (CEO), President and member of the Board of Directors. Further on March 4, 2022 the Company granted 1,000,000 stock options to Carlos Espinosa of which 166,667 stock options vest every six months. The stock options have an exercise price of \$0.30 and are exercisable for a period of five years, expiring March 4, 2027.

On March 17, 2022, the Company announced the appointment of Michael Singer to the Company's board of directors. Additionally, the Company granted 350,000 stock options to Michael Singer of which 87,500 stock options vest every six months starting September 17, 2022. The stock options have an exercise price of \$0.30 and are exercisable for a period of five years, expiring March 17, 2027.

On April 13, 2022, 24,000 agent warrants with an exercise price of \$0.067 expired unexercised.

On June 22, 2022, the Company announced the results of its shareholder meeting which was held on June 21, 2022. All items presented to the shareholders were approved, which included setting the number of directors, election of the directors, appointment of the auditors, and approval of the stock option plan.

On and effective July 14, 2022, the Company announced the appointment of Daniel Cohen to the Company's board of directors.

On August 16, 2022, the Company announced the appointment of Vishal Gupta to the Board of Directors. Mr. Gupta replaces Carlos Espinosa, who agreed to step down as a director in order to make room for Mr. Gupta to join the Company's board of directors. Mr. Espinosa will remain in his role as President and Chief Executive Officer of the Company.

On November 3, 2022, the Company announced that it has obtained Australian regulatory clearance for the final closing of the definitive Share Exchange Agreement with APMC in which it has effectively acquired a 100% interest in APMC's Trilby and Lorne properties in New South Wales, Australia.

#### **CORPORATE EVENTS SUBSEQUENT TO DECEMBER 31, 2022**

On January 31, 2023 the Company announced that it has appointed Mr. Efdal Olcer as its new Vice President of Exploration.

On February 22, 2023, the Company announced that it has closed the acquisition of Next Generation Resources Inc. ("NextGen") on February 21, 2023. The transaction was structured as a three-cornered amalgamation completed pursuant to an amalgamation agreement (the "Definitive Agreement") entered into between the Company, a newly incorporated wholly-owned subsidiary of the Company and NextGen. Pursuant to the terms of the Definitive Agreement, in connection with the amalgamation Metalite issued a total of 72,499,200 common shares, 29,901,600 common share purchase warrants and 1,688,000 agent warrants. All of such warrants expire on February 21, 2025. The 2,152,000 warrants with an exercise price of \$0.025 contain an accelerated expiry provision such that if the closing price of the common shares in the capital of the Company on the Canadian Stock Exchange is in excess of \$0.025 for a period of 10 consecutive trading days then the expiry date shall be accelerated to the date that is 30 days following the date that is 7 days after the end of the 10 consecutive trading day period referenced above. The 1,688,000 agent warrants also have an exercise price of \$0.025 and are subject to the same acceleration clause. 25,749,600 of the common share purchase warrants have an exercise price of \$0.10 until February 21, 2024 and an exercise price of \$0.125 from February 22, 2024 until February 21, 2025. The final 2,000,000 warrants have an exercise price of \$0.0625. Following the completion of the Transaction, the Company has 145,059,150 common shares outstanding, of which the current shareholders of the Company hold just over 50% (on a non-diluted basis). No new control persons of the Company (i.e. greater than 20% of the outstanding shares) were created as a result of the transaction.

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On March 20, 2023 the Company announced the appointment of Mr. David Melling as Chief Executive Officer (CEO) and member of the Board of Directors, and Mr. Dale J. Schultz, M.Sc., P.Geo. to the Board of Directors. Mr. Vishal Gupta and Mr. Daniel Cohen resigned from their roles to pursue other ventures.

On March 21, 2023 the Company changed its name to "Metalite Resources Inc." from "RooGold Inc." and began trading on the Canadian Securities Exchange ("CSE") under the new name at the market open on March 27, 2023. The Company also concurrently changed its stock symbol to "METL" on the CSE.

On April 21, 2023, 160,000 common share purchase warrants were exercised at \$0.025 per share for the issuance of 160,000 common shares.

Effective April 28, 2023 Mr. Michael Singer resigned from his role as director to pursue other ventures.

### **MINERAL PROPERTIES**

The Company is currently in the process of building a portfolio of projects in New South Wales, Australia. During the year ended December 31, 2022, the Company engaged in the following activities which resulted in the acquisitions of a number of mineral properties.

On January 26, 2022, the Company announced that New South Wales ministerial approval of the indirect change in control of 1267248 B.C. Ltd. wholly-owned subsidiary, Great Southern Precious Metals Pty Ltd. (the "Subsidiary"), has been received and the parties have now closed the Definitive Agreement in which Metalite has acquired 1267248 B.C. Ltd. and its Subsidiary.

On March 10, 2022, the Company announced that it has completed a reconnaissance field trip to the Gold Belt, Trilby and Lorne Concessions which are located along the Peel-Manning Suture Zone.

On March 29, 2022, the Company announced that it has signed Land Access Agreements at its top two ranked concessions, the Gold Belt (EL9226) and Gold Star (EL9215) properties.

On May 4, 2022, the Company announced that it acquired a 100% held Exploration Licence #9390 in the highly prospective Peel-Manning Suture Zone of the New England Orogen in New South Wales, Australia.

On June 23, 2022, the Company announced that it has undertaken a preliminary rock chip sampling program at its 100% held Arthurs Seat Project Exploration Licence # 9144.

On August 10, 2022, the Company announced that high-grade gold and silver assays have been returned from its preliminary rock chip sampling program at its 100% held Arthurs Seat Project.

On August 23, 2022, the Company announced that it has received high-grade gold assays from the first pass prospect sampling at its 100% held Lorne project (EL 9232) in the highly gold prospective Peel manning-fault system within the New England Orogenic Terrain, New South Wales, Australia.

On August 30, 2022, the Company announced that it has received high-grade gold assays from the first pass prospect sampling at its 100% held Gold Star project (EL 9215) located within the New England Orogenic Terrain in New South Wales, Australia.

### **EXPLORATION EVENTS SUBSEQUENT TO DECEMBER 31, 2022**

On January 30, 2023 the Company filed NI 43-101 for its Arthurs Seat and Gold Star properties.

As part of the NextGen acquisition that the Company closed on February 22, 2023, the Company acquired exploration licences in Libera. These include Nimba South, Nimba North, Pleebo, Harper, as well as four additional licences. More information can be found on the Company's website [www.metaliteresources.com](http://www.metaliteresources.com), and the Company will also be filing a Business Acquisition Report within the prescribed period which will provide more information.

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On March 3, 2023, the Company relinquished its title to its Solomons (EL 9110), Malebo (EL 9122), Goodwins Reef (EL 9132), Silver Creek (EL 9143), Glenrock (EL 9390), Lorne (EL 9232), and Trilby (EL 9242) projects.

Exploration activities have focused on establishing land access agreements with landowners over key prospects at Metalite's highest priority projects, shown in the table below.

Land access agreements have been realized at Arthurs Seat (EL 9144), Gold Star (EL 9215) and over the State Forest at Gold Belt (EL 9226) and Dingo (EL 9227). At Gold Belt and Dingo the Right to Negotiate process has been completed, thus satisfying the Native Title requirements for these projects. Land access will continue during the next quarter including continuation of landowner negotiations and access agreements at Castlerag (EL 9141), Dingo (EL9227) and Blue Bell (EL 9229).

*Metalite's high priority projects for land access and prospect sampling. During the quarter land access agreements were established over key prospects at Arthurs Seat, Gold Star, Gold Belt and Dingo. Prospect information sourced from NSW Government database Minview.*

Project	Target	
Arthurs Seat EL9144	IRG, orogenic Au/Ag	Mine dump samples up to 750g/t Ag & 11.6% Sb. Stream sampling low level Ag and base metal anomalism. Mostly Sb prospects.
Castle Rag EL9141	IRG Au/Ag	Historic production at Castle Rag Mine 4000t @ 1200g/t Ag. 4 Mile Group rock chip up to 612 g/t Ag, 5.5 % Pb, 3.35 g/t Au and >1.5% Mo
Blue Bell EL9229	Orogenic Au, low sulfide	Historic average production grades up to 87g/t Au for a total of 28kg Au. The project remains poorly explored since the gold-rushes of the 1900's.
Gold Star EL9215	Orogenic Au, low sulfide	9.56g/t Au rock chip at Golden Bar / Golden Star. Follow up drilling returned 4m @ 0.67g/t Au from 12m incl 1m at 1.15g/t (GMRC002) 2011.
Gold Belt EL9226	Orogenic Au, low sulfide	Commonwealth Mine - small, rich gold field 233kg @ avg grade 55g/t. Handful other Au/Ag prospects - highly underexplored Best result 3.4ppm Au (soils).
Dingo EL9227	Orogenic Au, low sulfide	Historic production figures: Cricketer Reef 9t avg 40g/t Au, Darks Reef 16t avg 30g/t, Howletts Reef 35t, avg 30g/t

## **Gold Projects**

### **Trilby**

Exploration License No. 9242 ("EL 9242") was granted on August 4, 2021 by the Department of Regional NSW – Mining, Exploration and Geoscience ("MEG"). The Company estimates that a minimum exploration expenditure and associated expenses of AUD \$25,000 in year one and AUD \$50,000 in year two will be required, based on certain MEG requirements.

Trilby comprises of 215 km<sup>2</sup>, located in the western portion of the New England orogenic terrain. The area spans a 35km long section of the serpentinized Peel-Manning Fault system within the eastern boundary of the New England orogenic terrain. The area includes the Trilby historic gold mine, consisting of swarmed meta-hydrothermal quartz veins with visible gold noted. The geological setting is highly prospective for Listwanite associated gold mineralization, geologically analogous with numerous world class gold deposits, for example McLaughlin Gold Mine in California (5<sup>th</sup>-Moz Au pre mining resource). The Peel-Manning Fault zone is significantly gold endowed to the north (Bingara Alluvial field) and the south (Nundle gold field) of the area. Hard rock gold lode deposits are also abundant across the fault suite. Hence, the potential for significant listwanite associated orogenic precious metal deposits are considered viable exploration target.

**Exploration work**

To assess the application area and delineate precious and base metal targets via early-stage exploration methods, in parallel to developing pre-defined historic prospects and mines. The initial exploration activities will focus on defining accurate portrayals of the property's geology to a detailed scale, to accurately target the prospective fault, bound listwanite zones. Once property geology has been established to a satisfactory level of detail, targeted soil and rock chip sampling campaigns will follow, outlining potential gold anomalies which will be tested via a maiden scout drill program.

Due to land access constraints at this property, Trilby was relinquished.

**Lorne**

Exploration License No. 9232 ("EL 9232") was granted on July 26, 2021 by the Department of Regional NSW – MEG. Additionally, the Company estimates that a minimum exploration expenditure and associated expenses of AUD \$25,000 in year one and AUD \$50,000 in year two will be required, based on certain MEG requirements.

Lorne covers 102.5 km<sup>2</sup> located in the western portion of the New England orogenic belt. The area spans 12 strike kilometres of the significantly gold mineralized regional Peel- Manning fault system. Mineralization is of an orogenic or lode gold type and is characterized by quartz veins which may host highgrade gold shoots. The area includes Twenty-eight past producing gold mines and prospects. Historical production and prospecting records define a 1 km wide, 7.5 km long gold trend. Historical hard-rock production grades of up to 15 g/t Au are cited on the NSW MinView website. The historic mines include the past producing Marquis of Lorne orogenic gold-antimony mine, with over 500 m of historical underground workings and historic estimated reserves of 50k oz Au. Historic drill hole intercepts of up to 5 g/t Au over 5m are recorded across this zone from 5 drill holes, according to NSW government archive records.

**Exploration work**

To assess the application area and delineate precious and base metal targets via early-stage exploration methods. Initial exploration activities will focus on assessing and re-modelling past exploration work, to better target underexplored pre-identified prospects. The next stage of exploration will focus on targeted surface soil and rock chip sampling campaigns, outlining areas of high gold tenure across pre-existing prospects and potentially outline new gold anomalies, both of which to be tested via a scout drill program.

During the quarter activities consisted of landowner liaison and establishment of land access agreements over key prospects. Preliminary reconnaissance rock sampling was undertaken at Brands Reef and Norton Mine prospects in July of 2022. Results of this sampling were released on August 23, 2022 and are summarized below.

**Rock Sampling Results**

A total of 22 rock samples were collected at two prospects, the Brands Reef and Norton Mine respectively, which contain filled-in mine workings. At Brands Reef, rock samples returned significantly high-grade gold with the highest gold assay returned at 22.1 g/t Au from a vuggy, gossanous, hydrothermal quartz vein with minor pyrite / arsenopyrite. Significant assay results at Brands Reef and Norton Mine are shown in Figure 1 and listed in Table 1. The results show the high-grade nature of these prospects and are the first rock samples to be reported here in modern times.

Many other high-grade prospects along a 10 km strike distance to the north from Brands Reef and Norton Mine are awaiting sampling, which will be undertaken following land access permissions.

Due to land access constraints at this property, Lorne was relinquished.

## **Malebo**

Exploration License No. 9122 ("EL 9122") was granted on April 1, 2021 by the Department of Regional NSW – MEG. Additionally, the Company estimates that a minimum exploration expenditure and associated expenses of AUD \$25,000 in year one and AUD \$50,000 in year two will be required, based on certain MEG requirements.

Malebo is located in the central-south of the Lachlan Orogenic belt. The Lachlan Orogen of New South Wales, Victoria and eastern Tasmania comprises a series of prolifically mineralized accretionary terranes which host a number of economically important mineralized deposits. In New South Wales these include world-class porphyry Cu-Au deposits and related skarn Cu-Au and epithermal Au deposits; small to large epigenetic and hydrothermal Au and Pb- Zn-Cu deposits; medium sized orogenic Au deposits and small to large VHMS style Pb-Zn-Ag-Au deposits.

Malebo is located approximately 60 km from the Moz Mt Adrah gold deposit. Gold mineralization throughout this part of the Lachlan Orogenic Belt is associated with several sub- parallel north-northeast trending regional scale faults.

Malebo is associated with the most westerly of these regional structures which extends at least 250 kilometers northwards from the Victorian border. The Malebo Exploration License straddles over 40 kilometers of this structure and hosts five historic gold mines and prospects including:

- Prospectors Reef: a historic gold mine associated with structurally controlled quartz veins. An historic bulk sample had a reported head-grade of 31 g/t Au.
- Egans Prospect: comprises a series of shallow historic shafts, drives, pits and costeans. Samples collected in 1974 assayed up to 270 ppm Au, 3500 ppm As and 840 ppm Pb — typical of orogenic gold mineralization throughout the region. Visible gold is noted.
- The Historic Malebo Mine: comprises several shallow exploration shafts. Samples collected in 1971 assayed up to 4.5ppm Au and 71 ppm Ag.

The relationship between a regional structure juxtaposing moderate grade metamorphic rocks, gold-bearing quartz veins, and gold-arsenic-silver-minor lead geochemistry, is consistent with an orogenic gold target type. These systems may have significant depth extension. Malebo has been largely under-explored due to a thin cover of recent sediments.

### Exploration work

Historic data review and interpretation downgraded this property and Malebo was relinquished.

## **Easedowns**

Exploration License No. 9228 ("EL 9228") was granted on July 23, 2021 by the department of Regional NSW – MEG. Additionally, the Company estimates that a minimum exploration expenditure and associated expenses of AUD \$25,000 in year one and AUD \$50,000 in year two will be required, based on certain MEG requirements.

Easedowns is located in the central coastal region of the Lachlan orogenic terrain, NSW Australia. The Lachlan terrain represents a marginal mobile zone developed at the edge of the Australian Plate during the Ordovician and Early Carboniferous Period. It comprises a series of prolifically mineralized accretionary terranes which host several economically important mineralized deposits. In New South Wales these include world-class porphyry Cu-Au deposits and related skarn Cu-Au and epithermal Au deposits; small to large epigenetic and hydrothermal Au and Pb-Zn-Cu deposits; medium sized orogenic Au deposits and small to large VHMS style Pb-Zn-Ag-Au deposits. Total production in the terrain surpasses 100 Moz Au and 40 Mt Cu.

The Easedowns property covers an area of 83 km<sup>2</sup> and includes 10 historic gold mines and prospects. Mineralization is associated with a lenticular sedimentary – intrusive contact target zone which measures over 1km in width. The property remains under-explored and un-drilled.

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Surface exploration by Oroya Mining Limited in 2012 confirmed widespread gold mineralization on the property. Citing a high potential for economic gold mineralization, host within bulk-tonnage quartz stock- work bodies and fine gold in altered rhyolite dykes. Historic production across the property and surrounding area is estimated at over 40,000 oz/Au during the early to mid-1900s, highly significant considering the basic technology and mining methods available during this period. Historical records from small-scale production cite grades of up to 384 g/t Au.

The Property Includes:

- Easedowns Mine: Historically mined via UG Shafts and adits to lengths of up to 194 m. Mining exploited gold rich quartz veinlets and quartz breccia's which crosscut the body and contact of a 40 m wide rhyolite dyke system.
- Lady Carrington Mine: UG workings driven on the same dyke system mined at Easedowns - reported economic loads of up to 3 m in width - worked down to 40m, remaining open at depth. Proved significant strike extension of the area.

Exploration work

Despite historic mining activity and successful historic surface exploration which outlined several high priority exploration targets, the property remains largely under-explored. Field work will initially focus on field sampling of historic workings and prospects, in conjunction with soil geochemical sampling, to rapidly focus on the highest value drill targets.

Due to land access constraints at this property, Easedowns was relinquished.

**Bluebell**

Exploration License No. 9229 ("EL 9229") was granted on July 23, 2021 by the Department of Regional NSW – MEG. Additionally, the Company estimates that a minimum exploration expenditure and associated expenses of AUD \$25,000 in year one and AUD \$50,000 in year two will be required, based on certain MEG requirements.

Blue Bell is located in the southern portion of the Lachlan Fold Belt, on the border of NSW and Victoria. The Lachlan terrain represents a marginal mobile zone developed at the edge of the Australian Plate during the Ordovician and Early Carboniferous Period. It comprises a series of prolifically mineralized accretionary terranes which host several economically important mineralized deposits. In New South Wales these include world-class porphyry Cu-Au deposits and related skarn Cu-Au and epithermal Au deposits; small to large epigenetic and hydrothermal Au and Pb-Zn-Cu deposits; medium sized orogenic Au deposits and small to large VHMS style Pb-Zn-Ag-Au deposits. Total production in the terrain surpasses 100 Moz Au and 40 Mt Cu.

The property covers 79.5 km<sup>2</sup> and includes 9 historic gold mines and prospects. Deposits are classified as low-sulphide Cox & Singer type controlled by two regional N/S striking structures. Small scale historic production reported average head grades of up to 87g/t Au. Historically identified gold deposits populate two large regional fault zones – of which 7km strike remains untested.

The Property includes:

- Meads Reef: Cluster of narrow structurally controlled quartz reefs - historically, mined via small scale open pits and UG drives to average grades of 87g/t Au. Area reportedly produced a total of 28kg Au including associated alluvial workings.
- Small scale historic production from auriferous quartz reefs at Concordia Reef, Blue Bell Mine and Southern Cross Reef, with average grades ranging between 20 - 30 g/t Au.
- Despite robust historic production grades across multiple vein systems, the concession — and region in general — remains poorly explored since the gold-rushes of the 1900's.



Exploration work

The property remains underexplored and un-drilled despite historic high-grade mining activity and highly prospective geological setting within a world class gold district. Initial field work will focus on field sampling of historic workings and prospects, in conjunction with soil geochemical sampling along the 7 km target strike zone. Following this initial stage, a targeted maiden drill program will test the most significant surface anomalies or deposit extensions. Access to the property is good and the area is sparsely populated.

**Solomons**

Exploration License No. 9110 ("EL 9110") was granted on March 18, 2021 by the Department of Regional NSW – MEG. Additionally, the Company estimates that a minimum exploration expenditure and associated expenses of AUD \$25,000 in year one and AUD \$50,000 in year two will be required, based on certain MEG requirements.

Solomons is located in the north-east of the New England Orogenic Terrane. The New England Orogenic Terrane comprises island-arc and continental-arc gold-mineralized belts, which host extensive alluvial gold fields and a number of economically important gold deposits. These include Mount Carrington (>0.5 Moz Ag Eq.), Hillgrove (2 Moz Au) and Bingara (0.5 Moz Au).

Solomons is located approximately 100 km to the north-east of Mount Carrington and covers 139 km<sup>2</sup>. The license includes 12 historic gold mines and prospects which follow a large linear NE/SE trend — yet the license is largely under-explored. Historical records from small-scale production cite grades of up to 132 g/t Au and 1648 g/t Ag including:

- Gumboot Reef: comprises a small, historic exploration adit that was driving into a gossanous zone with quartz veinlets. Historic grades of up to 2 oz/t Au are reported.
- Solomons Mine: comprises several shallow shafts. Historic assay of up to 132 g/t Au and 1648 g/t Ag cited. Mineralization is considered to be of a vein type — possibly a low sulphidation epithermal.
- Dunbible Gold Mine: comprises a single shaft which was sunk to a depth of almost 20 m. Historic assays of up to 13 g/t Au cited.
- Rixons Gold Mine: comprised several shallow adits and shafts in an area of noted for reasonably sized gold nuggets. Further work required.

Exploration work

Due to land access constraints at this property, Solomons was relinquished.

**Dingo and Gold Star**

The Dingo property consist of Exploration License No. 9227 ("EL 9227") was granted on July 23, 2021 by the Department of Regional NSW – MEG. Additionally, the Company estimates that a minimum exploration expenditure and associated expenses of AUD \$25,000 in year one and AUD \$50,000 in year two will be required, based on certain MEG requirements.

The Gold Star property consist of Exploration License No. 9215 ("EL 9215") was granted on July 16, 2021 by the Department of Regional NSW – MEG. Additionally, the Company estimates that a minimum exploration expenditure and associated expenses of AUD \$25,000 in year one and AUD \$50,000 in year two will be required, based on certain MEG requirements.

The Dingo and Gold Star properties are both located in the south-west of the New England Orogenic Terrane, approximately 10km east of the Peel-Manning Fault system. The New England Orogenic Terrane comprises island-arc and continental-arc gold- mineralized belts, which host extensive alluvial gold fields and a number of economically important gold deposits. These include Gympie (5 Moz Au), Mount Carrington (>0.5 Moz Au Eq.), Hillgrove (2 Moz Au), Cracow (3 Moz Au), Mount Morgan (>5 Moz Au) and Mount Rawdon (2 Moz Au).

Dingo spans 130 km<sup>2</sup> and Gold Star Spans 104 km<sup>2</sup>, with a combined total of 231 km<sup>2</sup>. The two properties are closely geologically and geographically associated, separated only by a 5 km wide unmineralized zone. Between both properties, 21 small-scale historic underground gold Mines and prospects have been identified. Historical production grades of these small-scale mines range between 4.7 - 40 g/t Au.

Deposits in the region are mainly classified as mesothermal low sulfide auriferous quartz veins. Regional high angle structures are thought to control gold mineralization - providing excellent scalable exploration targets. Limited past exploration focused only on the immediate area surrounding Goldstar Mine - the vast majority of the properties remain under-explored and un-drilled.

The Properties include:

- Lily Coyne Reef: Opaque grey quartz veins up to 2 m wide - potentially traceable on strike for 1500 m. Historically mined via underground adits and shafts.
- Golden Bar: Historic underground mining focused on one main auriferous quartz reef measuring 0.60m wide, for average production grades of 20 g/t Au.
- Gold Star: Underground workings and adits, driven on a network of quartz veins measuring between 0.25 - 0.6 m wide during the late 1800s. Historic records cite a 50 kg bulk sample returned grades of >5,000 g/t Au.

Exploration by TELLUS RESOURCES LTD in 2011 confirmed high-grade gold mineralization in the area, identifying over 100 historic shafts within the Gold Star Concession. Suggestive of significant gold endowment and extensive historic gold mining.

#### Exploration work

Initial work on the property will mainly involve field work, initially focusing on identification and detailed mapping of historic workings, followed by sampling. This will be completed in conjunction with soil geochemical sampling of untested prospective structures. Targeted drilling will then be used to confirm mineralization to depth and extend strike extensions of historic workings and test any new surface anomalies result from geochemical sampling.

During the quarter land access negotiations and access agreements were established over key prospects at the Golden Star and Golden Bar prospects within the Gold Star Project (EL 9215). Preliminary reconnaissance sampling has been undertaken at the Golden Star prospect and assay results were press released on August 30, 2022, as summarized below:

#### Rock Sampling Results

A total of 65 rock samples were collected in and around the Golden Bar and Golden Star prospects that consist of two NW striking quartz vein systems located approximately 200 meters apart. The highest assay came from float near the historical mine workings returning significantly high-grade of 23.1 g/t Au (R00391) from a smokey quartz vein containing mudstone margins and fragments. Two other high-grade samples were returned from smokey quartz veins containing sulfide stringers of pyrite and arsenopyrite in the workings, including assays grading 9.41 g/t Au (R00389) and 6.38 g/t Au (R00379). Additional lower grade, but still significant, assays were reported from the workings, grading 1.63 g/t Au each (R00384 and R00385), see table below.

The localization of high-grade gold in quartz veins confirms the structurally controlled nature of mineralization and supports an orogenic model.

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**Management Discussion and Analysis**  
**Years Ended December 31, 2022**  
**Dated - April 28, 2023**

Significant gold assays from quartz veins at Golden Bar and Golden Star prospects.

Sample ID	UTMGRID	EASTING	NORTHING	RL	Au g/t
R00379	MGA_94	359724.1	6548708.86	1190.901	6.38
R00384	MGA_94	359685.2	6548663.33	1190.499	1.63
R00385	MGA_94	359700.9	6548632.72	1190.37	1.63
R00389	MGA_94	359701.7	6548608.34	1187.67	9.41
R00391	MGA_94	359704.3	6548582.44	1188.118	23.1

Anomalous gold was assayed in several other samples from the prospects, including 11 samples grading in the range of 0.1 g/t Au – 1.0 g/t Au and 14 samples grading in the range of 0.01 g/t Au – 0.10 g/t Au. The remaining 35 samples returned assays lower than the detection limit of less than 0.01 g/t Au.

Other high-grade prospects along a 10 km strike to the south are yet to be sampled, including the Comet and Bull targets, where reports from historic mine workings record an average grade of 36.6 g/t Au.

Landowner liaison is being undertaken over key prospects at Dingo (EL 9227) with the plan to sample key workings immediately following establishment of access agreements with landowners.

### **Gold Belt Project**

Exploration License No. 9226 ("EL 9226") was granted on July 23, 2021 by the Department of Regional NSW – MEG. Additionally, the Company estimates that a minimum exploration expenditure and associated expenses of AUD \$25,000 in year one and AUD \$50,000 in year two will be required, based on certain MEG requirements.

Gold Belt is located in the south-west of the New England Orogenic Terrane, on the southernmost extension of the Peel-Manning Fault system. The New England Orogenic Terrane comprises island-arc and continental-arc gold-mineralized belts, which host extensive alluvial gold fields and several economically important gold deposits. These include Gympie (5 Moz Au), Mount Carrington (>0.5 Moz Au Eq.), Hillgrove (2 Moz Au), Cracow (3 Moz Au), Mount Morgan (>5 Moz Au) and Mount Rawdon (2 Moz Au).

Gold Belt spans 104 km<sup>2</sup> across the Peel-Manning Fault system. This system is a regional scale lister-centred detachment fault, spanning over 500 km into mid-eastern Queensland, associated with significant regional gold endowment. Gold mineralization is widespread across the system with numerous >0.5 Moz alluvial fields and hundreds of smaller hard rock gold deposits. The Peel-Manning remains largely underexplored with limited drilling in comparison with geologically analogous settings worldwide.

The property includes 20 historic gold mines and prospects, covering the northern segment of the Copeland Goldfield, which produced an estimated 64,000 oz of gold between 1876 and 1956. Deposits are broadly classified as low sulphide auriferous quartz veins and have been mined down to 186 m depth on the property.

Two parallel gold controlling regional fault systems have been identified on the property, forming two significant gold mineralised corridors with a total strike length of over >7 km. Untested jogs and splays along these faults represent excellent exploration targets. Despite high-grade historic gold production - the property remains un-drilled and poorly explored since the initial gold-rushes of the late 18-to mid-19 hundred's.

The Property includes:

- Mount Peerless Mine: Underground workings and shafts exploited a 0.75m wide quartz reef. The main adit has over 280 m of underground working, with average production grades of 15 g/t Au.
- Federation and Bowens mines: Historic production between 1903 to 1975, exploiting 0.6 m wide auriferous quartz veins - mined across 3 levels for a vertical interval of 128 m - drives up to 250 m in length. Average production grades between 36 and 76 g/t Au.

- Gold Belt Mine: Underground workings exploited a 1.2m wide quartz reef, with average production grades cited at 86 g/t Au.
- Commonwealth Mine - average small scale production grades of 55 g/t Au from underground workings.
- Claytons Mine, average small scale production grades of 62 g/t Au from underground workings.

The relationship between the regional structures juxtaposing moderate grade metamorphic rocks, gold- bearing quartz veins, and gold-Antimony geochemistry, is consistent with an orogenic gold target type. These systems have significant depth potential – partially shown by the historic deep mining.

#### Exploration work

Field work will initially focus on field sampling of historic workings and prospects, in conjunction with extensive soil geochemical sampling on the un-explored segments of the connecting regional structures to rapidly focus on the highest value drill targets. Access to the property is good and sparsely populated.

Landowner liaison has been undertaken over key prospects at Gold Belt (EL 9226) including the Right to Negotiate process over the State Forest that covers the main historic workings. Sampling of these workings will be conducted completion of this process and any further required land access agreements.

#### Silver Projects

##### **Castle Rag**

Exploration License No. 9141 ("EL 9141") was granted on April 30, 2021 by the Department of Regional NSW – MEG. Additionally, the Company estimates that a minimum exploration expenditure and associated expenses of AUD \$25,000 in year one and AUD \$50,000 in year two will be required, based on certain MEG requirements.

Castle Rag spans 135km<sup>2</sup> across the north western region of the New England Orogenic Terrane. The New England Orogenic Terrane comprises island-arc and continental-arc gold-Silver mineralized belts, which host extensive intrusion related polymetallic deposits. These include Mount Carrington (24 Moz Ag), Webb (>12 Moz Ag), Hillgrove (2 Moz Au), Gympie (5 Moz Au), Hillgrove (2 Moz Au), Cracow (3 Moz Au), Mount Morgan (>5 Moz Au) and Mount Rawdon (2 Moz Au).

The property includes 9 historic Silver mines/prospects, 2 historic gold mines/prospects and numerous molybdenum and tin prospects. Mineralization across the property is classed as intrusion related – expressed in multiphase quartz tourmaline stockwork and vein hosted polymetallic - Au/Ag rich deposits. Two high priority target zones have been identified from historic mining activity and exploration - Castle Rag Group and the Eastern granite/rhyolite contact.

The Property Includes:

- Castle Rag Target Zone: 27 mineral occurrences and prospects, 7 of which are silver- base metal intrusion related vein deposits within the Castle Rag license. Mineralization is characterised by intrusion related polyphase quartz– calcite veins, with associated with brecciation and stockworks.
- Castle Rag Mine: Operated between 1988 to 1929, by underground adits up to 500 m in length and to depths of 75 m. Production is estimated at 4000t at average grades of 1200 g/t Ag > 20% Pb.
- The Eastern Target: Gold, silver and molybdenum mineralised greisenized granite/rhyolite contact, forming a highly prospective >5 km long, largely untested exploration target. Limited past surface exploration has returned grades of up to 612 g/t Ag, 5.5 % Pb, 3.35 g/t Au and >1.5% Mo.

#### Exploration work

The property remains significantly under-explored, with only 3 DDH holes drilled for 159m in 1985. Exploration will focus on linking Castle Rag mine with its six high-grade proximal satellite deposits, with the aim of consolidating significant strike extent of the mineralised system with the potential to build significant resources. This will be achieved by a combination of targeted surface channeling and targeted drilling.

In August 2022 land access was established over key workings including the Castlerag Silver Mine.

## **Arthurs Seat**

Exploration License No. 9144 ("EL 9144") was granted on April 30, 2021 by the Department of Regional NSW – MEG. Additionally, the Company estimates that a minimum exploration expenditure and associated expenses of AUD \$25,000 in year one and AUD \$50,000 in year two will be required, based on certain MEG requirements.

Arthurs Seat spans 42 km<sup>2</sup> across the north western region of the New England Orogenic Terrane. The New England Orogenic Terrane comprises island-arc and continental-arc gold-silver mineralized belts, which host extensive intrusion related polymetallic deposits. These include Mount Carrington (24 Moz Ag), Webb (>12 Moz Ag), Hillgrove (2 Moz Au), Gympie (5 Moz Au), Hillgrove (2 Moz Au), Cracow (3 Moz Au), Mount Morgan (>5 Moz Au) and Mount Rawdon (2 Moz Au).

The property is centred on the regional Severn Thrust Fault and mineralized granitic/ sandstone contact. The property includes 3 historic silver mines and prospects. Mineralization is found in white quartz and tourmaline veins cutting the greisenised granite - Meta- sedimentary contact zone. This contact spans over 15 km strike length within the concession, historically mined for silver and tin ore. The contact target and associated mines remain unexplored sub-surface since mining ended in 1890.

Elevated gold grades observed at the Cox gold/silver Prospect, are interpreted as related with the hanging wall of the deep-seated Severn Thrust Fault – potentially representing a robust 7km long un-explored secondary target.

The Property includes:

- Murray and Co Mine: Worked in the late 1890's - underground adits and shafts were driven on silver and tin rich quartz and tourmaline veins, which intrude metasediments along the greisenised granite contact.
- Sampling of large mine waste dumps adjacent to Murray and Co mine returned grades of up to 1085 g/t Ag and 1400 ppm Sb. Indicating historic mining on the property was highly selective and extremely high-grade.

### Exploration work

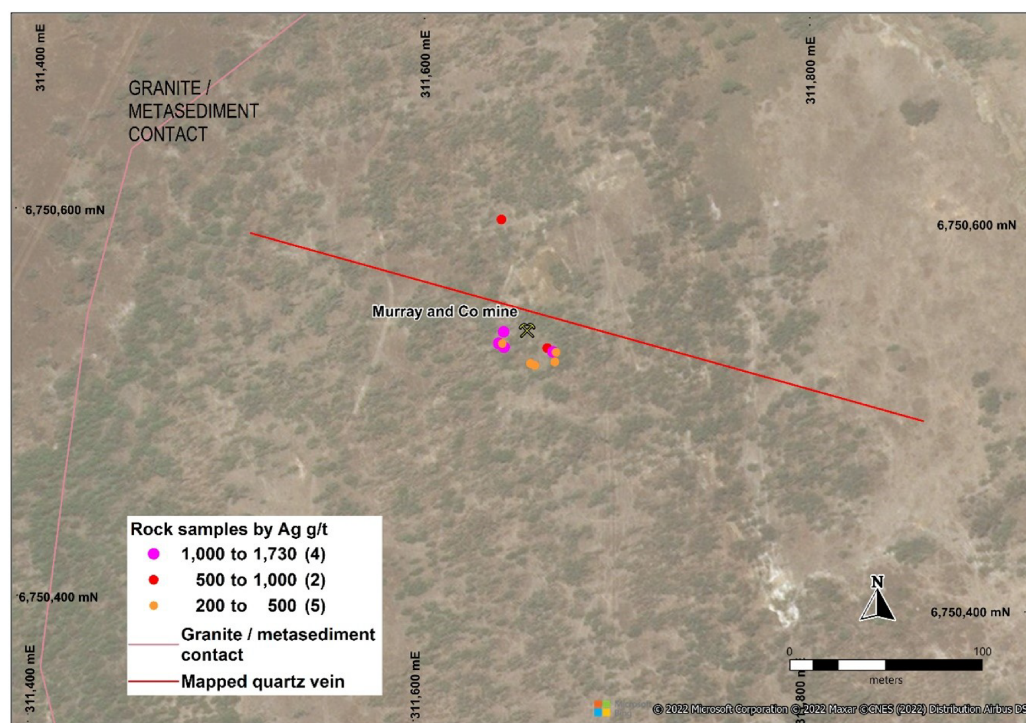
Despite historic mining activity, the property remains largely under-explored. Field work will initially focus on field sampling of historic workings and prospects, in conjunction with gridded soil geochemical sampling and geophysics to better define mineralization across the contact and Severn Fault targets.

A total of 274 rock chip samples have been collected at the Arthurs Seat Project (EL 9144). Field work was targeted at sampling mullock dumps and shafts at the Murray and Co mine and McDonalds Prospect, as well as sampling along the N-S fault and the greisen altered granite contact at the Arthurs Seat Prospect. Key results are described below.

## **Murray and Co Mine**

Twenty seven (27) rock samples were collected from the Murray and Co Mine mullock heaps and historic shafts. Highly anomalous gold and silver assays were returned over 40 m strike length at the Murray and Co Mine, demonstrated in the figure below. The Murray and Co Mine is located within a zone of quartz veined metasediment approximately 350 m in E-W strike length.

The highest gold value of **6.27 g/t Au and 1,385 g/t Ag** was returned from the westerly most shaft from a brecciated and silicified metasediment containing multiple quartz veins. The table below shows significant assay results from the rock chip sampling at Murray and Co Mine. Very little historic work has been done at Murray and Co Mine. These gold assays are the first to be reported at this prospect.



High-grade sampling results from Murray and Co Mine coloured by Ag g/t. Highest gold result of 6.27 g/t Au and 1,725 g/t Ag in 40 m zone of historic shafts.

Other assays surrounding Murray and Co Mine include 16 samples that graded between 0.2 g/t – 0.01 g/t Ag.

Significant assay results from rock chip sampling program at the Murray and Co Mine (>100 g/t Ag, > 0.09g/t Au) from Arthurs Seat Project, EL 9144. Listed in order of sample number.

Sample ID	Easting	Northing	RL	Lithology	Au g/t	Ag g/t
R00244	311642	6750598	524	Brecciated metasediment	0.17	517
R00245	311670	6750530	533	Brecciated metasediment	0.09	1125
R00246	311666	6750526	532	Brecciated metasediment	1.23	141
R00248	311667	6750532	534	Brecciated metasediment	0.76	677
R00249	311644	6750532	537	Brecciated metasediment	6.27	1385
R00252	311660	6750523	532	Brecciated metasediment	2.11	445
R00258	311644	6750540	529	Brecciated metasediment	0.55	1725
R00259	311641	6750534	529	Brecciated metasediment	1.77	1585
R00261	311643	6750534	530	Brecciated metasediment	0.67	236
R00262	311671	6750525	526	Brecciated metasediment	0.34	411
R00263	311658	6750524	525	Brecciated metasediment	1.23	463
R00264	311671	6750530	529	Brecciated metasediment	0.26	313
R00329	314608	6749317	456	Brecciated siltstone	0.09	130



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**McDonalds Mine Prospects**

Forty seven (47) rock samples were collected at the McDonalds prospect and returned anomalous gold and silver assays over an area 600 m x 350 m. Visual observations of some samples included massive stibnite and returned antimony (Sb) values up to 12.75% Sb.

These results are encouraging and show the potential for a polymetallic precious and base metal deposit along strike from the high-grade silver values at the Murray and Co Mine located 2.75 km to its west.

*Significant assay results from rock sampling program at the McDonalds prospect (>0.1g/t Au and >20g/t Ag) from Arthurs Seat Project, EL 9144. Listed in order of sample number, rounded to 2 decimal places.*

Sample_ID	Easting	Northing	RL	Lithology	Au g/t	Ag g/t	Sb %
R00296	314205	6749347	468	Metasediment	0.11	7.14	0.54
R00299	314200	6749351	465	Metasediment	0.2	13.4	8.85
R00300	314203	6749353	465	Metasediment	0.25	6.2	1.85
R00301	314208	6749352	466	Metasediment	0.12	15.15	2.87
R00302	314207	6749350	466	Metasediment	0.14	3.98	0.42
R00303	314207	6749347	466	Metasediment	0.15	7.3	0.98
R00304	314215	6749348	468	Metasediment	0.13	13.35	2.46
R00306	314212	6749349	469	Metasediment	0.15	9.82	2.52
R00313	314125	6749299	462	Metasediment	0.05	47.6	0.43
R00314	314302	6749465	460	Fine quartz vein in metasediment	0.02	57.2	0.91
R00326	314374	6749531	468	Fine quartz vein in metasediment	0.06	42.1	1.86
R00327	314375	6749533	469	Fine quartz vein in metasediment	0.02	71.1	12.75
R00328	314597	6749326	455	Metasediment	0.23	49.4	0.52
R00329	314608	6749317	456	Fine quartz vein in metasediment	0.09	130	0.11
R00330	314603	6749322	455	Fine quartz vein in metasediment	0.05	17.55	0.20
R00331	314637	6749298	455	Fine quartz vein in metasediment	0.24	59.5	0.34
R00337	314101	6749399	461	Fine quartz vein in metasediment	0.1	3.83	0.50
R00338	314575	6749351	451	Fine quartz vein in metasediment	0.05	51.2	0.43
R00346	314074	6749619	474	Fine quartz vein in metasediment	0.03	57.7	5.40
R00347	314067	6749615	473	Fine quartz vein in metasediment	0.02	44.3	0.77
R00349	314127	6749540	472	Fine quartz vein in metasediment	0.03	23.2	0.26

**Goodwins Reef**

Exploration License No. 9132 ("EL 9132") was granted on April 09, 2021 by the Department of Regional NSW – MEG. Additionally, the Company estimates that a minimum exploration expenditure and associated expenses of AUD \$25,000 in year one and AUD \$50,000 in year two will be required, based on certain MEG requirements.

Goodwins Reef is located in the central eastern coastal region of the New England Orogenic Terrane. The New England Orogenic Terrane comprises island-arc and continental- arc gold-mineralized belts, which host extensive alluvial gold fields and a number of economically important intrusion related gold and silver deposits. These include Mount Carrington (24 Moz Ag), Webb (>12 Moz Ag), Hillgrove (2 Moz Au), Gympie (5 Moz Au), Hillgrove (2 Moz Au), Cracow (3 Moz Au), Mount Morgan (>5 Moz Au) and Mount Rawdon (2 Moz Au).

The property spans 71 km<sup>2</sup> and includes 12 historic gold/silver mines and prospects. Mineralization is intrusion related, associated with the underlying Valla Monzogranite. Mineralization is typically expressed as fault-controlled quartz veins and breccias, ranging in width between 0.5 - 4.6 m, extending for up to 1.5 km along strike and ranging in grade from trace to >18,000 g/t Ag and > 6g/t Au. LS epithermal style mineralization has also been noted on the property in historic mining records. The combination of multiple mineralising events and styles often leads to overprinting of ore bodies – resulting in multiple mineralization phase's, potentially contributing to the bonanza sampling grades.

Limited surface geochemical sampling carried out by Lamboo Resources Ltd in 2016 identified two highly anomalous zoned metallogenic capsules; 1. Mo-Cu and 2. Au - Ag dominant, both associated with the Vallaintrusion, representing large scale exploration potential.

The Property includes:

- Newee Creek Mine: Fault controlled vein system - up to 1.2 m wide, traceable for > 500m. Historic chip sampling assays up to 6.5 g/t Au and >18,000 g/t Ag. Ore exploited via UG adits and shafts in the early 1900s.
- Tewinga Mine: Historic UG mining, exploited a fault controlled multi-stage brecciated quartz vein. Traceable over 1.5km strike and measuring between 1.2 - 4.5 m wide. Post-production chip sampling of workings up to 840 g/t Ag and 10.9 g/t Au.

Exploration work

Despite bonanza grades and robust vein widths across significant strike lengths, the tenement remains poorly explored with only a small cluster of historic shallow drill holes completed in the NE of the property.

Due to land access constraints at this property, Goodwins Reef was relinquished.

**Silver Creek**

Exploration License No. 9143 ("EL 9143") was granted on April 30, 2021 by the Department of Regional NSW – MEG. Additionally, the Company estimates that a minimum exploration expenditure and associated expenses of AUD \$25,000 in year one and AUD \$50,000 in year two will be required, based on certain MEG requirements.

Silver Creek (EL 9143) is a silver focused property covering 41km<sup>2</sup> across the central eastern region of the New England Orogenic Terrane. The New England Orogenic Terrane comprises island-arc and continental- arc gold-Silver mineralized belts, which host extensive intrusion related polymetallic deposits. These include Mount Carrington (24 Moz Ag), Webb (>12 Moz Ag), Hillgrove (2 Moz Au), Gympie (5 Moz Au), Hillgrove (2 Moz Au), Cracow (3 Moz Au), Mount Morgan (>5 Moz Au).

The property includes 6 historic silver mines and prospects. The most developed target is the Silver Mine Creek workings, which span across a 1000 m x 400 m zone. Mineralization on the property is classified as Intrusion-related, fault controlled polymetallic-Ag rich quartz shears and veins - measuring up to 1m in width, forming swarms and clusters.

Mineralization associated with the Glen Esk Monzogranite, exposed 20km to the SW and controlled by network of high angle regional structures. Highlight chip sampling of historic workings include ML3: 777 g/t Ag, 6.2 g/t Au and ML2: 1617 g/t Ag, 35.7g/t Au.

Limited exploration in the form of stream sampling campaigns by BHP was conducted in 1986 confirming silver mineralization in the area. Four potentially mineralised target structures remain untested across significant strike lengths.

Exploration work

Due to land access constraints at this property, Silver Creek was relinquished.

**Glenrock**

Exploration License No. 9390 ("EL 9390") was granted on April 11, 2022 by the Department of Regional NSW – MEG. Additionally, the Company estimates that a minimum exploration expenditure and associated expenses of AUD \$25,000 in year one and AUD \$50,000 in year two will be required, based on certain MEG requirements.

Glenrock (EL 9390) is a gold and copper project that covers an area of 229 km<sup>2</sup> within the Southern New England Orogenic Terrane. The New England Orogenic Terrane comprises island-arc and continental-arc gold-Silver mineralized belts, which host extensive intrusion related polymetallic deposits. These include Mount Carrington (24 Moz Ag), Webb (>12 Moz Ag), Hillgrove (2 Moz Au), Gympie (5 Moz Au), Hillgrove (2 Moz Au), Cracow (3 Moz Au), Mount Morgan (>5 Moz Au) and Mount Rawdon (2 Moz Au).



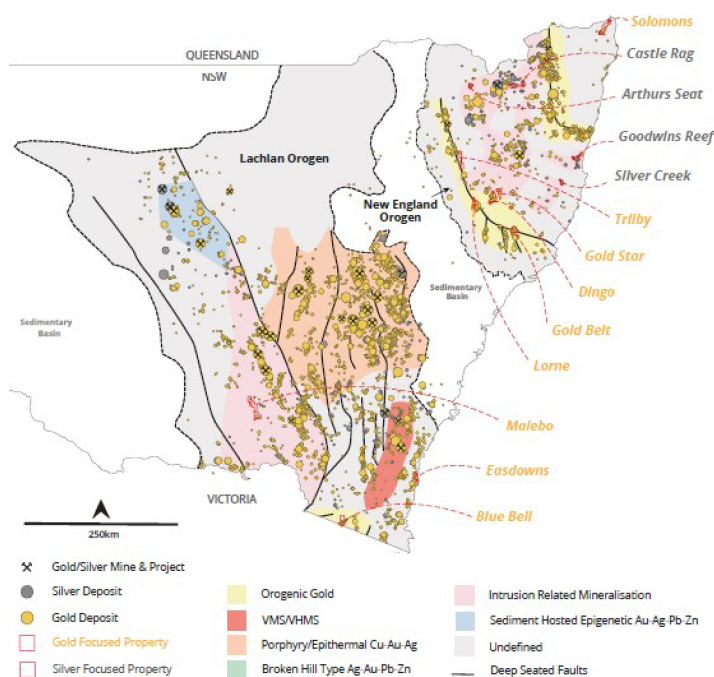
Land access negotiations are ongoing at the time of this report.

Glenrock is strategically located in between the Company's Lorne (EL 9232) and Gold Belt (EL 9226) Projects. Together, these three Projects cover 435 km<sup>2</sup> over a 65 km strike length of the Peel-Manning Suture Zone.

EL 9390 covers over 20 km of the serpentinite belt of the Peel-Manning Suture Zone. It contains diverse geology that are known elsewhere in the region to host a variety of mineralization styles that contain Au-Cu and base metal metallic mineral deposits. Rock types include serpentinites, flysch sequences, intrusives, volcanics and volcanoclastics, structurally located within in a complex, highly faulted system. This system may host numerous metallic mineralization styles including lode gold with associated base metals.

The tenement also contains mineral occurrences of copper-rich quartz veins containing malachite, bornite and chalcopryrite in serpentinite dykes up to 150 m long and 12 m wide. The tenement is significantly under-explored, has never been drilled and represents a ground-floor opportunity for the discovery of new metallogenic province.

Historic data review and interpretation downgraded this property and Glenrock was relinquished.



*Map of New South Wales showing major orogenic belts and location of Metalite's concessions or Exploration Licences.*

The Company has not currently developed an exploration budget, and is currently conducting reconnaissance field trip on its projects. On March 10, 2022 the Company completed the first field reconnaissance trip on the Gold Belt, Trilby, and Lorne Concessions which are located along the Peel-Manning Suture Zone. Due to heavy rainfall in the region during the September-December period, access to most of the Company's projects is severely hampered. As a result, management anticipates resuming its reconnaissance field trips in early 2023.

#### **QUALIFIED PERSON**

Qualified Person Kym Revington, Geological Consultant, and Qualified Person under NI 43-101, has reviewed and approved the technical content of this release. Kym Revington is a Member of the Australian Institute of Geoscientists (AIG) (no. 2871).

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Exploration and acquisition costs for the year ended December 31, 2022 is as follows:

	Acquisition costs	Assays	Claim costs	Field costs	Geological	Total
Imperial	\$ -	\$ -	\$ -	\$ 14,717	\$ -	\$ 14,717
Malebo	-	-	3,584	-	2,394	5,978
Solomons	-	-	2,572	-	1,852	4,424
Gold belt	-	-	7,214	-	14,101	21,315
Easedowns	-	-	3,903	-	8,273	12,176
Blue Bell	-	-	2,604	-	10,187	12,791
Glenrock	-	-	6,654	-	26,333	32,987
Goodwins Reef	-	-	3,444	-	10,171	13,615
Arthur's Seat	-	28,927	9,397	1,530	58,210	98,064
Castle Rag	-	-	7,243	-	25,199	32,442
Silver Creek	-	-	2,450	-	10,171	12,621
Dingo	-	-	8,330	2,105	30,868	41,303
Gold Star	-	-	9,483	3,771	80,032	93,286
Trilby	8,875	-	15,596	4,750	41,293	70,514
Lorne	8,875	-	3,571	8,734	72,309	93,489
<b>Total</b>	<b>\$ 17,750</b>	<b>\$ 28,927</b>	<b>\$ 86,045</b>	<b>\$ 35,607</b>	<b>\$ 391,393</b>	<b>\$ 559,722</b>

Exploration and acquisition costs for the year ended December 31, 2021 is as follows:

	Acquisition costs	Assays	Claim costs	Total
Imperial	\$ -	\$ -	\$ 7,666	\$ 7,666
Malebo	555,000	-	1,043	556,043
Solomons	555,000	-	750	555,750
Gold belt	685,776	-	519	686,295
Easdowns	685,776	-	354	686,130
Blue Bell	685,776	-	312	686,088
Goodwins Reef	685,776	-	423	686,199
Arthur's Seat	685,776	-	432	686,208
Castle Rag	685,776	-	643	686,419
Silver Creek	685,776	-	216	685,992
Dingo	685,776	-	712	686,488
Gold Star	685,776	-	423	686,199
Trilby	552,500	-	1,030	553,530
Lorne	552,500	-	505	553,005
<b>Total</b>	<b>\$ 8,386,984</b>	<b>\$ -</b>	<b>\$ 15,028</b>	<b>\$ 8,402,012</b>

**SELECTED ANNUAL FINANCIAL INFORMATION**

The following is selected financial data derived from the audited consolidated financial statements of the Company for the years ended December 31, 2022, December 31, 2021 and December 31, 2020.

	Year ended December 31, 2022 (\$)	Year ended December 31, 2021 (\$)	Year ended December 31, 2020 (\$)
Total revenues	nil	nil	nil
Comprehensive loss	2,168,117	9,081,669	251,107
Net loss per share	0.03	0.21	0.01
Total assets	735,664	2,651,405	148,410
Total long term liabilities	nil	nil	nil
Dividends	nil	nil	nil

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**SUMMARY OF QUARTERLY RESULTS**

<b>Quarter Ended</b>	<b>Revenues</b>	<b>Comprehensive Loss for the Period</b>	<b>Loss Per Share - Basic and Diluted</b>
December 31, 2022	\$ nil	\$ 536,724	\$ 0.01
September 30, 2022	\$ nil	\$ 457,366	\$ 0.01
June 30, 2022	\$ nil	\$ 603,747	\$ 0.01
March 31, 2022	\$ nil	\$ 570,280	\$ 0.01
December 31, 2021	\$ nil	\$ 559,125	\$ 0.01
September 30, 2021	\$ nil	\$ 8,392,226	\$ 0.20
June 30, 2021	\$ nil	\$ 54,360	\$ 0.00
March 31, 2021	\$ nil	\$ 75,958	\$ 0.00

**RESULTS OF OPERATIONS**

Year ended December 31, 2022, compared with year ended December 31, 2021

The Company's loss for the year ended December 31, 2022 was \$2,182,340 (\$0.03 per share), compared to \$9,084,534 (\$0.21 per share) for the year ended December 31, 2021. Significant variations are described below.

	<b>For the year ended December 31,</b>		<b>Variance</b>	<b>Comments</b>
	<b>2022</b>	<b>2021</b>		
Exploration expenditures	559,722	8,402,012	(7,842,290)	This was primarily due to the geological surveys and technical review of the mineral properties in Australia, and the acquisition of the properties in the prior comparative period. See "Mineral Properties" above for more information.
Management fees	341,001	75,953	265,048	Management fees increased as the Company hired a full time CEO, and a vice-president of Exploration during the year.
Marketing and shareholder communication	470,395	25,119	445,276	The increase was mainly due to promotional activities for the Company's properties.
Share-based compensation	238,426	45,171	193,255	This was a result of the Company granting 8,000,000 stock options during the year ended December 31, 2022, and 575,000 during the comparative year. Share-based payments will vary from period to period depending upon the number of options granted and vested during a period and the fair value of the options calculated as at the grant date.
Other expenses and revenues	572,796	536,279	36,517	Non-significant variances in other expenses and revenue items.
<b>Total</b>	<b>2,182,340</b>	<b>9,084,534</b>	<b>(6,902,194)</b>	

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Three months ended December 31, 2022, compared with three months ended December 31, 2021

The Company's loss for the three months ended December 31, 2022 was \$532,664 (\$0.01 per share), compared to \$561,990 (\$0.01 per share) for the three months ended December 31, 2021. Significant variations are described below.

	For the year ended December 31,		Variance	Comments
	2022	2021		
Exploration expenditures	92,553	97,081	(4,528)	This was primarily due to the geological surveys and technical review of the mineral properties in Australia, and the acquisition of the properties in the prior comparative period. See "Mineral Properties" above for more information.
Management fees	155,947	22,953	132,994	Management fees increased as the Company hired a full time CEO, and a vice-president of Exploration during the year.
Marketing and shareholder communication	83,513	18,123	65,390	The increase was mainly due to promotional activities for the Company's properties.
Professional fees	117,638	333,870	(216,232)	This decrease is a result of several consulting contracts entered into during the prior comparative period but not renewed for the current period.
Share-based compensation	61,874	45,171	16,703	This was a result of the Company granting 5,900,000 stock options with vesting conditions compared to 575,000 stock options in the comparative period. Additionally the Company reversed previously stock based compensation for unvested options as a result of certain individuals leaving during the year. Share-based payments will vary from period to period depending upon the number of options granted and vested during a period and the fair value of the options calculated as at the grant date.
Other expenses and revenues	21,139	44,792	(23,653)	Non-significant variances in other expenses and revenue items.
<b>Total</b>	<b>532,664</b>	<b>561,990</b>	<b>(29,326)</b>	

## **LIQUIDITY AND CAPITAL RESOURCES**

The Company finances its operations through the sale of its equity securities, loans and other financing activities. The Company has no producing mineral properties. The Company intends to obtain financing in the future primarily through equity financing, loans and other financing activities. There can be no assurance that the Company will succeed in obtaining additional financing, now and in the future. Failure to raise additional financing on a timely basis could cause the Company to suspend its operations and/or sell its interests in certain properties.

The continuing operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management believes it will be able to raise funds as required in the long term, but recognizes the risks attached thereto.

As at December 31, 2022, the Company had current assets of \$584,383 (December 31, 2021 - \$2,531,298) and current liabilities of \$126,947 (December 31, 2021 - \$286,551). As of December 31, 2022, the Company has a working capital surplus of \$457,436 (December 31, 2021 - \$2,244,747). Subsequent to December 31, 2022 the company initiated restructuring activities in order to preserve cash until such time it can obtain additional financing.

### **Selected Cash Flow Information**

	<b>Year Ended December 31, 2022</b>
<b>Operating activities</b>	
Net loss for the year	(2,182,340)
Items not affecting cash (a)	288,679
Changes in non-cash working capital items (b)	(93,327)
Net cash used in operating activities	(1,986,988)

(a) Non cash items of \$288,679 consisted of share-based compensation of \$238,426, depreciation of \$8,372, shares to be issued of \$56,250, and offset by a gain in foreign exchange of \$14,369.

(b) Cash used for working capital purposes of \$93,327 consisted of an increase in accounts receivables of \$40,431, a decrease in prepaid expenses of \$24,657, and a decrease in accounts payable and accrued liabilities of \$77,553.

During the year ended December 31, 2022, the Company had cash outflows from investing activities of \$121,451, which was due to the purchase of equipment of \$39,400, and acquisition costs accrued in the prior year but paid in the current year of \$82,051.

During the year ended December 31, 2022, the Company had cash inflows from financing activities of \$145,750, which was due to:

- During the year ended December 31, 2022, 424,950 agent purchase warrants were exercised at \$0.067 for gross proceeds of \$28,330.
- On January 20, 2022, the Company closed a second tranche of its previously announced non-brokered unit private placement, on a post-consolidation basis, by issuing 2,399,500 units at \$0.25 per unit and raising \$599,875. Each unit consists of a common share and a half (1/2) a common share purchase warrant, each whole warrant entitling the holder to purchase an additional common share at \$0.40 per share for a two year period from closing. In connection with the private placement, the Company incurred closing cost of \$47,889, and 69,760 agent warrants, each agent warrant entitling the holder to purchase a common share at \$0.32 for a two year period. During the year ended December 31, 2021, the Company had collected \$434,566 net of issuance costs related to this private placement.

## **RELATED PARTY TRANSACTIONS**

Related parties include Officers, the Board of Directors, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions. Related party transactions conducted in the normal course of operations are measured at the exchange value (the amount established and agreed to by the related parties).

The Company had the following transactions involving officers and directors for the year ended December 31, 2022:

Administration expenses of \$nil (2021 - \$4,500) and management fees of \$nil (2021 - \$24,500) were paid or accrued for accounting services to a previous officer of the Company;

Management fees of \$18,572 (2021 - \$1,552) were paid or accrued for CFO services to the CFO of the Company.

Management fees of \$32,000 (2021 - \$47,000) were paid or accrued to a company controlled by a former Director of the Company.

Management fees of \$17,500 (2021 - \$nil) were paid or accrued to a company controlled by the former interim CEO and Director of the Company.

Management fees of \$10,000 (2021 - \$nil) were paid or accrued to a company controlled by a former Director of the Company.

Management fees of \$248,896, (2021 - \$nil) were paid to the previous CEO and President of the Company. The Company has committed to issuing \$56,250 in common shares to the previous CEO and President upon completion of its next equity financing raising a minimum \$100,000.

Geological fees of \$126,583 (AUD 140,103) (2021 - \$nil) were paid to the former VP of Exploration of the Company.

On February 9, 2022, the Company granted 750,000 stock options to the former VP of Exploration. The stock options vest 250,000 on February 9, 2022, and the remainder vesting 250,000 each year on the anniversary. The stock options have an exercise price of \$0.25 and are exercisable for a period of five years, expiring February 9, 2027. During the year ended December 31, 2022, the Company recognized \$39,592, respectively in share-based compensation, in connection with the option grant. In November 2022, the former VP of Exploration left the Company, and 500,000 of the unvested option were forfeited immediately, with the remainder being forfeited 90 days after the resignation date.

On March 4, 2022 the Company granted 1,000,000 stock options to the previous Chief Executive officer ("CEO") and President, of which 166,667 stock options vest every six months starting on September 4, 2022. The stock options have an exercise price of \$0.30 and are exercisable for a period of five years, expiring March 4, 2027. During the year ended December 31, 2022, the Company recognized \$18,401, respectively in share-based compensation, in connection with the option grant. In November 2022, the former CEO left the Company, and 833,333 of the unvested option were forfeited immediately, with the remainder being forfeited 90 days after the resignation date.

On March 17, 2022, the Company granted 350,000 stock options to a Director of which 87,500 stock options vest every six months starting September 17, 2022. The stock options have an exercise price of \$0.30 and are exercisable for a period of five years, expiring March 17, 2027. During the year ended December 31, 2022, the Company recognized \$28,072, respectively in share-based compensation, in connection with the option grant. Subsequent to December 31, 2022 the remaining unvested options received accelerated vesting terms.

On December 29, 2022, the Company granted 5,900,000 stock options to Officers, and Directors of which 3,337,500 stock options vested immediately, and 2,562,500 stock options vesting on June 29, 2023. The stock options have an exercise price of \$0.05 and are exercisable for a period of five years, expiring December 29, 2027. The fair value of these options at the date of grant was estimated at \$216,090 using the Black-Scholes option pricing model with the following assumptions: share price - \$0.05; risk free interest rate - 3.37%; expected volatility - 116.67%; expected dividend yield - nil; expected life - 5 years. During the year ended December 31, 2022, the Company recognized \$123,322, in share-based compensation, in connection with the option grant. Subsequent to December 31, 2022

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options totaling 2,437,500 received accelerated vesting terms due primarily to the departure of certain directors. The balance of options will vest on June 29, 2023.

Included in accounts payable and accrued liabilities at December 31, 2022 is \$25,172 (December 31, 2021 - \$2,679) owed to related parties. The amounts owed to related parties are unsecured, non-interest bearing and due on demand.

## **SHARE DATA**

As of the date of this MD&A the Company had 145,219,150 outstanding common shares.

The Company had the following stock options outstanding as of the date of this MD&A.

<b>Expiry Date</b>	<b>Exercise Price (\$)</b>	<b>Number of Options Outstanding</b>	<b>Number of Options Vested (Exercisable)</b>
November 5, 2023	0.265	575,000	575,000
March 17, 2024	0.050	4,025,000	4,025,000
April 28, 2024	0.300	350,000	175,000
April 28, 2024	0.050	1,625,000	812,500
December 29, 2029	0.050	250,000	125,000
	<b>0.081</b>	<b>6,825,000</b>	<b>5,712,500</b>

The Company had the following share purchase warrants outstanding as of the date of this MDA.

<b>Expiry Date</b>	<b>Exercise Price (\$)</b>	<b>Number of warrants Outstanding</b>
October 1, 2023	0.40	4,705,000
October 8, 2023	0.40	560,000
January 20, 2024	0.40	1,199,750
July 17, 2024	0.07	16,075,000
February 21, 2025	0.0625	2,000,000
February 21, 2025	0.10	25,749,600
April 13, 2025	0.025	1,992,000
<b>Total</b>	<b>0.12</b>	<b>52,281,350</b>

The Company had the following agent warrants outstanding as of the date of this MDA.

<b>Expiry Date</b>	<b>Exercise Price (\$)</b>	<b>Number of warrants Outstanding</b>
October 1, 2023	0.32	664,800
January 20, 2024	0.32	69,760
April 13, 2025	0.025	1,688,000
<b>Total</b>	<b>0.11</b>	<b>2,422,560</b>

## **FINANCIAL RISK MANAGEMENT**

### **Fair value**

The Company's financial instruments consist of cash and cash equivalents, site restoration deposits, and accounts payable and accrued liabilities. The carrying amounts of these financial instruments are a reasonable estimate of their fair values because of their nature and market rates for similar financial instruments.

### **Financial risk factors**



The Company's risk exposures and the impact on the Company's financial statements are summarized below:

**Credit risk**

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. As at December 31, 2022, management believes that the credit risk with respect to cash and cash equivalents, and accounts receivables is minimal. Cash and cash equivalents are held with reputable Canadian and Australian financial institutions, from which management believes the risk of loss to be minimal. Accounts receivables are due from individuals which management believes there to be a low risk of default.

**Liquidity risk**

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at December 31, 2022, the Company had cash, and accounts receivable of \$538,895 (December 31, 2022 - \$2,461,153) to settle current liabilities of \$126,947 (December 31, 2022 - \$286,551). All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms, except for the debentures payable. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity and the Company's ability to continue as a going concern.

**Currency risk**

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Company's functional currency. The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the USD and AUD, because the company holds the majority of its foreign financial instruments in USD. The Company's policy is not to enter into any currency hedging transactions. The Company's has AUD \$70,660, and USD \$108,481 of net monetary assets and monetary liabilities.

**Sensitivity analysis**

A 10% strengthening or weakening of the Canadian Dollar against the United States Dollar or Australian Dollar would have increased or decreased cumulative translation adjustments by approximately \$21,190. This analysis assumes that all other variables, in particular interest rates, remain constant.

**Commodity price risk**

The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in the market price of gold and silver. The Company closely monitors commodity prices to determine the appropriate course of actions to be taken.

**CAPITAL RISK MANAGEMENT**

Capital is comprised of the Company's shareholders' equity. The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital. The Company is not subject to external capital restrictions. There were no changes in the Company's approach to capital management.

**ENVIRONMENTAL LIABILITIES**

The Company is not aware of any environmental liabilities or obligations associated with its mineral properties. The Company is conducting its operations in a manner consistent with governing environmental legislation.

**OFF BALANCE SHEET ARRANGEMENTS**

The Company is not a party to any off-balance sheet arrangements or transactions.



### **ADOPTION OF NEW ACCOUNTING POLICIES**

During the year ended December 31, 2022, the Company adopted the following accounting policies.

IAS 37 – Provisions, Contingent Liabilities, and Contingent Assets (“IAS 37”) was amended. The amendments clarify that when assessing if a contract is onerous, the cost of fulfilling the contract includes all costs that relate directly to the contract – i.e. a full-cost approach. Such costs include both the incremental costs of the contract (i.e. costs a company would avoid if it did not have the contract) and an allocation of other direct costs incurred on activities required to fulfill the contract – e.g. contract management and supervision, or depreciation of equipment used in fulfilling the contract. The adoption of this standard did not have any material impact on the Company’s consolidated financial statements.

IFRS 3 – Business Combinations (“IFRS 3”) was amended. The amendments introduce new exceptions to the recognition and measurement principles in IFRS 3 to ensure that the update in references to the revised conceptual framework does not change which assets and liabilities qualify for recognition in a business combination. An acquirer should apply the definition of a liability in IAS 37 – rather than the definition in the Conceptual Framework – to determine whether a present obligation exists at the acquisition date as a result of past events. For a levy in the scope of IFRIC 21, the acquirer should apply the criteria in IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. In addition, the amendments clarify that the acquirer should not recognize a contingent asset at the acquisition date. The adoption of this standard did not have any material impact on the Company’s consolidated financial statements.

### **ACCOUNTING STANDARDS ISSUED BUT NOT YET APPLIED**

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for annual periods beginning on or after January 1, 2023 or later periods. The Company is currently evaluating the impact of the adoption of these new standards on its financial statements.

#### *Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)*

The IASB has published Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) which clarifies the guidance on whether a liability should be classified as either current or non-current. The amendments:

- clarify that the classification of liabilities as current or non-current should only be based on rights that are in place "at the end of the reporting period"
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability
- make clear that settlement includes transfers to the counterparty of cash, equity instruments, other assets or services that result in extinguishment of the liability.

This amendment is effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted. The extent of the impact of adoption of this amendment has not yet been determined.

### **TRENDS AND ECONOMIC CONDITIONS**

The Company continues to monitor its spending and will amend its plans based on business opportunities that may arise in the future. Management regularly monitors economic conditions and estimates their impact on the Company’s operations and incorporates these estimates in both short-term operating and longer term strategic decisions.

The Company’s business financial condition and results of operations may be affected by economic and other consequences from the global outbreak of COVID-19, which has been ongoing since March 2020, and Russia’s military action against Ukraine and the sanctions imposed in response to that action in late February 2022. While the Company expects any direct impacts, of the pandemic and the war in the Ukraine, to the business to be limited, the indirect impacts on the economy and on the mining industry and other industries in general could negatively affect the business and may make it increasingly difficult for it to raise additional equity or debt financing. Management cannot accurately

predict the future impact these items may have on:

- Global gold prices
- Demand for gold and the ability to explore for gold;
- The severity and the length of potential measures taken by governments to manage the spread of the virus, and their effect on service provider availability, such as legal and accounting;
- Purchasing power of the Canadian dollar; and
- Ability to obtain funding.

## **RISKS AND UNCERTAINTIES**

The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company. The users of this information, including but not limited to investors and prospective investors, should read it in conjunction with all other disclosure documents provided including but not limited to all documents filed on SEDAR ([www.sedar.com](http://www.sedar.com)).

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position.

### **Nature of Mineral Exploration and Mining**

The Company's future is dependent on the Company's exploration and evaluation programs. The exploration and evaluation of mineral deposits involves significant financial risks over a prolonged period of time, which a combination of careful evaluation, experience and knowledge may not eliminate. Few properties that are explored are ultimately developed into economically viable operating mines. Major expenditures on the Company's exploration properties may be required in constructing mining and processing facilities at a site, and it is possible that even preliminary due diligence will show adverse results, leading to the abandonment of projects. It is impossible to ensure that preliminary feasibility studies or final feasibility studies on the Company's projects or the current or proposed exploration programs on any of the properties in which the Company has exploration rights will result in any profitable commercial mining operation. The Company cannot give any assurance that its current and future exploration activities will result in a discovery of mineral deposits containing Mineral Reserves. The Company's exploration and evaluation may be hampered by mining, heritage and environmental legislation, industrial accidents, industrial disputes, cost overruns, land claims and compensation and other unforeseen contingencies.

The Company does not currently operate a mine on any of its properties. There is no certainty that the expenditures made by the Company towards the search for and evaluation of mineral deposits will result in discoveries that are commercially viable. Whether a deposit will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as its size and grade, proximity to infrastructure, financing costs and governmental regulations, including regulations relating to prices, taxes, royalties, infrastructure, land use, importing and exporting of metal concentrates, exchange controls and environmental protection. The effect of these factors cannot be accurately predicted, but the combination of any or all of these factors may result in the Company not receiving an adequate return on invested capital or have a material adverse effect on the Company's business and financial condition. In addition, assuming discovery of a commercial ore-body, depending on the type of mining operation involved, several years can elapse from the initial phase of drilling until commercial operations are commenced. Most of the above factors are beyond the Company's control.

### **Limited Operating History**

The Company's properties are in the exploration stage and are not commercially viable at this time. The Company has not recorded any revenues from mining operations and there is no certainty that the exploration expenditures towards the search and evaluation of mineral deposits will result in discoveries of commercial quantities of ore or that the Company will generate revenue, operate profitably or provide a return on investment in the future. There can be no assurance that significant additional losses will not occur in the future. The operating expenses and capital expenditures may increase in subsequent years with advancing exploration, evaluation, development of properties if proven successful and/or production of the properties. The Company does not expect to receive revenues from operations in the foreseeable future. The Company expects to incur losses until such time as its properties enter into commercial production and generate sufficient revenue to fund its continuing operations. The development of the Company's properties will require the commitment of substantial resources and there can be no assurance that the Company will be able to finance its operations externally.

There can be no assurance that the Company's exploration programs will result in locating commercially exploitable mineral ores or that its properties will be successfully developed. There can be no assurance that the underlying assumed levels of expenses will prove to be accurate.

### **Ability to Continue as a Going Concern**

The Company's ability to continue as a going concern is highly dependent upon its ability to continue to raise adequate financing to fund its continuing exploration, evaluation activities and development of properties if they are proven successful. There is no assurance that the Company will either achieve or maintain profitability in the future.

### **Requirement for Further Financing**

The further exploration of the various mineral properties in which the Company holds interests and the acquisition of additional properties depends upon the Company's ability to obtain financing through joint ventures of projects, debt financing, equity financing or other means. There can be no assurance that the Company will be able to raise the balance of the financing required or that such financing can be obtained without substantial dilution to shareholders. Failure to obtain additional financing on a timely basis could cause the Company to reduce or terminate its operations or lose its interest in one or more of its properties.

In order to continue exploring the Company's mineral properties and acquiring additional properties, management will be required to pursue additional sources of financing. While management has been successful in obtaining such financing in the past, there is no assurance that it will be successful in the future. Failure to obtain sufficient financing may result in delaying or indefinitely postponing exploration, evaluation, development of or production on any or all of the Company's properties if they are proven successful, or even loss of property interest. It may also prevent the Company from meeting its obligations under agreements to which it is a party as a result of which, its interest in the properties may be reduced. There can be no assurance that additional capital or other types of financing, if needed, will be available or, if available, the terms of such financing will be favourable to the Company.

The amount of administrative expenditures is related to the level of financing and exploration activities that are being conducted, which in turn may depend on our recent exploration experience and prospects, as well as general market conditions relating to the availability of funding for exploration-stage resource companies. As a result, there may not be predictable or observable trends in our business activities and comparison of financial operating results with prior years may not be meaningful.

### **Title Matters**

The Company has taken reasonable measures, in accordance with industry standards for properties at the same stage of exploration as those of the Company to ensure proper title to its properties. However, there is no guarantee that title to any of its properties will not be challenged or impugned. Title insurance generally is not available for mining claims in Canada and the Company's ability to ensure that it has obtained secure claim to individual mineral properties or mining concessions may be limited. The Company's properties may be subject to prior unregistered liens, agreements, transfers or claims, including native land claims and title may be affected by, among other things, undetected defects. In addition, the Company may be unable to operate the properties as permitted or to enforce its rights with respect to its

properties. The failure to comply with all applicable laws and regulations, including a failure to pay taxes, carry out and file assessment work, may invalidate title to portions of the properties where the mineral rights are not held by the Company.

### **Market Factors and Volatility of Ore Prices**

There is no assurance that a profitable market will exist for the sale of mineralized material which may be acquired or discovered by the Company. There can be no assurance that ore prices received will be such that the Company's properties can be mined at a profit. Prices of minerals have fluctuated widely, particularly in recent years, and are affected by numerous factors beyond the Company's control. Commodity prices are subject to volatile price changes from a variety of factors including international economic and political trends, expectations of inflation, global and regional demand, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods.

Future mineral prices cannot be accurately predicted. A severe decline in the price of a mineral being produced or expected to be produced by the Company would have a material adverse effect on the Company, and could result in the suspension of mining operations by the Company if such mining operations have commenced. Factors impacting the price of ore include political and economic conditions in mineral producing and consuming countries and production levels and costs of production in other jurisdictions.

### **Environmental Regulations and other Regulatory Requirements**

The Company is subject to substantial environmental and other regulatory requirements and such regulations are becoming more stringent. All phases of exploration and development operations are subject to environmental regulations. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties in which the Company holds interests which are presently unknown to the Company and which have been caused by previous or existing owners or operators of the properties.

Although the Company intends to comply fully with all environmental regulations, failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

### **Market Price of Common Shares**

Securities of micro-cap and small-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally, and market perceptions of the attractiveness of particular industries. The price of the Common Shares is also likely to be significantly affected by short-term changes in precious and base metal mineral prices or in its financial condition or results of operations as reflected in its quarterly earnings reports. Other factors unrelated to the Company's performance that may have an effect on the price of the Common Shares include the following: the extent of analytical coverage available to investors concerning the Company's business may be limited if investment banks with research capabilities do not follow the Company's securities; lessening in trading volume and general market interest in the Company's securities may affect an investor's ability to trade significant numbers of Common Shares; the size of the Company's public float may limit the ability of some institutions to invest in the Company's securities; and a substantial decline in the price of the Common Shares that persists for a significant period of time could cause the Company's securities, if listed on an exchange, to be delisted from such exchange, further reducing market liquidity. As a result of any of these factors, the price of the Common Shares at any given point in time may not accurately reflect the Company's long-term value.

## **Foreign Jurisdictions**

Certain of the Company's projects are located in foreign jurisdictions and are subject to risks relating to political stability and changes in laws relating to foreign ownership, government participation, taxation, royalties, duties, rates of exchange, exchange controls, export controls, land use and operational safety, and the potential for terrorism or military repression. Because a significant percentage of its operating costs, exploration expenditures and lease maintenance and acquisition costs are denominated in Australian Dollars, the Company's results of operations are subject to the effects of fluctuations in exchange rates and inflation. The Company does not engage in any hedging activities to minimize such risks.

## **CAUTION REGARDING FORWARD-LOOKING STATEMENTS**

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward looking statements.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. Please, in addition, also make reference to those risk factors referenced in the "Risk and Uncertainties" section above. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.