



US Critical Metals Corp.
(Formerly “Holly Street Capital Ltd.”)

Management’s Discussion and Analysis
For the Eight-Month Period ended September 30, 2022
(Expressed in Canadian Dollars)

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The following is the Management’s Discussion and Analysis (“MD&A”) of the financial condition and results of operations of US Critical Metals Corp. (“US Critical Metals”, “we”, or the “Company”) as at and for the eight months ended September 30, 2022. This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This MD&A should be read in conjunction with the Company’s audited consolidated financial statements and related notes for the eight-month period ended September 30, 2022 and the period from incorporation on July 12, 2021 to January 31, 2022 (the “2022 Financials”). The 2022 Financials and all 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. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. All figures are expressed in Canadian dollars unless stated otherwise.

This MD&A also covers the subsequent period up to January 25, 2023.

Company Overview

US Critical Metals Corp. (“USCM” or the “Company”) is focused on mining projects in the United States (the “U.S.”) that will further secure the U.S. supply of critical metals and rare earth elements, which are essential to fueling the new age economy. Pursuant to option agreements with private Canadian and American companies, the Company’s assets consist of four agreements, each providing the Company with the right to acquire interest in five discovery focused projects in the U.S. These projects include the Clayton Ridge Lithium Project located in Nevada, the Haynes Cobalt Project located in Idaho, the Sheep Creek Rare Earth Project located in Montana, the Lemhi Pass Rare Earth Project located in Idaho, and the Long Canyon Uranium project located in Idaho. USCM intends to explore and develop critical metals and rare earth assets with near- and long-term strategic value to the advancement of U.S. interests.

The Company’s mineral exploration properties are currently in the exploration stage and, as a result, the Company has no source of operating cash flow. The exploration and development of the Company’s mineral exploration properties depend on the feasibility of the projects and its ability to obtain financing in the future. Although the Company has taken steps to verify title to the mineral exploration properties in which it has an interest, these procedures do not guarantee the Company’s title. Property title may also be subject to government licensing requirements or regulations, unregistered prior agreements and claims, and non-compliance with regulatory and environmental requirements.

On April 19, 2022, the Company’s common shares commenced trading on the TSX Venture Exchange (the “TSXV”) under the ticker symbol “USCM”. Effective August 5, 2022, the Company’s common shares commenced trading on the Frankfurt Stock Exchange under the ticker symbol “0IU0”, and effective August 30, 2022, on the OTCQB Venture Market in the U.S. under the ticker symbol “USCMF”.

The Company’s registered office address is 550 Burrard Street, Suite 2300, Vancouver, British Columbia, V6C 2B5, Canada.

US Critical Holdings Corp. (“USCH”) was a private company which was incorporated on July 12, 2021 under the name “US Critical Metals Corp.” and under the laws of the Province of British Columbia, Canada. On April 12, 2022, USCH and the Company completed a reverse takeover transaction (the “RTO Transaction”), providing for the acquisition by the Company of all of the issued and outstanding securities of USCH by way of a share exchange under the laws of the Province of British Columbia. All outstanding securities of USCH were acquired by the Company and exchanged for equivalent securities of the Company on a 1:1 basis, of which 25,000,100 common shares were issued to former holders of USCH shares. The RTO Transaction constituted the Company’s “Qualifying Transaction” under Policy 2.4 – *Capital Pool Companies* of the TSXV. Prior to completion of the RTO Transaction, the Company consolidated its share capital on the basis of one post-consolidation common share for every 1.5 pre-consolidation common shares held (the “Consolidation”).

The RTO Transaction resulted in the former shareholders of USCH holding a majority of the outstanding share capital and assuming control of the Company, and the Company changed its name from “Holly Street Capital Ltd.” (“Holly Street”) to “US Critical Metals Corp.” Pursuant to the RTO Transaction, the Company has changed its fiscal year-end from January 31 to September 30, resulting in an 8-month transition year from February 1, 2022 to September 30, 2022. As a result, information from the 2022 Financials and other financial information noted in this MD&A are presented as a continuance of the business of USCH, and all comparative figures presented in the consolidated financial statements are those of USCH. Further details are provided below under “Reverse Takeover Transaction”.

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On April 12, 2022, the Company also closed a private placement offering (the “Concurrent Financing”) of 17,142,858 Units (each a “Unit”) at a price of \$0.35 per Unit, for gross proceeds of \$6,000,000. Each Unit is comprised of one common share of the Company and common share purchase warrant exercisable at \$0.50 for a period of 24 months from closing. In connection with the Concurrent Financing, the Company paid total issuance costs of \$218,421, including cash commissions of \$156,636, representing a fee of 7% of the gross proceeds of Units sourced by finders. The Company also issued 447,532 finders’ warrants equal to 7% of the Units collectively sourced by finders. The Company intends to use the proceeds from the Concurrent Financing to carry out exploration on the Properties (defined hereafter), to evaluate potential acquisitions of additional mineral properties of merit, and for general corporate purposes.

As a result of the RTO Transaction, the Company’s board of directors (the “Board”) has also been reconstituted and is now comprised of: Darren Collins, Marco Montecinos, Peter Simeon and Scott Benson. In addition, the Board has appointed Darren Collins as Chief Executive Officer (“CEO”), Keith Li as Chief Financial Officer (“CFO”) and Corporate Secretary, and Marco Montecinos as VP, Exploration.

On May 12, 2022, the Company granted 3,000,000 options to various officers, directors, and consultants. The options are exercisable at a price of \$0.35 per common share for a period of five years. The options vested immediately on grant.

On May 12, 2022, the Company also granted 1,400,000 restricted share units (“RSUs”) to certain consultants and directors in accordance with the terms of the Company’s RSU plan. The RSUs vest on the first anniversary of the award date.

On July 25, 2022, the Company and US Critical Materials Corp. (“Materials Corp.”) (collectively the “Partners”) entered into a definitive agreement (the “Agreement”) whereby the Company will invest in rare earth projects, including the Sheep Creek Property in Ravalli County, Montana (“Sheep Creek”) and Lemhi Pass Trail Property (“Lemhi Pass”) in Lemhi County, Idaho (collectively, the “Rare Earth Properties”) (refer to “Business Outlook and Strategy” for more details).

On November 16, 2022, the Company and Idaho Silver Corp. (“Idaho Silver”), a private company existing under the laws of British Columbia (collectively, the “Parties”) have entered into a share purchase agreement (the “Agreement”) whereby USCM will acquire 70% of the issued and outstanding common shares of 1212242 B.C. Ltd. (“B.C. Ltd.”), a private company existing under the laws of British Columbia, with the remaining 30% being held by Idaho Silver (the “Transaction”). The Transaction closed on December 15, 2022 (refer to “Business Outlook and Strategy” for more details).

On November 29, 2022, the Company and Materials Corp. reported findings from the fall exploration efforts at the Sheep Creek Rare Earth Project (refer to “Business Outlook and Strategy” for more details).

On January 16, 2023, the Company completed the earn-in requirements for the Haynes Cobalt Project (defined hereafter) by making a final payment to the Haynes optionors as per the Haynes option agreement dated September 24, 2021 (the “Option Agreement”) (refer to “Business Outlook and Strategy” for more details).

Scientific and Technical Information

Certain information relating to the Properties (defined hereafter) contained in this MD&A is derived from, and in some instances is a direct extract from, and based on the assumptions, qualifications and procedures set out in, the Technical Report (as defined herein). Reference should be made to the full text of the Technical Report, which is available for review under the Company’s profile on SEDAR at www.sedar.com.

Business Outlook and Strategy

The Company was formed to engage in the business of acquiring, exploring and evaluating mineral resource properties. Pursuant to option agreements with private Canadian and American companies, the Company’s assets consist of four option agreements, each providing the Company with the right to acquire interest in two mineral exploration projects in the U.S.

The exploration projects include (i) the Clayton Ridge Lithium Property, consisting of 180 unpatented mining claims, located in Nevada, (ii) the Sheep Creek Rare Earth Project, consisting of 223 lode claims, located in Montana, (iii) the Haynes Cobalt Property, consisting of 23 lode claims, located in Idaho, and (iv) the Long Canyon Uranium Property, consisting of 25 contiguous unpatented mining claims and two non-contiguous unpatented mining claims, located in Idaho (collectively the “Properties”). The Company’s business objectives are to explore these properties and to eventually create

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a diversified portfolio of resource holdings and achieve growth through the acquisition of mineral properties, coupled with the implementation of recommended programs with respect to the exploration of such properties.

To date, the Company has concentrated on the identification and acquisition of properties prospective for critical metals including lithium, rare earth elements, cobalt and uranium in the U.S.

Clayton Ridge Lithium Property

On October 11, 2021, the Company, through its subsidiary US Energy Metals Corp. (“USEM”), entered into a Mining Lease and Option to Purchase Agreement CR Claims (the “Mining Lease and Option Agreement”) to lease the Clayton Ridge Lithium Property (the also referred to as the “Nevada Property” hereafter), situated in Esmeralda County, Nevada, exclusively for the purpose of exploration for and the development, mining and processing of minerals.

Pursuant to the Mining Lease and Option Agreement, the Company may acquire a 100% interest in the Nevada Property by paying a total of USD \$225,000 and issuing 2.5 million USCM Shares to the vendor as follows:

- Payment of USD \$25,000 in cash upon signing (the “Signing Date”) of the Agreement (completed);
- Payment of USD \$50,000 in cash and issuance of 500,000 USCM Shares upon listing of USCM on a recognized Canadian Exchange (completed);
- Payment of USD \$75,000 in cash and issuance of 500,000 USCM Shares on the first anniversary of the Signing Date (paid and issued subsequent to September 30, 2022);
- Payment of USD \$75,000 in cash and issuance of 500,000 USCM Shares on the second anniversary of the Signing Date; and
- Issuance of 1,000,000 USCM Shares upon completion of a Technical Report which confirms the presence on the Nevada Property of 2,000,000 tons of lithium carbonate equivalent.

The vendor will also maintain a 3% gross overriding return (“GOR”) on production, subject to a buyback provision whereby USCM can purchase back 1% of the GOR from the underlying vendor in exchange for USD \$1.0 million.

On May 18, 2022, the Company announced that it has staked and filed with the Esmeralda County and the Bureau of Land Management (the “BLM”) an additional 90 unpatented mining claims contiguous to the originally prospected Nevada Property claims block, and commenced exploration activities. The Nevada Property now spans 3,600 acres of highly prospective geology for lithium mineralization. The exploration program consisted of mapping new horizons across the project area as well as sampling previously and recently identified clay beds. As at the date of this MD&A, the Company is awaiting sample results from American Assay Laboratories in Sparks, Nevada and speaking with various contractors to secure a drill rig with the objective of commencing a second phase of exploration in 2023, which will include testing multiple targets across the Nevada Property.

On January 16, 2023, the Company announced it has finalized the detailed mapping and sampling on its Nevada Property. Mapping shows broad areas of lithium-bearing claystones and volcanic tuffs suggesting a broad lateral extension of mineralization. The mineralized zones extend throughout the property with individual areas covering a surface area of up to 0.5 kilometer by 1.0 kilometer and overall thickness of the mineralized package could be a few hundreds of meters thick locally. To date, 315 rock chip samples have been collected within the Project area. Assay results from the exploration campaign confirm the initial lithium grades. Overall, most samples taken last year show anomalous lithium values, which indicates a broad mineralized system. Summary results from 315 rock chip samples include the following:

- Sample grades from 950ppm Li to trace including 57 samples with a grade of over 500ppm Li, 106 samples with a grade of over 400ppm Li and 141 samples with a grade of over 300ppm Li; and
- Average grade of 308ppm Li with a standard deviation of 212ppm Li.

The Nevada Property is located in Esmeralda County, southern Nevada about 50 kilometers (“km”) southwest on Tonopah, NV and 15 km southeast of Albemarle’s lithium brine processing facility at Silver Peak. Access to the property is good from both Goldfield (20 km east) and Silver Peak (15 km west). Seventy reconnaissance-type surface samples have been collected across the property with 45% exceeding 500 ppm Li from a shallow dipping, broad stratigraphic interval. Multiple claystone beds contain greater than 700 ppm Li with a maximum Li value to date of 950 ppm.

The geologic setting is similar to Cypress Development’s Clayton Valley Li-bearing claystone several kilometers to the northwest. The Li-bearing sediments are likely within the same stratigraphic package but are separated by a north-trending

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Basin and Range fault with Clayton Ridge on the elevated block. Detailed geologic mapping has not been conducted across the property nor have enough samples been collected to identify the Li-rich intervals in this Upper Miocene sequence. Aside from the clear similarities to the surrounding Li-claystone projects, the Clayton Ridge project hosts suspected hydrothermal activity (i.e. hot springs) which could mobilize and concentrate Li values.

The Company will also consider additional acquisitions of mineral property interests, or entities holding mineral property interests, on a going forward basis, with the objectives of: (i) creating additional value for shareholders through the acquisition of additional mineral exploration properties; and (ii) helping to minimize exploration risk by attempting to diversify the Company’s property portfolio. The Company believes that although the current exploration prospects for the Idaho Property and Nevada Property are positive, mineral exploration in general is both uncertain and subject to fluctuating commodity prices resulting from changing trends in supply and demand. As a result, the Company believes that by acquiring additional mineral properties, some of which may be prospective in other commodities, it would be better able to minimize overall exploration risk and risks associated with fluctuating commodity prices.

USCM has contracted Robert Johansing, M.Sc., QP to prepare a National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“NI 43-101”) technical report (“Technical Report”). Mr. Johansing is independent of the Company, within the design and definitions of NI 43-101. The Technical Report on the Nevada Property can be accessed under the Company’s profile on SEDAR at www.sedar.com.

Haynes Cobalt Project

On September 24, 2021, the Company, through USEM, entered into an option agreement (the “Option Agreement”) with certain arm’s length parties (collectively the “Vendors”), for the exclusive right and option to acquire a 100% interest in the Haynes Cobalt Project (also referred to as the “Idaho Property” hereafter), which covers approximately 475.18 acres, located in Idaho, U.S.

Pursuant to the Option Agreement, the Company would acquire a 100% interest in the Idaho Property by paying a total of \$100,000 and issue an aggregate of 2.5 million shares to the Vendors as follows:

- Issuance of 2,500,000 common shares (“USCM Shares”) to the underlying Vendors upon closing of a go-public transaction which will result in the USCM Shares being listed on a recognized stock exchange in Canada (the “Canadian Exchange”), subject to the same escrow as principles of the Resulting Issuer or as otherwise determined by the TSXV (completed);
- Payment of \$50,000 in cash to the underlying Vendors upon the listing of the USCM Shares on a recognized Canadian Exchange (completed); and
- Payment of \$50,000 in cash to the underlying Vendors on the one-year anniversary of listing of the USCM Shares on a recognized Canadian Exchange (paid subsequent to September 30, 2022).

In addition to the forgoing, the Company will keep the Idaho Property in good standing during the option period. The Company also funded the cost of an upcoming exploration program of approximately (not less than) \$100,000; and funded the cost of a third-party authored a Technical Report.

The underlying Vendors will also maintain a 3% net smelter return royalty (“NSR”) on production, subject to a buy-back provision whereby USCM can purchase back 1.5% of the NSR from the underlying vendor in exchange for \$1.5 million.

The Company has optioned the Haynes Cobalt Property from its owners and is the current operator. Certain information described below has been derived or reproduced from the Technical Report prepared in respect of the Haynes Cobalt Property by Janine Brown, B.Sc., P.Geo. of Dahrouge Geological Consulting Ltd. and is included herein with the consent of the preparer. Janine Brown, B.Sc., P.Geo. is a qualified person, who is independent of the Company, within the meaning of NI 43-101.

The Idaho Property is located in the Idaho Cobalt Belt (“ICB”) in Lemhi County, Idaho, and next to the historical Blackbird mining camp, where a cluster of cobalt-copper-gold deposits were developed and mined between 1902 and 1968. The Idaho Property benefits from being close to infrastructure and is accessible by forestry roads and is less than one km from powerlines. The ICB region is once again seeing significant exploration and development in the Blackbird mining camp.

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The Idaho Property covers a portion of the historically developed Haynes Stellite Deposit within the historical Blackbird mining camp, where three adit entrances were developed by Haynes Stellite Co, between 1917 and 1920. The adits are located at the northwestern end of the Idaho Property, neighboring with Jervois Global Limited. The Idaho Property also contains a portion of the associated historical underground workings from historical development. Exploration by Noranda Exploration Inc. in 1979 to 1981 further developed the Idaho Property near the historical adits.

Between October 8 to 26 of 2021, a ground magnetic survey and soil and rock sampling were completed on the project. In total, 118 soil samples were collected, and 76 rock samples were collected, and the magnetic survey covered the entire project. The analytical work is on-going at the laboratory, so not all of the costs have been incurred, but so far, the cost of the field work totals \$99,903.

A 43-101 compliant survey is currently being prepared for the Idaho Property, which will summarize all of the field work when the results are finalized.

On January 16, 2023, the Company completed the earn-in requirements for the Haynes Cobalt Project by making a final payment to the Haynes optionors as per the Option Agreement. Pursuant to the Option Agreement, the claims will be transferred and USCM will hold a 100% interest in the claims.

Sheep Creek Rare Earth Project

Sheep Creek is located in Ravalli County, southwest Montana. Sheep Creek spans 54 lode claims representing approximately 1,050 acres of total land package. The claims are on multiple-use ground administered by the United States Forest Service. Exploration activities performed by Materials Corp. and conducted in late 2021 have identified more than 50 carbonatite dikes in the Sheep Creek exploration area. The carbonatites are up to three meters wide and can be followed for more than 300 meters along strike. Important ore minerals identified include ancyllite, allanite, low-thorium monazite, and columbite. The dikes are valuable for their contained light rare earth elements and other strategic metals. Historical grab and chip sampling of carbonatites indicate the potential for high-grade mineralization with up to 18.0% total rare earth elements, including 2.4% (23,810ppm) combined neodymium and praseodymium, plus credits in niobium and other strategic metals. Of the 51 historical samples, the average total rare earth element (“REE”) content is 6.8%, including an average of 0.9% (8,640ppm) combined neodymium and praseodymium. Ten of the samples were completed between 2009 and 2010 and 41 of the samples were completed in 2021. The majority of the samples were collected from mine dumps, prospect pits and deeply weathered outcrops. All chip samples were less than 1.5 meters wide.

In October 2022, the total number of contiguous claims comprising the Sheep Creek Rare Earth Project has increased by 169 claims or approximately 3,400 acres for a combined total Project area of approximately 4,500 acres. In addition to expanding the number of claims, the Partners have commenced detailed mapping, rock, soil and stream sediment sampling of the historic and new claims. Geophysical and permitting work are also currently underway. Project Expansion and Geologic Thesis Past field work focused solely on the original 54 claims and was limited to a total of 51 rock chip and grab samples. The historical programs were successful in identifying potentially economic grades of REE. Grab and rock chip sampling of carbonatites indicate up to 18.0% total REE, including 2.4% (23,810ppm) combined neodymium and praseodymium, plus credits in niobium and other strategic metals. Based on the initial 51 Samples, regional studies (Gammon, 2019) and style of mineralization, Sheep Creek is believed to have similar mineralogy (Gammon, 2020) to significant rare earth deposits around the world. Specifically, the fenitization and associated minerals (i.e. phlogopite) observed at Sheep Creek are a signature of a potential larger body of carbonate magma of sufficient size and heat to cause alteration, which can also indicate a buried mineral deposit. Fenitization is a unique process of alkali metasomatism (alters the rock under high heat and pressure) that is related to a carbonatite or alkaline igneous rocks. It is widely seen in the Mesoproterozoic carbonatite dykes in the BayanObo giant REENb-Fe deposit in China. Fenitization associated with a carbonatite is an indicator of a REE mineralizing process (Shang, Hong-Rui, Kui-Feng, and others, 2018). Alkali silicate minerals, such as sodic amphibole, aegirine, and phlogopite are found in the two main orebodies of the BayanObo mine, the East and Main open pits, Inner Mongolia, China. The objective for the new claims will be focused on identifying, mapping and sampling new areas of mineralization. During the course of staking the new claims, the Partners took soil samples at each of the corner posts of the new claims. These samples will be sent to Activation Laboratories, located in Ancaster, Canada. The results and interpretation of this new information will be released in due course. Actlabs is an independent ISO/IEC 17025 certified laboratory. Internal standards and blanks will be inserted for all elements and major elemental oxides.

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Concurrent with geologic mapping of the Project, the Company is conducting geochemical sampling. This phase of exploration consists of collecting up to 500 rock and soil samples across the expanded Project. Sampling will focus on the carbonatite dikes recognizing that carbonatite (dominated by calcite and dolomite) dikes are generally less resistant than the surrounding metamorphic and igneous rocks. Extensive areas covered by superficial deposits (i.e. talus) possibly host larger masses of carbonatite. In addition, samples are being collected throughout the Project to fully characterize the lateral extent of REE mineralization and internal variations which possibly reflect light and heavy rare earth element zonation. Results will be valuable in further examining the relative grade and distribution of mineralization across the Project.

In November 2022, the Partners reported on findings from the fall exploration program at Sheep Creek, as mineralization has been confirmed at surface and at depth. The recent program included 21 underground rock-chip channel samples, 24 surface rock chip samples, 17 surface channel samples, 30 stream sediment samples and approximately 150 soil samples. The underground workings were developed in the late 1950's for niobium mineralization by the Continental Columbian Company but have not been previously evaluated for rare earth mineralization. The carbonatite exposures afforded by the underground workings will greatly advance the understanding of this complex and unique geologic system. Results from opening, mapping and sampling of the underground workings will support the filing of a Plan of Operation with the US Forest Service. The Partners will provide more details outlining the results from the recent program and plans to drill the Project in due course.

Lemhi Pass Rare Earth Project

The Lemhi Pass project is located in Lemhi County in central-east Idaho and consists of 10 lode claims representing approximately 200 acres. The land package is located next to several other explorers within an area known to host rare earth mineralization. Initial sample results warrant further exploration work for rare earths and the Parties will examine the various technical aspects of the historic results to determine further exploration plans.

On July 25, 2022, the Company and Materials Corp. entered into the Agreement whereby the Company will invest in rare earth projects, including Sheep Creek and Lemhi Pass. USCM has the right to acquire up to an initial 50% equity interest in USRE, a newly formed entity that will be assigned a 100% interest in the Rare Earth Properties by the arm’s length party, and the option to earn an additional 25% interest for an aggregate total of 75% equity interest in USRE, subject to the mutual approval of the Parties. The Rare Earth Properties are not subject to any form of royalty agreement.

Pursuant to the terms of the Agreement, USCM, through USEM, and Materials Corp., have formed USRE in order to facilitate the investment by USCM. USRE will hold the Rare Earth Properties and will be jointly managed by USCM and the arm’s length party once the Company acquires its voting rights during Phase I and Phase II of the earn-in option periods. Upon the event of: (i) USCM electing not to proceed with Phase II; or (ii) USCM completing its Phase II obligations, the voting rights of USCM and the arm’s length party will be determined in accordance with their respective equity interests in USRE. Transaction terms include the following:

- Phase I: USCM shall pay to USRE USD \$300,000 (paid) in cash within 5 business days of closing on the Agreement and USD \$1,500,000 in capital contributions prior to the date that is 16 months after closing on the Agreement (the “Phase I Due Date”) in exchange for 25% equity interest in USRE (25% total corporate interest). As at September 30, 2022, the Phase I requirements have yet to be completed, and the Company did not hold any equity interest in USRE.
- Phase II: Upon completion of Phase I and prior to the expiration of the Phase I Due Date, USCM may elect, in its sole discretion, to pay to USRE USD \$200,000 in cash upon the election to proceed with Phase II and USD \$3,000,000 in capital contributions prior to the date that is 40 months after closing on the Agreement (the “Phase II Due Date”) in exchange for an additional 25% equity interest in USRE (50% total equity interest). If USCM does not elect to proceed with Phase II prior to the Phase I Due Date, no further payments from USCM to USRE will be made and USCM will remain with a 25% equity interest in USRE.
- Phase III: Upon completion of Phase II and prior to the expiration of the Phase II Due Date, USCM may elect, subject to the mutual agreement from the arm’s length party, to provide USRE with USD \$5,000,000 in capital contributions prior to the date that is 64 months after closing on the Agreement in exchange for an additional 25% corporate interest in USRE (75% total equity interest). If the Parties do not mutually agree to proceed with Phase III prior to the Phase II Due Date, no further payments from USCM to USRE will be made and USCM will remain with a 50% equity interest in USRE.

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The transaction has been structured in order to provide phased capital contributions by USCM and maximize the professional resources available to USRE while providing flexibility in terms of generating future liquidity events. USCM retains the right to accelerate its capital contributions at any point in time.

Long Canyon Uranium and Vanadium Project

On November 16, 2022, the Company and Idaho Silver have entered into the Agreement whereby USCM will acquire 70% of the issued and outstanding common shares of B.C. Ltd. The Transaction closed on December 15, 2022.

Upon closing of the Transaction, B.C. Ltd. became the sole owner and shareholder of Long Canyon Resources Inc. (“Long Canyon Resources”), an Idaho corporation, which is the holder of the Long Canyon Uranium and Vanadium Project (“Long Canyon” or the “Project”). Long Canyon is comprised of 25 contiguous unpatented mining claims and two non-contiguous unpatented mining claims in the state of Idaho and covers a surface area of approximately 535 acres. The 25 contiguous unpatented mining claims are situated on land administrated by the BLM. The two noncontiguous unpatented mining claims are situated on land administered by the United States Forest Service.

The Transaction serves to expand the Company’s portfolio of assets to include energy metals and provides further optionality and diversification to shareholders. USCM will evaluate strategic alternatives for Long Canyon upon qualifying the Project. It positions USCM with another high potential asset in the state of Idaho, a leading mining jurisdiction within the U.S., and further expands the network of technical relationships available to USCM. The Principals of Idaho Silver also have extensive operating experience and exploration success within the state of Idaho which USCM is able to leverage to bolster the potential success of the Project moving forward.

Overall Performance

Selected financial information

The Company’s selected financial information, prepared in accordance with IFRS, as at the current reporting period ended September 30, 2022 and the most recently completed financial period ended January 31, 2022 are summarized as follows:

	As at and for the Eight-Month period ended September 30, 2022	As at and for the Period from Incorporation to January 31, 2022
	\$	\$
Operating expenses	(3,823,092)	(419,011)
Other expenses	(1,476,264)	-
Net loss	(5,299,356)	(419,011)
Net loss per share – basic	(0.12)	(0.02)
Cash	3,881,581	11,985
Total assets	4,056,015	32,117
Total non-current liabilities	Nil	Nil
Shareholders’ equity/(deficit)	3,845,664	(419,011)

The cash balance as at September 30, 2022 was \$3,881,581 (January 31, 2022 – \$11,985), for an increase of \$3,869,595 as compared to the prior period-end date. The increase period-to-date in cash was primarily due to funds raised from the Concurrent Financing, where the Company issued 17.1 million Units to investors and raised total cash proceeds of \$6.0 million, offset by cash used in operations of approximately \$2.0 million.

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Results of operations

As the Company is currently in the exploration stage of operations, it had not generated any revenues to date. During the eight-month period ended September 30, 2022, the Company had incurred total operating expenses of \$3,823,092 as follows:

	Eight-Month period ended September 30, 2022	Period from incorporation to January 31, 2022
	\$	\$
Share-based compensation	1,246,640	-
Property acquisition costs	1,211,799	31,533
Professional fees	675,516	167,486
Exploration and evaluation expenses	360,819	197,710
Office and general	157,550	17,451
Management fees	128,769	-
Regulatory filing	37,699	-
Advertising and promotion	4,300	4,831
	3,823,092	419,011

Share-based compensation of \$1,246,640 comprised expenses related to the vesting of RSUs and options to various directors, officers and consultants during the period. Share-based compensation represents a non-cash expense. During the period from incorporation to January 31, 2022, no share-based securities were issued.

The Company recorded property acquisition costs of \$1,211,799, as compared to an amount of \$31,533 recorded in the period from incorporation to January 31, 2022. The property acquisition costs comprised of option payments paid through the issuance of 3,000,000 common shares on both the Idaho and Nevada Properties pursuant to the option agreements which were valued based on the fair value of common shares issued through the Concurrent Financing, and a payment of \$389,550 (USD \$300,000) made pursuant to the Agreement for the Rare Earth Projects, as mentioned in the “Business Outlook and Strategy” section. During the period from incorporation to January 31, 2022, property acquisition costs were made in cash on the Nevada Property.

Professional fees comprised primarily of cost of service received from third parties, including legal expenses of \$518,282, audit and accounting fees of \$86,202, and business consulting fees of \$71,032. Also included in legal expenses are fees related to the RTO Transaction and the Company’s listing on the TSXV. During the period from incorporation to January 31, 2022, professional fees comprised of legal expenses of \$121,889, audit and accounting fees of \$43,597, and business consulting fees of \$2,000.

Exploration and evaluation (“E&E”) expenses comprised of (i) claims maintenance fees of \$72,711 (Period from incorporation to January 31, 2022 – \$67,422), (ii) cost related to technical studies cost of \$47,894 (Period from incorporation to January 31, 2022 – \$37,798), (iii) cost incurred so far on exploration field work of \$52,046 (Period from incorporation to January 31, 2022 – \$92,490), and (iv) earn-in expenditures of \$188,168 (Period from incorporation to January 31, 2022 – \$nil) related to the Rare Earth Projects.

Management fees comprised the remuneration paid for the Chief Executive Officer’s (“CEO”) services. Further details are provided below under “Related Party Transactions”.

Other expenses incurred include office and general expenses of \$157,550 (Period from incorporation to January 31, 2022 – \$17,451), covering general expenses incurred over the normal course of operations, and regulatory filing fees of \$37,699 (Period from incorporation to January 31, 2022 – \$nil) incurred from the listing of the Company. In addition, advertising and promotion expense of \$4,300 (Period from incorporation to January 31, 2022 – \$4,831) had also been incurred for marketing the Company’s brand.

In connection with the RTO Transaction, the Company also recorded acquisition costs of \$1,476,264. Further details are provided below under “Reverse Takeover Transaction”.

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As a result of the above, the Company incurred a net loss of \$5,299,356 (\$0.12 per share – basic and diluted) during the eight-month period ended September 30, 2022 (Period from incorporation to January 31, 2022 – net loss of \$419,011; \$0.02 per share – basic and diluted).

Cash flows

During the eight-month period ended September 30, 2022, net cash used in the Company’s operating activities totaled \$2,045,215 (period from incorporation to January 31, 2022 – cash used in operating activities of \$234,004). The net spending relates primarily to professional fees and E&E expenditures incurred, and payments made to suppliers from the excess of cash received upon closing of the Concurrent Financing.

During the eight-month period ended September 30, 2022, net cash provided by financing activities totaled \$5,826,576. During the current period, the Company received gross proceeds of \$6,000,000 from the Concurrent Financing. In connection with the Concurrent Financing, the Company paid total issuance costs of \$218,421, including cash commissions of \$156,636. The Company also received proceeds of \$45,000 through exercise of stock options. During the period from incorporation to July 31, 2021, the Company received gross proceeds of \$150,000 on a non-brokered private placement (the “Private Placement”) which closed in August 2021.

During the eight-month period ended September 30, 2022, the Company acquired cash of \$135,172 from the RTO Transaction as part of its investing cash flows.

Working Capital and Liquidity Outlook

The Company manages its capital structure and adjusts it, based on the funds available to the Company, in order to support the development of its planned business activities. The Board of the Company does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company’s management to sustain future development of the business. To carry out the planned business activities and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

Based on the Company’s current operations, it has not generated any cash flows from operations. The primary source of funding has been through the issuance of common shares for cash proceeds. There is no guarantee that the Company will be able to successfully complete such financings, as market conditions and business performance may dictate availability and interest.

As at September 30, 2022, the Company had current assets of \$4,056,015 (January 31, 2022 – \$32,117) to settle current liabilities of \$210,351 (January 31, 2022 – \$205,139), for a working capital of \$3,845,664 (January 31, 2022 – working capital deficiency of \$173,022). As of the date of the MD&A, the Company believes that it will have sufficient liquidity to continue operations for the 12-month period.

Reverse Takeover Transaction

On April 12, 2022, USCH and the Company completed the RTO Transaction, resulting in the former shareholders of USCH holding a majority of the outstanding share capital and assuming control of the Company. The RTO Transaction was a reverse acquisition and has been accounted for as a capital transaction, with USCH being identified as the accounting acquirer. These consolidated financial statements are presented as a continuation of the business of USCH providing for the acquisition by the Company of all of the issued and outstanding securities of USCH by way of a share exchange.

The following table summarizes the final purchase price allocation of the RTO Transaction:

Purchase Price Consideration Paid	
Fair value of common shares issued ⁽ⁱ⁾	\$ 1,180,572
Fair value of options issued ⁽ⁱⁱ⁾	57,670
Total consideration paid	1,238,242

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Net Identifiable Asset Acquired	
	\$
Cash	135,172
Accounts payable and accrued liabilities	(27,073)
Total net identifiable assets acquired	108,099
Excess of consideration paid over net assets acquired, representing a cost of the RTO Transaction	
	1,130,143
Finders’ shares issued on closing of RTO Transaction ⁽ⁱⁱⁱ⁾	346,121
Total RTO acquisition costs	1,476,264

The accounting acquisition of Holly Street did not constitute a business combination as the entity did not meet the definition of a business under IFRS 3 – Business Combination. As a result, the RTO Transaction was accounted for in accordance with IFRS 2 – Share-Based Payments as a capital transaction, and share consideration paid was measured at the fair value of the identifiable and unidentifiable assets acquired.

Consideration paid consisted entirely of shares and options of the Company which were measured at the estimated fair value on the date of the acquisition, as follows:

- (i) The fair value of the 5,006,665 common shares, deemed to be issued to former Holly Street shareholders, was determined to be \$1,180,572 based on the fair value of common shares issued through the Concurrent Financing on April 12, 2022. Immediately after completion of the RTO Transaction, the number of common shares of the resulting issuer held by Holly Street shareholders was approximately 9.64%.
- (ii) The estimated fair value of the 300,000 post-Consolidation options issued as deemed consideration was based on the application of the Black–Scholes valuation model with the following assumptions: fair value of common shares – \$0.24 per share, expected dividend yield – 0%, expected volatility – 125%, risk-free interest rate – 0.96% to 2.52%, and an expected life of 0.28 to 7.69 years. In making the assumptions for expected volatility, the Company used the historical volatility of comparable companies.
- (iii) On April 12, 2022, the Company issued 1,467,857 common shares to a finder on closing of the RTO Transaction pursuant to the Business Combination Agreement entered between the parties. The fair value of these common shares was estimated at \$346,121 based on the fair value of common shares issued in the Concurrent Financing and was recorded as part of the reverse takeover acquisition costs.

Related Party Transactions

In accordance with IAS 24 – Related Party Disclosures, key management personnel, including companies controlled by them, are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

Remuneration to key management personnel and directors

The remuneration of directors and other members of key management personnel during the eight-month period ended September 30, 2022 and the period from incorporation on July 12, 2021 to January 31, 2022 were as follows:

	Eight-Month period ended September 30, 2022	Period from incorporation to January 31, 2022
	\$	\$
Management fees	127,681	-
Professional fees	467,318	127,085
Share-based compensation	427,561	-
	1,022,560	127,085

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Effective February 1, 2022, the Company, through USEM, and the CEO and also a director of the Company, entered into a contractor agreement, for a monthly remuneration of USD\$12,500 in consideration of the CEO’s services to be provided to the Company. During the period ended September 30, 2022, the CEO charged fees of \$127,681 (USD \$100,000) for consulting services provided to the Company, which are included in management fees. As at September 30, 2022, \$23,304 (January 31, 2022 – \$1,089) owing to the CEO was included in accounts payable and accrued liabilities. The amount outstanding is unsecured, non-interest bearing and due on demand.

During the eight-month period ended September 30, 2022, Gowling WLG (Canada) LLP (“Gowling”), a law firm in which Mr. Simeon is a partner, charged fees of \$410,668 (Period from incorporation to January 31, 2022 – \$102,698) for legal services provided to the Company, which are included in professional fees. As at September 30, 2022, \$115,936 (January 31, 2022 – \$96,645) owing to Gowling was included in accounts payable and accrued liabilities. The amount outstanding is unsecured, non-interest bearing and due on demand.

During the eight-month period ended September 30, 2022, Branson Corporate Services Ltd. (“Branson”), where the CFO is employed, charged fees of \$46,650 (Period from incorporation to January 31, 2022 – \$24,387) for CFO services provided to the Company, as well as other accounting and administrative services, which are included in professional fees. As at September 30, 2022, \$6,825 (January 31, 2022 – \$14,196) owing to Branson was included in accounts payable and accrued liabilities. The amount outstanding is unsecured, non-interest bearing and due on demand.

As at September 30, 2022, an amount of \$2,433 (January 31, 2022 – \$nil) owing to the CFO, for the reimbursement of expenses paid on behalf of the Company, was also included in accounts payables and accrued liabilities. The amount outstanding is unsecured, non-interest bearing and due on demand.

During the eight-month period ended September 30, 2022, Mr. Benson charged fees of \$10,000 (Period from incorporation to January 31, 2022 – \$nil) for consulting services provided to the Company, which are included in professional fees. As at September 30, 2022, \$2,000 (January 31, 2022 – \$nil) owing to the director was included in accounts payable and accrued liabilities. The amount outstanding is unsecured, non-interest bearing and due on demand.

Share-based compensation

During the eight-month period ended September 30, 2022, the Company had granted certain RSUs and options to various directors and officers. Total share-based compensation of \$427,561 was recorded in connection with the vesting of these securities during the period.

Other related party transactions

During the period from incorporation to January 31, 2022, the CEO of the Company participated in the Private Placement, and subscribed for 5,000,000 Units, for total gross proceeds to the Company of \$50,000.

During the eight-month period ended September 30, 2022, Gowling also charged fees of \$36,247 for legal services specifically related to the Concurrent Financing. These fees had been capitalized as share issuance costs under share capital.

During the eight-month period ended September 30, 2022, Tigren Inc. (“Tigren”), an entity controlled by the VP, Exploration and also a director of the Company, charged fees of \$203,994 (Period from incorporation to January 31, 2022 – \$45,078) for geological consulting services provided to the Company, which are included in exploration and evaluation (“E&E”) expenses. As at September 30, 2022, no balance was owed to Tigren (January 31, 2022 – \$35,530 included in accounts payable and accrued liabilities).

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Exploration and Evaluation Expenses

During the eight-month period ended September 30, 2022 and the period from incorporation on July 12, 2021 to January 31, 2022, the Company’s E&E expenses are comprised of the following:

<i>Eight-Month period ended September 30, 2022</i>	Idaho Property	Nevada Property	Sheep Creek and Lemhi Properties	Total
	\$	\$	\$	\$
<i>Property acquisition costs</i>				
Option payments made in cash	50,579	64,270	389,550	504,399
Option payments issued in shares	589,500	117,900	-	707,400
	640,079	182,170	389,550	1,211,799
<i>E&E expenditures</i>				
Claims maintenance fees	5,786	66,925	-	72,711
Technical studies	9,221	38,673	-	47,894
Field work testing	10,370	41,676	-	52,046
Earn-in expenditures	-	-	188,168	188,168
	25,377	147,274	188,168	360,819
Total	665,456	329,444	577,718	1,572,618

<i>Period from Incorporation to January 31, 2022</i>	Idaho Property	Nevada Property	Sheep Creek and Lemhi Properties	Total
	\$	\$	\$	\$
<i>Property acquisition costs</i>				
Option payments	-	31,533	-	31,533
	-	31,533	-	31,533
<i>E&E expenditures</i>				
Claims maintenance fees	7,704	59,718	-	67,422
Technical studies	22,005	15,793	-	37,798
Field work testing	92,032	458	-	92,490
	121,741	75,969	-	197,710
Total	121,741	107,502	-	229,243

Financial Instruments

The Company is exposed to various risks as it relates to financial instruments. Management, in conjunction with the Board, mitigates these risks by assessing, monitoring and approving the Company’s risk management process. There have not been any changes in the nature of these risks or the process of managing these risks from the previous reporting periods.

Credit risk

Credit risk is the risk of loss associated with counterparty’s inability to fulfill its payment obligations. The Company’s credit risk is primarily attributable to cash, and receivables (excluding sales tax receivable), which expose the Company to credit risk should the borrower default on maturity of the instruments. Cash is held with reputable Canadian chartered banks and in trust with the Company’s legal counsel which is closely monitored by management. Management believes that the credit risk concentration with respect to financial instruments included in cash and receivables is minimal.

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 the Company’s access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. The Company generates cash flow primarily from its financing activities. The Company endeavors to

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have sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot be reasonably predicted. As at September 30, 2022, the Company had a cash balance of \$3,881,581 (January 31, 2022 – \$11,985), to settle current liabilities of \$210,351 (January 31, 2022 – \$205,139).

The following table summarizes the carrying amount and the contractual maturities of both the interest and principal portion of significant financial liabilities as at September 30, 2022:

	Carrying amount	Year 1	Year 2 to 3	Year 4 to 5
	\$	\$	\$	\$
Accounts payable and accrued liabilities	210,351	210,351	-	-

The Company manages liquidity risk by maintaining adequate cash reserves and by continuously monitoring forecast and actual cash flows for a rolling period of 12 months to identify financial requirements. Where insufficient liquidity may exist, the Company may pursue various debt and equity instruments for short or long-term financing of its operations.

Management believes there will be sufficient capital to meet short-term business obligations, after taking into account cash flow requirements from operations and the Company’s cash position as at September 30, 2022. Nevertheless, management understands that it will have to raise more funds in order to support its operations going forward.

Market risk

Market risk is the risk that the fair value of, or future cash flows from, the Company’s financial instruments will significantly fluctuate due to changes in market prices. The value of the financial instruments can be affected by changes in interest rates, foreign exchange rates, and equity and commodity prices.

Foreign exchange risk

Foreign exchange risk is the risk that the Company will be subject to foreign currency fluctuations in satisfying obligations related to its foreign activities. The Company’s operations are based in the U.S., and may have, from time to time, transactions denominated in foreign currencies. The Company’s primary exposure to foreign exchange risk is that transactions denominated in foreign currency may expose the Company to the risk of exchange rate fluctuations. Based on its current operations, management believes that the foreign exchange risk is minimal.

Fair value

Fair value estimates of financial instruments are made at a specific point in time based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The Company’s financial instruments consist of cash, receivables (excluding sales tax recoverable), and accounts payable and accrued liabilities. The fair value of cash, receivables (excluding sales tax recoverable), and accounts payables and accrued liabilities are approximately equal to their carrying value due to their short-term nature.

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

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

As at September 30, 2022 and January 31, 2022, the Company did not have any financial instruments which were carried at fair value.

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Significant Accounting Judgments and Estimates

The preparation of the Company’s audited consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenue and expenses. These are described in greater detail in Note 2(e) to the 2022 Financials.

Summary of Significant Accounting Policies

The significant accounting policies used by the Company are the same as those described in Note 3 to the 2022 Financials.

Contingencies

The Company’s E&E activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. As at September 30, 2022, the Company believes its operations are materially in compliance with all applicable laws and regulations. The Company expects to make future expenditures to comply with such laws and regulations.

Subsequent Events

Option payments

On October 11, 2022, the Company paid USD \$75,000 in cash and issued 500,000 USCM Shares for the first anniversary payment of the Mining Lease and Option Agreement on the Nevada Property.

On January 16, 2023, the Company paid \$50,000 to accelerate the final payment scheduled on the one-year anniversary of listing of USCM pursuant to the Option Agreement on the Idaho Property.

Warrants exercise

On November 11, 2022, the Company issued 40,000 common shares as a result of the exercise of 40,000 Warrants for cash proceeds of \$4,000.

On January 12, 2023, the Company issued an additional 40,000 common shares as a result of the exercise of 40,000 Warrants for cash proceeds of \$4,000.

Acquisition of Idaho Silver

On November 16, 2022, the Company and Idaho Silver have entered into the Agreement whereby USCM will acquire 70% of the issued and outstanding common shares of B.C. Ltd., with the remaining 30% being held by Idaho Silver. The Transaction closed on December 15, 2022.

Pursuant to the Agreement, the Company acquired 70% of the issued and outstanding common shares of B.C. Ltd. from Idaho Silver as follows:

- in consideration for 45% of the issued and outstanding shares of B.C. Ltd., USCM made a payment of \$50,000 in cash to Idaho Silver and issued 1,000,000 Consideration Shares to Idaho Silver at a deemed price of \$0.35 per Consideration Share;
- in consideration for 25% of the issued and outstanding shares of B.C. Ltd., USCM subscribed for 8,000 common shares for aggregate proceeds of \$200,000.

Upon closing of the Transaction, B.C. Ltd. became the sole owner and shareholder of Long Canyon Resources, which is the holder of the Long Canyon Project. Long Canyon is comprised of 25 contiguous unpatented mining claims and two non-contiguous unpatented mining claims in the state of Idaho and covers a surface area of approximately 535 acres.

At closing, Long Canyon Resources also entered into a net smelter return royalty agreement (“NSR Royalty Agreement”) with Idaho Silver, which grants Idaho Silver a perpetual three and one-half percent (3.5%) NSR Royalty, relating to all production from the Long Canyon Property. The NSR Royalty is subject to a buyback right in favor of B.C. Ltd. pursuant to which B.C. Ltd. may repurchase up to 2% (in whole or part) of the NSR Royalty for a price equal to \$2,000,000 (\$1,000,000 for each 1% instalment).

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Off Balance Sheet Arrangements

As at September 30, 2022 and the date of this MD&A, the Company does not have any off-balance sheet arrangements.

Disclosure of Outstanding Share Data as of January 25, 2023

As at the date of this MD&A, the number of common shares of the Company outstanding and the number of common shares issuable pursuant to other outstanding securities are as follows:

	Authorized	Outstanding
Voting or equity securities issued and outstanding	Unlimited number of common shares	53,497,480 common shares
Securities convertible or exercisable into voting or equity		1,400,000 RSUs convertible into common shares of the Company; 3,000,000 options outstanding, of which all are vested and exercisable to acquire common shares of the Company, and; 42,510,390 warrants exercisable to acquire common shares of the Company.

Risk Factors

The business and performance of the Company is highly speculative and there are numerous and varied risks, known and unknown, that may prevent the Company from achieving its goals. The trends and risks which are likely to impact USCM’s business and operations are referenced below under “Cautionary Note Regarding Forward-Looking Statements” and are also detailed in the Company’s Filing Statement dated March 31, 2022, under the heading “Risk Factors”.

Disclosure of Internal Controls over Financial Reporting

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

In contrast to non-venture issuers, this MD&A does not include representations relating to the establishment and maintenance of disclosure controls and procedures (“DC&P”) and internal control over financial reporting (“ICFR”). In particular, management is not making any representations relating to the establishment and maintenance of: controls and procedures designed to provide reasonable assurance that information required to be disclosed by the Company in its filings or other reports or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Investors should be aware that inherent limitations on the ability of management of the Company to design and implement on a cost-effective basis DC&P and ICFR may result in additional risks to the quality, reliability, transparency and timeliness of filings and other reports provided under securities legislation.

Cautionary Note Regarding Forward-Looking Statements

This MD&A contains “forward-looking information” and “forward-looking statements” within the meaning of applicable Canadian securities laws (“forward-looking statements”). All statements, other than statements of historical fact, made by the Company that address activities, events or developments that the Company expects or anticipates will or may occur in the future are forward-looking statements. Forward-looking statements are often identified by words such as “may”, “would”, “could”, “should”, “will”, “intend”, “plan”, “seek”, “anticipate”, “believe”, “estimate”, “expect” or similar words and expressions. Examples of forward-looking statements include, among others, statements relating to information set out in this MD&A under the headings “Business Outlook and Strategy”, “Working Capital and Liquidity Outlook”, and

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statements and information regarding: the effects of COVID-19 on the Company’s operations and financial condition; future financial position and results of operations, strategies, plans, objectives, goals and targets; future developments in the markets where the Company participates or is seeking to participate; and, expectations for other economic, business, regulatory and/or competitive factors related to the Company or the mining exploration industry generally and other events or conditions that may occur in the future. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based on management’s current beliefs, expectations or assumptions regarding the future of the business, future plans and strategies, operational results and other future conditions of the Company. Although the Company believes that the expectations, estimates, and projections reflected in such forward-looking statements are reasonable, such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance, or achievements to differ materially from those suggested by the forward-looking statements. Accordingly, actual results could differ materially from those expressed or implied in the forward-looking statements. On this basis, readers are cautioned not to place undue reliance on such forward-looking statements.

Factors which could cause actual results to differ materially from those indicated in forward-looking statements include, but are not limited to: the expectations and assumptions that the Company’s strategies are based on; the impact of COVID-19 will have to the Company’s strategies and operations; the Company’s ability to manage the disruptions and volatility in the global capital markets due to COVID-19; and the Company’s ability to meet its working capital needs, including the cost and potential impact of complying with existing and proposed laws and regulations.

Readers are cautioned that the foregoing lists of risks, uncertainties and other factors are not exhaustive. The forward-looking statements contained in this MD&A are made as of the date hereof and are presented for the purpose of assisting investors and others in understanding the Company’s financial position and results of operations, as well as its objectives and strategic priorities, and may not be appropriate for other purposes. The Company undertakes no obligation to publicly update or revise any forward-looking statements or any other documents filed with Canadian securities regulatory authorities, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws. The forward-looking statements are expressly qualified by this cautionary statement.

The Company is a mineral exploration company, and its mineral resource properties are in the exploration stage only. The degree of risk increases substantially where an issuer’s mineral resource properties are in the mineral exploration stage as opposed to the development or operational stage. An investment in common shares of mineral exploration companies is speculative and involves a high degree of risk and should only be made by investors who can afford the total loss of their investment.

Management’s Responsibility for Financial Information

Management is responsible for all information contained in this report. The 2022 Financials have been prepared in accordance with IFRS and include amounts based on management’s judgments and estimates. The financial and operating information included in this MD&A is consistent with that contained in the Company’s financial statements in all material aspects.

The Audit Committee has reviewed the 2022 Financials and this MD&A with management. The Board of the Company has approved the 2022 Financials and this MD&A on the recommendation of the Audit Committee.

January 25, 2023

Darren Collins
Chief Executive Officer