



**Teako Minerals Corp. (formerly 1111 Exploration Corp.)**  
**Management's Discussion & Analysis**  
**April 30, 2023**

## **MANAGEMENT'S DISCUSSION & ANALYSIS**

The following Management's Discussion & Analysis ("MD&A") of Teako Minerals Corp. (formerly 1111 Exploration Corp.) (the "Company", or "Teako") for the three months ended April 30, 2023, should be read in conjunction with the Company's interim condensed financial statements for the period then ended, as well as the Company's annual audited financial statements for the year ended January 31, 2023, and related notes thereto (collectively, the "financial statements"). The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All monetary amounts in this MD&A are expressed in Canadian dollars, unless otherwise indicated.

The information contained herein is presented as at **June 9, 2023** (the "**MD&A Date**"), 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; or (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.

### **QUALIFIED PERSON**

Robert Cameron, P.Geol., CEO and Director of the Company, is a qualified person as defined by National Instrument ("NI") 43-101 – *Standards of Disclosure for Mineral Projects* and has approved the scientific and technical information and disclosure contained in this document.

Data Verification: All technical data presented herein is either accompanied by a reference to the original public disseminated news release which contains the detailed QA/QC data for the data, or the QA/QC is presented here. Historical data is, when referenced as such, treated as valid for exploration purposes only by the Company following review by Qualified Persons Robert Cameron P.Geol. and Kristian Whitehead P.Geol. Project data is further verified by the NI 43-101 Technical Report dated July 21, 2021 authored by Richard J. Haslinger, P.Eng and posted on SEDAR under the Company's filings.

### **FORWARD-LOOKING STATEMENTS**

This MD&A contains certain "forward-looking information" and "forward-looking statements" (collectively, "forward-looking statements"), within the meaning of applicable Canadian securities laws, which are based upon the Company's current internal expectations, estimates, projections, assumptions, and beliefs. All information, other than statements of historical facts, included in this MD&A that addresses activities, events or developments that the Company expects or anticipates will or may occur in the future is forward-looking information. Such statements can be identified by the use of forward-looking terminology such as "expect", "likely", "may", "will", "should", "intend", or "anticipate", "potential", "proposed", "estimate" and other similar words, including negative and grammatical variations thereof, or statements that certain events or conditions "may" or "will" happen, or by discussions of strategy. Forward-looking statements include estimates, exploration plans, expectations, forecasts, guidance, or other statements that are not statements of fact. Such forward-looking statements are made as of the date of this MD&A and, except as required by law, the Company is under no obligation to update or alter any forward-looking information.

Forward-looking statements in this MD&A may include, but are not limited to, statements with respect to: the use of the net proceeds from financings; the performance and results from the Company's exploration programs; the intention to complete exploration programs, regulatory changes; the competitive conditions of the industry and the Company's competitive position in the industry and the applicable laws, regulations and any amendments thereof; the Company's business plans and strategies; the anticipated benefits of the Company's option partners and/or joint venture opportunities; strategic alliances; proposed licensing arrangements; and any anticipated future exploration results.

Although the Company believes that the expectations reflected in the forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. The Company cannot guarantee future results, levels of exploration and drilling activities, performance, or achievements. There are risks, uncertainties, and other factors, some of which are beyond the Company's control, which could cause actual results, performance, or achievements of the Company, as applicable, to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements contained in this MD&A. Refer to "Risks and Uncertainties" below for details of certain risks.

## **DESCRIPTION OF BUSINESS**

Teako Minerals Corp. (formerly 1111 Exploration Corp.) (the "Company") was incorporated in British Columbia under the provisions of the British Columbia Business Corporations Act on February 21, 2020 as 1111 Acquisition Corp., then changed its name on August 3, 2021, to 1111 Exploration Corp., and again changed its name to Teako Minerals Corp., on February 17, 2023. The Company's registered and records office address is 1100 – 1111 Melville Street, Vancouver BC V6E 3V6.

The Company's common shares trade on the Canadian Securities Exchange ("CSE" or the "Exchange") under the symbol "TMIN" (effective March 3, 2023). The Company's common shares formerly traded under the symbol "ELVN".

The Company's principal business activity is the acquisition, exploration and evaluation of mineral property interests located in Canada. The Company is in the process of exploring its mineral property interests in British Columbia and has not yet determined whether they contain mineral reserves that are economically recoverable. The Company's continuing operations and the underlying value and recoverability of the amounts shown for mineral property interests are entirely dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of the mineral property interests, obtaining the necessary permits to mine, and on future profitable production or proceeds from the disposition or option of the mineral property interests. The carrying amounts of mineral property interests are based on costs incurred to date and do not necessarily represent present or future values.

The Company is in the process of incorporating both a Finnish subsidiary, and Norwegian subsidiary for the purpose of acquiring exploration stage mineral property interests in both Finland and Norway. The subsidiaries will be wholly-owned by the Company's subsequently acquired subsidiary Valence Mining Services Ltd.

## **CHANGE IN EXECUTIVE OFFICERS AND BOARD OF DIRECTORS**

Effective March 28, 2023, Sven Gollan was appointed Chief Executive Officer (CEO) of the Company, with Robert Cameron resigning as CEO, and remaining as President and Director.

Effective April 25, 2023, Michael Sweatman resigned from the Board of Directors, and Jennifer Shaigec was appointed to the Board of Directors.

## **OVERALL PERFORMANCE AND CORPORATE MILESTONES**

During the three months ended April 30, 2023, and through to the MD&A Date, the Company had the following primary activities:

- Completed a private placement (February 2023) for the issuance of 2,250,000 common shares at \$0.05 each for gross proceeds of \$112,500.
- Appointed advisors (February 2023 and April 2023): Sven Gollan as Manager of Business Development (now CEO of the Company); Andrew Mitchell as Technical Advisor; Jennifer Shaigec as Advisor (now a Director of the Company); Eric Roth as Advisor; Sylvain Laberge as Advisor; Rob Duncan as Advisor; and Owen Garfield as Advisor.
- Executed a definitive agreement with Teako Gold Corp. (February 2023) ("TGC") to acquire a 100% interest in TGC's Teako copper-gold mineral claims, and its BQ gold mineral claims (the "project"). In accordance with the definitive agreement the Company issued 21,000,001 common shares to TGC and made a cash payment of \$20,000. An additional 2,000,000 common shares were issued to TGC on June 5, 2023 to complete the acquisition of the project (further described below).
- Executed a Strategic Partnership with The Coring Company AS (April 2023), a private Norwegian technology company that is creating a new standard for ground investigations using state-of-the-art research, AI, and robotics in the mining exploration industry.
- Acquired Valence Mining Services Ltd. ("Valence") (May 2023): Valence will play an important role in the launch of the Service Alliance (see below, May 2023). The acquisition closed on May 4, 2023, with the Company acquiring 100% of the common shares of Valence, a private company incorporated in the province of Alberta on May 25, 2022 for cash consideration of \$12,500. Valence has substantially been inactive since incorporation and had nominal assets and liabilities on the date of acquisition by the Company.
- Launched The Service Alliance (May 2023): As announced on May 1, 2023, The Service Alliance is a key strategy to leverage the strengths of other exploration, technology and finance companies and creating an environment of shared knowledge and resources.
- Expanded the Aplite Creek target at the Pinnacle copper-gold project in BC (May 2023). See details within "Mineral Property Interests" below.

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Acquisition of Teako project

On February 10, 2023, the Company executed a Mineral Property Purchase and Sale Agreement (superseding a letter of intent executed on January 12, 2023), to acquire a 100% interest in certain copper-gold mineral claims known as the Teako mineral claims located in northwestern BC, and certain gold mineral claims known as the BQ mineral claims located in north-central BC, (collectively, the "Teako property") from Teako Gold Corp. ("TGC"), a private company, for aggregate consideration of \$940,000 paid by the Company as follows:

- A cash payment of \$20,000 (paid);
- The issuance of 21,000,001 common shares (issued at a fair value of \$840,000 (\$0.04 each));
- The commitment to issue 2,000,000 common shares by August 10, 2023 (issued on June 5, 2023).

The Company is also in the process of establishing a reclamation bond on the Teako property in the amount of \$38,400.

The Teako claims within the property are subject to a 2% NSR which can be reduced to 1% by way of making a \$1,000,000 cash payment to the royalty holder, an arm's length party.

Strategic Partnership with The Coring Company

The Coring Company AS ("The Coring Company") is a private Norwegian technology company that is creating a new standard for ground investigations using state-of-the-art research, AI, and robotics.

On April 18, 2023, the Company executed a letter of intent ("LOI") with The Coring Company, on the Sample Control System Mining Product (the "SCS Mining Product") developed by The Coring Company.

Pursuant to the terms of the LOI, the parties will partner on the development of the SCS Mining Product related to mining exploration activities by way of entering into a Definitive Agreement (not yet completed) which has the objective of bringing the exploration module of the SCS Mining Product ("SCS Mining Product – Exploration") to the point of commercial use, and available for licence or sale to arm's length parties. The contemplated Definitive Agreement will include a Research and Development Agreement, and other components in respect of partnering on other mining and mineral exploration-related initiatives of the SCS Mining Product – Exploration.

As of the MD&A Date, the parties are continuing progress towards executing a Definitive Agreement.

The Coring Company launched the SCS Mining Product for the optimization of ground investigations. The SCS Mining Product is expected to significantly reduce the cost of basic investigations and create time savings relative to traditional sampling and lab analyses by quickly collecting results in a single integrated app. This system is designed to optimize fieldwork procedures by utilizing data from drill rigs, samples, and industrial experience to produce more detailed analyses with reduced sample materials.

The collaboration between the parties is focused on creating long-term value for shareholders of both parties by applying The Coring Company's advanced hardware and software tools across the Company's portfolio of projects which requires a close cooperation between engineers, geologists, and management. While the initial focus is on disrupting conventional sample collection and analysis, opportunities for joint value creation extend far beyond this as both parties intend to jointly develop cutting-edge solutions for exploration.

It is intended that The Coring Company will apply to Innovation Norway, a government funded entity, for each exploration testing site where a portion of exploration costs will be funded by the Norwegian government. The Coring Company will be responsible for 30% and the Company responsible for 20% of the costs. For the avoidance of doubt, The Coring Company retains any and all intellectual property rights (IPR) and related rights to the results under the program as funded by the Norwegian government.

The Service Alliance

On May 1, 2023, the Company announced the creation of The Service Alliance. Valence (a subsidiary of the Company effective May 4, 2023) will play a pivotal role in hosting The Service Alliance. The Service Alliance currently boasts eleven (11) exploration companies, three (3) technology companies, and two (2) financing companies (collectively, "Service Alliance Members"). Key aims of The Service Alliance:

- Maximize collaboration with other exploration, finance, and technology companies to increase innovation within the mining sector; and
- Share technical skills amongst Service Alliance Members.

The Service Alliance is a strategic business initiative that leverages the benefits of collaboration with other like-minded exploration companies and industries. Service Alliance Members will seek potential synergies with respect to marketing

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and procurement and facilitate the sharing of best practices. The Service Alliance will provide an opportunity to review and test new applications between exploration companies and technology focused members.

**DISCUSSION OF OPERATIONS**

During the three months ended April 30, 2023, the Company generated positive net cash flows of approximately \$15,000. This was the result of raising approximately \$115,000 through a private placement in February 2023, partially offset by approximately \$74,000 used in operating activities, and approximately \$20,000 used in the acquisition of the Teako property, plus approximately \$5,000 used in exploration activities on its Pinnacle and Wilcox properties.

During the three months ended April 30, 2023, the Company incurred a loss and comprehensive loss of approximately \$116,000, inclusive of non-cash income on settlement of flow-through premium liability of approximately \$9,000, which represents the partial reduction in the flow-through premium liability resulting from the Company capitalizing flow-through eligible expenditures during the period. The Company's operating expenses for the period totalled approximately \$125,000.

For the three months ended April 30, 2023

The following table summarizes the discussion above in respect of the Company's results of operations and cash flows for the three months ended April 30, 2023 (rounded):

	<b>Three months ended</b>
	<b>April 30, 2023</b>
	<b>\$</b>
Revenue	-
Loss and comprehensive loss	(116,000)
Cash used in operating activities	(74,000)
Cash provided by financing activities	115,000
Cash used in investing activities	(25,000)
Change in cash	16,000

The Company's operating expenses for three months ended April 30, 2023, were as follows (rounded):

	<b>Three months ended</b>
	<b>April 30, 2023</b>
	<b>\$</b>
General and administrative	5,000
Investor relations and shareholder information	10,000
Professional and consulting fees	95,000
Transfer agent, filing and exchange fees	14,000

For the three months ended April 30, 2023:

- General and administrative is primarily comprised of office rent and governance initiatives.
- Investor relations and shareholder information includes fees related to news release filings and dissemination, and website development and hosting services.

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- Professional fees includes approximately \$5,000 in audit fees (representing an under accrual for the fiscal 2023 audit services), and legal fees of approximately \$18,000 related to transactional work discussed in "Overall Performance and Corporate Milestones" above. The Company also paid or accrued approximately \$78,000 in management and consulting fees with insiders of the Company and arm's length parties including certain of its advisory team members. Management services provided by insiders of the Company include accounting and tax, administration, corporate development, and executive services. Consulting services incurred with arm's length parties include regulatory, governance, exchange and filing services, as well as corporate development, and advisory services (capital markets advisory, and fees accrued with advisory team members, as applicable).
- Transfer agent, filing and exchange fees includes the cost of annual regulatory filings (approximately \$7,000) as well as monthly exchange fees, transfer agent services, and other regulatory fees.

**SUMMARY OF QUARTERLY RESULTS**

Period ending	Revenue \$	Loss and comprehensive loss \$	Basic and diluted loss per share \$
April 30, 2023	-	(116,233)	(0.00)
January 31, 2023	-	(58,882)	(0.00)
October 31, 2022	-	(19,777)	(0.00)
July 31, 2022	-	(21,252)	(0.00)
April 30, 2022	-	(40,803)	(0.00)
January 31, 2022	-	(41,409)	(0.01)
October 31, 2021	-	(109,906)	(0.01)
July 31, 2021	-	(64,032)	(0.01)

Loss and comprehensive loss for the quarter ended April 30, 2023, was higher than other quarters as a result of increased legal fees in relation to corporate milestones achieved during the quarter, increased consulting and advisory fees inclusive of fees accrued to certain new advisory members. The Company also had more activity in respect of transfer agent, and exchange and filing services, as well as incurring additional costs related to the development of its website.

Loss and comprehensive loss for the quarter ended October 31, 2021, was higher as a result of non-cash share-based payments expense recognized in relation to the grant of stock options which vested immediately.

**TRANSACTIONS BETWEEN RELATED PARTIES**

Key management personnel are those persons that have the authority and responsibility for planning, directing, and controlling the activities of the Company, directly or indirectly. Key management includes executive and non-executive members of the Company's Board of Directors, its Officers, and companies in which they have control or significant influence. The aggregate value of transactions and outstanding balances with related parties are as follows:

	Transactions three months ended April 30, 2023 \$	Transactions three months ended April 30, 2022 \$	Balances outstanding April 30, 2023 \$	Balances outstanding January 31, 2023 \$
DBM CPA	11,250	11,250	7,875	3,412
Freeform Communications	11,740	5,946	44,500	37,000
(1) Infiniti Drilling	22,688	3,604	23,454	-
Jennifer Shaigec	1,500	-	1,500	-
Kristian Whitehead	-	-	2,000	2,000
MDS Management	-	-	5,400	5,400
Robert Cameron	10,000	3,300	49,000	41,500
Sven Gollan	7,500	-	7,500	-
	<b>64,678</b>	<b>24,100</b>	<b>141,229</b>	<b>89,312</b>

(1) Represents geological services within exploration.

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The transactions with key management personnel and Directors are included in operating expenses unless otherwise specified as follows:

- (a) General and administrative expenses:
  - Includes office rent charged to the Company by Freeform Communications Inc. ("Freeform Communications") (see below for details of related party relationship).
- (b) Professional and consulting fees:
  - Includes accounting and tax services charged to the Company by Donaldson Brohman Martin, CPA Inc. ("DBM CPA"), a firm in which Dan Martino, CFO of the Company, has significant influence.
  - Includes advisory fees to Jennifer Shaigec, Director of the Company.
  - Includes executive management services of Robert Cameron, former CEO and current President and Director of the Company.
  - Includes executive management services provided by Scott Young, a Director of the Company charged to the Company by Freeform Communications.
  - Includes executive management services of Sven Gollan, CEO of the Company.
- (c) Geological services:
  - Includes services of Infiniti Drilling Corporation ("Infiniti Drilling") a company that provides geological services to the Company. Infiniti Drilling is controlled by Kristian Whitehead, VP Exploration of the Company.

## **MINERAL PROPERTY INTERESTS**

### **Pinnacle Property**

#### Summary of Option Agreement

On August 25, 2020 and as amended on August 26, 2022, the Company entered into an Option Agreement to earn a 70% interest in the copper-gold Pinnacle property from Pacific Empire Minerals Corp. ("PEMC"). Under the terms of the agreement, the Company can earn a 70% interest in the property by making total cash payments to PEMC of \$460,000, issuing a total of 3,800,000 common shares to PEMC, and incurring total exploration expenditures of \$3,000,000, collectively, staged over a period of four years through to August 2026 (the "Earn-In").

To the MD&A Date, the Company has made cash payments totalling \$75,000, has issued 500,000 common shares to PEMC, and has incurred approximately \$341,000 in exploration expenditures on Pinnacle since fiscal 2021 through to April 30, 2023.

Following the Earn-In, the Company must make a cash payment of \$50,000 to PEMC (or the equivalent number of common shares) within three years of the Earn-In completion date, and each subsequent anniversary of such date. Additionally, PEMC will retain a 30% free-carried interest in the property up until the date that the Company publishes an NI 43-101 compliant Pre-Feasibility Study ("PFS") on the property. Following completion of a PFS, a Joint Venture will be formed whereby the Company will own a 70% initial interest and PEMC will own a 30% initial interest.

Additionally, upon completion of the Earn-In, PEMC will retain a 2.0% Net Smelter Return Royalty ("NSR") which can be reduced to 1.0% by way of making a \$1,000,000 cash payment to PEMC.

#### Pinnacle Background

The property covers 15,487 hectares and is in north-central British Columbia, 97 kilometres (km) to the north of the town of Fort St. James and 50 km to the west of Centerra Gold's Mt. Milligan copper-gold mine and 20 km to the southeast of Northwest Copper's Kwanika copper-gold deposit in a proven copper-gold porphyry district.

Geology on the Pinnacle property can be summarized as intermediate volcanics locally intruded by syenitic to dioritic dikes. Previous exploration programs have encountered anomalous copper and gold mineralization that is dominated by pyrite. Alteration assemblages encountered in drilling and associated anomalous gold± copper mineralization suggests the presence of a large porphyry related hydrothermal system. Targeting information has led to the identification of at least two significant target areas.

#### Recent Exploration Programs

In May 2023, the Company announced results from the late season 2022 exploration program. Work included soil sampling, geological mapping, rock sampling and drone based magnetic surveying that expanded on the preliminary work completed in 2021 (see below) which focused on the gold-rich Aplite Creek copper target.

The 2022 work program comprised UAV drone-based magnetic surveying, soil sampling, geological mapping and rock sampling. Extensive gold and copper soil anomalies outlined in 2021 located within the Aplite Creek target were extended in the fall of 2022, adding 4 km to the southeast of the 2021 soil grid area. 427 soil samples were collected and returned 42 samples yielding assay values greater than 20 ppb gold and 17 samples greater than 100 ppm copper in an area void of outcrop and with interpreted modest till cover. Rock grab samples collected from the Aplite Creek occurrence returned several anomalous sample results. A highlight was one grab sample that returned 1.4% Cu and 1.7 g/t Au. The Aplite Creek target area now covers an area of approximately 4 km by 8 km. The target is associated with propylitic and potassic alteration within and adjacent to high-level monzonite intrusions on the flanks of the Hogem batholith.

During October 2022, the Company completed an exploration program at the Pinnacle, and Wilcox properties. The work included additional soil sampling, geological mapping, and a drone assisted magnetic surveying at Pinnacle, and soil sampling and mapping at Wilcox. A key objective was expansion of the magnetic survey both northwest and southeast of the core Aplite Creek area. Raw data has been received however compilation and processing is in progress.

The exploration program completed in 2021 was centred on the Aplite Creek prospect and included collection of 173 soil samples of standard B-horizon and 85 samples collected for mobile metal ion sampling (MMI) analysis. A drone UAV (unmanned aerial vehicle) magnetic survey covering an area of 4 km by 6 km was also completed. In addition, historical core from 2015 and 2017 that had not been completely sampled was analyzed for trace element values to aid geochemical vectoring.

Results were highly elevated for copper and gold and consistent with historical compiled data. Gold values returned a high value of 1,460 parts per billion (ppb) (24% of samples over 20 ppb) and copper values with a high value of 8,010 ppm (26% of samples over 100 ppm and 5% over 1,000 ppm).

This 2021 sampling, combined with previous soil sampling, induced polarization surveys and the current magnetic survey, identified a northwesterly trending area of elevated copper and gold soil geochemistry coincident with magnetic highs and high chargeability over an area of 4 km by 1.2 km. The geology comprises dikes and stocks of syenite and monzonite within andesite volcanics. Alteration is dominantly widespread propylitic with localized potassic alteration near and within intrusive rocks. This large area has seen only minor drilling in 1974 and 1990. A second parallel zone to the northeast of similar scale is yet to be fully delineated.

### **Wilcox Property**

In fiscal 2023, the Company staked additional copper-molybdenum-gold claims known as the Wilcox property. Additionally, it completed a 2-day reconnaissance field program comprised of limited rock sampling and examination of historical occurrences.

The Wilcox property is located within the Cariboo region of British and is approximately 22 km northeast of the town of 100 Mile House, BC and 7 km north of the hamlet of Forest Grove. It is located completely within the Takomkane Batholith, a late Triassic to early Jurassic, calc-alkaline, granitic batholith within the Quesnel Terrane. The property is centred on a train of chlorite-magnetite+/-quartz veined biotite-hornblende granite and quartz monzonite boulders within a new logging cut. These highly angular boulders are chlorite-magnetite altered with local K-feldspar alteration occurring as haloes around quartz-magnetite veins. Chalcopyrite (and malachite) occurs within quartz-magnetite veins and within mafic sites adjacent to these veins.

### **Teako Property**

On February 10, 2023, the Company acquired a 100% interest in certain copper-gold mineral claims known as the Teako mineral claims located in northwestern BC, and certain gold mineral claims known as the BQ mineral claims located in north-central BC, (collectively, the "Teako property") from Teako Gold Corp. ("TGC"), a private company, for aggregate cash and common share consideration of \$940,000 (see details above within "Overall Performance and Corporate Milestones").

The 1,019-hectare road accessible Teako project is located approximately 18 km west-southwest of the village of Kitwanga, northwestern British Columbia and comprises two contiguous mineral tenures. The project has minimal recorded historical work with modern exploration beginning in 2012 followed by extensive soil and rock sampling, geological mapping, and airborne magnetic surveys in 2018 and 2021 by TGC. The property is subject to a 2% net smelter return (NSR) royalty with a buy-out provision on half (1%) of the NSR royalty for \$1,000,000.

The Teako claims within the property are subject to a 2% NSR which can be reduced to 1% by way of making a \$1,000,000 cash payment to the royalty holder, an arm's length party.



## **LIQUIDITY AND CAPITAL RESOURCES**

The Company's primary source of liquidity has been various rounds of equity financings completed during the years ended January 31, 2023 and January 31, 2022.

The Company is a junior exploration company and considers items included in shareholders' equity as capital. The Company manages its capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares under additional equity financing arrangements. The Company is not subject to any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital. There were no changes to the Company's approach to capital management during the three months ended April 30, 2023.

The Company currently has no source of revenues. In order to fund future exploration programs and pay for operating expenses, the Company will spend its existing working capital and raise additional funds as needed. The Company's ability to continue as a going concern on a long-term basis and realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation is primarily dependent upon its ability to sell or option its mineral properties and its ability to raise additional financing from equity markets.

## **OUTSTANDING SHARE DATA**

The authorized capital of the Company consists of unlimited common shares without par value. All issued common shares are fully paid.

### Shares issued for cash:

On February 10, 2023, the Company completed a private placement comprising the issuance of 2,250,000 common shares at a price of \$0.05 each for gross proceeds of \$112,500.

On March 8, 2023, the Company issued 20,000 common shares upon the exercise of warrants at a price of \$0.10 each for proceeds of \$2,000.

### Shares issued to acquire mineral properties:

On June 5, 2023, the Company settled its commitment to issue a final 2,000,000 common shares to Teako Gold Corp. in respect of the acquisition of the Teako property (see above).

As at the MD&A date:

- 48,642,434 common shares are issued and outstanding.
- 1,125,000 stock options outstanding at an exercise price of \$0.10 each.
- 7,334,000 share purchase warrants outstanding at an exercise price of \$0.10 each.

## **CRITICAL ACCOUNTING ESTIMATES**

The preparation of financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates and judgments.

The information about significant areas of estimation uncertainty and judgment considered by management in preparing the financial statements are described in Note 2 of the Company's audited financial statements for the year ended January 31, 2023.

## **FINANCIAL INSTRUMENTS**

The Company's financial instruments consist of cash, accounts payable and accrued liabilities, and accounts payable to related parties. Cash is carried at fair value using a level 1 fair value measurement. The carrying value of accounts payable and accrued liabilities, and accounts payable to related parties approximates their fair value because of the short-term nature of these instruments.

Information with respect to the Company's technique for measuring financial instruments at fair value can be found in the Company's financial statements for the year ended January 31, 2023, within Note 9.

The Company's financial instruments can be exposed to certain financial risks including credit risk, interest rate risk, market risk, and liquidity risk. Details of these risks and related assessments are included in the Company's financial statements for the year ended January 31, 2023, within Note 9.

## **OFF-BALANCE SHEET ARRANGEMENTS**

The Company does not utilize off-balance sheet arrangements.

## **PROPOSED TRANSACTIONS**

There are no proposed transactions as at the MD&A Date, other than as disclosed herein, and in respect of the Company being in the process of acquiring newly incorporated subsidiaries in Finland and Norway.

## **CHANGES IN ACCOUNTING POLICIES**

During the three months ended April 30, 2023 and the year ended January 31, 2023, there were no changes to the Company's significant accounting policies, nor any new accounting policies adopted.

The Company acknowledges the proposed National Instrument 51-107 *Disclosure of Climate-related Matters* ("NI 51-107"), and the related references to the recommendations from the Task Force on Climate-Related Financial Disclosures ("TCFD"). Future disclosures in accordance with NI 51-107 and the requisite regulatory requirements to provide such disclosures, are under consideration.

## **COMMITMENT**

### Flow-through expenditures:

On December 20, 2022, the Company completed a private placement of flow-through shares for gross proceeds of \$145,040. The Company is required to spend the funds on qualified exploration programs no later than December 31, 2023. The Company renounced the expenditures and available income tax benefits to the flow-through shareholders effective December 31, 2022. As at April 30, 2023, approximately \$48,000 had been spent, leaving approximately \$97,000 remaining to be spent.

## **RISKS AND UNCERTAINTIES**

In conducting its business, Teako faces a number of risks and uncertainties related to the mineral exploration industry. Some of these risk factors include risks associated with land title, exploration and development, government, and environmental regulations, permits and licenses, competition, fluctuating metal prices, the requirement and ability to raise additional capital through future financings and price volatility of publicly traded securities.

### Title Matters, Surface Rights and Access Rights

While the Company has performed its own due diligence with respect to title to all of its properties, this should not be construed as a guarantee of title. The Company's properties may be subject to prior unregistered agreements of transfer or indigenous land claims, and title may be affected by undetected defects. Until any such competing interests have been determined, there can be no assurance as to the validity of title of any of the Company's properties and any othermining or property interests derived from or in replacement or conversion of or in connection with the mineral tenures or the size of the area to which such claims and interests pertain.

Although the Company acquires the rights to some or all of the minerals in the ground subject to the tenures that it acquires, or has a right to acquire, it does not thereby acquire any rights to, or ownership of, the surface to the areas covered by its mineral tenures. In such cases, applicable mining laws usually provide for rights of access to the surface for the purpose of carrying on mineral exploration and development activities, however, the enforcement of such rights can be costly and time consuming. In areas where there are local populations or landowners, it is necessary, as a practical matter, to negotiate surface access. There is a risk that local communities or affected groups may take actions to delay, impede or otherwise terminate the contemplated activities of the Company. There can be no guarantee that the Company will be able to negotiate a satisfactory agreement with any such existing landowners/occupiers for such access, and therefore it may be unable to carry out significant exploration and development activities. In addition, in circumstances where such access is denied, or no agreement can be reached, the Company may need to rely on the assistance of local officials or the courts in such jurisdiction, which assistance may not be provided or, if provided, may not be effective. There can be no assurance that the Company will be successful in acquiring any such rights.

### Exploration and Evaluation

Resource exploration and evaluation is a highly speculative business, characterized by a number of significant risks including, but not limited to, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production.

### Climate Risks

**Teako Minerals Corp. (formerly 1111 Exploration Corp.)**  
**Management's Discussion & Analysis**  
**Three months ended April 30, 2023**

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The Company's exploration activity is dependent on climatic variables. The Company has not undertaken formal climate risk assessments to define the physical climate change impact. Future climate change scenarios may impact exploration planning.

Current Global Financial Conditions

There are many external factors that can adversely affect general workforces, economies, and financial markets globally. Examples include, but are not limited to, the COVID-19 global pandemic and political conflict in other regions. It is not possible for the Company to predict the duration or magnitude of adverse results of such external factors and their effect on the Company's business or ability to raise funds.

Environmental Risks

All phases of the exploration and mining business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and provincial and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with mining operations. The legislation also requires that mines and facility sites be operated, maintained, abandoned, and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers, and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations.

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 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 and, in particular, environmental laws. Amendments to current laws, regulations and permits governing operations and activities of mineral resource companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at any future producing properties or require abandonment or delays in the development of new mining properties.

Competition

The mineral exploration industry is intensely competitive in all its phases and The Company competes with other companies that have greater financial and technical resources. Competition could adversely affect The Company's ability to acquire suitable properties or prospects in the future.

Fluctuating Metal Prices

Factors beyond the control of The Company have a direct effect on global metal prices, which have fluctuated widely, particularly in recent years. Consequently, the economic viability of any of The Company's exploration projects and The Company's ability to finance the development of its projects cannot be accurately predicted and may be adversely affected by fluctuations in metal prices.

Future Financings

The Company's continued operation will be dependent in part upon its ability to generate operating income and to procure additional financing. To date, The Company has done so through equity financing. Fluctuations of global equity markets can have a direct effect on the ability of exploration companies, including The Company, to finance project acquisition and development through the equity markets. There can be no assurance that funds from The Company's current financing sources can be generated or that other forms of financing can be obtained at a future date. Failure to obtain additional financing on a timely basis may cause The Company to postpone exploration or development plans, forfeit rights in some or all of the properties or joint ventures or reduce or terminate some or all of its operations.

Price Volatility of Securities

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

Negative Operating Cash Flow

Since inception, the Company has had negative operating cash flow and incurred losses. The negative operating cash flow and losses are expected to continue for the foreseeable future. The Company may never achieve positive operating cash flow.

**MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS**

Information provided in this MD&A and the financial statements is the responsibility of management. In the preparation of the financial statements, estimates are sometimes necessary to make a determination of the carrying value for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the financial statements. Management maintains a system of internal controls to provide reasonable assurances that the Company's assets are safeguarded and to facilitate the preparation of relevant and timely information.