TRACTION EXPLORATION INC.

Management's Discussion and Analysis
For the Nine Months Ended June 30, 2021

Prepared as of August 27, 2021

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The following management's discussion and analysis ("MD&A") has been prepared by management. The following discussion of performance, financial condition and future prospects should be read in conjunction with the audited financial statements for the 72-day period ended September 30, 2020 and the unaudited condensed interim financial statements for the nine months ended June 30, 2021 of Traction Exploration Inc. ("Traction" or the "Company") and notes thereto. The information provided herein supplements but does not form part of the financial statements. This discussion covers the nine months ended June 30, 2021 and the subsequent period up to the date of issue of this MD&A. Unless otherwise noted, all dollar amounts are stated in Canadian dollars.

The Company's audited financial statements for the 72-day period ended September 30, 2020 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The unaudited condensed interim financial statements for the nine months ended June 30, 2021 were prepared in accordance with International Accounting Standards ("IAS") 34 *Interim Financial Reporting* using accounting policies consistent with IFRS.

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) if 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.

This MD&A is intended to help the reader understand Traction, its operations, financial performance, current and future business environment and opportunities and risks facing the Company. Certain statements in this report incorporate forward looking information and readers are advised to review the cautionary note regarding such statements in Appendix 1 of this MD&A.

Description of Business and Overview

Traction Exploration Inc. was incorporated under the *BC Business Corporations Act* on July 20, 2020. The principal business of the Company is the acquisition, exploration and evaluation of resource properties.

The Company has not commenced commercial operations. At present, the Company has no current operating income. Without additional financing, the Company may not be able to fund its ongoing operations and complete its development activities. The Company intends to finance its future requirements through a combination of debt and/or equity issuance. There is no assurance that the Company will be able to obtain such financings or obtain them on favourable terms. These uncertainties may cast significant doubt on the Company's ability to continue as a going concern. The Company will need to raise sufficient working capital to maintain operations.

General Development of the Business

In August 2020, the Company entered into an option agreement with Afzaal Ahmed Pirzad to acquire 100% interest in the Whitewater Property, located in British Columbia, by paying consideration of $80,000 in cash and agreeing to incur at least $515,000 in expenditures on the Whitewater Property. This consideration will be paid as follows:

- Within three months of the agreement, the Company must incur expenditures of $75,000 (met);

- On or before the first anniversary of the date upon which the Company's shares are listed for trading on any stock exchange in Canada (the "Listing Date"), the Company must incur additional expenditures of $110,000;
- On or before the second anniversary of the Listing Date, the Company will pay $30,000 in cash and incur additional expenditures of $130,000; and
- On or before the third anniversary of the Listing Date, the Company will pay $50,000 in cash and incur additional expenditures of $200,000.

For the nine months ended June 30, 2021, the Company has incurred $83,363 of work on the property.

On March 19, 2021 Mohan Vulimiri resigned as a Director of the Company and Afzaal Pirzada was appointed as a Director of the Company.

On April 9, 2021, the Company filed its preliminary prospectus with the Canadian Securities Exchange. On August 10, 2021, the Company filed its amended and restated prospectus with the Canadian Securities Exchange.

QUALIFIED PERSONS

Mr. Mohan R. Vulimiri, M.Sc., P.Geo, is the Qualified Person for the Company.

Trends

There are significant uncertainties regarding the prices of precious and base metals and the availability of equity financing for the purposes of mineral exploration and development. For instance, the prices of gold, silver and other minerals have fluctuated widely in recent years and wide fluctuations may continue. Management is not aware of any trends, commitments, events or uncertainties that could reasonably be expected to have a material adverse effect on the Company's business, financial condition or results of operations.

Financial Results of Operations

Selected Financial Information

The following selected financial data is derived from the financial statements prepared in accordance with IFRS:

	Quarter Ended June 30, 2021	Quarter Ended March 31, 2021	Quarter Ended December 31, 2020	Period from incorporation on July 20, 2020 to September 30, 2020
Cash	$375,043	$439,877	$270,978	$201,306
Total assets	$436,127	$468,463	$278,833	$241,958
Shares outstanding	16,300,000	16,300,000	16,300,000	12,300,000
Net loss	$35,001	$17,980	$142,070	$9,140
Loss per common share (basic and diluted)	$0.00	$0.00	$0.01	$0.00

The decrease in cash for the quarter ended June 30, 2021 was a result of filing the preliminary prospectus with the Canadian Securities Exchange. The net loss for the quarter ended June 30, 2021 was mainly a result of transfer agent and filing fees of $19,098 as a result of filing the preliminary prospectus; legal fees of $10,099 for time spent on private placement financings of the special warrants; accounting and audit fees of $2,580 related to the financial review of the period ended March 31, 2021 and management fees of $3,000 accrued for senior management for time spent on the activities of the Company during the period.

The increase in cash for the quarter ended March 31, 2021 was a result of completing non-brokered private placement financings raising aggregate gross proceeds of $216,000 by the issuance of 2,160,000 special warrants at $0.10 per share. The net loss for the quarter ended March 31, 2021 was mainly a result of accounting and audit fees of $6,500 related to the financial audit of the four-month period ended January 31, 2021; legal fees of $6,651 and management fees of $3,000 accrued for senior management for time spent on the activities of the Company during the period.

The increase in cash for the quarter ended December 31, 2020 was a result of completing non-brokered private placement financings raising aggregate gross proceeds of $200,000 by the issuance of 4,000,000 units at $0.05 per share. The net loss for the quarter ended December 31, 2020 was mainly a result of exploration and evaluation costs of $83,363 related to the Whitewater Property and consulting fees of $43,792 related to the advisory services related to the creation and facilitation of a private company for a public listing; accounting and audit fees of $6,000 related to the financial audit of the 72-day period ended September 30, 2020; legal fees of $5,833 and management fees of $3,000 accrued for senior management for time spent on the activities of the Company during the period.

The increase in cash for the 72-day period ended September 30, 2020 was a result of completing non-brokered private placement financings raising aggregate gross proceeds of $11,500 by the issuance of 2,300,000 common shares at $0.005 per share in connection with the founders and incorporation of the Company and raising aggregate gross proceeds $200,000 by the issuance of 3,500,000 flow-through shares and 6,500,000 common shares at $0.02 per share. The net loss for the 72-day period ended September 30, 2020 was mainly a result of legal fees of $6,946 related to the incorporation of the Company and consulting fees of $2,000 accrued for senior management for time spent on the activities of the Company during the period.

The increase in net loss for the quarter ended June 30, 2021 can be attributed mainly to an increase in transfer agent and filing fees and professional fees mainly due the Company filing the preliminary prospectus to the Canadian Securities Exchange and the filing of the private placement of special warrants.

Liquidity and Capital Resources

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements.

At June 30, 2021, the Company had working capital[(1)] of $412,477 (September 30, 2020 - $227,449) which included cash of $375,043 (September 30, 2020 - $201,306) available to meet short-term business requirements and liabilities of $23,650 (September 30, 2020 - $14,509). The Company's accounts payable and accrued liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company has no long-term debt.

[(1)] Non-GAAP Financial Measure:
The Company uses "working capital" to assess liquidity and general financial strength and is calculated as current assets less current liabilities. Working capital does not have any standardized meaning prescribed by IFRS and is referred to as a "Non-GAAP Financial Measure." It is unlikely for Non-GAAP Financial Measures to be comparable to similar measures presented by other companies. Working capital is calculated as current assets (June 30, 2021 - $436,127; September 30, 2020 – $241,958), less current liabilities (June 30, 2021 - $23,650; September 30, 2020 – $14,509).

On July 8, 2021, the Company completed the second tranche of a non-brokered private placement financing raising aggregate gross proceeds of $355,000 by the issuance of 3,550,000 special warrants at $0.10 per special warrant from a total of $517,000 by a total issuance of 5,710,000 special warrants. Each special warrant is convertible into one unit of the Company at any time for no additional consideration. Each unit comprises one common share and one whole share purchase warrant. Each warrant will be exercisable for a period of two years from the date the Company's common shares commence trading on the Canadian Securities Exchange, at an exercise price of $0.20.

At present, the Company has no current operating income. Without additional future financing, the Company may not be able to fund its ongoing operations and complete future development activities including Phase I of the exploration program. The Company intends to finance its future requirements through a combination of debt and/or equity issuance. There is no assurance that the Company will be able to obtain such financings or obtain them on favourable terms.

At the time this MD&A was prepared the COVID-19 pandemic has caused significant disruptions to the global economy and increased volatility in the global financial markets. The extent to which COVID-19 may adversely impact the Company's business and financing opportunities will depend on future developments such as the geographic spread of the disease, the duration of the outbreak, travel restrictions and social distancing, business closures or business disruptions, and the effectiveness of actions taken in Canada, and other countries to contain and treat the disease. Although it is not possible to reliably estimate the length or severity of these developments and their financial impact to the date of this MD&A, there may be further significantly adverse impacts on the Company's financial position and results of operations for future periods if the pandemic is not successfully contained or the effects of which are not mitigated.

The Company's need to raise sufficient working capital to maintain operations and the uncertainty surrounding COVID-19, casts significant doubt on the Company's ability to continue as a going concern.

Outstanding Share Data

As at the date of this report, the Company had 16,300,000 issued and outstanding common shares, 4,000,000 share purchase warrants outstanding and 5,710,000 special warrants outstanding.

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements.

Transactions with Related Parties

The Company's related parties consist of key management personnel and companies owned directly or indirectly by key management personnel.

Key management personnel include persons having the authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Board of Directors and corporate officers.

During the nine months ended June 30, 2021, the Company incurred management fees of $9,000 to a Company controlled by the Company's Chief Financial Officer.

As at June 30, 2021, accounts payable and accrued liabilities include $1,050 (September 30, 2020 -$2,100) payable to a Company controlled by the Company's Chief Financial Officer.

Amounts owed to related parties included in accounts payable and accrued liabilities are unsecured, non-interest-bearing and are without fixed terms of repayment.

Accounting Policies and Estimates

The Company's significant accounting policies are disclosed in note 3 of the Company's audited financial statements for the 72-day period ended September 30, 2020.

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may vary from these estimates.

In preparing this MD&A, management has made significant assumptions regarding the circumstances and timing of the transactions contemplated therein, which could result in a material adjustment to the carrying amount of certain assets and liabilities if changes to the assumptions are made.

Financial Instruments

The Company's financial instruments as at June 30, 2021 include cash and accounts payable and accrued liabilities.

The Company's financial assets and financial liabilities are classified and measured as follows:

Financial instrument	Category
Cash	Fair value through profit or loss
Accounts payable and accrued liabilities	Amortized cost

The carrying values of financial assets and liabilities approximate their fair values due to the short-term maturity of these financial instruments.

The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

(a) Credit risk
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk for the Company is associated with its cash. The Company is not exposed to significant credit risk as its cash is placed with a major Canadian financial institution.

(b) Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company relies upon equity financings to satisfy its capital requirements and will continue to depend heavily upon equity capital to finance its activities. There can be no assurance the Company will be able to obtain required financing in the future on acceptable terms.

As at June 30, 2021, the Company had cash of $375,043 (September 30, 2020 - $201,306) available to apply against short-term business requirements and current liabilities of $23,650 (September 30, 2020 - $14,509). All of the liabilities presented as accounts payable and accrued liabilities are due within 90 days of June 30, 2021.

(c) Market risk
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk. The Company is not exposed to significant market risk.

Management's responsibility for financial statements

The information provided in this report, including the financial statements is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgements and have been properly reflected in the accompanying financial statements.

August 27, 2021

On behalf of Management and the Board of Directors,

"Michael Malana"
Chief Executive Officer, President and Director

APPENDIX 1

Cautionary Note Regarding Forward-Looking Statements

This MD&A contains "forward-looking statements". Forward-looking statements reflect the Company's current views with respect to future events, are based on information currently available to the Company and are subject to certain risks, uncertainties, and assumptions, including those discussed elsewhere in this MD&A. Forward-looking statements include, but are not limited to, statements with respect to the success of mining exploration work, title disputes or claims, environmental risks, unanticipated reclamation expenses, the estimation of mineral reserves and resources and capital expenditures. In certain cases, forward-looking statements can be identified by the use of words such as "intends", "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "anticipates" or "does not anticipate", or "believes", or various of such words and phrases or state certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors which may cause the actual results, performance or achievements expressed or implied by the forward-looking statements to differ. Such factors include, among others, risks related to actual results of current exploration activities, changes in project parameters as plans are refined over time, the future price of gold and other precious or base metals, possible variations in minerals resources, grade or recovery rates, accidents, labour disputes, title disputes and other risks of the mining industry, fluctuation of currency exchange rates, delays in obtaining, or inability to obtain, required governmental approvals or financing or in the completion of development or construction activities, claims limitations on insurance coverage, as well as other factors discussed under "Risk Factors". Although the Company has attempted to identify material factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained in this MD&A are made as of the date of this MD&A. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not assume the obligations to update forward-looking statements, except as required by applicable law.