

**TRACTION URANIUM CORP.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

## ***Management's Discussion and Analysis***

### **For the Year Ended September 30, 2023, Prepared and Approved as of December 20, 2023**

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 years ended September 30, 2023 and 2022 of Traction Uranium Corp. ("Traction" or the "Company") and notes thereto (together, the "financial statements"). The information provided herein supplements but does not form part of the financial statements. This discussion covers the year ended September 30, 2023 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.

Additional information on the Company can be found on SEDAR at [www.sedar.com](http://www.sedar.com).

The Company's audited financial statements for the year ended September 30, 2023 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

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 "Cautionary Note Regarding Forward-Looking Statements" of this MD&A.

### **Description of Business and Overview**

Traction Uranium Corp. was incorporated under the *BC Business Corporations Act* as "Traction Exploration Inc." on July 20, 2020. On November 4, 2021, the Company changed its name to "Traction Uranium Corp." to highlight the Company's intention to focus on the acquisition, exploration and evaluation of uranium mining opportunities. The principal business of the Company is the acquisition, exploration and evaluation of resource properties. On September 1, 2021, the Company's common shares began trading on the Canadian Securities Exchange under the symbol "TRAC".

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 favorable 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**

On December 9, 2022, the Company terminated the Lazy Edwards option agreement due to unfavorable results from preliminary exploration activities.

On December 9, 2022, the Company closed a non-brokered private placement for aggregate gross proceeds of \$2,513,105. The Company issued 7,180,300 flow-through units at a price of \$0.35. Each flow-through unit consists of one common share and one-half common share purchase warrant.

On December 23, 2022, the Company closed a non-brokered private placement for aggregate gross proceeds of \$300,000. The Company issued 857,142 flow-through units at a price of \$0.35. Each flow-through unit consists of one common share

and one-half common share purchase warrant, with each whole warrant exercisable into one common share of the Company at a price of \$0.50 for a period of two years from the date of issue.

On January 18, 2023, the Company closed a non-brokered private placement for aggregate gross proceeds of \$455,299.80. The Company issued 1,517,666 units at a price of \$0.30. Each unit consists of one common share and one half of a share purchase warrant, with each whole warrant exercisable into one share at a price of \$0.40 until January 18, 2025.

On March 31, 2023, the Company issued 125,000 common shares and paid \$25,000 to Forum Energy Metals Corp., in accordance with the property option agreement dated February 3, 2023. The property option agreement entitles the Company to the right, at its option, to acquire up to a 100% interest in the Grease River Property located in Athabasca Basin, Northern Saskatchewan, Canada (the "Property").

On April 11, 2023, a total of 2,775,000 RSUs and 125,000 options were granted to certain directors, officers and consultants of the Company. The stock options were priced at \$0.40 per option for a period of two years.

On April 20, 2023, the Company closed its first tranche of a non-brokered private placement for aggregate gross proceeds of \$1,220,000. The Company issued 3,050,000 units at a price of \$0.40 per unit. Each unit consists of one common share and one-half share purchase warrant, with each whole warrant exercisable into one share at a price of \$0.55 until April 20, 2025. In connection with this private placement, a total of \$55,700 in finder's fees were paid in cash and 144,750 finder's warrants were issued.

On May 7, 2023, the Company closed its second and final tranche of a non-brokered private placement for aggregate gross proceeds of \$2,539,940.40. The Company issued 5,644,312 flow-through units at a price of \$0.45 per flow-through unit. Each unit consists of one common share, that qualifies as a flow-through share, and one-half share purchase warrant, with each whole warrant exercisable into one share at a price of \$0.55 until May 7, 2025. A total of \$128,099 in finder's fees were paid in cash and 271,999 finder's warrants fair valued at \$47,491 (with the same terms as the warrants noted above).

On June 9, 2023, the Company paid \$100,000 to F3 Uranium Corp. (formerly known as Fission 3.0 Uranium Corp.), in accordance with the property option agreement dated October 30, 2021.

On June 19, 2023, a total of 525,000 RSUs and 500,000 options were granted to certain directors, officers and consultants of the Company. The stock options were priced at \$0.35 per option for a period of two years.

## Exploration And Evaluation Assets and Expenses

Staking costs, property option payments and other costs associated with acquiring exploration and evaluation assets are capitalized and classified as exploration and evaluation assets. Other expenditures (i.e. geological and geographical surveys, analysis, mapping, etc.) are expensed as they are incurred.

The following table summarizes the Company's exploration and evaluation assets by property at September 30, 2023.

	Hearty Bay	Lazy Edwards	Key Lake South	Grease River	Total
	\$	\$	\$	\$	\$
Balance, September 30, 2022	2,418,559	-	50,000	-	2,468,559
Acquisition costs (cash)	200,000	-	-	25,000	225,000
Acquisition costs (shares)	-	-	100,000	50,625	150,625
<b>Balance, September 30, 2023</b>	<b>2,618,559</b>	<b>-</b>	<b>150,000</b>	<b>75,625</b>	<b>2,844,184</b>

The following table summarizes the Company's exploration and evaluation expenses by property and type of expense, for the year ended September 30, 2023.

	Hearty Bay	Lazy Edwards	Key Lake South	Grease River	Total
	\$	\$	\$	\$	\$
Drilling	491,379	4,645	1,174,414	-	1,670,438
Geophysics	198,610	-	61,415	411,129	671,154
Lab Analysis	47,112	-	-	-	47,112
Land	1,741	129	39,900	-	41,770
Planning	45,522	877	94,194	-	140,593
Reporting and administration	13,661	-	211,880	15,000	240,541
<b>Balance, September 30, 2023</b>	<b>798,025</b>	<b>5,651</b>	<b>1,581,803</b>	<b>426,129</b>	<b>2,811,608</b>

#### a) Whitewater Property

In August 2020, the Company entered into an option agreement with Afzaal Ahmed Pirzad (a related party) to acquire 100% interest in the Whitewater Property by paying consideration of \$80,000 in cash and agreeing to incur at least \$515,000 in expenditures on the Whitewater Property.

During the year ended September 30, 2023, the Company did not issue the consideration payments outlined by the option agreement as the project was not pursued further. As a result, the agreement was terminated.

#### b) Hearty Bay Property

On October 30, 2021 the Company entered into an option agreement with F3 Uranium Corp. (formerly known as Fission 3.0 Corp.) ("F3 Uranium") whereby the Company will be granted the right to earn and acquire up to a 70% interest in the Hearty Bay property in Saskatchewan (together the "Hearty Bay Option Agreement").

Pursuant to the Hearty Bay Option Agreement, the Company will acquire up to a 70% interest in the Hearty Bay property, in consideration for completing a series of cash payments, issuances of common shares and incurring exploration expenditures. On February 28, 2023, the Hearty Bay Option Agreement was amended, with the revised series of cash payments, issuances of common shares, and required exploration expenditures outlined in the following schedule:

Milestones	Cash Payments	Common Shares Issuances	Exploration Expenditures
<b>Phase 1: Acquire 50%</b>			
Seven days after effective date of Dec 9, 2021 (met)	\$300,000	-	-
December 9, 2022 (met)	\$100,000	-	\$1,000,000
June 9, 2023 (met)	\$100,000	-	-
December 9, 2024	\$150,000	-	\$2,000,000
<b>Phase 2: Acquire Additional 20% (Total 70%)</b>			
June 6, 2025	\$150,000	-	-
December 9, 2025	\$200,000	-	\$3,000,000

During the year ended September 30, 2023, the Company issued no common shares and paid \$200,000 in cash, as part of the Hearty Bay Option Agreement (2022 – 3,023,476 common shares and \$300,000 in cash).

#### c) Lazy Edwards Property

On October 30, 2021 the Company entered into an option agreement with F3 Uranium, whereby the Company will be granted the right to earn and acquire up to a 70% interest in the Lazy Edwards property in Saskatchewan (together, the "Lazy Edwards Option Agreement").

Pursuant to the Lazy Edwards Option Agreement, the Company will acquire up to a 70% interest in the Lazy Edwards property, in consideration for completing a series of cash payments, issuances of common shares and incurring exploration expenditures in accordance with the following schedule:

Milestones	Cash Payments	Common Shares Issuances	Exploration Expenditures
<b>Phase 1: Acquire 50%</b>			
Seven days after effective date of Dec 9, 2021 (met)	\$300,000	-	-
December 9, 2022	\$100,000	-	\$1,500,000
June 9, 2023	\$100,000	-	-
December 9, 2023	\$150,000	-	\$3,000,000
<b>Phase 2: Acquire Additional 20% (Total 70%)</b>			
June 9, 2024	\$150,000	-	-
December 9, 2024	\$200,000	-	\$4,500,000

During the year ended September 30, 2023, the Company issued no common shares and paid \$nil in cash as part of the Lazy Edwards Option Agreement (2022 – 3,023,476 common shares and \$300,000 in cash).

On December 9, 2022, the Company terminated the Lazy Edwards option agreement due to unfavourable results from preliminary exploration activities. Accordingly, the Lazy Edwards Property has been impaired in accordance with Level 3 of the fair value hierarchy.

#### d) Key Lake South Property

On August 15, 2022, the Company entered into a property option agreement with UGreenco Energy Corp. (the "Vendor") (a related party as of September 9, 2022) pursuant to which the Company has been granted the right to acquire up to a 75% interest in and to the Key Lake South Property, which consists of a series of mineral disposition parcels located in Athabasca Basin, North Saskatchewan, Canada (together the "Key Lake South Option Agreement").

Pursuant to the Key Lake South Option Agreement, the Company will acquire up to a 75% interest in the Key Lake South property, in consideration for completing a series of cash payments, issuances of common shares and incurring exploration expenditures in accordance with the following schedule:

Milestones	Cash Payments	Common Shares Issuances <sup>(1)</sup>	Exploration Expenditures <sup>(2)</sup>
<b>Phase 1: Acquire 51%</b>			
Seven days after effective date (met)	\$50,000	-	-
60 days after the effective date (met)	-	\$100,000	-
December 31, 2022 (met)	-	-	\$150,000
December 31, 2023	\$200,000	\$200,000	\$1,500,000
December 31, 2024	\$750,000	\$750,000	\$6,500,000
<b>Phase 2: Acquire Additional 24% (Total 75%)</b>			
December 31, 2025	\$750,000	\$750,000	\$6,500,000

**Notes:**

- 1) Total value of common shares to be issued. Common shares to be valued based on the Canadian Securities Exchange price on the day of issuance.
- 2) The exploration expenditures commitment for 2023 onwards can also be fulfilled if certain drilling milestones are met (i.e. 7,500 metres of diamond drilling on the property).

During the year ended September 30, 2023, the Company issued 289,855 common shares and paid \$nil in cash as part of the Key Lake South Option Agreement (2022 – nil common shares and \$50,000 in cash).

#### e) Grease River

On February 3, 2023, the Company entered into an option agreement with Forum Energy Metals Corp. ("Forum"), whereby the Company will be granted the right to earn and acquire up to a 100% interest in the Grease River Property in Saskatchewan (together, the "Grease River Option Agreement").

Pursuant to the Grease River Option Agreement, the Company will acquire up to a 100% interest in the Grease River property, in consideration for completing a series of cash payments, issuances of common shares and incurring exploration expenditures in accordance with the following schedule:

<b>Milestones</b>	<b>Cash Payments</b>	<b>Common Shares Issuances<sup>(1)</sup></b>	<b>Exploration Expenditures</b>
<b>Phase 1: Acquire 51%</b>			
February 10, 2023 (Met)	\$25,000	-	-
March 1, 2023 (Met)	-	125,000	-
December 31, 2023	\$50,000	400,000	\$500,000
December 31, 2024	\$75,000	500,000	\$1,000,000
December 31, 2025	\$100,000	750,000	\$1,500,000
<b>Phase 2: Acquire Additional 19% (Total 70%)</b>			
December 31, 2026	\$200,000	1,000,000	\$1,500,000
December 31, 2027	\$500,000	1,500,000	\$1,500,000
<b>Phase 3: Acquire Additional 39% (Total 100%)</b>			
December 31, 2028	\$1,000,000	3,000,000	\$3,000,000

**Note:**

- 1) Total number of common shares to be issued. Common shares to be valued based on the Canadian Securities Exchange price on the day of issuance.

During the year ended September 30, 2023, the Company paid \$25,000 and issued 125,000 common shares to the Vendor with a fair value of \$50,625 as part of the Grease River Option Agreement.

## 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:

	<b>Year Ended September 30, 2023</b>	<b>Year Ended September 30, 2022</b>
Total revenue	\$Nil	\$Nil
Net loss	\$9,360,804	\$12,608,504
Loss per common share, basic and diluted	\$(0.14)	\$(0.29)
Total assets	\$5,298,436	\$3,841,396
Long-term debt	\$Nil	\$Nil
Dividends paid/payable	\$Nil	\$Nil

## Quarterly Financial Results

	Quarter Ended September 30, 2023	Quarter Ended June 30, 2023	Quarter Ended March 31, 2023	Quarter Ended December 31, 2022	Quarter Ended September 20, 2022	Quarter Ended June 30, 2022	Quarter Ended March 31, 2022	Quarter Ended December 31, 2021	Quarter Ended September 30, 2021
Cash	\$1,861,425	\$2,643,358	\$354,490	\$2,637,411	\$903,817	\$1,936,384	\$4,596,370	\$7,748,900	\$677,874
Total assets	\$5,298,436	\$7,317,266	\$5,064,207	\$5,848,524	\$3,841,396	\$8,548,508	\$12,414,736	\$13,868,237	\$683,097
Shares outstanding	83,201,648	77,201,648	66,880,336	60,249,270	51,871,973	51,121,973	47,121,973	46,723,973	22,033,000
Net loss	\$2,060,068	\$3,386,796	\$1,537,165	\$2,376,775	\$3,907,216	\$4,675,225	\$3,567,836	\$458,227	\$159,400
Loss per common share (basic and diluted)	\$(0.03)	\$(0.05)	\$(0.02)	\$(0.04)	\$(0.08)	\$(0.10)	\$(0.08)	\$(0.02)	\$(0.02)

The decrease in cash for the quarter ended September 30, 2023 was primarily a result of exploration and evaluation expenses of \$1,808,313, offset by warrant exercises total cash proceeds of \$285,000. The net loss for the quarter ended September 30, 2023 was mainly a result of the exploration and evaluation expenses noted above, as well as advertising and marketing expenses of \$124,169, consulting fees of \$107,250, office and miscellaneous expenses of \$21,932, and professional fees of \$47,411 related to legal and accounting services.

The increase in cash for the quarter ended June 30, 2023 was primarily a result of the completion of two non-brokered private placements for proceeds of \$3,759,940 net of share issuance costs. This was offset by exploration and evaluation expenses of \$480,661 and advertising and marketing fees of \$1,200,083 in relation to advisory services, marketing campaigns, website development and corporate marketing. The net loss for the quarter ended June 30, 2023 was mainly a result of the costs noted above, as well as share-based compensation expense of \$1,485,376 recorded on restricted share units and share purchase options that were granted to certain directors and consultants of the Company.

The decrease in cash for the quarter ended March 31, 2023 was primarily a result of advertising and marketing fees of \$1,168,234 in relation to advisory services, marketing campaigns, website development and corporate marketing, as well as an increase to prepaid expenses of \$1,397,872 related to exploration and evaluation expenses and advertising and marketing fees. This was offset by the completion of a non-brokered private placement for proceeds of \$445,382 net of share issuance costs. The net loss for the quarter ended March 31, 2023 was mainly a result of the costs noted above, as well as share-based compensation expense of \$49,545 recorded on restricted share units and share purchase options that were granted to certain directors and consultants of the Company, consulting fees of \$91,500 (which includes fees paid to senior management, as well as directors of the Company) and professional fees of \$68,766.

The increase in cash for the quarter ended December 31, 2022 was primarily a result of the completion of two non-brokered private placements for proceeds of \$2,723,838 net of share issuance costs. This was offset by exploration and evaluation expenses of \$467,271 and advertising and marketing fees of \$572,842 in relation to advisory services, marketing campaigns, website development and corporate marketing. The net loss for the quarter ended December 31, 2022 was mainly a result of the costs noted above, as well as share-based compensation expense of \$1,198,177 recorded on restricted share units and share purchase options that were granted to certain directors and consultants of the Company, consulting fees of \$76,000 (which includes fees paid to senior management, as well as directors of the Company) and professional fees of \$21,883.

The decrease in cash for the quarter ended September 30, 2022 was primarily a result of acquisition costs paid to UGreenCo. for the Key Lake South property of \$50,000, exploration and evaluation expenses of \$200,631, and investor relations costs of \$912,994 in relation to advisory services, marketing campaigns, website development and corporate marketing. The net loss for the quarter ended September 30, 2022 was mainly a result of impairment recognized on Lazy Edwards property of \$2,418,559, share-based compensation expense of \$331,931 recorded on the restricted share units ("RSUs") and share purchase options that were granted to certain directors and consultants of the Company on January 17, 2022, and June 8, 2022; consulting fees of \$36,250 related to consulting services for senior management for time spent on the activities of the Company; transfer agent and filing fees of \$4,685; \$19,199 for professional fees (i.e., legal and accounting), and directors fees of \$22,575.

The decrease in cash for the quarter ended June 30, 2022 was a result of mainly a result of exploration and evaluation expenses of \$2,199,785 and investor relations costs of \$856,096 in relation to advisory services, marketing campaigns, website development and corporate marketing. The net loss for the quarter ended June 30, 2022 was mainly a result of share-based compensation expense of \$1,416,320 recorded on the restricted share units ("RSUs") and share purchase options that were granted to certain directors and consultants of the Company on January 17, 2022 and June 8, 2022; consulting fees of \$66,564 related to consulting services for senior management for time spent on the activities of the Company, transfer agent and filing fees of \$17,317, \$26,525 for professional fees (i.e. legal and accounting), and directors fees of \$15,000.

The decrease in cash for the quarter ended March 31, 2022 was a result of mainly a result of investor relations costs of \$1,740,382 in relation to advisory services, marketing campaigns, website development and corporate marketing. The net loss for the quarter ended June 30, 2022 was mainly a result of share-based compensation expense of \$1,714,650 recorded on the 3,550,000 restricted share units ("RSUs") that were granted to certain directors and consultants of the Company on January 17, 2022; consulting fees of \$32,676 for advisory services related to capital markets; transfer agent and filing fees of \$5,925; legal fees of \$7,631 for time spent on general corporate matters; accounting and audit fees of \$5,000; directors fees of \$15,000 and management fees of \$37,333 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, 2021 was a result of completing a non-brokered private placement financing raising aggregate gross proceeds of \$348,836 by the issuance of 1,291,986 common shares at \$0.27 per share and raising aggregate gross proceeds \$7,794,575 by the issuance of 5,602,000 flow-through shares at \$0.50 per share and 11,349,035 common shares at \$0.44 per share.

The net loss for the quarter ended December 31, 2021 was mainly a result of consulting fees of \$159,860 for advisory services related to capital markets, investor relations costs of \$50,500 in relation to website development and corporate marketing; transfer agent and filing fees of \$51,139 and legal fees of \$25,195 for time spent on general corporate matters; accounting and audit fees of \$13,322 and management fees of \$19,500 accrued for senior management for time spent on the activities of the Company during the period.

The increase in cash for the quarter ended September 30, 2021 was a result of completing 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. The net loss for the quarter ended September 30, 2021 was mainly a result of exploration and evaluation costs of \$112,512 related to the Whitewater Property and of transfer agent and filing fees of \$15,216 as a result of filing the preliminary prospectus; legal fees of \$17,115 for time spent on general corporate matters; accounting and audit fees of \$4,050 and management fees of \$8,500 accrued for senior management for time spent on the activities of the Company during the period.

## **Results of Operations**

### **Three months ended September 30, 2023 and 2022**

The Company incurred a net loss of \$2,060,068 for the three months ended September 30, 2023 compared to a net of loss of \$3,907,216 for the comparable period in 2022. The loss in 2023 can be attributed mainly to exploration and evaluation expenses related to the drilling program at Hearty Bay and Key Lake South, preliminary geophysics activities at Grease River, consulting expenses and advertising and marketing fees.

For the three months ended September 30, 2023, the Company incurred \$124,169 in advertising and marketing fees compared to \$812,749 for the comparable period in 2022. The decrease was mainly a result of the absence of completion of any private placements during the quarter compared to the comparable period in 2022, resulting in reduced advisory services and corporate marketing activities.

For the three months ended September 30, 2023, the Company incurred consulting fees of \$107,250 (2022 - \$74,425). The increase was mainly due to the addition of management fees for the CEO and the CFO of the Company (which commenced in the second and third quarter of 2022), as well as other consultants of the Company.



For the three months ended September 30, 2023, the Company incurred exploration and evaluation expenses of \$1,808,313 (2022 – \$221,531). The increase was mainly due to the commencement of the drilling program at Key Lake South in April of 2023, as well as geophysics costs incurred at Grease River.

For the three months ended September 30, 2023, the Company incurred transfer agent and filing fees of \$14,000 (2022 - \$4,685). The increase is primarily related to an increase in news disseminations for the current year.

For the three months ended September 30, 2023, the Company incurred office and miscellaneous costs of \$21,932 compared to \$12,468 for the comparable period in 2022. The increase is related to the costs related to office space and supplies for the Company.

For the three months ended September 30, 2023, the Company incurred professional fees of \$47,411 compared to \$19,199 for the comparable period in 2022. The increase in 2023 was a result of the acquisition of the Grease River property, as well as increased legal and accounting fees offset by a lack of capital markets fees incurred in 2023.

For the three months ended September 30, 2023, the Company incurred share-based compensation costs of \$nil, compared to \$331,932 in the comparable period in 2022. The decrease is primarily due to the Company's existing share purchase options fully vesting as of Q3 2023, along with no new share awards issued during Q4 2023.

For the three months ended September 30, 2023, the Company incurred travel costs of \$3,503 (2021 - \$8,668). Costs incurred in 2023 were for general activities for the Company (i.e. meetings, potential acquisitions, conferences).

#### **Year ended September 30, 2023 and 2022**

The Company incurred a net loss of \$9,360,804 for the year ended September 30, 2023 compared to a net of loss of \$12,608,504 for the comparable period in 2022. The loss in 2023 can be attributed mainly to exploration and evaluation expenses related to the drilling programs at Hearty Bay and Key Lake South, preliminary geophysics expenses at Grease River, share-based compensation, consulting expenses and advertising and marketing fees.

For the year ended September 30, 2023, the Company incurred \$3,065,328 in advertising and marketing fees compared to \$3,624,577 for the comparable period in 2022. The decrease was primarily due to decreased corporate marketing activities, and advisory services.

For the year ended September 30, 2023, the Company incurred consulting fees of \$383,205 (2022 - \$273,008). The increase was mainly due to the addition of management fees for the CEO and the CFO of the Company, as well as other consultants of the Company.

For the year ended September 30, 2023, the Company incurred exploration and evaluation expenses of \$2,811,608 (2022 – \$2,421,316). The increase was mainly due to the drilling programs at Key Lake South and Hearty Bay, combined with the acquisition of the Grease River property.

For the year ended September 30, 2023, the Company incurred transfer agent and filing fees of \$90,577 (2022 - \$79,066). The increase was mainly due to the several non-brokered private placements completed in 2023.

For the year ended September 30, 2023, the Company incurred office and miscellaneous costs of \$132,715 compared to \$39,474 for the comparable period in 2022. The increase is related to the costs related to office space and supplies for the Company.

For the year ended September 30, 2023, the Company incurred professional fees of \$180,435 compared to \$96,872 for the comparable period in 2022. The increase in 2023 was a result of increased legal and accounting fees offset by a lack of capital markets fees related to the Company's US listing incurred in 2023.

For the year ended September 30, 2023, the Company incurred share-based compensation costs of \$2,714,348, compared to \$3,630,902 in the comparable period in 2022. The decrease was a result of both the issuance of RSUs and options to certain directors and consultants of the Company during the year ended September 30, 2022 compared to a more limited grant in 2023, changes in the Company's share price, and all outstanding share purchase options fully vesting in Q3 2023.

For the year ended September 30, 2023, the Company incurred travel costs of \$30,348 (2022 - \$24,730). Costs incurred in 2023 were for general activities for the Company (i.e. meetings, potential acquisitions, conferences).

## Liquidity and Capital Resources

As the Company is in the exploration phase, it does not receive nor does it anticipate receiving any revenue in the next fiscal year. The Company's mineral interests do not currently generate cash flow from operations.

During the year ended September 30, 2023, the Company's cash and cash equivalents increased by \$957,608 from \$903,817 during the year ended September 30, 2022.

Cash used in operating activities amounted to \$6,667,293 (2022 - \$7,060,378) resulting from a smaller net loss of \$9,360,804 in 2023 compared to \$12,608,504 in 2022. This was offset by a lack of any impairments being recognized during the year ended September 30, 2023 compared to the same comparable prior year period.

Cash used in investing activities amounted to \$225,000 (2022 - \$650,000), consisting entirely of cash payments made as part of the Hearty Bay and Grease River Option Agreements. For the same period in the prior year, expenditures were primarily related to the Key Lake South, Hearty Bay, and Lazy Edwards Option Agreements. Accordingly, the decrease from the same comparable prior year is due to the termination of the Lazy Edwards Option Agreement and property respectively.

Cash received from financing activities totaled \$7,849,901 (2022 - \$7,946,321). The cash received was primarily attributable to the closing of several non-brokered private placements during the year ended September 30, 2023. These included three tranches of flow-through units, as well as two tranches of non-flow-through units. The total cash raised from financing activities was comparable to the prior period which utilized the same mechanisms to generate cash flow.

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 September 30, the Company had working capital<sup>(1)</sup> of \$2,328,400 (September 30, 2022 - \$1,349,955) which included cash of \$1,861,425 (September 30, 2022 - \$903,817) available to meet liabilities of \$125,852 (September 30, 2022 - \$22,882). 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.

At September 30, 2023, the Company had not advanced its exploration and evaluation properties to commercial production. The Company's continuation as a going concern is dependent upon the successful results from exploration activities on its mineral properties and its ability to attain profitable operations and generate cash from its operations in the foreseeable future.

(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, less current liabilities.

## Subsequent Events

On October 26, 2023, 375,000 RSUs were converted into common shares of the Company.

On November 14, 2023, the Company closed the first tranches of two non-brokered private placements for aggregate proceeds of \$747,100. The Company issued 793,334 units at a price of \$0.15, as well as 3,589,144 flow-through units at a price of \$0.175. Each non-flow-through and flow-through unit consist of one common share and one common share purchase warrant, with each warrant exercisable into one share at a price of \$0.20 until November 14, 2025. In connection

with the closing of the first tranches, a total of \$44,826 in finder's fees were paid in cash and 262,948 finder's warrants were issued.

On November 24, 2023, the Company closed the second tranche of the non-brokered private placement discussed above for aggregate proceeds of \$350,000. The Company issued 2,000,000 flow-through units at a price of \$0.175. Each flow-through unit consists of one common share and one common share purchase warrant, with each warrant exercisable into one share at a price of \$0.20 until November 24, 2023. In connection with the closing of the second tranche, a total of \$21,000 in finder's fees were paid in cash and 120,000 finder's warrants were issued.

## Outstanding Share Data

As at the date of this report, the Company had 89,959,126 issued and outstanding common shares, 1,875,000 options, 175,000 RSUs and 25,878,610 share purchase warrants outstanding.

## Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements.

## Proposed Transactions

There are no proposed transactions as of the date of this MD&A.

## Transactions with Related Parties

Key management are those personnel having the authority and responsibility for planning, directing, and controlling the Company and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel.

The aggregate value of transactions relating to key management personnel during the year ended September 30, 2023 and 2022 were as follows:

	September 30, 2023	September 30, 2022
	\$	\$
Consulting fees – CEO	96,320	40,833
Consulting fees – former CEO	-	34,000
Consulting fees – CFO	83,750	25,000
Consulting fees – former CFO	-	40,500
Director fees	79,500	62,575
Share-based compensation	479,543	878,776
<b>Total</b>	<b>739,113</b>	<b>1,081,684</b>

As at September 30, 2023, a \$25,899 balance (September 30, 2022 – \$nil) was owing to key management personnel for fees and expenses incurred on behalf of the Company with these amounts all included in accounts payable. The amounts payable are non-interest bearing, are unsecured, and have no specific terms of repayment.

Related entities include those with which members of the Company's key management personnel are also considered to be key management personnel. Transactions with these entities are considered to be related party transactions. For the year ended September 30, 2023, the Company issued 289,855 common shares valued at a fair value of \$100,000 to UgreenCo Energy Corp. ("UgreenCo") in accordance with the terms of the Option Agreement outlined in above. Additionally, a total of \$1,581,803 was spent on exploration activities at Key Lake South (2022 - \$6,966) and \$1,519,861 was charged by UGreenCo to Traction in relation to exploration activities. The Company has \$130,139 of prepaid expense, as well as other future commitments with UgreenCo, the terms of which are outlined above.

## Accounting Policies and Estimates

The Company's significant accounting policies are disclosed in Note 4 of the Company's audited financial statements for the year ended September 30, 2023.

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 September 30, 2023 include cash, restricted cash, accounts receivables, prepaid expenses and accounts payable and accrued liabilities.

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

Financial instrument	Category
Cash / restricted cash	Fair value through profit or loss
Accounts receivable	Amortized cost
Prepaid expenses	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Flow-through liability	Amortized cost

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

## RISK FACTORS

Much of the information included in this report includes or is based upon estimates, projections or other forward-looking statements. Such forward-looking statements include any projections or estimates made by the Company and its management in connection with the Company's business operations. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect the Company's current judgment regarding the direction of its business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions, or other future performance suggested herein. Except as required by law, the Company undertakes no obligation to update forward-looking statements to reflect events or circumstances occurring after the date of such statements.

Such estimates, projections or other forward-looking statements involve various risks and uncertainties as outlined below. The Company cautions readers of this report that important factors in some cases have affected and, in the future, could materially affect actual results and cause actual results to differ materially from the results expressed in any such estimates, projections or other forward-looking statements. In evaluating the Company, its business and any investment in its business, readers should carefully consider the following factors:

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, restricted cash and accounts receivables. The Company is not exposed to significant credit risk as its cash and restricted is placed with a major

Canadian financial institution. The Company's accounts receivable is comprised of GST receivable from the Canadian Revenue Agency, thus the risk is low.

(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 September 30, 2023, the Company had cash of \$1,861,425 (September 30, 2022 - \$903,817) available to apply against short-term business requirements and current liabilities of \$125,852 (September 30, 2022 - \$22,882). All of the liabilities presented as accounts payable and accrued liabilities are due within 90 days of September 30, 2023.

(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.

### **Additional Risks Related to the Company's Business**

*The Company's directors and officers are engaged in other business activities and accordingly may not devote sufficient time to the Company's business affairs, which may affect its ability to conduct operations and generate revenues.*

The Company's directors and officers are involved in other business activities. As a result of their other business endeavors, the directors and officers may not be able to devote sufficient time to the Company's business affairs, which may negatively affect its ability to conduct its ongoing operations and its ability to generate revenues. In addition, the management of the Company may be periodically interrupted or delayed as a result of its officers' other business interests.

#### *History of losses*

The Company has incurred losses in the period from incorporation on July 13, 2021 to September 30, 2023. The Company may not be able to achieve or maintain profitability and will continue to incur significant losses in the future.

#### *Dependence on suppliers and skilled labour*

The ability of the Company to compete and grow will be dependent on it having access, at a reasonable cost and in a timely manner, to skilled labour, equipment, parts and components. No assurances can be given that the Company will be successful in maintaining its required supply of skilled labour, equipment, parts and components. This could have an adverse effect on the financial results of the Company.

#### *Management of growth*

The Company may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its human capital base. The inability of the Company to deal with this growth may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

#### *Internal controls*

Effective internal controls are necessary for the Company to provide reliable financial reports and to help prevent fraud. Although the Company will undertake a number of procedures and will implement a number of safeguards, in each case, in order to help ensure the reliability of its financial reports, including those imposed on the Company under Canadian securities law, the Company cannot be certain that such measures will ensure that the Company will maintain adequate control over financial processes and reporting. Failure to implement required new or improved controls, or difficulties

encountered in their implementation, could harm the Company's results of operations or cause it to fail to meet its reporting obligations. If the Company or its auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in the Company's financial statements and materially adversely affect the trading price of the Company's shares.

#### *Liquidity*

The Company cannot predict at what prices the Company's securities will trade and there can be no assurance that an active trading market will develop or be sustained. There is a significant liquidity risk associated with an investment in the Company.

#### *Litigation*

The Company may become party to litigation from time to time in the ordinary course of business which could adversely affect its business. Should any litigation in which the Company becomes involved be determined against the Company such a decision could adversely affect the Company's ability to continue operating and the market price for Company's shares and could use significant resources. Even if the Company is involved in litigation and wins, litigation can redirect significant Company resources.

#### *Privacy*

The Company and its employees and consultants have access, in the course of their duties, to personal information of clients of the Company. There can be no assurance that the Company's existing policies, procedures and systems will be sufficient to address the privacy concerns of existing and future clients whether or not such a breach of privacy were to have occurred as a result of the Company's employees or arm's length third parties. If a client's privacy is violated, or if the Company is found to have violated any law or regulation, it could be liable for damages or for criminal fines and/or penalties.

### **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.

### **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.