



**CONSOLIDATED INTERIM ADVANCE UNITED HOLDINGS INC.**

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2022



# Consolidated Interim Advance United Holdings Inc.

Management's Discussion and Analysis

For the year ended December 31, 2022

Discussion dated: May 01, 2023

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## Introduction

The following Management's Discussion and Analysis ("MD&A") of the financial condition and results of the operation of Consolidated Advance United Holdings Inc. (the "Company" or "Advance United") constitutes management's review of the factors that affected the Company's financial and operating performance for the year ending December 31, 2022. This MD&A was written to comply with the requirements of National Instrument 51-102 – *Continuous Disclosure Obligations*. This discussion should be read in conjunction with the audited financial statements of the Company for the years ended December 31, 2021 and December 31, 2020, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's financial statements and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. Information contained herein is presented as of May 01, 2023 unless otherwise indicated.

For the purpose of preparing this MD&A, management, in conjunction with the Board of Directors (the "Board"), 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 Advance United common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

This MD&A contains forward-looking information as further described in the "*Cautionary Note Regarding Forward-Looking Information*" at the end of this MD&A. Please also make reference to those risk factors identified or otherwise indirectly referenced in the "*Risks and Uncertainties*" section below.

## Description of Business

The Company was incorporated under the *Business Corporations Act* (British Columbia) on May 28, 2020. The Company is currently engaged in the acquisition, exploration and development of mineral properties. Effective January 12, 2021, the Company amalgamated with Talisker Gold Corp and 2796446 Ontario Inc. in a three cornered amalgamation changing its name from Ripper Resources Inc. to Advance United Holdings Inc. The Company's head office, principal address and registered and records office is located at 372 Bay Street, Suite 301, Toronto, Ontario, M5H 2W9.

The Company's financial year ends on December 31.

## Cautionary Note Regarding Forward-Looking Information

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



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Forward-looking statements	Assumptions	Risk factors
<p>Regardless of whether the Company discovers a significant precious or base metal deposit, its working capital deficit of \$106,640 at December 31, 2022 is anticipated not to be adequate for it to continue operations for the twelve month period ending December 31, 2023 without additional financing.</p>	<p>The operating and exploration activities of the Company for the year ending December 31, 2022, and the costs associated therewith, will be consistent with the Company's current expectations; and equity markets, exchange and interest rates and other applicable economic conditions will be favourable to the Company</p>	<p>Unforeseen costs to the Company will arise; ongoing uncertainties relating to future equity financings; any particular operating cost increase or decrease from the date of the estimation; changes in operating and exploration activities; changes in economic conditions; timing of expenditures</p>
<p>The Company's properties, once acquired, may contain economic deposits of minerals.</p>	<p>The actual results of the Company's exploration and development activities will be favourable; operating, exploration and development costs will not exceed the Company's expectations; all requisite regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company, and applicable political and economic conditions are favourable to the Company; the price of applicable commodities and applicable interest and exchange rates will be favourable to the Company; no title disputes exist or will arise with respect to the Company's properties; and the Company has or will obtain adequate property rights to support its exploration and development activities</p>	<p>Commodity price volatility; ongoing uncertainties relating to the COVID19 pandemic; uncertainties involved in interpreting geological data and confirming title to acquired properties; inability to secure necessary property rights; the possibility that future exploration results will not be consistent with the Company's expectations; increases in costs; environmental compliance and changes in environmental and other applicable legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions and the ability to raise equity financing to meet property option payments.</p>
<p>The Company entered into an agreement with IBK Capital Corp. to obtain for Advance United a funding of \$2 million to advance the Doyle project, where the funding shall consist of the sale of a direct interest in the project, representing a 20% equity interest in the project.</p>	<p>The actual results of IBK Capital's efforts could be favourable and based on these terms and conditions may value the Doyle Project post funding at \$10 million, subject to applicable commission third party costs, and other economic and applicable conditions.</p>	<p>IBK Capital's ability to secure and/or close the contemplated transaction successfully, and on acceptable terms to the Company; any unforeseen and/or additional costs; timing of closure, increase or decrease in the amount raised, and other applicable changes that may occur relating to economic and /or Board or regulatory approvals.</p>
<p>The Company's anticipated business plans, including costs and timing for future exploration on its property interests and acquisitions of additional mineral resource properties or interests therein</p>	<p>The exploration activities of the Company and the costs associated therewith, will be consistent with the Company's current expectations; and equity markets, exchange and interest rates and other applicable economic conditions will be favourable to the Company; financing will be available for the Company's exploration and development activities on favourable terms; the Company will be able to retain and attract skilled staff; all applicable regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company; the Company will not be adversely affected by market competition; the price of applicable commodities will be favourable to the Company; no title disputes exist or will arise with respect to the Company's properties; the Company has or will obtain adequate property rights to support its exploration and development activities; and the Company will be able to successfully identify and negotiate new acquisition opportunities</p>	<p>Commodity price volatility; ongoing uncertainties relating to the COVID19 pandemic; changes in the condition of debt and equity markets; timing and availability of external financing on acceptable terms may not be as anticipated; the uncertainties involved in interpreting geological data and confirming title to acquired properties; inability to secure necessary property rights; the possibility that future exploration results will not be consistent with the Company's expectations; increases in costs; environmental compliance and changes in environmental and other applicable legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company may be unable to retain and attract skilled staff; receipt of applicable permits is subject to governmental and/or regulatory approvals; the Company does not have control over the actions of its joint venture partners and/or other counterparties</p>



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Management’s outlook regarding future trends and exploration programs	Financing will be available for the Company’s exploration and operating activities; the price of applicable commodities will be favourable to the Company; the actual results of the Company’s exploration and development activities will be favourable; management is aware of all applicable environmental obligations	Commodity price volatility; ongoing uncertainties relating to the COVID19 pandemic; changes in the condition of debt and equity markets; interest rate and exchange rate fluctuations; changes in economic and political conditions; the possibility that future exploration results will not be consistent with the Company’s expectations; changes in environmental and other applicable legislation and regulation
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Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company’s ability to predict or control. Please also make reference to those risk factors referenced in the “Risk Factors” section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

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

### Going Concern

The audited financial statements of the Company have been prepared on the basis the Company will continue as a going concern, which presumes it will be able to realize its assets and discharge its liabilities in the normal course of business. Due to continuing operating losses and current working capital levels, the application of the going concern basis is dependent upon the Company achieving profitable operations to generate sufficient cash flows to fund continuing operation or in the absence of adequate cash flows from operations, obtaining additional financing to support operations for the foreseeable future. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operations. These factors may cast significant doubt on the entity’s ability to continue as a going concern.

The audited financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern. If management is unsuccessful in securing capital, the Company’s assets may not be realized, or its liabilities discharged at their carrying amounts and these differences could be material. Changes in future conditions could require material write-downs of the carrying amounts of mineral properties.



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## Financial and Operating Highlights

### Corporate

On May 28, 2020, the Company was incorporated in British Columbia, issuing 100 shares at a price of \$0.01.

In August 2020, the Company issued 10,000,000 common share units at \$0.02 per share to Founders of the Company for gross proceeds of \$200,000.

In October 2020, the Company issued 4,200,000 common share units at \$0.05 per share for gross proceeds of \$410,000. Each unit consists of one common share and one common share purchase warrant, exercisable at \$0.10 for a period of 24 months. The warrants were valued at \$42,664 using the Black Scholes valuation model.

In December 2021, the Company issued 2,866,700 Flow-through commons shares and 400,000 common shares at \$0.75 per share for gross proceeds of \$2,450,025. Share issuance cost of \$136,497 was paid in cash and issued 172,001 broker purchase warrants, exercisable at \$0.75 for a period of 24 months. The broker warrants were valued at \$83,658 using the Black Scholes valuation model.

In December 2021, 4,225,000 common purchase warrants were exercised for gross proceeds of \$425,000 and the common share purchase warrant valuation of \$73,320 was reversed.

On January 12, 2020, the Company completed a business combination transaction with Talisker Gold Corp. ("Talisker") which resulted in the acquisition by the Company of Talisker and its mineral exploration properties, namely the Doyle, Buck Lake properties and Paint Lake JV all located in Northern Ontario. The transaction was completed by way of a three cornered amalgamation among Talisker, the Company (formerly Ripper Resources Ltd.) ("Ripper") and the Company's wholly owned subsidiary 2796446 Ontario Inc. ("Newco") pursuant to the terms on an amalgamation agreement. On closing of this transaction:

- (i) all of the outstanding securities of Talisker were exchanged for securities of the Company, such that 22,289,606 common shares, 1,250,000 consideration stock options (1,000,000 exercisable at \$0.10 until April 17, 2023 and 250,000 exercisable at \$0.10 until December 23, 2024), 500,000 substitution common share purchase warrants exercisable at \$0.10 until August 21, 2024, and 175,000 warrants exercisable at \$0.30 until 18 months after the Company became a reporting issuer on May 28, 2021, were issued;
- (ii) Newco and Talisker amalgamated to form an amalgamated company named "Talisker Gold Corp.", a wholly owned subsidiary of the Company;
- (iii) Ross Ewaniuk resigned as the sole director and officer of the Company, and Jim Atkinson, David McDonald, Kevin Wright and Walter Henry became directors of the Company; and on June 1<sup>st</sup>, 2021 David McDonald resigned as Director and Vishal Gupta and Daniele Spethmann joined the Board of Directors; Subsequent to year end Vishal Gupta and Daniele Spethmann resigned and David Boulette joined the Board of Directors. David McDonald was replaced as CFO by David Beck.
- (iv) Ripper changed its name to "Advance United Holdings Inc."
- (v) Doyle Property expands to over 8,100 acres (3,265 ha).
- (vi) Buck Lake Property expands to over 4,100 acres (1,660 ha).
- (vii) On July 26<sup>th</sup> announced the acquisition of the past producing Melba Gold Mine and adjacent mining claims (Melba township), in the Abitibi Greenstone Belt near Kirkland Lake Ontario.
- (viii) On August 15<sup>th</sup> announced approval from OTC Markets Group to cross listing and trade on the OTCQB Venture Market ("OTCQB") as of August 11<sup>th</sup>, 2022.
- (ix) On September 14<sup>th</sup> announces our Private Placement of Common Shares and Flow-Through Common Share and the closing of the first tranche of the financing of \$150,000.



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- (x) On October 27<sup>th</sup> announced the closing of financing raising an additional \$43,800.
- (ix) On November 7<sup>th</sup> announced the completion of Phase I of the Buck Lake drilling program.
- (x) On November 23<sup>rd</sup> announced the Geophysical Work Program on our Paint Lake Road Project in Wawa Ontario.
- (xi) On December 1<sup>st</sup> Buck Lake reports Critical Minerals found.
- (xii) On December 21<sup>st</sup> Buck Lake reports 4.6% High-Grade and Critical Metals.
- (xiii) On January 25<sup>th</sup> announced shareholder update.
- (ix) On February 28<sup>th</sup> announces Mr. David Boulette is no longer a director of the Company and Mr. Rodney Ireland appointed as a director.
- (x) On March 6<sup>th</sup> reports 17.1 g/t Gold at our Melba Mine Property in the Kirkland Lake Area of Ontario.
- (xi) On March 12<sup>th</sup> announced the closing of a non-brokered private placement for gross process of \$100,000.
- (xii) On April 12<sup>th</sup> reported Buck Lake assay having high-grade copper and critical metals.
- (xiii) On April 17<sup>th</sup> 1,000,000 options expired unexercised.

### Trends and Economic Conditions

Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longer-term strategic decisions.

Due to the worldwide COVID-19 pandemic, material uncertainties may arise that could influence management's going concern assumption. Management cannot accurately predict the future impact COVID-19 may have on:

- Global precious or base metal prices;
- Demand for precious or base metal and the ability to explore for precious or base metal;
- The severity and the length of potential measures taken by governments to manage the spread of the virus, and their effect on labour availability and supply lines;
- Availability of government supplies, such as water and electricity;
- Purchasing power of the Canadian dollar; and
- Ability to obtain funding.

At the date of this MD&A, the Canadian federal government and the provincial government of Ontario have not introduced measures that have directly impeded the operational activities of the Company. Management believes the business will continue and, accordingly, the current situation has not impacted management's going concern assumption. However, it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

Apart from these and the risk factors noted under the heading "*Risks and Uncertainties*", management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

See "*Cautionary Note Regarding Forward-Looking Information*" above.

### Outlook

The Company intends to continue exploring properties that have the potential to contain precious and base metals. In addition, management will review project submissions, and conduct independent research, for projects in such jurisdictions and commodities as it may consider prospective.



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There is no assurance that equity capital will be available to the Company in the future in the amounts or at the times desired or on terms that are acceptable to the Company, if at all. See "Risks and Uncertainties" below.

### Selected Annual Financial Information

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

	Twelve month period ending December 31, 2022	Twelve month period ending December 31, 2021	Twelve month period ending December 31, 2020
<b>Total revenues</b>	\$nil	\$nil	\$nil
<b>Net (loss) Income</b>	\$(3,191,532)	\$(813,989)	\$1,855,179
<b>Net (loss) Income per share – basic</b>	\$(0.07)	\$(0.02)	\$0.08
<b>Net (loss) Income per share – diluted</b>	\$(0.07)	\$(0.02)	\$0.08
		<b>As at December 31, 2022</b>	<b>As at December 31, 2021</b>
<b>Total assets</b>	\$1,023,718	\$3,405,962	\$1,832,139
<b>Distribution or cash dividends</b>	\$nil	\$nil	\$nil

• The net loss for the twelve period ending December 31, 2022 of \$3,191,532 consisted of Business development \$375,358 (2021 - \$126,747), Consulting fees \$256,983 (2021 - \$94,000), Professional fees \$160,503 (2021 - \$165,709) and management fees of \$121,333 (2021 – 120,000) expenses. Business development and consulting fees increased year over year as the Company spent, in addition to promoting Advance United Holdings Inc., on developing a software program to identify mineral properties of interest to acquire and also as a board for others to post mineral properties they would like to either sell if option.

• Exploration expenses were \$2,160,956 (2021 - \$38,953) as the Company operated drill programs on it's Buck Lake copper property located near Batchawana Bay, Ontario and our Melba Gold property near Kirkland Lake, Ontario.

As the Company has no revenues, its ability to fund its operations is dependent upon securing further financing. See "Trends" and "Risk Factors".

### Environmental Contingency

The Company does not currently have mining and exploration activities that would be subject to various laws and regulations relating to the protection of the environment. These environmental regulations are continually changing and are generally becoming more restrictive. As of December 31, 2022, the Company does not believe that there are any significant environmental obligations requiring material capital outlays in the immediate future.

### Off-Balance Sheet Arrangements

As of the date of this filing, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.



## **Recent Transactions**

On January 12, 2020, the Company completed a business combination transaction with Talisker which resulted in the acquisition by the Company of the assets of Talisker and its mineral exploration properties, namely the Doyle, Buck Lake properties and Paint Lake JV all located in Northern Ontario. The transaction was completed by way of a three cornered amalgamation among Talisker, Ripper and Newco pursuant to the terms on an amalgamation agreement. On closing of this transaction:

- (i) all of the outstanding securities of Talisker were exchanged for securities of the Company, such that 22,289,606 common shares, 1,250,000 consideration stock options (1,000,000 exercisable at \$0.10 until April 17, 2023 and 250,000 exercisable at \$0.10 until December 23, 2024), 500,000 substitution common share purchase warrants exercisable at \$0.10 until August 21, 2024, and 175,000 warrants exercisable at \$0.30 until 18 months after the Company becomes a reporting issuer, were issued;
- (ii) Newco and Talisker amalgamated to form an amalgamated company named "Talisker Gold Corp.", a wholly owned subsidiary of the Company;
- (iii) Ross Ewaniuk resigned as the sole director and officer of the Company, and Jim Atkinson, David McDonald, Kevin Wright and Walter Henry became directors of the Company; and on June 1<sup>st</sup>, 2021, David McDonald resigned as Director. Subsequent to year end Vishal Gupta and Daniele Spethmann resigned and David Boulette joined the Board of Directors; In January 2022, David McDonald was replaced by David Beck as CFO.
- (iv) Ripper changed its name to "Advance United Holdings Inc."
- (v) 22 claims were added to our Doyle property in Batchawana.
- (vi) Subsequent to quarter end, on July 26, 2022, the Company announced the acquisition of the past producing Melba Gold Mine property and adjacent mining claims.

In December 2021, the Company issued 2,866,700 Flow-through commons shares and 400,000 common shares at \$0.75 per share for gross proceeds of \$2,450,025. Share issuance cost of \$136,497 was paid in cash and issued 172,001 broker purchase warrants, exercisable at \$0.75 for a period of 24 months. The broker warrants were valued at \$83,658 using the Black Scholes valuation model.

In December 2021, 4,225,000 common purchase warrants were exercised for gross proceeds of \$425,000 and the common share purchase warrant valuation was reversed.

In the 4<sup>th</sup> quarter of 2022, the Company issued ....





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## Selected Quarterly Information

Three Months Ended	Total Revenue (\$)	Profit or Loss		Total Assets (\$)
		Total (\$)	Basic and Diluted Loss Per Share (\$)	
Quarter ended December 31, 2020	Nil	(48,353) <sup>(1)</sup>	(0.01)	378,475
Quarter ended March 31, 2021	Nil	(166,787) <sup>(2)</sup>	(0.01)	1,120,989
Quarter ended June 30, 2021	Nil	(106,513) <sup>(3)</sup>	(0.01)	1,000,812
Quarter ended September 30, 2021	Nil	(175,710) <sup>(4)</sup>	(0.01)	910,368
Quarter ended December 31, 2021	Nil	(204,090) <sup>(5)</sup>	(0.01)	3,405,962
Quarter ended March 31, 2022	Nil	(244,144) <sup>(6)</sup>	(0.01)	3,230,469
Quarter ended June 30, 2022	Nil	(438,177) <sup>(7)</sup>	(0.01)	2,915,801
Quarter ended September 30, 2022	Nil	(1,470,981) <sup>(8)</sup>	(0.03)	1,757,671
Quarter ended December 31, 2022	Nil	(1,038,230) <sup>(9)</sup>	(0.02)	1,023,718

(1) Net loss of \$48,353 relates to professional fees of \$48,353 relating to Talisker transaction and year end audit fees.

(2) Net loss of \$166,787 principally relates to professional fees of \$67,801, management fees of \$30,000, non-cash share-based payments of \$59,658, filing and regulatory fees of \$10,200 and other operating costs.

(3) Net loss of \$106,513 principally relates to professional fees of \$31,218, management fees of \$30,000, business development costs of \$21,950, filing and regulatory fees of \$17,154 and other operating costs.

(4) Net loss of \$175,710 principally relates to Business development fees of \$77,631, Consulting fees of \$24,750, management fees of \$30,000, professional fees of \$15,474, filing and regulatory fees of \$21,278 and other operating costs.

(5) Net loss of \$221,083 principally relates to business development fees of \$114,797, Consulting fees of \$94,000, management fees of \$120,000, professional fees of \$165,709, filing, and regulatory fees of \$55,494 and other operating costs.

(6) Net loss of \$244,144 principally relates to business development fees of \$97,578, management fees of \$51,333, consulting fees of \$26,000, professional fees of \$22,234, filing, and regulatory fees of \$19,667, exploration and evaluation expenses of \$21,153 and other operating costs.



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(7) Net loss of \$438,177 principally relates to exploration and development costs of \$276,436 as we intensify preparation for our third quarter drill programs at the Doyle, Buck Lake and Melba properties. Business development fees of \$48,064 relating to the launch of the AU Marketplace have slowed from previous periods as development is close to completion, management fees of \$56,300 have increased from the September 2021 quarter with the addition of a new officer, and professional fees of \$32,248 are audit accrual fees and out-sourced corporate secretarial expertise.

(8) Net loss of \$1,470,981 principally relates to exploration and development costs of \$1,158,549 and consulting fees of \$150,000 as the Company completes our 2022 Buck Lake drill program and we prepare to our Melba property quarter four drill program.

(9) Net loss of \$1,038,230 principally relates to exploration and development costs of \$771,891 and Business Development of \$211,760 as the Company completed the work at the Melba Gold property.

### Financial Highlights

#### For the year ended December 31, 2022

The Company's net loss totaled \$3,191,532 for the year ended December 31, 2022 (2021 - \$813,939), with basic and diluted loss per share of \$(0.07). The net loss was principally due to:

- Exploration and evaluation expenditures (\$2,160,956)
- Management fees (\$121,333)
- Consulting fees (256,983)
- Professional fees (160,503)
- All other expenses related to general working capital purposes.

The Company's total assets at December 31, 2022 were \$1,023,718 against total liabilities of \$467,590 (excluding the non-cash Flow-through premium liability). The assets consist of cash on hand, Harmonized sales tax ("HST") recoverable, a receivable from our Paint Lake JV partner (collected after year end) and prepaid expenses and properties. Liabilities are accounts payable owing at December 31, 2022 relating mainly for exploration and evaluation expenditures and audit accrual fees. The Company had a working capital deficit as at December 31, 2022 of \$106,640 (excluding the non-cash Flow-through premium liability).

### Liquidity and Capital Resources

From management's point of view, the Company's cash and cash equivalents balance of \$191,633 at December 31, 2022 and \$31.850 as of this report date, May 01, 2023, which although management believes will not be adequate to cover current expenditures, additional funds will need to be raised to support our planned exploration expenses in the next twelve months without additional financing. Management cannot provide assurance it will be successful in future financing activities or be able to execute its business strategy.

The Company will, from time to time, when marketing and financing conditions are favourable, proceed with fundraising to fund exploration and property acquisition projects.



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The activities of the Company, principally the acquisition and exploration of properties that have the potential to contain precious and base metals, are financed through the completion of equity transactions such as equity offerings and the exercise of stock options. There is no assurance that equity capital will be available to the Company in the future in the amounts or at the times desired or on terms that are acceptable to the Company, if at all. See "*Risks and Uncertainties*" below.

At December 31, 2022, the Company had consolidated cash and cash equivalents balance of \$191,633. In the fourth quarter of 2022 the Company raised \$257,000 by issuing 2,570,000 Flow-Through shares at a price of \$0.10 per share.

To the date of this MD&A, the cash resources of \$31,850 is held in cash with certain Canadian chartered banks.

## Mineral Exploration Properties

The Company currently has three properties and a Joint Venture agreement. The Doyle property and Buck Lake property are located in the Batchawana Bay between Wawa and Sault Ste. Marie Ontario, while the Joint Venture agreement on the Paint Lake property is in the Wawa area of Northern Ontario. The recently acquired Melba property is located near Kirkland Lake, Ontario in northwestern Ontario.

### *Doyle Property*

The Doyle Property is in Runnells Township approximately 92km southeast of Wawa, Ontario and approximately 86 km north of Sault Ste. Marie, Ontario. The Doyle Property is accessible via a series of all-weather roads, logging roads and ATV trails. Several overgrown logging roads within the Doyle Property provide access to various points within the claim group.

The property is in good standing until April 2023 and further assessment work being filed will extend the period by at least one year – to 2024.

The earliest recorded exploration on the Doyle Property dates to 1953. Prior to 1953, this area of the Batchawana Greenstone Belt would have been prospected for gold and copper as the Wawa Gold Camp was taking form.

Past work in the vicinity of the Doyle Property, and in this part of the Batchewana Greenstone Belt, was limited in part due to poor access and mineral rights ownership of many the surrounding townships by the Algoma Central Railway (ACR). These townships have been withdrawn from staking for several decades. Thus, historical exploration in the area has been mostly confined to Runnalls Township.

Several early-stage exploration programs were carried on and in the vicinity of the Doyle Property, but the most significant work done by Tri Origin Exploration from 1989 to 1995. The work included over 100 km of line cutting, 25 km of IP geophysics and 37 drill holes totaling 8,053 m.

The best gold intersections included 49.58 g/t Au over 1.0 meter, 2.28 g/t Au over 9 .0 meters including 17.5 g/t Au over 1.0 meter and 7.2 g/t Au over 0.53 meter.

The geological setting of the Doyle Property was compared with that of the Hemlo deposit (22 million ounces of gold) by companies working in the 1990s.

No further work was completed on the property until acquired by Talisker Gold Corp. ("Talisker") in 2018. Talisker subsequently completed ground and airborne geophysical surveys in 2019 and 2020. During the year, Talisker acquired 57 additional claims in 2021 and another 22 claims in the first quarter of 2022, expanding Doyle Property to over 8,100 acres (3,265 ha). (See news-release dated September 14, 2021 on SEDAR.com).



In October 2022 a LiDAR Survey was completed over the property.

The geology of the Doyle Property pertinent to the interpretation of the LiDAR is that the property is underlain by felsic volcanic and clastic sedimentary rocks, trending N20°W in the central part and to N60°W in the western area dipping 70° north-east to vertical. The volcanic/sedimentary rock contact forms an arcuate trend which extends north-westerly along the western portion of the property.

The property is bounded on the west by the Grey Owl Lake Stock. An elongated body of porphyritic felsic intrusive rock has intruded the felsic volcanic sequence near the regional volcano/sedimentary rock contact in the central part of the property. Mafic volcanic rocks occur north and east of the property. At least seven stratabound chert-sulphide-bearing stratigraphic units are seen within the felsic volcanic rocks.

The presence of shear zones and other linear features has been noted in past exploration reports and it was thought that the LiDAR will assist in the interpretation of these features. It is also thought that the varying trends of the stratigraphic units would also be evident.

The LiDAR survey produced a point cloud and air photo mosaic which was used in the interpretation. The examination of the LiDAR results has identified many strong linear features crossing the property. The features identified by the LiDAR Survey are important for the discovery of significant gold deposits for several reasons:

It is known generally that Orogenic gold deposits are related to shear zones and intersecting shear structures represent important "ground preparation" for the introduction and capture of gold mineralization and that the manifestation of many shear zones on surface are topographic and geophysical linear features.

The known gold occurrences on the Doyle Property seem to be related to three types of structures:

- Subsidiary faults off larger structures;
- Converging structures;
- and ridges formed by silicious alteration.

It has been shown by ground truthing on the Doyle Property that some of the linear features are related to shear zones.

The ability to trace the known mineralized structures has been enhanced by the identification of LiDAR features.

Areas of what appear to be converging features (Shear zones?) have been identified in the areas where high-grade gold was discovered in past drilling by Tri Origin. These areas have not been fully explored in the past and form prime drill targets.

There are also gold occurrences associated with stratigraphic hosts and silicious ridges; these also appear on the LiDAR results.

In August of 2022, the Company entered into an agreement with IBK Capital Corp. to obtain for Advance United a funding of \$2 million to advance the Doyle project, where the funding shall consist of the sale of a direct interest in the project, representing a 20% equity interest in the project. The actual results of IBK Capital's efforts could be favourable and based on these terms and conditions may value the Doyle Project post funding at up to \$10 million, subject to applicable commission third party costs, and other economic and applicable conditions.



### ***Buck Lake Property***

The Buck Lake Property lies in Lunkie Township in the Algoma District of Central Ontario approximately 50 kilometers northeast of Sault Ste. Marie and approximately 30 km NE of the village of Searchmont.

The property consists of 139 claims making 3900 hectares (9600 acres). The property covers a known critical metal (copper +zinc) deposit and has been extended to cover at least eight additional similar occurrences. There are also over 20 known EM Anomalies on the property.

The property is in good standing until May 2023 and a recently filed assessment report on the 2022 diamond drilling will extend the property for at least five years.

In the past work has been completed in the area to find "Volcanic Massive Sulphide (VMS)" type of deposits.

HBOG Mining completed some exploration to the north and northwest of the present property in 1976 and discovered several significant anomalies. Some of these were drilled and/or trenched with reports of copper and zinc being made.

The only work reported on the present property was completed by Noranda in 1985 and 1986. The company completed ground magnetic and HLEM surveys and identified a strong Electromagnetic anomaly (EM) with locally corresponding magnetic signature over a length of approximately 3,500 metres. One diamond drill hole is reported in the government Assessment Files which encountered sulphide in breccia and massive sulphide with chalcopyrite and traces of sphalerite. No assays are reported.

To fully recognize the potential of the property it has been divided into two areas:

- Buck Lake Original Claims (BLOC) contain:
  - 3500 m long EM Anomaly identified by past work on the Original Claims detailed by recently completed VLF EM
  - Three other known mineralized areas with copper and/or zinc
  - Known massive sulphide mineralization with copper and zinc on surface in stripped areas on EM anomaly on BLOC
  - Channel sampling in 2022 returned copper assays up to 1.78% and 4% zinc
  - Recently completed 2540 meters of drilling returned up to 14 meters of massive and semi massive sulphide mineralization in core
  - Intersections of copper and zinc in 13 drill holes including 4.5 % Copper over 3.6 meters with 1.12 g/t gold and 58 g/t silver for a Approximately 6% Copper Equivalent (using March 2023 prices)
  - To date have identified 500-meter long massive sulphide zone open to north and south and down dip
  
- Buck Lake Northern Extension (BLNE) area contains:
  - Prospective volcanic contacts (i.e. felsic/mafic stratigraphy) with exhalite and known sulfide mineralization.
  - Four known mineralized zones defined by drilling and trenching containing reported chalcopyrite and sphalerite
  - High metal values up to 17% Zn in trenching
  - Multiple untested airborne and ground EM and Magnetic anomalies throughout
  - Extensive records in Government Assessment Files to form basis for compilation.

Open ground surrounding the property gives potential to expand the property to cover other known occurrences.



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In 2017 the property vendor completed a soil sampling program over the suspected location of the EM anomaly on the BLOC area and detected a strong copper and zinc anomaly in the northern part. Concomitant geological mapping identified the location of the EM anomaly and the soil anomaly to be at or near the contact between mafic and felsic volcanic units. A classic location for volcanic massive sulphide (VMS) deposits.

During the fourth quarter of 2021, a work program was initiated and 53 claims were acquired expanding the property to over 4,100 acres (1,660 ha). (See news-releases dated September 22, 2021 and October 21, 2021 on SEDAR.com).

During the second quarter of 2022 a field program including prospecting, ground VLF and geological mapping was undertaken. The results of assays taken during this program identified copper and zinc mineralization as well as chlorite alteration in the area of the EM and Noranda Drill Hole. Areas of interest were further explored with stripping, channel sampling and drilling in the third quarter of 2022.

Results of the drilling were reported in a Press Release Dated April 12, 2023.

- Assays results for all 15-drill holes include intersections of 4.59% copper over 3.2-meters in a 11.75-meter zone averaging 1.51% copper and containing notable zinc, gold, and silver values.
- Copper and/or zinc mineralization intersections in 13 of the 15 holes with zones averaging 3 to 4-meter in thickness.
- Final assay results include additional critical metal assets and high-grade silver, testing up to 98 grams/tonne (2.85 ounces per ton) , accompanied the higher copper mineralization.

The BLNE area was acquired in September of 2022 and added approximately 100 claim units to the original property.

During the 2022 Summer Work Program, the company spent \$1.4 million dollars in exploration work on the property and in doing so discovered copper and zinc mineralization in the massive sulphide mineralization; these expenditures and new discoveries may increase the value of the Property and make it attractive for Further exploration..

### ***Melba Property***

On July 26, 2022, the Company announced it had signed two option agreements to acquire the Melba property. The first option, to acquire 75% of 68 cell mining claims (100% owned) and 6 Leased cell mining claims and a second option agreement that is comprised of 11 cell mining claims (100% owned). The second option of 11 cell mining claims are subject to a 2% NSR.

The adjacent claims covering approximately 1950 hectares are located in the Melba township of the Abitibi Greenstone Belt north of Kirkland Lake Ontario.

Gold was first discovered on the property in 1934 and the Melba Mine began development in 1936 but was shut down shortly thereafter with the declaration of World War II. On June 1st, 2020, the claim lease patents were published for public staking as no work or lease payments were current and included the mine workings which are in good standing until 2036.

To date four gold-bearing quartz-calcite veins have been identified and sampled on the property. These include the Rolling Vein, Mike Vein, Blue Vein, and the Contact Vein.



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The Ministry of Northern Development and Mines report (ARIS No.42A08SE2005 Gleeson-Ross Mine) indicates that the Melba mine site is similar to the geological signature of the Ross Mine, which is located approximately 15 km along the same structure to the NW on strike, in Holtyre, and the Ross Mine ore reserves were estimated at 628,155 tons averaging 5.88 g/ton (1934) and 518,000 tons averaging 4.64 g/ton (1975) according to Minedat.

Work in 2022 identified visible gold that was exposed at surface in Melba and diamond drilling was completed in the fourth quarter. Phase I program further included opening access to the former mine and validating previously identified gold veins. Additionally, the work team pursued geological prospecting and sampling in new areas. Historically identified gold veins sampled, returning 22.5 g/t gold over a length of 25m and 16.22 g/t gold over a length of 85m in the underground workings. Recent sampling on surface returned values up to 137 g/t (4.0 ounces per ton) and 73 g/t (2.12 ounces per ton) gold.

Highlights include:

- 17.1 g/t over 1.0 meter and 6.6 g/t gold over 3.5 meters in drillhole MEL22-02.
- Assay values in 5 drillholes over 1.0 g/t Au and anomalous gold (>0.1 g/t) over 1.5 meters in 11 drill holes.
- Historically, gold was known to be hosted in brecciated quartz-carbonate veins and a new mineralization style was identified with gold in porphyry dykes associated with disseminated pyrite over widths up to 18 meters.
- Additional assets included significant silver up to 6.4 g/t Ag in the higher-grade gold intersections and copper in the form of chalcopyrite identified in veins.

The discovery of anomalous gold over significant lengths associated with disseminated pyrite in porphyry dykes is a new gold mineralization type on the Melba Property and forms a highly prospective target that has not been explored in the past.

### **Paint Lake Road Joint Venture (PLR JV)**

The PLR JV comprises 65 claim Units equaling 1.400 hectares (3,460 acres) and is located approximately 7 kilometers from the Mishi open pit of Wesdome Mines.

The 2022 Summer Work program outlined a series of VLF EM anomalies that may indicate shear zones on the property. The survey shows many structures of interest and identifies at least six northeasterly trending EM anomalies which may be related to shear zones cutting intrusive rocks as evident in the nearby Eagle Mine which comprises quartz veins in shear zones cutting intrusive diorites. Most anomalies are sub-parallel to and offsets of the regional Pukaskwa-Iron Lake (PIL) Shear Zone which hosts gold mineralization locally at Abbie Lake to the north and David Lake to the south and regionally at Island Gold Mine of Alamos to the northeast. The area has recently been consolidated by other exploration companies and the property is surrounded by ground held by Angus Gold and Bold Ventures and the property is in a relatively unexplored area near the Wesdome's Open Pit Mine

The property is geologically complex and situated in a geologically prospective area, is located on and adjacent to regional faults that are known to carry gold to the north and south but, significantly, has not been explored in the past except for regional airborne geophysical surveys in the 1980s.

### **Rattlesnake Property**

During the 2022 Summer Work program the Company hired consultants to do a compilation of property ownership, geological information alteration and gold occurrences in the Rattlesnake area of South Carolina with the aim to identify other properties of interest and the engaged a land consultant to begin preliminary investigation on potential acquisition targets and/or other properties of interest.



### **Landrum and Rattlesnake Properties**

The Company has extended the MOU to continue working on these properties into Q1 2023.

### **Capital Disclosure and Management**

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis. The Company's ability to continue to carry out its planned exploration activities is uncertain and dependent upon securing additional financing.

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on activities related to its mineral properties. The Company's capital management objectives, policies and processes have remained unchanged during the three month period ended December 31, 2022. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body and has adequate working capital or financial resources to maintain operations and cover general and administrative expenses for a period of 12 months.

### **Financial Instrument and Risk Management**

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The fair value of the Company's accounts payables and accrued liabilities, and due to related parties approximate their carrying value. The Company's other financial instrument, being cash and cash equivalents, is measured at fair value using Level 1 inputs.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:





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(a) Credit risk:

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash and cash equivalents held in bank accounts. The Company has deposited the cash and cash equivalents with a high credit quality financial institution as determined by rating agencies. The risk of loss is low.

(b) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet liabilities when due. Accounts payable and accrued liabilities and due to related parties are due within the current operating period. The Company has a sufficient cash and cash equivalents balance to settle current liabilities.

(c) Market risk:

The Company is exposed to price risk with respect to equity prices and commodity prices. Equity price risk is defined as the potential adverse impact on the Company's loss due to movements in individual equity prices or general movements in the level of stock market. Commodity price risk is defined as the potential adverse impact and economic value due to commodity price movements and volatilities.

(d) Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk, from time to time, on its cash balances. Surplus cash, if any, is placed on deposit with financial institutions and management actively negotiates favourable market related interest rates.

### Major Shareholders and Related Party Disclosures

#### Major shareholders

To the knowledge of the directors and senior officers of the Company, as at December 31, 2022, no person or corporation beneficially owns or exercises control or direction over common shares of the Company carrying more than 10% of the voting rights attached to all common shares of the Company other than set out below:

None of the Company's major shareholders have different voting rights than other holders of the Company's common shares.



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## Related party disclosures

Related parties include the members of the Board of Directors, officers of the Company, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Key management of Advance United includes the Chief Executor Office and the Chief Financial Officer.

	For the year ended December 31,	
	2022	2021
Management and consulting fees charged by officers and directors	\$ 121,333	\$ 120,000
Management fees included in exploration and evaluation	50,000	-
Consulting fees charged by officers and directors	190,000	35,000
Fee paid to a Company with a former Director as a partner	32,200	43,950
Share-based compensation	-	42,664
Amounts in accounts payable at December 31, 2022	\$ 32,000	\$5,650

## Share Capital

As at the date of this MD&A, the Company had a total of 49,249,906 common shares issued and outstanding. An additional 3,131,901 common shares are subject to issuance from warrants outstanding. Each warrant will be exercisable to acquire one common share at prices between \$0.10 and \$0.75 per common share with expiry dates between December 15, 2023 and August 21, 2024. An additional 1,250,000 options to purchase common shares are exercisable at \$0.10 per common share with expiry dates between April 17, 2023 and December 23, 2024. As of this report date 250,000 options are outstanding.

## Disclosure of Internal Controls

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



## **Risks and Uncertainties**

The exploration, development and mining of mineral resources are highly speculative in nature and are subject to significant risks. In addition to the usual risks associated with an investment in a business at an early stage of development, management and the directors of the Company believe that, in particular, the following risk factors should be considered by prospective investors. It should be noted that this list is not exhaustive and that other risk factors may apply. An investment in the Company may not be suitable for all investors.

## **Development Stage Company and Exploration Risks**

The Company is a junior resource company focused primarily on the acquisition, exploration and development of mineral properties located in Canada. The Company's properties have no established mineral reserves. There is no assurance that any of the Company's projects can be mined profitably. Accordingly, it is not assured that the Company will realize any profits in the short to medium term, if at all. The exploration and development of mineral deposits involves a high degree of financial risk over a significant period of time that even a combination of management's careful evaluation, experience and knowledge may not eliminate. While discovery of ore-bearing structures may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. It is impossible to ensure that the current exploration and development programs of the Company will result in profitable commercial mining operations. The profitability of the Company's operations will be, in part, directly related to the cost and success of its exploration and development programs, which may be affected by a number of factors. Substantial expenditures are required to establish mineral reserves that are sufficient to support commercial mining operations and to construct, complete and install mining and processing facilities on those properties that are actually developed.

## **Reliability of Mineral Resource Estimates**

Mineral resources are estimates based on sampling of the mineralized material in a deposit. Such estimates may not be found to be accurate. Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimation of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues. Inferred resources, including those discussed in this MD&A, are ones for which there has been insufficient exploration to define an indicated or measured mineral resource and it is uncertain if further exploration will result in upgrading them to an indicated or measured mineral resource category.

Unless otherwise indicated, mineralization figures presented in this MD&A and in any National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* technical reports filed by the Company are based upon estimates made by geologists and the Company's personnel. Although the mineral resource figures set out in this MD&A and in such technical reports have been carefully prepared and reviewed or verified by qualified persons, these amounts are estimates only and no assurance can be given that an identified mineral resource will ever become a mineral reserve or in any way qualify as a commercially mineable (or viable) ore body which can be legally and economically exploited. These estimates are imprecise and depend upon geological interpretation and statistical inferences drawn from drilling and sampling analysis, all of which may prove to be unreliable. Furthermore, there are risks related to the reliability of analytical results and unforeseen possible variations in grade or other considerations.

The Company's Melba Property contains an estimated 30,000 ounce gold reported in a non 43-101 compliant report, but was calculated by competent third-party Company which previously held the property.



## **Commodity Markets**

The price of the Company's securities, its financial results, and its access to the capital required to finance its exploration activities may in the future be adversely affected by declines in the price of precious and base metals. Precious metal prices fluctuate widely and are affected by numerous factors beyond the Company's control such as the sale or purchase of precious metals by various dealers, central banks and financial institutions, interest rates, exchange rates, inflation or deflation, currency exchange fluctuation, global and regional supply and demand, production and consumption patterns, speculative activities, increased production due to improved mining and production methods, government regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals, environmental protection, and international political and economic trends, conditions and events. If these or other factors adversely affect the price of the precious and base metals that are the subject of the Company's exploration efforts, the market price of the Company's securities may decline.

## **Market Fluctuation and Commercial Quantities**

The market for minerals is influenced by many factors beyond the Company's control, including without limitation the supply and demand for minerals. In addition, the metals industry in general is intensely competitive and there is no assurance that, even if apparently commercial quantities and qualities of metals (such as chromite) are discovered, a market will exist for their profitable sale. Commercial viability of precious and base metals and other mineral deposits may be affected by other factors that are beyond the Company's control, including particular attributes of the deposit such as its size, quantity and quality, the cost of mining and processing, proximity to infrastructure, the availability of transportation and sources of energy, financing, government legislation and regulations including those relating to prices, taxes, royalties, land tenure, land use, import and export restrictions, exchange controls, restrictions on production, and environmental protection. It is impossible to assess with certainty the impact of various factors that may affect commercial viability such that any adverse combination of such factors may result in the Company not receiving an adequate return on invested capital or having its mineral projects be rendered uneconomic.

## **Option and Joint Venture Agreements**

The Company has and may continue to enter into option agreements and/or joint ventures as a means of acquiring property interests. Any failure of any partner to meet its obligations to the Company or other third parties, or any disputes with respect to third parties' respective rights and obligations could have a material adverse effect on the Company's rights under such agreements. Furthermore, the Company may be unable to exert direct influence over strategic decisions made in respect of properties that are subject to the terms of these agreements, and the result may be a materially adverse impact on the strategic value of the underlying mineral claims.

The Company notes that it has extended the MOU on the Landrum and Rattlesnake Properties.

The Company notes that it has an Option Agreement to earn 75% interest in the Melba property. The Melba project is made up of two properties – the first is under option for the Company to own a 75% interest in the former mine and the second an option to earn 100% interest in the surrounding mining claims.



## **Property Titles**

The principal property interests that the Company owns, controls or has the right to acquire by option or agreement come variously under the *Mining Act* (Ontario), the *Registry Act* (Ontario) or the *Land Titles Act* (Ontario), each of which has its own registration and management systems. Although the Company has either obtained title opinions or reviewed title for the material properties that it owns, controls or has the right to acquire by option or agreement, there is no guarantee that title to such mineral property interests will not be challenged or impugned. The Company's mineral property interests may be subject to prior unregistered agreements or transfers, and title may be affected by undetected defects. The Company may also experience challenges in effecting the transfer of title to certain of its mineral properties. There may be valid challenges to the title of the mineral property interests which, if successful, could impair development and/or operations.

## **Financing Risks**

Although the Company currently has significant cash and cash equivalents, the Company has no source of operating cash flow and no assurance that additional funding will be available to it for further exploration and development of its projects. Further exploration and development of the Company's properties may be dependent upon its ability to obtain financing through equity or debt, and although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of the Company's projects.

## **Mining Risks and Insurance**

The Company's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, catastrophic equipment failures, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to the Company's properties or the properties of others, delays in mining, monetary losses and possible legal liability. Although the Company maintains insurance to protect against certain risks in such amounts as it considers reasonable, its insurance will not cover all the potential risks associated with a mining company's operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. The Company might also become subject to liability for pollution or other hazards that may not be insured against or that it may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.



## **Government Regulations, Permitting and Taxation**

The Company's exploration operations are subject to government legislation, policies and controls relating to prospecting, development, production, environmental protection, mining taxes and labour standards. In order for the Company to carry out its activities, its various licenses and permits must be obtained and kept current. There is no guarantee that the Company's licenses and permits will be granted, or that once granted will be extended. In addition, the terms and conditions of such licenses or permits could be changed and there can be no assurances that any application to renew any existing licenses will be approved. There can be no assurance that all permits that the Company requires will be obtainable on reasonable terms, or at all. Delays or a failure to obtain such permits, or a failure to comply with the terms of any such permits that the Company has obtained, could have a material adverse impact on the Company. The Company may be required to contribute to the cost of providing the required infrastructure to facilitate the development of its properties. The Company will also have to obtain and comply with permits and licenses that may contain specific conditions concerning operating procedures, water use, waste disposal, spills, environmental studies, abandonment and restoration plans and financial assurances. There can be no assurance that the Company will be able to comply with any such conditions. Future taxation of mining operators cannot be predicted with certainty so planning must be undertaken using present conditions and best estimates of any potential future changes.

## **Health, Safety and Community Relations**

The Company's operations are subject to various health and safety laws and regulations that impose various duties on the Company's operations relating to, among other things, worker safety and obligations in respect of surrounding communities. These laws and regulations also grant the relevant authorities' broad powers to, among other things, close unsafe operations and order corrective action relating to health and safety matters. The costs associated with the compliance with such health and safety laws and regulations may be substantial and any amendments to such laws and regulations, or more stringent implementation thereof, could cause additional expenditure or impose restrictions on, or suspensions of, the Company's operations. The Company has made, and expects to make in the future, significant expenditure to comply with the extensive laws and regulations governing the protection of the environment, waste disposal, worker safety, mine development and protection of endangered and other special status species, and, to the extent reasonably practicable, to create social and economic benefit in the surrounding communities near the Company's mineral properties.

## **Environmental Protection**

The mining and mineral processing industries are subject to extensive governmental regulations for the protection of the environment, including regulations relating to air and water quality, mine reclamation, solid and hazardous waste handling and disposal and the promotion of occupational health and safety, which may adversely affect the Company or require it to expend significant funds. There is also a risk that environmental and other laws and regulations may become more onerous, making it more costly for the Company to remain in compliance with such laws and regulations.



## **Reliance on Key Personnel**

The Company's development to date has largely depended and in the future will continue to depend on the efforts of key management and other key personnel. Loss of any of these people, particularly to competitors, could have a material adverse effect on the Company's business. Further, with respect to future development of the Company's projects, it may become necessary to attract both international and local personnel for such development. The marketplace for key skilled personnel is becoming more competitive, which means the cost of hiring, training and retaining such personnel may increase. Factors outside the Company's control, including competition for human capital and the high level of technical expertise and experience required to execute this development, will affect the Company's ability to employ the specific personnel required. The failure to retain or attract a sufficient number of key skilled personnel could have a material adverse effect on the Company's business, results of operations and financial condition. The Company has not taken out and does not intend to take out 'key person' insurance in respect of any directors, officers or other employees.

## **Competitive Industry Environment**

The mining industry is highly competitive, both domestically and internationally. The Company's ability to acquire properties and develop mineral reserves in the future will depend not only on its ability to develop its present properties, but also on its ability to select and acquire suitable producing properties or prospects for mineral exploration, of which there is a limited supply. The Company may be at a competitive disadvantage in acquiring additional mining properties because it must compete with other individuals and companies, many of which have greater financial resources, operational experience and technical capabilities than the Company.

The Company may also encounter competition from other mining companies in its efforts to hire experienced mining professionals. Competition could adversely affect the Company's ability to attract necessary funding or acquire suitable producing properties or prospects for mineral exploration in the future. Competition for services and equipment could result in delays if such services or equipment cannot be obtained in a timely manner due to inadequate availability and could also cause scheduling difficulties and cost increases due to the need to coordinate the availability of services or equipment, any of which could materially increase project development, exploration or construction costs and result in project delays.

## **Global Financial Conditions**

Recent global financial conditions have been characterized by increased volatility and access to public financing, particularly for junior mineral exploration companies, has been negatively impacted. These conditions may affect the Company's ability to obtain equity or debt financing in the future on terms favourable to the Company or at all. If such conditions continue, the Company's operations could be negatively impacted.

## **Infrastructure**

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, power sources and water supply are important determinants affecting capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations, financial condition and results of operations.



## **Strategic & Operational Risks**

The ongoing COVID-19 pandemic could adversely impact our financial condition in future periods as a result of reduced business opportunities via acquisitions and dispositions of exploration and development properties. The uncertainty around the expected duration of the pandemic and the measures put in place by governments to respond to it could further depress business activity and financial markets. Our strategic initiatives to advance our business may be delayed or cancelled as a result.

To date, our operations have remained stable under the pandemic but there can be no assurance that our ability to continue to operate our business will not be adversely impacted, in particular to the extent that aspects of our operations which rely on services provided by third parties fail to operate as expected. The successful execution of business continuity strategies by third parties is outside our control. If one or more of the third parties to whom we outsource critical business activities fails to perform as a result of the impacts from the spread of COVID-19, it could have a material adverse effect on our business and operations.

## **Liquidity Risk and Capital Management**

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations when they become due. As at December 31, 2022, the Company has a negative working capital of \$106,640 (December 31, 2021 - \$2,757,597 surplus). Also, the Company has sustained losses through since inception. The Company's cash is held in corporate bank accounts. Although management believes that it has the ability to raise sufficient cash to meet all of its obligations that are coming due in the next twelve months, and to fund the operating losses that may occur in the upcoming periods, management cannot provide assurance that it will be successful in future financing activities or be able to execute its business strategy.

## **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 consists of interest rate risk, foreign currency risk and other price risk. As at December 31, 2022, the Company is not exposed to significant market risk.

## **Subsequent Events**

On April 17, 2023, 1,000,000 options expired unexercised.

On April 12, 2023, the Company reports the Buck Lake assay results having high-grade copper and critical metals.

### **Highlights**

- Assays results for all 15-drill hole include intersections of 4.59% copper over 3.2-meters in a 11.75-meter zone averaging 1.51% copper and containing notable zinc, gold, and silver values.
- Copper and/or zinc mineralization intersections in 13 of the 15 holes with zones averaging 3 to 4-meters.
- Final assay results include additional critical metal assets and high-grade silver, testing up to 98 g/t, accompanied the higher copper mineralization.

On February 28, 2023 the Company announced that David Boulette is no longer on the Board of Directors and has been replaced by Rodney Ireland.