

## **Management's Discussion and Analysis of Financial Condition and Results of Operations for the three months ended April 30, 2023**

### **Background**

This management discussion and analysis (“**MD&A**”) of the financial position of Gama Explorations Inc. (“**Gama**”, the “**Company**” and “**us**,” “**our**” or “**we**”) and results of its operations for the three months ended April 30, 2023 is prepared as at June 29, 2023. This MD&A should be read in conjunction with the condensed consolidated interim financial statements and related notes for the three months ended April 30, 2023 and the audited consolidated financial statements for the year ended January 31, 2023 and the related notes thereto. These financial statements have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”) as issued by the International Accounting Standards Board (“**IASB**”). All currency amounts are expressed in Canadian dollars, unless otherwise noted.

### **Forward-Looking Information**

This discussion contains “forward-looking statements” that involve risks and uncertainties. Such forward-looking statements concern the Company’s anticipated results and developments in the Company’s operations in future periods, planned exploration and development of its properties, plans related to its business and other matters that may occur in the future. These statements also relate to the ability of the Company to obtain all government approvals, permits and third party consents in connection with the Company’s exploration and development activities; the Company’s ongoing drilling program; the Company’s future exploration and capital costs, including the costs and potential impact of complying with existing and proposed environmental laws and regulations; general business and economic conditions; analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management. Statements concerning mineral resource estimates may also be deemed to constitute forward-looking statements to the extent that they involve estimates of the mineralization that will be encountered if the property is developed. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as “expects” or “does not expect”, “is expected”, “anticipates” or “does not anticipate”, “plans”, “estimates” or “intends”, or stating that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved) are not statements of historical fact and may be forward looking statements. Such information, although considered to be reasonable by the Company’s management at the time of preparation, may prove to be inaccurate and actual results may differ materially from those anticipated in the statements made. This MD&A may contain forward-looking statements that reflect the Company’s current expectations and projections about its future results. When used in this MD&A, words such as “estimate”, “intend”, “expect”, “anticipate” and similar expressions are intended to identify forward-looking statements, which, by their very nature, are not guarantees of the Company’s future operational or financial performance, and are subject to risks and uncertainties and other factors that could cause the Company’s actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this MD&A or as of the date otherwise specifically indicated herein. Due to risks and uncertainties, including the risks and uncertainties identified above and elsewhere in this MD&A, actual events may differ materially from current expectations. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Such statements reflect our management’s current views with respect to future events and are subject to risks and uncertainties and are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant business, economic, competitive, political and social uncertainties and known or unknown risks and contingencies. Many factors

could cause our actual results, performance, or achievements to be materially different from any future results, performance, or achievements that may be expressed or implied by such forward-looking statements.

## **Company Overview**

Gama Explorations Inc. (the “Company”) was incorporated under the name Crocan Capital Corp. under the Business Corporations Act (British Columbia) on August 13, 2018. On February 1, 2021, the Company changed its name to Gama Explorations Inc. The Company’s head office is located at Suite 2133 – 1177 West Hastings Street, Vancouver, V6E 2K3.

The Company is a mining exploration company engaged in the identification, acquisition, evaluation, and exploration of mineral properties. The Company acquired the option to earn a 100% right, title, and interest in and to four mineral properties located in Canada: Big Onion Property, Gatineau Ni-Cu Property, Saint-Pierre Anorthosite Complex, and Muskox Lithium Property. The Company’s objective is to explore, and if warranted, develop its mineral properties.

The Company is dependent on raising funds through the issuance of shares and/or attracting joint venture partners in order to undertake further exploration to potentially identify mineral resources and resources requiring development of its mineral properties. Management believes that financing is available for early-stage exploration and may be sourced in time to allow the Company to continue its current planned activities in the normal course.

On April 27, 2022, the Company completed a forward split of its shares on the basis of 4 new shares for each one share outstanding (the “Forward Split”), with the exception of 900,000 of the pre-Forward Split common shares issued to Blue Lagoon for the acquisition of the Big Onion Property. Prior to the Forward Split, the Company had 7,542,700 common shares issued and outstanding. Immediately following the Forward Split, the Company had 27,470,800 common shares issued and outstanding. Except where otherwise indicated, all historical share numbers and per share amounts have been adjusted on a retroactive basis to reflect the Forward Split.

On September 16, 2022, the Company entered into a definitive agreement with Tyee Nickel Corp. (“Tyee”) and the shareholders of Tyee to acquire all of the issued and outstanding shares of Tyee in exchange for 9,000,000 common shares of the Company. Tyee is a British Columbia incorporated company and the owner of the Tyee Nickel-Copper Project, which is located 130 km north of Havre St. Pierre, Quebec and approximately 12 km north of the Romaine IV Hydroelectric Dam. The claims comprise of a single claim block of 81.46 square kilometers prospective for nickel, copper, and platinum group elements. The transaction closed on September 19, 2022. In connection with the transaction, the Company also issued a finder’s fee of 400,000 common shares to an arm’s length party and incurred cash transaction costs of \$8,163.

The Company had cash and cash equivalents of \$5,266,834 as at April 30, 2023, but management cannot provide any assurance that the Company will ultimately achieve profitable operations, become cash flow positive or raise additional equity and/or debt capital. If the Company is unable to raise additional capital in the future, management expects that the Company will need to curtail operations, liquidate assets, seek additional capital on less favorable terms and/or pursue other remedial measures. Management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the Company’s ability to continue as a going concern. The condensed consolidated interim financial statements do not include any adjustments that might result from the outcome of this uncertainty. The Company is dependent on raising capital through share issuances.

## COVID-19

The recent outbreak of the coronavirus, also known as “COVID-19”, has spread across the globe and is impacting worldwide economic activity. Conditions surrounding the coronavirus continue to rapidly evolve and government authorities have implemented emergency measures to mitigate the spread of the virus. The outbreak and the related mitigation measures may have an adverse impact on global economic conditions as well as on the Company’s business activities. The extent to which the coronavirus may impact the Company’s business activities will depend on future developments, such as the ultimate geographic spread of the disease, the duration of the outbreak, travel restrictions, business disruptions, and the effectiveness of actions taken in Canada and other countries to contain and treat the disease. These events are highly uncertain and as such, the Company cannot determine their financial impact at this time.

## **Overall Performance**

The key factors pertaining to the Company’s overall performance for the three months ended April 30, 2023 are as follows:

The Company had working capital of \$5,784,150 as at April 30, 2023 as compared to \$2,056,858 as at January 31, 2023. Working capital increased primarily due the Company completing three private placements during the three months ended April 30, 2023 for net cash proceeds of \$5,850,279. This increase was partially offset by exploration expenditures and exploration and evaluation assets acquisition costs incurred during the three months ended April 30, 2023.

The Company had a comprehensive loss of \$1,739,495 for the three months ended April 30, 2023. Costs incurred primarily consisted of share-based compensation, investor relations, consulting fees and advertising and marketing expenses.

The Company has negative cash flow from operations and its level of operations has been determined by the availability of capital resources. Cash used in operating activities for the three months ended April 30, 2023 was \$1,731,804.

During the three months ended April 30, 2023, the Company used cash of \$609,909 in investing activities composed of exploration expenditures on the Company’s exploration and evaluation assets as well as acquisition costs to further expand mineral claims in the Saint-Pierre Anorthosite Complex and meet obligations relating to the Muskox Lithium Property.

During the three months ended April 30, 2023, the Company’s financing activities provided cash of \$5,859,414 primarily from the issuance of common shares and flow-through shares in three separate private placements during the period.

## **Acquisition of Tyee Nickel Corp.**

On September 19, 2022, the Company and Tyee Nickel Corp. entered into an acquisition agreement (the “Acquisition Agreement”), whereby the Company would acquire all of the outstanding common shares of Tyee Nickel Corp.

On September 19, 2022 (the “Closing Date”), pursuant to the Acquisition Agreement:

- The Company issued 9,000,000 common shares valued at \$0.385 per share for total value of \$3,465,000 in exchange for all of the issued and outstanding shares of Tyee immediately prior to the Closing Date. The shares issued as consideration were valued using the closing price per common share of the Company on the Closing Date.
- The Company issued 400,000 common shares as finder’s fees in connection with the introduction of the parties and subsequent execution of the Acquisition Agreement. The common shares were valued at \$154,000 or \$0.385 per common share which was the closing price per common share of the Company on the Closing Date.

The Acquisition was determined to be an asset acquisition per IFRS 3 as no substantive processes were transferred to the Company. In connection with the Acquisition, the Company incurred additional transaction costs of \$8,163 composed of legal fees.

<b>Consideration paid:</b>		
Value of equity instruments (9,000,000 shares at \$0.385 per share)	\$	3,465,000
Finder’s fee shares issued (400,000 shares at \$0.385 per share)		154,000
Transaction costs – legal fees		8,163
	\$	<b>3,627,163</b>
<b>Net identifiable assets acquired:</b>		
Cash and cash equivalents	\$	127,390
Exploration and evaluation asset		3,533,030
Accounts payable and accrued liabilities		(33,257)
	\$	<b>3,627,163</b>

### Golden Wonder Project

On February 2, 2021, the Company entered into a property purchase agreement with Blue Lagoon Resources Inc., a related company as a result of common directorship, to acquire a 100% interest in five mineral claims located in Northern British Columbia that comprise the Golden Wonder Project. Consideration for the purchase was as follows:

- \$50,000 cash payment (paid February 17, 2021)
- Issuance of 1,000,000 common shares (issued pre-split)

The agreement is subject to a net smelter royalty (“NSR”) of 0.5%.

On November 12, 2021, this agreement was terminated, and the consideration paid was assigned to the option agreement for the Big Onion Property.

### Big Onion Property

On December 6, 2021, the Company entered into a property option agreement with Lloyd Minerals Inc., a subsidiary of Blue Lagoon Resources Inc., to acquire 100% ownership and beneficial interest in thirteen mineral claims located near Smithers, British Columbia that comprise the Big Onion Property, subject to an aggregate 3% net smelter returns (“NSR”) royalty. The royalties may be reduced by 0.25% increments in exchange for payment of \$250,000 per increment.

In order to exercise the complete acquisition of the Big Onion Property, the Company is required to make

cash and share payments to the Lloyd Minerals Inc., and incur property expenditures on the Big Onion Property as follows:

On or prior to the execution of the agreement:

- Make cash payment of \$50,000 (assigned from the Golden Wonder Project)
- Issue 1,000,000 shares of the Company (assigned from the Golden Wonder Project) (issued pre-split and resulting in 1,300,000 post-split as per agreement with Blue Lagoon Resources Inc.)

On or prior to the date that is twelve months following April 11, 2022, the date in which the Company is listed on a Canadian stock exchange (the “Listing Date”):

- Make cash payment of \$50,000 (paid May 25, 2023)
- Incur \$250,000 of expenditures on the Big Onion Property (fulfilled subsequent to period end).

On or prior to the date that is twenty-four months following the Listing Date:

- Make cash payment of \$50,000.
- Issue 250,000 shares of the Company.
- Incur \$250,000 of expenditures on the Big Onion Property.

On or prior to the date that is thirty-six months following the Listing Date

- Make cash payment of \$100,000.
- Issue 250,000 shares of the Company.
- Incur \$250,000 of expenditures on the Big Onion Property.

On or prior to the date that is forty-eight months following the Listing Date

- Make cash payment of \$250,000.
- Issue 500,000 shares of the Company.
- Incur \$750,000 of expenditures on the Big Onion Property.

Derrick Strickland P. Geo. prepared an NI 43-101 technical report for the Company entitled “NI 43-101 Technical Report on the Big Onion Property Omineca Mining Division, British Columbia, Canada” and dated January 11, 2022 (the “Technical Report”). Mr. Strickland is a “Qualified Person” for the purposes of NI 43-101. The following information with respect to the Big Onion Property is derived from the Technical Report. The full text of the Technical Report is available online on the Company’s SEDAR profile at [www.sedar.com](http://www.sedar.com).

The Big Onion Property is an exploration stage property that consists of 13 contiguous non-surveyed mineral claims that cover an area of approximately 4,493.18 hectares near Smithers, British Columbia, in the Omineca mining division.

If exploration of the Big Onion Property becomes inadvisable for any reason, including obtaining future unfavorable exploration results, the Company may abandon in whole or in part its interest in the Big Onion Property or may, as work progresses, alter the recommended work program, or may make arrangements for the performance of all or any portion of such work by other persons or companies and may use any funds so diverted for the purpose of conducting work or examining other properties acquired by the Company, although the Company has no present plans in this respect. Shareholders must rely on the experience, good faith, and expertise of management of the Company with respect to future activities.

### **Gatineau Ni-Cu Property**

On September 19, 2022, the Company closed the Acquisition Agreement with Tyee Nickel Corp. and became the beneficial owner of Gatineau Ni-Cu Property. The Gatineau Ni-Cu Property is located 130 km

north of Havre St. Pierre, Quebec, and 12 km north of Romaine IV Hydroelectric Dam. The Company's landholdings at the Gatineau Ni-Cu Property total 505.29 km<sup>2</sup>. Limited historical exploration work has been conducted on the property, including geochemical soil sampling and regional geophysical surveys. The Company intends to conduct early-stage exploration work on the property, including geophysical surveys and mapping and sampling, data from which will be used to define targets for a maiden drill program.

### **Saint-Pierre Anorthosite Complex**

On December 16, 2022, the Company closed an acquisition agreement with 1380749 BC Ltd. and became the beneficial owner of Odin East Mineral Claims located in the Saint-Pierre Anorthosite Complex. The additional mineral claims that were acquired span a total of 32.15 km<sup>2</sup> contiguous to the current footprint of the Gatineau Ni-Cu Property in south-eastern Quebec. Consideration paid for the acquisition of the Saint-Pierre Anorthosite Complex included \$12,500 cash upon execution of the acquisition agreement and 50,000 common shares at a deemed price of \$0.39, amounting to \$19,500. No further obligations or conditions exist as part of the acquisition agreement.

On February 13, 2023, the Company entered into an agreement with 1380749 BC Ltd. to acquire an additional 78 Odin East Mineral Claims contiguous to the current project in the Saint-Pierre Anorthosite Complex, increasing the footprint of the project by 41.8 km<sup>2</sup>. Upon execution of the agreement, the Company paid cash consideration of \$50,000, plus applicable sales tax, and then issued 60,000 common shares of the Company at a price of \$0.92 per share for a total value of \$55,200 to 1380749 BC Ltd.

On March 15, 2023, the Company entered into an agreement with 1290480 BC Ltd. to acquire an additional 147 mineral claims contiguous to the current project in the Saint-Pierre Anorthosite Complex, increasing the footprint of the project by 78.8 km<sup>2</sup>. Upon execution of the agreement, the Company paid cash consideration of \$50,000.

### **Muskox Lithium Property**

On January 19, 2023, the Company closed an option agreement with RGV Lithium Explorations Inc. and became the legal and beneficial owner of 100% undivided interest in the Muskox Lithium Property located in Northwest Territories. The Muskox Lithium Property is located approximately 40 km east of Yellowknife and spans an area of 50 km<sup>2</sup>. The Muskox Lithium Property is subject to a 2.5% NSR, royalties may be reduced to 1.5% for cash consideration of \$2,000,000.

In order to complete the acquisition of the Muskox Lithium Property, the Company is required to make cash and share payments to RGV Lithium Explorations Inc., and incur property expenditures on the Muskox Lithium Property as follows:

On or prior to the execution of the agreement

- Make a cash payment of \$150,000 (paid January 13, 2023)

On or prior to the date that is six months following January 13, 2023, the signing date of the agreement (the "Signing Date")

- Make a cash payment of \$250,000 (paid February 8, 2023)

On or prior to the date that is twelve months from the Signing Date

- Issue 100,000 shares
- Incur \$250,000 of expenditures on the Muskox Lithium Property

On or prior to the date that is twenty-four months from the Signing Date

- Issue 200,000 shares
- Incur \$350,000 of expenditures on the Muskox Lithium Property

On or prior to the date that is thirty-six months from the Signing Date

- Issue 300,000 shares
- Incur \$400,000 of expenditures on the Muskox Lithium Property

On or prior to the date that is forty-eight months from the Signing Date

- Issue 400,000 shares
- Incur \$500,000 of expenditures on the Muskox Lithium Property

In addition, the Company issued 200,000 shares with a fair value of \$0.80 per share for a total value of \$160,000 as a finders' fee in connection with the closing of the purchase agreement for the Muskox Lithium Property.

On June 8, 2023, the Company filed a technical report titled "Technical Report on the Muskox Project, Northwest Territories, Canada" which is available online on the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com). Refer to the technical report for additional information regarding the Muskox Lithium Property and its historical testing results.

### **Critical Accounting Estimates**

These condensed consolidated interim financial statements have been prepared on a historical cost basis and are presented in Canadian dollars which is the functional currency of the Company. All amounts are rounded to the nearest dollar. The condensed consolidated interim financial statements of the Company have been prepared on an accrual basis, except for cash flow information.

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, and contingent liabilities at the date of the audited consolidated financial statements and reported amounts of income and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

The significant accounting policies and the critical accounting estimates are described in Note 3 and 4 of the audited consolidated financial statements for the years ended January 31, 2023 and 2022, in addition to the significant accounting policies described below.

### **Cash and cash equivalents**

Cash and cash equivalents consist of all cash balances and highly liquid investments that are readily convertible to known amounts of cash and have a maturity of twelve months or less.

### **Warrants issued in equity financing transactions**

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore and evaluate resource properties. These equity financing transactions may involve issuance of common shares or units. A unit comprises a certain number of common shares and a certain number of share purchase warrants. Depending on the terms and conditions of each financing agreement, the Warrants are exercisable into additional common shares prior to expiry at a price stipulated by the

Agreement. Warrants that are part of units are assigned a residual value if the unit is issued at a price exceeding the market price of underlying share at the time of issuance otherwise the warrants are assigned no value and included in share capital with the common shares that are concurrently issued. Warrants that are issued as payment for an agency fee or other transactions costs are accounted for as share-based payment transaction costs.

### ***Future accounting standards issued but not yet in effect***

There are no IFRS or International Financial Reporting Interpretations Committee interpretations that are not yet effective that would be expected to have a material impact on the Company's condensed consolidated interim financial statements.

### **Share Capital**

Authorized share capital of the Company consists of an unlimited number of common shares with no par value.

59,307,577 common shares were issued and outstanding as at April 30, 2023.

#### ***For the three months ended April 30, 2023***

On February 7, 2023, the Company closed the second tranche of a private placement financing issuing 12,010,214 units at a price of \$0.45 for gross proceeds of \$5,404,596 of which \$523,407 had been received prior to January 31, 2023. Each unit consists of one common share of the Company and one-half of one common share purchase warrant. Each warrant entitles the holder to purchase one common share of the Company at a price of \$0.80 for a period of 36 months. In connection with the private placement, the Company paid a cash finder's fee of \$226,959 and issued 491,442 finder's warrants with a fair value of \$255,381, estimated using the Black Scholes pricing model. Each finder's warrant is exercisable into one common share at an exercise price of \$0.80 per common share for a period of 36 months from the closing date. The Company incurred additional cash share issuance costs of \$27,193 relating to professional fees of which \$1,242 are recorded in accrued liabilities as of April 30, 2023.

On March 1, 2023, the Company issued 60,000 common shares of the Company at a price of \$0.92 per share for a total value of \$55,200 to 1380749 BC Ltd. The shares were part of the acquisition agreement to further expand the mineral claims located in Saint-Pierre Anorthosite Complex.

On April 11, 2023, the Company issued 30,450 common shares upon the exercise of warrants for proceeds of \$9,135. The fair value of \$11,643 was reclassified from reserves to share capital upon the exercise of the warrants.

On April 20, 2023, the Company closed a non-brokered private placement financing issuing 568,182 flow-through shares and 543,478 Quebec flow-through shares at a price of \$0.88 and \$0.92 per flow-through share, respectively. The total aggregate gross proceeds amounted to \$1,000,000 of which \$166,255 were recognized as flow-through premium liability. In connection with the non-brokered private placement, the Company paid \$60,000 in cash and issued 66,699 finder's warrants with a fair value of \$25,077, estimated using the Black Scholes pricing model. The finder's warrants are exercisable into one common share of the Company at a price of \$0.88 for a period of 24 months.

On April 28, 2023, the Company closed an additional non-brokered private placement financing issuing 326,087 Quebec flow-through shares at a price of \$0.92 per share for aggregate gross proceeds of \$300,000 of which \$138,587 were recognized as flow-through premium liability. In connection with the non-brokered



private placement, the Company paid \$18,000 in cash and issued 19,565 finder's warrants to an arm's length finder with a fair value of \$4,006, estimated using the Black Scholes pricing model. Each finder's warrant is exercisable into one common shares of the Company at a price of \$0.88 for a period of 24 months.

On April 28, 2023, the Company entered into a consulting agreement for capital markets advisory services with Echelon Wealth Partners Inc. Upon execution of the agreement, the Company issued 150,000 common shares to the consulting firm as consideration for a value of \$90,000.

*For the three months ended April 30, 2022*

On April 27, 2022, the Company completed a forward split of its shares on the basis of 4 new shares for each one share outstanding (the "Forward Split"), with the exception of 900,000 of the pre-Forward Split common shares issued to Blue Lagoon for the acquisition of the Big Onion Property. Prior to the Forward Split, the Company had 7,542,700 common shares issued and outstanding. Immediately following the Forward Split, the Company had 27,470,800 common shares issued and outstanding. Except where otherwise indicated, all historical share numbers and per share amounts have been adjusted on a retroactive basis to reflect the Forward Split.

### **Escrowed Securities and Securities Subject to Contractual Restrictions on Transfer**

Pursuant to the Escrow Agreement, the Common Shares subject to contractual restriction and escrow are as shown in the following table as at the date of this MD&A:

<b>Designation of class</b>	<b>Number of securities held in escrow or that are subject to a contractual restriction on transfer</b>	<b>Percentage of class</b>
Common Shares	3,050,880 <sup>(1)</sup>	5.15% <sup>(2)</sup>

#### **Notes:**

- (1) These Common Shares are held under the Escrow Agreement in accordance with NP 46-201. The Escrow Agent is Odyssey Trust Company.
- (2) Based on 59,307,577 Common Shares issued and outstanding as at the date of this MD&A.

### **Escrow Agreement**

NP 46-201 provides that all shares of an issuer owned or controlled by its Principals will be escrowed at the time of the issuer's initial public offering.

At the time of its initial public offering, an issuer will be classified for the purposes of escrow as either an "exempt issuer", an "established issuer" or an "emerging issuer" as those terms are defined in NP 46-201.

Uniform terms of automatic timed-release escrow apply to Principals of exchange listed issuers, differing only according to the classification of the issuer. As the Company anticipates that its Common Shares will be listed on the CSE, it will be classified as an "emerging issuer". As such, the following automatic timed releases will apply to the securities held by its Principals:

<b>Date of Automatic Timed Release</b>	<b>Amount of Escrowed Securities Released</b>
On the Listing Date	1/10 of the escrowed securities
6 months after the Listing Date	1/6 of the remaining escrowed securities
12 months after the Listing Date	1/5 of the remaining escrowed securities

18 months after the Listing Date	1/4 of the remaining escrowed securities
24 months after the Listing Date	1/3 of the remaining escrowed securities
30 months after the Listing Date	1/2 of the remaining escrowed securities
36 months after the Listing Date	The remaining escrowed securities

Assuming there are no changes to the escrowed securities initially deposited and no additional escrowed securities are deposited, automatic timed-release escrow applicable to the Company will result in a 10% release on the Listing Date, with the remaining escrowed securities being released in 15% tranches every six months thereafter.

The automatic timed-release provisions under NP 46-201 pertaining to “established issuers” provide that 25% of each Principal’s and shareholder’s escrowed securities are released on the Listing Date, with an additional 25% being released in equal tranches at six-month intervals over eighteen months. If, within eighteen months of the Listing Date, the Company meets the “established issuer” criteria as set out in NP 46-201, the escrowed securities will be eligible for accelerated release available for established issuers. In such a scenario, that number of escrowed securities that would have been eligible for release from escrow if the Company had been an “established issuer” on the Listing Date will be immediately released from escrow. The remaining escrowed securities would be released in accordance with the timed-release provisions for established issuers, with all escrowed securities being released eighteen months from the Listing Date.

Pursuant to the terms of the Escrow Agreement, 2,021,100 pre-Forward Split Common Shares were held in escrow on the Listing Date.

## Options

On March 10, 2021, the Company adopted a Stock Option Plan (the “Plan”). The Plan provides that, subject to the requirements of the CSE, the aggregate number of securities reserved for issuance, set aside, and made available for issuance under the Plan may not exceed 10% of the issued and outstanding shares of the Company at the time of granting of options (including all options granted by the Company to date). The number of common shares which may be reserved in any 12-month period for issuance to any one individual upon exercise of all stock options held by that individual may not exceed 5% of the issued and outstanding common shares of the Company at the time of the grant.

On September 19, 2022, the Company issued 3,100,000 incentive stock options to consultants, officers and directors of the Company. Each option is exercisable into one common share at \$0.30 per share for 5 years. The options vest over the first two years with 25% vesting every six months. During the three months ended April 30, 2023, the Company recognized stock-based compensation expense of \$220,100 for the vesting of these stock options. Fair value of the options was determined using the Black Scholes option pricing model.

On January 9, 2023, the Company issued 100,000 options to a consulting firm in exchange for services. The options are exercisable at a price of \$0.52 per option and vest quarterly over the following 12 months, with an expiration date of 3 years. During the three months ended April 30, 2023, the Company recognized stock-based compensation expense of \$14,350 for the vesting of these stock options. The fair value of the options was determined using the Black Scholes option pricing model.

## Summary of Quarterly Results

The following table provides selected quarterly financial data:

	30-Apr-23 (\$)	31-Jan-23 (\$)	31-Oct-22 (\$)	31-Jul-22 (\$)	30-Apr-22 (\$)	31-Jan-22 (\$)	31-Oct-21 (\$)	31-Jul-21 (\$)
Total assets	11,034,944	6,406,270	5,126,087	1,631,113	542,883	626,972	588,678	593,106
Non-current financial liabilities	-	-	-	-	-	-	-	-
Revenues	-	-	-	-	-	-	-	-
Net loss for the period	(1,739,495)	(683,407)	(272,582)	(122,151)	(139,015)	(29,160)	(7,588)	(1,960)
Loss per share – basic and diluted	(0.03)	(0.02)	(0.01)	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)
Weighted average shares outstanding	56,867,311	36,954,262	34,061,954	34,902,467	27,470,800	28,505,716	27,394,440	26,348,916

Historical quarterly results of operations and loss per share data do not necessarily reflect any recurring expenditure patterns or predictable trends. The Company's expenditures have to date been subject to the availability of financing to fund continued operations.

Total assets remained fairly consistent between the period ended July 31, 2021 to April 30, 2022 with any fluctuations attributable to increases in cash from share issuances and decreases due to cash spent to settle short term accounts payable and accrued liabilities.

Total assets increased as of July 31, 2022 compared to April 30, 2022 due to an increase in cash resulting from the issuance of 5,145,000 common shares for proceeds of \$1,264,638.

Total assets increased as of October 31, 2022 compared to July 31, 2022 due to the acquisition of Tye Nickel Corp. which includes the Gatineau Ni-Cu Property exploration and evaluation asset.

Total assets increased as of January 31, 2023 compared to October 31, 2022 due to the closing of a private placement resulting in the issuance of 3,353,366 common shares of the Company for total gross proceeds of \$1,006,010. Furthermore, the increase in total assets is attributable to the acquisition of the Saint-Pierre Anorthosite Complex and Muskox Lithium Property which included share consideration of 250,000 common shares of the Company with a fair value of \$179,500.

For the three months ended April 30, 2023, total assets increased by \$4,628,674 as compared to the previous period ended January 31, 2023. The increase was attributable to an increase in cash resulting from three private placements that took place during the three months ended April 30, 2023 and an increase in exploration and evaluation assets, as a result of the Company's further expansion of mineral claims in the Saint-Pierre Anorthosite Complex and obligatory payment to adhere to the Muskox Lithium Property purchase agreement with RGV Lithium Explorations Inc.

Quarterly net loss slightly increased during the quarter ended October 31, 2021, compared to July 31, 2021, due to an increase in operations.

Quarterly net loss increased for the quarter ended January 31, 2022, compared to October 31, 2021, due to an increase in professional costs associated with the disposition of the Golden Wonder Project, acquisition

of Big Onion Property, and accounting and audit fees associated with the filing of the year-end financial statements in anticipation for the Company's go-public transaction.

The quarter ended April 30, 2022 is the first period the Company is reporting since going public and accordingly the increase in net loss is a result of additional listing and professional fees associated with the increased regulatory requirements.

Net loss remained relatively consistent during the quarter ended July 31, 2022 compared to the quarter ended April 30, 2022.

Net loss during the quarter ended October 31, 2022 significantly increased compared to the quarter ended July 31, 2022, primarily as a result of share-based compensation options that vested during the period.

Net loss for the quarter ended January 31, 2023 significantly increased compared to the quarter ended October 31, 2022 due to an increase in stock-based compensation for options vested during the period. Furthermore, the increase in net loss during the quarter ended January 31, 2023 is due to an increase in consulting and professional fees attributable to an increase fees associated with accounting, audit and year-end filing requirements as well as filing requirements for the acquisition of the Saint-Pierre Anorthosite Complex and Muskox Lithium Property.

Net loss during the quarter ended April 30, 2023 increased by \$1,056,088 compared to the quarter ended January 31, 2023, as a result of increased consulting fees, advertising and marketing expenses, and investor relations. The Company shifted the focus for the quarter ended April 30, 2023 by engaging numerous third-party service providers to improve the Company's visibility and prominence in the capital markets of North America and Europe.

## **Results of Operations**

### **Three months ended April 30, 2023**

The loss and comprehensive loss for the three months ended April 30, 2023 was \$1,739,495 compared to \$139,015 for the three months ended April 30, 2022. The increase in loss and comprehensive loss is explained below.

The Company incurred \$59,696 in investor relations fees during the three months ended April 30, 2023 compared to \$nil during the three months ended April 30, 2022. The increase in investor relations is due to the Company entering into market making service agreements which were not present during the three months ended April 30, 2022.

The Company incurred \$1,140,706 in consulting fees during the three months ended April 30, 2023 compared to \$60,000 during the three months ended April 30, 2022. The increase in consulting fees is a direct result of entering into new contracts with third-party consultants to provide expertise relating to the Company's operating strategies and goals.

The Company incurred \$217,332 in advertising and marketing expenses during the three months ended April 30, 2023 as compared to \$1,451 during the period ended April 30, 2022. These expenses were mainly related to road show costs as well as advertising in order to increase awareness of the Company's operations.

The Company incurred \$234,450 in share-based compensation costs during the three months ended April 30, 2023 in connection with the vested portion of stock options granted during the period to directors, officers and consultants of the company. Share-based compensation costs during the three months ended

April 30, 2022 were \$nil as no options were granted in the period.

### **Liquidity and Capital Resources**

The Company manages its capital structure and makes adjustments to it to effectively support the acquisition of mineral exploration properties.

The Company is dependent on external financing to fund its activities. In order to carry out the planned development and acquisitions and pay for general administrative costs, the Company will be using its existing working capital and will raise additional amounts as needed. The Company will continue to acquire and explore mineral exploration properties if it feels there is sufficient economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the three months ended April 30, 2023. The Company is not subject to externally imposed capital requirements and does not have exposure to asset-backed commercial paper or similar products.

### ***Cash Flows***

Historically and prospectively, our primary sources of liquidity and capital resources have been and will continue to be proceeds from the issuance of common shares. Based on our current level of operations and our expected operations over the next 12 months, we believe that cash generated from cash and cash equivalents and anticipated future capital raises will be adequate to meet our anticipated liquidity requirements, capital expenditures and working capital needs for the next 12 months. The Company's future operating performance will be subject to future economic conditions and to financial, business, and other factors, many of which are beyond our control. See "Financial Instruments and Risk Management" of this MD&A for a discussion of the risks related to our liquidity and capital structure.

As at April 30, 2023, the Company had cash and cash equivalents of \$5,266,834 that primarily consisted of cash raised from the issuance of shares and guaranteed investment certificates invested into during the period.

Net cash used in operating activities for the three months ended April 30, 2023 was \$1,731,804. The Company generated a net loss and negative cash flows from operating activities due to being an early-stage company without active operations during the period.

During the period, the Company used cash of \$609,909 in investing activities related to exploration expenditures incurred on the Big Onion Property, Gatineau Ni-Cu Property, and Muskox Lithium Property as well as acquisition costs on the expansion of mineral claims in the Saint-Pierre Anorthosite Complex. The Company also paid \$250,000 to adhere to the terms within the purchase agreement for the Muskox Lithium Property with RGV Lithium Explorations Inc.

During the period, the Company's financing activities provided cash of \$5,859,414 as a result of completing three private placements consisting of units and flow-through shares.

### ***Other Factors Affecting Liquidity***

The Company may also raise additional equity or enter into arrangements to secure necessary financing to fund the exploration of mineral projects, to meet obligations, or for the general corporate purposes of the Company. Such arrangements may take the form of loans, strategic agreements, joint ventures or other agreements. The sale of additional equity could result in additional dilution to the Company's existing stockholders, and financing arrangements may not be available to us, or may not be available in sufficient amounts or on acceptable terms.

From time to time, we may pursue various strategic business opportunities. These opportunities may include proposed development and/or management of, investment in or ownership of additional businesses through direct investments, acquisitions, joint venture arrangements and other transactions. We can provide no assurance that we will successfully identify such opportunities or that, if we identify and pursue any of these opportunities, any of them will be consummated.

### ***Financial Instruments and Risk Management***

#### **Categories of financial instruments**

	<b>Level in fair value hierarchy</b>	<b>April 30, 2023</b> \$	<b>January 31, 2023</b> \$
<b>FVTPL:</b>			
Cash and cash equivalents	Level 1	5,266,834	1,749,133
Interest receivable	Level 1	3,223	-
		5,270,057	1,749,133

  

	<b>Level in fair value hierarchy</b>	<b>April 30, 2023</b> \$	<b>January 31, 2023</b> \$
<b>Amortized cost:</b>			
Accounts payable		49,548	18,903
Accrued liabilities		148,725	49,023
		198,273	67,926

The Company's financial assets consist of cash and cash equivalents, interest receivable, GST receivable, and prepaid expenses and its financial liabilities consist of accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying value, unless otherwise noted.

#### **Financial instrument classification**

IFRS 13 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

- Level 1 – valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. directly from prices); and

- Level 3 – valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Cash and cash equivalents and interest receivable is measured at fair value using Level 1. Fair value of accounts payable and accrued liabilities approximates their carrying amounts due to their short-term maturity.

The Company is exposed to varying degrees to a variety of financial instrument related risks:

### **Credit risk**

The Company's credit risk is primarily attributable to cash and cash equivalents and receivables. The Company has no significant concentration of credit risk arising from operations. Management believes that the credit risk concentration with respect to financial instruments included in receivables is remote.

### **Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity risk is to ensure that it has sufficient working capital to meet liabilities when due. As at April 30, 2023, the Company has cash and cash equivalents of \$5,266,834 to settle current liabilities of \$198,273. All of the Company's financial liabilities have contractual maturities of 30 days and are subject to normal trade terms.

### **Related Party Transactions**

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

During the year three months ended April 30, 2023, the Company incurred \$145,550 in share-based compensation options, reserved for issuance to related party directors and officers of the Company within 5 years of September 19, 2022, the grant date.

	<b>Three months ended April 30,</b>	
	<b>2023</b>	<b>2022</b>
<u>Share-based compensation</u>		
Allan Larmour - Director	<b>7,100</b>	-
Jacob Verbaas – VP of Explorations	<b>53,250</b>	
Jatinder Sandhar - CFO, Director	<b>3,550</b>	-
Jason Riley - Director	<b>5,325</b>	-
Mick Carew – CEO, Director	<b>71,000</b>	
Norman Brewster - Director	<b>5,325</b>	-
	<b>\$ 145,550</b>	<b>\$ -</b>

During the three months ended April 30, 2023, consulting fees included \$30,000 (April 30, 2022 – \$nil) incurred to Carew Management Consultancy Limited, an entity controlled by Mick Carew, Chief Executive Officer of the Company.

As at April 30, 2023, accounts payable include \$31,762 (January 31, 2023 - \$nil) owing to Carew Management Consultancy Limited, an entity controlled by Mick Carew, Chief Executive Officer of the Company. The amount payable is unsecured, non-interest bearing and has no fixed terms of repayment.

As at April 30, 2023, accrued liabilities include \$10,000 (January 31, 2023 - \$nil) owing to Carew Management Consultancy Limited, an entity controlled by Mick Carew, Chief Executive Officer of the Company.

As at April 30, 2023, accrued liabilities include \$50,000 (January 31, 2023 - \$nil) owing to Blue Lagoon Resources Inc., an entity related as a result of common directorship, for a cash payment in relation to the property purchase agreement of the Big Onion Project.

### **Additional Disclosure for Venture Issuers Without Significant Revenue**

During the three months ended April 30, 2023, the Company incurred \$1,742,718 of operating expenses.

The Company does not anticipate paying dividends at this time.

During the three months ended April 31, 2023 and 2022, the Company incurred the following expenses:

	<b>April 30, 2023</b>	<b>April 30, 2022</b>
Capitalized acquisition costs	\$ 455,200	\$ 150,000
Capitalized exploration costs	315,835	20,595
Operating expenses	1,742,718	139,015
	<u>\$ 2,513,753</u>	<u>\$ 309,610</u>

Please refer to Note 5 of the condensed consolidated interim financial statements for the three months ended April 30, 2023 for a detailed description of the capitalized costs presented on a property-by-property basis.

### **Off-Balance Sheet Arrangements**

There are no off-balance sheet arrangements as at the date of this MD&A and as at April 30, 2023.

### **Proposed Transactions**

The Company does not have any proposed transactions.

### **Disclosure of Outstanding Share Data**

As of the date of this MD&A, the following securities are outstanding:

- 59,307,577 common shares;
- 56,000 warrants exercisable at \$0.30 until June 10, 2024;
- 129,362 warrants exercisable at \$0.30 until November 14, 2024;
- 6,005,107 warrants exercisable at \$0.80 until February 7, 2026;
- 491,442 warrants exercisable at \$0.80 until February 7, 2026;
- 66,699 warrants exercisable at \$0.88 until April 20, 2025;
- 19,565 warrants exercisable at \$0.88 until April 28, 2025;
- 3,100,000 options exercisable at \$0.30 until September 19, 2027; and
- 100,000 options exercisable at \$0.52 until January 9, 2026