

PRUDENT MINERALS CORP.

(formerly Cesar Minerals Corp.)

MANAGEMENT DISCUSSION & ANALYSIS

Form 51-102F1

Three months ended May 31, 2022

The following management discussion and analysis (“MD&A”) of the financial position and results of operations for Prudent Minerals Corp. (formerly Cesar Minerals Corp.) (the “Company” or “Prudent”) should be read in conjunction with the audited financial statements and the notes thereto for the year ended February 28, 2022. Except as otherwise disclosed, all dollar figures included therein and in the following management discussion and analysis are quoted in Canadian dollars.

1.1 Date of This Report

August 2, 2022

1.2 Overall Performance

Description of Business

Prudent Minerals Corp. is engaged in the acquisition, exploration and development of resource properties.

The Company was incorporated in British Columbia, Canada on December 29, 2017. The registered office is located at Suite 1120 – 625 Howe Street, Vancouver, BC, V6C 2T6. The head office is located at Suite 830 - 1100 Melville Street, Vancouver, BC, V6E 4A6. The Company’s shares trade on the Canadian Securities Exchange (the “CSE”) under the symbol “PRUD”.

Mineral Properties

SAT Project

The 5,617 hectare Sat Property is an exploration stage porphyry copper-gold prospect that is accessible by vehicle. The property is located in west-central British Columbia, approximately 10 kilometres west of the town of Granisle, BC. The property is located on NTS map sheet 93L/16, falls within the jurisdiction of the Skeena Mining Division, and is centered at about 665,000 mE / 6,085,500 mN, UTM NAD83, zone 9.

The Sat Property is located within the Intermontane Tectonic Belt, a partly collisional tectonic belt comprised of a series of accreted terranes. The largest of these terranes is Stikinia, which underlies the Sat Property and a large portion of central British Columbia. In the area of the Sat Property, Stikinia consists of the Lower to Middle Jurassic Hazelton and upper Triassic Takla Group, comprised of subaerial to submarine calc-alkaline island-arc volcanic and sedimentary rocks, and Eocene intermediate to mafic volcanic rocks belonging to the Newman Formation. These units are locally intruded by Early Jurassic, late Cretaceous and Eocene granodioritic to dioritic stocks, plugs and dikes, including porphyritic intrusions.

Exploration for mineral resources at the Sat property began in the early 1970's, with intermittent exploration programs taking place up to present. The most recent significant drilling program, which most of the interpretations and conclusions are drawn from, is the 2014 diamond drilling program completed by Redhill Resources Corp. Several significant copper intercepts were achieved at the Sat Main zone in 2014, including 105.0 metres grading 0.104% copper. In November and December of 2020, an Induced Polarization survey covering the northern portion of the Sat Property was commissioned by Cesar Minerals Corp. The survey comprised 16.3 line kilometers on 5 northeast traverses measuring the 1st to 8th separation utilizing an a-spacing of 100 metres. The intent of the survey was to outline additional areas of high chargeability, which would likely be indicative of disseminated sulphides possibly associated

with a copper ± gold ± molybdenum porphyry deposit. Apart from reconfirming the high chargeability response at the historically drilled Sat Main zone, the 2020 IP survey outlined a particularly strong IP chargeability response on the most northerly survey line. The anomaly, which remains open to the north, is designated the “CHE anomaly” and is coincident with an area of magnetic disruption that could be related to the alteration halo of a porphyry system. Given the characteristics of the mineralization observed, as well as the local and regional geological settings, the Sat Property has the potential to host a porphyry copper ± molybdenum ± gold deposit.

Recommended work includes a two-hole diamond drilling program designed to test for copper mineralization at the Sat Main zone at greater depths than those reached by historical operators. Concurrent with the drilling program, additional Induced Polarization surveying designed to expand the CHE anomaly to the north is recommended, along with a soil sampling survey covering the CHE anomaly and northwards toward the property boundary.

Filing of Prospectus and listing on the CSE

The Company has filed its final non offering prospectus with the BCSC and began to trade on the CSE on April 19, 2022 under the trading symbol “PRUD”.

Private Placements and Share Capital Issued

On November 16, 2020, the Company closed a non-brokered private placement financing whereby it issued 3,000,000 common shares at \$0.005 per share for gross proceeds of \$15,000.

On December 14, 2020, the Company issued 2,250,000 common shares valued at a price of \$0.05 per share in connection with the SAT property option agreement.

On January 13, 2021, the Company closed a non-brokered private placement financing whereby it issued an aggregate of 5,250,000 common shares at a price of \$0.05 per share for total gross proceeds of \$262,500.

On February 5, 2021, the Company closed a non-brokered private placement financing whereby it issued an aggregate of 9,900,000 common shares at a price of \$0.10 per share for total gross proceeds of \$990,000.

On March 23, 2021, the Company completed a private placement of 800,000 common shares at \$0.10 per share for gross proceeds of \$80,000 of which \$30,000 was received during the year ended February 28, 2021.

On November 22, 2021, the Company completed a private placement of 3,317,000 common shares at \$0.10 per share for gross proceeds of \$331,700.

Special Warrants

On April 2, 2021, the Company issued an aggregate of 260,000 Special Warrants at a price of \$0.10 per Special Warrant for gross proceeds of \$26,000. The Company incurred \$2,308 issuance costs, and issued 150,000 Compensation Special Warrants.

Each Special Warrant entitles the holder to acquire, without further payment, one Qualified Share and will automatically convert on a one to one basis (i) at any time, at the discretion of the Company; or (ii) upon the issuance by a Canadian securities regulatory authority of a receipt for a final prospectus qualifying the issuance of the common shares upon conversion of the Special Warrants (the “Qualification Date”); or (iii) on that date that is 18 months plus a day from the date of issuance of the Special Warrants.

Each Compensation Special Warrant entitles the holder to acquire, without further payment, one Qualified Compensation Share and will automatically convert on a one to one basis (i) at any time, at the discretion

of the Company; or (ii) the Qualification Date; or (iii) on that date that is 18 months plus a day from the date of issuance of the Special Compensation Warrants.

On February 23, 2022, the Company elected to convert all Special Warrants and Compensation Special Warrants into Common Shares.

1.3 Selected Annual Information

For the fiscal years ended:	2022 \$	2021 \$	2020 \$
Revenues	-	-	-
Net and comprehensive loss for the year/period	(258,780)	(19,431)	(952)
Basic and diluted net loss per common share	(0.01)	(0.01)	(0.00)
Total assets	1,584,930	1,411,135	-
Total long-term liabilities	-	-	-

1.4 Results of Operations

Discussion of Acquisitions, Operations and Financial Condition

The Company is in the development stage and does not generate any revenues. To date, the Company has not earned any revenues.

General and Administrative Expenses

Three months ended May 31, 2022

During the three months ended May 31, 2022 (the “current period”), the Company reported a loss of \$47,575 compared to a loss of \$135,202 for the three months ended May 31, 2021 (the “comparative period”). Significant variances between the current period and the comparative period are shown in the table below:

Expense	Increase/Decrease in expense	Explanation for change
Regulatory and filing fees	Increase of \$10,087	Increased due to costs associated with obtaining a listing on the CSE
Legal fees	Decrease of \$18,227	Decrease due to costs associated with obtaining a listing on the CSE from previous year
Consulting fees	Decrease of \$82,768	Decreased as initial consultants from 2021 not required in 2022

There are no trends, commitments, events or uncertainties presently known to management that are reasonably expected to have a material effect on the Company’s business, financial condition or results of operation other than uncertainty as to the speculative nature of the business, the uncertainty of commodity prices, and the uncertainty of fundraising activities.

1.5 Summary of Quarterly Results

The following is a summary of the Company's financial results, under IFRS, for the eight most recently completed quarters:

Three months ended	Total Revenues	Net Loss	Loss Per Share (basic and diluted)
May 31, 2022	\$Nil	47,575	\$0.00
February 28, 2022	\$Nil	\$92,402	\$0.00
November 30, 2021	\$Nil	\$16,168	\$0.00
August 31, 2021	\$Nil	\$15,008	\$0.00
May 31, 2021	\$Nil	\$135,202	\$0.01
February 28, 2021	\$Nil	\$19,129	\$0.00
November 30, 2020	\$Nil	-	\$0.00
August 31, 2020	\$Nil	\$302	\$0.01

The company commenced fundraising in Q3 of fiscal year ended February 28, 2021. In Q4 2021, the Company continued financing, optioned the SAT mineral project and performed an I.P. Survey on the SAT project. In Q1 of the fiscal year ended February 28, 2022, the Company commenced the process of obtaining a public listing. In Q2, Q3, and Q4 2022, the Company raised additional funds and continued to complete its listing on the CSE. During the three months ended May 31, 2022, the Company obtained its listing on the CSE.

1.6 Liquidity

As the Company has no revenue generating projects at this time, the ability of the Company to carry out its business plan rests with its ability to secure equity and other financings. At May 31, 2022, the Company's working capital was \$1,173,089 compared to working capital of \$1,192,854 on February 28, 2022.

The Company will require additional financing to fund any new acquisitions and exploration programs. The Company's continuation as a going concern is dependent upon its ability to raise equity capital or borrowings sufficient to meet current and future obligations. The ability of the Company to acquire additional projects is conditional on its ability to secure financing when required. There is material uncertainty that may cast significant doubt upon the ability of the Company to continue as a going concern. Management intends to finance operating costs over the next twelve months with cash on hand, loans from directors and or private placement of common shares.

1.7 Capital Resources

At May 31, 2022 the capital of the Company consisted of cash in the bank, GST receivable, and prepaid expenses totaling \$1,173,089 (February 28, 2022: \$1,241,555). The Company will have to generate additional cash from equity and/or debt to meet its commitments.

1.8 Off Balance Sheet Arrangements

At May 31, 2022, there were no off-balance sheet arrangements to which the Company is committed.

1.9 Transactions with Related Parties

There was no remuneration paid to key management personnel during the three months ended May 31, 2022 or the three months ended May 31, 2021.

On November 30, 2020, the Company optioned the SAT project in British Columbia with Piotr Lutynski,

Divitiae and Mardu. See Note 4 of the accompanying financial statements for cash payment made to and shares issued to Divitiae and Mardu.

1.10 First Quarter

The Company completed its listing on the CSE.

1.11 Proposed Transactions

There are no proposed transactions that will materially affect the performance of the Company.

1.12 Critical Accounting Estimates

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reference should be made to Note 2 Significant Accounting Policies and Note 3 Significant Accounting Estimates and Judgments in the notes to the Company's audited financial statements for the years ended February 28, 2022 and 2021 for more information concerning the accounting principles used in the preparation of the Company's audited financial statements.

1.13 Changes in Accounting Policies

No new accounting policies were adopted during the three months ended May 31, 2022 or during the year ended February 28, 2022 other than those disclosed in the accompanying financial statements.

1.14 Financial Instruments and Risks

As at May 31, 2022, the Company's financial instruments consisted of cash, accounts payable and accrued liabilities.

Fair Value

The Company classifies its fair value measurements in accordance with an established hierarchy that prioritizes the inputs in valuation techniques used to measure fair value as follows:

- 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 assets or liabilities either directly or indirectly, and
- Level 3 Inputs that are not based on observable market data

Cash is carried at fair value using a Level 1 fair value measurement. The carrying value of accounts payable and accrued liabilities approximate its fair value because of the short-term nature of the instruments.

Financial Risks

The Company has analyzed the following risks:

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. At May 31, 2022, the Company had cash of \$1,159,184 (February 28, 2022:

\$1,208,794) to settle accounts payable and accrued liabilities of \$13,905 (February 28, 2022: \$48,701). Readers' attention is drawn to Note 1 of the financial statements regarding going concern issue of the Company and section 1.6 of this MD&A.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, investment fluctuations, and commodity and equity prices. The Company's ability to raise capital to fund mineral resource exploration is subject to risks associated with fluctuations in mineral resource prices. Management closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Interest rate risk

The Company is not exposed to significant interest rate risk.

Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold and other precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk the Company places these instruments with a high credit quality financial institution.

COVID-19 Pandemic

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, customers, economies, and financial markets globally, potentially leading to an economic downturn. It has also disrupted the normal operations of many businesses, including ours. This outbreak could decrease spending, adversely affect demand for natural resources and harm our business and results of operations. It is not possible for us to predict the duration or magnitude of the adverse results of the outbreak and its effects on our business or results of operations at this time.

Ukraine Conflict

In late February 2022, a conflict commenced in Ukraine. In response, various countries, including Canada, issued broad-ranging economic sanctions against Russia. The ramifications of the sanctions may not be limited to Russia and Ukraine and may spill over to and negatively impact other regional and global economic markets, sectors, industries and markets for securities and commodities globally. The current circumstances are dynamic and the duration of the conflict and related impact of imposed sanctions on the business cannot be reasonably estimated at this time. While the Company expects direct impacts of the conflict in Ukraine to the business to be limited, the direct impacts on the economy may negatively affect the business and future operations of the Company.

1.15 Other MD&A Requirements

Share Capital:

	May 31, 2022	Date of this report
	<i>Number Issued and outstanding</i>	<i>Number Issued and outstanding</i>
Common Shares	24,927,000	24,927,000
Warrants	-	-
Stock Options	-	-
Restricted Share Units	-	2,400,000
Fully Diluted	24,927,000	27,327,000

Controls and Procedures

In contrast to the certificate required under National Instrument 52-109 Certificate of Disclosure in Issuers' Annual and Interim Filings (NI 52-109), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109, in particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Forward-Looking Statements

All statements made in this MD&A, other than statements of historical fact, are forward-looking statements. The Company's actual results may differ significantly from those anticipated in the forward-looking statements and readers are cautioned not to place undue reliance on these forward-looking statements. Except as required by securities regulations, the Company undertakes no obligation to publicly release the results of any revisions to forward-looking statements that may be made to reflect events or circumstances after the date of this MD&A or to reflect the occurrence of unanticipated events. Forward-looking statements include, but are not limited to, statements with respect to the future metal prices, success of exploration activities, permitting timelines, currency fluctuations, requirements for additional capital, environmental risks, unanticipated reclamation expenses, title disputes or claims, limitations on insurance coverage and the timing and possible outcome of pending litigation.

In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking statements involve known and unknown risks, uncertainties and other factors

which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks related to the integration of acquisitions; future price of metals; accidents, labor disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

Subsequent Events

- On June 27, 2022, the Company approved the adoption of a 10% rolling Restricted Share Unit Plan whereby the Company may issue up to 10% of its issued capital as Restricted Share Units to eligible directors and officers. Upon adoption of the plan, the Company has granted an aggregate of 2,400,000 restricted share units to the officers and directors of the Company.