

FORTY PILLARS MINING CORP.**Management's Discussion and Analysis****For the three months ended May 31, 2022**

This management's discussion and analysis ("MD&A") of the financial position and results of operations of Forty Pillars Mining Corp. (the "Company") is prepared as at July 26, 2022 and should be read in conjunction with the unaudited condensed interim financial statements for the three months ended May 31, 2022 and the audited financial statements for the year ended February 28, 2022, and the notes to those financial statements. The following disclosure and associated financial statements are presented in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee ("IFRIC"). Except as otherwise disclosed, all amounts are expressed in Canadian dollars. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com.

FORWARD LOOKING STATEMENTS

The Company's condensed interim financial statements for the three months ended May 31, 2022, and this accompanying MD&A contain statements that constitute "forward-looking statements" within the meaning of National Instrument 51-102. Continuous Disclosure Obligations of the Canadian Securities Administrators.

It is important to note that, unless otherwise indicated, forward-looking statements in this MD&A describe the Company's expectations as of July 26, 2022.

Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the Company's actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information. The information set forth in this MD&A contains statements concerning future results, future performance, intentions, objectives, plans and expectations that are, or may be deemed to be, "forward-looking statements." These statements concerning possible or assumed future results of operations of the Company are preceded by, followed by or include the words "believes", "expects", "anticipates", "estimates", "intends", "plans", "forecasts", or similar expressions. Forward-looking statements are not guarantees of future performance. These forward-looking statements are based on current expectations that involve certain risks, uncertainties and assumptions. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate. These factors should be considered carefully, and readers should not place undue reliance on forward-looking statements. The Company has no intention and undertakes no obligation to update or revise any forward-looking statements, whether written or oral that may be made by or on the Company's behalf, except as may be required by applicable law.

All of the Company's public disclosure filings may be accessed via www.sedar.com and readers are urged to review these materials.

DESCRIPTION OF THE BUSINESS

Forty Pillars Mining Corp. was incorporated under the Business Corporations Act (British Columbia) ("BCBCA") on February 4, 2021. The address of its head office is located at Suite 488-625 Howe Street, Vancouver, British Columbia, Canada V6C 2T6. The Company's registered and records office is 400 – 725 Granville Street, Vancouver, British Columbia, Canada, V7Y 1G5.

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The Company was created to facilitate an Arrangement Agreement dated April 1, 2021 ("Arrangement Agreement") with Origen Resources Inc. ("Origen"). In accordance with the Arrangement Agreement, the Company was incorporated as a wholly-owned subsidiary of Origen. Origen transferred its mineral exploration business and other assets to the Company in exchange for 3,242,589 common shares. The common shares were then distributed to Origen and the shareholders of Origen. The exchange in shares for the exploration business and other assets has been recorded as a capital transaction at the fair value of the net assets received.

The Company's continuing operations, as intended, are dependent upon its ability to identify, evaluate and negotiate an acquisition of or participation in an interest in properties, assets or businesses.

On May 31, 2021, the Company was listed on the Canadian Securities Exchange ("CSE") under the symbol PLLR.

On February 22, 2022, the Company completed a share consolidation on a 2 for 1 basis.

The fair value of the net assets transferred to the Company, pursuant to the Arrangement Agreement consisted of the following assets and liabilities:

Net Assets:	\$
Cash	66,894
Exploration and evaluation assets	451,920
Total net assets acquired	518,814

OVERALL PERFORMANCE

Highlights:

- On March 11, 2022, Mike Sieb resigned as Director of the Company, and Emma Fairhurst was appointed as Director of the Company, replacing Mike Sieb.
- On March 21, 2022, Gary Schellenberg resigned as Director of the Company, and Chris Reynolds was appointed as Director of the Company, replacing Gary Schellenberg.
- On May 29, 2022, the Company issued 200,000 common shares pursuant to the Wishbone Property Agreement. The shares were fair valued at \$15,000.

The ability of the Company to continue as a going concern is dependent on its ability to obtain additional equity financing and achieve future profitable operations. As at May 31, 2022, the Company had working capital of \$109,587, had not yet achieved profitable operations and has an accumulated deficit of \$918,592 since its inception. The Company expects to incur further losses in the development of its business. All of these circumstances comprise a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future. If the going concern assumption were not appropriate for the financial statements, it could be necessary to restate the Company's assets and liabilities on a liquidation basis.

In March 2020, the World Health Organization ("WHO") declared coronavirus COVID-19 a global pandemic. In order to combat the spread of COVID-19 governments worldwide, including Canada, have

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enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures. These measures will have a significant, negative effect on the economy of all nations for an undeterminable period of time, the extent of which is also uncertain. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. If for any reason the Company is unable to continue as a going concern, it could impact the Company's ability to realize assets at their recognized values and to meet its liabilities in the ordinary course of business at the amounts stated in the financial statements.

Exploration and Evaluation Assets

As at May 31, 2022, the Company has capitalized the following acquisition, exploration and evaluation costs on its mineral properties:

	Silver Dollar \$	Beatrice \$	Wishbone \$	Total \$
Acquisition Costs				
Opening, February 28, 2021	-	-	-	-
Arrangement Agreement	434,040	17,880	-	451,920
Additions	-	-	3,140,089	3,140,089
Balance, February 28, 2022	434,040	17,880	3,140,089	3,592,009
Additions				
Cash acquisition costs	-	-	50,000	50,000
Share acquisition costs	-	-	15,000	15,000
Balance, May 31, 2022	434,040	17,880	3,205,089	3,657,009
Exploration and Evaluation Costs				
Opening, February 28, 2021	-	-	-	-
Field work	30,092	-	-	30,092
Geological	37,790	-	3,875	41,665
Reporting and other	17,024	-	-	17,024
Balance, February 28, 2022, and May 31, 2022	84,906	-	3,875	88,781
Balance, February 28, 2022	518,946	17,880	3,143,964	3,680,790
Balance, May 31, 2022	518,946	17,880	3,208,964	3,745,790

Below is a description of the material mineral projects and the underlying agreements:

Silver Dollar Property, British Columbia

On May 21, 2021, the Company acquired the Silver Dollar Property as part of the Arrangement Agreement.

The Company owns a 100% interest in the Silver Dollar Property, located in the Revelstoke Mining District of British Columbia, subject to an existing 1.0% net smelter return ("NSR") royalty held by Happy Creek Minerals Ltd., beginning upon commencement of commercial production on the property.

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As part of the Arrangement Agreement, the Company received \$66,894 to be applied to the required assessment requirements to keep the property in good standing. As at May 31, 2022, the Company had incurred the necessary exploration expenditures.

Beatrice Mineral Property, British Columbia

The Company acquired 100% of the Beatrice Mineral Property as part of the Arrangement Agreement. The Beatrice Property is located to the south of the Silver Dollar Property.

Wishbone Property

On October 4, 2021, the Company entered into a Sale and Assignment Agreement (the "Agreement") with Origen to acquire an option to acquire 100% interest to 10 mineral claims located in the Liard Mining Division in British Columbia (the "Wishbone Property"). The Company will also grant a 1% NSR to Origen. Half of the NSR (0.5%) can be purchased prior to commercial production for \$1,000,000. The Company can acquire the property by:

- Paying total cash consideration of \$3,000,000, of which \$1,000,000 was paid during the period and \$2,000,000 was paid in the form of a promissory note with a 3-year term, bearing interest at 5% per annum, with interest payable monthly;
- Reimbursing Origen \$140,089 for airborne survey costs incurred (paid); and
- Making the remaining share issuances and cash payments under the original property agreement, being:
 - 200,000 common shares (issued and valued at \$15,000) and \$50,000 cash (paid) by May 29, 2022; and
 - 200,000 common shares and \$50,000 cash by May 29, 2023.

The 3,971 ha Wishbone property is located 40 km west of Highway 37 and the Bob Quinn airstrip. The Property consists of 10 claims and is contiguous to the eastern boundary of Teck/Newmont's Galore Creek copper-gold mineral development project which is one of the world's largest undeveloped copper-gold-silver deposits¹. Wishbone contains a series of gold and silver quartz-carbonate vein and breccia occurrences over the nearly 12 km length of the claims. Glacier retreat in recent years has exposed between 50 and 500 metres of unexplored area. Recent exploration in these areas has resulted in the discovery of a new gold and silver prospect area called the "Rat" which returned numerous high-grade gold and silver values from grab and float samples. (Origen news release dated November 9, 2020) Gold values ranged from 0.001 to 175.7 g/t in the 79 rock samples collected at the Rat prospect in 2020. The following table includes highlights that show how important the coarse gold fraction is particularly for veins hosted in the more brittle rocks.

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The Company recorded a loss of \$350,143 for the three months ended May 31, 2022 (2021 – \$377,211). The Company had no revenue and paid no dividends during the period ended May 31, 2022. Expenses and income during the period consisted primarily of:

- Management and director fees of \$22,500 (2021 - \$nil) consist of fees paid to the CEO.
- Professional fees of \$12,352 (2021 - \$4,049) consist mainly of accounting and legal fees.
- Advertising and promotion fees of \$22,975 (2021 - \$nil) is due to marketing initiatives during the quarter.
- Filing and listing fees of \$4,103 (2021 - \$234,433) includes stock transfer and regulatory fees. The decrease compared to the period ended May 31, 2021, is due to the completion of the Arrangement Agreement on May 21, 2021.
- Interest expense of \$49,856 (2021 - \$432) is primarily due to the interest expense and accretion recorded for the promissory note.
- Unrealized loss on fair value of investments of \$220,667 (2021 - \$nil) is due to the mark-to-market revaluation of the Company's investments.

Summary of Quarterly Results

	Three Months Ended			
	May 31, 2022	February 28, 2022	November 30, 2021	August 31, 2021
	\$	\$	\$	\$
Revenue	Nil	Nil	Nil	Nil
Net income (loss)	(350,143)	125,741	(208,621)	(108,358)
Basic and diluted earnings (loss) per share	(0.02)	0.01	(0.01)	(0.01)
Dividends per share	Nil	Nil	Nil	Nil
Total assets	4,000,225	4,288,982	3,884,544	865,149
Total long-term liabilities	1,808,622	1,758,841	1,756,291	Nil
Working capital	109,587	459,949	408,574	301,216

	Three Months Ended	
	May 31, 2021	February 28, 2021
	\$	\$
Revenue	Nil	Nil
Net income (loss)	(377,211)	Nil
Basic and diluted earnings (loss) per share	(0.41)	0.00
Dividends per share	Nil	Nil
Total assets	696,933	1
Total long-term liabilities	Nil	Nil
Working capital	47,573	1

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As the Company was incorporated on February 4, 2021 there are only six periods to present.

LIQUIDITY AND CAPITAL RESOURCES

As at May 31, 2022, the Company has working capital of \$120,087 mainly due to the cash received from private placements, prepaid expenses, investments and amounts receivable, reduced by the accounts payable and accrued liabilities as of May 31, 2022.

For the three months ended May 31, 2022, the Company used cash of \$71,749 in operating activities, due to operating expenses and changes in non-cash working capital items.

In addition, the Company paid \$50,000 for acquisition costs for the Wishbone property.

The Company's principal assets are at an exploration stage and as a result the Company has no current source of operating cash flows. The Company relies on its ability to obtain equity financing to fund administration expenses and future exploration programs. The ability of the Company to continue as a going concern and to realize the carrying value of its assets and discharge its liabilities when due is dependent on the successful completion of a financing or by monetizing assets. There is no certainty that these and other strategies will be successful.

FINANCING ACTIVITIES AND CAPITAL EXPENDITURES

The Company's authorized capital consists of an unlimited number of common shares without nominal or par value. As of the date of this MD&A, the Company has 14,692,589 issued and outstanding common shares.

During the three months ended May 31, 2022:

- On May 29, 2022, 200,000 common shares were issued pursuant to the Wishbone Property Agreement. The shares were fair valued at \$15,000.

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RELATED PARTY TRANSACTIONS

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and certain of the members of the Board of Director. Transactions with related parties are made in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Summary of key management personnel compensation is as follows:

	2022	Three months ended May 31, 2021
	\$	\$
Management and director fees ¹	22,500	-
Professional fees ²	10,009	-
Share-based compensation	-	40,843
Total	32,509	40,843

¹Management fees consist of fees paid or accrued to the CEO.

²Professional fees include amounts paid or accrued to a company in which the CFO acted as management.

Accounts payable and accrued liabilities at May 31, 2022, includes \$46,532 (February 28, 2022 - \$38,206) owing to directors, officers, or to companies significantly controlled by common directors for unpaid fees and expense reimbursements. All amounts owing are non-interest bearing and incurred in the normal course of business.

During the three months ended May 31, 2022, the Company issued nil stock options (2021 - 200,000) to the officers and directors of the Company. Upon the issuance, \$nil (2021 - \$40,843) in share-based compensation expense was recorded.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not engaged in any off-balance sheet arrangements during the three months ended May 31, 2022.

PROPOSED TRANSACTIONS

As of the date of this MD&A, there are no proposed transactions.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The details of the Company's accounting policies are presented in Note 3 of the financial statements for the year ended February 28, 2022.

CAPITAL MANAGEMENT

The Company does not have any externally imposed regulatory capital requirements for managing capital. The Company has defined its capital as items within shareholders' equity, as determined at each reporting date.

The Company's objectives when managing capital are to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders. The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares, or engage in debt financing.

The Company is dependent on the capital markets as its sole source of operating capital and the Company's capital resources are largely determined by the strength of the junior resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for investor support for its projects. The Company is not subject to any externally imposed capital requirements.

FINANCIAL INSTRUMENTS

Categories of financial assets and financial liabilities

Financial instruments are classified into one of the following categories: FVTPL; amortized cost; and FVTOCI. The carrying values of the Company's financial instruments are classified into the following categories:

Financial Instrument	Category	May 31, 2022	February 28, 2022
		\$	\$
Cash	Amortized cost	22,669	144,418
Investments	FVTPL	181,543	402,210
Accounts payable and accrued liabilities	Amortized cost	(144,848)	(148,243)
Promissory note	Amortized cost	(1,808,622)	(1,758,841)

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

- Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.
- Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market-place.
- Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

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The recorded amounts for cash and accounts payable and accrued liabilities, approximate their fair value due to their short-term nature. The Company's fair value of investments (except for warrants) were based on the quoted market prices of the shares as at May 31, 2022 and was therefore measured using Level 1 inputs. The fair value of the warrants were determined using certain Level 3 inputs, as the Black-Scholes option pricing model incorporates share price volatility. The Company's promissory note is measured as the present value of the discounted future cash flows.

RISK FACTORS

The business and operations of the Company are subject to numerous risks, many of which are beyond the Company's control. The Company considers the risks set out below to be some of the most significant to potential investors in the Company, but not all of the risks are associated with an investment in securities of the Company. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the Company is currently unaware or which it considers to be material in relation to the Company's business actually occur, the Company's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the price of the Company's securities could decline and investors may lose all or part of their investment.

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash. Management believes that the credit risk concentration with respect to financial instruments is remote.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they come due. The Company's ability to continue as a going concern is dependent on management's ability to raise the required capital through future equity or debt issuances but there can be no assurance that such financing will be available on a timely basis under terms acceptable to the Company. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. As at May 31, 2022, the Company had a cash balance of \$22,669 to settle current liabilities of \$144,848 and is subject to liquidity risk.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and commodity prices. These fluctuations may be significant.

- **Interest rate risk**

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company does not hold any financial liabilities with variable interest rates. The Company does not believe it is currently subject to any significant interest rate risk.

- **Price risk**

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity

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price movements and volatilities. The Company closely monitors commodity prices, and the stock market to determine the appropriate course of action to be taken by the Company.

Financing Risks

The Company is dependent upon share issuances to provide the funding necessary to meet its general operating expenses and will require additional financing to continue to explore its mineral properties. Issuances of additional securities will result in dilution of the equity interests of the Company's shareholders. The Company may issue additional common shares in the future as further capital is required and on the exercise of outstanding options or other convertible securities issued from time to time. Sales or issuances of substantial amounts of additional securities, or the availability of such securities for sale, could adversely affect the market prices for the Company's securities. A decline in the market prices of securities of the Company could impair the Company's ability to raise additional capital through the sale of new common shares should it desire to do so. In addition, if additional common shares or securities convertible into common shares are sold or issued, such sales or issuances

Commodity risk

The profitability of the Company's operations, if ever established, will be dependent upon the market price of mineral commodities. Mineral prices fluctuate widely and are affected by numerous factors beyond the control of the Company. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments. The prices of mineral commodities have fluctuated widely in recent years. Current and future price declines could cause commercial production to be impracticable. The prices of these commodities are affected by numerous factors beyond the Company's control.

Permits and Licenses

The Company will require licenses and permits from various governmental and non-governmental authorities for its operations. The Company has obtained, or plans to obtain, all necessary licenses and permits required to carry on the activities it is currently conducting or which it proposes to conduct under applicable laws and regulations. However, such licenses and permits are subject to change in regulations and in various operating circumstances. The Company provides no assurance that it will obtain all necessary licenses and permits required to carry out exploration, development and mining operations.

Political Regulatory Risks

Any changes in government policy may result in changes to laws affecting ownership of assets, mining policies, monetary policies, taxation, rates of exchange, environmental regulations, and labour relations, repatriation of income and return of capital. This may affect both the Company's ability to undertake exploration and development activities in respect of the properties in the manner currently contemplated, as well as its ability to continue to explore, develop and operate the properties. The possibility that future governments may adopt substantially different policies, which might extend to expropriation of assets, cannot be ruled out.

Currency Risk

Currency fluctuations may affect the cash flow which the Company may realize from its operations, since most mineral commodities are sold in a world market in United States dollars. The Company's costs are incurred primarily in Canadian dollars.

Dependence on Key Individuals

The Company is dependent on a relatively small number of key personnel, the loss of any one of whom

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could have an adverse effect on the Company. In addition, the Company will be highly dependent upon contractors and third parties in the performance of its exploration and development activities. The Company provides no guarantee that such contractors and third parties will be available to carry out such activities on behalf of the Company or be available upon commercially acceptable terms.

OUTSTANDING SHARE DATA

The following table summarizes the outstanding share capital as of the date of the MD&A:

	Number	Exercise Price	Expiry Date
Common Shares	14,692,589	-	-
Stock Options	575,000	\$0.22	May 31, 2026
Warrants	7,500,000	\$0.24	October 28, 2024

FINANCIAL AND DISCLOSURE CONTROLS AND PROCEDURES

In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the condensed interim financial statements for three months ended May 31, 2022, and this accompanying MD&A (together, the "Interim Filings").

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information the reader should refer to the Venture Issuer Basic Certificates filed by the Company with the Interim Filings on SEDAR at www.sedar.com.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

Information provided in the MD&A and the financial statements is the responsibility of management. In the preparation of the financial statements, estimates are sometimes necessary to make a determination of the carrying value for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the financial statements. Management maintains a system of internal controls to provide reasonable assurance that the Company's assets are safeguarded and to facilitate the preparation of relevant and timely information.

ADDITIONAL INFORMATION IN RELATION TO THE COMPANY

Additional information relating to the Company is available at on SEDAR at www.sedar.com under Forty Pillars Mining Corp.