Corcel Exploration Inc.

Management's Discussion and Analysis

For the Three Months ended September 30, 2021

Introduction

The following is the Management's Discussion and Analysis ("MD&A") of the results of operations and financial condition of Corcel Exploration Inc. ("Corcel", "we" or the "Company") as at and for the three months ended September 30, 2021. This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This MD&A should be read in conjunction with the Company's unaudited condensed interim financial statements and related notes for the three months ended September 30, 2021 (the "Q1 2022 Financials"), and the audited financial statements and related notes for the period from incorporation on July 21, 2020 to June 30, 2021. All financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC"). In the opinion of management, all adjustments considered necessary for a fair presentation have been included. All figures are expressed in Canadian dollars unless stated otherwise. Additional information relating to the Company is available under the Company's SEDAR profile at www.sedar.com.

This MD&A also covers the subsequent period up to November 10, 2021.

Nature of Mineral Exploration Business

The Company is a mineral exploration company, and its mineral resource properties are in the exploration stage only. The degree of risk increases substantially where an issuer's mineral resource properties are in the mineral exploration stage as opposed to the development or operational stage. An investment in mineral exploration companies is speculative and involves a high degree of risk and should only be made by investors who can afford the total loss of their investment. Prospective investors and other readers of this MD&A should consider the risk factors in the materials referenced under the heading "Risk Factors".

Certain information relating to the Peak Property (defined hereafter) contained in this MD&A is derived from, and in some instances is a direct extract from, and based on the assumptions, qualifications and procedures set out in, the Technical Report (as defined herein). Reference should be made to the full text of the Technical Report, which is available for review under the Company's profile on SEDAR at www.sedar.com.

Description of Business

The Company was formed to engage in the business of acquiring, exploring and evaluating mineral resource properties, initially focusing on its Peak Property. Its business objectives are to explore the Peak Property and to eventually create a diversified portfolio of property holdings and achieve rapid growth through the acquisition of mineral properties, coupled with the implementation of recommended programs with respect to the exploration of such properties. To date, the Company has concentrated on the identification and acquisition of properties prospective for gold and other minerals and metals in Canada, and has commenced its efforts with the Peak Property.

On August 4, 2020, the Company entered into an option agreement (the "Option Agreement") with two individual vendors to acquire a 100% interest in the Peak mineral property located in British Columbia (the "Peak Property" or the "Property") in exchange for 1,000,000 common shares of the Company with a fair value of $20,000 based on the price of the most recent private placement financing at the time. Pursuant to the Option Agreement, the Company is required to spend $250,000 in exploration on the Peak Property: (i) $100,000 by December 31, 2020 (completed); and (ii) $150,000 by July 20, 2023.

The Company will also pay the optionors a 2% net smelter return ("NSR") royalty from any mineral production from the Property. Corcel has the right to purchase the first 1% of this NSR for $1,000,000 any time prior to specified milestones for commercial production.

The Company will also consider additional acquisitions of mineral property interests, or entities holding mineral property interests, on a going forward basis, with the objectives of: (i) creating additional value for shareholders through the acquisition of additional mineral exploration properties; and (ii) helping to minimize exploration risk by attempting to diversify the Company's property portfolio. The Company believes that although the current exploration prospects for the Peak Property are positive, mineral exploration in general is both uncertain and subject to fluctuating commodity prices resulting from changing trends in supply and demand. As a result, the Company believes that by acquiring additional mineral properties, some of which may be prospective in other commodities, it would be better able to minimize overall exploration risk and risks associated with fluctuating commodity prices.

In order for the Company to achieve its primary business objective relating to the Peak Property, it will need to complete the Phase I recommended program ("Phase I") for the Property set out in the Technical Report at an estimated cost of $100,975, and if warranted based on the results of Phase I, the Company will pursue the completion of the Phase II recommended program ("Phase II") for the Peak Property set out in the Technical Report. Further details are provided below under "Peak Property".

The Company plans to commence Phase I following completion of an initial public offering (the "IPO"), and expects such exploration work to be completed within 12 months of completion of the IPO.

On October 6, 2021, the Company was conditionally approved for listing on the Canadian Securities Exchange (the "CSE"), subject to certain conditions (see "Subsequent Events" for more details). Listing is subject to the Company fulfilling all the requirements of the CSE, including meeting all minimum listing requirements.

On October 13, 2021, the Company entered into an agency agreement (the "Agency Agreement") with Research Capital Corporation (the "Agent") as agent to offer common shares of the Company for sale by way of an IPO (see "Subsequent Events" for more details).

On October 14, 2021, the Company was issued a final receipt for its long-form prospectus (the "Prospectus") in relation to the IPO to raise aggregate gross proceeds of $500,000 (see "Subsequent Events" for more details). The Company intends to raise funds primarily to carry out exploration on the Property, and to evaluate potential acquisitions of additional mineral properties of merit.

Peak Property

Corcel has optioned the Peak Property from its owners and is the current operator. Upon completion of the acquisition of the Peak Property, if completed, the Peak Property would form the main asset of the Company. Certain information described below has been derived or reproduced from the technical report dated effective October 3, 2020 prepared in respect of the Peak Property by Don MacIntyre, Ph.D., P.Eng. of D.G. MacIntyre & Associates Ltd. (the "Technical Report"), and is included herein with the consent of the preparer. The full text of the Technical Report is available on SEDAR at www.sedar.com. Don MacIntyre, Ph.D., P.Eng. is a qualified person, who is independent of the Company, within the meaning of National Instrument 43-101.

The Peak Property is located approximately 18.6 kilometres southeast of the town of Port Alberni on Vancouver Island, British Columbia, Canada.

The Peak Property is prospective for structurally controlled gold (Au) and silver (Ag) bearing quartz vein deposits similar to the High-Grade showing. The mineralized quartz veins and shear zones may be spatially associated with hornblende-feldspar porphyry dykes. Additionally, a number of northeast to east trending faults appear to localize the dykes and/or mineralized quartz veins and altered shear zones which are oblique to the well-defined northwest-southeast structures within the area.

In 2020, an aeromagnetic survey of the Peak Property was done on behalf of the Company, at a cost of $101,319. The survey was conducted from August 10th to 13th, 2020. The results of this airborne survey are discussed in detail in the Technical Report. The purpose of the airborne survey was to map the magnetic properties of the survey area to aid in geological mapping as well as detect possible zones of bedrock mineralization and alteration. The survey results contain many structural features, some of which may be considered exploration targets. Overall, the dominant fabric highlighted by the survey is in the northwest-southeast direction which is consistent with property- and regional-scale geological mapping within the Port Alberni area. These results have informed the recommended work program for the Property as set out in the following paragraph.

A two phase, success-driven exploration program is recommended by the Technical Report. Phase I would involve digitizing of all historic data contained within property assessment reports and 75 line-km of high-resolution ground magnetic surveying at 25m line spacing over the mineralized target zones, specifically over the High-Grade, Peak Lake and CM-240 Zones where the 2020 magnetic data highlighted weakly defined northeast-southwest oriented cross structures. As the known veins are relatively narrow, high-resolution magnetic data will help in defining the location of these structures as they extend under cover from known showings.

In addition to the historic data digitizing and magnetic surveying, approximately 850 soil samples and 40 stream sediment samples should be collected across the project area to further define the mineralized zones as well as detect any potentially undiscovered mineralization hidden beneath overburden cover. Further areas of interest may be assigned priorities on the basis of supporting geophysical, geochemical and geological information. The estimated cost of Phase I is $100,975. Depending on the results of the Phase I program, a recommended Phase II field program should involve detailed geologic mapping and prospecting of the identified magnetic targets. The estimated cost of the Phase II work is $49,000. Exploration plans will also be affected by prevailing precious metals prices.

Overall Performance

Selected quarterly and annual financial information

The Company's selected financial information, prepared in accordance with IFRS, as at the current reporting period ended September 30, 2021 and the most recently completed financial year ended June 30, 2021 are summarized as follows:

	As at and for the three months ended September 30, 2021	As at and for the Period from Incorporation to June 30, 2021
	$	$
Operating expenses	**(69,215)**	(172,354)
Net loss and comprehensive loss	**(69,215)**	(172,354)
Net loss per share	**(0.005)**	(0.015)
Cash	**181,377**	72,115
Total assets	**204,974**	73,072
Total non-current liabilities	**Nil**	Nil
Shareholders' equity	**161,681**	60,896

E&E (as defined herein) expenditures will vary from quarter to quarter depending on the Company's activity level at its mineral exploration properties; during the most recent quarter the Company did not carry out any E&E work at the Peak Property.

The cash balance as at September 30, 2021 was $181,377 (June 30, 2021 – $72,115), for an increase of $109,262. The increase in cash was primarily due to the private placement financing closed during the period where the Company issued 3.4 million common shares to investors and raised total cash proceeds of $170,000.

Results of operations

During the three months ended September 30, 2021 ("Q1 2022"), which is the Company's most recently completed fiscal quarter prior to becoming a reporting issuer, the Company had not generated any revenues to date, and had incurred total operating expenses of $69,215 as follows:

	Three Months ended September 30, 2021	For the Period from Incorporation to September 30, 2020
	$	$
Exploration and evaluation expenses	**-**	121,319
Professional fees	**27,407**	4,457
Filing and listing transaction fees	**41,363**	7,475
General and administrative	**445**	71
	69,215	133,322

- Professional fees comprised primarily of cost of service received from third parties, including legal, accounting and audit services in connection with the IPO; and
- Filing and listing fees comprised of expenditures incurred in relation to the IPO, the listing application on the CSE and related filings, as the Company made significant progress with its listing application with the Prospectus having been submitted shortly after period-end.

Net loss for Q1 2022 was $69,215 (loss of $0.005 per basic and diluted share), as compared to a net loss of $133,322 (loss of $0.013 per basic and diluted share) for the period from incorporation to September 30, 2020. The decrease in net loss was primarily due to no exploration and evaluation ("E&E") expenditures being incurred during Q1 2022 (see "Exploration and Evaluation Expenses" for more details).

Cash flows

During the three months ended September 30, 2021, net cash used in the Company's operations amounted to $60,738. The net spending relates primarily to payments made in connection to the IPO and listing application, as various professional fees were incurred during the period.

On the financing side, the Company issued 3.4 million common shares to investors during the period and raised total cash proceeds of $170,000. No direct issuance costs (commissions) were incurred in connection to these private placement financings.

Working Capital and Liquidity Outlook

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to have capital available to generate optimal returns for shareholders. While the Company does not yet have any revenues, management monitors its capital structure and makes adjustments according to market conditions to meet its objectives given the current outlook of the business and industry in general. The Board of Directors (the "Board") of Corcel does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the management team to sustain the future development of the business.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company's capital management objectives, policies and processes have remained unchanged since the Company's most recent financial reporting period.

The Company currently has no cash flows from operations, and the level of operations is principally a function of availability of capital resources and exploration plans. The primary source of funding has been through the issuance of common shares for cash proceeds. There is no guarantee that the Company will be able to successfully complete such financings, as market conditions and business performance may dictate availability and interest.

The Company is not subject to any externally imposed capital requirements.

As at September 30, 2021, the Company had current assets of $204,974 (June 30, 2021 – $73,072) to settle current liabilities of $43,293 (June 30, 2021 – $12,176), for a working capital of $161,681 (June 30, 2021 – $60,896).

The Company's exploration plans, and associated E&E expenditures, are set out above under "Peak Property" and below under "Exploration and Evaluation Expenses".

Management is actively monitoring cash levels and managing exploration plans and corporate overhead against its budget. Cash levels will decline as the Company accelerates exploration work. As of the date of the MD&A, the Company believes that it will have sufficient liquidity to continue operations for the 12-month period ending September 30, 2022. Nevertheless, management will continue to look for new sources of financing, including the IPO, to fund its working capital to advance the Company's exploration and other operations. The Company is also expecting gross proceeds of $500,000 upon the closing of the IPO (the "IPO Closing"), subject to the risk factors referenced below under "Risk Factors".

Related Party Transactions

Key management personnel compensation

Key management includes the Company's directors and officers with authority and responsibility for planning, directing and controlling the activities of an entity, directly or indirectly.

The remuneration of directors and other members of key management personnel during the three months ended September 30, 2021 and the period from incorporation to September 30, 2020 were as follows:

	Three Months ended September 30, 2021	For the Period from Incorporation to September 30, 2020
	$	$
Professional fees	**6,000**	-
	6,000	-

During the three months ended September 30, 2021, Branson Corporate Services Ltd. ("Branson"), where Keith Li, the Company's Chief Financial Officer ("CFO") is employed, charged fees of $6,000 (Period from incorporation to September 30, 2020 – $nil), for CFO services provided to the Company, as well as other accounting and administrative services, which are included in professional fees. As at September 30, 2021, no balance was owed to Branson (June 30, 2021 – $2,100; included in accounts payable and accrued liabilities).

Other related party transactions

During the period from incorporation to September 30, 2020, certain officers, directors or companies controlled by them participated in the Company's issuance of common shares, and subscribed for 1,500,000 shares, for total gross proceeds of $11,250.

Exploration and Evaluation Expenses

On August 4, 2020, the Company entered into the Option Agreement with two individual vendors to acquire a 100% interest in the Peak Property. Terms of the Option Agreement are described above under "Description of Business".

During the three months ended September 30, 2021 and the period from incorporation to September 30, 2020, the Company's E&E expenses in respect of its sole mineral exploration property, the Peak Property, are comprised of the following:

	Three Months ended September 30, 2021	For the Period from Incorporation to September 30, 2020
	$	$
Property acquisition costs	**-**	20,000
Airborne geophysical survey	**-**	101,319
	-	121,319

During Q1 2022, the Company did not incur any E&E expenses on its Property, but it does intend to commence the Phase I program recommended in the Technical Report following the completion of the IPO.

Financial Instruments

The Company's financial instruments consist primarily of cash and accounts payable. The Company is exposed to various risks as it relates to these financial instruments. Management, in conjunction with the Board, mitigates these risks by assessing, monitoring and approving the Company's risk management process. There have not been any changes in the nature of these risks or the process of managing these risks from the previous reporting periods.

Credit risk

Credit risk is the risk of potential loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash. Cash is held with reputable Canadian chartered banks and in trust with the Company's legal counsel, which is closely monitored by management. Management believes that the credit risk concentration with respect to financial instruments included in cash is minimal.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company manages its liquidity risk by reviewing its capital requirements on an ongoing basis. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at September 30, 2021, the Company had a cash balance of $181,377 (June 30, 2021 – $72,115) to settle current liabilities of $43,293 (June 30, 2021 – $12,176).

The following table summarizes the carrying amount and the contractual maturities of significant financial liabilities as at September 30, 2021:

	Carrying amount	**Year 1**	**Year 2 to 3**	**Year 4 to 5**
	$	**$**	**$**	**$**
Accounts payable	43,293	43,293	-	-

The Company manages liquidity risk by maintaining adequate cash reserves and by continuously monitoring forecast and actual cash flows for a rolling period of 12 months to identify financial requirements. Where insufficient liquidity may exist, the Company may pursue various debt and equity instruments for short or long-term financing of its operations.

Management believes there is sufficient capital to meet short-term business obligations, after taking into account cash flow requirements from operations and the Company's cash position as at September 30, 2021.

Significant Accounting Judgments and Estimates

The preparation of the Company's unaudited condensed interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenue and expenses. These are described in greater detail in Note 2(d) to the Company's audited financial statements for the period from incorporation on July 21, 2020 to June 30, 2021.

Summary of Significant Accounting Policies

The significant accounting policies used by the Company are described in greater detail in Note 3 to the Company's audited financial statements for the period from incorporation on July 21, 2020 to June 30, 2021, unless otherwise noted below.

Adoption of New Accounting Policies

The Company adopted the following amendments, effective July 1, 2021. The changes were made in accordance with the applicable transitional provisions. The Company early-adopted these amendments and had assessed that there was no material impact upon their adoption on its unaudited condensed interim financial statements:

<u>Amendments to IAS 1 – Presentation of Financial Statements ("IAS 1")</u>

In January 2020, the IASB issued amendments to IAS 1 which clarify the requirements for classifying liabilities as either current or non-current by: (i) specifying that the conditions which exist at the end of the reporting period determine if a right to defer settlement of a liability exists; (ii) clarifying that settlement of a liability refers to the transfer to the counterparty of cash, equity instruments, other assets or services; (iii) clarifying that classification is unaffected by management's expectation about events after the balance sheet date; and (iv) clarifying the classification requirements for debt an entity may settle by converting it into equity.

The amendments clarify existing requirements, rather than make changes to the requirements, and so are not expected to have a significant impact on an entity's financial statements. However, the clarifications may result in reclassification of some liabilities from current to non-current or vice-versa, which could impact an entity's loan covenants. Because of this impact, the IASB has provided a longer effective date to allow entities to prepare for these amendments.

<u>Amendments to IAS 37 – Provisions, Contingent Liabilities and Contingent Assets ("IAS 37")</u>

In May 2020, the IASB issued amendments to update IAS 37. The amendments specify that in assessing whether a contract is onerous under IAS 37, the cost of fulfilling a contract includes both the incremental costs and an allocation of costs that relate directly to contract activities. The amendments also include examples of costs that do, and do not, relate directly to a contract.

<u>Amendments to IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8")</u>

In February 2021, the IASB issued *Definition of Accounting Estimates*, which amended IAS 8. The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. That distinction is important because changes in accounting estimates are applied prospectively only to future transactions and other future events, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events.

Off-Balance Sheet Arrangements

As at September 30, 2021 and the date of this MD&A, the Company does not have any off-balance sheet arrangements.

Proposed Transactions

As at the date of this MD&A, the Company is not pursuing any proposed asset or business acquisition or disposition.

Subsequent Events

On October 6, 2021, the Company was conditionally approved for listing on the CSE, subject to the following conditions:

- Issuance of a receipt for the final prospectus by the relevant securities regulators, and closing of the Company's IPO set out therein (receipt issued by the British Columbia Securities Commission on October 14, 2021);
- Confirmation that the public distribution of the Company's securities satisfies the CSE's minimum listing requirement; and
- Completion of any and all outstanding CSE application documentation and payment of fees pursuant to CSE policies.

On October 13, 2021, the Company entered into the Agency Agreement with the Agent as its sole and exclusive agent to offer common shares of the Company for sale by way of an IPO to purchasers resident in British Columbia, Alberta, Ontario, and such additional jurisdictions as the Company and the Agent may agree upon. The IPO shall consist of 5,000,000 common shares (the "IPO Shares") of the Company at a price of $0.10 per IPO Share, for aggregate gross proceeds of $500,000. Pursuant to the Agency Agreement, the Company shall on IPO Closing:

- Pay the Agent a cash commission equal to 8.0% of the gross proceeds from the IPO;
- Pay the Agent a corporate finance fee of $35,000 plus applicable taxes, of which a non-refundable amount of $20,000 plus applicable taxes has been received by the Agent, with the balance payable from the proceeds of the IPO on the IPO Closing; and
- Grant to the Agent a number of non-transferable warrants (the "Agent's Warrants") equal to 8.0% of the number of IPO Shares sold pursuant to the IPO, each such Agent's Warrant entitling the holder thereof to purchase one share at a price of $0.10 per share for a period of 24 months after the IPO Closing.

The Agent has the right to increase the size of the IPO by up to 15% in IPO Shares (the "Agent's Option") at any time until the date which is 30 calendar days following the IPO Closing.

The Company will also have to reimburse all expenses incurred by the Agent related to the IPO and related engagements, including the Agent's legal fees up to $35,000.

Disclosure of Outstanding Share Data as of November 10, 2021

	Authorized	**Outstanding**
Common shares	Unlimited	16,000,000 common shares

Risk Factors

The business and performance of the Company is highly speculative and there are numerous and varied risks, known and unknown, that may prevent the Company from achieving its goals. The trends and risks which are likely to impact Corcel's business and operations are referenced below under "Cautionary Note Regarding Forward-Looking Statements" and are also detailed in the Company's Prospectus dated October 13, 2021, under the heading "Risk Factors".

Disclosure of Internal Controls over Financial Reporting

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

In contrast to non-venture issuers, this MD&A does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"). In particular, management is not making any representations relating to the establishment and maintenance of: (a) controls and procedures designed to provide reasonable assurance that information required to be disclosed by the Company in its filings or other reports or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and (b) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Investors and other readers should be aware that inherent limitations on the ability of management of the Company to design and implement on a cost-effective basis DC&P and ICFR may result in additional risks to the quality, reliability, transparency and timeliness of filings and other reports provided under securities legislation.

Cautionary Note Regarding Forward-Looking Statements

This MD&A includes "forward-looking statements" within the meaning of applicable securities legislation, which are based on the opinions and estimates and assumptions of management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words suggesting future outcomes or statements regarding an outlook. Such risks and uncertainties include, but are not limited to, risks associated with the mineral exploration industry, the risk of commodity price fluctuations and especially precious metals prices, the ability of Company to fund the capital and operating expenses necessary to achieve its business objectives, volatility in financial markets and the market price of the Company's shares, as well as those other risks described or referenced herein under "Risk Factors". Due to the risks, uncertainties and assumptions inherent in forward-looking statements, readers should not place undue reliance on these forward-looking statements.

Readers are cautioned that the foregoing lists of risks, uncertainties and other factors are not exhaustive. The forward-looking statements contained in this MD&A are made as of the date hereof, and the Company undertakes no obligation to update publicly or revise any forward-looking statements except in accordance with applicable securities laws. The forward-looking statements herein are expressly qualified by this cautionary statement.

Management's Responsibility for Financial Information

Management is responsible for all information contained in this MD&A. The Company's Q1 2022 Financials have been prepared in accordance with IFRS and include amounts based on management's informed judgments and estimates. The financial and operating information included in this MD&A is consistent with that contained in the financial statements in all material aspects.

The Audit Committee has reviewed the Q1 2022 Financials and this MD&A with management. The Board of Directors of the Company has approved the Q1 2022 Financials and this MD&A.

November 10, 2021

Joel Freudman
President & Chief Executive Officer