

BLANTON RESOURCES CORP.

Management Discussion and Analysis

For the year ended September 30, 2022

The Management Discussion and Analysis (“MD&A”), prepared January 27, 2023 should be read in conjunction with the audited financial statements and notes thereto for the years ended September 30, 2022 and 2021 of Blanton Resources Corp. (“Blanton” or the “Company”) which were prepared in accordance with International Financial Reporting Standards.

This MD&A may contain forward-looking information (as such term is defined under applicable securities laws) in respect of various matters including upcoming events. The results or events predicted in this forward-looking information may differ materially from the actual results or events. The Company disclaims any obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

DESCRIPTION OF BUSINESS

Blanton was formed on December 17, 2019 under the laws of British Columbia. The address of the Company’s corporate office and its principal place of business is 200 - 551 Howe Street, Vancouver, British Columbia, Canada.

The Company’s principal business activities include the acquisition and exploration of mineral property assets. As at September 30, 2022, the Company holds an interest in an early stage mineral exploration property and the Company had not yet determined whether the Company’s mineral property asset contains a deposit of minerals that is economically recoverable. The recoverability of amounts shown for exploration and evaluation asset is dependent upon the discovery of economically recoverable reserves, confirmation of the Company’s interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the property or realizing proceeds from its disposition. The outcome of these matters cannot be predicted at this time and the uncertainties cast significant doubt upon the Company’s ability to continue as a going concern.

The Company had a deficit of \$439,556 as at September 30, 2022, which has been funded by the issuance of equity. The Company’s ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs. The financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the financial statements.

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, economies, and financial markets globally, potentially leading to an economic downturn. The impact on the Company is not currently determinable but management continues to monitor the situation.

EXPLORATION PROJECT

Isla property option

On November 8, 2020, and amended on February 9, 2021, the Company (the "Optionee") entered into a Purchase Agreement (the "Agreement") with an arms-length party (the "Optionor"). Pursuant to the Agreement, the Optionee has an option to acquire 100% interest in six mineral claims known as Isla Claims located in British Columbia, Canada (the "Claims") from the Optionor.

Under the terms of the Agreement, the Optionor has granted the Optionee the option to acquire all rights, title and interest in the Claims. In addition, the Claims are subject to a Net Smelter Return Royalty of 1.5% which can be purchased at any time for \$1,500,000 by the Optionee.

Under the Agreement, the Optionee will make cash payments totaling \$40,000 as follows:

- a. make a cash payment of \$5,000 upon execution and delivery of this agreement (paid);
- b. make a further cash payment of \$5,000 on the date upon which the common shares are listed on a stock exchange in Canada (paid); and
- c. make a further cash payment of \$30,000 within 18 months of listing on a stock exchange in Canada;

	Isla Property	
Balance, September 30, 2020	\$	–
Acquisition costs		5,000
Exploration costs:		
Reports, maps, and data processing		17,337
Labour and survey sampling		29,750
Project preparation, meals, accommodations, and fuel		38,470
Administration		1,250
Balance, September 30, 2021		91,807
Acquisition costs		5,000
Exploration costs		100,440
Balance September 30, 2022	\$	197,247

SELECTED ANNUAL INFORMATION

(\$000's except loss per share)

	September 30, 2022	September 30, 2021	September 30, 2020
Revenue	\$ 0	\$ 0	\$ 0
Net Loss	\$ (264)	\$ (110)	\$ (66)
Basic and Diluted Loss Per Share	\$ (0.02)	\$ (0.01)	\$ (0.01)
Total Assets	\$ 209	\$ 161	\$ 59
Long-Term Debt	\$ 0	\$ 0	\$ 0
Dividends	\$ 0	\$ 0	\$ 0

OPERATIONS

The three month period ended September 30, 2022

During the three month period ended September 30, 2022 the Company reported a net loss of \$101,835 (2021 - \$57,971). Included in the determination of operating loss were the following expense items: \$10,500 (2021 - \$7,500) on management fees, \$2,416 (2021 - \$1,893) on office, \$73,272 (2021 - \$34,036) on professional fees, \$11,916 (2021 - \$13,643) on occupancy costs, \$846 (2021 - \$Nil) on travel and promotion and \$2,885 (2021 - \$9,513) on transfer agent and filing fees. The Company also incurred share-based payments of \$Nil (2021 - \$Nil) and recorded other income of \$Nil (2021 - \$8,284) as a recovery of flow-through share premium liability.

The twelve month period ended September 30, 2022

During the twelve month period ended September 30, 2022 the Company reported a net loss of \$264,398 (2021 - \$109,522). Included in the determination of operating loss were the following expense items: \$39,000 (2021 - \$30,000) on management fees, \$5,426 (2021 - \$3,616) on office, \$119,751 (2021 - \$37,986) on professional fees, \$33,174 (2021 - \$36,691) on occupancy costs, \$2,975 (2021 - \$Nil) on travel and promotion and \$24,040 (2021 - \$9,513) on transfer agent and filing fees. The Company also incurred share-based payments of \$82,748 (2021 - \$Nil) and recorded other income of \$42,716 (2021 - \$8,284) as a recovery of flow-through share premium liability.

SUMMARY OF QUARTERLY RESULTS

(\$000's except earnings per share)

	September 30, <u>2022</u>	June 30, <u>2022</u>	March 31, <u>2021</u>	December 31, <u>2021</u>
Revenue	\$ 0	\$ 0	\$ 0	\$ 0
Net income (loss)	\$ (102)	\$ (22)	\$ (86)	\$ (54)
Basic and diluted Income (loss) per share	\$ (0.01)	\$ (0.00)	\$ (0.01)	\$ (0.00)

	September 30, <u>2021</u>	June 30, <u>2021</u>	March 31, <u>2021</u>	December 31, <u>2020</u>
Revenue	\$ 0	\$ 0	\$ 0	\$ 0
Net income (loss)	\$ (59)	\$ (13)	\$ (21)	\$ (17)
Basic and diluted Income (loss) per share	\$ (0.01)	\$ (0.00)	\$ (0.00)	\$ (0.00)

LIQUIDITY AND CAPITAL RESOURCES

The Company's cash balance at September 30, 2022 was \$10,510.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

The Company has incurred the following key management personnel cost from related parties:

	Period ended September 30, 2022	Period ended September 30, 2021
	\$	\$
Management fees	39,000	30,000
Share-based payments	82,748	—
Total	121,748	30,000

Management fees were incurred from the Chief Executive Officer of the Company and a company owned by the Chief Executive Officer. Share-based payments relate to the fair value of options granted to the directors of the Company. Key management includes directors and key officers of the Company, including the President, Chief Executive Officer and Chief Financial Officer.

As at September 30, 2022 included in accounts payable and accrued liabilities was \$33,075 (2021 - \$30,000) owed to a company controlled by a director and \$986 (2021 – Nil) owed to a director.

COMMITMENTS

The Company does not have any significant commitments.

SUBSEQUENT EVENTS

Subsequent to September 30, 2022 the Company completed a private placement of 3,000,000 common shares at \$0.05 per share to net \$150,000.

CRITICAL ACCOUNTING ESTIMATES

Refer to the audited financial statements for the years ended September 30, 2022 and 2021 for critical accounting estimates.

FINANCIAL INSTRUMENTS

Fair Value of Financial Instruments

IFRS 13, Fair value measurement, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - 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. derived from prices); and

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

The fair value of the Company's cash is classified as Level 1.

The carrying value of accounts payable and accrued liabilities approximates their fair values due to the relatively short periods of maturity of these instruments.

Financial risk management objectives and policies

The Company's financial instruments include cash and accounts payable and accrued liabilities. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

i) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash. To minimize credit risk the Company places these instruments with a high quality financial institution.

ii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with financial liabilities. In the management of liquidity risk of the Company, the Company maintains a balance between continuity of funding and the flexibility through the use of borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations.

iii) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Foreign Currency risk

Foreign currency risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates.

The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to foreign exchange rate fluctuations is minimal. The Company does not have any foreign currency denominated financial liabilities.

Interest Rate Risk

Interest rate risk consists of two components; to the extent that payments are made or received on the Company's monetary assets or liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk; and to the extent that the prevailing market interest rates differ from the interest rate on the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk. The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant as the deposits are short-term.

The Company has not entered into any derivative instruments to manage interest rate fluctuations.

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company is not exposed to significant price risk.

SHARE CAPITAL

Issued

The Company has 13,550,001 common shares issued and outstanding as at September 30, 2022 and 16,550,001 as at January 27, 2023.

Share Purchase Options

The Company has 650,000 stock options outstanding at September 30, 2022 and January 27, 2023.

Warrants

The Company had 350,000 share purchase warrants outstanding at September 30, 2022 and January 27, 2023.

Escrow Shares

The Company has 2,850,001 common shares held in escrow as at September 30, 2022 and 2,223,751 as at January 27, 2023.