

MADI MINERALS LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE COMPANY'S FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE SIX MONTHS ENDED FEBRUARY 28, 2022

April 22, 2022

This Management Discussion and Analysis ("MD&A") of Madi Minerals Ltd. ("Madi" or the "Company") has been prepared by management as of April 22, 2022 and should be read together with the financial statements and related notes for the six months ended February 28, 2022 which are prepared in accordance with International Financial Reporting Standards ("IFRS").

FORWARD LOOKING STATEMENTS

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 numerous risks and uncertainties, including, but not limited to, those identified in the Risks Factors section. 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 may not provide updates or revise any forward-looking statements, except those otherwise required under paragraph 5.8(2) of NI 51-102, whether written or oral that may be made by or on the Company's behalf.

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

OVERALL PERFORMANCE

The Company is engaged in the business of mineral exploration.

The Company's head office is located at #615 – 800 West Pender Street, Vancouver, British Columbia, V6C 2V6, and its registered and records office is located at #2600 – 1066 West Hastings Street, Vancouver, B.C. V6E 3X1. The Company was incorporated under the *Business Corporations Act* (British Columbia) on March 4, 2021.

On April 11, 2022, the Company completed its initial public offering (the "IPO") of 4,025,000 common shares at a price of \$0.10 for total proceeds of \$402,500. Research Capital Corporation. acted as agent (the "Agent") for the IPO. The Agent received a cash commission equal to 10% of the gross proceeds of the IPO and a corporate finance fee of \$25,000. In addition, the Company granted the Agent, and its selling group, Agent's Warrants entitling the holder to purchase an aggregate of 402,500 shares at a price of \$0.10 per share until April 11, 2024.

On April 12, 2022, the Company commenced trading on the Canadian Securities Exchange under the symbol MADI.

SELECTED ANNUAL INFORMATION

The following table sets forth summary financial information for the Company for the period from incorporation to August 31, 2021. This information has been summarized from the Company's audited financial statements for the same period and should be read in conjunction with the Company's audited financial statements, including the notes thereto.

	<u>Period from Incorporation on March 4, 2021 to August 31, 2021</u>
Mineral properties	\$ 119,075
Total assets	\$ 256,617
Total revenues	\$ -
Long-term debt	\$ -
General and administrative expenses	\$ 46,916
Net loss	\$ 63,417
Basic and diluted loss per share ⁽¹⁾	\$ 0.01

(1) Based on weighted average number of common shares issued and outstanding for the period. See "Selected Financial Information and Management's Discussion and Analysis".

RESULTS OF OPERATIONS

As at February 28, 2022, the Company had total assets of \$221,695. As at February 28, 2022, the Company had current liabilities of \$8,835.

For the period ended February 28, 2022, the Company reported a loss of \$19,665 before taxes and a comprehensive loss of \$14,360. The losses for the period ended February 28, 2022 comprised of bank and interest charges of \$124, filing fees of \$5,799, management fees of \$15,000, audit and accounting fees of \$11,654, rent of \$200, and travel and entertainment expense of \$2,500. The Company has recovered \$9,515 in deferred income tax expense in the period.

SUMMARY OF QUARTERLY RESULTS

The Company was incorporated on March 4, 2021 and, for that reason, only the previous three quarters have been presented in the table below.

	Q2	Q1	Q4	Q3
	February 28, 2022	November 30, 2021	August 31, 2021	May 31, 2021
Net Loss for the Period	\$(14,360)	\$(11,382)	\$(56,828)	\$ (6,589)
Loss per Share	-	-	-	-

EXPLORATION AND PROJECTS

The principal asset of the Company is its option to acquire up to a 75% interest in the Georgina Property, a gold prospect.

Georgina Property

On March 29, 2021 the Company entered into an agreement to acquire up to a 75% interest in one mining claim

in the Nanaimo Mining Division, Vancouver Island, British Columbia. To acquire a 51% interest, the Company issued 100,000 common shares (issued for \$2,000) and made a cash payment of \$5,000 to the vendor.

To earn a further 24% (for a total of 75%), the Company must pay the vendor \$10,000 on or before March 29, 2022 (paid), issue 100,000 common shares on or before the first anniversary of the initial listing of the Company's shares on an exchange, and incur aggregate exploration expenditures of \$200,000 of which \$75,000 must be incurred before March 29, 2022 (incurred) and \$125,000 on or before the first anniversary of the initial listing of the Company's shares on an exchange (incurred \$37,075). Should the Company not earn the additional 24% interest, the property will revert back to the vendor

The property is subject to a net smelter royalty of 2% payable to the vendors.

The Property is located approximately 20 kilometers south of Sayward on northern Vancouver Island, British Columbia. The Property consists of one mineral claim covering an area of 2,069 hectares.

The Property is in a relatively undeveloped area. Since 1969, exploration has been limited to prospecting and trenching and one 2019 geophysical survey. The programs have identified potential copper and gold deposits.

An independent geological report (the "Technical Report") prepared by Derrick Strickland, P. Geo. who is a "Qualified Person" as defined in National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101"), was completed in relation to the Property on July 16, 2021. The Technical Report recommends that the Company conduct further data compilation and geophysical analysis and a surface exploration and trenching program.

Exploration Expenditures

Madi Minerals has incurred the following exploration expenditures with regards to the Property that were capitalized as incurred from incorporation to February 28, 2022:

	<u>From incorporation to February 28, 2022</u>
Assays and testing	\$ 14,781
Geological consulting	36,320
Mapping and surveying	26,514
Reports and administration	18,000
Travel, accommodation, and supplies	16,460
	<u>\$ 112,075</u>

Future Plans

In relation to the Property, the Company currently plans to follow recommendations made in the Technical Report. The Technical Report recommends that the Company retain a geophysicist to further interpret the airborne survey results, compile all available data, and undertake an exploration program which includes mapping, soil sampling and trenching of areas of interest. The estimated budget is \$105,026.

LIQUIDITY AND CAPITAL RESOURCES

The Company reported working capital of \$93,785 at February 28, 2022 and cash of \$71,277. Current liabilities as at February 28, 2022 consisted of accrued liabilities of \$2,500, and amount due to related parties of \$8,835.

During the period from inception on March 4, 2021 to August 31, 2021, the Company issued 1 common share for proceeds of \$1 to the incorporator.

On March 15, 2021 the Company issued a total of 2,000,000 common shares at \$0.005 per share for gross proceeds of \$10,000. Directors and senior officers subscribed for a total of 600,000 shares.

On March 29, 2021 the Company issued a total of 100,000 common shares valued at \$2,000 for a property acquisition.

On April 9, 2021 the Company issued a total of 4,500,000 flow-through common shares at \$0.02 per share for gross proceeds of \$90,000. A director and senior officer subscribed for 250,000 flow-through shares.

On May 7, 2021 the Company issued a total of 3,500,000 common shares at \$0.05 per share for gross proceeds of \$175,000. The Company paid a finder's fee of \$4,250 cash.

The Company has limited working capital to continue administrative operations and development of its exploration asset and may continue to have capital requirements in excess of its currently available resources. The Company intends to raise additional financing either privately or through a public financing. There can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not utilize off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

During the period ended February 28, 2022, the Company:

- Incurred a management fee expense of \$15,000 and rent expense of \$200 to a company controlled by a director and senior officer.
- Incurred and accrued bookkeeping and accounting expense of \$6,300 to a director and senior officer.

At February 28, 2022 amounts due to directors and officers of the Company is \$6,335.

The Company has identified the directors and senior officers as key management personnel. The following table lists the compensation costs paid directly or to companies controlled by key management personnel for the period ended February 28, 2022.

Six months ended February 28, 2022	
	Fees
Musil G. Consulting Services Ltd. (controlled by Gary Musil)	\$15,200
Nancy Kawazoe	6,300
	\$21,500

On August 30, 2021, the Company granted a total of 700,000 stock options exercisable at a price of \$0.10 until August 30, 2024 to senior officers and directors of the Company.

CRITICAL ACCOUNTING ESTIMATES

Not applicable for Venture Issuers.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The carrying amounts of cash and accounts payable approximate fair value because of the short-term maturity

of these items.

SUBSEQUENT EVENTS

The Company filed a prospectus with the securities regulatory authorities in the provinces of Alberta and British Columbia, and pursuant to an Agency Agreement (the "Agency Agreement") entered into between the Company and Research Capital Corporation (the "Agent"), offered 3,500,000 shares (the "Shares") at \$0.10 per common share to the public for gross proceeds of \$350,000. The Company also granted the Agent an option (the "over-Allotment Option") to sell up to an additional number of Offered Common Shares (the "Additional Offered Common Shares") equal to 15% of the Offered Common Shares sold pursuant to the IPO. At closing, the Company will pay an agent's commission of 10% of the gross proceeds and issue to the Agent compensation options (the "Agent's Compensation Options") equal to 10% of the aggregate number of Offered Units issued in the Offering. Each Agent's Compensation Option entitles the Agent to purchase one common share of the Company at \$0.10 at any time prior to the date that is 24 months from the closing date. The Agent will also be paid a corporate finance fee (the "Corporate Finance Fee") of \$25,000. In addition, the Company will also be responsible for expenses in relation to the IPO. The Company paid the Agent \$15,000 towards the Corporate Finance Fee and \$10,000 as a security deposit for expenses.

On April 11, 2022, the Company completed its initial public offering (the "IPO") of 4,025,000 common shares at a price of \$0.10 for total proceeds of \$402,500. The Agent received a cash commission equal to 10% of the gross proceeds of the IPO and a corporate finance fee of \$25,000. In addition, the Company granted the Agent, and its selling group, Agent's Warrants entitling the holder to purchase an aggregate of 402,500 shares at a price of \$0.10 per share until April 11, 2024.

On April 12, 2022 a director and senior officer exercised 200,000 options at \$0.10 for total proceeds of \$20,000.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The information provided in this report as referenced from the Company's financial statements for the referenced reporting period is the sole responsibility of management. In the preparation of the information along with related and accompanying statements and estimates contained herein, management uses careful judgement in assessing the values (or future values) of certain assets or liabilities. It is the opinion of management that such estimates are fair and accurate as presented.

OTHER REQUIREMENTS

Summary of Outstanding Securities as at April 22, 2022

Authorized: Unlimited number of common shares without par value.

Issued and outstanding: 14,325,001 Common Shares.

A total of 500,000 stock options exercisable at a price of \$0.10 per share expiring August 30, 2024.

A total of 402,500 broker warrants exercisable at a price of \$0.10 per share expiring April 11, 2024.

RISKS AND UNCERTAINTIES

The Company's principal activity is mineral exploration and development. Companies in this industry are subject to many and varied kinds of risks, including but not limited to, environmental, metal prices, political and economical. The Company has no producing properties, no significant source of operating cash flow and consequently no sales or revenue from operations. The Company has either not yet determined whether its mineral properties contain mineral reserves that are economically recoverable or where reserves have been determined, mining operations have not yet commenced. The Company has limited financial resources. Substantial expenditures are required to be made by the Company to establish reserves.

The property interests in whom the Company has an option to earn an interest are in the exploration stages only, are without and may not result in any discoveries of commercial mineralization, and have no ongoing mining operations. Mineral exploration involves a high degree of risk and few properties, which are explored, are ultimately developed

into producing mines, the result being the Company will be forced to look for other exploration projects. The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous materials and other matters.

Additional disclosures pertaining to the Company's technical report, management information circulars, material change reports, press releases and other information are available on the SEDAR website at www.sedar.com.