Scout Minerals Corp.
(an exploration-stage company)

Management's Discussion and Analysis
For the year ended December 31, 2022

This Management's Discussion and Analysis ("MD&A") is dated as of April 27, 2023 and should be read in conjunction with the audited consolidated financial statements of Scout Minerals Corp. (the "Company" or "Scout") for the year ended December 31, 2022, and the related notes thereto, and the Company's prospectus, dated June 20, 2022 (the "Prospectus"), each of which is available under the Company's profile on SEDAR at www.sedar.com. The consolidated financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board.

This MD&A contains forward-looking statements that involve numerous risks and uncertainties. The Company continually seeks to minimize its exposure to business risks, but by the nature of its business and exploration activities and size, will always have some risk. These risks are not always quantifiable due to their uncertain nature. Should one or more of these risks and uncertainties, or those described under the heading "*Risk Factors*" in the Prospectus, and those set forth in this MD&A under the heading, "*Industry and Economic Factors that May Affect our Business"* materialize, or should underlying assumptions prove incorrect, then actual results may vary materially from those described in forward-looking statements.

The Company's reporting currency is the Canadian dollar and all amounts in this MD&A are expressed in Canadian dollars unless otherwise stated.

Outlook

In March 2020 the World Health Organization declared coronavirus COVID-19 ("coronavirus") a global pandemic. This contagious disease outbreak, which has continued to mutate and spread, has adversely affected workforces, economies, and financial markets globally, giving rise to broad market volatility and uncertainty. Furthermore, recent events in Europe prompted by the conflict in Ukraine, and the response from multiple countries, corporations and governmental agencies may have far reaching impacts on commodity prices, foreign currency exchange rates, and the price of publicly traded companies. The impact on the Company of these, and other global events are not currently determinable, but management continues to monitor the situation.

The Company is engaged in the acquisition, exploration and development of mineral properties in Canada. Its current focus is to conduct the proposed exploration program for the North McKinney exploration property ("McKinney") located in the Greenwood Mining Division, British Columbia (see Asset Acquisition in this MD&A), as more particularly set out in the "*Technical Summary Report North McKinney Property*", prepared for the Company by Ken MacDonald, P.Geo, dated effective June 16, 2022 (the "Technical Report"), along with continuing to identify and potentially acquire additional property interests, assess their potential, and engage in exploration activities.

As of the date of this MD&A, Scout has approximately $164,354 in working capital available; the Company has begun exploration activities relating to McKinney and, expects to continue incurring expenditures toward satisfaction of the Expenditure Obligation in the coming months.

Overall performance and business to date

Scout was incorporated on October 26, 2021, under the Business Corporations Act (British Columbia). The Company's sole business focus to date has been to acquire mineral property interests for the purposes of exploration and development.

Financing the business

Since incorporation on October 26, 2021, the Company has raised a total of $353,401 by issuances of the Company's common shares and "Special Warrants" (see "*Equity Issuances and Outstanding Share Data*", in this MD&A) to finance the commencement of operations with a focus on McKinney. The Company completed the qualification, distribution and listing of common shares and common share purchase warrants ("Warrant") (the "Go Public Transaction") on the Canadian Securities Exchange (the "CSE") on July 14, 2022.

The Company is fully financed to support its near-term planned business objectives as a result of these initial financings.

The Go-Public Transaction

On June 20, 2022, the Company filed the Prospectus to qualify the distribution of 2,303,000 units ("Special Units") of Scout, issuable for no additional consideration upon the exercise of certain previously issued Special Warrants of the Company. Each Special Unit comprised one common share and one warrant.

Pursuant to the receipt by the British Columbia Securities Commission of the Prospectus (the "Receipt"), and the contractual terms of the Special Warrants, the Company issued 2,303,000 common shares and 2,303,000 warrants for no additional consideration on June 28, 2022.

Following the completion of the Go-Public Transaction there were 14,982,997 common shares issued and outstanding.

On July 14, 2022, the common shares were listed for trading on the CSE under symbol "SCTM", which is expected to provide greater opportunities to raise capital from a larger group of prospective investors.

Mineral Property Interest

The Company secured an option to earn-in to an undivided 75% interest in the McKinney property pursuant to a property option agreement (the "Option Agreement"), dated January 27, 2022.

McKinney is located on the southeast slope of Mt. Baldy in southern British Columbia, approximately 25 kilometres northeast of the town of Osoyoos, British Columbia, and directly north of the past-producing Caribou-Amelia mine at the Camp McKinney camp (the "McKinney camp").

McKinney covers a geological setting that is considered prospective for polymetallic vein mineralization similar to known gold-bearing mesothermal veins first discovered at the McKinney camp. Historical and more recent exploration campaigns have yet to fully evaluate the potential of the known mineralization discovered to date.

McKinney is accessible by a series of all-weather gravel logging roads that bring access both to the west and east sides. The Property is composed of five mineral claims totalling approximately 1,289 hectares.

Pursuant to the Option Agreement, Scout can acquire 75% interest in certain mineral claims of McKinney property from 1218802 B.C. Ltd. (the "Optionor"), by paying / issuing to the Optionor the following:

Cash Payments

• Within five days of the effective date of the Option Agreement:	$	17,500 (paid)
• upon completion of the Go Public Transaction:	$	45,000 (paid)
• on the 12-month anniversary of the Go Public Transaction:	$	50,000
• on the 24-month anniversary of the Go Public Transaction:	$	75,000
• on the 36-month anniversary of the Go Public Transaction:	$	100,000

Share Payments

• on the 12-month anniversary of the Go Public Transaction	250,000 Common shares
• on the 24-month anniversary of the Go Public Transaction	350,000 Common shares
• on the 36-month anniversary of the Go Public Transaction	500,000 Common shares

The option agreement was subsequently amended in an extension letter dated January 26, 2023, to extend the date of the 12-month anniversary of the Go Public Transaction to June 30, 2023, thus extending the deadline of the payment of $50,000 and the issuance of 250,000 common shares to June 30, 2023. As consideration for the foregoing amendments, the Optionee agreed to pay the Optionor $5,000 within 30 days of acceptance of the extension letter.

Satisfaction of the Option Agreement also requires Scout to incur a minimum of $100,000 of exploration expenditures on McKinney on or before the 12-month anniversary of the Go Public Transaction (completed); and a further $400,000 of exploration expenditures on or before the 36-month anniversary of the Go Public Transaction (the "Expenditure Obligation").

The Optionor was also granted the first right of refusal to conduct the required exploration work on behalf of Scout, provided that the Optionor (a) is qualified to do such work, (b) is able to conduct the exploration work in the timeframe required by the Company, and (c) charges reasonable standard rates comparable to other professionals who have similar experience and qualifications and experience with properties similar to McKinney. Cash payments in lieu of a shortfall in exploration expenditures for a given period may be made by Scout to the Optionor.

Upon satisfaction of the Option Agreement, the Optionor will retain a 2% net smelter returns royalty interest ("NSR") on the property, of which the Company will have the right at any time, to repurchase half the NSR (or 1%), for $1,000,000.

As of December 31, 2022, the following cash payments had been capitalized relating to the acquisition of McKinney.

Acquisition costs		
Balance, December 31, 2021	$	-
Acquisition cost payment		17,500
Go Public Transaction milestone payment		45,000
Acquisition costs paid at December 31, 2022	$	62,500

Exploration and evaluation expenditures have been expensed in the consolidated statements of loss and comprehensive loss. Details of exploration and evaluation activities at McKinney, and related expenditures incurred are as follows:

		Year ended December 31, 2022
Geological services	$	55,414
Administration and maintenance		32,039
Geophysics and geochemistry		18,267
Exploration expenditures for the year	$	105,720
Cumulative balance	$	105,720

The McKinney exploration property is an early-stage exploration property and does not contain any mineral resource estimates as defined by National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101"). There has been insufficient exploration to define a mineral resource estimate at McKinney. It is uncertain if further exploration will result in targets at McKinney being delineated as a mineral resource. On November 15, 2022, the Company announced the completion of field work in the phase 1 program at the North McKinney exploration property.

Additional information about McKinney is summarized in the Prospectus, and the Technical Report, and can be viewed under Scout's issuer profile on SEDAR at www.sedar.com.

Selected Annual Information

Management is responsible for the consolidated financial statements referred to in this MD&A and provides officers' disclosure certifications filed with the Canadian provincial securities commissions. The Board of Directors of the Company approved the consolidated financial statements and this MD&A.

Our significant accounting policies are presented in Note 3 of the consolidated financial statements; we followed these accounting policies consistently throughout the year. Details of new accounting standards issued but not yet effective are also found in Note 3 of the consolidated financial statements. Preliminary internal discussions have begun in order to evaluate the consequences of the new pronouncements, but the full impact has yet to be assessed.

Management has determined that the Company has a Canadian dollar functional currency because the Company raises its financing and incurs head office expenses primarily in Canadian dollars. The Company's presentation currency for the consolidated financial statements is also Canadian dollars.

The Company currently operates in only one segment – the acquisition of mineral exploration properties. The following table sets forth selected financial information with respect to the Company as at each of the noted periods ended, which information has been derived from and should be read in conjunction with the consolidated financial statements.

	For the year ended December 31, 2022	For the period from Incorporation on October 26, 2021 to December 31, 2021
Total revenue	$ -	$ -
Net loss and comprehensive loss	(189,610)	(5,016)
Basic and diluted loss per share	(0.01)	(0.00)
Total assets	236,047	197,091
Total non-current financial liabilities	$ -	$ -

The Company is in its early stages of operations and does not generate any revenue yet.

The composition of net loss and comprehensive loss for the year ended December 31, 2022 and for the period from incorporation on October 26, 2021 to December 31, 2021 is detailed below in "Discussion of Operations".

Total assets as at December 31, 2022 increased to $236,047 from $197,091 as at December 31, 2021. The increase in total assets of $38,956 is primarily due to an increase in mineral property interest of $62,500 due to acquisition costs incurred on the McKinney Property which is partially offset by a decrease in cash from $197,091 at December 31, 2021 to $173,547 at December 31, 2022.

Discussion of Operations

For the year ended December 31, 2022 compared to the period from incorporation on October 26, 2021 to December 31, 2021

The Company incurred a net loss and comprehensive loss during the year ended December 31, 2022 of $189,610 compared to a net loss and comprehensive loss of $5,016 during the period from incorporation on October 26, 2021 to December 31, 2021. The increase in net loss and comprehensive loss is primarily attributable to the year ended December 31, 2022 being the first full year of operations and the Company's efforts to complete the listing of its common shares on the CSE.

The expenses incurred by the Company are as follows:

	For the year ended December 31, 2022	For the period from Incorporation on October 26, 2021 to December 31, 2021
Operating Expenses		
Exploration and evaluation expenditures	$ 105,720	$ -
Professional fees	39,459	5,000
Listing and filing fees	31,745	-
Share-based compensation	8,241	-
Amalgamation expense	4,000	-
Administrative expense	702	16
Total operating expenses	**(189,867)**	**(5,016)**
Interest income	257	-
Net loss and comprehensive loss	**$ (189,610)**	**$ (5,016)**

Exploration and evaluation expenditures relates to the ongoing exploration program of the McKinney Property which commenced during the year ended December 31, 2022.

Professional fees primarily consist of legal fees and audit fees incurred in relation to the Company listing on the CSE during the year ended December 31, 2022. Professional fees incurred during the period from incorporation on October 26, 2021 to December 31, 2021 relates to audit fees.

Listing and filing fees relates to listing application fees, transfer agent fees and CSE filing fees upon being listed on the CSE during the year ended December 31, 2022.

Share-based compensation relates to the grant of 155,000 stock options during the year ended December 31, 2022 to certain officers and directors of the Company.

Amalgamation expense relates to the value attributed to 200,000 common shares issued by the Company pursuant to the Amalgamation during the year ended December 31, 2022 (see "*Equity Issuances and Outstanding Share Data*", in this MD&A).

Administrative expense relates to bank charges and fees incurred for issuing news releases during the year ended December 31, 2022.

Interest income relates to interest earned on the redemption of a Guaranteed Investment Certificate (“GIC”) during the year ended December 31, 2022.

For the three months ended December 31, 2022 compared to the period from incorporation on October 26, 2021 to December 31, 2021

The Company incurred a net loss and comprehensive loss during the three months ended December 31, 2022 of $76,904 compared to a net loss and comprehensive loss of $5,016 during the period from incorporation on October 26, 2021 to December 31, 2021. The increase in net loss and comprehensive loss is primarily attributable to the Company incurring exploration and evaluation expenditures on its McKinney Property in relation to its exploration program.

The expenses incurred by the Company are as follows:

		For the three months ended December 31, 2022		For the period from Incorporation on October 26, 2021 to December 31, 2021
Operating Expenses				
Exploration and evaluation expenditures	$	54,361	$	-
Professional fees		33,284		5,000
Listing and filing fees		(14,208)		-
Share-based compensation		3,435		-
Administrative expense		289		16
Total operating expenses		**(77,161)**		**(5,016)**
Interest income		257		-
Net loss and comprehensive loss	**$**	**(76,904)**	**$**	**(5,016)**

Exploration and evaluation expenditures relates to the ongoing exploration program of the McKinney Property which commenced during the second half of 2022.

Professional fees primarily consist of legal fees for general corporate matters and audit fees incurred in relation to the audit for the year ended December 31, 2022 along with the reclassification of certain listing and filing fees to professional fees. Professional fees incurred during the period from incorporation on October 26, 2021 to December 31, 2021 relates to audit fees.

Listing and filing fees were negative during the three months ended due to the reclassification of certain listing and filing fees to professional fees which is partially offset by transfer agent and CSE listing fees.

Share-based compensation relates to the vesting of stock options granted to an officer of the Company during the year ended December 31, 2022.

Administrative expense relates to bank charges and fees incurred for issuing news releases during the three months ended December 31, 2022.

Interest income relates to interest earned on the redemption of a Guaranteed Investment Certificate ("GIC") during the three months ended December 31, 2022.

Summary of Quarterly Results

For the three months ended,	**December 31, 2022**	**September 30, 2022**	**June 30, 2022**	**March 31, 2022**	**For the period from Incorporation on October 26, 2021 to December 31, 2021**
Total revenue	$ -	$ -	$ -	$ -	$ -
Net loss and comprehensive loss	$ (76,904)	$ (58,056)	$ (37,955)	$ (16,695)	$ (5,016)
Basic and diluted loss per share	$ (0.01)	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)

The Company's net loss and comprehensive loss increased by $18,848 during the three months ended December 31, 2022 as compared to the previous quarter. The increase is primarily due to a $33,284 increase in professional fees relating to the reclassification of legal fees which were previously classified to listing and filing fees along with audit fees incurred in relation to the December 31, 2022 year end audit which is partially offset by a $18,494 decrease in listing and filing fees due to the reclassification of legal fees from listing and filing fees to professional fees.

The Company's net loss and comprehensive loss increased by $20,101 during the three months ended September 30, 2022 as compared to the previous quarter. The increase is primarily due to a $51,359 increase in exploration and evaluation expenditures as the Company commenced its exploration program on the McKinney Property. This increase in net loss and comprehensive loss is partially offset by a $32,381 decrease in listing and filing fees as the Company listed on the CSE on July 14, 2022, which was at the beginning of the quarter ended September 30, 2022.

The Company's net loss and comprehensive loss increased by $21,260 during the three months ended June 30, 2022 as compared to the previous quarter. The increase is primarily due to a $31,667 increase in listing and filing fees as the Company was focused on obtaining its listing on the CSE during the quarter. The increase in net loss and comprehensive loss is partially offset by a $4,000 decrease in amalgamation expense which was incurred during the previous quarter along with a $3,825 decrease in professional fees and a $2,640 decrease in share-based compensation as there were no stock options issued during the quarter.

The Company's net loss and comprehensive loss increased by $11,679 during the three months ended March 31, 2022 as compared to the period from incorporation on October 26, 2021 to December 31, 2021. The increase is primarily due to a $5,000 increase in listing and filing fees as the Company commenced its application process for its CSE listing, a $4,000 increase in amalgamation fees in relation to the issuance of 200,000 common shares during its amalgamation (see "*Equity Issuances and Outstanding Share Data*", in this MD&A), and a $2,640 increase in share-based compensation as the Company issued 50,000 stock options during the quarter to certain directors of the Company.

Liquidity and Capital Resources

During the year ended December 31, 2022, net cash used in operating activities was $114,150 which consists of net loss for the year ended December 31, 2022 of $189,610 which is partially offset by an increase in accounts payable and accrued liabilities of $63,219 along with non-cash expenditures including share-based compensation of $8,241 and amalgamation expense of $4,000. During the period from incorporation on October 26, 2021 to December 31, 2021, net cash used in operating activities was $9 which consisted of net loss for the period of $5,016 which is partially offset by an increase in accounts payable and accrued liabilities of $5,007.

During the year ended December 31, 2022, net cash used in investing activities was $62,500 which related to option payments incurred on the McKinney Property. The Company did not undertake any investing activities during the period from incorporation on October 26, 2021 to December 31, 2021.

During the year ended December 31, 2022, net cash provided by financing activities was $153,106 which consisted of $156,301 from the issuance of special warrants which was partially offset by share issuance costs of $3,195. During the period from incorporation on October 26, 2021 to December 31, 2021, net cash provided by financing activities was $197,100 from the issuance of common shares.

As at December 31, 2022, the Company had an accumulated deficit of $194,626 (December 31, 2021 - $5,016), a working capital surplus of $105,321 (December 31, 2021 - $192,084) and cash of $173,547 (December 31, 2021 - $197,091). The Company does not have any commitments for capital expenditures.

The Company has no source of revenue, income or cash flow. It has been, through to the date of this MD&A, wholly dependent upon a limited group of shareholders for the advance of funds through the sale of common shares to finance its business. The completion of the Go Public Transaction, and the recent closing of the Special Warrant and private placement financings provides the Company with sufficient cash to satisfy working capital requirements, and undertake planned exploration activities on the McKinney Property.

Going Concern

The consolidated financial statements have been prepared on a going concern basis that contemplates the realization of assets and discharge of liabilities at their carrying values in the normal course of business for the foreseeable future. These consolidated financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

At December 31, 2022, the Company had an accumulated deficit of $194,626 (2021 - $5,016) and working capital of $105,321 (2021 - $192,084). The Company has not generated any revenues or cash flows from operations since inception and does not expect to do so for the foreseeable future.

The Company's continuation as a going concern depends on its ability to successfully raise capital. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company; therefore giving rise to a material uncertainty which may cast significant doubt as to whether the Company's cash resources and working capital will be sufficient to enable the Company to continue as a going concern for the 12-month period after the date of these consolidated financial statements. Consequently, management is pursuing various financing alternatives to fund operations and advance its business plan. To facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The Company may determine to reduce the level of activity and expenditures to preserve working capital and alleviate any going concern risk.

The assumption that the Company will be able to continue as a going concern is subject to critical judgments by management with respect to assumptions surrounding the short and long-term operating budget, expected profitability, investing and financing activities and management's strategic planning. Should those judgments prove to be inaccurate, management's continued use of the going concern assumption could be inappropriate.

Equity Issuances and Outstanding Share Data

As of December 31, 2022, the Company has one class of outstanding common shares, without par value.

There were 14,982,997 common shares, 11,282,999 warrants and 130,000 stock options issued and outstanding as at December 31 2022. At the date of this MD&A, there were 16,786,310 common shares, 9,479,686 warrants and 110,000 stock options issued and outstanding. As at December 31, 2022, 164,475 common shares, and 108,000 warrants were held in escrow. As at the date of this MD&A, 137,062 common shares and 90,000 warrants were held in escrow.

Common Share Issuances

Conversion of Special Warrants

On June 28, 2022, pursuant to the receipt by the British Columbia Securities Commission of the Company's long form prospectus qualifying the distribution of 2,303,000 units resultant from the conversion of the previously issued Special Warrants, the Company issued 2,303,000 common shares and common share purchase warrants ("Warrants") for no additional consideration. A total of $3,195 in share issue costs were recorded in connection with the issuance arising from the conversion of the special warrants and qualification of the common shares.

The Amalgamation

The Company entered into an amalgamation agreement dated January 10, 2022 (the "Amalgamation Agreement") with Chara Capital Corp. ("Chara"), and 1341715 B.C. Ltd. ("1341715"), a wholly-owned subsidiary of the Company incorporated on January 7, 2022. Pursuant to the Amalgamation Agreement, Chara and 1341715 amalgamated (the "Amalgamation") to form 1342683 B.C. Ltd. ("Amalco").

The Company issued the following consideration with the following effect:

- One common share of the Company in exchange for each of the 187,500 Class B common shares of Chara issued and outstanding at the time of the Amalgamation; and
- One common share of the company in exchange for each of the 12,500 Class A common shares of Chara issued and outstanding at the time of the Amalgamation.

The 200,000 common shares issued by the Company pursuant to the Amalgamation were valued at $4,000. The acquisition and amalgamation did not constitute a business combination under IFRS 3, *Business Combinations*. Because 1342683 BC Ltd. had no significant assets or liabilities; the $4,000 was accounted for as a non-cash "amalgamation expense" on the consolidated statements of loss and comprehensive loss.

Contractual Obligations

Completion of the Property Option includes making certain cash and share payments over time. Although these payments are optional, and at the election of the Company, they are required in order to keep the Option Agreement in good standing.

The Company may also enter into normal course agreements with various service providers and vendors relating to the Company's business. Certain of these agreements may also provide for ongoing services which extend beyond a particular financial statement reporting period. As of the date of this MD&A, the Company has one such agreement, pertaining to the planned and budgeted exploration program at McKinney.

Off Balance Sheet Arrangements and Legal Matters

The Company has no off-balance sheet arrangements, and there are no outstanding legal matters of which management is aware.

Transactions with Related Parties

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 Board of Director members.

All related party transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. All amounts either due from or due to related parties other than specifically disclosed are non-interest bearing, unsecured and have no fixed terms of repayments.

No amount was paid by the Company to any members of the Board, or the President and Chief Executive Officer ("CEO"). The Chief Financial Officer ("CFO") provided bookkeeping services for the year ended December 31, 2022 valued at $2,500 (Period from incorporation on October 26, 2021 to December 31, 2021 - $Nil). No amount remained payable at December 31, 2022 (December 31, 2021 - $Nil).

Three of the Company's directors and one of the Company's officers were awarded stock options during the year ended December 31, 2022 (in aggregate, 155,000 Options). In respect of the Options issued to related parties, the Company recognized share-based compensation of $8,241 during the year (Period from incorporation on October 26, 2021 to December 31, 2021 - $NIL). Subsequently, 45,000 of those stock options were forfeited pursuant to the resignation of certain officers and directors, and a further 60,000 Options will expire on May 24, 2023.

Directors and officers of the Company purchased an aggregate of 60,000 special warrants ($3,000), which were subsequently converted to 60,000 common shares and 60,000 warrants during the year ended December 31, 2022.

Proposed Transactions

As is typical of the mineral exploration and development industry, we continually review potential merger, acquisition, investment, and joint venture transactions, and opportunities that could enhance shareholder value. There is no guarantee that any contemplated transaction will be concluded.

While we remain focused on satisfying the earn-in on McKinney, should we enter into agreements in the future on new properties, we may be required to make cash payments and complete work expenditure commitments under those agreements which would change our planned expenditures.

Critical Accounting Estimates

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and expenses at the date of the consolidated financial statements and the reported amounts of expenses during the reporting period. The Company bases its estimates and assumptions on current facts, limited historical experience and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the other sources. The actual results experienced by the Company may differ materially and adversely from the Company's estimates. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Share-based compensation

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based compensation. The valuation technique requires the input of subjective assumption including expected price volatility, interest rate, forfeiture rate, dividend yield and expected life. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and contributed surplus.

Changes in Accounting Policies and New Accounting Pronouncements

For information on the Company's accounting policies and a summary of new accounting pronouncements, please refer to our disclosures in Note 3 of the consolidated financial statements.

Financial Instruments and Other Instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

The Company classifies its financial instruments in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

At initial recognition, the Company has classified its financial instruments in the following categories depending on the purpose for which the instruments were acquired:

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statement of loss in the period in which they arise.

Financial assets and liabilities at FVOCI

Financial assets carried at FVOCI are initially recorded at fair value. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains and losses, interest revenue, and foreign exchange gains and losses which are recognized in the statement of loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains (losses). Interest income from these financial assets is included as finance income using the effective interest rate method.

At each reporting date, management assesses whether there is objective evidence that a financial asset is impaired. If such evidence exists, the Company recognizes an impairment loss.

The Company classifies its financial instruments as follows:

Financial assets/liabilities	
Cash	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

Risks Associated with Financial Instruments

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Company's financial instruments consist of cash and accounts payable and accrued liabilities. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from its financial instruments. The fair values of these financial instruments approximate their carrying values unless otherwise noted.

The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

The financial instrument which potentially subjects the Company to concentration of credit risk is cash. As at December 31, 2022, the balance of cash held on deposit was $173,547. The Company has not experienced any losses in such amounts and believes it is not exposed to any significant risks on its cash in bank accounts.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company manages its capital in order to meet short term business requirements, after taking into account cash flows from operations, expected capital expenditures and the Company's holdings of cash. In the long term, the Company may have to issue additional shares to ensure there is sufficient capital to meet long term objectives.

The Company's financial liabilities of accounts payable and accrued liabilities are payable without repayment terms and are to be funded from cash provided by private placement financings.

Industry and Economic Factors that May Affect our Business

Economic and industry risk factors that may affect our business, in particular those that could affect our liquidity and capital resources, are outlined under the heading "*Risk Factors*" in the Prospectus dated June 20, 2022 filed on SEDAR. In particular, there are ongoing significant uncertainties in capital markets impacting the availability of equity financing for the purposes of mineral exploration and development. There are also significant uncertainties relating to the global economy, risks and uncertainty relating to the impact of coronavirus; increased volatility in the prices of gold, copper, other precious and base metals and other minerals, which impact our business, our ability to satisfy the various conditions precedent to satisfying and completing the Property Option, and potentially our ability to remain a going concern. Difficulty in accessing capital on favourable terms may also limit the Company's ability to acquire and subsequently explore other mineral property interests.

Events after the Reporting Period

On January 26, 2023, the Company amended its Option Agreement for the McKinney Property in an extension letter to extend the date of the 12-month anniversary of the Listing Date to June 30, 2023, this extending the deadline of the payment of $50,000 and the issuance of 250,000 Shares to June 30, 2023. As consideration of the foregoing amendments, the Optionee agreed to pay the Optionor $5,000 within 30 days of acceptance of the extension letter.

On February 23, 2023, the CFO and Corporate Secretary of the Company resigned. At the time of their resignation, the CFO forfeited 20,000 of their Options which had not yet vested.

On February 23, 2023, the Company appointed a new CFO and a new director.

On April 6, 2023, the Company entered into a Claims Sales Agreement (the "Sales Agreement") whereby the Company acquired 3,840 mineral claims known as North Shore claims, located in Quebec, Canada. Per the terms of the Sales Agreement, the Company agreed to pay cash consideration of $1,200,000 and issue 8,000,000 common shares to the sellers to acquire the North Shore claims. The sellers will retain a 1.0% net smelter return ("NSR") royalty on the North Shore claims.

On April 21, 2023, 1,803,313 warrants were exercised for gross proceeds of $183,074.

Scientific and Technical Disclosure

The scientific and technical information contained in this MD&A has been reviewed and approved by Ken MacDonald P.Geo, author of the Technical Report. Mr. MacDonald is a "qualified person" within the meaning of NI 43-101.