

HIGHROCK RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE COMPANY'S FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE YEAR ENDED JANUARY 31, 2023.

May 25, 2023

This Management Discussion and Analysis ("MD&A") of Highrock Resources Ltd. ("Highrock" or the "Company") has been prepared by management as of May 25, 2023 and should be read together with the financial statements and related notes for the year ended January 31, 2023 and period from August 3, 2021 to January 31, 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.

In March 2020, the World Health Organization declared the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", a global pandemic which has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in the future.

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 August 3, 2021.

SELECTED ANNUAL INFORMATION

The following table sets forth summary financial information for the Company for the year ended January 31, 2023 and the period from incorporation on August 3, 2021 to January 31, 2022. 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.

	Year ended January 31, 2023	Period from Incorporation on August 3, 2021 to January 31, 2022
Mineral properties	\$ 118,602	\$ 98,563
Total assets	\$ 178,531	\$ 228,454
Total revenues	\$ -	\$ -
Long-term debt	\$ -	\$ -
General and administrative expenses	\$ 112,832	\$ 68,614
Net loss	\$ 101,048	\$ 80,398
Basic and diluted loss per share ⁽¹⁾	\$ 0.01	\$ 0.01

(1) Based on weighted average number of common shares issued and outstanding for the period.

RESULTS OF OPERATIONS

As at January 31, 2023, the Company had total assets of \$178,531. As at January 31, 2023, the Company had current liabilities of \$85,718.

For the year ended January 31, 2023, the Company reported a net loss of \$101,048 (2022 - \$80,398). The loss for the year ended January 31, 2023 comprised of bank and interest charges of \$420 (2022 - \$59), consulting fees of \$5,000 (2022 - \$10,000), management fees of \$30,000 (2022 - 13,750), professional fees of \$70,917 (2022 - \$20,047), filing fees of \$5,195 (2022 - \$nil), rent of \$1,300 (2022 - \$nil), share based payment of \$nil (2022 - \$22,258), and travel and promotion of \$nil (2022 - \$2,500). The Company recognized deferred income tax recovery of \$11,784 (2022 - expense of \$11,784).

SUMMARY OF QUARTERLY RESULTS

The Company was incorporated on August 3, 2021 and, for that reason, only the previous six quarters have been presented in the table below.

	Q4	Q3	Q2	Q1
	January 31, 2023	October 31, 2022	July 31, 2022	April 30, 2022
Net Loss for the Period	\$(59,548)	\$(16,669)	\$(11,091)	\$(13,740)
Loss per Share	\$ (0.00)	\$ (0.00)	\$(0.00)	\$ (0.00)

	Q4	Q3
	January 31, 2022	October 31, 2021
Net Loss for the Period	\$(74,134)	\$ (6,264)
Loss per Share	\$ (0.01)	\$(0.00)

The increase in the three-month period ended January 31, 2023 compared to the periods ended October 31, 2022, July 31, 2022, and April 30, 2022 is due to increased corporate expenses incurred as a result of the preparation for the IPO. Expenditures in the period ended April 30, 2022 were reduced from the previous period due to reduced corporate activity and the completion of the mineral exploration program on the Pathfinder. Expenditures in the period

ended January 31, 2022 reflect the commencement of corporate activities and the exploration program. The Company was incorporated in the quarter ended October 31, 2021 and incurred only start-up costs.

EXPLORATION AND PROJECTS

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

Pathfinder Property

On August 26, 2021 the Company entered into an agreement to acquire up to a 75% interest in five mining claims in the Greenwood Mining Division, British Columbia with a company which shares common directors and a senior officer. To acquire a 51% interest, the Company issued 100,000 common shares (issued for \$2,000) and made a cash payment of \$5,000 (paid) to the optionor.

To earn a further 24% (for a total of 75%), the Company must pay the optionor \$10,000 on or before August 26, 2022 (paid), issue 100,000 common shares on or before six months from February 27, 2023, and incur aggregate exploration expenditures of \$200,000 of which \$75,000 must be incurred before August 26, 2022 (incurred) and \$125,000 on or before February 27, 2024 (incurred \$26,202 as at January 31, 2023). Should the Company not earn the additional 24% interest, the property will revert back to the optionor.

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

In February 2022, the Company remitted a \$15,700 bond to the Government of British Columbia to acquire a multi-year permit under the Mines Act which is valid until April 30, 2027.

The Property is located in the Greenwood Mining Division approximately 18 kilometres north of Grand Forks in the southern interior of British Columbia. The Property consists of three mineral claims covering an area of 296 hectares.

The Property is situated within the Boundary District which is a highly mineralization region which straddles the Canada-USA border. The area has historical past producing mines in Canada and the US.

An independent geological report (the "Technical Report") prepared by Linda Caron, M.Sc., P. Eng. 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 February 22, 2022. The Technical Report recommends that the Company conduct further data compilation and geophysical analysis and a surface exploration and trenching program.

Exploration Expenditures

Highrock has incurred the following exploration expenditures with regards to the Property that were capitalized as incurred to January 31, 2023:

Assays and testing	\$ 8,974
Geological consulting	15,285
Reports and administration	11,949
Mapping and surveying	63,955
Travel, accommodation, and supplies	1,439
	<u>\$ 101,602</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 undertake a two-phase; \$355,000 program to further explore the property. The Phase 1 program (\$125,000) recommends additional soil geochemistry, mineralogical studies and 3D modelling in conjunction with detailed structural mapping. Phase 2 (\$230,000) includes diamond drilling to targets generated by the recommended Phase 1 program and is contingent on the results of the Phase 1 program.

LIQUIDITY AND CAPITAL RESOURCES

The Company reported working capital deficiency of \$41,489 at January 31, 2023 (working capital at January 31, 2022 - \$107,082) including cash of \$32,311. Current liabilities as at January 31, 2023 consisted of accounts payable and accrued liabilities of \$62,568, and amounts due to related parties of \$23,150.

During the period from inception on August 3, 2021 to January 31, 2022, the Company issued 1 common share for proceeds of \$1 to the incorporator.

On August 3, 2021 the Company issued a total of 1,900,000 common shares at \$0.005 per share to directors for gross proceeds of \$9,500. Directors and senior officers subscribed for a total of 1,900,000 shares.

On August 26, 2021 the Company issued a total of 100,000 common shares valued at \$2,000 for a property acquisition.

On September 7, 2021, the Company issued 100,000 common shares at \$0.005 per share to a director for gross proceeds of \$500.

On October 6, 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 November 16, 2021 the Company issued a total of 3,000,000 common shares at \$0.05 per share for gross proceeds of \$150,000.

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 through stock options and/or warrant exercises, and public financings. 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 year ended January 31, 2023, the Company:

- Incurred a management fee expense of \$30,000 to a company controlled by a director and senior officer.
- Incurred rent expense of \$1,300 to a company controlled by a director and senior officer.
- Incurred and accrued bookkeeping and accounting expense of \$12,000 to a director and senior officer.

At January 31, 2023 the amount due to a company controlled by a director and senior officer is \$13,650 and to a director and officer of the Company is \$9,500.

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 year

ended January 31, 2023 and period from incorporation on August 3, 2022 to January 31, 2022.

	Year ended January 31, 2023	From incorporation on August 3, 2021 to January 31, 2022
	Fees	
Musil G. Consulting Services Ltd. (controlled by CEO)	\$ 30,000	\$ 13,750
Chief Financial Officer	12,000	5,500
Share-based payments to directors	-	22,258
	<u>\$ 42,000</u>	<u>\$ 41,508</u>

On January 28, 2022, the Company granted a total of 700,000 stock options exercisable at a price of \$0.10 until January 28, 2025 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

On February 28, 2023 the Company completed its initial public offering (the "IPO") of 3,500,000 common shares in its capital (each a "Share") at a price of \$0.10 per Share for gross proceeds of \$350,000. Haywood Securities Inc. 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, which included the issuance of 105,000 Shares to the Agent at a deemed price of \$0.10 per Share. In addition, the Agent and its selling group, were granted non-transferable broker's warrants entitling the holder(s) to purchase an aggregate of 350,000 Shares at a price of \$0.10 per Share, exercisable on or before February 28, 2025. Net proceeds from the IPO will be used for working capital purposes, for general and administrative purposes, to carry out exploration on the Pathfinder Property located near Grand Forks, B.C. and to make payments pursuant to the option agreement in respect of the Pathfinder Property.

Trading commenced on the Canadian Securities Exchange on March 1, 2023, under the symbol ("HRK").

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 May 25, 2023

Authorized: Unlimited number of common shares without par value.

Issued and outstanding: 13,205,001 Common Shares.

A total of 700,000 stock options exercisable at a price of \$0.10 per share expiring January 28, 2025.

A total of 350,000 broker's warrants exercisable at a price of \$0.10 per share expiring February 28, 2025.

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.