

MANAGEMENT DISCUSSION AND ANALYSIS FOR THE THREE MONTHS ENDED DECEMBER 31, 2022

Management's discussion and analysis ("MD&A") provides a detailed analysis of the results and financial condition of Enduro Metals Corporation (the "Company") for the period ended December 31, 2022. The following MD&A should be read in conjunction with the unaudited condensed interim consolidated financial statements for the period ended December 31, 2022, and 2021, which have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting.

This Management's Discussion and Analysis ("MD&A") is dated February 28, 2023 and discloses specified information up to that date. The condensed interim consolidated financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Unless otherwise cited, references to dollar amounts are in Canadian dollars. This MD&A contains "forward-looking statements" that are subject to risk factors including those set out in the "Cautionary Statement" at the end of this MD&A. All information contained in this MD&A is current and has been approved by the Company's Board of Directors as of February 28, 2023, unless otherwise indicated. Throughout this report we refer to "Enduro", the "Company", "we", "us", "our", or "its". All these terms are used in respect of Enduro Metals Corporation. **We recommend that readers consult the "Cautionary Statement" on the last page of this report.** Additional information relating to the Company is available on the Company's website at www.endurometals.com and on SEDAR at www.sedar.com.

The condensed interim consolidated financial statements were prepared in accordance with IFRS with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The operations of the Company are primarily funded from financing activities and the issuance of capital stock.

The continued operations of the Company are dependent on its ability to develop a sufficient financing plan, receiving the continued financial support from related parties, completing sufficient equity financings or generating profitable operations in the future. The Company has not generated revenue from operations and expects to incur further losses in the exploration and evaluation of its mineral properties. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern. The condensed interim consolidated financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue its business.

Description of Business

Enduro Metals Corporation was incorporated under the Business Corporations Act (British Columbia) on July 20, 2009 and is publicly listed and traded on the TSX Venture Exchange ("TSX-V") under the trading symbol "ENDR", the OTC Markets Group Inc under the ticker symbol "ENDMF", and the Frankfurt Stock Exchange ("FSE") under the ticker symbol "SOG". The Company is currently engaged in the identification, acquisition, and exploration of prospective mineral properties in Canada. Enduro metals hold one of the largest junior land positions in the heart of British Columbia's Golden Triangle, a world class mineral district hosting multiple successful mines.

Financial Highlights

On May 19, 2022, the Company closed a private placement and issued a total of 28,333,334 shares of the Company for gross proceeds of \$10,020,000. The private placement consisted of 1,000,000 non-flow-through shares (the "NFT Shares") at a price of \$0.26 per NFT Share, 3,333,334 flow-through shares (the "FT Shares") at a price of \$0.30 per FT Share and 24,000,000 charity flow-through shares (the "CFT Shares") at a price of \$0.365 per CFT Share. The proceeds from the financing will be used to further advance the exploration activities at the Company's Newmont Lake project.

Operational Highlights

The Company's exploration and evaluation activities during the period ended December 31, 2022, have been conducted on its Newmont Lake Property.

Burgundy Ridge Project

A two-rig diamond drill program was executed to test the extent of copper and gold mineralization along a 1,200m strike length at the Company's Burgundy Ridge porphyry project to follow up on the results of drilling undertaken during 2021.

The results of 2021's drilling at Burgundy Ridge were announced on October 18th, 2021, and February 7th, 2022. Highlights from the drill results include:

- BR21-01 which intersected 331m of 0.71% CuEq starting at surface, including 146m of 1.00% CuEq from 139m downhole;
- BR21-03 which intersected 257m of 0.50% CuEq from surface, including 43m of 1.39% CuEq at surface;
- BR21-04 intersected 84m of 0.72% CuEq from 57m downhole. The drill hole was also successful in identifying another high-grade mineralization style including 6.63% CuEq over 3.00m at 136m downhole;
- ST21-01 intersected **2.17% Cu and 27.07 g/t Ag over 9.37m from 15.92m** downhole, including **7.20% Cu and 87.77 g/t Ag over 2.00m**. These results were drilled 2.3km NE of Burgundy Ridge and support additional copper potential across the entire Burgundy system.

In total, 20 diamond drill holes were drilled during 2022 at Burgundy Ridge for a total of 9,652 meters. The program was designed to zone in on the center of the porphyry system and test approximately 1,200m of the 2,700m system. The drill program was also designed to test mineralization significantly deeper than previously drilled at Burgundy Ridge, given porphyries form as vertically oriented deposits up to kilometers in vertical and horizontal scale.

Results of the first 9 diamond drill holes were announced after the year end on November 18th, 2022, and January 16th, 2023. Highlights from these drill results include:

- BR22-23 intersected 66.80m of 0.50% CuEq starting from 243.60m, including 6.08m of 1.82% CuEq at 253.69m downhole
- BR22-22 intersected 12.24m of 0.61% CuEq starting from 163.02m, including 6.86m of 0.78% CuEq at 166.25m downhole, and 24.20m of 1.24% CuEq starting at 445.80m, including 2.98m of 5.8% CuEq at 464.25m downhole
- BR22-08 intersected 17.25m of 0.45% CuEq starting from 173.82m downhole.

The results to date from the 2022 drilling campaign demonstrate the association between the IP anomaly discovered in 2019 and mineralization at depth. They also suggest there is a predictable and continuous nature to mineralization over a minimum of 400m strike length and at depth. BR22-22 extends the known mineralization at Burgundy Ridge to a true vertical depth of approximately 550m. Mineralization intersected in this hole is located approximately 170m underneath a high-grade interval recorded in the Burgundy Ridge discovery hole, drilled in 2021. BR22-22 terminated in mineralization at 603m due to mechanical failure.

McLymont Fault

At the McLymont Fault project, a 5-hole drill program was completed to follow up on 2021's geochemical soil sampling program which identified a new zone of interest to the west of the NW Zone.

Visual analysis of the core from this 5-hole program indicates that the area has been subjected to intense hydrothermal activity, with multiple zones of quartz veining and visible sulphide mineralization. Assays from these diamond drill holes are expected to be received from the laboratory in March 2023.

Other Targets

In addition to the drilling that was undertaken at Burgundy Ridge and on the McLymont Fault projects, the Company continued with its target generation work on the wider property.

At Chachi, the Company's focus moved to the Southwest Ridge following drilling of the geophysical anomaly during 2021 which assisted in identifying a large 2,500m x 750m copper-gold anomaly further south of the drilled area. The Southwest Ridge anomaly is now the largest copper and gold in soil anomaly encountered on the Newmont Lake property to date, and shares similarities with the Burgundy System.

A new target, North Toe, has been identified to the north of the property, where an area of quartz-chalcopyrite stockwork veining and encouraging porphyry-style alteration, typical of alkalic copper-gold porphyry systems, has been encountered. The area is of comparable scale, and along strike of the Burgundy system.

At the Ken Zone, the Company has continued to encounter mineralization and alteration indicative of an alkalic porphyry system on surface and planning is underway for potential future drilling.

Mineral Properties

Newmont Lake Property, British Columbia, Canada

In September 2018, the Company entered into a letter agreement for an option to acquire ("Option Agreement") 100% of Romios Gold Resources Inc.'s ("Romios") interest in 436km² of the Newmont Lake Property ("Romios Claims") in the Golden Triangle, immediately southeast of Galore Creek (Newmont/Teck JV), north of the Snip Mine (formerly Cominco/Prime Resources JV, now Hochschild/Skeena Resources), and northwest of the Eskay Creek Mine (formerly Barrick Gold, now Skeena Resources). The Option Agreement was approved by the TSX-V on February 22nd, 2019.

Subsequently the Company acquired 252km² of mineral claims adjacent to the Romios Claims via claim staking from the Government of British Columbia. The combination of the Romios Claims and the Company's staked claims form the 688 sq. km Newmont Lake Property.

The Company satisfied all the conditions of the Option Agreement on February 2, 2022, and owns a 100% interest in the Newmont Lake Property.

The Romios Claims are subject to a 2% NSR held by Romios. Up to 1% of the Net Smelter Royalty ("NSR") can be bought back by the Company in increments of 0.5% for \$2,000,000 per 0.5% (gross total \$4,000,000 for 1%) for up to two years by the Company upon 100% earn-in of the Romios Claims. The NSR has a 5km radius area of interest ("AOI") beyond the claim boundaries of the Romios Claims. The Company will issue 2,000,000 shares to Romios in the event a NI 43-101 compliant resource estimate which exceeds 1,000,000 ounces of gold equivalent resources (being the sum of indicated and inferred) is confirmed/executed. An additional 1,000,000 shares of the Company will be issued to Romios for each additional 1,000,000 ounces of gold equivalent resources (being the sum of indicated and inferred).

The shares represent contingent consideration, and the Company has assessed the fair value of the contingent consideration to be \$Nil as at the acquisition date and December 31, 2022.

Property Overview

The Newmont Lake Property consists of 688 km² of mineral claims located within the center of northwestern British Columbia's Golden Triangle, a region widely considered to be among the most well-endowed mineral districts in the world. Notable mines/deposits within the general area include Eskay Creek, KSM, Brucejack, Galore Creek, Red Chris, Snip, Schaft Creek, Treaty Creek, Premier, Granduc, and Saddle. The entirety of the Newmont Lake Property sits within Geoscience BC's (Government of British Columbia) recently announced area of interest ("AOI") which will be subject to extensive government funded scientific research seeking to collect data to assist in the exploration and development of mineral deposits in the area.

The property is accessed via Highway 37 (Stewart Cassiar Highway) and the Northwest Hydroelectric Facilities Access Road to the south, or the Galore Creek Access Road to the North. Access by air is provided by the Bob Quinn gravel airstrip, which is approximately 25km northeast of the property boundary.

The property is proximal to the 287-kV Northwest Transmission Line and three hydroelectric facilities, including the McLymont Power Plant whose intake sits on the southern boundary of the Newmont Lake Property. The closest tidewater port to the property is in Stewart, approximately 200km from the property by road. Stewart is an ice-free shipping location and provides year-round access for bulk shipping.

The Property is fully permitted to conduct various mineral exploration activities (including diamond drilling) until 2024, with mineral claims remaining in "good-standing" until 2030.

The Property sits within the traditional territory of the Tahltan First Nation; an industrious First Nation with a long history in the mining industry. There are currently 2 active mines within Tahltan traditional territory, and a 3rd mine recently placed on care and maintenance due to low zinc prices.

Property Exploration Targets

The Newmont Lake Property represents one of the largest contiguous landholdings in the Golden Triangle and is considered prospective for several different deposit types. The key areas of focus for the Company have been the Burgundy Project, an alkalic copper-gold porphyry target, and the McLymont Project, an easily accessible high grade gold project.

Burgundy Project

The Burgundy Project is a 206km² area that the Company views as being prospective for alkalic copper-gold porphyry deposits similar to Newmont/Teck's Galore Creek Project located approximately 25km to the northwest along the arc-trend, and includes Burgundy Ridge to the south-west and the 72' Zone to the Northeast.

Burgundy Ridge is a 500m long x 1,500m wide series of outcroppings consisting of a suite of megacrystic – trachytic syenites in contact with a large limestone horizon consistent with the Stikine Volcanic Package. Copper and gold sulphide mineralization is widespread and proximal to the contact of the limestone, with regular, but less-frequent, occurrences of copper and gold mineralization found on surface along the rest of Burgundy Ridge.

Geochronological work on Burgundy was undertaken during the winter of 2020/2021 suggesting intrusive rocks, which are approximately 208 million years old, to be coeval with the Galore Creek Suite.

A summary of work on the Burgundy Project undertaken by the Company is set out below:

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- 2018: 4 reverse circulation holes (“RC”) were drilled. All 4 RC drill holes intersected copper, gold, and silver mineralization associated with widespread skarn alteration, indicating that surface geochemical results extend with depth.
- 2019: 13 diamond drill holes were drilled, as well as a program of surface geochemical sampling, geological mapping, and channel sampling. Highlights of the drill program include:
 - BR19-02 which intersected 91.26m of 0.38% Cu, 0.30 g/t Au, and 4.12 g/t Ag starting at 36.7m depth containing a higher-grade interval of 25.78m of 0.73% Cu, 0.63 g/t Au, 9.36 g/t Ag, and 0.11% Zn starting at 82.22m;
 - BR19-16 which intersected 51.38m of 0.46% Cu, 1.22% Zn, 0.17 g/t Au, 9.98 g/t Ag, and 0.16% Pb starting at 343.66m depth; and
 - BR19-13 which intersected 184.67m of 0.21% Cu, 0.14 g/t Au, 3.70 g/t Ag, and 0.17% Zn starting at surface with grades as high as 8.98% Cu, 2.36% Zn, 0.62 g/t Au, 35.97 g/t Ag.
 - ST19-06 which intersected 56.35m of 0.45% Cu, 0.33 g/t Au, and 3.44 g/t Ag starting at 225m depth of hypogene chalcopyrite-bornite mineralization associated with potassic alteration typical of large alkalic porphyry deposits.
- 2021: 8 diamond drill holes were drilled. Highlights of the drill program include:
 - BR21-01 intersected 331m of 0.71% CuEq from surface, including 18m of 3.00% CuEq at surface, and 146m of 1.00% CuEq at 138m downhole, and 1.80m of 7.30% CuEq at 218.6m.
 - BR21-03 intersected 257m of 0.50% CuEq from surface, including 43m of 1.39% CuEq at surface.
 - BR21-04 intersected 84m of 0.72% CuEq from 57m downhole. The drill hole was also successful in identifying another high-grade mineralization style including 6.63% CuEq over 3.00m at 136m downhole. Due to early winter conditions, the drill hole stopped short of target depth while in mineralization.
 - ST21-01 intersected 2.17% Cu and 27.07 g/t Ag over 9.37m from 15.92m downhole, including 7.20% Cu and 87.77 g/t Ag over 2.00m.
- 2022: 20 diamond drill holes were drilled. The results of 11 of these are outstanding as of the date of this document. Highlights of the drill program from assays received to date include:
 - BR22-23 which intersected 66.80m of 0.50% CuEq starting from 243.60m, including 6.08m of 1.82% CuEq at 253.69m downhole.
 - BR22-22 which intersected 12.24m of 0.61% CuEq starting from 163.02m, including 6.86m of 0.78% CuEq at 166.25m downhole, and 24.20m of 1.24% CuEq starting at 445.80m, including 2.98m of 5.8% CuEq at 464.25m downhole.
 - BR22-08 which intersected 17.25m of 0.45% CuEq starting from 173.82m downhole.

Intervals of high-grade mineralization are locally massive chalcopyrite as well as disseminated and vein-hosted chalcopyrite, sphalerite, and pyrite. Hydrothermal brecciation is an important mineralizing event for the Burgundy system. Breccias are uniquely identified by their hydrothermal cement which can be well mineralized and made up of chalcopyrite or sphalerite. Breccia bodies generally correspond with alteration assemblages, with high grade breccias associated with high temperature alteration assemblages.

Results to date indicate that the Company has discovered an important alkalic copper/gold porphyry system at Burgundy with geological similarities to alkalic porphyry deposits like Cadia/Ridgeway, North Parkes, Galore Creek, Red Chris, Mt. Milligan, and Mt. Polley.

McLymont Project

The McLymont Project is a 70 km² area that the Company views as being prospective for high-grade gold deposits of varying styles, associated with the >20km long McLymont Fault. The McLymont Fault is a regional-scale geological structure that is the western-bounding normal fault of the Newmont Lake Graben; a geological feature that dominates the center of the whole Newmont Lake Property.

The McLymont Project was the target of most of the historic exploration undertaken on the Newmont Lake Property and includes the NW Zone target which has a historic mineral estimate based on 16,992m of diamond drilling completed between 1987-1990 by Gulf Minerals.

A summary of the work undertaken by the Company on the McLymont Project is set out below:

- 2019: the Company executed a drill campaign over both the historic NW Zone and new areas of interest along fault trend. Highlights of this campaign include:
 - NW19-012 intersected 188m of 1.10 g/t Au, 1.15 g/t Ag, and 0.09% Cu starting at 67.0m, including 44.13m of 4.03 g/t Au, 4.06 g/t Ag, and 0.29% Cu starting at 82.0m.
 - NW19-017 intersected 1.62m of 14.84 g/t Au within 18.31m of 1.80 g/t Au starting at 189.00m, and 1.50m of 9.33 g/t Au, 16.29 g/t Ag, and 0.82% Cu starting at 80.24m.
- 2020: the Company drilled 17 diamond drill holes for a total of approximately 4,500m. All 17 holes intersected gold mineralization of varying styles and significance, with highlights including:
 - NW20-01 intersected 17.15 g/t gold, 26.19 g/t silver, and 1.18% copper over 2.72m. Mineralization was seen over a longer bulk-tonnage gold interval of 146.30m of 0.61 g/t AuEq starting at 30m depth.
 - NW20-04 intersected 138.6m of 0.82 g/t AuEq (“Gold Equivalent”), including 33.6m of 2.47 g/t AuEq starting at 119.83m depth. The drill hole ended in gold mineralization and remains open.
 - NW20-09 intersected 8.85m of 31.09 g/t gold, 6.54 g/t silver, and 1.07% copper within a broader interval of 28.34m of 10.03g/t gold, 2.31 g/t silver and 0.36% copper.
- 2021: the Company drilled 3 diamond drill holes, with highlights including:
 - NW21-03 intersected 151m of 0.73 g/t AuEq starting at 124.2m.
- 2022: the Company drilled 5 diamond drill holes at the McLymont West target, some 2.5km to the west of the NW Zone. Assays from these holes have not as yet been received as at the date of this document.

Three different gold mineralization styles have been identified within the McLymont Project including skarn, epithermal, and porphyry-like mineralization. The Company has developed a geological model of the area as representing a high-grade gold skarn deposit near-surface, with gold being transported in high to ultra-high-grade epithermal veins known as “feeder structures”, and an ultimate porphyry source hypothesized at depth.

Other Areas of Interest

Chachi

Chachi is an 8km long x 4km wide area east of the Newmont Lake Gold Corridor along the Eskay Rift. At least three different styles of mineralization have been observed at Chachi, with the undrilled Southwest Ridge anomaly representing the largest copper and gold in soil anomaly encountered on the Newmont Lake property to date and sharing similarities with the Burgundy System.

North Toe

The North Toe target is a newly exposed zone that has been uncovered due to recent glaciation. Geological prospecting in 2022 identified an area of quartz-chalcopyrite stockwork veining and encouraging porphyry-style alteration typical of alkalic copper-gold porphyry systems. The area is of comparable scale, and along strike of the Burgundy system with strong mineralogical similarities to Burgundy, underlining a potential geological pattern of multiple porphyry centers within the Company's 688km² land package.

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Ken Zone

The Ken Zone is a topographic high situated due east of Burgundy and north of the NW Zone, which hosts a significant copper and gold bearing magnetite skarn. Geological mapping and prospecting have identified porphyry-style veining and prospective alteration. Geophysics has identified several new targets at and along strike of the Ken Zone which correlate with vein systems seen on surface.

Cuba

The Cuba Project is a series of polymetallic, high-grade silver, gold, zinc, copper, and lead occurrences all associated with the >30km long McGillivray Fault. This is the east-bounding structure to the Newmont Lake Graben, dominating the center of the Newmont Lake Project.

Results of Operations

Summary of Quarterly Financial Results

| Quarter ended | 2022 Dec 31 Q1 | 2022 Sept 30 Q4 | 2022 June 30 Q3 | 2022 Mar 31 Q2 | 2021 Dec 31 Q1 | 2021 Sep 30 Q4 | 2021 Jun 30 Q3 | 2021 Mar 31 Q2 |
|---|----------------------|-----------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Income (Loss) per quarter | \$(250,069) | \$ 1,209,297 | \$ (598,741) | \$ (257,222) | \$ (349,106) | \$ (283,755) | \$ (519,747) | \$ (592,384) |
| Basic and fully diluted loss per share | \$(0.00) | \$0.00 | \$(0.00) | \$(0.00) | \$(0.00) | \$(0.00) | \$(0.00) | \$(0.00) |
| Total Assets | \$31,524,854 | \$33,128,521 | \$32,287,215 | \$23,582,346 | \$23,809,293 | \$22,495,131 | \$22,104,985 | \$22,091,250 |

During the quarter ended December 31, 2022, total assets increased to \$31,524,854 compared to \$23,809,293 for the quarter ended December 31, 2021. The increase is due to additional cash resources spent on exploration and evaluation activities.

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Three Months ended December 31, 2022, compared to the three months ended December 31, 2021:

| | 2022 | 2021 | Note |
|--|------------------|------------------|------|
| EXPENSES | | | |
| Amortization and depreciation | 28,719 | \$ 32,267 | |
| Management and consulting fees | 98,004 | 99,000 | |
| Directors fees | 1,800 | - | 1 |
| Interest on right of use asset | 13,694 | 15,745 | 2 |
| Corporate communications | 90,958 | 91,274 | |
| Office and miscellaneous | 9,028 | 16,829 | 3 |
| Professional fees | 49,880 | 43,203 | |
| Regulatory and compliance fees | 18,568 | 7,776 | |
| Share-based payments | 58,353 | 3,550 | 4 |
| Travel | 38,573 | 39,462 | |
| Loss before other items | (407,577) | (349,106) | |
| OTHER ITEMS | | | |
| Income from flow-through premium | 166,942 | - | 5 |
| Write-off of accounts payable | (9,434) | - | 6 |
| Net loss and comprehensive loss | (250,069) | (349,106) | |

1. During the period, a member of the board of directors was paid \$1,800 for attending meetings at the Company's head office. There were no such fees paid in the comparable quarter.
2. Interest on right-of-use asset increased to \$13,694 (2021 – \$15,745) related to the new office lease agreement entered into during the first quarter of the previous fiscal year.
3. Office and miscellaneous expenses were \$9,028 for the quarter ended December 31, 2022, compared to \$16,829 for the same period in 2021 as the result of the Company's ongoing cost reduction mandates.
4. Share-based payments increased to \$58,353 (2021 – \$3,550) as the result of issuing 1,500,000 share based awards during the quarter.
5. During the quarter, the Company recorded income from flow-through premiums in the amount of \$166,942 (2021 - \$nil) as the result of incurring exploration and evaluation costs relating to the flow-through and charity flow-through financing that closed in May 2022. The Company expects to record additional income on flow-through premiums during the remainder of 2023 exploration season.
6. During the period, the Company wrote off net accounts payable of \$9,434 (2021 - \$nil). These balances relate to legacy vendors and directors who have not been involved with the Company for more than three years.

As a result of the foregoing, the net loss from operations for the quarter ended December 31, 2022, was \$250,069 compared to a loss of \$349,106 in the comparable period.

Liquidity, Capital Resources and Capital Expenditures

The continued operations of the Company are dependent on its ability to develop a sufficient financing plan, receive continued financial support from related parties, complete sufficient public equity financing, or generate profitable operations in the future and in addition, its continuing operations are dependent upon its ability to identify, evaluate and negotiate an agreement to acquire an interest in a material asset or business.

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The Company will take appropriate measures to raise the necessary funding through private placements, exercising of stock options, warrants and/or credit facilities to address its liabilities and to continue operations.

At December 31, 2022, the Company's working capital, defined as current assets less current liabilities, was \$1,245,401, a decrease of \$199,345 as compared to \$1,444,746 at September 30, 2022.

The Company's cash is primarily in Canadian dollars. The Company is subject to only minor exchange rate fluctuations relative to the reporting currency.

The Company has not made any arrangements for sources of financing that remain undrawn.

Contractual Obligations and Loans

During the year ended September 30, 2021, the Company received an additional loan of \$20,000 for the Canada Emergency Business Account to provide emergency support to business due to the impact of COVID-19. The total loan of \$60,000 is non-interest bearing until December 31, 2023, after which it will incur interest at 5% per annum. If the principal of \$40,000 is fully repaid on or before December 31, 2023, the remaining \$20,000 will be forgiven.

Reclamation Provision

During the year ended September 30, 2022, the Company incurred a reclamation liability in connection with the completion of the option agreement with Romios Gold Resources Inc. (Note 5). The initial undiscounted value of the obligation was \$232,653 and during the year ended September 30, 2022, the Company completed \$101,914 of work reducing the estimated balance to \$130,739. No work was completed during the period ended December 31, 2022. The Company intends to complete its reclamation obligation within this fiscal year.

A reconciliation of the changes in the Company's reclamation provision is as follows:

| | December 31 2022 |
|--|---------------------|
| Reclamation obligation assumed on acquiring Newmont after the option completed | \$ 232,653 |
| Reclamation work completed during the period | (101,914) |
| Balance at end of the period | \$ 130,739 |

The Company has no other long-term debt outstanding or contractual obligations other than the flow-through expenditure obligation of \$2,950,794 as at December 31, 2022 and those contained in option agreements respecting its mineral properties.

Financial Risk Factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

The carrying value of the Company's receivables, accounts payable and accrued liabilities, due to related parties, and loans payable approximate their fair value because of the short-term nature of these instruments. Cash is carried at a fair value using a level 1 fair value measurement. Loans payable are accounted for using the effective interest rate method.

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfil its payment obligations. The Company's management believes it has no significant credit risk.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. At December 31, 2022, the Company had a cash balance of \$2,434,553 (September 30, 2022 – \$4,027,104) to settle current liabilities of \$1,652,264 inclusive of \$848,859 flow-through premium liability. (September 30, 2022 – \$3,047,507 inclusive of \$1,015,801 flow-through premium liability). All of the Company's accounts payable and accrued liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms. The Company expects to fund these liabilities through the use of existing cash resources and additional equity financing.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a) Interest rate risk

The Company has cash balances held with financial institutions. The Company is satisfied with the credit rating of its bank.

b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash and accounts payable and accrued liabilities that are denominated in a foreign currency. As at December 31, 2022, the Company had minimal cash amounts in foreign currencies and considers foreign currency risk insignificant.

c) Price risk

The Company's net income or loss, and ability to raise capital to fund exploration and evaluation activities is subject to risks associated with fluctuations in mineral prices. Management closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Capital Management

The Company's primary objectives in capital management are to safeguard its ability to continue as a going concern in order to provide return for shareholders and to maintain sufficient funds to finance its exploration and evaluation interests. Capital is comprised of the Company's shareholders' equity. As at December 31, 2022, the Company's shareholders' equity was \$29,542,812 (September 30, 2022 – \$29,734,528).

The Company manages its capital structure to maximize its financial flexibility by making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital and is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the period ended December 31, 2022.

Off Balance Sheet Arrangements

The Company did not have any off-balance sheet arrangements as at December 31, 2022.

Related Party Transactions and Key Management Compensation

All related party transactions are recorded at the exchange amount which is the amount agreed to by the Company and the related party.

(a) Key management personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers and companies controlled by them. The Company also transacts with corporations controlled by officers of the Company for the primary purpose of acquiring exploration and evaluation services. The remuneration of directors and other members of key management personnel during the period ended December 31, 2022, and 2021 were as follows:

| | 2022 | 2021 |
|---|-------------------|-------------------|
| Consulting fees | \$ 121,500 | \$ 75,000 |
| Exploration and evaluation expenditures | 46,588 | 50,543 |
| Share-based payments | 58,353 | - |
| | <u>\$ 226,441</u> | <u>\$ 125,543</u> |

(b) Amounts due to/from related parties

In the normal course of operations, the Company transacts with corporations controlled by directors or officers of the Company. All amounts payable and receivable are non-interest bearing, unsecured and due on demand and also include amounts advanced for services to be rendered. The following table summarizes the amounts due to / (from) related parties:

| | December 31, 2022 | September 30, 2022 |
|---------------------------------------|----------------------|-----------------------|
| HEG & Associates Exploration Services | \$ (150,000) | \$ 88,402 |
| Directors and Management (Current) | (34,583) | (34,584) |
| Directors (Former) | - | (23,728) |
| | <u>\$ (184,583)</u> | <u>\$ 30,090</u> |

MANAGEMENT DISCUSSION AND ANALYSIS FOR THE THREE MONTHS ENDED DECEMBER 31, 2022

Outstanding Share Information at February 28, 2023

Authorized Capital

Unlimited common shares without par value.

Issued and Outstanding Capital

240,994,943 shares outstanding

Stock Options and Warrants Outstanding

The following stock options were outstanding **February 28, 2023**:

| Expiry Date | Exercise Price | Number of Options | Number of Options Exercisable |
|--------------------|----------------|-------------------|-------------------------------|
| June 1, 2023 | \$ 0.23 | 150,000 | 150,000 |
| June 24, 2024 | \$ 0.35 | 470,000 | 470,000 |
| June 17, 2025 | \$ 0.12 | 7,650,000 | 7,650,000 |
| September 30, 2025 | \$ 0.22 | 1,000,000 | 1,000,000 |
| November 15, 2027 | \$ 0.17 | 1,500,000 | 1,500,000 |
| | | 10,770,000 | 10,770,000 |

The following warrants were outstanding at **February 28, 2023**:

| Number of Warrants | Exercise Price | Expiry Date |
|--------------------|----------------|-------------------|
| 10,002,000 | \$ 0.15 | November 19, 2024 |
| 12,217,000 | \$ 0.15 | December 19, 2024 |
| 22,219,000 | | |

Uncertainties and Risk Factors

Being in the exploration stage, the Company will face a variety of risks, and while unable to eliminate all of them, the Company aims at managing and reducing such risks as much as possible.

The Company faces a variety of risk factors such as project feasibility, risks related to determining the validity of mineral property title claims, commodities prices, political and environmental laws and regulations. Management monitors its activities and those factors that could impact them in order to manage risk and make timely decisions.

Financial Instruments

Please refer to the December 31, 2022, condensed interim consolidated financial statements on www.SEDAR.com for financial instrument information.

New Accounting Policies and New Accounting Pronouncements

Please refer to the December 31, 2022, condensed interim consolidated financial statements on www.SEDAR.com for newly adopted accounting policies and recent accounting pronouncements.

Cautionary Statement

Certain information contained in this MD&A constitutes “forward-looking information” within the meaning of applicable Canadian securities laws. Such forward-looking information may include, but is not limited to, information which reflects management’s expectations regarding the Company’s future growth, results of operations (including, without limitation to future production and capital expenditures), timing and content of upcoming work programs and exploration budgets, geological interpretations, receipt of property titles, and potential mineral recovery processes, performance (both operational and financial) and business prospects (including the timing and development of new deposits and the success of exploration activities) and opportunities. Often, this information includes words such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate” or “believes” or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved.

In making and providing the forward-looking information included in this MD&A the Company’s assumptions may include among other things: (i) assumptions about the price of base metals; (ii) that there are no material delays in the optimization of operations at the exploration and evaluation assets; (iii) assumptions about operating budgets, costs and expenditures; (iv) assumptions about exploration and assay results, (v) assumptions about estimated drilling success rates and other prospects, (vi) assumptions about future production and recovery; (vii) that there is no unanticipated fluctuation in foreign exchange rates; and (viii) that there is no material deterioration in general economic conditions. Although management believes that the assumptions made and the expectations represented by such information are reasonable, there can be no assurance that the forward-looking information will prove to be accurate. By its nature, forward-looking information is based on assumptions and involves known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, performance or achievements, or results, to be materially different from future results, performance or achievements expressed or implied by such forward-looking information. Such risks, uncertainties and other factors include among other things the following: (i) decreases in the price of base metals; (ii) the risk that the Company will continue to have negative operating cash flow; (iii) the risk that additional financing will not be obtained as and when required; (iv) material increases in operating costs; (v) adverse fluctuations in foreign exchange rates; (vi) environmental risks and changes in environmental legislation; (vii) the COVID-19 pandemic; (viii) mining industry risks and hazards, (ix) environmental risks and hazards, (x) economic and political events affecting metal supply and demand, and (xii) uncertainty as to calculation of mineral reserves and resources, and (xiii) risks associated with contractual counterparties, including as a result of any disputes with such counterparties.

This MD&A (See “Financial Instruments and Risk Management”) contains information on risks, uncertainties and other factors relating to the forward-looking information. Although the Company has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking information, there may be other factors that cause actual results, performances, achievements or events not to be anticipated, estimated or intended. Also, many of the factors are beyond the Company’s control. Accordingly, readers should not place undue reliance on forward-looking information. The Company undertakes no obligation to reissue or update forward-looking information as a result of new information or events after the date of this MD&A except as may be required by law. All forward-looking information disclosed in this document is qualified by this cautionary statement.