



# STUHINI

EXPLORATION

**STUHINI EXPLORATION LTD.  
MANAGEMENT'S DISCUSSION AND  
ANALYSIS FOR  
THE THREE MONTHS ENDED  
MAY 31, 2023**

## INTRODUCTION

The following Management’s Discussion and Analysis (“MD&A”) of Stuhini Exploration Ltd. (the “Company” or “Stuhini”), has been prepared by management, in accordance with the requirements of National Instrument 51-102 *Continuous Disclosure Obligations*, as of July 31, 2023, and should be read in conjunction with condensed interim consolidated financial statements for three-month period ended May 31, 2023, and the related notes contained therein which have been prepared under International Financial Reporting Standards (“IFRS”). The information contained herein is not a substitute for detailed investigation or analysis on any particular issue.

All financial information in this MD&A has been prepared in accordance with IFRS and all dollar amounts are quoted in Canadian dollars, the reporting and functional currency of the Company and its subsidiary, unless specifically noted.

## FORWARD-LOOKING STATEMENTS

This MD&A contains certain forward-looking statements and information relating to the Company that are based on the beliefs of the Company’s management as well as assumptions made by and information currently available to the management. When used in this document, the words “*anticipate*”, “*believe*”, “*estimate*”, “*expect*” and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, among other things, regulatory compliance, the sufficiency of current working capital, and the estimated cost and availability of funding for the continued exploration and development of the Company’s exploration properties. Such statements reflect the current views of management with respect to future events and are subject to certain risks, uncertainties, and assumptions. Many factors could cause the actual results, performance, or the Company’s achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements.

## COMPANY OVERVIEW

### Background

Stuhini is a Canadian mineral exploration company based in Vancouver, British Columbia (“BC”) and incorporated on July 7, 2017, under the *Business Corporations Act* (BC). The Company’s head office and registered records office is located at 1245 West Broadway, Unit 105, Vancouver, BC V6H 1G7. The Company’s shares (“Common Shares”) are traded on the TSX Venture Exchange (the “Exchange” or “TSX-V”) under the symbol “STU”.

On April 4, 2022, the Company incorporated Arizada Metals Corp. (“Arizada”) under the Arizona Business Corporations Act. Stuhini holds 100% of the issued and outstanding shares of Arizada.

The Company is engaged in the acquisition, exploration, and development of mineral properties and, as of the date of this MD&A, has a 100% interest in the 29,734 hectare (“ha”) Ruby Creek Property located in northwestern BC approximately 20 kilometres (“km”) east of the town of Atlin, and holds an option to acquire a 100% interest in the Que Property located approximately 70 km north of Johnson’s Crossing in southcentral Yukon. In addition, the Company holds a mineral exploration license (“MEL”) on a 30,336 ha land parcel approximately 35 km northwest of Grand Rapids, Manitoba, and has a 100% interest in the 5,094 ha Big Ledge Property located in southeastern BC, about 57 km south of the city of Revelstoke. During the summer of 2022, the Company, through its subsidiary Arizada, acquired by staking and through the acquisition of Mineral Exploration Permits, four new properties, covering a total of 3,462 ha, in the southeast quadrant of Arizona (the “Arizona Properties”).

The Company does not have any assets or mineral properties that are in production.

## Key Events for the Three-month Period Ended May 31, 2023 and up to the Date of this MD&A

### Private Placement Financing

On March 17, 2023, the Company closed a non-brokered private placement (the “March Offering”) by issuing a total of 6,000,000 units (the “March Units”) at \$0.40 per March Unit for aggregate gross proceeds of \$2,400,000. Each March Unit consisted of one Common Share and one half of one Common Share purchase warrant (each whole warrant, a “March Warrant”). Each March Warrant is exercisable into one Common Share at a price of \$0.50 per Common Share expiring on March 17, 2025.

In connection with the March Offering, the Company paid cash finders’ fees of \$9,180 and issued a total of 22,950 non-transferable finders’ warrants (“March Finders’ Warrants”) valued at \$3,750. Each March Finders’ Warrant entitles the holder thereof to acquire one Common Share at a price of \$0.50 per Common Share until March 17, 2025. In addition, the Company incurred \$48,156 in share issuance costs for regulatory and legal services.

Mr. Eric Sprott, through 2176423 Ontario Ltd., a corporation that is beneficially owned by him, acquired 2,500,000 March Units in the March Offering for total consideration of \$1,000,000, increasing Mr. Sprott’s beneficial ownership and control to approximately 12.9% of the outstanding Common Shares on a non-diluted basis, and to 15.7% of the outstanding Common Shares on a partially diluted basis (based on the total shares as of the close on March 17, 2023).

Participation of insiders in the above private placement offering is considered to be a “related party transaction” within the meaning of TSX-Venture Exchange Policy 5.9 and Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”) adopted in the Policy. The Company relied on the exemptions from the formal valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(a) and 5.7(1)(a) of MI 61-101 in respect of related party participations in the above private placement offerings as neither the fair market values (as determined under MI 61-101) of the subject matter of, nor the fair market value of the consideration for, the transactions, insofar as they involve related parties, exceeded 25% of the Company’s market capitalization (as determined under MI 61-101).

### Property Acquisitions and Option Payments

On March 23, 2023, the Company issued 112,500 Common Shares representing an option payment on the 3<sup>rd</sup> Anniversary of Approval of the Que Property Option Agreement.

On June 5, 2023, the Company exercised its option to acquire the Ruby Creek Property by making the final payment pursuant to the terms of the Ruby Creek Option Agreement, which consisted of 1,750,000 Common Shares and a cash payment of \$640,000. In addition, the Company paid \$100,000 cash to Global Drilling associated with the reclamation bond on the existing Mines Act permit on the Ruby Creek Molybdenum Project. Concurrently, Global Drilling submitted a transfer of title application to the Ministry of Energy, Mines and Low Carbon Innovation to transfer the current \$100,000 reclamation bond held by Government of BC, under Global Drilling’s title, to the Company.

### Material Agreements

On May 23, 2023, the Company entered into a purchase agreement with a vendor (the “Purchase Agreement”) for the acquisition of strategic information and access to a proprietary database of mineral prospects in Arizona (“Strategic Information”). The Company made a \$35,000 cash payment on signing of the Purchase Agreement and agreed to additional annual cash payments in respect of each of the Arizona Properties for an aggregate total of \$620,000 (provided the Company has not abandoned any of the Arizona Properties prior thereto) expiring on May 25, 2027. The Company also agreed to 1% net smelter returns royalty (the “NSR Royalty”) in respect of all ores and concentrates produced from the Arizona Properties upon achieving commercial production, with an option to repurchase 0.5% NSR at any time one-half of the NSR Royalty on any of the four Arizona Properties for consideration of \$1,000,000 per Arizona Property.

In addition to the Arizona Properties, information from the same vendor led to the Company identifying the South Thompson Nickel Project. As a result, the Company agreed to compensate the vendor by granting him a 1% NSR royalty (the “Manitoba NSR Royalty”) in respect of all concentrates and ores produced from the South Thompson

Nickel Project, with an option to repurchase at any time 0.5% of the Manitoba NSR Royalty for a consideration of \$50,000.

#### Stock Option Grant

On March 6, 2023, the Company granted to a consultant, an option to purchase an aggregate of 100,000 Common Shares at \$0.50 per Common Share expiring March 6, 2026. The option vests quarterly starting on June 6, 2023, and the Company estimated the fair value of the option to be \$38,345, of which \$18,692 were recorded as share-based expense during the three-month period ended May 31, 2023.

### **EXPLORATION PROPERTIES**

As of the date of this MD&A the Company's interests in exploration and evaluation assets consist of the following:

- a 100% interest in the Ruby Creek Property including a 100% interest in the Island Property as well as the 619 ha staked in September 2020 and 848 ha staked in February 2023 (all of which were consolidated into the Ruby Creek Property);
- an option to acquire a 100% interest in 2,246 ha of the Que Property including a 100% interest in an additional 1,996 ha adjacent to the Que Property that was staked by the Company and consolidated into the Que Property in 2020;
- a 100% interest in the South Thompson Property;
- a 100% interest in the Big Ledge Property; and
- a 100% interest in four Arizona Properties, covering a total of 3,462 ha, in the southeast quadrant of Arizona.

### **RUBY CREEK PROPERTY**

On July 30, 2019, the Company entered into an option agreement with Global Drilling Solutions Inc. (“Global Drilling”) (the “Ruby Creek Option Agreement”) whereby the Company was granted a right to acquire a 100% interest in the Ruby Creek Property (the “Ruby Creek Option”). The Ruby Creek Option Agreement was conditional on approval by the disinterested shareholders of the Company, which was received at the November 28, 2019, annual general meeting, and acceptance for filing of the Ruby Creek Option Agreement by the Exchange, which was received on December 31, 2019.

Based on the Ruby Creek Option Agreement, to fully exercise its Ruby Creek Option, the Company was required to issue a total of 7,300,000 Common Shares and make cash payments of \$1,060,000 over a four-year term. The following table shows the continuity of the Ruby Creek Option payments:

<b>Date Due</b>	<b>Common Shares</b>	<b>Cash Payment</b>
December 31, 2019 (Common Shares issued)	800,000	\$ -
December 31, 2020 (Common Shares issued)	1,250,000	-
December 31, 2021 (Common Shares issued, promissory note issued and paid in Fiscal 2023)	1,750,000	120,000
December 31, 2022 (Common Shares issued, cash payment made)	1,750,000	300,000
December 31, 2023 (Common Shares issued, cash payment made)	1,750,000	640,000
<b>Total</b>	<b>7,300,000</b>	<b>\$ 1,060,000</b>

On June 5, 2023, the board of directors of the Company voted unanimously to complete the exercise of the Ruby Creek Option ahead of the final deadline set for December 31, 2023. Therefore, on June 6, 2023, the Company issued the final 1,750,000 Common Shares and paid \$640,000 to Global Drilling pursuant to the terms of the Ruby Creek Option Agreement. The Company paid an additional \$100,000 cash to Global Drilling in relation to the reclamation bond associated with the existing Mines Act permit on the Ruby Creek Molybdenum Project. Concurrently, Global Drilling submitted a transfer of title application to the Ministry of Energy, Mines and Low Carbon Innovation to transfer the current \$100,000 reclamation bond held by Government of BC under Global Drilling’s title, to the Company.

Following the exercise of the Ruby Creek Option, Global Drilling retains a 1% NSR on the portions of the Ruby Creek Property originally optioned by Global Drilling to the Company.

The Company believes that acquiring 100% ownership in the Ruby Creek Property positions the Company more favourably to search for a potential suitor or strategic partner.

In September of 2020, the Company staked an additional claim covering a total of 619.38 ha contiguous to the Ruby Creek Property and added it to the original claims.

On July 14, 2021, the Company entered into a purchase and sale agreement with Brixton, whereby the Company acquired an additional five (5) mineral claims (the “Island Property”) contiguous with the south-central area of the Ruby Creek Property. The Company paid \$60,000 cash to acquire the Island Property, no additional fees or work requirements are payable under the acquisition agreement with Brixton other than a 1% NSR reserved by Brixton as well as an additional 1% NSR to other arms-length parties from whom Brixton originally acquired these claims. The Island Property claims therefore have a cumulative 2% NSR. The Island Property added approximately 1,277 ha to the Ruby Creek Property increasing the size of the Ruby Creek Property to 55 claims totalling roughly 28,631 ha.

In February of 2023 the Company staked an additional 848 ha in one new claim block contiguous to the north of the Ruby Creek Property. The new claim, which is situated in the headwaters of Volcanic Creek and is referred to as the “Volcanic Creek Moly” showing in BC Minfiles, was similarly consolidated into the Ruby Creek Property.

### Ruby Creek Property Acquisition and Exploration Costs

	May 31, 2023	February 28, 2023
<b>Balance, beginning of period</b>	<b>\$ 7,528,034</b>	<b>\$ 4,567,297</b>
Option payments	-	912,500
Acquisition payment	-	1,484
Mineral tenure/lease payments	-	98,640
<b>Sub-total, acquisition costs</b>	<b>-</b>	<b>1,012,624</b>
Deferred exploration expenditures		
Assaying	9,639	102,584
Camp and travel	34,997	330,505
Drilling	-	548,403
Equipment use/rental	32,821	284,173
Geology	23,804	682,487
<b>Sub-total, deferred exploration expenditures</b>	<b>101,261</b>	<b>1,948,152</b>
Exploration tax credit	-	(39)
<b>Balance, end of period</b>	<b>\$ 7,629,295</b>	<b>\$ 7,528,034</b>

### Property Location and General Description

The Ruby Creek Property is 29,734 ha in size, is road accessible and located within the Atlin Mining Division, with the western boundary of the project being 14 km from Atlin. The Ruby Creek Property consists of 56 contiguous mineral claims of which one is a mining lease. There are 49 different documented mineral occurrences on the Ruby Creek Property, of which 16 are gold-related, with seven significant gold placer creeks, three of which were still actively being mined during the summer of 2019<sup>1</sup>. The Company does not own or have an option on the placer rights for these placer streams on the tenures since in BC placer rights are a different tenure than hard rock mineral rights. However, the Company does have the hard rock rights which would be relevant should bedrock lode-gold or other minerals be discovered under the existing placer creeks or elsewhere on the Ruby Creek Property. The Ruby Creek Property also hosts the Ruby Creek Molybdenum resource (formerly known as the Adanac Molybdenum Deposit or resource). With the increase in the price of molybdenum (“Mo”) from around US\$7 per pound (“lb”) in July 2020 to

<sup>1</sup> The documented mineral occurrences refer to the Ruby Creek Property as it was initially acquired from Global Drilling and does not include information for the recently acquired Island Claims.

a price of over US\$14 per lb<sup>2</sup> by June 2021, the Company believed that the economic outlook for Mo had improved sufficiently for the Company to update the Mo resource to a current resource in accordance with the requirements of National Instrument 43-101 (“NI 43-101”). Accordingly, the Company retained Mine Development Associates a division of RESPEC, to update the 2009 Ruby Creek Mo resource estimate. The data review, modelling and resource estimation was conducted in accordance with NI 43-101 standards. The Effective Date of the Ruby Creek Mineral Resource Estimate is March 10, 2022 (the “MRE”).

## Exploration Activities

**Ruby Creek Molybdenum:** In March of 2022, the Company reported a pit-constrained MRE for the Ruby Creek Molybdenum Deposit, which the Company commissioned from MDA. The NI 43-101 Technical Report (the “Technical Report”) was filed on SEDAR on April 22, 2022.

### Open Pit Constrained Resource Estimate

The pit constrained (at US\$15/lb) Measured and Indicated resources contain 432,991,000 lbs of Mo hosted within 369,398,000 tonnes at an average Mo grade of 0.053% at 0.020% Mo cut-off. Resources within the Inferred category include 43,650,000 lbs of Mo hosted within 41,946,000 tonnes at an average Mo grade of 0.047 % as shown in the table below.

Measured + Indicated				Inferred			
Cutoff (Mo%)	Tonnes	Mo%	lbs Mo (x1,000)	Cutoff (Mo%)	Tonnes	Mo%	lbs Mo (x1,000)
0.015	392,179,000	0.051	441,726	0.015	52,578,000	0.041	47,640
<b>0.020</b>	<b>369,398,000</b>	<b>0.053</b>	<b>432,991</b>	<b>0.020</b>	<b>41,946,000</b>	<b>0.047</b>	<b>43,650</b>
0.025	339,466,000	0.056	417,930	0.025	36,404,000	0.051	40,850
0.030	303,203,000	0.059	395,929	0.030	31,666,000	0.055	38,050
0.035	264,499,000	0.063	368,629	0.035	26,998,000	0.058	34,700
0.040	225,911,000	0.068	336,773	0.040	23,062,000	0.062	31,420
0.045	191,616,000	0.072	304,656	0.045	19,666,000	0.065	28,270
0.050	160,991,000	0.077	272,762	0.050	15,739,000	0.070	24,180
0.060	111,516,000	0.087	212,848	0.060	10,521,000	0.077	17,880
0.070	76,167,000	0.097	162,549	0.070	6,175,000	0.086	11,710
0.080	51,026,000	0.108	121,118	0.080	2,891,000	0.099	6,280
0.090	33,852,000	0.119	89,150	0.090	1,773,000	0.108	4,210
0.100	23,209,000	0.131	66,966	0.100	926,000	0.119	2,430

Mineral resources are not mineral reserves and do not have demonstrated economic viability.

## 2022 Drill Program

The 2022 exploration season started with follow-up mapping, prospecting, and sampling on some of the work completed in the summer of 2021. Target areas included Lakeview, Silver Surprise, and Atlin Ruffner.

On August 9, 2022, the Company commenced its planned eight-hole diamond drill program on the Ruby Creek Project. The drill program targeted intrusion gold in an area referred to as Ruby Flats located on the Ruby Creek Project. The 2,400 m program was completed at the end of September. The Company has received all the drilling results from its summer drill program. Drilling encountered no potentially economic gold or silver intercepts. Some anomalous base metal values were also encountered in drill core assays; however, none were of enough significance or materiality to report.

During the three-month period ended May 31, 2023, the Company incurred \$101,261 (February 28, 2023 - \$1,948,152) in deferred exploration costs on the Ruby Creek Property.

<sup>2</sup> Prices are taken from daily closing price website of the London Metals Exchange (“LME”) for LME Molybdenum (Platts), for Contracts Month 2 and out. The closing price on July 27UIn , 2023, was US\$22.82 per lb. While the Company’s management believes these prices are reliable, the management takes no responsibility for the accuracy of the quoted price.



## Ruby Creek Property Commitments

The Ruby Creek Property consists of 55 mineral claims (excluding the mineral lease that comprises part of the Ruby Creek Property) which were staked at different times resulting in different work commitments for each claim. As of the date of the filing of this MD&A, the mineral claims that comprise the Ruby Creek Property are in good standing. Based on the date the claims were staked and their respective sizes, the total annual work commitment for Ruby Creek Property is approximately \$526,455. Based on the most recent assessment reports filed with the BC Ministry of Mines, Energy and Low Carbon Innovation, the Ruby Creek Property, outside of the mine lease, good-till date has been extended to February 18, 2027, with the exception of the 848 ha of new ground staked in February 2023 (February 17, 2023 News Release) which has a good-till date of February 15, 2024.

In addition to the work commitments required on the mineral claims, the mineral lease associated with the historical Mo deposit is included as part of the Ruby Creek Property and is subject to an annual flat fee lease payment of \$49,320 with no work requirement. The Company decided to renew the 2023/24 year lease in February of 2023, ahead of schedule, extending the lease until March 27, 2024. Therefore the \$49,320 annual lease payment was included in the Company's property acquisition costs for the year ended February 28, 2023.

## QUE PROPERTY

On February 17, 2020, the Company entered into an option agreement (the "Que Option Agreement") with arms-length vendors, whereby the Company was granted the right to acquire a 100% interest in the Que Property (the "Que Option") located in southcentral Yukon. The Que Option Agreement was amended and restated on February 28, 2020 (the "Amended Que Option Agreement") and was accepted by the Exchange on April 1, 2020 (the "Que Approval Date").

Based on the Amended Que Option Agreement, to fully exercise its Que Option, the Company was required to issue a total of 2,950,000 Common Shares and make cash payments for a total of \$380,000 over a four-year term to the Que vendors. Upon receipt of assays showing no significant mineralization from a shallow early stage 2-hole drill program, the Company renegotiated the Amended Que Option Agreement. The further amended and restated option agreement was announced on October 26, 2020, and its material terms are detailed in the table below.

Date	Common Shares	Cash Payment
Que Approval Date (Common Shares issued)	200,000	\$ -
1 <sup>st</sup> Anniversary of Approval (Common Shares issued)	50,000	-
2 <sup>nd</sup> Anniversary of Approval (Common Shares issued)	75,000	-
3 <sup>rd</sup> Anniversary of Approval (Common Shares issued) <sup>(1)</sup>	112,500	-
4 <sup>th</sup> Anniversary of Approval	125,000	35,000
5 <sup>th</sup> Anniversary of Approval	375,000	60,000
<b>Total</b>	<b>937,500</b>	<b>\$ 95,000</b>

(1) The Company issued 112,500 Common Shares representing an option payment on the 3rd Anniversary of Approval on March 23, 2023. The Common Shares were valued at \$66,375.

## Que Property Acquisition and Exploration Costs

	May 31, 2023	February 28, 2023
<b>Balance, beginning of period</b>	<b>\$ 320,235</b>	<b>\$ 245,246</b>
Option payments	66,375	62,250
<b>Sub-total, acquisition costs</b>	<b>66,375</b>	<b>62,250</b>
Deferred exploration expenditures		
Assaying	-	854
Camp and travel	-	7,512
Geology	3,200	4,373
<b>Sub-total, deferred exploration expenditures</b>	<b>3,200</b>	<b>12,739</b>
<b>Balance, end of period</b>	<b>\$ 389,810</b>	<b>\$ 320,235</b>

## **Property Location and General Description**

The Que Property is road accessible and located just off the Canol Road, Yukon Highway #6, 70 km north of Johnson's Crossing, which is located on the Alaska Highway. The Que Property originally consisted of 108 mineral claims and was 2,246 ha in size. During the fiscal 2021 year, the Company staked an additional 96 claims (1,996 ha) bringing the entire claims package to 204 claims, totalling approximately 4,243 ha.

The Que Property was first staked in the mid 1960's after the discovery of several large rusty, intensely gossanous zones. The Que Property has been privately held by the Que Vendors since that time. Small-scale exploration programs have been conducted since the original staking during which gold bearing veins and a gold bearing felsic horizon on Kingdome Ridge were discovered. Soil sampling also identified gold anomalies in soil.

In the 2019 field season, the Company's geologists spent an afternoon on the Que Property conducting due diligence, which confirmed the presence of the gossanous kill zones and the occurrence of gold mineralization within quartz veins in outcroppings. A grab sample collected during this visit assayed 11.7 g/t gold.

## **Exploration Activities**

Due to uncertainties in travel and work restrictions in the Yukon associated with COVID-19 pandemic, the Company deferred most of its 2021/22 exploration plans on the Que Property. During the summer of 2022, the Company conducted a one field day program of sampling and field reconnaissance, resulting in \$12,739 deferred exploration costs incurred during the year ended February 28, 2023. During the three-month period ended May 31, 2023, the Company incurred an additional \$3,200 in deferred exploration costs on the Que Property.

## **Que Property Commitments**

In the Yukon, quartz (hard-rock) claims must be maintained in good standing with the Department of Energy, Mines and Resources. Quartz claims expire one year after the recording date. To keep a claim in good standing, the Company is required to carry out an assessment work (also known as "representation work") for a minimum of \$100 per claim. The assessment work must be applied to the quartz claim in the year it is completed by filing the assessment work report before the claim's anniversary of the recording date. In case where the assessment work will result in more than \$100 spent, the remaining value can be applied to the future years (not to exceed five years). If the representation work on a claim is not done, the Company can choose to pay a fee of \$105 per claim instead.

The Que Property consists of 204 mineral claims which were staked at different times resulting in different expiry dates for some claims. The total annual work commitment for the Que Property is approximately \$20,400.

Based upon the exploration funds spent on the SkyTEM™ airborne geophysical survey and the early stage small-scale drill program conducted on the Que Property during the summer 2020 program, the Company has filed an assessment report with the Yukon Mines Ministry and has received confirmation that the next renewal date for all claims comprising the Que Property has been extended to March 7, 2026.

## **SOUTH THOMPSON PROPERTY**

On May 27, 2021, the Company announced that it acquired through staking seven MELs ("Mineral Exploration Licenses") covering 47,509 ha along the southern extent of the Thompson Nickel Belt, approximately 35 km northwest of Grand Rapids, Manitoba. The Company paid a total of \$26,561 to acquire the South Thompson Property, of which \$2,807 were associated with staking fees, and \$23,754 constituted a refundable cash deposit, which the Company recorded as part of reclamation bond.

On March 25, 2022, the Company applied for an additional 5-year mineral license for an additional MEL along the southern extent of the Thompson Nickel Belt in order to consolidate areas of interest that overlap three of the previously held MEL's. The application was approved on September 13, 2022, and the Company was granted a five-year mineral exploration license on the additional 15,368 ha. The Company paid \$18,146 for the MEL, of which \$17,745 constituted a refundable cash deposit, which the Company added to reclamation bond associated with South Thompson Property, resulting in a total reclamation bond of \$41,500. Upon the approval of the new claim, the



Company dropped four of the previous seven MEL's outside the consolidated area and consolidated the remaining three claims, which were initially staked in 2021, under the newly approved 30,336 ha MEL.

On May 23, 2023, the Company entered into a net smelter returns royalty agreement (the "NSR Agreement") with Mr. Lindsay, the Company's external consultant and the Que Property optionor ("Lindsay"), in recognition of the information Lindsay provided to the Company that enabled the Company to identify the South Thompson Property. As a result, the Company agreed to compensate Lindsay by granting him a 1% NSR royalty (the "Manitoba NSR Royalty") in respect of all concentrates and ores produced from the South Thompson Property, with an option to repurchase at any time 0.5% of the Manitoba NSR Royalty for a consideration of \$50,000.

### South Thompson Property Acquisition and Exploration Costs

	May 31, 2023	February 28, 2023
<b>Balance, beginning of period</b>	<b>\$ 41,762</b>	<b>\$ 31,778</b>
Mineral tenure payments	-	401
Acquisition payment	15	3,553
<b>Sub-total, acquisition costs</b>	<b>15</b>	<b>3,954</b>
Deferred exploration expenditures		
Camp and travel	-	2,557
Geology	-	3,473
<b>Sub-total, deferred exploration expenditures</b>	<b>-</b>	<b>6,030</b>
<b>Balance, end of period</b>	<b>\$ 41,777</b>	<b>\$ 41,762</b>

### Property Location and General Description

As of the date of this MD&A, the South Thompson Property is comprised of one claim under a five-year MEL totaling 30,336 ha. The land parcel covers prospective ground that hosts relatively untested target horizons and covers parts of the Winnipegosis Komatiite Belt.

Sporadic drilling in the 1980s and 1990s encountered anomalous nickel ("Ni") grades such as 0.37% Ni over 45.7 m, along with 0.52% Ni over 4 m (diamond drill hole GR-1-83). The South Thompson Property received partial coverage by a VTEM<sup>TM</sup> survey in 2007. The results of the 2007 survey generated coincident electromagnetic/magnetic anomalies referred to as the TEX 1 target. This target has not been drilled. Previously in 1997, Falconbridge had drilled a single hole (DDH WL97-183), which intersected the southern edge of the TEX 1 electromagnetic anomaly, and encountered 27.85 m of 0.32% Ni starting at a depth of 118.15 m.

### Exploration Activities

During the three-month period ended May 31, 2023, the Company did not have any exploration activities on the South Thompson Property. During the year ended February 28, 2023, the Company spent \$6,030 in deferred exploration costs associated with the South Thompson Property.

### South Thompson Property Commitments

As of the date of the filing of this MD&A, the MEL that comprises the South Thompson Property is in good standing until December 12, 2023. In order to maintain the MEL's, exploration expenditures of \$15,168 or a fee in lieu is required.

### BIG LEDGE PROPERTY

On July 26, 2021, the Company acquired the Big Ledge Property located in southeastern BC roughly 57 km south of the city of Revelstoke. The Big Ledge Property was acquired from a director to the Company for nominal consideration of \$10. The Big Ledge Property is roughly 5,094 ha in size. No royalties, finder's fees or work commitments are associated with this property or the transaction.

## Big Ledge Property Acquisition and Exploration Costs

	May 31, 2023	February 28, 2023
<b>Balance, beginning of period</b>	<b>\$ 248,903</b>	<b>\$ 174,411</b>
Acquisition payments	-	-
<b>Sub-total, acquisition costs</b>	<b>-</b>	<b>-</b>
Deferred exploration expenditures		
Geology	3,306	74,492
<b>Sub-total, deferred exploration expenditures</b>	<b>3,306</b>	<b>74,492</b>
<b>Balance, end of period</b>	<b>\$ 252,209</b>	<b>\$ 248,903</b>

### Property General Description

The Big Ledge Property is a stratiform zinc deposit and is road accessible via a forest service road from Highway 23. The mineralization consists of sphalerite, pyrite, pyrhotite, galena, with lesser chalcopyrite and marcasite hosted in a folded assemblage of marble and quartzite known as the Ledge Unit within the Shuswap metamorphic complex of the Proterozoic Monashee Group. The mineralized zones have been reported up to 18 m in thickness in drilling and have been traced through geophysics and prospecting for distances of over 5 km. The most recent historic samples have assayed up to 4.70% zinc.

### Exploration Activities

During the winter-spring season of 2021/22, the Company carried out a 569 line-km SkyTEM™ airborne geophysical survey over the entire Big Ledge Property. Preliminary maps from the survey revealed overlapping magnetic and electromagnetic signatures that coincide with known occurrences of mineralization on surface. The overlapping signatures continue across the property for approximately 14 km and were interpreted to represent the mineralized horizon and demonstrate the resource potential of the property. During the year ended February 28, 2023, the Company recorded \$74,492 in deferred exploration costs associated with the Spring 2022 portion of the airborne geophysical survey. During the three-month period ended May 31, 2023, the Company incurred \$3,306 in deferred exploration costs associated with geological consultation on the Big Ledge Property.

### Big Ledge Property Commitments

The Big Ledge Property consists of eight mineral claims. As of the date of the filing of this MD&A, the mineral claims that comprise the Big Ledge Property are in good standing. Based on the date the claims were staked and their respective sizes, the total annual required exploration expenditures for Big Ledge Property is approximately \$76,398. Based on the most recent assessment reports filed with the BC Ministry of Mines, Energy and Low Carbon Innovation, the Big Ledge Property good-till date has been extended to February 26, 2025.

### ARIZONA PROPERTIES

During the summer of 2022, the Company, through Arizada, acquired by staking and through the acquisition of Mineral Exploration Permits, four new claims, covering a total of 3,781 ha, in the southeast quadrant of Arizona (the “Arizona Claims” or “Arizona Properties”).

The Arizona Claims were identified and acquired by gaining access to a proprietary database of mineral prospects in Arizona, which was provided to the Company by its external consultant, Mark Lindsay, who is also one of the Que Property optionors. In recognition of the strategic information’s utility, the Company agreed to enter into a database purchase agreement with Lindsay (the “Purchase Agreement”), for an initial cash payment of \$35,000 on signing, and will receive additional cash payments on an annual basis in respect of each Arizona Property on the anniversary of the signing date (provided the Company has not abandoned such Property prior thereto) until May 25, 2027. The Company also agreed to a 1% net smelter returns royalty (the “Arizona NSR Royalty”) in respect of all ores and concentrates produced from the Arizona Claims upon achieving commercial production, with an option to repurchase 0.5% Arizona

NSR at any time (one-half of the Arizona NSR Royalty) on any of the four Arizona Properties for consideration of \$1,000,000 per Arizona Property

### Arizona Properties Acquisition and Exploration Costs

	May 31, 2023	February 28, 2023
<b>Balance, beginning of period</b>	<b>\$ 52,955</b>	<b>\$ -</b>
Staking and permitting costs	-	52,213
Acquisition payments	36,200	-
<b>Sub-total, acquisition costs</b>	<b>36,200</b>	<b>52,213</b>
Deferred exploration expenditures		
Camp and travel	20,905	-
Equipment use/rental	14,561	-
Geology	5,507	742
<b>Sub-total, deferred exploration expenditures</b>	<b>40,973</b>	<b>742</b>
<b>Balance, end of period</b>	<b>\$ 130,128</b>	<b>\$ 52,955</b>

In addition to the above costs, the Company was required to pay a reclamation bond of \$19,463 (US\$15,000) to the State of Arizona.

### Property General Description

Based on historical reports, the four Arizona Properties (Toro, Lindsay, Lightning Box, and Butte) are prospective for copper and gold porphyry and related deposits. The properties are within the Laramide Porphyry Belt, which is the host for the famous “Copper Cluster” of world class porphyry deposits of southern Arizona.

### Exploration Activities

The Company did not have any costs associated with deferred exploration expenditures during the year ended February 28, 2023. In May of 2023, the Company carried out a small-scale due diligence program on its Arizona Properties, which included reconnaissance sampling. The collected samples were submitted to a laboratory for testing. The due diligence program resulted in \$40,973 deferred exploration costs for the three-month period ended May 31, 2023.

### Arizona Properties Commitments

As of the date of the filing of this MD&A, the mineral claims that comprise the Arizona Properties are in good standing. Based on the date the claims were staked and their respective sizes, the total annual work commitment for Arizona Properties is approximately US\$91,000, in addition, the Company will be required to pay annual maintenance and BLM fees of approximately US\$18,500.

### QA/QC PROTOCOL

Rock material from the 2021/22 exploration program on the Ruby Creek Property was collected in poly bags and then transported to the Bureau Veritas sample preparation facility located in Whitehorse, Yukon. Samples were crushed, and then pulps were sent to the Bureau Veritas lab in Vancouver, BC for assay. Rock samples collected from the Company’s recent site visit to its Arizona Properties were shipped to Vancouver for sample preparation at Bureau Veritas’s preparation facility in Vancouver, BC. Four acid digestion and either Ultratrace ICP-MS analysis for 45 or 59 elements and fire assay for gold, platinum and palladium were performed on all samples from both the Ruby Creek and Arizona Properties. Over-limit copper, lead, zinc, and silver samples were analyzed by multi-acid digestion and ICP-ES (MA370). Silver samples >1500 g/t were also analyzed by fire assay (FA530) and lead samples >10% with titration (GC817). Over-limit tungsten (“W”) was analyzed with lithium borate fusion XRF (XF750). Conversion to WO<sub>3</sub>% = W% x 1.2616. All results noted in the MD&A have passed the QA/QC screening by the lab. QA/QC on rock-saw split cores sample consisted of one certified Standard Reference Material

and one certified blank of unmineralized material per 20 core samples. Split-core samples were typically 3 m long unless smaller sample lengths were used to isolate zones of interest.

## QUALIFIED PERSON

Ehsan Salmabadi, B.Sc., P.Geo., and VP Exploration for the Company, is the Qualified Person as defined by NI 43-101 and has approved all technical information contained herein.

## SELECTED FINANCIAL INFORMATION

	<b>Three months ended May 31, 2023</b>	<b>Year ended February 28, 2023</b>
Net and comprehensive loss	\$ 386,346	\$ 836,791
Loss per share – basic and diluted	\$ 0.01	\$ 0.03
Total assets	\$ 11,819,026	\$ 9,688,350

## RESULTS OF OPERATIONS

During the three-month period ended May 31, 2023, the Company recorded a net loss before recovery of deferred income taxes of \$412,346 as compared to net loss before income taxes of \$252,506 for the three-month period ended May 31, 2022. During the three-month period ended May 31, 2023, the Company recorded \$26,000 recovery of deferred income taxes, resulting in net and comprehensive loss for the three-month period ended May 31, 2023, of \$386,346, as compared to net and comprehensive loss of \$252,506 for the three-month period ended May 31, 2022, as the Company had no deferred taxes to record for the period then ended.

During the three-month period ended May 31, 2023, the Company incurred \$388,390 in operating expenses, an increase of \$153,884, as compared to \$234,506 the Company incurred during the three-month period ended May 31, 2022. The largest operating expense item that contributed to the net loss was associated with \$144,362 in consulting fees, a \$57,087 increase as compared to \$87,275 the Company incurred in consulting fees during the three-month period ended May 31, 2022. Consulting fees included \$18,692 in share-based compensation associated with the options granted to a consultant for his services. The second largest operating expense item during the three-month period ended May 31, 2023, was associated with \$139,677 in share-based compensation the Company recognized on vesting of options to acquire Common Shares the Company granted to its directors, management and consultants. During the three-month period ended May 31, 2022, the share-based compensation was determined to be \$23,088, resulting in an increase of \$116,589.

Other operating expense included \$47,027 in advertising and promotion expenses (including investor relations activities), which decreased by \$6,091 as compared to \$53,118 the Company incurred during the three-month period ended May 31, 2022. The advertising and promotion expenses included \$14,096 in share-based compensation associated with the options granted to consultants for investor relations services. The advertising and promotion fees were related to the Company's continued efforts to provide its shareholders with information on its mineral exploration projects and overall operations, as well as to attract new potential investors. During the three-month period ended May 31, 2023, the Company incurred \$34,017 in professional fees associated with legal, audit, and accounting services an increase of \$20,171 as compared to \$13,846 the Company incurred during the three-month period ended May 31, 2022; the office expenses decreased by \$1,653 to \$6,420 as compared to \$8,073 incurred during the three-month period ended May 31, 2022. The Company's project investigation costs decreased by \$33,071 to \$2,600 as compared to \$35,671 incurred during the three-month period ended May 31, 2022, when the Company was reviewing new potential mineral exploration properties which were not acquired at the time the costs were incurred. The Company's regulatory and filing fees decreased by \$868 for the three-month period ended May 31, 2023, to \$8,555, as compared to \$9,423 the Company incurred during the three-month period ended May 31, 2022. The Company's travel, meals and entertainment costs increased during the three-month period ended May 31, 2023 by \$1,645, to \$5,617, a trend that continues after removal of travel restrictions associated with COVID-19 pandemic, providing the Company's representatives with the ability to attend various trade shows, conferences and other events.

Other items included a \$35,000 loss (May 31, 2022 - \$18,000) the Company recognized on its equity investment represented by 1,000,000 common shares of Brixton (May 31, 2022 – 1,200,000 shares), as the fair market value of Brixton common shares decreased to \$0.16 at May 31, 2023, as compared to \$0.195 on February 28, 2023, and \$11,044 (May 31, 2022 – \$Nil) gain the Company recorded on recovery of flow-through share premium liabilities.

## SUMMARY OF QUARTERLY RESULTS

Results for the most recently completed financial quarters are summarized in the table below:

<b>Period ended:</b>	<b>Net and comprehensive income/(loss)</b>	<b>Income/(loss) per share; basic and diluted</b>
May 31, 2023	\$ (386,346)	\$ (0.01)
February 28, 2023	\$ (607,102)	\$ (0.02)
November 30, 2022	\$ 90,178	\$ 0.00
August 31, 2022	\$ (67,361)	\$ (0.01)
May 31, 2022	\$ (252,506)	\$ (0.01)
February 28, 2022	\$ (119,704)	\$ (0.00)
November 30, 2021	\$ (216,509)	\$ (0.01)
August 31, 2021	\$ (87,980)	\$ (0.00)

During the quarter ended May 31, 2023, the Company recorded a net loss before recovery of deferred income taxes of \$412,346. The Company recognized \$26,000 as deferred income tax recovery, resulting in net and comprehensive loss for the quarter ended May 31, 2023, of \$386,346. The Company's operating expenses included \$47,027 in advertising and promotion expenses mainly associated with the Company's efforts to raise awareness about the Company and its operations; \$144,362 in consulting fees; \$139,677 in share-based compensation associated with vested portion of the options granted to the Company's officers, directors, and consultants; \$34,017 in professional fees; \$2,600 in project investigation costs, which were associated with certain general exploration expenses not associated with the Company's current exploration and evaluation properties; \$8,555 in regulatory and filing fees; \$6,420 in office expenses; and \$5,617 in travel, meals and entertainment expenses, which were associated with resumed traveling needs to represent the Company at various investor conferences. These expenses were further increased by \$35,000 unrealized loss the Company recognized on revaluation of its investment in Brixton common shares. These expenses were in part offset by \$11,044 gain the Company recorded on reversal of flow-through share premium liability associated with the August Offering.

During the quarter ended February 28, 2023, the Company recorded a net loss before income taxes of \$264,102. The Company recognized \$343,000 as deferred income tax expense, resulting in net and comprehensive loss for the quarter ended February 28, 2023, of \$607,102. The deferred income taxes were mainly associated with the difference between the book value of the Company's exploration and evaluation assets at February 28, 2023, and their cost base for tax purposes, as it was reduced as a result of flow-through financing which was used to finance the Company's exploration programs on the Ruby Creek Property. The Company's operating expenses included \$35,948 in advertising and promotion expenses mainly associated with the Company's efforts to raise awareness about the Company and its operations; \$63,131 in consulting fees; \$61,359 in share-based compensation associated with vested portion of the options granted to the Company's officers, directors, and consultants; \$36,785 in professional fees; \$7,870 in project investigation costs, which were associated with certain general exploration expenses not associated with the Company's current exploration and evaluation properties; \$7,139 in regulatory and filing fees; \$11,417 in office expenses; and \$5,941 in travel, meals and entertainment expenses, which were associated with resumed traveling needs to represent the Company at various investor conferences. These expenses were further increased by \$49,000 unrealized loss the Company recognized on revaluation of its investment in Brixton common shares and by \$9,230 loss on sale of 200,000 Brixton shares. These expenses were in part offset by \$26,320 gain the Company recorded on reversal of flow-through share premium liability associated with the August Offering.

During the quarter ended November 30, 2022, the Company recorded a net income of \$90,178. The Company's operating expenses included \$20,332 in advertising and promotion expenses mainly associated with the Company's efforts to raise awareness about the Company and its operations; \$65,754 in consulting fees; \$18,736 in professional fees; \$10,522 in project investigation costs, which were associated with certain costs incurred on acquisition of the



Arizona Properties and general exploration expenses not associated with the Company's current exploration and evaluation properties; \$2,768 in regulatory and filing fees; \$4,425 in office expenses; and \$2,861 in travel, meals and entertainment expenses, which were associated with resumed traveling needs to represent the Company at various investor conferences. These expenses were offset by \$150,000 unrealized gain the Company recognized on revaluation of its investment in Brixton common shares and by \$65,998 gain the Company recorded on reversal of flow-through share premium liability associated with the August Offering. In addition, the Company accrued \$404 interest on the \$120,000 note payable issued to Global Drilling.

During the quarter ended August 31, 2022, the Company recorded a net loss of \$67,361. The Company's comprehensive loss was comprised of \$8,520 in share-based compensation associated with vested portion of the options granted to the Company's officers, directors, and consultants to acquire up to 1,490,000 Common Shares (these options were granted during the Company's fiscal 2022 year); \$22,818 in advertising and promotion expenses mainly associated with the Company's efforts to raise awareness about the Company and its operations; \$50,562 in consulting fees; \$15,504 in professional fees; \$5,224 in regulatory and filing fees; \$8,219 in office expenses; and \$9,276 in travel, meals and entertainment expenses, which were associated with resumed traveling needs to represent the Company at various investor conferences. In addition, the Company's net and comprehensive loss was further increased by \$24,000 unrealized loss the Company recognized on revaluation of its investment in Brixton common shares and \$1,264 interest the Company accrued on the \$120,000 note payable issued to Global Drilling. These expenses were in part offset by \$63,020 gain the Company recorded on reversal of flow-through share premium liability associated with the August Offering, and a \$15,024 recovery of project investigation costs, which were associated with certain costs incurred on acquisition of the Arizona Properties.

During the quarter ended May 31, 2022, the Company recorded a net loss of \$252,506. The Company's comprehensive loss was comprised of \$23,088 in share-based compensation associated with vested portion of the options granted to the Company's officers, directors, and consultants to acquire up to 1,490,000 Common Shares (these options were granted during the Company's fiscal 2022 year); \$53,118 in advertising and promotion expenses mainly associated with the Company's efforts to raise awareness about the Company and its operations which included \$2,400 recovery of share-based compensation associated with the options to acquire up to 100,000 Common Shares granted to a consultant for investor relations services; \$87,275 in consulting fees, of which \$36,207 were associated with fair market value of an option the Company granted to a consultant to acquire 100,000 Common Shares at \$0.81 per Common Share for the period of two years; \$35,671 in project investigation costs, which were associated with the due-diligence work and exploration expenses on the properties to which the Company did not have a legal right to at the time expenses were incurred; \$13,846 in professional fees; \$9,423 in regulatory and filing fees; \$8,073 in office expenses; and \$3,972 in travel, meals and entertainment expenses, which were associated with resumed traveling needs to represent the Company at various investor conferences. In addition, the Company's net and comprehensive loss was further increased by \$18,000 unrealized loss the Company recognized on revaluation of its investment in Brixton common shares.

During the quarter ended February 28, 2022, the Company recorded a net loss of \$119,704, which was comprised of \$50,261 in share-based compensation associated with vested portion of the options granted to the Company's officers, directors, and consultants to acquire up to 1,490,000 Common Shares (these options were granted during fiscal 2021 and 2022 years); \$53,797 in advertising and promotion expenses mainly associated with the Company's efforts to raise awareness about the Company and its operations which included \$18,761 in share-based compensation associated with the options to acquire up to 200,000 Common Shares granted to a consultant for investor relations services; \$37,082 in consulting fees; \$30,844 in professional fees; and \$5,958 in office expenses. These expenses were in part offset by \$49,649 gain the Company recognized on recovery of flow-through share premium liabilities associated with the FT Shares issued on July 23, 2021, and a recovery of regulatory and filing fees of \$8,426, which resulted from reclassification of certain expenses recorded during the three-month period ended November 30, 2021, as period costs to prepaid expenses.

During the quarter ended November 30, 2021, the Company recorded a net loss of \$216,509, which was comprised of \$58,236 in share-based compensation associated with vested portion of the options granted to the Company's officers, directors, and consultants to acquire up to 1,490,000 Common Shares (these options were granted during fiscal 2021 and 2022 years); \$82,824 in advertising and promotion expenses mainly associated with the Company's efforts to raise awareness about the Company and its operations which included \$46,539 in share-based compensation associated with the options to acquire up to 200,000 Common Shares granted to a consultant for investor relations



services; \$117,210 in consulting fees, of which \$33,395 were associated with the share-based compensation for the option to acquire up to 120,000 Common Shares granted to a consulting agency for the services; \$28,302 in professional fees; \$6,877 in office expenses; and \$16,435 in regulatory and filing fees. These expenses were in part offset by \$94,922 gain the Company recognized on recovery of flow-through share premium liabilities associated with the FT Shares issued on July 23, 2021.

During the quarter ended August 31, 2021, the Company recorded a net loss of \$87,980, which was comprised of \$112,557 in share-based compensation associated with vested portion of the options granted to the Company's officers, directors, and consultants to acquire up to 1,370,000 Common Shares (these options were granted during fiscal 2021 and 2022 years); \$23,976 in advertising and promotion expenses mainly associated with the Company's efforts to raise awareness about the Company and its operations; \$14,700 in consulting fees; \$15,747 in professional fees; \$10,184 in office expenses; and \$6,205 in regulatory and filing fees. During the quarter ended August 31, 2021, the Company's net and comprehensive loss was further increased by \$60,000 unrealized loss the Company recognized on revaluation of its investment in Brixton common shares. These expenses were in part offset by \$155,429 gain the Company recognized on recovery of flow-through share premium liabilities on the FT Shares issued on July 23, 2021.

## LIQUIDITY AND CAPITAL RESOURCES

	May 31, 2023	February 28, 2023
Working capital	\$ 3,145,578	\$ 1,227,635
Deficit	\$ 2,781,992	\$ 2,395,646

As at May 31, 2023, the Company's current assets were \$3,288,473 (February 28, 2023 - \$1,409,012) and current liabilities were \$142,895 (February 28, 2023 - \$181,377), resulting in a working capital of \$3,145,578 (February 28, 2023 - \$1,227,635). The current assets consisted of \$2,960,030 in cash (February 28, 2023 - \$960,451), \$27,121 in GST receivable (February 28, 2023 - \$119,981), \$141,322 in prepaid expenses (February 28, 2023 - \$133,580), and \$160,000 in marketable securities (February 28, 2023 - \$195,000).

The Company's current liabilities decreased by \$38,482, which resulted from the \$63,309 decrease in accounts payable to \$11,153, and \$11,044 decrease in flow-through share premium liability associated with August 2022 flow-through financing. These decreases were offset by \$19,613 increase in accrued liabilities and \$16,258 increase in amounts due to related parties.

During the three-month period ended May 31, 2023, the Company's operations were supported by \$2,342,664 the Company received on closing of its March Offering (net of \$57,336 in cash share issuance costs).

The Company did not generate sufficient cash flows from its operating activities to satisfy its cash requirements for the three-month period ended May 31, 2023. The cash that the Company has generated since its inception on July 7, 2017, to May 31, 2023, has been generated mainly from the sales of Common Shares and, to a much smaller extent, from related party loans which were subsequently paid back.

The Company believes that as of the date of the filing of this MD&A, the Company is sufficiently funded to continue the scheduled exploration programs on the Company's mineral properties and to support the Company's operations for the next 12-month period. Nevertheless, the Company plans to continue its efforts to raise additional financing, which may be done through private loans, sale of marketable securities, where permissible, sale of additional Common Shares or other equity interests in the Company, and/or through possible joint ventures to fund its operations and exploration programs beyond the 12-month period. Although the Company has succeeded in raising funds as needed, this trend is not guaranteed to continue into the future. Many factors, including, but not limited to, issues related to the past COVID-19 pandemic, downturn of the economy, or a significant decrease in the price of minerals, could affect the willingness of potential investors to invest in grass-roots exploration projects. If the Company is unable to generate sufficient cash flow as and when needed, the Company may be required to curtail, or even to cease, its operations.

## TRANSACTIONS WITH RELATED PARTIES

During the three-month periods ended May 31, 2023 and 2022, the Company had the following transactions with related parties:

	Three months ended May 31,	
	2023	2022
Consulting fees paid or accrued to the Company's CEO	\$ 6,000	\$ 6,000
Accounting fees paid or accrued to the Company's CFO	4,830	2,869
Consulting and investor relations fees paid to the Company's Corporate Secretary	11,633	8,654
Deferred exploration <b>costs</b> and general business consulting fees paid or accrued to an entity controlled by the VP of Exploration	26,250	19,227
Project management fees and deferred exploration costs paid or accrued to an entity controlled by the common-law spouse of the Company's co-founder and major shareholder	7,916	6,000
Deferred exploration costs paid or accrued to a director of the Company	1,785	-
Share-based compensation for options granted to directors and officers	110,204	15,480
<b>Total related party transactions</b>	<b>\$ 168,618</b>	<b>\$ 58,230</b>

Amounts due to related parties consist of amounts owed directly to the officers and directors and insiders of the Company, or to the companies controlled by them, for the professional services provided by them. These amounts are unsecured, non-interest bearing, and due on demand. At May 31, 2023, the Company owed a total of \$69,213 (February 28, 2023 - \$52,955) to its related parties.

## OUTSTANDING SHARE DATA

As at the date of this MD&A, the following securities were outstanding:

Type	Amount	Conditions
Common Shares	46,355,411	Issued and outstanding.
Warrants	1,148,750	Exercisable into 1,148,750 Common Shares at a price of \$0.60 per share expiring on August 4, 2024.
Warrants	1,111,316	Exercisable into 1,111,316 Common Shares at a price of \$0.60 per share expiring on August 19, 2024.
Warrants	1,969,091	Exercisable into 1,969,091 Common Shares at a price of \$0.35 per share expiring on December 20, 2024.
Warrants	1,030,908	Exercisable into 1,030,908 Common Shares at a price of \$0.35 per share expiring on January 13, 2025.
Warrants	3,000,000	Exercisable into 3,000,000 Common Shares at a price of \$0.50 per share expiring on March 17, 2025.
Brokers' warrants	43,243	Exercisable into 43,243 Common Shares at a price of \$0.50 per share expiring on August 19, 2024.
Brokers' warrants	32,000	Exercisable into 32,000 Common Shares at a price of \$0.35 per share expiring on December 20, 2024.
Brokers' warrants	40,112	Exercisable into 40,112 Common Shares at a price of \$0.35 per share expiring on January 13, 2025.
Brokers' warrants	22,950	Exercisable into 22,950 Common Shares at a price of \$0.50 per share expiring on March 17, 2025.
Stock options	495,000	Exercisable into 495,000 Common Shares at a price of \$0.20 per share expiring on August 6, 2024. All these options are fully vested and are exercisable assuming holders remain eligible per the terms of the Company's option plan.

Type	Amount	Conditions
Stock options	345,000	Exercisable into 345,000 Common Shares at a price of \$0.25 per share expiring on February 28, 2025. All these options are fully vested and are exercisable assuming holders remain eligible per the terms of the Company's option plan.
Stock options	445,000	Exercisable into 445,000 Common Shares at a price of \$0.60 per share expiring on February 6, 2024. The options vested quarterly beginning on November 6, 2021, in equal portions. All these options are fully vested and are exercisable assuming holders remain eligible per the terms of the Company's option plan.
Stock options	100,000	Exercisable into 100,000 Common Shares at a price of \$0.60 per share expiring on August 6, 2023. The options vested quarterly beginning on November 6, 2021, in equal portions. All these options are fully vested and are exercisable assuming holders remain eligible per the terms of the Company's option plan.
Stock options	60,000	Exercisable into 60,000 Common Shares at a price of \$0.60 per share expiring on November 9, 2023. The options vested on the date of grant, and are exercisable assuming holder remains eligible per the terms of the Company's option plan
Stock options	100,000	Exercisable into 100,000 Common Shares at a price of \$0.81 per share expiring on April 20, 2024. The options vested on the date of grant, and are exercisable assuming holder remains eligible per the terms of the Company's option plan
Stock options	1,200,000	Exercisable into 1,200,000 Common Shares at a price of \$0.48 per share expiring on January 26, 2026. The options vest quarterly starting on April 26, 2023, and are exercisable assuming holders remain eligible per the terms of the Company's option plan. As at the date of this MD&A 600,000 options have vested, and 600,000 options remain to be vested assuming the holders remain eligible per the terms of the Company's option plan
Stock options	100,000	Exercisable into 100,000 Common Shares at a price of \$0.50 per share expiring on March 6, 2026. The options vest quarterly starting on June 6, 2023, and are exercisable assuming holder remains eligible per the terms of the Company's option plan. As at the date of this MD&A 25,000 options have vested, and 75,000 options remain to be vested assuming the holder remains eligible per the terms of the Company's option plan
	57,598,781	Total Common Shares outstanding (fully diluted)

## OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

## SIGNIFICANT ACCOUNTING POLICIES

All significant accounting policies adopted by the Company have been described in the notes to the audited consolidated financial statements for the year ended February 28, 2023.

### Recent accounting standards and interpretations

Accounting standards, amendments to standards, or interpretations have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's consolidated financial statements.

## RISKS AND UNCERTAINTIES

The Company's activity of natural resource exploration is considered to be very high risk. Companies in this industry are subject to many and varied kinds of risks, including, but not limited to, environmental, commodity prices,

political and economic, with some of the most significant risks and uncertainties affecting the Company being the following in addition to other risks disclosed in this MD&A:

- Substantial expenditures are required to explore for mineral reserves and the chances of identifying economical reserves are extremely small.
- The Company expects to continue to incur losses from operations unless and until such time as any of its mineral properties enter into commercial production and generate sufficient revenues to fund its continuing operations.
- The Company has very limited experience in placing mineral resource properties into production, and its ability to do so will be dependent upon using the services of appropriately experienced personnel or entering into agreements with other major resource companies that can provide such expertise. There can be no assurance that the Company will have available to it the necessary expertise when and if it places its resource properties into production.
- The Company's business of the acquisition, exploration and development of mineral properties is intensely competitive. The Company may be at a competitive disadvantage in acquiring additional mining properties because it must compete with other individuals and companies, many of which have greater financial resources, operational experience, and technical capabilities than the Company. Increased competition could adversely affect the Company's ability to attract necessary capital funding or acquire suitable producing properties or prospects for mineral exploration in the future.
- The success of the Company's operations will depend upon numerous factors, many of which are beyond the Company's control, including (a) the ability to design and carry out appropriate exploration programs on its mineral properties; (b) the ability to produce minerals from any mineral deposits that may be located; (c) the ability to attract and retain additional key personnel in exploration, marketing, mine development and finance; and (d) the ability and the operating resources to develop and maintain the properties held by the Company. These and other factors will require the use of outside suppliers as well as the talents and efforts of the Company and its consultants and employees. There can be no assurance of success with any or all of these factors on which the Company's operations will depend, or that the Company will be successful in finding and retaining the necessary employees, personnel and/or consultants in order to be able to successfully carry out such activities.
- Uncertainty of Resource Estimates/Reserves: Unless otherwise indicated, mineralization figures presented in the Company's filings with securities regulatory authorities, press releases and other public statements that may be made from time to time are based upon estimates made by Company personnel and independent geologists. These estimates are imprecise and depend upon geological interpretation and statistical inferences drawn from drilling and sampling analysis, which may prove to be unreliable. There can be no assurance that: a) these estimates will be accurate; b) reserves, resource or other mineralization figures will be accurate; or c) this mineralization could be mined or processed profitably. Because the Company has not commenced production at any of its properties and has not defined or delineated any proven or probable reserves on any of its properties, mineralization estimates for the Company's properties may require adjustments or downward revisions based upon further exploration or development work or actual production experience. In addition, the grade of ore ultimately mined, if any, may differ from that indicated by drilling results. There can be no assurance that minerals recovered in small-scale tests will be duplicated in large-scale tests under on-site conditions or in production scale. The resource estimates contained in the Company's filings with securities regulatory authorities, press releases and other public statements that may be made from time to time have been determined and valued based on assumed future prices, cut-off grades and operating costs that may prove to be inaccurate. Extended declines in market prices for gold, silver, molybdenum, nickel, copper, zinc, lead, tungsten, or other metals may render portions of the Company's mineralization uneconomic and result in reduced reported mineralization. Any material reductions in estimates of mineralization, or of the Company's ability to extract this mineralization, could have a material adverse effect on the Company's results of operations or financial condition. The failure to establish additional proven or probable reserves could restrict the Company's ability to successfully implement its strategies for long-term growth.
- The Company's mineral exploration programs are weather-dependent and unusual conditions, such as unexpected levels of snow cover, forest fires, rain, extreme heat events, or drought, or other weather events on the Company's Properties, may lead to delays in all or a portion of the planned exploration programs. The Company may attempt

to mitigate this by moving and rescheduling personnel and work, however no guarantee that these measures may be sufficient enough to allow field exploration programs to continue as planned or that additional costs may occur as a result thereof.

- Although the Company acquires the rights to some or all of the minerals in the ground subject to the tenures that it acquires, or has a right to acquire, in most cases it does not thereby acquire any rights to, or ownership of, the surface to the areas covered by its mineral tenures. In such cases, applicable mining laws usually provide for rights of access to the surface for the purpose of carrying on mining activities, however, the enforcement of such rights through the applicable courts can be costly and time consuming. In areas where there are no existing surface rights holders, this does not usually cause a problem, as there are no impediments to surface access. However, in areas where there are local populations or landowners, it is necessary, as a practical matter, to negotiate surface access. There can be no guarantee that, despite having the right at law to access the surface and carry on exploration and mining activities, the Company will be able to negotiate a satisfactory agreement with any such existing landowners/occupiers for such access, and therefore it may be unable to carry out mining activities. In addition, in circumstances where such access is denied, or no agreement can be reached, the Company may need to rely on the assistance of local officials or the courts in such jurisdiction. The Company has not, to date, experienced any problems in gaining access to any of its properties.
- Management anticipates that costs at the Company's projects will frequently be subject to variation from one year to the next due to a number of factors, such as the results of ongoing exploration activities (positive or negative), changes in the nature of mineralization encountered, and revisions to exploration programs, if any, in response to the foregoing. In addition, exploration program costs are affected by the price of commodities such as fuel, rubber and electricity and the availability (or otherwise) of consultants and drilling contractors. Increases in the prices of such commodities or a scarcity of consultants or drilling contractors could render the costs of exploration programs to increase significantly over those budgeted. A material increase in costs for any significant exploration programs could have a significant effect on the Company's operating funds and ability to continue its planned exploration programs.
- The junior resource market, where the Company raises funds, is extremely volatile and there is no guarantee that the Company will be able to raise funds as and when required.
- Although the Company has taken steps to verify title to the mineral properties in which it has an interest, there is no guarantee that such properties will not be subject to title or undetected defects, or the rights of indigenous peoples.
- The Company is subject to the laws and regulations relating to environmental matters, including provisions relating to reclamation, discharge of hazardous material and other matters. The Company conducts its exploration activities in compliance with applicable environmental protection legislation and is not aware of any existing environmental problems related to its properties that may cause material liability to the Company.

## **FINANCIAL INSTRUMENTS**

### **Fair Value**

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 — quoted prices in active markets for identical assets and liabilities.

Level 2 — observable inputs other than quoted prices in active markets for identical assets and liabilities.

Level 3 — unobservable inputs in which there is little or no market data available, which require the reporting entity to develop its own assumptions.

The Company measures its cash and marketable securities at fair value using level 1 inputs. Accounts payable, accrued liabilities, due to related parties, and note payable are classified as other liabilities, and their fair values approximate their carrying values due to the short terms to maturity.

## Capital Management

The Company manages its capital to safeguard the Company's ability to continue as a going concern, to ensure future benefits to stakeholders, and to have sufficient funds on hand for business opportunities as they arise.

The Company considers the items included in share capital as capital. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through short-form prospectuses, private placements, sell assets, incur debt, or return capital to shareholders. As at the date of this MD&A, the Company does not have any debt that is subject to externally imposed capital requirements.

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include liquidity risk, credit risk, and market risk. Where material, these risks are reviewed and monitored by the Board of Directors.

a) *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due or can only do so at excessive cost. The Company maintains sufficient cash balances to meet current working capital requirements. The Company is considered to be in the exploration stage; thus, it is dependent on obtaining regular financings in order to continue its exploration and evaluation programs. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings. The Company's cash is deposited in business accounts with quality financial institutions, is available on demand for the Company's programs, and is not invested in any asset backed commercial paper.

b) *Credit risk*

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash, prepaid expenses, and GST receivable. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash and other assets with high-credit quality financial institutions.

c) *Market risk*

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

i. Currency risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company's main operations currently are in Canada; the Company does not have a permanent presence, other than the required statutory agent, in Arizona. The Company holds its cash in Canadian dollars and pays its US vendors by converting its Canadian dollar cash to the US dollars on an as needed basis. A significant change in the currency exchange rates between the Canadian dollar relative to US dollar could have an effect on the Company's results of operations, financial position, and/or cash flows. At May 31, 2023, the Company had no hedging agreements in place with respect to foreign exchange rates. As the majority of the transactions of the Company are denominated in Canadian dollars movements in the foreign exchange rates are not expected to have a material impact on the consolidated statements of comprehensive loss.

ii. Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company currently has minimal interest rate risk as it has no interest accumulating financial assets that may become susceptible to interest rate fluctuations.

iii. Price risk

Equity price risk is the risk that the fair value of equities decreases as a result of changes in the levels of equity indices and the value of individual stocks. The Company is exposed to equity price risk as a result of its investment in marketable securities represented by common shares of Brixton. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements



and volatilities. The Company closely monitors commodity prices of gold and other precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

**CONTINGENCIES**

The Company has no contingent liabilities.

**ADDITIONAL INFORMATION**

Additional information concerning the Company and its operations is available on SEDAR at [www.sedar.com](http://www.sedar.com).