

**GELUM RESOURCES LTD. (formerly GELUM CAPITAL LTD.)**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
FOR THE PERIOD ENDED JULY 31, 2022

**OVERVIEW**

The following sets out the Management's Discussion and Analysis ("MD&A") of results of operations and financial condition of Gelum Resources Ltd. (formerly Gelum Capital Ltd.) (the "Company", "Gelum", "our" and "we") describing the operating and financial results of the Company for the period ended July 31, 2022 and 2021. The following MD&A should be read in conjunction with the Company's audited financial statements and related notes for the period ended July 31, 2022 copies of which are filed on the SEDAR website: [www.sedar.com](http://www.sedar.com). The Company prepares its financial statements in accordance with International Financial Reporting Standards ("IFRS"). The audited financial statements of the Company are presented on a historical cost basis. All dollar figures included herein and in the following discussion and analysis are quoted in Canadian dollars unless otherwise noted.

The financial information in this MD&A is derived from the Company's financial statements prepared in accordance with IFRS. This MD&A may contain forward looking statements based on assumptions and judgments of management regarding events or results that may prove to be inaccurate as a result of risk factors beyond its control. Actual results may differ materially from the expected results.

**COMPANY OVERVIEW**

The Company was a publicly traded Canadian company listed on the Canadian Securities Exchange under the symbol 'JEM', with an emphasis on acquiring and developing oil and gas properties.

The Company ceased to be directly or indirectly engaged in oil and gas activities as of July 24, 2018. Its principal business is the identification and evaluation of assets, or a business, and once identified or evaluated, to negotiate the acquisition or participation in the business. On September 21, 2021 the Company received conditional listing approval from the Canadian Securities Exchange (the "CSE")

Effective September 29, 2022, the Company changed its name to Gelum Resources Ltd.

**OVERALL PERFORMANCE**

The Company will continue to seek new opportunities while maintaining the Company's status as a reporting issuer.

**OPERATIONAL UPDATE**

The Company's main asset is the Eldorado Gold Property (the "Property"), located within the Bralorne-Bridge River Gold District in south-central British Columbia. On March 24, 2021 the Company entered into an option agreement to acquire 50% ownership interest in and to the Property and form a joint venture with the Optionor in respect of the Property, with the ability of the Company to acquire an additional 30% interest in the Property.

**Eldorado Gold Property**

The Eldorado Gold Property is located 22 kilometres north of the Bralorne mine, and 17 kilometres North of the community of Gold Bridge. The 7360-hectare property covers multiple polymetallic Minfile listings and two past-producing, small-scale mines that form the northern extent of the Bridge River - Bralorne/Pioneer orogenic gold system. It is underlain by the same rock units and lies along one of the main faults tied to mineralization within the system. Orogenic gold occurs in polymetallic sulphide veins and vein stockwork within broad quartz-carbonate alteration within the Eldorado granodiorite stock and surrounding volcanic, sedimentary, and serpentinized ultramafic rocks. These units are complexly juxtaposed along numerous faults associated with regional-scale structures linked to gold mineralization in the region.

The most recent drilling on the property in 2011 by GFE Exploration Corporation (five holes totaling 1379 metres) intersected numerous, widespread intervals of gold mineralization, including 1.22 metres of 32.6 g/t Au (0.94m true thickness) at 292 metres down-hole, where visible gold occurs within a quartz- carbonate-sulphide vein. This in turn occurs within a broader mineralized zone of 25.6 metres of 2.19 g/t Au between 270.58 - 296.18 metres.

Gelum completed surface geochemical sampling on the project in September 2021, collecting 62 rock samples and 485 soil samples. The sampling programme successfully extended the gold anomaly at Northern Lights to the south by about 500m, and the ridge sampling north of the Lucky Jem prospect extended that historical soil anomaly by about 500m to the north, albeit thick talus there precluded more detailed sampling and better definition of the anomaly.

In the spring of 2022, Geotech Airborne Geophysical Surveys ("Geotech") flew a 889 line-kilometre, 4000 Ha, VTEM™ survey carried out at a cost of \$196,116.70. The survey was aimed at delineating subsurface, auriferous sulphide-bearing conductors (veins, breccias) that might have been missed in the geochemical sampling.

In September 2022, Gelum mobilized a Hydracore 2000 drill rig to the property to commence a 3000-metre drill programme with helicopter support helicopter service provided by Blackcomb Helicopters, with a base in nearby Gun Lake. Gelum engaged Quesnel Bros. Diamond Drilling ("Quesnel") of Saskatchewan after the initial contractor, Atlas Drilling of Kamloops B.C., had to withdraw due to loss of their drill rig. Gelum laid out eleven (11) drill pads located targeting gold-arsenic-antimony geochemical anomalies and their possible source structures. The areas to be tested had very shallow or no previous record of historical drilling. Three HQ-diameter holes totaling 795.5m, were drilled before the programme was shut down due to a lack of funds.

The first drill hole was collared near the entrance to the Northern Lights No. 1 historical adit, where a 4,643-pound sample of sulphide-vein mineralization from an adjacent historical test pit returned 1.74 ounces/ton (2108 kg at 54 g/t) in 19341. Several directions of gold-bearing sulphide veins are present in addition to thick panels of siliceous iron-carbonate cutting the Eldorado diorite and older Bralorne greenstone units over 1000 metres along strike, on the east slope of the highly gold-anomalous ridge leading south from Nea Peak (see Gelum's NR Dec. 15, 2021).

The second hole also targeted this mineralization along strike 250 metres to the north of the first (see Map 1).

The third hole targeted the largest gold-arsenic-antimony talus geochemical anomaly 1500 metres to the north, and was collared on the east side of the ridge and directed west to intersect east-dipping iron-carbonate panels exposed along the ridge.

The remaining eight pads will be drilled when snow conditions allow in early summer 2023. The pads are located to the east and west of the main ridge, at lower elevations, and will allow the previously intersected mineralization to be tested at greater depths where gold grades should increase. A single hole at the north end of a highly gossanous, gold-mineralized feldspar-porphphyry dike on the Robson claim will test high-grade gold-arsenic mineralization seen in float there, as well as the east-dipping siliceous iron-carbonate panels seen in drill holes to the south.

Drilling the remaining holes is estimated to require approximately 8 weeks and cost \$1.2 million.

In order to earn a 50% interest in the property, the Company must pay an aggregate \$600,000 to the optionors and issue up to 2,800,000 common shares, a further 30% can be earned paying to the optionors \$800,000 and issuing up to 2,400,000 common shares. In order to complete the 80% ownership during the five-year option period the company will conduct exploration expenditures totaling \$4,250,000.

The Company entered into an agreement to acquire the Roxey claims. The claims are contiguous to the Eldorado Gold Property within the Bralorne-Bridge River Gold District in south-central British Columbia. In order to acquire a 100% right, title and interest in and to the mineral claims, the Company issued 4,000,000 common shares in the capital stock of the Company on August 12, 2021.

#### ML Property

On March 8, 2022, Gelum announced entering into an agreement under which Gelum may earn a 100% interest in the 8,736 ha (87 km<sup>2</sup>) ML land position, 6 kilometres from the Mt. Polley porphyry Cu-Au past-producing mine (care and maintenance; Imperial Metals Corp.), 6 kilometres from Osisko's QR Deposit (past-producer) and 28 kilometres from the active Gibraltar porphyry Cu-Mo active mine (Taseko – 75%, Cariboo Copper Corp. – 25%), located in south-central British Columbia, Cariboo Mining District.

The ML copper-gold property, located in central British Columbia, is accessible year-round along the Likely Road, approximately 87 kilometres northeast of Williams Lake. The property is accessed along numerous logging roads. The 8,736-hectare property contains multiple ARIS copper and gold occurrences and is considered prospective for mesothermal gold and porphyry copper-gold-molybdenum deposits. Historical exploration is concentrated on the higher elevation terrain along the southeast edge of the property where favourable units crop out. Historical grab sampling at ML has yielded up to 1.01% Cu (Assessment Report 215842) and up to 0.65 g/t Au (Assessment Report 129033). A small drill programme in 1985 targeted a copper soil anomaly associated with a mineralized monzonite stock and adjacent volcanic and sedimentary units and comprised short (45 to 92m) holes that total 435m. This drilling did not adequately test the mineralized outcrops located northwest and upslope from the soil anomaly.

The historical sampling results described in the text and maps are solely included to demonstrate the presence or absence of mineralization. Rock grab samples are by definition selective and not intended to provide nor should be construed as a representative indication of grade or mineralization at the Project. Rock grab samples reported from the Project reflect a broad range in grade from below detection limit to the grades highlighted herein.

John Drobe, P.Geol., a qualified person as defined by NI 43-101, has reviewed the scientific and technical information and has approved the disclosure herein. Mr. Drobe is not independent of the Company as he is a consultant of the Company

## **RESULTS OF OPERATIONS**

### **Period ended July 31, 2022 and 2021**

The Company reported net loss and comprehensive loss of \$113,055 for the period ended July 31, 2022 (2021 –\$116,723).

The Company's operating expenses for the year ended July 31, 2022, included the following:

Consulting expense of \$47,000 (2021 - \$30,000) increased due to the activities of the Company increasing to acquire various mineral property claims and increased need to expand management support.

General & administrative of \$45,800 (2021 - \$12,108), Office expense \$2,470 (2021 - \$4,056) and Property investigation \$nil (2021 - \$6,344) has increased compared to the same period of the previous year mainly due to increased office administration fees charged by Marval Office Management Ltd for services rendered.

Professional fees of \$38,597 (2021 - \$38,018) has increased due to the increase of activities of the Company which include mineral property acquisitions.

Interest expense of \$nil (2021 - \$5,326) and accretion expense of \$nil (2021 - \$11,192) has decreased which was related to convertible notes and loan payable settled in the prior year.

### **SUMMARY OF ANNUAL RESULTS**

The following is a summary of the Company's financial results for the three most recently completed financial years:

<b>Year ended April 30</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Net loss	\$765,107	\$165,628	\$158,813
Loss per share – basic and diluted	\$0.03	\$0.03	\$0.03
Total assets	\$1,966,255	\$89,262	\$16,061
Short-term liabilities	\$213,281	\$138,653	\$527,041
Long-term liabilities	\$Nil	\$263,651	\$215,582
Cash dividends declared per share	\$Nil	\$Nil	\$Nil

During the year ended April 30, 2020, the Company focused on seeking new opportunities and working towards maintaining the Company's status as a reporting issuer. The statement of loss and comprehensive loss reflects the decrease in operations for the year ended April 30, 2020.

During the year ended April 30, 2021, the Company focused on acquiring the Eldorado Gold Project and maintaining the Company's status as a reporting issuer. The statement of loss and comprehensive loss reflects the increase in operations for the year ended April 30, 2021.

During the year ended April 30, 2022, the Company focused on exploring the Eldorado Gold Project and ML project and maintaining the Company's status as a reporting issuer. The statement of loss and comprehensive loss reflects the increase in operations for the year ended April 30, 2022.

### **SUMMARY OF QUARTERLY RESULTS**

The following is a summary of the Company's financial results for the eight most recently completed quarters:

<b>For the quarter ended</b>	<b>July 31, 2022 – Q1 2023</b>	<b>Apr 30, 2022 – Q4 2022</b>	<b>Jan 31, 2022 – Q3 2022</b>	<b>Oct 31, 2021 – Q2 2022</b>
Net loss	(113,055)	(\$103,183)	(\$434,852)	(\$110,349)
Loss per share – basic and diluted	(\$0.00)	(\$0.00)	(\$0.02)	(\$0.00)
<b>For the quarter ended</b>	<b>July 31, 2021 – Q1 2022</b>	<b>Apr 30, 2021 – Q4 2021</b>	<b>Jan 31, 2021 – Q3 2021</b>	<b>Oct 31, 2020 – Q2 2021</b>
Net loss	(\$116,723)	(\$74,087)	(\$39,322)	(\$34,434)
Loss per share – basic and diluted	(\$0.01)	(\$0.01)	(\$0.01)	(\$0.01)

The net loss in the quarters ended April 30, 2021, October 31, 2020 were primarily due to decreased operations due to the sale of JEA in the year ending April 30, 2018. The quarter ended April 30, 2021, July 31, 2021, October 31, 2021, January 31, 2022 and April 30, 2022 primarily consisted of increased costs associated with the acquisition of the Eldorado Gold Property, ML Project and listing on the CSE.

## **LIQUIDITY AND CAPITAL RESOURCES**

As of July 31, 2022, the Company had a working capital surplus (deficit) of \$585,036 (2021 – \$549,480) and cash of \$701,464 (2021 - \$704,411). The change in cash is explained during the period ended July 31, 2022, by the exercise of warrants totaling \$322,817 (2021 - \$Nil).

### **Share transactions:**

During the three months ended July 31, 2022 the Company issued the following:

- a) On May 11, 2022, the Company issued 120,000 common shares at a fair value of \$27,600 pursuant to the Agreement with Bridge River Indian Band (note 4).
- b) On May 30, 2022, the Company issued 300,000 common shares at a fair value of \$70,500 pursuant to the option agreement on the Eldorado project – Robson claims (note 4).
- c) On July 12, 2022, the Company issued 5,380,274 common shares on the exercise of warrants for proceeds of \$322,817.

During the three months ended July 31, 2021 the Company issued the following:

- d) On July 22, 2021, the Company closed a non-brokered private placement of 8,450,000 units at \$0.10 per unit (the “Offering”) for gross proceeds of \$845,000. Each unit consisted of one common share in the capital of the Company and two separate one-half (1/2) of one common share purchase warrants (a “1/2 Warrant A” and a “1/2 Warrant B”) and, respectively, each whole warrant, a “Warrant A” and a “Warrant B”, and collectively the “Warrants”.

Each whole Warrant A entitles the holder to purchase one common share in the capital of the Company at an exercise price of \$0.25 per share for a period of 24 months from issuance and, each whole Warrant B entitles the holder to purchase one common share in the capital of the Company at an exercise price of \$0.50 per share for a period of 24 months from issuance. No value was attributed to the warrant component of the units issued.

The Offering closed in three separate tranches, issuing 3,350,000 units on June 28, 2021, 5,000,000 units on July 6, 2021 and 100,000 units on July 14, 2021. The Company paid finders’ fees of \$21,700, issued 217,000 finders’ warrants exercisable at a price of \$0.25 until June 28, 2023 the fair value of the finders’ warrants was determined to be \$6,646 using the Black-Scholes option pricing model with the following inputs: i) exercise price: \$0.25; ii) share price: \$0.10; iii) term: 2 years; iv) volatility: 100%; v) discount rate: 0.44%.

- e) On July 13, 2021, the Company completed the conversion of convertible notes by issuing 5,380,274 common shares at a price of \$0.05 and 5,380,274 common share purchase warrants exercisable at \$0.06 for one year. No value was attributed to the warrant component of the units issued.

### **Cash Flow Activities:**

During the three months ended July 31, 2022, cash used in operating activities was \$152,564 compared to \$79,571 used during the three months ended July 31, 2021. Cash from financing activities was \$322,817 receipts compared to \$818,300 which related to private placement proceeds for the three months ended July 31, 2021. Cash used in investing activities was \$146,168 compared to \$39,117 from the three months ended July 31, 2021. The Company had an exercise of warrants \$322,817 during the period. Additionally, operating costs have increased due to the activity surrounding the acquisition of the Eldorado property and ML Project.

## **OUTSTANDING SHARES**

### **Outstanding Share Data**

As at July 31, 2022 there were 39,638,316 common shares outstanding.

As at the date of this report, there were 39,638,316 common shares outstanding.

As at July 31, 2022, there were 2,500,000 share options.

As at the date of this report, there were 2,750,000 share options.

As at July 31, 2022, there were 10,792,406 warrants outstanding.

As at the date of this report, there were 10,792,406 warrants outstanding.

	Number of shares	Share capital
Balance July 31, 2022	39,638,316	\$ 10,779,795

### **OFF-BALANCE SHEET ARRANGEMENTS**

The Company has no off-balance sheet arrangements as at July 31, 2022 or as of the date of this report.

### **TRANSACTIONS WITH RELATED PARTIES**

A number of key management personnel and Directors hold positions in other entities that result in them having control or significant influence over the financial or operating policies of these entities. There were no loans to key management personnel or Directors, or entities over which they have control or significant influence during the three months ended July 31, 2022 and July 31, 2021.

No stock options were granted to related parties during the year ended July 31, 2022. No stock options were granted to related parties during the three months ended July 31, 2021.

The Company transacted with the following related parties:

- (a) Stephen Brohman is the Company's CFO. He is a principal of Donaldson Brohman Martin CPA Inc. ("DBM CPA") a firm in which he has significant influence. DBM CPA provide the Company with accounting services.
- (b) Shares to be issued include incentive bonus payable to compensate the former Chief Executive officer payable in 36,500 common shares at a price of \$0.80 per share. Issuance pending since 2016.
- (c) On October 14, 2017, convertible notes were issued to two directors, Hendrik Van Alphen and Robert Kopple. These notes have been converted as at July 13, 2021.
- (d) Marla Ritchie is the Company's Corporate secretary and Hendrik Van Alphen is the Company's director. They share control of Marval Office Management Ltd., ("Marval") in which they have significant influence. Marval provides office administration services to the Company on a shared cost basis.
- (e) David Smith is the Company's President and Interim Chief Executive Officer. He is the spouse to the owner of Lucas Investments Ltd. ("Lucas").

The aggregate value of transactions and outstanding balances with key management personnel and Directors and entities over which they have control or significant influence were as follows:

	Transactions 3 months ended July 31, 2022 \$	Transactions 3 months ended July 31, 2021 \$	Balances outstanding July 31, 2022 \$	Balances outstanding April 30, 2022 \$
DBM CPA	7,500	5,000	2,625	2,625
Marval	14,568	19,548	7,207	3,498
Lucas	15,000	13,500	5,592	5,592
(1) Marla Ritchie	9,000	7,500	-	-
	<b>46,068</b>	<b>45,548</b>	<b>15,424</b>	<b>11,715</b>

All related party balances are unsecured and are due upon demand without interest.

The transactions with the key management personnel and Directors are included in operating expenses as follows:

- (a) Professional fees
  - Includes the accounting services of Company's CFO, Stephen Brohman, charged to the Company by DBM; and
  - Includes the corporate secretary services of Marla Ritchie.
- (b) General and administrative expenses, Office expenses and Property investigation
  - Includes the administrative services charged to the Company by Maval.
- (c) Consulting expense
  - Includes the CEO services charged to the Company by Lucas.

## **CRITICAL ACCOUNTING ESTIMATES**

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In the future, actual experience may differ from these estimates and assumptions. The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed in the audited financial statements.

## **RISKS AND UNCERTAINTIES**

The Company believes that the following risks and uncertainties may materially affect its success.

### **Limited Operating History**

The Company has no history of business or exploitation operations, revenue generation or production history. The Company was incorporated on June 8, 1987 and has not yet generated a significant profit from its activities. The Company is subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its growth objective. The Company anticipates that it may take several years to achieve positive free cash flow.

### **Credit risk**

Credit risk is the risk of an unexpected loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises primarily from the Company's cash. The Company manages its credit risk relating to cash by dealing with only with highly-rated financial institutions. As a result, credit risk is considered insignificant.

### **Currency Risk**

Currency risk is the risk to the Company's earnings that arises from fluctuations of foreign exchange rates and the degree of volatility of these rates.

### **Interest rate risk**

The Company is exposed to interest rate risk because of fluctuating interest rates. Fluctuations in market rates do not have a significant impact on the Company's operations due to the short term to maturity and no penalty cashable feature of its cash. For the three months ended July 31, 2022 every 1% fluctuation in interest rates up or down would have an insignificant impact.

### **Substantial Capital Requirements and Liquidity**

No assurances can be given that the Company will be able to raise the additional funding that may be required. Debt financing, if available, may also involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion.

The Company manages liquidity risk by maintaining an adequate level of cash and cash equivalents to meet its ongoing obligations. The Company continuously reviews its actual expenditures and forecast cash flows and matches the maturity dates of its cash and cash equivalents to capital and operating needs. The Company has been successful in raising equity financing in the past; however, there is no assurance that it will be able to do so in the future.

### **Financing Risks and Dilution to Shareholders**

The Company will have limited financial resources. There can be no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be available on favorable terms or at all. It is likely such additional capital will be raised through the issuance of additional equity, which will result in dilution to the Company's shareholders.

### **Reliance on Management and Dependence on Key Personnel**

The success of the Company will be largely dependent upon on the performance of the directors and officers and the ability to attract and retain key personnel. The loss of the services of these persons may have a material adverse effect on the Company's business and prospects. The Company will compete with numerous other companies for the recruitment and retention of qualified employees and contractors. There is no assurance that the Company can maintain the service of its directors and officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Company and its prospects.

### **Litigation**

The Company and/or its directors may be subject to a variety of civil or other legal proceedings, with or without merit.

## **FORWARD-LOOKING STATEMENTS**

This MD&A contains forward-looking statements. Forward-looking statements are projections of events, revenues, income, future economic performance or management's plans and objectives for future operations. In some cases, you can identify forward-looking statements by the use of terminology such as "may", "should", "expects", "plans", "anticipates", "believes", "estimates", "predicts", "potential" or "continue" or the negative of these terms or other comparable terminology. Examples of forward-looking statements made in this MD&A include statements about the Company's business plans; the costs and timing of its developments; its future investments and allocation of capital resources; success of exploration activities; requirements for additional capital; government regulation of mining operations. These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including: general economic and business conditions, fluctuations in worldwide prices and demand for minerals; our lack of operating history; the actual results of current exploration activities; conclusions or economic evaluations; changes in project parameters as plans continue to be refined; possible variations in grade and or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labor disputes or other risks of the oil & gas industry and mineral property exploration industry; delays in obtaining government approvals or financing or incompleteness of development or construction activities, any of which may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements.

The Company has no working interest in any Property and does not claim to report any reserves, resources other than reserves or measurements thereof. Gelum's interest was limited to a funding agreement in the form of the Agreement entered into with Central which has been terminated.

Any references in this MD&A to test rates, flow rates, initial and/or final raw test or production rates, early production, test volumes behind pipe and/or "flush" production rates are useful in confirming the presence of hydrocarbon, however, such rates are not necessarily indicative of long-term performance or of ultimate recovery. Readers are cautioned not to place reliance on such rates in calculating the aggregate production for Gelum or its partners.

All calculations converting natural gas to barrels of oil equivalent ("boe") have been made using a conversion ratio of six thousand cubic feet (six "Mcf") of natural gas to one barrel of oil, unless otherwise stated. The use of boe may be misleading, particularly if used in isolation, as the conversion ratio of six Mcf of natural gas to one barrel of oil is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

While these forward-looking statements and any assumptions upon which they are based are made in good faith and reflect our current judgment regarding the direction of the Company's business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggested herein. Except as required by applicable law, including the securities laws of the Canada, the Company does not intend to update any of the forward-looking statements to conform these statements to actual results.

## **MANAGEMENT'S REPORT ON INTERNAL CONTROLS OVER FINANCIAL REPORTING**

In connection with Exemption Orders issued in November 2007 by each of the securities commissions across Canada, the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying MD&A.

In contrast to the certificate under National Instrument ("NI") 52-109 (Certification of Disclosure in Issuer's Annual and Interim Filings), the Venture Issuer Basic Certification includes a 'Note to Reader' stating that the CEO and CFO do not make any representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financing reporting, as defined in NI 52-109.

## **FINANCIAL AND OTHER INSTRUMENTS**

The Company's financial instruments consist of cash, amounts receivable, trade and other payables and due to related parties.

The carrying value of cash, amounts receivable, trade and other payables and due to related parties, approximates their fair value because of the short-term nature of these instruments.

Convertible note is presented on an amortized cost basis and will be accreted to their face value at their effective interest rates, over the term to maturity.

Financial instruments measured at fair value on the statement of financial position are summarized into the following fair value hierarchy levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

## ***Management of financial risks***

The financial risk arising from the Company's operations are credit risk, liquidity risk, interest rate risk, currency risk and commodity price risk. These risks arise from the normal course of operations and all transactions undertaken are to support the Company's ability to continue as a going concern. The risks associated with these financial instruments and the policies on how to mitigate these risks were set out in the "Risks and Uncertainties" section on page 7. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest or commodity risk arising from these financial instruments.

## **DIRECTORS**

Certain directors of the Company are also directors, officers and/or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploring natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required to act in good faith with a view to the best interests of the Company and to disclose any interest they may have in any project opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his/her interest and abstain from voting in the matter(s). In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at the time.

## **OUTLOOK**

The Company's primary focus for the foreseeable future will be ongoing on the evaluation of possible projects related to acquire and development activities in mineral exploration projects.

## **OTHER REQUIREMENTS**

Additional disclosure of the Company's material documents, information circular, material change reports, new release, and other information can be obtained on SEDAR at [www.sedar.com](http://www.sedar.com).

## **OTHER MATTERS**

### **Legal proceedings**

The Company is not aware of any legal proceedings.

### **Contingent liabilities**

At the date of report, management was unaware of any outstanding contingent liability relating to the Company's activities.

### **Proposed transaction**

The Company is not aware of any proposed transactions.

### **Commitment**

On December 30, 2021, the Company completed a private placement of flow-through common shares for gross proceeds of \$520,000 and recognized a flow-through liability of \$148,571. The Company is required to spend the funds on qualified exploration programs no later than December 31, 2022. The Company renounced the expenditures and available income tax benefits to the flow-through shareholders effective December 31, 2021. As at July 31, 2022, approximately \$183,000 of the funds had been spent, \$96,380 is remaining in flow-through liability. The Company will amortize the premium on a pro-rata basis as the flow-through funds are expended and recognized as other income on settlement of the flow-through premium liability.

## **EVENTS AFTER THE REPORTING PERIOD**

On September 20, 2022, the Company announced a non-brokered private placements consisting of a flow-through private placement and non-flow through private placement for which units are currently being allocated. The Company will issue up to 3,333,333 flow-through shares at a price of \$0.30 per share (the "FT Shares") and, up to 2,500,000 non-flow through units (the "NFT Units") at a price of \$0.20 per NFT Unit (collectively, the "Private Placement") for aggregate proceeds of up to \$1,500,000.

Each NFT Unit consists of one common share of the Company and one-half of one common share purchase warrant, each whole warrant entitles the holder to purchase an additional common share of the Company at a price of \$0.45 per share (the "Warrants") for a period of 18 months from the closing of the Offering. The expiry of the Warrants may be accelerated if the closing price of the Corporation's common shares on the Canadian Securities Exchange is equal to or greater than \$0.60 for a minimum of twenty consecutive trading days and a notice of acceleration is provided in accordance with the terms of the Warrants. The common shares issued pursuant to the FT Shares, will be issued as "flow-through shares".



## **OFFICERS AND DIRECTORS OF THE COMPANY**

As at September 29, 2022, the officers and directors of the Company are:

Robert Kopple –Director

Hendrik Van Alphen – Director

Susannah Coille Van Alphen - Director

David Smith – President, Interim CEO

Stephen Brohman - CFO

## **APPROVAL**

The board of Directors of the Company has approved the disclosure contained in this Management Discussion and Analysis. A copy will be provided to anyone who requests it.

On Behalf of the Board of Directors,

/s/ Robert Kopple  
Robert Kopple  
Director  
September 29, 2022

/s/ Hendrik Van Alphen  
Hendrik Van Alphen  
Director  
September 29, 2022