FORWARD-LOOKING INFORMATION AND MATERIAL ASSUMPTIONS

This report on results for the year ended August 31, 2022 contains forward-looking information, including forward-looking information about Golden Spike Resource Corp.'s (the "Company" or "Golden Spike") operations, estimates, and exploration and acquisition spending.

Forward-looking information is generally signified by words such as "forecast", "projected", "expect", "anticipate", "believe", "will", "should" and similar expressions. This forward-looking information is based on assumptions that the Company believes were reasonable at the time such information was prepared, but assurance cannot be given that these assumptions will prove to be correct, and the forward-looking information in this report should not be unduly relied upon. The forward-looking information and the Company's assumptions are subject to uncertainties and risks and are based on a number of assumptions made by the Company, any of which may prove to be incorrect.

GENERAL

This Management Discussion and Analysis ("MD&A") of the financial condition, results of operations and cash flows of the Company as at August 31, 2022 and for the year then ended, and should be read in conjunction with the audited consolidated financial statements as at August 31, 2022 and for the year then ended and the audited financial statements as at August 31, 2021 and for the year then ended. This MD&A is effective December 19, 2022. Additional information relating to the Company is available on SEDAR at www.sedar.com.

The Company has prepared its audited consolidated financial statements as at August 31, 2022 and for the year then ended in Canadian dollars and in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board.

DESCRIPTION OF BUSINESS

The Company is an exploration stage company incorporated on January 14, 2020, under the laws of the province of British Columbia, Canada. Its principal business activity is the acquisition, exploration and evaluation of mineral properties located in Canada. The Company's head office and principal business address is 830 – 1100 Melville Street, Vancouver, British Columbia, Canada, V6E 4A6. The Company's registered and records office is 1000 – 595 Howe Street, Vancouver, British Columbia, Canada, V6C 2T5. The Company's shares began trading on the Canadian Securities Exchange ("CSE") under the trading symbol "GLDS" on September 13, 2021.

BUSINESS OF THE COMPANY

On January 21, 2020, the Company issued 2,000,000 common shares of the Company at a price of $0.005 per share for gross proceeds of $10,000.

On August 6, 2020, the Company issued 2,000,000 units at a price of $0.02 per unit for gross proceeds of $40,000. Each unit consists of one common share of the Company and one share purchase warrant. Each warrant entitles the holder to acquire one additional common share of the Company at an exercise price of $0.05 for a period of two years. No value was attributed to the warrants.

On August 6, 2020 and August 27, 2020, the Company issued 4,800,000 flow-through common shares of the Company at a price of $0.02 per share for gross proceeds of $96,000. The premium paid by investors on the flow-through shares was calculated as $1,953. Accordingly, $1,953 was recorded as other liabilities. Share issuance costs of $19,700 were incurred.

On January 8, 2021, the Company issued 5,000,000 common shares at a price of $0.05 per share for gross proceeds of $250,000. The Company incurred share issuance costs of $3,082.

On September 10, 2021, the Company closed its Initial Public Offering ("IPO") of 6,000,000 units of the Company at $0.25 per unit for gross proceeds of $1,500,000. Each unit consisted of one common share of the Company and one-half of one warrant. Each warrant is exercisable into one common share for 24 months at a price of $0.50. The Company paid the agent a cash commission of $135,000. The Company also issued to the agent 540,000 compensation warrants valued at $70,235, exercisable into common shares at $0.25 per share for a period of 24 months. The Company also paid the agent a corporate finance fee of $35,000 and the agent's expenses of $25,969 which were expensed in professional fees; $32,500 of the corporate finance fee and agent's expenses were included in prepaid expenses at August 31, 2021. The Company incurred other share issuance costs of $7,242.

On July 20, 2022, the Company completed its acquisition of Golden Horizon Exploration Corp. ("Golden Horizon") (the "Acquisition"). The Acquisition was completed by way of a three-cornered amalgamation among Golden Spike, Golden Horizon and 1368617 B.C. Ltd., a wholly owned subsidiary of the Company, incorporated solely for the purposes of the Acquisition. As consideration, the Company issued 11,300,000 common shares to the shareholders of Golden Horizon and 7,100,000 common share purchase warrants to the holders of common share purchase warrants of Golden Horizon. The common share purchase warrants were issued with the same expiry date and exercise price as the common share purchase warrants of Golden Horizon.

At the date of acquisition, the Company determined that Golden Horizon did not constitute a business under IFRS 3 – *Business Combinations*, and the Golden Horizon acquisition was accounted for as an asset acquisition. As a result the purchase price was allocated to the identifiable assets and liabilities based on their relative fair values at the date of acquisition. The consideration paid was determined as an equity share-based payment under IFRS 2 – *Share-based payments*, and recognized at the fair value of the common shares of the Company at a price of $0.22 per share and the fair value of the common share purchase warrant of the Company at a price of $0.17 per warrant.

As a result of the acquisition, there were no intangible assets identified that met the recognition criteria under IFRS.

The following table shows the finalized allocation of the purchase price to the fair value of the assets acquired and liabilities assumed, based on the estimated fair value, including a summary of the identifiable classes of consideration transferred, and amounts by category of assets acquired and liabilities assumed at the acquisition date:

Total Consideration:	
11,300,000 common shares measured at a fair value of $0.22 per share	$ 2,486,000
7,100,000 warrants measured with a fair value of $0.17 per warrant	1,197,443
Total	$ 3,683,443
Net identifiable assets (liabilities) acquired	
Cash	$613,046
Amounts receivable	15,162
Exploration and evaluation assets	3,124,781
Amounts payable and accrued liabilities	(69,546)
Net assets	$ 3,683,443

As a result of the Acquisition, the Company has the option, through Golden Horizon, to acquire 100% of the interest in the Gregory River Property, a copper-gold mineral exploration property located on the western portion of the island of Newfoundland, subject to the granting of a 2% net smelter return royalty ("NSR"), which at any time following the completion of the Option exercise, the Company will have the right to purchase one-half of the NSR from the Optionors for $1,500,000, leaving the Optionors with a 1% NSR.

EXPLORATION AND EVALUATION ASSETS

Camping Lake Property

On September 1, 2020, the Company entered into an option agreement to acquire a 100% interest in the Camping Lake Property, consisting of 5 mineral claims located in the Red Lake Mining District, Ontario. Under the terms of the agreement, the Company was required to make cash payments and issue common shares of the Company as follows:

- Pay $30,000 upon signing (paid);
- Pay $45,000 (paid) and issue 500,000 common shares of the Company (issued and valued at $195,000) on or before the day the Company's shares become listed for trading on the CSE; and
- Issue 750,000 common shares of the Company on or before the one-year anniversary of the day the Company's shares become listed for trading on the CSE.

The vendor retained a 3% NSR, of which two-thirds (2%) could be repurchased by the Company for $1,000,000.

During the August 31, 2021 fiscal year, the Company completed a helicopter-borne triaxial magnetic gradiometer survey over the Camping Lake Property.

On December 16, 2021, the Company announced a crew was mobilized to the Camping Lake Property to complete a program consisting of a reconnaissance-style soil sampling program across the northeastern portion of the property. As part of the program, 130 soil sample sites were located and two samples collected from each site. Both samples were analyzed individually; one by mobile metal ion (MMI) at SGS Canada Inc., and the other by conventional ICP-MS (inductively coupled plasma mass spectrometry) multi-element analysis at Bureau Veritas, to determine the effectiveness of these techniques for follow-on exploration in 2022.

The Company decided to discontinue exploration on the Camping Lake Property and accordingly an impairment of $439,504 was recognized during the year ended August 31, 2022.

Gregory River Property

On July 20, 2022, the Company completed its acquisition of Golden Horizon. The acquisition was completed by way of a three-cornered amalgamation among Golden Spike, Golden Horizon and 1368617 B.C. Ltd., a wholly owned subsidiary of the Company, incorporated solely for the purposes of the acquisition. As consideration the Company issued 11,300,000 common shares to the shareholders of Golden Horizon and 10,640,000 common share purchase warrants to the holders of common share purchase warrants of Golden Horizon. The common share purchase warrants were issued with the same expiry date and exercise price as the common share purchase warrants of Golden Horizon.

As a result of the acquisition, the Company has the option, through Golden Horizon, to acquire 100% of the interest in the Gregory River Property ("the Property"), a mineral exploration property comprised of 124 claims under 15 mineral licenses covering approximately 3,100 hectares, located on the western edge of the island of Newfoundland ("the Option Agreement"). Under the terms of the Option Agreement, the Company must make cash payments and issue common shares of the Company as follows:

- Pay $20,000 upon singing (paid by Golden Horizon prior to completion of the Acquisition);
- Issue 1,000,000 common shares of the Company on or before the earlier of: (i) the listing of Golden Horizon's common shares on the CSE, and (ii) December 31, 2022 (issue subsequent to August 31, 2022); and
- Pay $45,000 and issue an additional 1,500,000 common shares on or before the earlier of: (i) the first anniversary of the listing of Golden Horizon's common shares on the CSE; and (ii) June 30, 2023.

The Company must also incur exploration expenditures on the Property as follows:

- $75,000 on or before January 1, 2022 (incurred by Golden Horizon prior to completion of the Acquisition); and
- An additional $200,000 on or before December 31, 2022.

The Property is subject to a 2% NSR. At any time following the completion of the Option Agreement exercise, the Company will have the right to purchase one-half of the NSR from the Optionors for $1,500,000, leaving the Optionors with a 1% NSR.

Subsequent to the year-end, on December 6, 2022 the Company signed an amendment to the existing Option Agreement, which added two key mineral licenses to the existing Gregory River Copper-Gold property, bringing the overall land position to 3,425 hectares (comprised of 17 mostly contiguous mineral licenses including 137 map-staked claims). No additional payments or other obligations were required for this, other than the existing terms of the Option Agreement.

The Property is well located in terms of infrastructure, just 42 km north-northwest of the city of Corner Brook, and 53 km west of the city of Deer Lake (Figure 1). The Property is strategically centered over an approximate 11-kilometer-long stretch of the Gregory River volcanogenic massive sulphide ("VMS")-belt, a north-northeast trending corridor of very prospective ground with potential to host "Cyprus-type" VMS deposits (Figure 2). Cyprus-type (also known as mafic-type) VMS deposits are commonly polymetallic, copper-rich, stratabound mineral deposits, hosted by submarine mafic-volcanic rocks that form on, or near the seafloor at mid-ocean ridges and back-arc basins in an extensional tectonic regime.

In addition, the Property hosts a cluster of high-grade, copper ±gold vein structures that occur mainly in the northeast quadrant of the Property (the "Vein Zone").

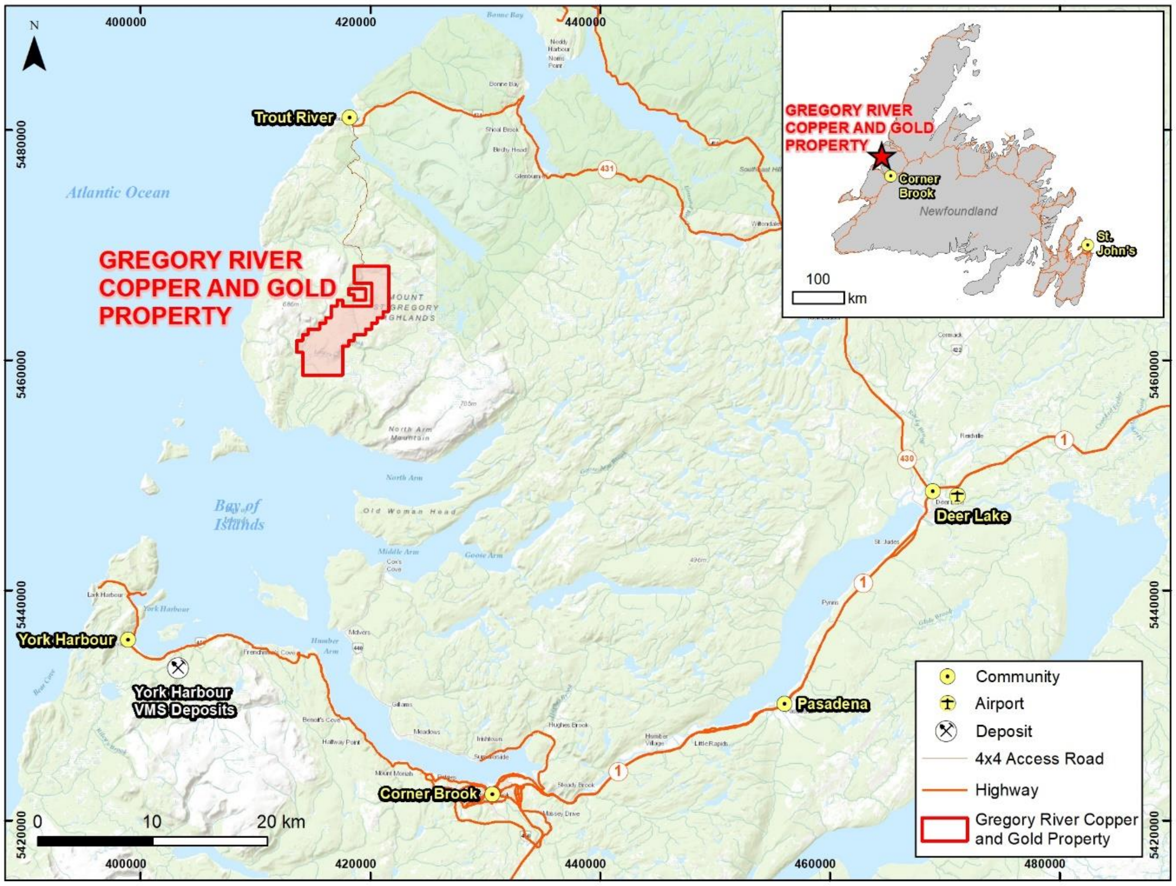

Figure 1 – Location of the Gregory River Property

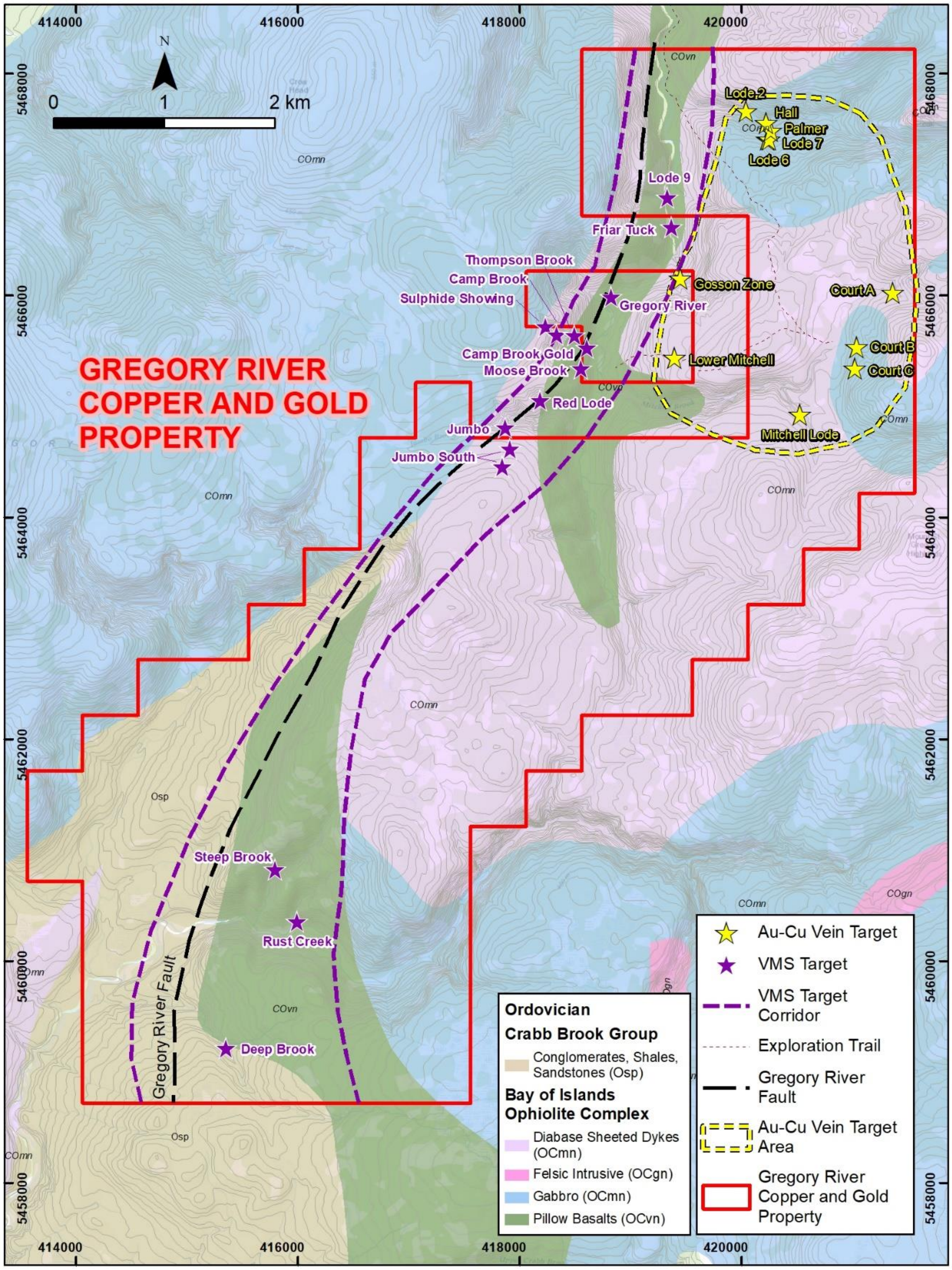

Figure 2 – Land Tenure and Location of VMS and Vein-Style Targets

Although intermittent exploration has taken place over the Property and the region since the 1920's and has resulted in the discovery of numerous early-stage high-grade copper and gold prospects and occurrences, the Property has not seen any significant activity since 2008 and large portions still remain largely underexplored by modern exploration methods.

The Property and the Gregory River VMS-Belt are situated within the Bay of Islands Ophiolite Complex, an Ordovician-aged sequence of rocks comprised of faulted and moderately deformed ultramafic-tomafic intrusives, sheeted diabase dikes, basaltic pillow lavas, and narrow zones of sedimentary rocks. These rock units are host to the York Harbour deposit, a Cyprus-type, copper-zinc-silver VMS deposit that is located approximately 27 kilometres south of the Property and was historically in small-scale production during the early part of the 1900's. Mineralization hosted on adjacent and/or nearby properties is not necessarily indicative of mineralization hosted on the Company's Property.

Several early-stage VMS prospects have been located on the Property by previous explorers including, Gregory River, Camp Brook/Moose Brook, Jumbo South, Steep Brook and Lode 9. In the northeast quadrant of the Property there are several south-easterly to north-easterly-trending high-grade copper ±gold mineralized veins and structures, which include the Court A, B, & C, Mitchell, Lower Mitchell, Hall, Palmer and Lode 2, 6 &7 prospects. Most of these prospects will be further evaluated during future exploration programs.

The Company plans to explore the Property, initially through Phase 1 work, which commenced in early November, 2022 and includes B-horizon soil sampling over two key target areas, including the Vein Zone in the northeast portion of the Property and the Steep Brook North Grid, testing a portion of the Gregory River VMS trend, in the southern half of the Property. Upon receipt of exploration permits from the government of Newfoundland and Labrador, Phase 2 will be initiated in H1 2023 and will be comprised of infill soil and basal till sampling, geological mapping, additional prospecting and sampling, trenching, structural interpretations, IP/resistivity geophysical surveys and diamond drilling.

SELECTED ANNUAL INFORMATION

	August 31, 2022 $	August 31, 2021 $
Revenue	Nil	Nil
Net loss	(931,982)	(170,127)
Basic and diluted loss per common share	(0.04)	(0.01)
Total assets	4,755,954	300,580
Long-term debt	Nil	Nil
Dividends	Nil	Nil

SELECTED QUARTERLY INFORMATION

Results for the eight most recently completed quarters are summarized below:

For the Quarter Periods Ended	August 31, 2022 $	May 31, 2022 $	February 28, 2022 $	November 30, 2021 $
Total revenue	Nil	Nil	Nil	Nil
Loss for the period	(648,877)	(63,591)	(73,861)	(145,653)
Basic and diluted loss per share	(0.03)	(0.00)	(0.00)	(0.01)
Total assets	4,755,954	1,395,429	1,491,431	1,561,966
Total non-current liabilities	Nil	Nil	Nil	Nil
Dividends	Nil	Nil	Nil	Nil

For the Quarter Periods Ended	August 31, 2021 $	May 31, 2021 $	February 28, 2021 $	November 30, 2020 $
Total revenue	Nil	Nil	Nil	Nil
Loss for the period	(100,803)	(34,946)	(25,379)	(8,999)
Basic and diluted loss per share	(0.01)	(0.00)	(0.00)	(0.00)
Total assets	300,580	346,248	350,133	186,735
Total non-current liabilities	Nil	Nil	Nil	Nil
Dividends	Nil	Nil	Nil	Nil

OPERATIONS

Three Months Ended August 31, 2022

During the three months ended August 31, 2022, the Company reported a net loss of $648,877 (2021 - $90,987). Expenses for the three months ended August 31, 2022 were as follows:

- Consulting fees of $48,000 (2021 - $16,070) increased due to additional consultants engaged following the IPO;
- Office and general of $5,789 (2021 - $54) increased as a result of increased activity after the IPO;
- Professional fees of $133,402 (2021 - $65,639) increased primarily as a result of fees paid for accounting and the Chief Financial Officer's fees, which began after the IPO, as well as IPO costs;
- Rent of $1,500 (2021 - $1,500) was the same as the prior period;
- Shareholder communications and promotion of $2,939 (2021 - $nil) increased due to website costs and communications, which commenced once the Company was publicly listed;
- Transfer agent and filing fees of $4,201 (2021 - $17,540) decreased due to higher fees related to the public listing in the comparative period;
- Travel expense of $13,542 (2021 - $nil) increased due to site-related visits made in the current period; and
- Impairment of exploration and evaluation assets of $439,504 (2021- $nil) related to the decision to discontinue exploration on the Camping Lake Property.

Year ended August 31, 2022

During the year ended August 31, 2022, the Company reported a net loss of $931,982 (2021 - $170,127). Expenses for the year ended August 31, 2022 were as follows:

- Consulting fees of $195,609 (2021 - $43,070) increased due to additional consultants engaged following the IPO;
- Office and general of $17,164 (2021 - $159) increased as a result of increased activity after the IPO;
- Professional fees of $173,212 (2021 - $85,663) increased primarily as a result of fees paid for accounting and the Chief Financial Officer's fees, which began after the IPO, as well as IPO costs;
- Rent of $3,500 (2021 - $6,000) decreased from the prior period as a result of a change in office space;
- Share-based compensation of $nil (2021 - $19,341) decreased, as no stock options were granted in the current period;
- Shareholder communications and promotion of $47,602 (2021 - $nil) increased due to website costs, communications and marketing, which commenced once the Company was publicly listed;
- Transfer agent and filing fees of $42,156 (2021 - $17,540) increased due to listing fees, as well as ongoing fees related to the public listing;
- Travel expense of $13,542 (2021 - $nil) increased due to site-related visits made in the current period; and
- Impairment of exploration and evaluation assets of $439,504 (2021- $nil) related to the decision to discontinue exploration on the Camping Lake Property.

There was a recovery of premium liability on flow-through shares for $307 during the year ended August 31, 2022 (2021 - $1,646) as a result of exploration and evaluation expenditures reducing the flow-through liability premium related to the Company's August 2020 flow-through share financing.

LIQUIDITY AND CAPITAL RESOURCES

The Company's cash at August 31, 2022 was $1,507,001 (2021 - $134,385). The Company had working capital of $1,394,199 at August 31, 2022 (2021 - $81,745).

The Company will need to raise additional financing in order to meet general working capital requirements for the 2023 fiscal year and to continue exploration on its mineral property.

In September 2021, the Company closed its IPO of 6,000,000 units of the Company at $0.25 per unit for gross proceeds of $1,500,000.

During the year ended August 31, 2022, the Company issued 2,000,000 common shares on the exercise of 2,000,000 warrants for gross proceeds of $100,000.

The Company also assumed cash of $613,046 upon acquisition of Golden Horizon.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

These amounts of key management compensation are included in the amounts shown on the consolidated statements of loss and comprehensive loss:

		Year Ended August 31, 2022		Year Ended August 31, 2021
Short-term compensation (consulting fees and professional fees)	$	114,000	$	36,000
Share-based compensation	$	-	$	19,341

Key management compensation for the year ended August 31, 2022 consisted of:

- Consulting fees of $60,000 (2021 - $36,000) paid to the Chief Executive Officer;
- Professional fees of $24,000 (2021 - $nil) paid to the Chief Financial Officer; and
- Consulting fees of $30,000 (2021 - $nil) paid to a director.

During the year ended August 31, 2022, office rent of $nil (2021 - $6,000) was reimbursed to an officer and director of the Company.

COMMITMENTS

At August 31, 2022, the Company had incurred $96,000 (2021 - $80,896) in exploration expenditures and had a remaining commitment to incur exploration expenditures of $nil (2021 - $15,104) in relation to its August 2020 flow-through financing.

At August 31, 2022, Golden Horizon had incurred $100,000 (2021 - $nil), $113,889 (2021 - $nil) and $nil (2021 - $nil) in exploration expenditures, and had a remaining commitment to incur exploration expenditures of $nil (2021 - $nil), $61,111 (2021 - $nil) and $192,500 (2021 - $nil) in relation to its November 2021, May 6, 2022 and May 13, 2022 flow-through financings, respectively.

EVENTS OCCURRING AFTER THE REPORTING DATE

See **Business of the Company** and **Exploration and Evaluation Assets**.

On September 19, 2022, the Company issued 1,000,000 common shares in relation to the Gregory River Property.

On December 6, 2022, the Company issued 1,850,000 stock options at a price of $0.25 and a term to expiry of five years.

RISKS AND UNCERTAINTIES

The Company is engaged primarily in mineral exploration and manages related industry risk issues directly. The Company may be at risk for environmental issues and fluctuations in commodity pricing. Management is not aware of and does not anticipate any significant environmental remediation costs or liabilities in respect of its current operations; however, it is not possible to be certain that all aspects of environmental issues affecting the Company, if any, have been fully determined or resolved.

CAPITAL DISCLOSURES

The Company considers its capital to be comprised of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares. Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will continue this method of financing due to the current difficult market conditions.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

Management reviews the capital structure on a regular basis to ensure that the above objectives are met. There have been no changes to the Company's approach to capital management during the year ended August 31, 2022. The Company is not subject to externally imposed capital requirements.

FINANCIAL INSTRUMENTS AND RISKS

As at August 31, 2022, the Company's financial instruments consist of cash, accounts payable and accrued liabilities. The carrying values of these financial instruments approximate their fair values.

Fair value

The Company classifies its fair value measurements in accordance with an established hierarchy that prioritizes the inputs in valuation techniques used to measure fair value as follows:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly.
- Level 3 - Inputs that are not based on observable market data.

The following table sets forth the Company's financial asset measured at fair value by level within the fair value hierarchy:

August 31, 2022	Level 1	Level 2	Level 3	Total
Cash	$ 1,507,001	$ -	$ -	$ 1,507,001

August 31, 2021	Level 1	Level 2	Level 3	Total
Cash	$ 134,385	$ -	$ -	$ 134,385

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company manages credit risk, in respect of cash, by placing it at major Canadian financial institutions. The Company has minimal credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The contractual financial liabilities of the Company as of August 31, 2022 equal $159,093 (2021 - $107,632). All of the liabilities presented as accounts payable are due within 30 days of the reporting date.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on capital.

i) *Currency risk* – The Company has no funds held in a foreign currency, and as a result, is not exposed to significant currency risk on its financial instruments at year-end.

ii) *Interest rate risk* – Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Interest earned on cash is at nominal interest rates, and therefore, the Company does not consider interest rate risk to be significant. The Company has no interest-bearing financial liabilities.

iii) *Other price risk* – Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk. The Company is not exposed to significant other price risk.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Income taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability, including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent that it is probable that taxable profit will be available against which a deductible temporary difference can be utilized. This is deemed to be the case when there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity that are expected to reverse in the same year as the expected reversal of the deductible temporary difference, or in years into which a tax loss arising from the deferred tax asset can be carried back or forward. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

Going concern risk assessment

The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon its ability to fund its existing acquisition and exploration commitments on its exploration and evaluation assets when they come due, which would cease to exist if the Company decides to terminate its commitments, and to cover its operating costs. The Company may be able to generate working capital to fund its operations by the sale of its exploration and evaluation projects or raising additional capital through equity markets. However, there is no assurance it will be able to raise funds in the future. These material uncertainties cast significant doubt regarding the Company's ability to continue as a going concern. These consolidated financial statements do not give effect to any adjustments required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying consolidated financial statements.

Title to mineral property interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Recoverability of exploration and evaluation assets

The Company has determined that exploration, evaluation and related costs incurred, which have been capitalized, may have future economic benefits and may be economically recoverable. The Company uses several criteria in its assessment of economic recoverability and probability of future economic benefits, including geologic and other technical information.

Decommissioning liabilities

Rehabilitation provisions have been created based on the Company's internal estimates. Assumptions, based on the current economic environment, have been made that management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management. Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to provisions from year to year. Actual rehabilitation costs will ultimately depend on future market prices for the rehabilitation costs, which will reflect the market condition at the time the rehabilitation costs are actually incurred.

The final cost of the currently recognized rehabilitation provisions may be higher or lower than currently provided for. As at August 31, 2022, the Company has no known rehabilitation requirements, and accordingly, no provision has been made.

Fair value of stock options granted

The Company uses the Black-Scholes option pricing model to value the stock options granted during the year. The Black-Scholes model was developed for use in estimating the fair value of traded options that have no vesting restrictions and are fully transferable. The model requires management to make estimates that are subjective and may not be representative of actual results. Changes in assumptions can materially affect estimates of fair values.

NEW ACCOUNTING STANDARD ISSUED BUT NOT YET EFFECTIVE

International Accounting Standard ("IAS") 1 *Presentation of Financial Statements*

IAS 1 has been amended to clarify classification of liabilities as current or non-current. The amendments are effective for the year beginning on or after January 1, 2023. The amendment is expected to have no impact for the Company.

SHARE CAPITAL

The Company had the following securities issued and outstanding:

	December 19, 2022	August 31, 2022	August 31, 2021
Common shares	34,600,000	33,600,000	13,800,000
Warrants	10,100,000	10,100,000	2,000,000
Agent options	540,000	540,000	-
Stock options	2,450,000	600,000	600,000
Fully diluted shares	47,690,000	44,840,000	16,400,000

OTHER RISKS

An investment in the securities of the Company is highly speculative and involves numerous and significant risks and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors described below.

Exploration Stage Company and Exploration Risks

The Company is a junior resource company focused primarily on the acquisition and exploration of mineral properties located in Canada. The properties of the Company have no established reserves. There is no assurance that any of the projects can be mined profitably. Accordingly, it is not assured that the Company will realize any profits in the short to medium term, if at all. Any profitability in the future from the business of the Company will be dependent upon developing and commercially mining an economic deposit of minerals, which in itself is subject to numerous risk factors. The exploration and development of mineral deposits involve a high degree of financial risk over a significant period of time that even a combination of management’s careful evaluation, experience and knowledge may not eliminate. While discovery of mineralization-bearing structures may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish reserves by drilling and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current exploration, development and production programs of the Company will result in profitable commercial mining operations. The profitability of the Company’s operations will be, in part, directly related to the cost and success of its exploration and development programs, which may be affected by a number of factors. Substantial expenditures are required to establish reserves that are sufficient to commercially mine some of the Company’s properties and to construct complete and install mining and processing facilities on those properties that are actually mined and developed.

No History of Profitability

The Company is an exploration stage company with no history of profitability. There can be no assurance that the operations of the Company will be profitable in the future. The Company has limited financial resources and will require additional financing to further explore, develop, acquire, retain and engage in commercial production on its property interests and, if financing is unavailable for any reason, the Company may become unable to acquire and retain its mineral concessions and carry out its business plan.

Government Regulations

The Company's exploration operations are subject to government legislation, policies and controls relating to prospecting, development, production, environmental protection, mining taxes and labor standards. There is no guarantee that the Company will be able to obtain all required permits for all stages of exploration and/or mine development, construction and exploitation.

Market Fluctuation and Commercial Quantities

The market for minerals is influenced by many factors beyond the control of the Company such as changing production costs, the supply and demand for minerals, the rate of inflation, the inventory of mineral producing companies, the international economic and political environment, changes in international investment patterns, global or regional consumption patterns, costs of substitutes, currency availability and exchange rates, interest rates, speculative activities in connection with minerals, and increased production due to improved mining and production methods. The metals industry in general is intensely competitive and there is no assurance that, even if commercial quantities and qualities of metals are discovered, a market will exist for the profitable sale of such metals. Commercial viability of precious and base metals and other mineral deposits may be affected by other factors that are beyond the Company's control including particular attributes of the deposit such as its size, quantity and quality, the cost of mining and processing, proximity to infrastructure and the availability of transportation and sources of energy, financing, government legislation and regulations including those relating to prices, taxes, royalties, land tenure, land use, import and export restrictions, exchange controls, restrictions on production, as well as environmental protection. It is impossible to assess with certainty the impact of various factors that may affect commercial viability so that any adverse combination of such factors may result in the Company not receiving an adequate return on invested capital.

Mining Risks and Insurance

The Company is subject to risks normally encountered in the mining industry, such as unusual or unexpected geological formations, cave-ins or flooding. The Company may become subject to liability for pollution, damage to life or property and other hazards of mineral exploration against which it or the operator if its exploration programs cannot insure or against which it or such operator may elect not to insure because of high premium costs or other reasons. Payment of such liabilities would reduce funds available for acquisition of mineral prospects or exploration and development and would have a material adverse effect on the financial position of the Company.

Environmental Protection

The mining and mineral processing industries are subject to extensive governmental regulations for the protection of the environment, including regulations relating to air and water quality, mine reclamation, solid and hazardous waste handling and disposal and the promotion of occupational health and safety, which may adversely affect the Company or require it to expend significant funds.

Capital Investment

The ability of the Company to continue exploration and development of its property interests will be dependent upon its ability to raise significant additional financing. There is no assurance that adequate financing will be available to the Company or that the terms of such financing will be. Should the Company not be able to obtain such financing, its properties may be lost entirely.

Conflicts of Interest

Certain of the directors and officers of the Company may also serve as directors and officers of other companies involved in base and precious metal exploration and development and consequently, the possibility of conflict exists. Any decisions made by such directors involving the Company will be made in accordance with the duties and obligations of directors to deal fairly and in good faith with the Company and such other companies. In addition, such directors will declare, and refrain from voting on, any matters in which they may have a conflict of interest.

Current Global Financial Conditions

Current global financial conditions have been characterized by increased volatility, declining liquidity and the exit of a number of traditional investors from public markets. Access to public financing has been made more challenging by a global contraction of commercial and consumer credit markets. The ensuing decline in consumption has led to a marked erosion of investor confidence and risk tolerance. A major consequence/contributor to these factors may be seen in the unparalleled number of established financial institutions facing involuntary corporate reorganization, insolvency, bankruptcy and/or governmental intervention. While the most sensational of the corporate casualties have occurred in the United States, the global nature of today's economic reality has left no interrelated public market unscathed. These factors may affect the ability of the Company to obtain equity or debt financing in the future on terms favorable to the Company or at all. Any or all of these economic factors, as well as other factors not specifically identified herein, may cause a decline in asset values that could be deemed to be other than temporary, resulting in impairment losses. If such conditions continue, the Company's operations could be negatively impacted, and the trading price of its common shares may be adversely affected.

Securities of mining and mineral exploration companies, including the common shares of the Company, have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in Canada and globally, and market perceptions of the attractiveness of particular industries. The price of the securities of the Company is also significantly affected by short-term changes in commodity prices, base and precious metal prices or other mineral prices, currency exchange fluctuation and the political environment in the countries in which the Company does business.

Novel Coronavirus ("COVID-19")

The Company could also be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on it and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the possibility of new travel and quarantine restrictions imposed by governments of affected countries and provinces within Canada. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company and its ability to secure any necessary financing.

CAUTIONARY NOTE REGARDING FORWARD LOOKING INFORMATION

Except for statements of historical fact relating to the Company, certain information contained in this MD&A constitutes "forward-looking information" under Canadian securities legislation. All statements, other than statements of historical fact, included herein including, without limitation, statements regarding the anticipated content, commencement, anticipated exploration program results, the ability to complete future financings, the ability to complete the required permitting, the ability to complete the exploration program and drilling, and the anticipated business plans and timing of future activities of the Company, are forward-looking statements. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or are those, which, by their nature, refer to future events. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future results or performance, and that actual results may differ materially from those in forward looking statements as a result of various factors, including, but not limited to, the state of the financial markets for the Company's equity securities, the state of the commodity markets generally, variations in the nature, quality and quantity of any mineral deposits that may be located, variations in the market price of any mineral products the Company may produce or plan to produce, the inability of the Company to obtain any necessary permits, consents or authorizations required, including stock exchange acceptance, for its planned activities, the analytical results from surface trenching and sampling programs, including diamond drilling programs, the results of IP surveying, the inability of the Company to produce minerals from its properties successfully or profitably, to continue its projected growth, to raise the necessary capital or to be fully able to implement its business strategies, the potential impact of COVID-19 (coronavirus) on the Company's exploration program and on the Company's general business, operations and financial condition, and other risks and uncertainties. All of the Company's Canadian public disclosure filings may be accessed via www.sedar.com and readers are urged to review these materials, including the technical reports filed with respect to the Company's mineral properties. This document contains information with respect to adjacent or similar mineral properties in the Gregory River District in respect of which the Company has no interest or rights to explore or mine. Readers are cautioned that the Company has no interest in or right to acquire any interest in any such properties, and that mineral deposits, and the results of any mining thereof, on adjacent or similar properties, are not indicative of mineral deposits on the Company's properties or any potential exploitation thereof.

QUALIFIED PERSON

The Company's disclosure of a technical or scientific nature in this Report has been reviewed and approved by Robert Cinits, a Director of the Company and a Qualified Person ("QP") as defined in National Instrument 43-101, "Standards of Disclosure for Mineral Projects".

APPROVAL

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