



Q2 METALS CORP.
(FORMERLY QUEENSLAND GOLD HILLS CORP.)

MANAGEMENT DISCUSSION AND ANALYSIS

For the Nine Months Ended November 30, 2022

Report date: January 30, 2023

This Management Discussion and Analysis ("MD&A") of financial position and results of operation is prepared as at January 30, 2023 and should be read in conjunction with the condensed interim consolidated financial statements for the nine months ended November 30, 2022 for Q2 Metals Corp. (formerly, Queensland Gold Hills Corp.) (the "Company").

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Except as otherwise disclosed, all dollar figures included therein and in the following MD&A are quoted in Canadian dollars. Additional information is provided in the Company's financial statements and other documents. These documents are available from SEDAR at www.sedar.com.

The Company is a Canadian mineral exploration company currently advancing exploration of the 86km² Mia Lithium project in the James Bay area of Quebec, Canada. The Company is also exploring the highly-prospective Big Hill and Titan gold projects located in Queensland, Australia, which cover 133km² over the historic Talgai and Thanes Creek Goldfields in the broader Warwick-Texas District.

The Company is a reporting issuer in British Columbia, Alberta and Ontario and trades on Tier 2 of the TSX Venture Exchange ("TSXV") in Canada under stock symbol QTWO, the Frankfurt Stock Exchange in Germany ("458"), and the OTCQB ("QUEXF"). The head office and principal business address of the Company is Suite 904, 409 Granville Street, Vancouver, BC V6C1T2.

The Company's disclosure of a technical or scientific nature in respect of the Mia Property has been reviewed by Neil McCallum, P.Geo, Vice President, Exploration & director of the Company and a Qualified Person under the definition of *National Instrument 43-101*.

The Company's disclosure of a technical or scientific nature in respect of the Big Hill and Titan Properties has been reviewed by Paul Habermann MAIG, a consultant to the Company and a Qualified Person under the definition of *National Instrument 43-101*.

Highlights for the Nine Months Ended November 30, 2022 and to the Date of this Report:

- On March 1, 2022, the Company announced that its first field exploration campaign had commenced on the Big Hill Gold Property and Titan Gold Project. The initial program consisted of two overlapping stages, with phase 1 involving surface work for drill target identification and phase 2 consisting of drilling at a high-priority target.
- On April 21, 2022, the Company announced that it had secured a drill rig and crew for the drill campaign. Durock Drilling Pty Ltd. of New South Wales was retained to complete approximately 2,000 metres of reverse circulation (“RC”) drilling in 15 to 20 drill holes. The objective of the drill program was to gain deeper understanding of the nature and location of the feeder systems beneath the historical workings of the Queenslander mine which is located on the Big Hill Gold Property.
- On June 2, 2022, the Company announced that the drill campaign had been completed and a total of 1,457 metres of RC drilling had been completed in 11 holes with all samples being shipped to the analytical lab for assaying.
- On July 22, 2022, the Company announced that it had received final assay results from the drill campaign at the Big Hill Gold Property. The drilling program targeted extensions to mineralization below historic underground workings at the Queenslander prospect, one of a number of high-grade historic mines in the Talgai Goldfield. The drilling successfully demonstrated structural continuity of the mineralized vein system ~100m down dip from the base of historical workings. Assay results returned from ALS-Global Brisbane showed low-grade intercepts across the vein and altered wallrock, including 10m @ 0.49g/t Au from 97m (BH013) but this initial, modest program did not intersect the higher-grade shoots reported in historical production records.
- On August 24, 2022, the Company announced that Blair Way had stepped down as Chief Executive Officer. Alicia Milne, the Company’s President, assumed the role of CEO.
- On November 15, 2022, the Company announced the appointment of Mr. Simon Cohn to the Board of Directors.
- On November 28, 2022, the Company announced it had entered into an agreement with 9219-8845 Qc Inc., a private Quebec company dba Canadian Mining House (“CMH”) and certain investors in CMH (“CMH Nominees”) to acquire a 100% interest in the 86 square kilometre Mia Lithium Property in the James Bay area of Quebec, Canada.
- On December 19, 2022, the Company announced it had received TSX approval for the acquisition of the Mia Property. In consideration, the Company completed the first payment of 6,500,000 common shares and \$200,000 cash.
- On December 19, 2022, the Company announced it had completed a non-brokered private placement of a total of 12,500,000 units (each, a “Unit”) at a price of \$0.10 per Unit for gross proceeds of \$1,250,000. Each Unit consisted of one common share of the Company (each, a “Share”) and one half of one common share purchase warrant (each

whole warrant, a “Warrant”). Each Warrant is exercisable into one additional Share at a price of \$0.305 for two years after the date of issuance. Directors of the Company participated in the private placement for an aggregate 331,612 units.

- On December 21, 2022, the Company announced the results from sampling programs completed on the Mia Lithium Property.
- On December 22, 2022, the Company held its Annual General Meeting with all matters passing.
- On January 5, 2023, the Company announced that effective January 9, 2023, the Company’s shares would commence trading on the TSX Venture Exchange under the new name Q2 Metals Corp. and the trading symbol would change from “OZAU” to “QTWO”.
- On January 10, 2023, the Company announced the appointment of Mr. Jason McBride as the head of corporate communications.
- On January 10, 2023, the Company announced it had granted 2,300,000 stock options to directors, officers, and consultants of the Company to purchase an aggregate 2,300,000 common shares in the capital of the Company at an exercise price of \$0.42 per share until January 10, 2028.
- On January 23, 2023, the Company announced the appointment of Mr. Neil McCallum as a Director and Vice President of Exploration.
- On January 25, 2023, the Company announced that it had arranged a non-brokered private placement of units of the Company to raise gross proceeds of up to \$10,000,000 as follows:
 - 6,250,000 units of Q2 at a price of \$1.04 per unit (the “Series C Units”). Each Series C Unit will consist of one flow-through common share of Q2 (a “FT Share”) and one share purchase warrant, entitling the holder to acquire one additional non-flow-through common share of Q2 at a price of \$1.25 per share for a period of two years (a “Warrant”);
 - 1,350,000 units of Q2 at a price of \$0.75 per unit (the “Series R Units”). Each Series R Unit will consist of one FT Share and one Warrant; and
 - 4,975,000 units of Q2 at a price of \$0.50 per unit (the “NFT Units”). Each NFT Unit will consist of one non-flow-through common share of Q2 and one Warrant.

Gross proceeds from the sale of the FT Shares will be used to incur during 2023 “Canadian exploration expenses”, as defined in the *Income Tax Act* (Canada) (the “Tax Act”), on the Mia Property in Quebec that the Company will renounce to the subscribers pursuant to the Tax Act with an effective date not later than December 31, 2023, and that qualify as “flow-through critical mineral mining expenditures”, as defined in the Tax Act. Where applicable, gross proceeds from the sale of the FT Shares from purchasers in Québec will

also qualify as exploration expenses under the *Taxation Act* (Québec). Proceeds from the sale of the NFT Units will be used for general working capital.

- Subsequent to November 30, 2022 and up to the date of this report, 2,019,000 share purchase warrants priced at \$0.25 per share were exercised for gross proceeds of \$504,750 and 8,571 stock options priced at \$0.40 were exercised for gross proceeds of \$3,428.

Highlights for the Year Ended February 28, 2022

Acquisition of Majority Interest in Big Hill Gold Mining Company Pty Ltd.

On September 3, 2021, the Company signed a definitive Share Sale Agreement (the “Big Hill Agreement”) with Mining Projects Accelerator Pty Ltd. ACN 629 011 196 (“MPX”), a private Australian company, pursuant to which the Company would acquire MPX’s ownership of 80% of the outstanding common shares (each, a “Big Hill Share”) of Big Hill Gold Mining Company Pty Ltd. ACN 081 474 179 (“Big Hill”). Big Hill holds a 100% interest in an exploration permit and two mining licenses comprising the Big Hill Gold Property located in Queensland, Australia (the “Big Hill Gold Property”).

Pursuant to the terms of the Big Hill Agreement, the Company acquired all of the shares that MPX owned in Big Hill, equal to 80% of the outstanding Big Hill Shares (the “Sale Shares”) and assumed all of the rights and obligations of MPX as a shareholder of Big Hill. In consideration for the purchase of the Sale Shares, the Company issued 17,500,000 common shares of the Company (the “Payment Shares”) to MPX and pro rata to its shareholders at a fair value of \$0.17 per Payment Share. The Payment Shares are subject to a contractual escrow over the period of one year from the date of issuance.

In connection with the Big Hill acquisition, the Company completed a non-brokered private placement of 17,160,000 units (each, a “Unit”) at a price of \$0.125 per Unit for gross proceeds of \$2,145,000 on December 1, 2021. Each Unit consisted of one common share of the Company and one half of one common share purchase warrant. Each share purchase warrant is exercisable into one additional Share at a price of \$0.25 until December 1, 2023. In connection with the financing, the Company issued 1,380,000 Units to current and former related parties to settle accounts payable of \$172,500 and granted a total of 130,700 broker warrants with the same terms as the share purchase warrants. The broker warrants fair value of \$17,435 was determined using the Black-Scholes valuation model. The following weighted average assumptions were used: dividend yield – 0%; expected volatility – 189.48%; risk free interest rate – 0.95%; and expected life – 2 years. The proceeds of the financing were used to acquire an additional 15% of the Big Hill Shares from the minority shareholder, for exploration and development of the Big Hill Gold Property and for general working capital purposes.

The Big Hill Acquisition and Private Placement received TSX approval on December 1, 2021, and the Company changed its name to “Queensland Gold Hills Corp.” to better reflect the business of the Company.

On December 17, 2021, the Company acquired an additional 15% of the outstanding Big Hill Shares, increasing its shareholdings to 95% of the total outstanding Big Hill Shares by paying \$275,325 CAD (AU\$300,000) to the minority shareholder of Big Hill. The remaining 5% of the shares of Big Hill may be acquired from the minority shareholder for AU\$700,000. Upon the Company acquiring the remaining 5% of Big Hill the non-controlling interest will receive a 0.75% net smelter royalty.

Acquisition of the Titan Gold Project

On January 28, 2022, the Company completed a definitive Share Sale Agreement (the “Orefox Agreement”) with Orefox Exploration Pty Ltd. ACN 636 974 420 (“Orefox Exploration”), a private Australian company, pursuant to which the Company acquired 100% of the outstanding common shares of Orefox Titan Pty Ltd. ACN 640 056 131 (“Orefox Titan”). Orefox Titan holds a 100% interest in the Titan Gold Project, contiguous to the Company’s Big Hill Gold Project. The Titan Gold Project covers 109km² with 40 historic small scale high-grade mines under a single Exploration Permit 27507. Like the Big Hill Gold Project, Titan has had little modern exploration conducted since the 1980’s and gives the Company a wider range of targets to explore for the source of the historic gold mines.

Pursuant to the terms of the Orefox Agreement, the Company acquired all of the shares that Orefox Exploration owned of Orefox Titan and assumed all of the rights and obligations of Orefox Exploration as a shareholder of Orefox Titan. In consideration for the purchase of the Sale Shares, the Company issued 300,000 common shares of the Company to Orefox Exploration at a deemed price of \$0.35 per share. At the acquisition date, the sole assets of Orefox Titan consisted of the Titan Gold Property only.

Appointment of New Directors & Management

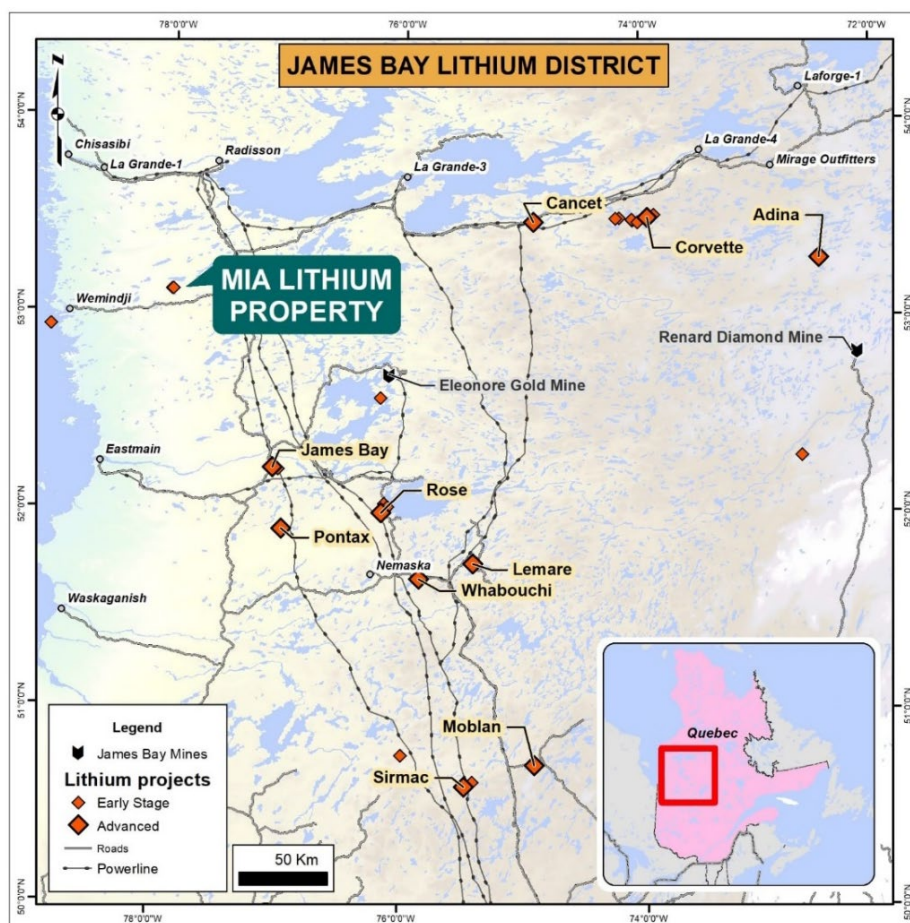
On August 13, 2021, Kevin Bottomley was appointed as a director of the Company following Graham Wilson’s resignation. Mr. Bottomley is an accomplished capital markets advisor, successfully raising over \$100M over the span of 15 years with a primary focus on early-stage opportunities. The founder of Corvidian Capital, he has cultivated strong relationships with a broad base of investors based in North America.

On September 10, 2021, D. Blair Way was appointed to the Board of Directors. Mr. Way is an experienced international executive with over 35 years' experience within the resources and construction industry throughout Australasia, Canada, the United States, South America and Europe. A highly respected project developer, Mr. Way's experience spans the complete mineral development cycle from early-stage exploration to project definition and studies culminating in implementation, commissioning and operations of mining projects. Mr. Way was appointed as Chief Executive Officer of the Company on December 1, 2021. On December 1, 2021, Ken De Graaf resigned as a director of the Company.

Mineral Properties

Mia Lithium Property

The Mia Property is comprised of 170 mineral claims, located 62 km East of Wemindji Community in the Eeyou Itschee Territory, James Bay, Quebec. The lithium mineral showings are located approximately 10 kilometres from the nearest highway.



The Property geology is part of the Yasinski Lake area, identified by narrow greenstone belt slivers, belonging to volcanic rocks and related sediment the Yasinski Group and pierced by syn-tectonic tonalite and granodiorite suite. The Property is situated in the western extremity of this geological area, covering various lithologies and favourable structures, known to host spodumene bearing pegmatites. The southern half of the Property covers a northeast limb of the Vieux Comptoir granite and a concordant intrusive body described as a spodumene granite on SIGEOM, the Quebec provincial government's geomining information system: https://sigeom.mines.gouv.qc.ca/signet/classes/I1108_afchCarteIntr.

Historical work by Main Exploration Company Ltd. in 1959 ([GM10200](#)) reported several spodumene-bearing pegmatites on the Property and mapped an 8.3 km trend of discontinuous pegmatite intrusions. SIGEOM lists nine metallic deposits directly on the Mia Lithium property including two for lithium, namely Mia Li-1 and Mia Li-2. Carte 1879 is listed as a spodumene mineral deposit as no assays were recorded for it.

The westernmost mineral showings Mia-Li1 and Mia-Li2 were sampled in 1997 by Quebec government geologists and assays returned grades of 0.47% Li₂O and 2.27% Li₂O respectively. Numerous pegmatite intrusions have been recorded along the 8.3 km long trend but were never followed up for their lithium potential. The 1959 report also details that the pegmatite dykes are as much as 100 feet (30.5 metres) in width and are commonly zoned, with spodumene crystals described as being as much as 2 feet (0.61 metres) in length.

2021 & 2022 Sampling Details

A total of 17 pegmatite outcrop grab samples were collected in 2021 by Services Géologiques T-Rex Inc. of Rouyn-Noranda, Québec (“SGT”), with the aim of verifying the Mia Li-1 and Mia Li-2 lithium occurrences (Figure 1, Table 1). The sample results confirmed the Mia Li-1 occurrence with five grab samples averaging 2.31% Li₂O, but were not able to confirm the Mia Li-2 occurrence with two grab samples returning background lithium. One sample was collected 700 metres east of the Mia Li-1 area with 2.73% Li₂O (herein named MIA 3). Additionally, nine samples were collected south of Lac Miakadow to test a coarse-grained granitic rock type that is outside of the main trend and returned background lithium.

A follow-up sampling program was conducted in fall 2022, with nineteen pegmatite outcrop grab samples collected by SGT for CMH (Figure 1, Table 1). Thirteen samples were collected in the Mia Li-1 area and further confirmed the occurrence with an average grade of 2.79% Li₂O. Additionally, three samples were collected in the Carte 1879 occurrence and for the first time verified spodumene at this location with the results averaging 1.65% Li₂O. Three samples were collected from a pegmatite occurrence, outside of Figure 1 and returned only background levels of lithium.

Collectively, the sampling from 18 outcrop grab samples at the Mia Li-1 occurrence (5 in 2021 and 13 in 2022) have an average grade of 2.65% Li₂O.

Table 1 - Results Table, 2021 and 2022 Samples

Sample Year	Sample ID	Li ₂ O (%)	Ta ₂ O ₅ (ppm)	Occurrence
2022	881540	2.30	6.6	Mia Li-1
2022	881541	3.25	7.8	Mia Li-1
2022	881536	1.64	16.7	Mia Li-1
2022	881531	3.68	4.3	Mia Li-1
2022	881545	1.31	20.3	Mia Li-1
2022	881537	2.67	24.7	Mia Li-1
2022	881542	3.49	9.6	Mia Li-1
2022	881539	3.25	17.2	Mia Li-1
2022	881538	2.97	2.1	Mia Li-1
2022	881534	4.22	15.1	Mia Li-1
2022	881544	2.50	6.0	Mia Li-1
2022	881543	2.43	10.7	Mia Li-1
2022	881535	2.50	16.0	Mia Li-1
2021	E6410654	0.02		Mia Li-1
2021	E6410659	3.01		Mia Li-1
2021	E6410662	4.37		Mia Li-1
2021	E6410664	1.05		Mia Li-1

Sample Year	Sample ID	Li2O (%)	Ta2O5 (ppm)	Occurrence
2021	E6410667	3.10		Mia Li-1
2022	881546	0.66	26.5	Carte 1879
2022	881547	3.40	4.3	Carte 1879
2022	881548	0.88	171.0	Carte 1879
2021	V881514	2.73		MIA 3
2021	E6410678	-		Mia Li-2
2021	E6410679	-		Mia Li-2
2022	881530	0.01	1.3	Regional
2022	881533	-	2.1	Regional
2022	881532	0.01	0.6	Regional
2021	E6410690	0.01		MIA SOUTH
2021	E6410695	0.03		MIA SOUTH
2021	E6410704	-		MIA SOUTH
2021	E6410707	0.02		MIA SOUTH
2021	E6410714	0.02		MIA SOUTH
2021	E6410714 (B)	0.02		MIA SOUTH
2021	E6410720	-		MIA SOUTH
2021	E6410722	0.02		MIA SOUTH
2021	E6410725	0.01		MIA SOUTH

Big Hill Gold Property

The Big Hill Gold Property consists of a single Exploration Permit (“EPM”) EPM 18255 covering 24km² and includes two discrete granted mining leases (“ML”) owned by Big Hill on the EPM. The EPM, which is within the Talgai Goldfield, covers the historic mines of Big Hill (ML50287), Queenslander, Monte Cristo and Sultan & Taylor (ML50286).

The Talgai Goldfield is one of eight historical Goldfields in the broader Warwick-Texas District active in the late 19th century, which include Canal Creek, Thanes Creek, Leyburn, Palgrave, Pikedale, Lucky Valley and MacDonald Goldfields. The bulk of production in the historical mines of EPM18255 and the broader Warwick-Texas District occurred from initial discovery in 1864 until the early 1900s. Small-scale activity continued during intermittent periods in the 20th century with many of the larger historic mines remaining under mining leases and which have had limited modern exploration over the main lode deposits to date.

Parts of EPM18255 have been covered by exploration permits almost continuously since 1980 as part of gold exploration programs within the broader Texas–Warwick district. The work programs involved varying amounts of mapping, stream sediment, soil and rock chip sampling.

Exploration over the EPM completed by MPX in 2020 comprised surface geochemical sampling including rock chips and soils, a ground magnetic survey and 2 diamond drillholes. In March, 2022, the Company commenced an initial exploration program on the Big Hill Project which consisted of two overlapping stages, with Phase 1 involving surface work for drill target identification and Phase 2 consisting of drilling at high priority targets.

The Phase I surface field program was designed to verify the locations of historical drill collars, adits, and open-cut locations as well as to complete property-wide prospecting, rock sampling, soil sampling, and channel cutting in outcrops, historic workings, adits and other areas of interest.

Phase 2 of the exploration program consisted of an 11 hole, 1,457 meters RC drill campaign that targeted extensions to the mineralization below historic underground workings at the Queenslander mine. The drilling successfully demonstrated structural continuity of the mineralized vein system ~100m down dip from the base of historical workings and assay results returned from ALS-Global Brisbane showed low-grade intercepts across the vein and altered wallrock, including 10m @ 0.49g/t Au from 97m (BH013).

The Big Hill Gold Property is located near the town of Pratten, approximately 35km northwest of Warwick and 160km southwest of Brisbane, the capital of the state of Queensland, Australia.

Titan Gold Project

The 109km² Titan Gold Project, contiguous to the Big Hill Gold Project, was acquired in March, 2022, bringing the Company's total landholdings in the Warwick-Texas gold district to 133 km². The Titan Gold Project covers 40 historic small scale high-grade mines under a single exploration permit, 27507.

Preliminary field work on the Titan Gold Project was included in the first phase of the Big Hill Gold Project exploration program to determine key areas of interest. A limited rock and soil sampling program was completed and sent for lab analysis at ALS-Global Brisbane. A rock sample of quartz veining from the Guiding Star prospect returned 4.63 g/t Au, however the remaining rock and soil sample results were not significant.

Selected Annual Financial Data

The following selected financial data is derived from the audited financial statements of the Company prepared in accordance with IFRS.

	Year ended February 28, 2022	Year ended February 28, 2021	Year ended February 29, 2020
	\$	\$	\$
Operations			
Revenues	-	-	-
Expenses	1,432,921	181,345	40,846
Net Loss	2,251,394	163,666	51,837
Balance Sheet			
Working Capital	1,012,909	(318,704)	(341,816)
Total Assets	4,794,807	909,278	777,181

Results of Operations

The Company had a net loss of \$512,175 (\$0.01 per share) during the nine months ended November 30, 2022, compared with a net loss of \$191,456 (\$0.04 per share) during the nine months ended November 30, 2021. No revenues were earned in either period. The significant expenses for the periods include the following:

- Accounting and audit (2022: \$74,825; 2021: \$34,022) increased due to additional accounting and audit costs incurred by the Company since the transaction;
- Advertising and promotion (2022: \$198,709; 2021: \$41,967), consulting fees (2022: \$137,745; 2021: \$55,000), and investor relations (2022: \$25,014; 2021: \$nil) all increased due to the increased business activities of the Company and the acquisition of new projects; and
- Property costs (2022: \$13,771, 2021: \$nil) increased due to expenditures related permitting and annual costs related to the Australian properties.

Summary of Quarterly Results

The following selected information has been extracted from the Company's unaudited quarterly financial statements. All amounts stated are stated in Canadian dollars in accordance with IFRS.

	November 30, 2022	August 31, 2022	May 31, 2022	February 28, 2022
	\$	\$	\$	\$
Revenue (loss)	Nil	Nil	Nil	Nil
Net income (loss)	(111,251)	(213,694)	(187,230)	(2,059,938)
Net (loss) per share	(0.00)	(0.01)	(0.00)	(0.05)
Total assets	4,464,288	4,311,353	4,564,838	4,782,749
Working capital	479,942	406,020	678,964	1,012,909
Total liabilities	185,977	131,644	171,435	202,116
Equity	4,278,311	4,179,709	4,393,403	4,580,633

	November 30, 2021	August 31, 2021	May 31, 2021	February 28, 2021
	\$	\$	\$	\$
Revenue (loss)	Nil	Nil	Nil	Nil
Net income (loss)	(135,078)	(32,421)	(23,957)	(24,310)
Net (loss) per share	(0.03)	(0.01)	(0.00)	(0.00)
Total assets	2,392,572	913,491	908,744	909,278
Working capital	878,689	(402,856)	(360,835)	(318,704)
Total liabilities	618,303	424,769	387,601	364,178
Equity	1,774,269	488,722	521,143	545,100

Liquidity and Capital Resources

The Company is dependent on raising funds by the issuance of shares, borrowings or subsequent disposition of interests in mineral properties it may own or otherwise acquire in order to finance further acquisitions, undertake exploration of other mineral properties and meet general and administrative expenses in the immediate and longer term.

As at November 30, 2022, the Company had cash and cash equivalents of \$555,472 as compared to \$946,403 at February 28, 2022. The Company had a working capital of \$479,942 at November 30, 2022, compared with a working capital of \$1,012,909 at February 28, 2022.

The future funding needs of the Company are dependent upon the Company's ability to obtain additional equity and/or debt financing. The inability to raise adequate financing would jeopardize the Company's ability to maintain its property. The Company continues to closely monitor its ongoing requirements and to explore all methods of raising additional funds. There can be no certainty that such additional funds may be raised when required.

Related Party Transactions

During the nine months ended November 30, 2022 and 2021, the Company incurred the following transactions with officers or directors of the Company:

For the nine months ended November 30,	2022	2021
Key management compensation* - cash	\$ 175,000	\$ 66,500

* Key management includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including the Company's executive officers and certain members of its Board of Directors.

Officers and directors of the Company and companies controlled by such individuals were owed \$119,740 as at November 30, 2022 (February 28, 2022 – \$121,500) for services rendered and for expenses incurred in the ordinary course of business. The amounts are unsecured, non-interest bearing with no fixed terms of repayment.

On April 1, 2022, the Company transferred its Nevada Rose, Angelo Bell, Coral Zinc and Round Pond properties to its wholly-owned subsidiary Minfocus International Inc. ("MFI") and on May 30, 2022, the Company sold MFI to a former director, now an arm's length party, as settlement for aggregate amounts owing of \$60,000.

Outstanding and Convertible Common Shares

The total issued and outstanding shares of the Company total 40,498,146 as November 30, 2022 (February 28, 2022: 40,348,146).

The following is a breakdown of the share capital of the Company, on an annual basis and the date of this report:

	January 30, 2023	November 30, 2022	February 28, 2021
Common Shares	61,525,717	40,498,146	4,982,146
Stock Options	6,035,715	3,744,286	409,428
Warrants	12,791,700	8,560,700	1,180,000
Fully Diluted Shares	80,353,132	52,803,132	6,571,574

The following table summarizes information about stock options outstanding and exercisable at the date of this report:

Number of Options	Exercise Price	Expiry Date	Number of Exercisable Options
22,858	\$0.40*	February 7, 2023	22,858
17,143	\$0.40*	February 14, 2023	17,143
204,285	\$0.35	September 9, 2025	204,285
3,500,000	\$0.20	December 7, 2026	3,500,000
3,744,286			3,744,286

*Indicates an amended price

On December 7, 2021, the Company granted 3,500,000 stock options to directors, officers, and consultants of the Company to purchase 3,500,000 common shares in the capital of the Company at an exercise price of \$0.20 per share until December 7, 2026. A fair value of \$826,000 was determined using the Black-Scholes valuation model. The following weighted average assumptions were used: share price - \$0.24; dividend yield – 0%; expected volatility – 206.30%; risk free interest rate – 1.48%; and expected life – 5 years. The options vested immediately upon grant.

The following table summarizes information about warrants outstanding and exercisable at the date of this report:

Number of Warrants	Exercise Price	Expiry Date	Number of Exercisable Warrants
8,430,000	\$0.25	December 1, 2023	8,430,000
130,700	\$0.25	December 1, 2023	130,700
8,560,700	\$0.25		8,560,700

On July 3, 2022, 774,000 warrants priced at \$0.25 expired unexercised.

Subsequent to November 30, 2022 and up to the date of this report, 2,019,000 share purchase warrants priced at \$0.25 per share were exercised for gross proceeds of \$504,750 and 8,571 stock options priced at \$0.40 were exercised for gross proceeds of \$3,428.

A total of 150,000 warrants were exercised during the nine months ended November 30, 2022. Each warrant was exercised into one common share of the Company at a price of \$0.25 per share for gross proceeds of \$37,500.

A total of 406,000 warrants were exercised during the year ended February 28, 2022. Each warrant was exercised into one common share of the Company at a price of \$0.25 per share for gross proceeds of \$101,500.

Financial Risk Factors

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign exchange rate, and metals price risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at November 30, 2022, the Company had a cash balance of \$555,472 (February 28, 2022 - \$946,403) to settle current liabilities of \$185,977 (February 28, 2022 - \$202,116). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity. The Company has no other contractual obligations other than trade and other payables. As discussed in Note 1 of the condensed interim consolidated financial statements, the Company's ability to meet its obligations and carry out its planned exploration activities is uncertain and dependent upon the continued financial support of its shareholders and securing additional financing.

Market risk

(a) Interest rate risk

The Company has cash balances and no interest-bearing debt, other than the debt owing to a (former) director discussed above. The Company's current policy is to invest excess cash in guaranteed investment certificates or interest-bearing accounts of select major Canadian chartered banks. The Company regularly monitors compliance to its cash management policy.

(b) Foreign currency risk

The Company's functional and reporting currency is the Canadian dollar and a significant portion of the Company's expenditures are transacted in Canadian dollars. As a result, the Company's exposure to the foreign currency risk is minimal at this time but may increase as the Company develops its Australia-based properties.

(c) Commodity price risk

The Company is exposed to price risk with respect to base and precious metal prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to price movements and volatilities. The Company closely monitors prices to determine the appropriate course of action to be taken by the Company.

(d) Credit risk

Credit risk is the risk of an unexpected loss if a third party to a financial instrument fails to meet its contractual obligations. Credit risk for the Company is primarily associated with amounts receivable, which is comprised of GST/HST receivable due from the Government of Canada. The Company has no significant concentration of credit risk arising from its operations. Management believes that the credit risk concentration with respect to amounts receivable is low.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Significant Accounting Policies and Estimates

The preparation of financial statements requires management to establish accounting policies, estimates and assumptions that affect the timing and reported amounts of assets, liabilities revenues and expenses. These estimates are based on historical experience and on various other assumptions that management believes to be reasonable under the circumstances and require judgement on matters which are inherently uncertain. Details of the Company's significant accounting policies and new standards not yet adopted by the Company can be found in the audited financial statements for the year ended February 28, 2022.

Forward Looking Statements

This discussion includes certain statements that may be deemed "forward-looking statements". All statements in this discussion, other than statements of historical facts, which address future production, reserve potential, exploration activities and events or developments that the Company expects, are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, continued availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance, that the Company expressly disclaims any responsibility for revising or expanding the forward-looking statements to reflect actual results or developments, and that actual results or developments may differ materially from those projected, in the forward-looking statements.

Readers are referred to the more detailed information described in other disclosure documents filed with the applicable Canadian securities regulatory authorities and available at www.sedar.com.