STERLING METALS CORP.

MANAGEMENT DISCUSSION AND ANALYSIS

OF THE FINANCIAL POSITION AND RESULTS OF OPERATIONS

FOR THE THREE MONTHS AND YEAR ENDED DECEMBER 31, 2022

Stated in Canadian Funds

Dated March 23, 2023

REPORT TO SHAREHOLDERS AND MANAGEMENT DISCUSSION AND ANALYSIS

TO OUR SHAREHOLDERS

This management's discussion and analysis of the financial condition and results of operation ("MD&A") of Sterling Metals Corp. ("Sterling" or the "Company") should be read in conjunction with Sterling's audited annual financial statements for the years ended December 31, 2022 and 2021, and related notes therein.

Except as otherwise indicated, all financial data in this MD&A have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

All dollar amounts in this MD&A are reported in Canadian dollars except where otherwise indicated. As of December 31, 2022, the Company had working capital of $3,230,200 and had reported a net loss of $1,540,747 for the year ended December 31, 2022, (net loss of $1,375,180 for the year ended December 31, 2021). The Company has yet to achieve profitable operations and has an accumulated deficit of $53,009,663. These continuing losses indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

The Company is subject to risks and challenges similar to companies in a comparable stage of exploration and development. The Company's ability to continue as a going concern is dependent upon the ability to obtain financing and to ultimately achieve and maintain profitable operations. Should profitable operations not be achieved, the Company will be required to obtain supplementary funding. The ability of the Company to achieve these objectives cannot be assured at this time and accordingly, these matters may cast significant doubt on the Company's ability to continue as a going concern. The Company's consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption was not appropriate, in which case adjustments that could be material to the carrying values of the assets and liabilities, the reported expenses and the statement of financial position reclassifications would be necessary.

Further information about the company, its operations and other continuous disclosure documents, including the Company's press releases and interim quarterly reports are available through its filings with the securities regulatory authorities in Canada at www.sedar.com and are also available on the Company's website www.sterlingmetals.ca.

FORWARD-LOOKING STATEMENTS

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement.

REPORT TO SHAREHOLDERS AND MANAGEMENT DISCUSSION AND ANALYSIS

The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

Forward-Looking Information	Key Assumptions	Most Relevant Risk Factors
Future funding for ongoing operations	The Company will be able to raise these funds	The Company has disclosed that this may be difficult and failure to raise these funds will materially impact the Company's ability to continue as a going concern

Inherent in forward-looking statements are risks, uncertainties, and other factors beyond the Company's ability to predict or control. Please also make reference to those risk factors in the "Risk Factors" section below. Readers are cautioned that the preceding table does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance, or achievements to be materially different from any of its anticipated results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

CORPORATE OVERVIEW

Sterling Metals Corp. is a mining and mineral exploration corporation focused on the discovery, acquisition, and development of potential mineral deposits globally.

The Company is listed on the TSX Venture Exchange (the "Exchange" or "TSX-V") where it trades under the symbol "SAG".

MINERAL EXPLORATION PROPERTIES

SAIL POND PROJECT

Sail Pond Project Area Viewing North from the South Mineralized Zone

PROPERTY PAYMENT

In consideration for the purchase of the Project, on signing of the Definitive Agreement (the "Agreement"), the Company issued 5,899,125 common shares of the Company on a post-consolidation basis, representing approximately 19.9% of the then outstanding shares of the Company, to Altius Resources Inc. ("Altius"). Altius also holds a 0.5% NSR royalty over the project. A 1.5% NSR is held by Mr. Tony Kearney, the initial finder of the Sail Pond asset of which 1% can be purchased from Mr. Kearney for $1,000,000 by Altius. Other key conditions of the option purchase agreement include a minimum expenditure commitment on the project of $500,000 within the first 12 months from the effective date of October 2, 2021 (incurred as of September 30, 2021) and $1,000,000 within the first 3 years of the effective date of October 2, 2021.

Additionally, the Company issued 606,061 common shares to Altius on February 1, 2021, at a price of $0.33 per common share. The issuance settled $200,000 that was owing to Altius as part of the Company's acquisition of the Sail Pond Project (see Note 8 in the Company's audited annual financial statements for the year ended December 31, 2021. The transaction was approved by the TSX Venture Exchange on October 2, 2020.

REPORT TO SHAREHOLDERS AND MANAGEMENT DISCUSSION AND ANALYSIS

PROJECT HIGHLIGHTS

Sterling Metals has earned 100% of this project by incurring over $1,500,000 in exploration expenditures on the project prior to September 30, 2021

Discovered in 2016, no prior drilling and ~$4,000,000 spent to date

Two defined target zones defined via soil sampling, grab samples, trenching and geophysics – combined strike-length of 9 km over a 12km trend

High-grade, silver, copper, lead, and zinc associated with quartz-carbonate veining and brecciated dolostone

Rock sample analyses of up to 4,526 g/t silver, 14.9% copper, 7.5% lead, 9.6% zinc and 0.9 g/t gold

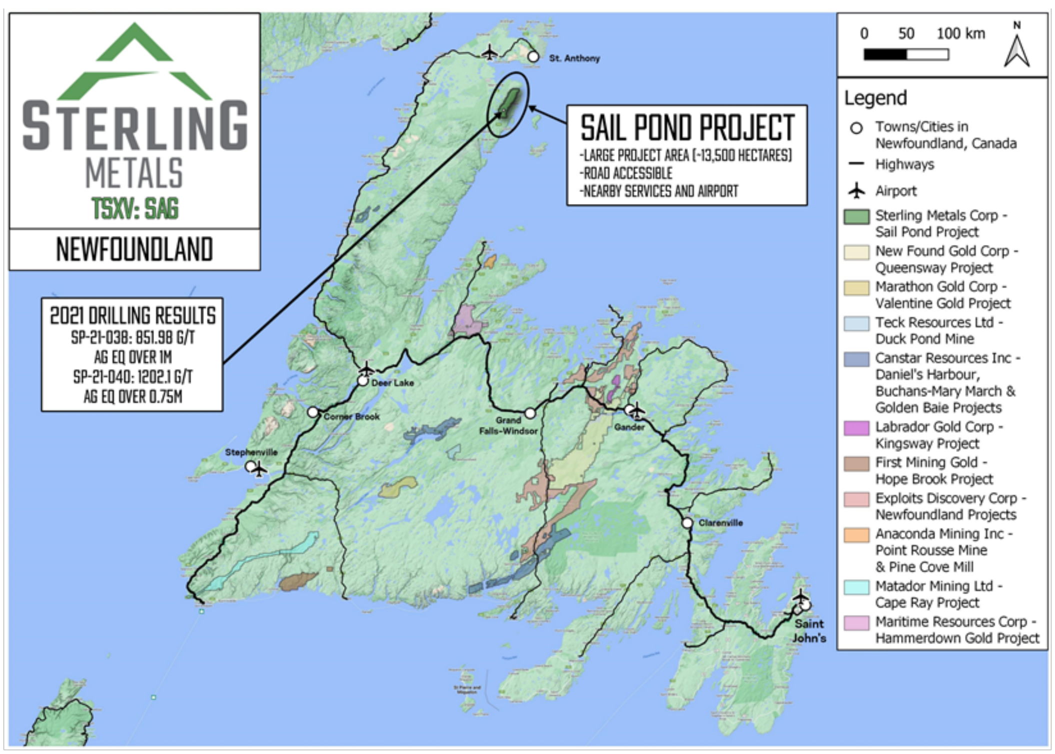
New Discovery of high-grade polymetallic mineralization within a broader low-grade core along a 400m strike at the south end of the project: named the Heimdall Zone

Heimdall zone proved polymetallic grade potential in massive sulfides via a 1,572 g/t Ag, 5.84% Cu, 29.2% Zn, 0.55 g/t Au, 7.8% Pb, & 2.47% Sb over 0.34 m intercept in hole 23 (Oct 7, 2021)

Large project area (13,500 Ha), road accessible and with nearby services and airport

Straight forward provincial permitting process

PROJECT LOCATION



Newfoundland was ranked 8th in the Fraser Institute's global rankings for Mining Investment Attractiveness in 2020

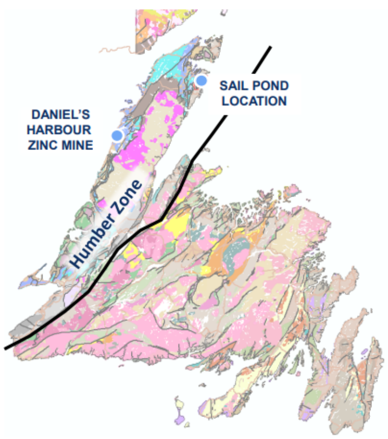
13,500 Ha project located on Newfoundland's Great Northern Peninsula, eastern Canada

Easily accessible by a series of paved highways, forest access roads and trails

Adjacent to many regional services and within 32 km of the St. Anthony regional airport

100% interest subject to a 2% NSR

Geological Setting



High-grade Ag plus Cu, Pb, and Zn mineralization found at Sail Pond unique for eastern Canada

Laurentian Margin – Humber Tectonostratigraphic Zone

Geology records a prolonged geological history as part of the Appalachian Orogenic cycle

Active to passive margin environments represented by Early Cambrian to Middle Ordovician rift-related siliciclastics to platformal carbonates

Parautochthonous and allochthonous displacement resulting in westward verging folds and NE orientated thrust faults and shear zones

Dominantly carbonate-hosted Zn ± Pb, Ag occurrences in the region; e.g. Daniel's Harbour – 7 Mt @ 7.8% Zn (mined between 1975-1990); minor Cu occurrences

RECENT EXPLORATION WORK

Preliminary prospecting and mapping – definition of the two mineralized zones (South and North Zones), as well as additional occurrences

Collection and multi-element analysis of > 250 rock grab samples from the main zones

Structural study of the mineralized quartz veins and host rocks

Characterization study of mineralization (petrography combined with SEM and multi-element analysis)

Collection and analysis of 4021 B-horizon soil samples – “real time” pXRF analysis, predominantly for Cu, Pb, Zn

17 excavations of new mineralized outcrop exposures for a total 1.28 Ha (6 in the South Zone, 11 in the North Zone) – several sites left open for future use; all excavated areas photographed using a Drone and mapped; collection and multi-element analysis of 1034 channel samples (average length of 1.1 m)

A NI 43-101 technical report was prepared on the project by Dr. Stephen Piercey of Memorial University (a copy of the NI 43-101 technical report can be found on the Company’s website www.sterlingmetals.ca)

A physical properties database was established for the major rock-types found within and around the mineralization zones (i.e. specific gravity, magnetic susceptibility, resistivity, chargeability)

A 105 line-km grid was cut followed by an IP and Resistivity survey (Abitibi Geophysics)

A small gravity survey was conducted in three areas (MES Geophysics Inc) following up on chargeability targets

An 8,400-metre diamond drill program, which is the first ever drilling program on the Sail Pond project, commenced on June 15, 2021, and was completed in October of 2021.Significant drill results were reported along a 400m strike and this area of mineralization has been labelled the Heimdall zone. These results include but are not limited to:

91.18 g/t AgEq (34.63 g/t Ag, 0.01 g/t Au, 0.13% Cu, 0.43% Pb, 0.04% Sb, & 0.36% Zn) over 14.6 m, including 895.86 g/t AgEq (418g/t Ag, 0.07 g/t Au, 2.14% Cu, 0.15% Pb, 0.49% Sb, & 1.88% Zn) over 0.25 m in hole SP-21-018 beginning at 74.3m downhole;

239.27g/t Ag Eq (0.1 g/t Au, 83 g/t Ag, 0.3% Cu, 0.53% Pb, 0.13% Sb, & 1.48% Zn) over 6.86m, including 4,413.58 g/t Aq Eq (1,572 g/t Ag, 5.84% Cu, 29.2% Zn, 0.55 g/t Au, 7.8% Pb, & 2.47% Sb) over 0.34m in hole SP-21-023 beginning at 65.14 m downhole; and

144.0 g/t Ag Eq over 12.2 m (52.6 g/t Ag, 0.019 g/t Au, 0.21% Cu, 0.93% Pb, 0.06% Sb, & 0.33% Zn) in hole SP-21-034 beginning at 148.8 m downhole; and

851.98 g/t Ag Eq over 1m (300.17g/t Ag, 0.077 g/t Au, 1.34% Cu, 1.21% Pb, 0.35% Sb, 4.80% Zn) **within** a broader interval of **78.8 g/t Ag Eq** over **19.8m (**28.51 g/t Ag, 0.01 g/t Au, 0.13% Cu, 0.15% Pb, 0.03% Sb, & 0.40% Zn) in hole SP-21-038 beginning at 75.5 m downhole; and

1202.1 g/t Ag Eq over 0.75m (485.3 g/t Ag, 0.18 g/t Au, 1.75% Cu, 3.77% Pb, 0.59% Sb, & 4.10% Zn) **within** a broader interval of **94.72 g/t Ag Eq over 13.75m** (38.27 g/t Ag, 0.014 g/t Au, 0.14% Cu, 0.29% Pb, 0.046% Sb, 0.32% Zn) in hole SP-21-040 beginning at 173.77 m downhole; and

963.0 g/t Ag Eq over 1.0 m (378 g/t Ag, 0.133 g/t Au, 1.20% Cu, 6.29% Pb, 0.38% Sb, & 2.41% Zn) **within** a broader interval of **74.44 g/t Ag Eq over 16.09m (**29.22 g/t Ag, 0.011 g/t Au, 0.092% Cu, 0.45% Pb, 0.029% Sb, & 0.21% Zn in hole SP-21-039 beginning at 99.47 m downhole.

A structural review was performed by consultants at SRK Consulting (Canada) Inc.

Goldspot Discoveries Corp. performed an analysis of drill hole data, geophysics, and the project geochemistry to create new targets along strike based on the structural signature of the current discovery

A 7500m diamond drill program commenced on June 15, 2022, and was completed on September 30, 2022. The first half of the assays were reported on Dec 12, 2022. These results confirm the high grade trends within the now 150m x 400m x 200m Heimdall Zone and include a new discovery 500m to the north. The new discovery consists of high-grade pure sulfosalts. The best sulfosalt intercept graded 1564 g/t Ag, 8.33% Cu, 12.83% Pb, 3.93% Zn, and 2.74% Sb over 0.35m.

EXPRESSED IN CANADIAN DOLLARS

On February 22nd, 2023, the company announced the commencement of a deep Orion 3d geophysical survey to identify the high-grade feeder zones and structural controls primarily relating to the high-grade trends within Heimdall as well as the newly discovered zone 500m north of Heimdall.

QUALIFIED PERSON

The technical information in this MD&A has been prepared in accordance with the Canadian regulatory requirements set out in National Instrument 43-101 ("NI 43-101") and reviewed and approved by Kelly Malcolm, P.Geo. (Ontario), Technical Advisor for Sterling Metals, is the Qualified Person as defined by National Instrument 43-101, Standards of Disclosure for Mineral Projects. Mr. Malcolm is responsible for the scientific and technical data presented herein and has reviewed and approved this project summary. Mr. Malcolm is a Qualified Person under NI 43-101.

Property Rights and Evaluation and Exploration Assets - Sail Pond Silver-Copper-Lead-Zinc Project

The following table summarizes the carrying value of the Company's property rights and evaluation and exploration assets as of December 31, 2022.

		Sail Pond
Carrying amount		
Balance January 1, 2021	**$**	**3,252,065**
Exploration		
Drilling		1,332,108
Field and administration		103,775
Assays		235,890
Prospecting		-
Geological and Geophysical services		1,124,521
Depreciation and amortization capitalized		11,293
Balance December 31, 2021	**$**	**6,059,652**
Exploration		
Drilling		1,334,737
Field and administration		234,322
Geological and Geophysical services		660,500
Assays		365,420
Prospecting		87,810
Depreciation and amortization capitalized		16,230
Balance December 31, 2022		**$8,758,671**

On October 2, 2020, the Company entered into an option agreement ("Sail Pond Property Option Agreement") with Altius to purchase from Altius, 100% of the Sail Pond silver-copper-lead-zinc project ("Project") on the Great Northern Peninsula of Newfoundland. In consideration for the purchase of the Project, on signing of the Definitive Agreement (the "Agreement"), the Company issued 5,899,125 common shares of the Company, representing approximately 19.9% of the then outstanding shares of the Company, to Altius. Altius also holds a 0.5% NSR royalty over the project and the right to purchase an additional 1% from the initial staking prospector Tony Kearney who holds a 1.5% NSR. Additionally, the Company committed to issue Altius an additional $200,000 in common shares on the earlier of 12 months from the date of signing or on the completion of an equity financing of at least $2,000,000. On February 1, 2021 the Company issued 606,061 common shares valued at $0.33 per share to settle this obligation. Other key conditions of the option purchase agreement include a minimum expenditure commitment on the project of $500,000 within the first 12 months and $1,000,000 within the first 3 years of entering into the agreement. This exploration expenditure commitment was fully met as of September 30, 2021, and the Company owns 100% of the Sail Pond project.

EXPRESSED IN CANADIAN DOLLARS

The Sail Pond Property Option Agreement was approved by the TSX Venture Exchange on October 6, 2020.

The Company incurred exploration expenditures on the project in the amount of $102,502 during the period October 6, 2020, to December 31, 2020, and incurred $2,807,587 in exploration expenditures on the project during the year ended December 31, 2021, and incurred $2,699,019 in exploration expenditures during the year ended December 31, 2022.

As of December 31, 2022, the Company must incur $474,059 of additional exploration expenditures by December 31, 2023, to satisfy its expenditure renunciation commitments under the various issuances of flow through shares. It is the Company’s intention to make these expenditures on the Sail Pond Property by the required time.

RESULTS OF OPERATIONS

	Three Months Ended Dec-31-2022	Three Months Ended Dec-31-2021	Percentage Change	Year Ended Dec-31-2022	Year Ended Dec-31-2021	Percentage Change
General and administration	63,154	51,976	21.5%	221,169	203,380	8.7%
Investor relations	62,355	51,790	20.4%	462,516	297,085	55.7%
Management and Director fees	103,117	78,559	31.3%	419,868	347,490	20.8%
Consulting fees	-	32,119	(100.0%)	69,967	115,740	(39.5%)
Share based compensation	-	-	n/a	584,400	306,700	90.5%
Net foreign exchange (gain) loss	-	-	n/a	-	(2,033)	n/a
Professional fees	50,548	24,598	105.5%	85,357	118,639	(28.1%)
Net operating loss for the period	(279,174)	(239,042)	16.8%	(1,843,277)	(1,387,001)	32.9%
Recovery of flow-through premium liability	206,219	11,821	n/a	302,530	11,821	n/a
Net loss and comprehensive loss for the year	(72,955)	(227,221)	(67.9%)	(1,540,747)	(1,375,180)	12.0%
Net (loss) per share basic	$0.00	$0.00	n/a	($0.02)	($0.03)	n/a

A more detailed breakdown of General and Administration expenses is as follows:

	For the three months ended December 31, 2022	For the three months ended December 31, 2021	Percentage Change	For the year ended December 31, 2022	For the year ended December 31, 2021	Percentage Change
Office expenses	27,257	28,433	(4.1%)	106,495	93,489	13.9%
Listing and transfer agent fees	10,298	15,856	(35.1%)	51,751	86,265	(40.0%)
Insurance (D&O and P&C)	7,329	5,694	28.7%	26,391	17,926	47.2%
Travel and entertainment	18,270	1,993	816.7%	36,532	5,700	540.9%
	$ 63,154	$ 51,976	21.5%	$ 221,169	$ 203,380	8.7%

The net loss for the three months ended December 31, 2022, was ($72,955) compared to a net loss of ($227,221) for the three months ended December 31, 2021. The decrease in net loss during the three months ended December 31, 2022, can be attributed to an increase in the recovery of flow-through premium liability that was partially offset by an increase in management fees during the period when compared to the three months ended December 31, 2021.

EXPRESSED IN CANADIAN DOLLARS

REPORT TO SHAREHOLDERS AND MANAGEMENT DISCUSSION AND ANALYSIS

The net loss for the year ended December 31, 2022, was ($1,540,747) compared to a net loss of ($1,375,180) for the year ended December 31, 2021. The increase in net loss can be attributed to a small increase in general and administrative expenses, an increase in investor relations activity during the period, increases in Management and Directors' fees as well as the granting of incentive stock options to Officers, Directors and Consultants of the Company during the year ended December 31, 2022, when compared to the year ended December 31, 2021.

During the year ended December 31, 2022, the Company completed a flow-through financing and recorded a net flow-through share premium liability of $273,494 on the closing of the transaction. As of December 31, 2022, the flow-through share premium liability was $71,370. The flow-through share premium liability is reduced as the Company renounces eligible expenditures that are incurred during the year and the recognizes a recovery of the share-premium liability as other compressive income. During the three months ended December 31, 2022, the Company recognized $202,123 (year ended December 31, 2022, $302,530) in recovery of flow-through share premium liability compared to a recovery of $11,822 during the three months ended December 31, 2021 (year ended December 31, 2021 - $11,821).

The Company's accounting policy is to capitalize all eligible exploration related expenditures to the various projects under development. Capitalized amounts are reviewed for any indications of impairment on a quarterly basis. (See Note 3(c) in the Company's audited annual financial statements for the year ended December 31, 2022, for additional details).

SUMMARY OF QUARTERLY RESULTS

Three months ended	31-Dec-22	30-Sep-22	30-Jun-22	31-Mar-22	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21
Total revenue	-	-	-	-	-	-	-	-
Loss for the period	($72,955)	($198,503)	($1,072,050)	($197,239)	($227,221)	($320,712)	($619,794)	($207,453)
Comprehensive Loss	($72,955)	($198,503)	($1,072,050)	($197,239)	($227,221)	($320,712)	($619,794)	($207,453)
Loss per share	$0.00	$0.00	($0.02)	$0.00	$0.00	($0.01)	($0.01)	($0.01)
Total assets	$12,438,595	$12,824,198	$12,839,637	$8,853,236	$9,127,117	$9,763,985	$9,794,945	$9,362,893
Working capital (deficiency)	$3,230,200	$4,204,013	$5,859,860	$2,384,131	$2,751,781	$3,499,396	$5,417,943	$5,608,620

The net loss and comprehensive loss for the three months ended December 31, 2022, was comprised of management and director compensation, investor relations activity expenses, share based compensation expense, consulting and legal fees and general and administrative expenses. The net loss and comprehensive loss for the three months ended September 30, 2022, was comprised of management and director compensation, investor relations activity expenses, share based compensation expense, consulting and legal fees and general and administrative expenses. The net loss and comprehensive loss for the three months ended June 30, 2022, was comprised of management and director compensation, investor relations activity expenses, share-based compensation expense, consulting and legal fees and general and administrative expenses. The loss and comprehensive loss for the three months ended March 31, 2022, was comprised of investor relations activity, management and director fees, office expenses and consulting expenses. The loss and comprehensive loss for the three months ended December 31, 2021, was comprised of increased investor relations activity, increases in fees paid to Management and Directors, professional fees related to the 2021 audit. The loss and comprehensive loss for the three months ended September 30, 2021, was comprised of increased investor relations activity, increases in fees paid to Management and Directors and increased professional fees due to increased corporate activity during the period. The loss and comprehensive loss for the three months ended June 30, 2021, was comprised of management fees, investor relations costs and listing and transfer agent expenses related to the Company's recent listing of the Company's shares on the OTCQB exchange. The loss and comprehensive loss for the three months ended March 31, 2021, was comprised of management fees, investor relations costs and listing and transfer agent expenses related to the Company's recent listing of the Company's shares on the OTCQB exchange. The comprehensive loss for the three months ended December 31, 2020, was comprised of exploration costs, legal and professional fees, general and administration costs incurred during the period and the granting of stock options to Directors, Officers and Consultants of the Company as well as the write down to $*nil* of the Butt Township Project, offset by the recognition of a gain on the settlement of the flow-through share premium liability. The comprehensive loss for the three months ended September 30, 2020, was comprised of exploration costs, legal and professional fees, and general and administration costs incurred during the period.

EXPRESSED IN CANADIAN DOLLARS

SELECTED ANNUAL INFORMATION

Selected Annual Information	Dec-31-2022	Dec-31-2021	Dec-31-2020
	$	$	$
Total assets	$12,438,595	$9,127,117	$6,548,572
Total liabilities	$342,056	$272,830	$384,221
Loss for the period	($1,843,277)	($1,387,001)	($2,060,824)
Comprehensive loss	($1,540,747)	($1,375,180)	($2,060,824)
Loss per share	($0.02)	($0.03)	($0.11)

OUTSTANDING SHARES

As at the date of this report the Company had 74,260,259 common shares outstanding, options outstanding of 4,625,000 and 28,391,195 warrants outstanding.

FINANCIAL POSITION AND LIQUIDITY

As of December 31, 2022, the Company's financial instruments consist of cash, and accounts payable and accrued liabilities. The Company has no speculative financial instruments, derivatives, forward contracts, or hedges.

As of December 31, 2022, the Company had working capital of $3,230,200 compared to working capital of $2,751,781 as of December 31, 2021.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a) Financial instrument classification and measurement

Financial instruments of the Company carried on the Audited Annual Statement of Financial Position are carried at amortized cost. There are no significant differences between the carrying value of financial instruments and their estimated fair values as of December 31, 2022 and December 31, 2021, due to the immediate or short-term maturities of the financial instruments.

b) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. It is management's opinion that the Company is not exposed to significant credit risk arising from these financial instruments. The Company limits credit risk by entering into business arrangements with high credit-quality counterparties. Thus, the credit risk associated with other receivables is also considered to be negligible. There have not been any changes in the exposure to risk or the Company's objective, policies, and processes for managing the risk.

c) Interest rate risk

Interest rate risk is the risk of losses that arise as a result of changes in contracted interest rates. The Company is not exposed to significant interest rate risk. There have not been any changes in the exposures to risk or the Company's objectives, policies, and processes for managing risk.

d) Currency risk

The Company operates in Canada and incurs the majority of its expenditures in Canadian dollars. The Company incurs certain expenditures in US dollars. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the functional currency of the Company. The Company's risk management policy is to review its exposure to non-Canadian dollar forecast operating costs on a case-by-case basis. The majority of the Company's forecast operating costs are in Canadian dollars. The risk is measured using sensitivity analysis and cash flow forecasting. There have not been any changes in the exposure to risk or the Company's objectives, policies, and processes for managing the risk.

The carrying amount of foreign currency financial assets and liabilities in Canadian dollars as of December 31, 2022, was as follows:

Canadian Dollar amounts of foreign currency assets and liabilities

	Cash	Liabilities
US Dollars	$2,208	$*nil*

Based on the financial instruments held as of December 31, 2022, the Company's deficit would have changed by $221 had the Canadian dollar shifted by 10% as a result of foreign exchange effect on translation of non-Canadian dollar denominated financial instruments.

e) Liquidity risk

Prudent liquidity risk management implies always maintaining sufficient cash, liquid investments and committed credit facilities to meet the Company's commitments as they arise. The Company manages liquidity risk by maintaining adequate cash reserves and by continuously monitoring forecast and actual cash flows. Where insufficient liquidity may exist, the Company may pursue various debt and equity instruments for short or long-term financing of its operations.

As of December 31, 2022, the Company had a working capital of $3,230,200 (December 31, 2021 – $2,751,781) and anticipates that cash on hand and available working capital will be sufficient to fund all the Company's planned expenditures for the next 12 months.

The Company's potential sources of cash flow in the upcoming year will be, possible equity financings, loans, lease financing and entering into joint venture agreements, or any combination thereof. There have not been any changes in the exposure to risk or the Company's objectives, policies, and processes for managing the risk.

RISKS RELATED TO PROPERTY TITLE

Although the Company has taken steps to verify the title to the properties on which it is conducting its exploration, development and mining activities, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unrestricted prior agreements, unregistered claims, aboriginal land claims and non-compliance with regulatory and environmental requirements. The Company's mining and exploration activities are subject to laws and regulations relating to the environment, which are continually changing, and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to remain in compliance.

CAPITAL RESOURCES

The Company has no recent history of profitable operations. Therefore, it is subject to many risks common to comparable companies, including under-capitalization, cash shortages and limitations with respect to personnel, financial and other resources as well as a lack of adequate revenues.

It may be necessary for the Company to arrange for additional financing to meet its on-going exploration and overhead requirements.

Management believes it will be able to raise equity capital as required in the long term, but recognizes the risks attached thereto. Although the Company successfully completed a financing during the current period, there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing may be favourable.

CAPITAL MANAGEMENT

The Company's capital consists of shareholders' equity in the amount of $12,096,539 (2021: $8,854,287). The Company's objective when managing capital is to maintain adequate levels of funding to support the development of its businesses and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through equity financing, selling assets, and incurring debt. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future. The Company invests all capital that is surplus to its immediate operational needs in short-term, highly liquid, high-grade financial instruments. There were no changes to the Company's approach to capital management during the period. The Company is not subject to externally imposed capital requirements. The Company does not currently have adequate sources of capital to complete its exploration plan, current obligations and ultimately the development of its business, and will need to raise adequate capital by obtaining equity financing, selling assets, and incurring debt. The Company may raise additional debt or equity financing in the near future to meet its current obligations.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements as of December 31, 2022, and as at the date hereof.

EXPRESSED IN CANADIAN DOLLARS

RELATED PARTY TRANSACTIONS

Related party transactions are summarized as follows:

Name and principal position	Year	Remuneration or fees [(1)]	Share based compensation [(1)]	Included in accounts payable [(1)]
Mathew Wilson, CEO - management fees[2]	**2022**	**$271,667**	**$130,630**	**$3,352**
	2021	230,000	102,233	-
Dennis Logan, CFO - management fees[2]	**2022**	**$99,000**	**$82,504**	**-**
	2021	84,000	20,477	-
Richard Patricio, Director - director fees	**2022**	**$24,000**	**$82,503**	**-**
	2021	16,745	40,893	-
Stephen Kieth, Director - director fees	**2022**	**$24,000**	**$41,252**	**-**
	2021	16,745	20,447	-

[(1)] Amounts disclosed were paid or accrued to the related party during the year ended December 31, 2022 and 2021.

[(2)] Amounts paid to the individuals indirectly through companies controlled by the related party.

These transactions were in the normal course of operations and are measured at their exchange amount, which is the amount of consideration established and agreed to by the related parties.

SEGMENTED INFORMATION

The Company operates in a single reportable operating segment – the acquisition, exploration, and development of mineral properties.

As of December 31, 2022, all of the Company's non-current assets were located in Canada. As of December 31, 2021, all of the Company's non-current assets were located in Canada.

EVENTS SUBSEQUENT TO DECEMBER 31, 2022

On January 9, 2023, 245,000 options to purchase common shares at a strike price of $1.30 expired unexercised.

On January 24, 2023, the Company granted 2,000,000 options to purchase common shares of the Company at an exercise price of $0.21 per common share for a period of 2 years to directors, officers, consultants, and employees of the Company. The common shares issuable upon exercise of the options are subject to a four month hold period from the original date of grant.

On March 6, 2023, the Company entered into an option agreement with Chesterfield Resources Plc and its wholly owned subsidiary, Chesterfield (Canada) Inc. pursuant to which the Company was granted the exclusive option to acquire a 100% interest of the Adeline Coper-Silver Project in Labrador Canada. The Company has the option to acquire a 100% undivided interest in the project by making (i) a $100,000 payment on signing of the agreement (paid); (ii) a $300,000 payment on the earlier of the closing date (subject to TSX Venture Exchange approval) or 45 days from signing; and (iii) a $400,000 payment on or before November 30, 2024. In addition, the Company will issue an aggregate of 9,000,000 common shares to Chesterfield (Canada)Inc. with 4,500,000 common shares to be issued on closing (on TSX Venture Exchange approval of the transaction) and 4,500,000 common shares to be issued on or before November 30, 2024. The TSX Venture Exchange approved the transaction on March 21, 2023, and the Company issued 4,500,000 common shares to Chesterfield (Canada) Inc. and made the $300,000 payment to Chesterfield (Canada) Inc. on March 22, 2023, according to the terms of the option agreement.

MANAGEMENT

The Company is dependent upon the personal efforts and commitments of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate the Company.

NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

New Accounting Standards Issued and Adopted in the Current Period and recent Accounting Pronouncements not yet adopted

New Standards Adopted in the Current Period

There were no new standards adopted by the Company during the current period that had an impact on the financial statements.

RISK FACTORS

Companies operating in the mining industry face many and varied kinds of risks. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage such risks to the extent possible and practical. Following are the risk factors most applicable to the Company:

Exploring and developing mineral resource projects bears a high potential for all manner of risks. Additionally, few exploration projects successfully achieve development due to factors that cannot be predicted or foreseen. Moreover, even one such factor may result in the economic viability of a project being detrimentally impacted such that it is neither feasible nor practical to proceed. The Company closely monitors its activities and those factors that could impact them, and employs experienced consulting, engineering, insurance, and legal advisors to assist in its risk management reviews.

Although the Company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

There can be no guarantees that the Company will be able to obtain or maintain all the necessary licenses and permits to extract and process minerals, explore, develop, or maintain its continued operations, or that the Company will be able to comply with all the conditions imposed.

The Company files applications in the ordinary course to renew the permits associated with its mining and exploration licenses that it deems necessary and/or advisable for the continued operation of its business. Certain of the Company's permits to operate that are associated with the mining license are currently under application for renewal. There is no guarantee that the Company will be able to renew any or all of the necessary permits in order to continue operating and conducting exploration activities on areas covered by licenses and permits that are not renewed or are revoked.

At present the principal activity of the Company is the exploration and development of resource properties. The feasible development of such properties is highly dependent upon the price of ore commodities. A sustained and substantial decline in these commodity prices could result in the write-down, termination of exploration and development work or loss of its interests in identified resource properties. Although such prices cannot be forecasted with certainty, the Company carefully monitors factors that could affect these commodity prices in order to assess the feasibility of its resource projects.

The success of exploration programs, development programs and other transactions related to mining concessions could have a significant impact on the need for capital. If the Company decides to develop one of its properties, it must ensure that it has access to the required capital. The Company could finance its need for capital by using working capital, by arranging partnerships or other arrangements with other companies, through equity financing, by taking on long-term debt or any combination thereof.

APPROVAL

The Board of Directors of the Company has approved the disclosure contained in this Management Discussion and Analysis on March 23, 2023.

REPORT TO SHAREHOLDERS AND MANAGEMENT DISCUSSION AND ANALYSIS

A CAUTIONARY NOTE

This document contains "forward-looking information" which may include, but is not limited to, statements with respect to the future financial or operating performance of the Corporation, its subsidiaries and its projects, the future supply, demand, inventory, production and price of minerals, the estimation of reserves and resources, the realization of reserve estimates, the timing and amount of estimated future production, costs of production, capital, operating and exploration expenditures, costs and timing of the development of new deposits, costs and timing of future exploration, requirements for additional capital, government regulation operations, environmental risks, reclamation expenses, title disputes or claims, limitations of insurance coverage and the timing and possible outcome of pending litigation and regulatory matters.

Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Corporation and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities; actual results of reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of resources; possible variations of ore grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the resource industry; political instability, insurrection or war; delays in obtaining governmental approvals or financing or in the completion of development or construction activities. Although the Corporation has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

Respectfully submitted on behalf of the Board of Directors,

"Mathew Wilson"

Mathew Wilson

President & CEO