Sterling Metals Corp.

Management Discussion and Analysis
Of the Financial Position and Results of Operations
For the Three and Six Months Ended June 30, 2023

Stated in Canadian Funds

Dated August 17th, 2023

STERLING METALS CORP.

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2023

EXPRESSED IN CANADIAN DOLLARS

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 unaudited interim condensed financial statements for the three and six months ended June 30, 2023, and 2022, 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 June 30, 2023, the Company had working capital of $6,044,159 and had reported a net loss of $1,298,4489 for the six months ended June 30, 2023, (net loss of $1,540,747 for the year ended December 31, 2022). The Company has yet to achieve profitable operations and has an accumulated deficit of $54,308,152 as of June 30, 2023. 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".

REPORT TO SHAREHOLDERS AND MANAGEMENT DISCUSSION AND ANALYSIS

MINERAL EXPLORATION PROPERTIES

SAIL POND PROJECT

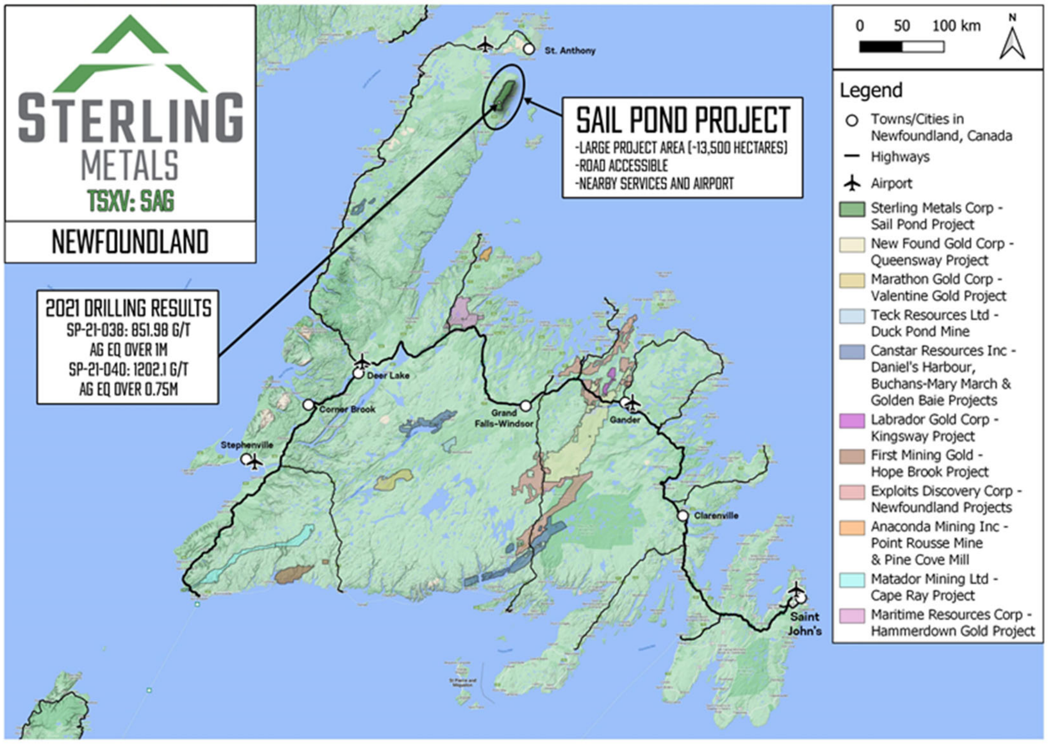
Sail Pond Project Area Viewing North from the South Mineralized Zone

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, 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.

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. The transaction was approved by the TSX Venture Exchange on October 2, 2020. 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

PROJECT LOCATION



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

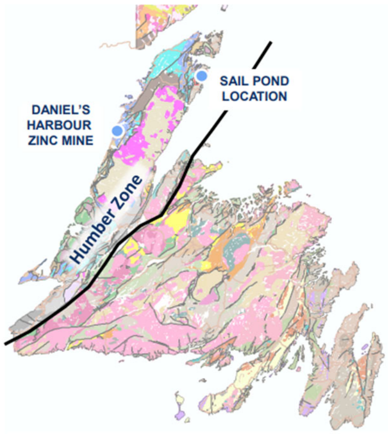
13,500 Ha project located on Newfoundland's Great Northern Peninsula, eastern Canada

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



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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

REPORT TO SHAREHOLDERS AND MANAGEMENT DISCUSSION AND ANALYSIS

RECENT EXPLORATION WORK

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.

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.

2022 Regions Exploration Results

- Intercepted wide zones of brecciated dolostones showing variably developed polymetallic mineralization along ~4 km of strike.
- Discovery of a new mineralized system at depth, the Central Ridge Zone, which has the potential to be another pearl along the ~12 km trend, marking the fourth area of mineralization discovered on the property in two years.
- Sail Pond North revealed new pockets of mineralization, including the highest grade to date in the area at 18.55 m downhole in SP-22-066 at 496 g/t AgEq over 0.25 m (259 g/t Ag, 1.44% Cu, 0.27% Pb, 0.26% Zn, 0.39% Sb).
- Intervals intersected at Sail Pond North appear to be the upper portions of a larger mineralized system, exhibiting similar host geology and mineralization to the top of the Heimdall Zone.
- Better understanding of the orientation of the structures will provide better targeting in future drill programs.

Sterling's 2022 drilling program successfully completed 34 new holes for over 7,500 m of drilling at new targets and the Heimdall Zone. Highlights of the program are the expanded mineralization at Heimdall and newly identified mineralized zone 500 m to the north. The gap between Heimdall and the new zone to the north is virtually wide open and considered very prospective, especially due to the presence of new Orion 3D targets. Targeting for the 2022 program incorporated a detailed structural interpretation by SRK and a comprehensive study by Goldspot which utilized an exploration targeting matrix of 6 geological and geophysical factors which included: presence of silver and copper mineralization at surface, prominent regional north-east trending structures in proximity (as interpreted by SRK), a warp in the argillite contact, distinct breaks in high chargeability anomalies and coincident highs in resistivity.

Results to date come from drillholes testing regional targets along the ~14 km of prospective strike length and focused grab sampling from regional target generation and project enhancement. Figure 3 shows a plan map of drillhole and grab sample locations. Prospecting and geological mapping was focused on several highly prospective targets that were identified using our updated exploration targeting matrix.

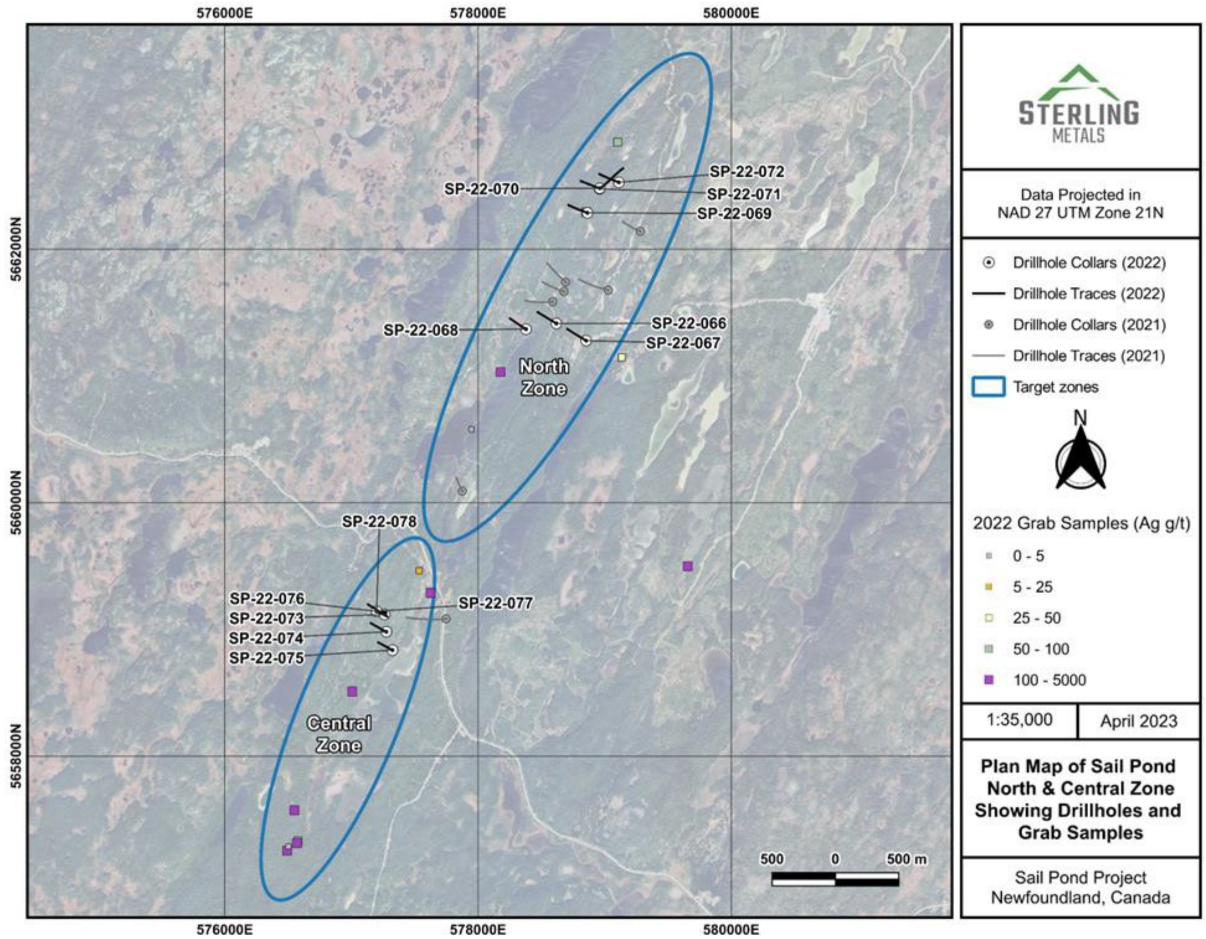


Figure 1: *Plan map showing drill hole locations and grab samples at the Sail Pond North and Central Ridge Zone*

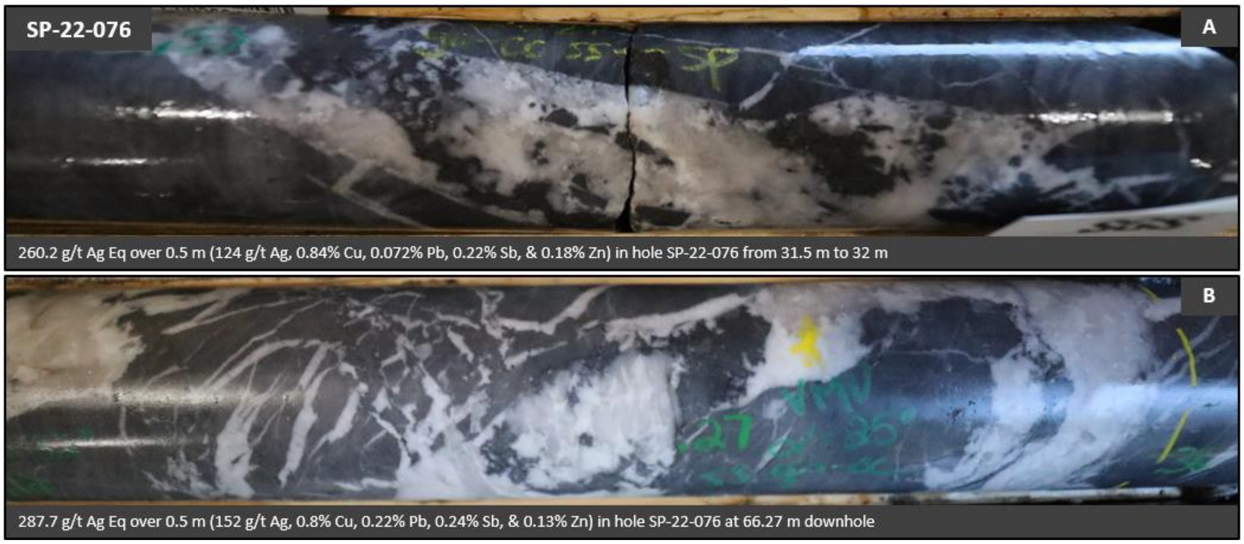
Across the Sail Pond Project structural complexity is associated with the localization of polymetallic mineralization. The drilling in the Sail Pond North and Central Zone concentrated on locations with similar structural complexities where obliquely converging faults/lineaments intersect the main foliation in the area, often associated with anomalous samples. The regional targets were successful in intercepting wide zones of brecciated dolostones showing variably developed polymetallic mineralization along ~4 km of strike.

The regional target generation and drilling resulted in the discovery of a new mineralized system at depth, the Central Ridge Zone (Central Ridge), which has the potential to be another pearl along the ~12 km trend. Occurring in close proximity to a structural kink or jog, the Central Ridge is characterized by a wide zone of mineralized brecciated dolostone with clots of sulphides and sulfosalts. The thick veins and massive portions of the system are yet to be discovered, and the area is wide open in all directions. This marks the fourth area of mineralization discovered on the property in two years. In addition, Sail Pond North continued to reveal new pockets of mineralization, including the highest grade to date in the area at 18.55 m downhole in SP-22-066. The intervals intersected appear to be the upper portions of a larger mineralized system, exhibiting similar host geology and mineralization to the top of the Heimdall Zone. An example of core from the North and Central Zone is shown in Figure 2 & 3.

The mineralization at Sail Pond, especially the high-grade veins, is structurally controlled and understanding the orientation of the structures is vital to expanding zones and identifying potential new zones along preferred structural trends. The Company has completed an extensive down hole optical televiewer study to measure the orientation of high-grade veins and other structural features in important drill holes across the property. This data and the enhanced geological model will play a significant role in the targeting for the next drill programs.

The primary host rock for mineralization identified is a thick sequence of highly altered and often brecciated dolostone of the Cambro-Ordovician Saint George Group. Mineralization encountered to date typically consists of tetrahedrite-tennantite, chalcocite, sphalerite, galena, pyrite, and potentially additional sulfosalt minerals. Quartz veining and associated mineralization are ubiquitous throughout the dolostone unit, but included metallic mineralization is best developed in areas of combined brecciation and veining. The structural evolution and metallogenic sequencing are very complex, and mineralization has been identified in association with a multitude of structural events.

Figure 2: *Dolostone-hosted breccia-style sulfide mineralization in hole SP-22-066 at 18.63 – 18.71 m*



260.2 g/t Ag Eq over 0.5 m (124 g/t Ag, 0.84% Cu, 0.072% Pb, 0.22% Sb, & 0.18% Zn) in hole SP-22-076 from 31.5 m to 32 m

287.7 g/t Ag Eq over 0.5 m (152 g/t Ag, 0.8% Cu, 0.22% Pb, 0.24% Sb, & 0.13% Zn) in hole SP-22-076 at 66.27 m downhole

Figure 3: *Quartz-carbonate vein-hosted disseminated to semi-massive mineralization within host brecciated dolostone in hole SP-22-076*

2023 Orion Survey

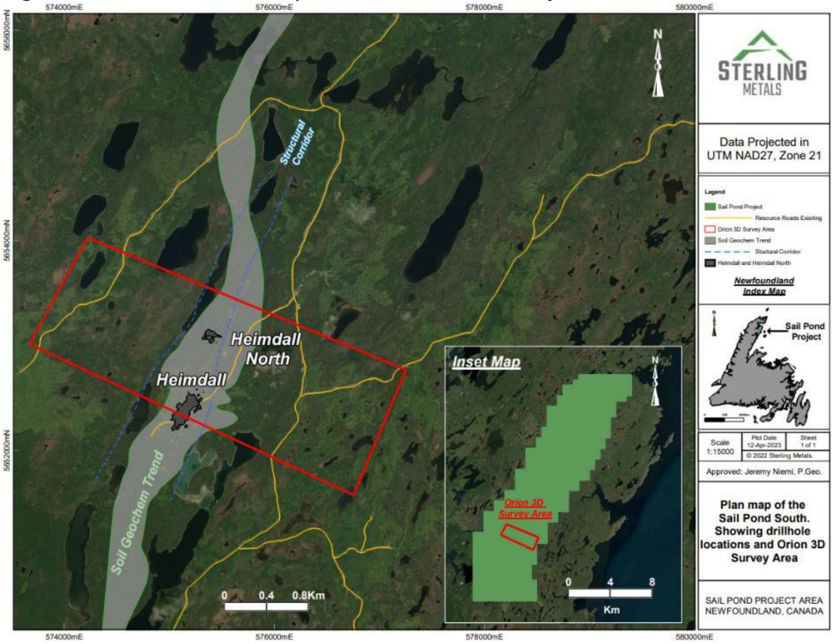
- Four new exploration targets discovered.
- Favorable geology mapped to depth of 2 kilometres.
- Strong anomaly beneath newly discovered Heimdall North Zone and SP-22-064.
- Surveyed 1.5 km of the 14 km trend as a test before large-scale application.
- Permits for summer drilling submitted.
- Plans to test identified anomalies in coming months.
- Airborne survey planned to scan entire property based on drill results.

The Deep Orion 3D Swath DCIP and MT Survey employed state-of-the-art 3D ground geophysical techniques on a priority area which includes the Heimdall and Heimdall North Zones. The survey was designed with 200 m spaced lines and readings between lines to generate a 3D interpretation of key structural controls on mineralization and to identify potential high-grade feeder zones as exploration targets. The survey utilized 3 km long lines for deep viewing measuring IP (chargeability) to locate potential sulphide mineralization bodies to 500 m depth, and MT (resistivity) to map favorable host geology to 2 km depth.

The deep-looking Orion survey uncovered several new IP anomalies and successfully mapped the favorable anticline geology of the host dolostone unit to 2 km depth. Cross-cutting north-east trending structures, potentially mineral-bearing, were also identified. In total 1.5 km of the 14 km trend at Sail Pond was surveyed as a test before covering larger sections of the property. The results of this survey have isolated four new exploration targets, including a strong IP anomaly coincident with a resistivity high discovered beneath the new Heimdall North Zone and SP-22-064. Permits for summer drilling have been submitted, and plans are underway to test these anomalies in the coming months. Additionally, an airborne geophysics survey is planned to scan the entire property based on drill results. As shown in Figure 4, the final footprint of the Orion survey was focused on the most prospective area surrounding the Heimdall and Heimdall North Zones. Two of the new targets are in proximity to the Heimdall North Zone and displayed in Figure 5.

A 2000m drill program to test the IP/MT chargeability anomalies was completed in early July2023. Results are expected in late summer/early fall.

Figure 4. Final Orion 3D Survey Area at the Sail Pond Project



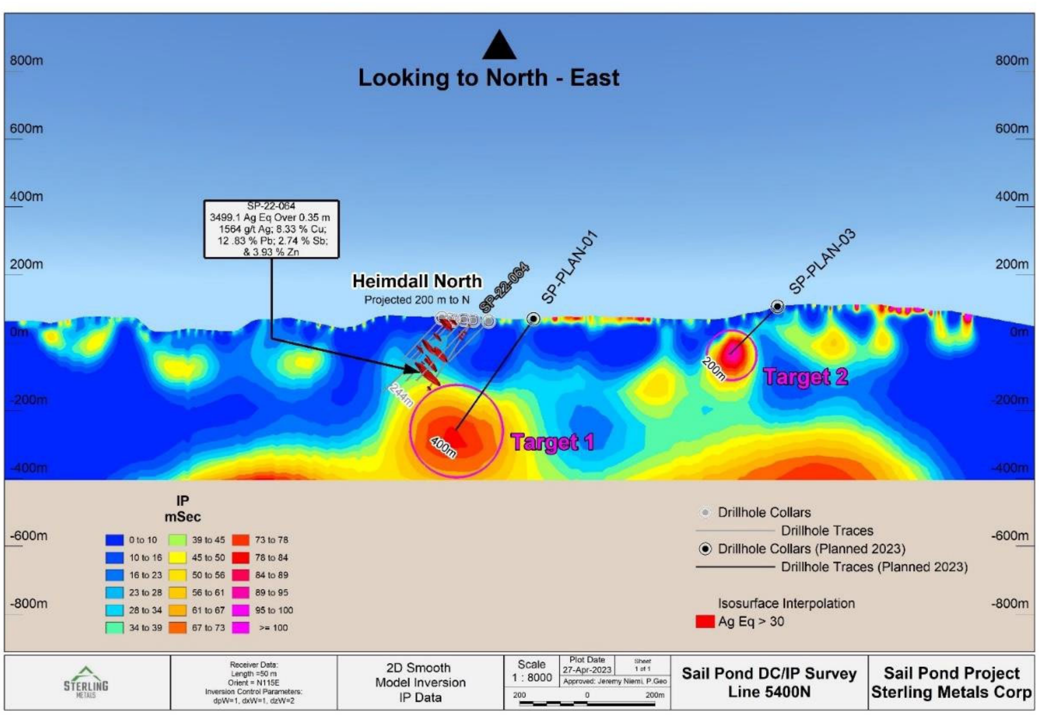


Figure 5. *Cross section from Orion 3D survey at Heimdall North showing two of four new targets.*

ADELINE COPPER-SILVER PROJECT

PROPERTY PAYMENT

On March 6, 2023, the Company entered into an option agreement ("Adeline Property Option Agreement") with Chesterfield Resources Plc, and its wholly owned subsidiary, Chesterfield (Canada) Inc. (collectively "**Chesterfield**") to purchase from Chesterfield, 100% of the Adeline Copper-Silver project in Labrador. In consideration for the purchase of the Project, on signing of the Definitive Agreement (the "Agreement"), the Company made a cash payment of $100,000. On approval of the transaction by the TSX Venture Exchange on March 23, 2023, the Company issued 4,500,000 common shares of the Company, to Chesterfield Resources Plc., and made an additional cash payment of $300,000 to Chesterfield (Canada) Inc. Other key conditions of the option purchase agreement include the issuance of an additional 4,500,000 common shares of the Company on or before November 30, 2024, and an additional cash payment of $400,000 on or before November 30, 2024.

PROJECT LOCATION

Comprised of roughly 30,000 hectares and a 44 km strike of copper-silver-rich terrain, the Adeline project is located in Labrador, Canada, close to road, rail, and power infrastructure and within 500 km of the Sail Pond project, allowing for strong economies of scale for exploration (Figure 6).

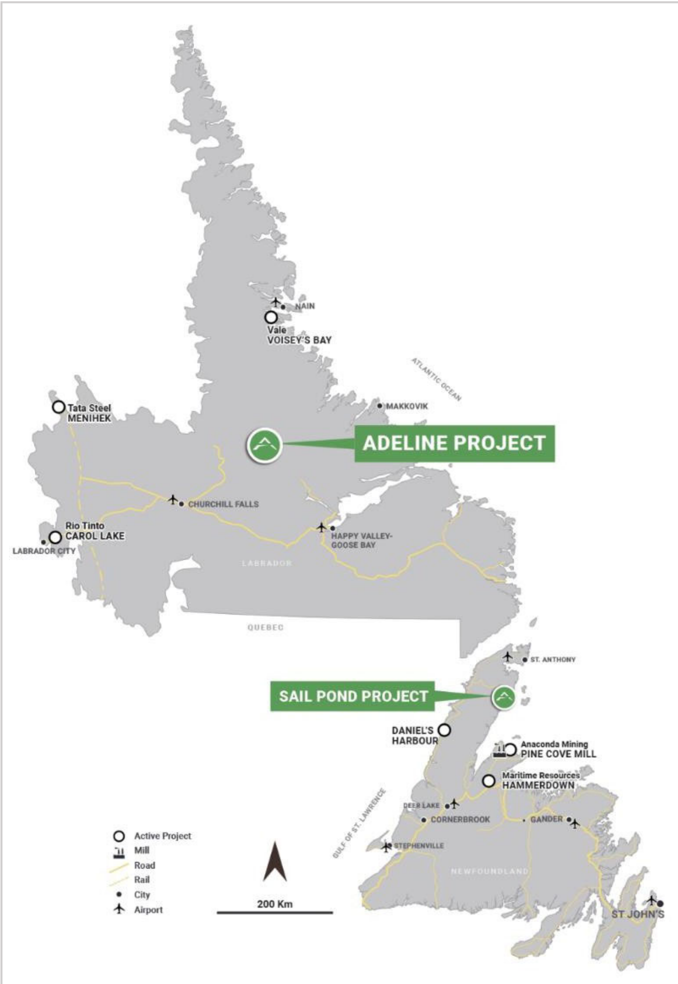


Figure 6: Adeline Project in Labrador, Canada

Possessing a robust early-stage exploration database including regional airborne magnetics, ground Induced Polarization (IP), extensive geological mapping and over 250 surface samples assaying as high as 26.9% copper (Cu) (Figure 7), Adeline exhibits strong geological comparisons with preferred epigenetic sediment-hosted copper deposits such as Udokan (estimated reserves of 1.2 Bt at 2% Cu). In addition to the land package, the Project has a pipeline of exploration targets at different stages of development including two drill-ready targets at two key prospects, one of which has returned an encouraging intercept of 1.76% Cu and 58.2 g/t Ag over 7.9 m on the edge of a large chargeability anomaly (2011, Playfair hole SL-11-10).\

On July 13 the company began construction of an all-season camp to support its initial 2000m drill program expected to begin in late summer/early fall of 2023.

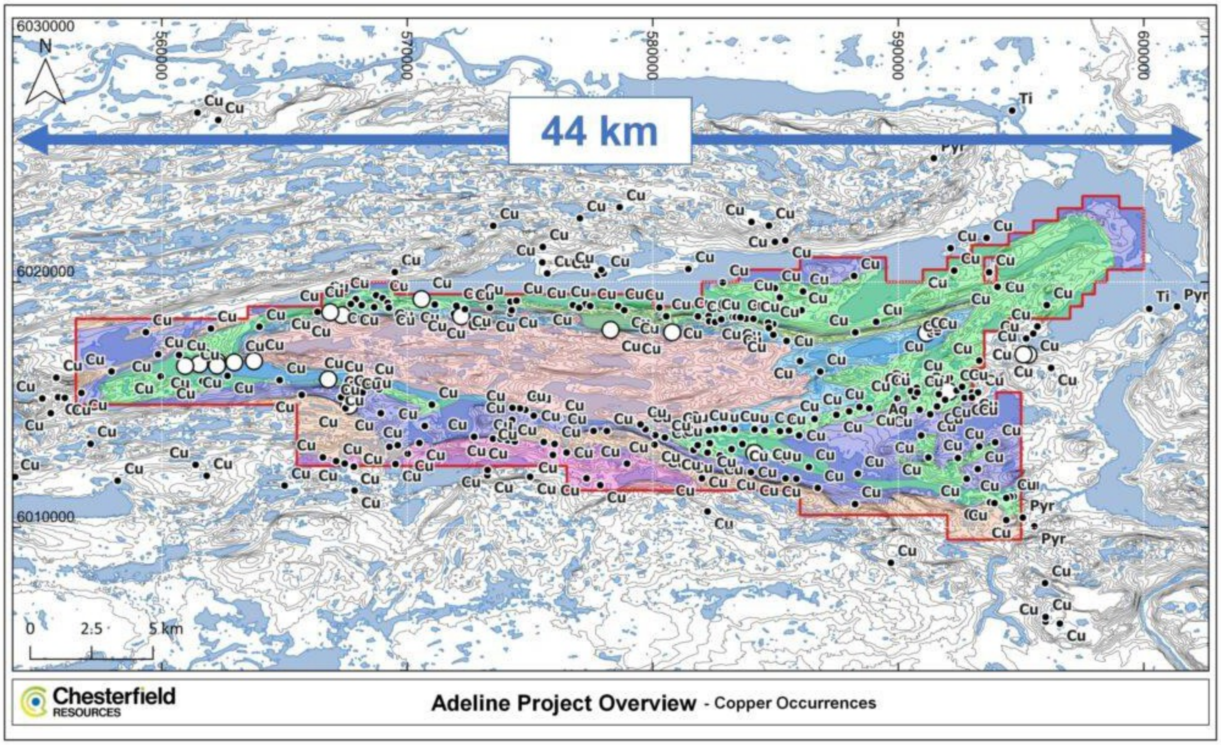


Figure 7: Copper occurrences at the Adeline Project

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 Jeremy Niemi, P.Geo. (Ontario), Senior Vice President of Exploration and Evaluation for Sterling Metals, is the Qualified Person as defined by National Instrument 43-101, Standards of Disclosure for Mineral Projects. Mr. Niemi is responsible for the scientific and technical data presented herein and has reviewed and approved this project summary. Mr. Niemi is a Qualified Person under NI 43-101.

EXPRESSED IN CANADIAN DOLLARS

Property Rights and Evaluation and Exploration Assets

The following table summarizes the carrying value of the Company's property rights and evaluation and exploration assets as of June 30, 2023.

	Sail Pond	Adeline	Total
Carrying amount			
Balance January 1, 2022	**$ 6,059,652**	**$ -**	**$ 6,059,652**
Exploration			
Drilling	1,334,737	-	1,334,737
Field and administration	234,322	-	234,322
Geological and Geophysical services	660,500	-	660,500
Assays	365,420	-	365,420
Prospecting	87,810	-	87,810
Depreciation and amortization capitalized	16,230	-	16,230
Balance December 31, 2022	**$ 8,758,671**	**$ -**	**$8,758,671**
Acquisitions			
Cash	**$ -**	$ 400,000	$ 400,000
Common shares issued	-	765,000	765,000
Exploration			
Drilling	283,417	-	283,417
Field and administration	357,292	-	357,292
Geological and Geophysical services	531,015	124,141	655,156
Assays	82,852	-	82,852
Prospecting	2,356	-	2,356
Depreciation and amortization capitalized	16,578	-	16,578
Balance June 30, 2023	**$10,032,181**	**$1,289,141**	**$11,321,322**

As of March 31, 2023, the Company had incurred sufficient exploration expenditures to satisfy its expenditure renunciation commitments under the various issuances of flow through shares that were issued prior to March 31, 2023.

On April 17, 2023, the Company completed a brokered private placement of: (i) 19,625,000 hard dollar units of the Company (each, a "HD Unit") at a price of $0.15 per HD Unit, (ii) 11,914,200 flow-through units of the Company (each, a "FT Unit") at a price of $0.17 per FT Unit, and (iii) 6,700,000 charity flow-through units of the Company (each, a "Charity FT Unit") at a price of $0.225 per Charity FT Unit, for aggregate gross proceeds of $6,476,664 (the "Offering"). Each HD Unit is comprised of one common share ("Common Share") in the capital of the Company and one Common Share purchase warrant ("Warrant") of the Company. Each Warrant entitles the holder thereof to acquire one Common Share at a price of $0.25 until April 17, 2025. Each FT Unit is comprised of one Common Share, issued on a flow-through basis ("FT Share") and one Warrant, issued on a non-flow-through basis, having the same terms as the Warrants partially comprising the HD Units. Each Charity FT Unit is comprised of one Common Share, issued on a flow-through basis ("Charity FT Share") and one Warrant, having the same terms as the Warrants partially comprising the HD Units and FT Units.

EXPRESSED IN CANADIAN DOLLARS

Total gross proceeds of $6,476,664 were allocated to common shares, warrants and Share Premium Liability in the amounts of $3,876,788, $1,859,087 and $740,784 respectively.

Total Flow-Through issuance was $3,532,914 and requires the Company to incur eligible expenditures on the Adeline property in that amount before December 31, 2024. As of June 30, 2023, the Company had incurred $114,515 in eligible expenditures and has a remaining eligible expenditure commitment of $3,418,399 to be incurred prior to December 31, 2024. The Company is confident, based on expenditures it has incurred subsequent to June 30, 2023, and planned expenditures on the current exploration program on the Adeline property, that it will be able to meet the expenditure commitment prior to December 31, 2024.

RESULTS OF OPERATIONS

	Three Months Ended Jun-30-2023	Three Months Ended Jun-30-2022	Percentage Change	Six Months Ended Jun-30-2023	Six Months Ended Jun-30-2022	Percentage Change
General and administration	111,580	54,646	104.2%	185,993	101,131	83.9%
Investor relations	170,463	262,770	(35.1%)	289,146	293,634	(1.5%)
Management and Director fees	97,179	143,500	(32.3%)	194,358	226,251	(14.1%)
Consulting fees	-	35,590	(100.0%)	-	69,967	(100.0%)
Share based compensation	401,400	584,400	(31.3%)	636,800	584,400	9.0%
Professional fees	40,002	6,352	529.8%	75,609	22,309	238.9%
Net operating loss for the period	(820,624)	(1,087,258)	(24.5%)	(1,381,906)	(1,297,692)	6.5%
Recovery of flow-through premium liability	12,047	15,208	(20.8%)	83,417	28,403	193.7%
Net loss and comprehensive loss for the period	(808,577)	(1,072,050)	(24.6%)	(1,298,489)	(1,269,289)	2.3%
Net (loss) per share basic	($0.01)	($0.02)	n/a	($0.01)	($0.02)	n/a

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

	For the three months ended June 30,		Percentage	For the six months June 30,		Percentage
	2023	2022	Change	2023	2022	Change
Office expenses	37,037	34,260	8.1%	59,871	57,877	3.4%
Listing and transfer agent fees	16,525	8,347	98.0%	43,003	25,006	72.0%
Insurance (D&O and P&C)	6,872	5,800	18.5%	15,826	11,733	34.9%
Travel and entertainment	51,146	6,239	719.8%	67,293	6,515	932.9%
	$ 111,580	$ 54,646	104.2%	$ 185,993	$ 101,131	83.9%

The net loss for the three months ended June 30, 2023, was ($808,577) compared to a net loss of ($1,072,050) for the three months ended June 30, 2022. The decrease in net loss during the three months ended June 30, 2023, can be attributed to a 35.1% decrease in investor relations costs incurred , a decrease of 32.3% in management and director fees and 31.3% decrease in share based compensation costs incurred during the period, partially offset by an increase of 104.2% in General & Admin expenses and an increase of 529.8% in professional fees when compared to the three months ended June 30, 2022. The large increase in travel and entertainment, which is include in General and Administration expenses, incurred during the three and six months ended June 30, 2023, was a result of travel related to increased investor relations activity as the Company increased its marketing and outreach efforts compared to the prior year periods.

EXPRESSED IN CANADIAN DOLLARS

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 June 30, 2023, the Company recorded a net increase of $662,385 in share premium liability from the April 17, 2023 flow-through financing and recognized a gain on the settlement of flow-through share premium liability of $12,047 compared to a recovery of $15,208 during the three months ended June 30, 2022 bringing the outstanding liability to $650,338 as of June 30, 2023.

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).

The net loss for the six months ended June 30, 2023, was ($1,298,489) compared to a net loss of ($1,269,289) for the six months ended June 30, 2022. The small increase in net loss during the six months ended June 30, 2023, can be attributed to an 83.9% increase in General & Administration expense, and an increase of 238.9% in Professional fees related to the Flow-Through financing when compared to the six months ended June 30, 2023. The balance of expenses for the six months ended June 30, 2023, were in line with those incurred during the six months ended June 30, 2022.

During the six months ended June 30, 2023, the Company recorded a net increase of $662,385 in share premium liability from the April 17, 2023 flow-through financing and recognized a gain on the settlement of flow-through share premium liability of $83,417 compared to a recovery of $28,403 during the six months ended June 30, 2022

SUMMARY OF QUARTERLY RESULTS

Three months ended	30-Jun-23	31-Mar-23	31-Dec-22	30-Sep-22	30-Jun-22	31-Mar-22	31-Dec-21	30-Sep-21
Total revenue	-	-	-	-	-	-	-	-
Loss for the period	($808,577)	($489,912)	($72,955)	($198,503)	($1,072,050)	($197,239)	($227,221)	($320,712)
Comprehensive Loss	($808,577)	($489,912)	($72,955)	($198,503)	($1,072,050)	($197,239)	($227,221)	($320,712)
Loss per share	($0.01)	($0.01)	$0.00	$0.00	($0.02)	$0.00	$0.00	($0.01)
Total assets	$18,642,044	$12,860,915	$12,438,595	$12,824,198	$12,839,637	$8,853,236	$9,127,117	$9,763,985
Working capital (deficiency)	$6,044,159	$1,946,318	$3,230,200	$4,204,013	$5,859,860	$2,384,131	$2,751,781	$3,499,396

The net loss and comprehensive loss for the three months ended June 30, 2023, was comprised of management and director compensation, investor relations activity expenses, share based compensation expense, consulting and legal fees and general and administrative expenses partially off-set by a recognition of a gain on the settlement of flow-through share premium liability on eligible exploration expenses that were incurred during the quarter. The net loss and comprehensive loss for the three months ended March 31, 2023, 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 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.

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 112,499,425 common shares outstanding, options outstanding of 10,405,000 and 62,487,620 warrants outstanding.

FINANCIAL POSITION AND LIQUIDITY

As of June 30, 2023, 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 June 30, 2023, the Company had working capital of $6,044,159 compared to working capital of $3,230,200 as of December 31, 2022.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a) Financial instrument classification and measurement

Financial instruments of the Company carried on the Unaudited Interim 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 June 30, 2023, and December 31, 2022, 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 March 31, 2023, was as follows:

Canadian Dollar amounts of foreign currency assets and liabilities

	Cash	Liabilities
US Dollars	$1,049	$*nil*

Based on the financial instruments held as of June 30, 2023, the Company's deficit would have changed by $104 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 June 30, 2023, the Company had a working capital of $6,044,159 (December 31, 2022 – $3,230,200) 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 $17,490,188 as of June 30, 2023 (December 31, 2022: $12,096,539). 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 June 30, 2023, 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]	**2023**	**$115,000**	**$169,029**	**-**
	2022	156,668	130,630	-
Dennis Logan, CFO - management fees[2]	**2023**	**$54,000**	**$55,499**	**-**
	2022	57,000	82,504	-
Richard Patricio, Director - director fees	**2023**	**$12,000**	**$55,499**	**-**
	2022	12,000	61,878	-
Stephen Kieth, Director - director fees	**2023**	**$12,000**	**$21,358**	**-**
	2022	12,000	61,878	-

(1) Amounts disclosed were paid or accrued to the related party during the six months ended June 30, 2023 and 2022.

(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 June 30, 2023, all of the Company's non-current assets were located in Canada. As of December 31, 2022, all of the Company's non-current assets were located in Canada.

EVENTS SUBSEQUENT TO JUNE 30, 2023

None.

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 August 17th, 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