METALLIS RESOURCES INC.

Management's Discussion and Analysis
Six month period ended June 30, 2023

This Management Discussion and Analysis ("MD&A") is dated August 22, 2023 and should be read in conjunction with Metallis Resources Inc.'s ("Metallis", "the Company", "we", "our") condensed interim financial statements for the period ended June 30, 2023 and the annual financial statements for the year ended December 31, 2022 and the related notes thereto. Technical aspects of this MD&A have been reviewed and approved by Metallis Resources' V.P. of Exploration, Mr. David Dupre, P.Geo., designated as a Qualified Person under National Instrument 43-101. This MD&A was written to comply with the requirements of National Instrument 51-102 - Continuous Disclosure Obligations and includes material events and transactions up to the date of this report. The financial data included in this MD&A had been prepared in accordance with International Financial Reporting Standards ("IFRS") and related interpretations. Results are reported in Canadian dollars, unless otherwise noted. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. The results presented for the period ended March 31, 2023 are not necessarily indicative of the results that may be expected for any future period.

The Company's common shares are listed on Tier 2 of the TSX Venture Exchange ("TSX-V") under the trading symbol "MTS", on the OTCQB Marketplace under the symbol "MTLFF" and on the Frankfurt Stock Exchange under the symbol "0CVM". The Company is a reporting issuer in British Columbia, Alberta and Ontario, Canada. Further information about the Company and its operations can be obtained from the Company's website at www.metallisresources.com, the Company's office located at Suite #604 - 850 West Hastings St., Vancouver, BC, V6C 1E1, or from Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at **www.sedar.com.**

Cautionary Note Regarding Forward-Looking Information

This MD&A contains forward-looking statements about the Company's objectives, strategies, financial condition, results of operations, cash flows and businesses. These statements are "forward-looking" because they are based on current expectations, estimates, assumptions, risks and uncertainties. These forward-looking statements are typically identified by future or conditional verbs or variable nouns such as "outlook", "believe", "anticipate", "estimate", "project", "expand", "expect", "intend", "plan", and terms and expressions of similar import. Such forward-looking statements are subject to a number of risks and uncertainties which include, but are not limited to: impacts from pandemics, cyclical downturn, competitive pressures, dealing with business and political systems in a variety of jurisdictions, repatriation of property in other jurisdictions, payment of taxes in various jurisdictions, exposure to currency movements, inadequate or failed internal processes, people or systems or from external events, safety performance, expansion and acquisition strategy, legal and regulatory risk, extreme weather conditions and the impact of natural or other disasters, specialized skills and cost of labour increases, equipment and parts availability and reputational risk. Actual results could be materially different from expectations if known or unknown risks affect the business, or if estimates or assumptions turn out to be inaccurate. The Company does not guarantee that any forward-looking statement will materialize and, accordingly, the reader is cautioned not to place reliance on such forward-looking statements.

The forward-looking statements in this MD&A are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future, including assumptions regarding the Company's ability to raise additional financing, execute business and operating strategies, and the Company's ability to develop its mineral properties. Discussions regarding the future exploration of the Company's property presumes the assumption that any necessary financings are successfully completed on reasonable and acceptable terms, whether from equity or debt issuance, joint venture, or the sale of assets.

The Company disclaims any intention and assumes no obligation to update any forward-looking statement, even if new information becomes available, as a result of future events or for any other reasons, except in accordance with applicable securities laws. Risks that could cause the Company's actual results to materially differ from its current expectations are also discussed in this MD&A.

Description of Business and Recent Highlights

Metallis is a mineral exploration company with its primary focus on gold, copper, nickel, and silver in north-western British Columbia where it holds a 100% interest in 30 contiguous claims comprising the Kirkham Property (the "Property"), covering an area of 10,610 hectares. Twenty of the thirty mineral claims are subject to third-party Net Smelter Return ("NSR") royalties of 2%. The Company is entitled to purchase each 1% increment of the NSR royalty for $500,000. The Company's long-term goal is to identify a sufficient economic resource to attract suitors to buy the Company. Short term, the Company continues to work the Property with a primary goal of establishing mineral resources.

The Property is centered at 56°29' N latitude and 130°40' W longitude in the north-central part of B.C.'s "Golden Triangle" situated in the Skeena Mining Division, a significant North American exploration region that hosts numerous mineral deposits, operating mines, and former mines. The Property is near several mines and advanced exploration projects, including Garibaldi Resources' nickel-copper discovery, which is to the north, Eskay Mining Corp.'s volcanogenic massive sulphide ("VMS") discovery to the east, Skeena Resources' past-producing Eskay Creek Mine, which is 15 km to the northeast, the Snip mine (1991-1999) located 28 km to the northwest, and Newcrest Mining's Brucejack gold mine which is 30 km to the southeast. As well, Seabridge's KSM and Iron Cap deposits lie 25 km to the east.

The Company has incurred total cumulative Property exploration costs of $15.1 million before tax credits and other expense recoveries. A total of 21,768 meters ("m") have been drilled by the Company on the Property, including 1,961m in 2022 and 4,785m in 2021. Throughout the past five years of drilling, exploration costs have been within budgeted ranges and were incurred substantially on schedule without any significant delays. Management is currently planning its 2023 exploration work and expects to announce a financing in the near future.

The 2022 drill program (or "Program") consisted of four long holes and was designed to test mineralization at depth and extend prior high-gold drill results in the South Cliff area of the Cliff-Miles porphyry corridor. Drilling results announced on November 22, 2022 and February 22, 2023 confirmed the depth extension of mineralization, meeting a key objective of the program.

Corporate Outlook

The Golden Triangle region in BC continues to attract significant capital, highlighted by recent mergers and acquisitions including Newmont Corp.'s acquisition of GT Gold and Newcrest Mining's acquisition of Pretium's Brucejack mine. Also, at the date of this MD&A, Newmont had acquired Newcrest to form the world's largest gold miner, subject only to Newcrest's shareholder vote this fall.

The Company's exploration work at Kirkham has identified multiple targets and mineral deposit types including shear vein gold, epithermal gold-silver, porphyry gold-copper and magmatic nickel-copper.

The Company collaborates proactively with its stakeholders and maintains a good working relationship and regular dialogues with the Tahltan Central Government, its First Nations stakeholder whose ancestral lands include the Property.

In mid-2022, the Company completed a $1.7 million private placement financing of flow-through and non-flow-through units, funding its 2022 exploration work and working capital for the year. As noted in our prior MD&A, the Company expects to raise additional financing in 2023 to fund our summer work programs and working capital.

During the current quarter, the geological team conducted a comprehensive re-evaluation of property wide datasets including a reassessment of past exploration activities and mapping (including BCGS maps). This assessment work enabled the Metallis geological team to define a number of high-quality targets that warrant further in-field assessment. Within the list of target areas, are those that display many similarities to the host stratigraphy of the Eskay Creek Deposit ("ECD"). Historically, very minor reconnaissance exploration has been carried out over these targets.

Last summer's drilling at the South Cliff area confirmed the extension of mineralization at depth. We continue advancing our targets, including:

1. Cliff Porphyry System with upside in copper-gold grades and size potential;
2. Miles Porphyry System and its shallow high-grade gold and deeper copper-gold potential;
3. Cole Porphyry System and its shallow high-grade gold and deeper copper-gold potential;
4. Mount Dunn and Rhyolite Ridge stratigraphy and potential of VMS mineralization;
5. King East Target with Porphyry, Vein stockwork gold and/or VMS potential; and
6. Thunder North Target and its nickel-copper potential.

2022 Exploration Summary

In 2021, a well-defined zone of high-grade Porphyry copper/gold mineralization was outlined in the south Cliff area. As a result, the 2022 program included the following:

1. *Core Relogging:* Two drill holes were relogged and five holes reviewed from the South Cliff target area to bring further conformity to the project's drilling database, evaluate the current geologic model, and to reassess the use of applying a geochemical signature towards locating concentrations of mineralization vectors and improving the geologic model.

2. *Diamond Drilling:* The objective in 2022 was to discover high grade mineralization below and along strike from the excellent intersections in the south Cliff area. Drilling commenced on August 29 and was completed on September 7, 2022.

   The targeted program was designed to test for high-grade extensions of copper and gold mineralization beneath well mineralized drill intersections (e.g., drill holes KH17-08 cut 145.8m grading 0.34 g/t Au and 0.22% Cu (0.71 g/t AuEq*) and KH18-16 cut 141.3m grading 0.40 g/t Au and 0.23% Cu (0.75 g/t AuEq)*. The Company undercut these previous holes as, typically, alkaline porphyry copper/gold systems in the Golden Triangle exhibit a small surface footprint and display increasing grade downward that can continue for more than 1,000m.

Accordingly, the 2022 drill program comprised four holes totaling 1,961m that were drilled from a single drill pad, with two angle holes (-45° and -67°) at an azimuth of 265° and two at an azimuth of 315°. The four drill holes successfully confirmed the extension of the mineralizing system to at least 500m below surface, with each hole intersecting copper and gold mineralization below where the highest grades were previously encountered along the Cliff-Miles target areas. Each drillhole also encountered massive pyrite/pyrrhotite veining and pervasive silicification that can be attributed to a later-stage overprinting gold event. Significant mineralized intercepts encountered in the holes are given in the following table:

Hole ID	Composite	AuEq	Length	From	To	CuEq	Aug/t	Cu_%
KH22-46	**0.34 g/t AuEq over 320.1m**	**0.34**	**320.10**	**15.90**	**336.00**	**0.28**	**0.24**	**0.06**
Incl.	0.43 g/t AuEq over 205.1m	0.43	205.10	130.90	336.00	0.35	0.30	0.08
Incl.	0.54 g/t AuEq over 106.9m	0.54	106.90	130.90	237.80	0.44	0.34	0.13
Incl.	0.85 g/t AuEq over 37.7m	0.85	37.70	200.10	237.80	0.70	0.59	0.17
Incl.	0.56 g/t AuEq over 39.6m	0.56	39.60	296.40	336.00	0.46	0.49	0.03
KH22-47	**0.28 g/t AuEq over 194.55 m**	**0.28**	**194.55**	**207.45**	**402.00**	**0.23**	**0.21**	**0.03**
Incl.	0.44 g/t AuEq over 41.6 m	0.44	41.60	236.10	277.70	0.37	0.33	0.07
Incl.	0.5 g/t AuEq over 28.04 m	0.50	28.04	236.10	264.14	0.41	0.37	0.08
And	0.31 g/t AuEq over 90.84 m	0.31	90.84	311.16	402.00	0.25	0.25	0.03
Incl.	0.68 g/t AuEq over 20.03 m	0.68	20.03	381.97	402.00	0.56	0.62	0.03
KH22-48	**0.26 g/t AuEq over 366.81 m**	**0.26**	**366.81**	**10.19**	**377.00**	**0.22**	**0.19**	**0.04**
Incl.	0.31 g/t AuEq over 172.99 m	0.31	172.99	200.01	373.00	0.25	0.21	0.06
Incl.	0.36 g/t AuEq over 108.19 m	0.36	108.19	200.01	308.20	0.30	0.23	0.10
Incl.	0.62 g/t AuEq over 28.91 m	0.62	28.91	251.59	280.50	0.51	0.36	0.19
And	0.33 g/t AuEq over 30.00 m	0.33	30.00	343.00	373.00	0.27	0.25	0.01
Incl.	0.79 g/t AuEq over 9 m	0.79	9.00	343.00	352.00	0.65	0.59	0.02
KH22-49	**0.25 g/t AuEq over 190.77 m**	**0.25**	**190.77**	**284.82**	**475.59**	**0.21**	**0.22**	**0.02**
Incl.	0.31 g/t AuEq over 101.19 m	0.31	101.19	374.40	475.59	0.26	0.29	0.01
Incl.	0.34 g/t AuEq over 79.59 m	0.34	79.59	396.00	475.59	0.28	0.31	0.01
Incl.	0.53 g/t AuEq over 21.16 m	0.53	21.16	400.43	421.59	0.44	0.51	0.01

**Gold Equivalent Formula: Au g/t+(Cu%*1.27) Metal Prices Used: Gold – US$ 1470/oz / Copper – US$ 2.75/lb .*

All four holes of the 2022 exploration program successfully intersected mineralization 300m below the best copper and gold grades encountered by the Company's previous drilling. The 2022 program indicates that the Cliff-Miles Block of porphyry-style Copper-Gold mineralization has a 400m strike length, is 100 – 200m thick and extends to at least 500m depth.

The mineralized Hawilson Porphyry Complex "("HPC), with its commonly overprinting late gold event, continues northward for 2.7 km from the South Cliff area drilled in 2022, across a series of fault blocks which are in close association with the North-South trending and variably easterly-dipping Adam Fault. While the HPC is mineralized throughout the trend, Metallis has identified several target areas along the trend that are characterized by intense silicification/stockwork, and/or anomalous ferric iron oxide spectral signatures.

3. *Soil geochemistry:* The Company undertook first-pass soil sampling and prospecting of several ZTEM features resembling the Cliff-Miles Half-Graben, as well as select additional targets on the property.

4. *Differential GPS Survey:* A Differential GPS survey of most of the drill collars was carried out. This very accurate geospatial system is required for any resource calculations and resolved some of the geological correlation discrepancies.

Community relations

Community goodwill is earned through local stakeholder engagement which enhances sustainability and increases asset values. The mining sector in particular requires thorough engagement of key stakeholders in order to earn its social licenses. Community relations are guided by environmental, social and governance ("ESG") policies. ESG in general has become more and more of a corporate priority over the past 20 years and especially in the past 5 years as climate change and carbon issues have raised significant public concerns.

The Company has had a Communications Agreement (the "Agreement") in place with the Tahltan Central Government ("TCG") since 2018 and which is renewed annually. The TCG is the administrative body of the Tahltan Nation, located in northwest British Columbia, whose traditional territory encompasses the Property. The TCG protects Tahltan Aboriginal rights and title, the ecosystems, and natural resources of the Tahltan traditional territory by managing sustainable economic development and supporting the cultural wellness of the Tahltan community. The agreement establishes a solid framework and collaborative working arrangement between the parties, based on open dialogue, transparent communications, and cooperation with regards to the company's exploration activities on the Property. The Agreement also encourages support for Tahltan cultural, economic, and educational initiatives. We have continued to hire Tahltans as part of our exploration crews each season.

The Company also maintains an Opportunity Sharing Agreement ("OSA") with the TCG, to provide further commercial opportunities for Tahltans and their businesses, deepening the Company's supply lines for exploration services, materials, and transportation. The Company also supports certain Tahltan community events, youth causes, exploration symposiums and job fairs in local communities situated near the Company's mineral properties. However, most community events in Tahltan territory were suspended through the pandemic. Business activity is expected to continue normalizing, with Tahltan events returning this year.

Information sharing is enhanced by annual exploration reports that are sent to the TCG. As part of the terms of the OSA, representatives of the TCG visited the Property on August 18, 2022. We expect the Tahltans to make another visit to Kirkham sometime in the coming months. For more information about the TCG, visit www.tahltan.org.

Reclamation

The Company upholds high standards with respect to its environmental interactions. It remediates and reclaims its work sites including the drilling and helicopter landing pads once the exploration results have been thoroughly reviewed. The Company has historically used 33 different sites on the Property of which 30 have been reclaimed, with 3 being retained for use this year.

The Company's 5-year exploration permit was renewed on August 5, 2022. The terms and conditions of the permit are very similar to those of the previous permit.

QAQC and Analytical Procedures

Metallis has implemented a rigorous quality assurance / quality control (QA/QC) program to ensure best practices in sampling and analysis of diamond drill core and surface rocks and soils. The 2022 drilling samples comprising 1-3m intervals of HQ and NQ drill core were delivered to ALS Global prep facilities in Terrace and North Vancouver, BC, where the samples were crushed to 70% pass 2mm fraction, and then a 250g split was pulverized to better than 85% passed a 75-micros screen. The geochemical analyses were performed by ALS Global in Vancouver using multi-element 4-Acid digest ICP-MS package (ME-MS61). Gold was analyzed by fire assay technique Au-ICP21. Gold grades ≥10 g/t were analyzed by fire assay and gravimetric finish. In addition to the internal QAQC program by ALS, Metallis inserted 10% lab certified standards, field blanks and duplicates into the overall sampling stream. ALS is a global testing, inspection and certification business and is an ISO/IEC 17025:2005 accredited laboratory independent of the Company.

Quarterly Information

	Three Months Ended June 30, 2023	Three Months Ended March 31, 2023	Three Months Ended December 31, 2022	Three Months Ended September 30, 2022
Total assets	$14,572,217	$14,745,699	$15,005,961	$15,425,843
Total liabilities	(117,096)	(127,486)	(258,825)	(540,110)
Shareholders' equity	14,455,121	14,618,213	14,747,136	14,885,733
Select operating expenses:				
Communications	11,088	1,555	6,603	3,365
Consulting fees	89,250	83,250	77,250	89,250
Professional fees	10,898	3,800	45,714	4,171
Regulatory and transfer agent	26,203	8,774	1,755	5,659
Share-based compensation	2,638	5,120	9,775	249,654
Net income (loss)	(165,730)	(134,043)	(148,372)	(234,732)
Earnings (loss) per share- basic	(0.00)	(0.00)	(0.00)	(0.00)

	Three Months Ended June 30, 2022	Three Months Ended March 31, 2022	Three Months Ended December 31, 2021	Three Months Ended September 30, 2021
Total assets	$15,114,151	$13,604,373	$13,765,159	$14,441,206
Total liabilities	(240,252)	(51,306)	(68,232)	(635,238)
Shareholders' equity	14,873,899	13,553,067	13,696,927	13,805,968
Select operating expenses:				
Communications	10,735	3,079	10,090	270,765
Consulting fees	129,000	82,300	76,107	114,264
Professional fees	9,596	2,500	36,304	6,083
Regulatory and transfer agent	23,429	8,216	11,457	4,585
Share-based compensation	-	-	2,090	403,682
Net income (loss)	(209,383)	(143,860)	(111,131)	(604,368)
Earnings (loss) per share- basic	(0.00)	(0.00)	(0.00)	(0.01)

Results of Operations

Three months ended June 30, 2023 compared to three months ended June 30, 2022:

The Company had a net loss of $165,730 (Q2 2022 – $209,383) during the period. Operating costs were $167,961 (Q2 2022 - $212,083) and other income totalled $2,231 (Q2 2022 - $2,700).

The components of other income are detailed on the statements of loss and comprehensive loss and includes interest income, finance income (from premises sublease) and amortization of discount (ie…interest on lease liability).

Operating costs are mainly comprised of consulting fees of $89,250 (Q2 2022 - $129,000), investor relations ("IR") fees of $6,000 (Q2 2022 - $17,000), office and administration of $11,338 (Q2 2022 - $12,555) and regulatory and transfer agent fees of $26,203 (Q2 2022 - $23,429), together comprising 79% (Q2 2022 - 86%) of total operating expenses. The other operating costs include depreciation, communications, professional fees, share-based compensation, rent and travel, which all totalled $35,170 (Q2 2022 - $30,099). The total operating costs decreased $44,122 or 21% compared to Q2 2022. Most of the change was a result of the comparative period having third party consulting fees of $129,000 compared to $89,250 in the current period, a reduction of $39,750. Most of the higher consulting fees in 2022 were from an agreement with a Germany based investment firm that assisted in leveraging the Company profile in Germany and Switzerland at a cost of $35,000.

Investor relations fees to the Company's IR provider Nicosia Capital Corp. ("Nicosia"), declined $11,000 compared to Q2 2022, from $17,000 to $9,000, as the IR fee was renegotiated in mid-2022 from $7,000 per month to $3,000 per month, and then suspended as at May 31, 2023 as the company weathers weak market conditions. These fees reductions follow weakening investor sentiment and in line with that, weakening exploration-stage market liquidity. In the view of management, weak market conditions have continued to the date of this report. Nicosia and its employee Frank Lagiglia have overseen the marketing and branding activities undertaken by the Company and communicated with investors and shareholders, duties which have been absorbed by the existing management team,

Regulatory and transfer agent fees in Q2 2022 were 60% of the total such fees for the 2022 fiscal year. The reason for this is because in Q2 of each year, the Company incurs the OTCQB annual listing fee, which is currently US $15,000 (Q2 2022- US $14,220).

The Company incurred and capitalized net exploration expenses in the quarter of $37,154 (Q2 2022- $73,829). The higher amount in the comparative period included $40,000 for community relations and $42,435 of geological and geophysical consulting, less a $11,012 increase to the BC mineral tax credit. The current period's largest exploration item is geological and geophysical consulting of $31,588. In both periods, the field work had not begun as at June 30, with most of the incurred fees being recurring fees to the exploration team.

In the current quarter, cash declined $141,910 (Q2 2022 - increase of $1,454,089). In the comparative period, a private placement was competed, raising $1,704,445 before cash issue costs of $10,672. No equity funds were raised in the current period. Overall, during the quarter the Company spent $97,647 (Q2 2022 - $226,868) on operations and $42,395 (Q2 2022 - $56,499) on exploration and evaluation assets.

Management continues to expect for the foreseeable future that the Company's total quarterly operating disbursements will be $200,000 per quarter. This includes ongoing operating expenses of $150,000 per quarter and VP Exploration and geologists' fees earmarked at $50,000 per quarter, the latter of which are capitalized to exploration and evaluation assets. For comparison, our actual operating costs for the six months ended June 30, 2023, not including share-based compensation, were $298,374, just shy of the $300,000 estimated, and the fees for the exploration team were $70,719, which is $29,281 below the estimate. We expect higher such fees in Q3 2023 when the work program gets underway.

Three months ended June 30, 2023 compared to three months ended March 31, 2023:

The Company had a net loss during the quarter of $165,730 (Q1 2023 - $134,043), composed of operating costs of $167,961 (Q1 2023 - $138,172) and other income totalling $2,231 (Q1 2023 - $4,129). The other income is comprised of other income on settlement of flow-through share premium liability, interest income, finance income from premises sublease and amortization of discount. Operating costs increased $29,789 compared to Q1 2023, of which communications rose $9,533, regulatory and transfer agent fees rose $17,429 and professional fees rose $7,098. Other category items had small reductions. The key operating costs are discussed below.

Interest income was earned from short-term money market instruments during the current and prior periods. Finance income and amortization of discount reflect period to period changes in net investment in lease and lease liability, respectively.

The key operating costs were consulting fees of $89,250 (Q1 2023 - $83,250), investor relations fees of $6,000 (Q1 2023 - $9,000), office and administration of $11,338 (Q1 2023 - $15,589), professional fees of $10,898 (Q1 2023 - $3,800) and regulatory and transfer agent fees of $26,203 (Q1 2023 - $8,774), together accounting for 86% (Q1 2023 - 87%) of total operating expenses. Of note was a large increase in regulatory and transfer agent fees due to the inclusion of the annual OTCQB listing fee of US $15,000. Overall, the expense categories did not otherwise fluctuate beyond expected norms. Office and general expenses include corporate and liability insurance premiums, supplies, website hosting and IT fees, printing costs and dues, fees and subscriptions. The remaining operating costs comprise amortization, communications, rent, share-based compensation and travel, all of which totalled $24,272 (Q1 2023 - $17,759). The difference between the periods is $6,513; the largest change was in the current quarter which had $9,533 of additional communications costs compared to the prior quarter.

Six months ended June 30, 2023 compared to six months ended June 30, 2022:

The Company had a net loss of $299,772 (2022 - $353,243) for the six-month period, comprised of operating costs and other income and expenses. Operating costs declined from $356,371 to $306,132 in 2023 and other income and expenses totalled $6,360 (2022 - $3,128).

Key operating costs include consulting fees of $172,500 (2022 - $211,300), regulatory and transfer agent fees of $34,977 (2022 - $31,645), investor relations fees of $9,000 (2022 - $38,000) and office and general expenses of $26,927 (2022 - $30,095). Together, these expenses account for 80% (2022 - 87%) of all operating expenses.

The decrease in consulting fees compared to 2022 continues a downward trend in consulting fees, which are comprised of related and unrelated parties. Third-party consulting fees were $58,500, down from $97,300 in 2022 and $219,223 in 2021. Related party consulting fees were $114,000, the same as in 2022 and $10,000 less than in 2021. Most of the current period third-party consulting fees are for ongoing corporate operations. In prior years, especially through the pandemic, the Company had entered into short-term agreements for assistance with introductions to the capital markets in Germany, and to expand Company awareness there and in north America, at a time when investor and shareholder engagement was almost entirely on-line. The contracts were not renewed when they matured, as post-pandemic business has began returning to more in-person engagements.

Investor relations fees declined compared to 2022 due to the reduction of monthly fees paid to Nicosia as described above, and the suspension of the agreement on May 31, 2023.

Cash flows are detailed on the Condensed interim statements of cash flows. No funds were raised in 2023, but the Company raised $1.7 million from a private placement in 2022. We spent $218,511 (2022 - $192,694) on exploration and $204,986 (2022 - $297,386) on operations. The higher outflow on operations in 2022 mirrors higher operating costs in 2022, which were $57,997 higher than the current year.

Slightly higher exploration cost outflows in the current period demonstrate similar levels of overall activity during each period. Most (over 80%) of exploration costs were the fees to the exploration team.

Overall, cash declined $425,236 (2022 - increase of $1,242,873) during the period.

Liquidity and capital management

The Company endeavors to maintain appropriate levels of capital and liquidity. Sufficient liquidity is required to meet liabilities and obligations as they become due. The Company has no commercial operations or source of revenue, and no externally imposed capital requirements other than those specified under continuous listing requirements. The Company's capital is therefore its issued share capital. The capital required for operations and property exploration is expected to continue to come from the issuance of common shares or units for the foreseeable future.

The Company's objectives of capital and liquidity management are to fund critical exploration work, meet on-going liabilities, maintain creditworthiness, minimize shareholder dilution and to ultimately maximize returns for shareholders over the long term. The Company continually assesses its operational, exploration and financial risks and their potential impacts on liquidity and capital management. This approach has allowed the Company to maintain sufficient capital balances over recent years to mitigate unexpected cash flow shortfalls.

At the date of this report, the Company has total working capital of $101,000 as follows:

Working capital at the date of this report:

	($000's)
Cash and cash equivalents	$ 84
Receivables	35
Prepaid expenses and retainers	40
Due to related parties	(13)
Accounts payable and accrued liabilities	(10)
Short term lease liability	(35)
Total net working capital	$ 101

Outstanding share information

There are 60,544,312 common shares outstanding as of the date of this report, unchanged from March 31, 2023 and December 31, 2022. There are currently 4,525,000 stock options and 11,810,549 warrants outstanding for a total of 76,879,861 fully diluted shares outstanding.

Stock options

During the period ended June 30, 2023, the Company recorded share-based compensation of $7,758 in respect of the vested portion of 150,000 stock options granted to the Company's IR consultant in 2022, and which vest over a one-year period. The options are exercisable at $0.20 per share for a five-year period.

For the 2023 period to date, no stock options were granted.

Changes in stock options:

	Number of stock options outstanding	Weighted average exercise price
Balance- December 31, 2022	5,545,000	$ 0.50
Options expired	(120,000)	0.45
Balance- June 30, 2023	5,425,000	0.50
Options expired	(925,000)	1.34
Balance- date of this MD&A	4,500,000	$ 0.33

The outstanding stock options at the date of this report are as follows:

Expiry Date	Number of Options	Vested and exercisable	Exercise Price
October 6, 2025	450,000	450,000	$ 0.40
April 12, 2026	450,000	450,000	0.50
September 27, 2026	1,800,000	1,800,000	0.39
August 31, 2027	1,800,000	1,762,500	0.20
Total outstanding options	4,500,000	4,462,500	

Warrants

As at the date of this report, there are 11,810,549 share purchase warrants outstanding as follows:

	Number of Warrants outstanding	Weighted average exercise price
Balance at December 31, 2022	15,640,371	$ 0.57
Warrants expired	(3,829,822)	0.69
Balance, June 30, 2023 and the date of this report	11,810,549	$ 0.53

Outstanding warrants at the date of this report:

No. of warrants Outstanding	Exercise Price	Date
4,805,000	0.60	October 7, 2023
2,383,000	0.68	October 7, 2023
7,000	0.40	October 7, 2023
50,000	0.60	October 16, 2023
666,666	0.68	October 16, 2023
46,666	0.40	October 16, 2023
663,750	0.30	June 10, 2025
2,640,750	0.33	June 10, 2025
462,500	0.30	June 23, 2025
85,217	0.33	June 23, 2025
11,810,549		

Directors, Officers, and Related Parties

The directors of the Company are Fiore Aliperti, Jon Lever, Michael Sikich and Dr. David Webb. The officers are Mr. Aliperti (CEO), Mr. Lever (CFO) and Mr. Dave Dupre (Vice-President of Exploration).

During the period ended June 30, 2023, there were no changes to management or the Board of Directors. The following related parties include directors and key management personnel, being officers and directors of the Company including those entities in which such individuals may hold positions that result in them having control or significant influence over the financial or operation policies of these entities:

a) Avanti Consulting Inc., a company controlled by the current Chief Executive Officer and director, provides consulting services to the Company;

b) Lever Capital Corp., a company controlled by the Chief Financial Officer and director, provides consulting services to the Company;

c) D. G. Dupre and Associates Inc., a company controlled by the Vice-President of exploration, provides geological consulting services to the Company, the amounts of which are capitalized as geological costs under exploration and evaluation assets;

d) DRW Geological Consultants Ltd., a company controlled by a director of the Company, provides occasional geological consulting services to the Company, the amounts of which are capitalized under exploration and evaluation assets;

e) Magma Geosciences Inc. is a company controlled by the former Vice-President of Geoscience Services, who served that position from June 1, 2021 to the date of his resignation on March 1, 2022. Magma provided geological consulting services to the Company up to the date of resignation, the amounts of which were capitalized as geological costs under exploration and evaluation assets; and

f) Etruscus Resources Corp. ("ETR") is a public company related through two common directors and a common officer. ETR subleased ½ of the office space from the Company under a three-year sublease that commenced July 1, 2022. A prior three-year sublease agreement between the parties expired on June 30, 2022, and the new fixed lease payments remain the same as the expired agreement for the first 2 years, with a $1/sq. ft. increase for year 3. ETR also shares certain administrative expenses with the Company and shared the 2022 exploration camp with the Company. Accordingly, day-to-day operations occasionally have receivables due from ETR.

The aggregate value of fee-based transactions and outstanding balances relating to the above noted related parties are as follows:

		Transactions for the six-month period ended June 30, 2023	Transactions for the year ended December 31, 2022	**Balance receivable (payable) as at March 31, 2023**	Balance receivable (payable) as at December 31, 2022
Avanti Consulting Inc.	**(a)**	**$ 72,000**	$ 144,000	$ -	$ -
Lever Capital Corp.	**(b)**	**42,000**	84,000	-	-
D.G. Dupre and Associates Inc.	**(c)**	**30,000**	60,000	-	-
DRW Geological Consultants Ltd.	**(d)**	**-**	-	-	(1,540)
Magma Geosciences Inc.	**(e)**	**-**	22,000	-	-
Etruscus Resources Corp.	**(f)**	**-**	-	**580**	51,725
Total		**$ 144,000**	$ 310,000	**$ 580**	$ 50,185

There was no share-based compensation to directors and officers recognized during the six-month period ended June 30, 2023.

Schedule of intercompany transactions with ETR:

	Due from ETR, December 31, 2022	Invoiced	Paid	Due from ETR, June 30, 2023
Rent	$ 113	$ 19,099	$ 16,028	$ 3,184
Office expenses, net	2,937	(1,674)	3,867	(2,604)
Exploration costs	48,675	-	48,675	-
Total	$ 51,725	$ 17,425	$ 68,570	$ 580

Advisory Board

The Company's Technical Advisory Board includes Dr. Michelle Campbell (appointed April 2021), Mr. Charlie Greig (April 2021), Lawrence Roulston (April 2014), Stephen Wetherup (April 2017), Dr. Farhad Bouzari and Mr. Andrew McIntosh (both appointed April 2020).

Off Balance Sheet Arrangements

As of the date of this report, the Company does not have any long-term commitments or off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company.

Risk Factors

Mineral exploration involves a high degree of risk. The recoverability of the amounts expended on exploration by the Company is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete its exploration programs, the development of its mineral properties and upon future profitable production, or the proceeds from the disposition of its properties. The Company has not yet determined whether the Property contains economically recoverable reserves. To date, the Company has not earned any revenues and is in the exploration stage.

Investing in common shares of the Company has risks. Prospective investors should carefully consider the risks described below, together with all of the other information included in this MD&A before making an investment decision. If any of the following risks materialize or occur, the business, financial condition, or results of operations of the Company could be harmed. In such an event, the trading price of the common shares could decline, and prospective investors may lose part or all of their investment.

Health issues

As the COVID-19 pandemic has transitioned to an endemic disease, new variants are still emerging and there remain risks to the health of global populations from this and other pathogens. Future operating disruptions and volatile supply chain disruptions may continue to occur as a result of new disease outbreaks, beyond those related to COVID-19. Government regulations may change at any time, impacting operating procedures, including possible economic closures.

The Company's top priority remains the health and safety of its workers. We have a Health, Safety, Environment and Social Responsibility Committee, are Worksafe registered, and carry exploration insurance.

Climate Change

The extent of climate change and its impact on the Company's future operations cannot be determined. Climate change may create environmental conditions that affect the Company's ability to execute its exploration programs or access its properties due to physical or regulatory barriers. The effects of climate change may result in impactful changes to regulatory, government, health and safety policies. Future mine development would include estimates of carbon impacts and outline decarbonization strategies.

Global reporting standards for climate change risks are now following the reporting framework offered by the Task Force on Climate Related Financial Disclosures ("TCFD"), which has emerged as the pre-eminent global standard for such reporting. TCFD is being used as the backbone for standards development by various global regulatory bodies like the SEC, the International Sustainability Standards Board and the Canadian Standards Association.

The timeline for reporting mandatory climate reporting for junior exploration companies is expected to begin in 2024. The Company has not yet adopted any climate reporting framework.

Financing

The Company may not be successful at raising future financing and if it expends all of its cash on hand, it could become insolvent or face bankruptcy proceedings. Without sufficient funds, it may not be able to continue operations, and it may not be able to continue to explore or even maintain its exploration and evaluation assets. If the only alternative is to sell the Company's assets, any funds received may not be sufficient to allow the Company to continue as a going concern.

Possible Trading Suspension or Delisting

The Exchange may suspend from trading or delist the securities of the Company where the Company has failed to submit documents to the Exchange in the time periods required or has otherwise failed to meet minimum standards. Suspension from trading of the common shares may, and delisting of the common shares will, result in the regulatory securities authorities issuing a consolidated interim cease trade order against the Company. In addition, delisting of the common shares will result in the cancellation of all currently issued and outstanding common shares of the Company held by insiders. Trading in the common shares of the Company may be halted at other times for other reasons also.

Dilution

If the Company issues treasury shares to finance acquisition or participation opportunities, or to raise exploration funds and working capital, shareholders could suffer dilution of their investment and unusually large financings could result in a change of control of the Company.

Reliance on Management

The Company is relying solely on the past business success of its directors and officers to identify, acquire and develop strategic assets of merit. The success of the Company is dependent upon the efforts and abilities of its directors and officers and from the results of exploration. The loss of any of its directors or officers could have a material adverse effect upon the business and prospects of the Company.

Title to Mineral Resource Properties

Although the Company conducts title reviews of its properties in accordance with industry practice, title to mineral exploration permits and mineral claims cannot be guaranteed and may be subject to regulatory changes and possible expropriation or cancellation. To the extent financing is not available, resource property fees and claim payments, work commitments, rental payments, and option payments, if any, may not be completed and could result in a loss of property ownership or earning opportunities for the Company.

Industry and Mineral Exploration Risks

Mineral exploration is highly speculative in nature, involves many risks and is frequently non-productive. There is no assurance that the Company's exploration efforts will be successful. At present, the Property does not contain any proven or probable reserves. Success in establishing reserves is a result of several factors, including the quality of the project itself. Substantial expenditures are required to establish reserves or resources through drilling, to develop metallurgical processes, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Due to these uncertainties, no assurance can be given that planned exploration programs will result in the establishment of mineral resources or reserves. Furthermore, the Company may be subject to industry risks which could not be reasonably predicted in advance, such as labour disputes, natural disasters, or estimation errors.

Community Relations

In recent years, the mining industry has begun to make much progress globally in ESG (environmental, social, governance) reporting, bringing more stakeholders and their concerns into the exploration, development, and operating phases of mining. Eventually, communities, investors and stakeholders will be able to gauge an entity's actions within a reliable framework of standardized reporting. Global ESG reporting standards are continuing to evolve as there are issues around the extent of disclosure, who discloses what, and what set of standards to use. At this time, the Company has not elected to use these non-mandatory disclosure templates, based on the scale of the Company operations. However, this MD&A does include discussions on the Company's adherence to standards, compliance, health and safety, reclamation efforts and its First Nations relationships.

Increased public scrutiny of mining projects and a general global increase in environmental concerns has been addressed by the mining industry by including both the local and broader communities along with all key stakeholders in the planning and development processes, being transparent through communications, dialogue, and education, and providing additional social governance and environmental sustainability reporting. Garnering community and public support for continued exploration, future mine development and construction includes public engagement and involvement of all key community stakeholders throughout the exploration and development processes.

The Company's resource properties lie within the traditional territory of the Tahltan Nation, a key stakeholder with which the Company has maintained Communication and Opportunity Sharing Agreements since 2018. Joint areas of fundamental concern are environmental stewardship and the sharing or transfer of economic benefits. The Company regularly updates the Tahltans to keep them aware of corporate changes and the progress of exploration, while the Tahltans keep their industry partners apprised of their community activities and health and safety measures. The lack of a social license to operate could impair the value of the Company's resource properties or delay or prevent exploration, development, or construction activities.

Critical judgements and estimates

In preparing these annual financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income, and expenses. Actual results may differ from these estimates. The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty for the period ended June 30, 2023 are the same as those described in the annual financial statements for the year ended December 31, 2022.

The effect of a change in an accounting estimate is recognized prospectively by including it in profit or loss in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Significant assumptions about the future and other sources of estimation uncertainty that management has made could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from the assumptions made. Key judgements and estimations follow:

a) The Company capitalizes its exploration and evaluation costs on the statement of financial position. The recoverability of the carrying value requires assumptions and judgements as does the verification of property title. The Company takes steps to verify title to exploration and evaluation assets in which it has an interest, but these procedures do not guarantee the Company's title. Properties may be subject to prior agreements or transfers and title may be affected by undetected defects;

b) Significant judgment is required in determining the provision for income taxes. During the ordinary course of business, there are transactions and calculations for which the ultimate tax determination is uncertain. As a result, the Company recognizes tax liabilities based on estimates of whether additional taxes and interest will be due. These tax liabilities are recognized when, despite the Company's belief that its tax return positions are supportable, the Company believes that certain positions are likely to be challenged and may not be fully sustained upon review by tax authorities. This assessment relies on estimates and assumptions and may involve a series of complex judgments about future events. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will impact income tax expense in the period in which such determination is made;

c) The Company uses the Black-Scholes pricing model to determine the fair value of stock option grants and certain warrants issued under private placements. The inputs used in the model require estimates of the fair value of the shares, expected life of options, volatility, expected dividend yield, forfeiture rates and the risk-free interest rate. These estimates impact share-based compensation expense in the profit or loss and share capital and shareholder's equity on statements of financial position;

d) The Company raises financing by issuing equity comprised of flow-through shares and/or non-flow-through shares. When flow-through shares are issued, a flow-through share premium liability is recognized, and that recognition requires estimations of the fair value of the non-flow-though and flow-through shares;

e) The values of right-of-use assets and lease liabilities requires judgements to determine the lease term, the likelihood of an extension option being exercised and the incremental borrowing rate. Such judgements, estimates and assumptions affect the present value of the lease liabilities, the value of the right-of-use assets, the value of the net investment in sublease and the amounts recognized in profit or loss, including depreciation, rent expense, finance expense and finance income; and

f) The assumption that the Company is a going concern and will continue operating for the foreseeable future is a judgement.

Financial Risks

The Company's financial risk exposures and their impact on the Company's financial instruments are summarized below:

Credit Risk

Credit risk arises from the potential that one or more counterparties fail to meet their obligations. The Company is normally exposed to credit risk through its cash and cash equivalents and receivables. As at June 30, 2023, the Company's maximum credit risk is equal to $191,622.

The Company manages credit risk associated with its cash and cash equivalents by using reputable financial institutions, from which management believes the risk to be remote. Receivables consists of recoverable Canadian sales taxes, over-remitted payroll taxes, accrued interest and Canadian mineral exploration tax credits receivable, which management believes the collectability of these amounts to be assured.

The Company shares an office with ETR and is expected to have amounts due from or to ETR at each period end. These amounts are considered at low risk of default, due to their relatively short term repayment period, the influence of management, and the early stage of ETR's exploration cycle. Accordingly, collection of amounts due from related party is also believed to be assured.

Liquidity Risk

Liquidity risk is the risk that the Company will not meet its obligations associated with its financial liabilities as they become due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company's operations do not currently generate positive cash flows, and historically the Company has relied on equity financings, and to a lesser extent non-core asset sales, for its capital requirements. As at June 30, 2023, the Company has working capital of $155,062 (December 31, 2022 - $530,182). Completing a Phase 1 exploration program this summer and increasing working capital to provide liquidity over the ensuing year will require additional financing in the near term, likely through a private placement.

The Company will continue to depend upon equity capital as required and may also enter into convertible debentures, earn-in arrangements, joint ventures, or the sale of certain property interests. However, there can be no assurance the Company will be able to complete future financings on acceptable terms. The ability of the Company to continue this course will depend, in part, on the prevailing market conditions and the market interest in financing the Company's mineral property exploration programs.

The following are the contractual maturities of financial liabilities as at June 30, 2023:

	Carrying Amount	Contractual Cash Flows	Within 1 year	Within 2 years	Within 3 years
Accounts payable and accrued liabilities	$ 42,179	$ 42,179	$ 42,179	$ -	$ -
Lease liabilities	74,917	82,350	40,500	41,850	-
Total	$ 117,096	$ 124,529	$ 82,679	$ 41,850	$ -

Interest Rate Risk

The Company is not exposed to risk in the event of interest rate fluctuations. The Company has no long-term debt other than a lease liability and accordingly has not needed to enter into any interest rate swaps or other financial arrangements to mitigate exposure to interest rate fluctuations. The Company believes it is not subject to material risks should interest rates rise further.

Foreign Currency Risk

The Company's functional currency is the Canadian dollar and nominal amounts are in other currencies. To date, the Company has had no exposure to any foreign currency through its cash, receivables, payables, or equity transactions. Management therefore believes the foreign exchange risk derived from currency conversions is immaterial.

Management's Responsibility for the Annual Financial Statements

Information provided in this report, and the Company's condensed interim financial statements for the period ended June 30, 2023, are the responsibility of management. In the preparation of these reports, judgements, and estimates, previously discussed in this MD&A, are sometimes necessary to make a determination of future value for certain assets or liabilities. Management believes such judgements and estimates have been carefully exercised and are accurately reflected in the annual financial statements. Management maintains a system of internal controls to provide reasonable assurances that the Corporation's assets are safeguarded and to facilitate the preparation of relevant and timely information.

Corporate Governance

The Company's Board of Directors and its committees follow the recommended corporate governance guidelines for public companies to ensure transparency and accountability to the shareholders. The current Board of four individuals is comprised of two independent members and two executive officers. The Audit Committee consists of three members comprised of two independent directors and the chief executive officer. The Compensation Committee consists of three members, of which two are independent, and the Health, Safety, Environment and Social Responsibility Committee consists of two members.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company's common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) if it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.