FIRST URANIUM RESOURCES LTD. (formerly Karam Minerals Inc.)

Management's Discussion and Analysis

For the three months ended September 30, 2022 and 2021

(Unaudited - Expressed in Canadian dollars)

The following Management's Discussion and Analysis ("MD&A") of the financial position and results of First Uranium Resources Ltd. (formerly Karam Minerals Inc.) (the "Company") should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three months ended September 30, 2022 and 2021 and the accompanying notes therein (the "Financial Statements").The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Company.

The Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee, applicable to the preparation of interim financial statements including International Accounting Standard 34 *Interim Financial Reporting*. All amounts are expressed in Canadian dollars unless otherwise stated. Amounts denominated in United States dollars are denoted as US$ and the amounts denominated in British pounds are denoted as £. Other information contained in this document has been prepared by management and is consistent with the information contained in the financial statements.

The Company's certifying officers are responsible for ensuring that the financial statements and MD&A do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made. The Company's certifying officers certify that the financial statements together with the other financial information included in the filings fairly present in all material respects the financial condition, financial performance, and cash flows of the Company as of the date of and for the periods presented in the filings.

In this MD&A, "First Uranium", the "Company", or the words "we", "us", or "our", collectively refer to First Uranium Resources Ltd. The first, second, third and fourth quarters of the Company's fiscal years are referred to as "Q1", "Q2", "Q3" and "Q4", respectively. The fiscal year ended June 30, 2022 is referred to as "2022" and the year ended June 30, 2023 is referred to as "2023".

This MD&A provides management's comments on the Company's operations for the three months ended September 30, 2022 and 2021, and the Company's financial condition as at September 30, 2022, as compared with the prior fiscal year-end.

The Company's Board of Directors provides an oversight role with respect to all public financial disclosures by the Company.

For a complete understanding of the Company's business environment, risks and uncertainties and the effect of accounting estimates on its results of operations and financial condition, this MD&A should be read together with the Company's financial statements and audited annual financial statements and MD&A for the years ended June 30, 2022 and 2021.

Information in this MD&A is presented as of February 3, 2023.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this document constitute forward-looking information under applicable securities legislation. Forward-looking information typically contains statements with words such as "anticipate", "believe", "estimate", "will", "expect", "plan", "intend", or similar words suggesting future outcomes or an outlook. Forward-looking information in this document includes, but is not limited to:

- our business plan and investment strategy; and
- general business strategies and objectives.

Such forward-looking information is based on a number of assumptions, which may prove to be incorrect. Assumptions have been made with respect to the following matters, in addition to any other assumptions identified in this document, which includes, but is not limited to:

- taxes and capital, operating, general and administrative and other costs;
- general business, economic and market conditions;
- the ability of the Company to obtain the required capital to finance its investment strategy and meet its commitments and financial obligations;
- the ability of the Company to obtain services and personnel in a timely manner and at an acceptable cost to carry out activities; and
- the timely receipt of required regulatory approvals.

Although the Company believes that the expectations reflected in such forward-looking information are reasonable, undue reliance should not be placed on them as there can be no assurance that such expectations will prove to be correct. Forward-looking information is based on expectations, estimates and projections that involve a number of risks and uncertainties, which could cause actual results to differ materially than anticipated and described in the forward-looking information. The material risks and uncertainties include, but are not limited to:

- meeting current and future commitments and obligations;
- general business, economic and market conditions;
- the uncertainty of estimates and projections relating to future costs and expenses;
- changes in, or in the interpretation of, laws, regulations or policies;
- the ability to obtain required regulatory approvals in a timely manner;
- the outcome of existing and potential lawsuits, regulatory actions, audits and assessments; and
- other risks and uncertainties described elsewhere in this document.

The foregoing list of risks is not exhaustive. For more information relating to risks, see the section titled "Risks and Uncertainties Factors" herein. The forward-looking information contained in this document is made as of the date hereof and, except as required by applicable securities law, the Company undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise.

DESCRIPTION OF BUSINESS

The Company was incorporated under the Business Corporations Act of British Columbia on December 14, 2016. On January 10, 2022, the Company changed its name from Karam Minerals Inc to First Uranium Resources Ltd. The Company's registered office is located at 1500 - 1055 West Georgia Street, Vancouver, BC, V6E 4N7.

The Company is listed for trading on the Canadian Securities Exchange under the symbol "URNM".

The Company's principal business activities include the acquisition and exploration of exploration and evaluation assets. As at September 30, 2022, the Company had not yet determined whether the Company's exploration and evaluation assets contain ore reserves that are economically recoverable. The recoverability of amount shown for exploration and evaluation asset is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the property or realizing proceeds from its disposition.

The Company has not generated revenue to date and had an accumulated deficit of $3,759,443 (June 30, 2022 - $3,008,441), which has been substantially funded by the issuance of equity. These factors form a material uncertainty, which may cast significant doubt upon the Company's ability to continue as a going concern. The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

OVERALL PERFORMANCE

As at September 30, 2022, the Company had cash of $7,079,018 compared to $6,601,658 as at June 30, 2022, and a working capital of $8,323,643 compared to $9,074,645 as at June 30, 2022.

For the three months ended September 30, 2022, cash used in operating activities was $141,230 (2021 - $22,644), cash provided by investing activities was $618,590 (2021 - $nil), and cash provided by financing activities was $nil (2021 - $40,000).

The Company reported a net loss of $751,002 during Q1 2023 compared to $8,587 during Q1 2022. The period over period change was primarily driven by unrealized loss on changes in fair value and realized losses on disposal of investments in public company securities and increased exploration and evaluation activity of the Company's mineral properties.

2023 OUTLOOK AND STRATEGIC OBJECTIVES

The Company is currently evaluating a number of potential strategic opportunities including seeking to identify, evaluate and acquire assets, properties or investments to bring value to its shareholders.

(Unaudited - Expressed in Canadian dollars)

EXPLORATION AND EVALUATION ASSETS

A summary of the exploration and evaluation assets is as follows:

	Black Duck Property	Hathor Property	Southwind Property	Total
	$	$	$	$
Balance, June 30, 2021	1	-	-	1
Acquisition costs	-	440,000	2,569,867	3,009,867
Impairment of exploration and evaluation assets	-	(40,000)	-	(40,000)
Balance, September 30, 2022 and June 30, 2022	**1**	**400,000**	**2,569,867**	**2,969,868**

a) Black Duck Property, British Columbia, Canada

The Company owns a 100% undivided interest in two mineral titles covering approximately 1,621.9 hectares, which is centered 265 km northeast of Vancouver in south-central British Columbia, that include the Black Duck and the Black Duck South mineral titles (the "Black Duck Property"). The Black Duck Property was acquired by staking and is owned 100% by the Company.

b) Hathor Property, Saskatchewan, Canada

Hathor Exploration Ltd. ("Hathor") is a privately held uranium company with strategic claims in the heart of the Athabasca Basin in proximity to industry leading uranium discoveries. Hathor is the beneficial owner of multiple mineral properties located in Saskatchewan ("Hathor Property"). The Hathor Property includes 18 mineral claims totaling 51,805 hectares.

On September 20, 2021, the Company signed a definitive agreement to acquire 100% of Hathor through the issuance of 2,200,000 common shares at a price of $0.20 per share for a total cost of $440,000.

The acquisition of Hathor has been accounted for by the Company as a purchase of assets. The acquisition did not qualify as a business combination under IFRS 3 *Business Combinations*, as the significant inputs, processes, and outputs, that together constitute a business, did not exist in Hathor at the time of acquisition. Therefore, the asset acquisition transaction was accounted for in accordance with guidance provided in IFRS 2 *Share-based payment*. Accordingly, no goodwill was recorded with respect to the acquisition.

On January 18, 2023, the Company closed a share purchase agreement to sell all of the issued and outstanding securities of Hathor for $400,000 (Refer to subsequent events section). As a result, the Company recognized impairment on the Hathor Property in the amount of $40,000.

c) Southwind Property, Arkansas, USA

Southwind Corporation ("Southwind") holds significant exploration and development properties in and around Independence County, Arkansas, USA. Southwind's principal asset is a land package in Arkansas hosting high-grade, surface phosphate deposit highly enriched with heavy rare earth elements ("Southwind Property").

On April 22, 2022 and amended on June 30, 2022, the Company entered into a definitive agreement to acquire all of the issued and outstanding shares of Southwind in exchange for 13,333,327 shares of the Company (the "Consideration Shares") and a cash payment of US$550,000 (paid).

The Consideration Shares were valued at $1,389,332, being the trading price of $0.145 per share adjusted for a holding period of up to 24 months, discounted at $544,000, estimated using the Black-Scholes Option Pricing Model. In connection with the acquisition, the Company issued 2,000,000 finder's shares with a fair value of $290,000. The Consideration Shares are subject to a voluntary hold period and will be automatically released in accordance with the following schedule: (i) 20% on June 30, 2022; and (ii) 10% every three months thereafter to the 24-month anniversary of the date of issuance.

The Company is required to spend $3,865,800 (US$3,000,000) on the Southwind Property in the next year, or the founders of Southwind will have an option to reacquire Southwind from the Company.

(Unaudited - Expressed in Canadian dollars)

The acquisition of Southwind has been accounted for by the Company as a purchase of assets. The acquisition did not qualify as a business combination under IFRS 3 *Business Combinations*, as the significant inputs, processes, and outputs, that together constitute a business, did not exist in these projects at the time of acquisition. Therefore, the asset acquisition transaction was accounted for in accordance with guidance provided in IFRS 2 *Share-based payment.* Accordingly, no goodwill was recorded with respect to the acquisition.

During the three months ended September 30, 2022, the Company incurred $27,150 (2021 - $nil) of exploration expenses on this property.

SUBSEQUENT EVENT

On January 13, 2023, the Company entered into a definitive agreement with Stallion Gold Corporation to sell all of the issued and outstanding securities of Hathor for $400,000. On January 18, 2022 the sale was closed and the Company received consideration $380,000 with the remaining $20,000 due to be paid 45 days following the close of the transaction.

INVESTMENTS

A summary of the Company's investments is as follows:

	EarthRenew shares	EarthRenew warrants	Keras shares	Keras warrants	Total
	$	$	$	$	$
Balance, June 30, 2021	-	-	-	-	-
Investments purchased	800,000	200,000	2,162,755	460,252	3,623,007
Proceeds from investments sold	(36,730)	-	-	-	(36,730)
Realized loss on investment sold	(3,270)	-	-	-	(3,270)
Unrealized change in fair value of investments	(133,000)	120,000	(694,699)	(278,103)	(985,802)
Loss on foreign exchange	-	-	(22,961)	(21,548)	(44,509)
Balance, June 30, 2022	627,000	320,000	1,445,095	160,601	2,552,696
Investments purchased	-	-	-	-	-
Proceeds from investments sold	(618,590)	-	-	-	(618,590)
Realized loss on investment sold	(141,410)	-	-	-	(141,410)
Unrealized change in fair value of investments	133,000	(140,000)	(424,497)	(56,706)	(488,203)
Gain (loss) on foreign exchange	-	-	25,940	(15,960)	9,980
Balance, September 30, 2022	**-**	**180,000**	**1,046,538**	**87,935**	**1,314,473**

a) EarthRenew Inc.

EarthRenew Inc. ("EarthRenew") engages in the production and sale of regenerative and organic fertilizer in North America. It operates in two segments, Fertilizer Production and Power Generation. EarthRenew also converts natural gas to electricity from an industrial-sized gas turbine and sells electricity to electrical grid and cryptocurrency miners. EarthRenew is headquartered in Toronto, Canada.

On June 21, 2022, the Company purchased 4,000,000 EarthRenew units at a price of $0.25 per unit for a total of $1,000,000. Each unit comprises one common share of EarthRenew and one common share purchase warrant exercisable to acquire one common share of EarthRenew at a price of $0.32 per unit for a period of 48 months following the date of issuance. Of the $1,000,000, using the residual method, $800,000 was allocated to EarthRenew shares and the remaining $200,000 was allocated to EarthRenew warrants.

During the year ended June 30, 2022, the Company sold 200,000 EarthRenew common shares for a total cost of $36,730.

During the three months ended September 30, 2022, the Company sold 3,800,000 EarthRenew common shares for total proceeds of $618,590.

As at September 30, 2022, the Company held 4,000,000 share purchase warrants with fair value of $0.05 per share purchase warrant measured by reference to the publicly available trading price of these warrants, which is a Level 1 fair value measurement. During the three months ended September 30, 2022, the Company incurred a realized loss of $141,410 on the sale of common shares (2021 - $nil) and an unrealized loss on change in fair value of investments of $7,000 (2021 - $nil) from EarthRenew common shares and warrants investments.

As at September 30, 2022, the Company does not own any common shares in the investee and does not have an appointed representative as an officer or on the board of directors.

b) Keras Resources Plc

Keras Resources Plc ("Keras") is a mineral resource company publicly listed on the London Stock Exchange. Keras engages in the exploration, evaluation, and development of exploration and evaluation assets. Keras holds a 100% interest in the Diamond Creek phosphate project located in Salt Lake City, Utah; and 85% interest in the Nayega manganese project, which covers an area of 19,903 hectares in northern Togo. Keras was incorporated in 2010 and is based in London, the United Kingdom.

On April 26, 2022, the Company purchase 8,000,000 common shares and warrants of Keras at a price of approximately $0.19 (£0.12) per unit for an aggregate price of $1,543,968 (£960,000). Each Keras warrant will be exercisable to subscribe for one ordinary share at any time prior to May 31, 2024, for $0.28 (£0.18) per share. The warrants were accounted for using the residual value method. The fair value allocated to the common shares purchased was $1,083,716 (£680,000), and $460,252 (£280,000) allocated to the warrants.

On June 22, 2022, the Company purchased an additional 5,750,000 common shares of Keras at a price of $0.19 (US$0.145) per share for an aggregate price of $1,079,039 (US$833,750).

On July 26, 2022, Keras completed a consolidation of its common shares on a one hundred to one basis. All Keras share and per share amounts have been retrospectively adjusted to reflect the consolidation. Any references to Keras common shares are on a post-consolidation basis. Numbers of warrants and their respective exercise prices have been retrospectively adjusted to reflect the effects of the consolidation.

The quoted market price of Keras common shares as at September 30, 2022, was approximately $0.08 (£0.05; US$0.06) per share, resulting in a fair value of the Keras common shares at $1,046,538. The fair value of the Keras warrants as at September 30, 2022 is estimated to be $87,935 (£58,243) using the Black-Scholes option pricing model.

During the three months ended September 30, 2022, the Company incurred an aggregate loss in fair value of $481,203 (2021 - $nil) from Keras investments.

As at September 30, 2022, the Company owns an approximate 17% interest in Keras and does not have an appointed representative as an officer or on the board of directors.

SHARE CAPITAL HIGHLIGHTS

During the three months ended September 30, 2022, the Company had no share capital transactions.

During the year ended June 30, 2022, the Company had the following share capital transactions:

- On September 20, 2021, pursuant to the closing of the Hathor acquisition, the Company issued 2,200,000 common shares of the Company at a fair value of $0.20 per share, for total fair value of $440,000.

- On November 11, 2021, the Company closed a non-brokered private placement of 15,000,000 units at $0.20 per unit for gross proceeds of $3,000,000. Each unit consists of one common share of the Company and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of $0.40 per share for a period of two years from the closing date of the private placement. The warrants were accounted for using the residual value method. As the fair value of the common shares issued exceeded the cash proceeds, there was $nil residual value allocated to the warrants.

(Unaudited - Expressed in Canadian dollars)

- In connection with the private placement, the Company issued 1,050,000 finder's units (each, a "Finder's Unit") and 1,050,000 finder's warrants (each, a "Finder's Warrant"). Each Finder's Unit consists of one share and one-half of one warrant. Each warrant will be exercisable into one additional common share of the Company at an exercise price of $0.40 per share for a period of two years from the closing date of the private placement. Each Finder's Warrant is exercisable into one Finder Unit at an exercise price of $0.20 per Finder Unit for a period of 24 months from closing. The Company determined the fair value of finder's warrants using a Black-Scholes option pricing model with the following inputs: share price of $0.20, exercise price of $0.40, expected term of 2.00 years, volatility of 100%, risk-free rate of 0.97% and dividend yield of 0.00%. Total fair value of the Finder's Warrants issued was $113,000 and was recorded as share issuance costs to reserves.

- On November 30, 2021, pursuant to the exercise of 600,000 stock options at $0.10 per share for gross proceeds for $60,000, the Company issued 600,000 common shares of the Company. In connection with shares issued, $44,768 was reallocated from reserves to share capital.

- On December 15, 2021, in relation to a debt settlement agreement, the Company settled $31,804 owed to a creditor of the Company through the issuance of 132,518 common shares of the Company at a value of $0.51 per share totaling $67,584. As a result, $35,780 was recorded as a loss on debt settlement.

- On April 19, 2022, the Company closed a private placement of 28,571,283 units at $0.35 per unit for proceeds of $9,999,949. Each unit consisted of one common share and one-half of one common share purchase warrant. Each whole warrant is exercisable for one common share of the Company at a price of $0.50 per share until April 19, 2023. The warrants are accounted for using the residual value method. As the fair value of the common shares issued exceeded the cash proceeds, there was $nil residual value allocated to the warrants. In connection with the private placement, the Company issued 1,809,878 finder's warrants. Each finder's warrant is exercisable for one additional common share of the Company at a price of $0.50 per share until June 19, 2024. The Company determined the fair value of finder's warrants using a Black-Scholes option pricing model with the following inputs: share price of $0.35, exercise price of $0.50, expected term of 2.17 years, volatility of 100%, risk-free rate of 2.45% and dividend yield of 0.00%. Total fair value of the finder's warrants was $296,000 and was recorded as share issuance costs to reserves.

- On June 30, 2022, pursuant to the closing on the Southwind acquisition, the Company issued 13,333,327 common shares of the Company at a fair value of $0.10 per share, for total fair value of $1,389,332. The shares are subject to a voluntary hold period and will be automatically released in accordance with the following schedule: (i) 20% on June 30, 2022; and (ii) 10% every three months thereafter to the 24-month anniversary of the date of issuance. The Company issued 2,000,000 common shares to the finder of the acquisition at a fair value of $0.145 per share, for total fair value of $290,000.

RESULTS OF OPERATIONS

The following tables summarize the results of operations from the Company's financial statements:

	Q1 2023	Q1 2022
	$	$
Operating expenses		
Administrative fees	**37,083**	-
Consulting fees	**42,579**	-
Exploration expenses	**27,150**	-
Interest expense	**822**	1,065
Management fees	**15,000**	-
Marketing costs	**-**	754
Professional fees	**918**	2,194
Transfer agent and filing fees	**7,878**	4,574
	131,430	8,587
Other expenses (income)		
Gain on foreign exchange	**(9,720)**	-
Interest income	**(321)**	-
Realized loss on investment sold	**488,203**	-
Unrealized loss on change in fair value of investments	**141,410**	-
Net loss and comprehensive loss	**751,002**	8,587

(Unaudited - Expressed in Canadian dollars)

Q1 2023 compared to Q1 2022

The Company reported a net loss of $751,002 compared to $8,587 in the prior year comparable period. All of the Company's operating and other expenses, except for interest expense and marketing expense, have increased in Q1 2023 over the prior year comparable period primarily due realized losses on sale and revaluation of investments and increased exploration and evaluation activity of the Company's mineral properties.

Other expenses during Q1 2023 were primarily related to the realized losses on EarthRenew investments sold during the quarter, unrealized loss on change in fair value of investments in EarthRenew and Keras securities, and gain on foreign exchange, which is primarily due to movements in the US dollar and British pound, which the Company's investments are held in.

Operating expenses during Q1 2023 were primarily related to administrative fees, consulting fees, exploration expenses, management fees and professional fees Exploration expenses increased to $27,150 compared to $nil in the prior year comparable period attributable to the Southwind Property, which was acquired during the fourth quarter of the fiscal year ended June 30, 2022.

SUMMARY OF QUARTERLY RESULTS

The following summarizes quarterly financial results of the Company for the last eight most recently completed quarters:

	Q1 2023	Q4 2022	Q3 2022	Q2 2022
	$	$	$	$
Net loss and comprehensive loss	**751,002**	1,574,830	482,936	134,709
Basic and diluted loss per share	**0.01**	0.03	0.01	0.01
Total assets	**11,408,044**	12,165,736	4,359,301	3,426,015
Working capital surplus	**8,323,643**	9,074,645	1,963,401	2,866,960

	Q1 2022	Q4 2021	Q3 2021	Q2 2021
	$	$	$	$
Net loss and comprehensive loss	8,587	43,696	9,282	57,007
Basic and diluted loss per share	0.00	0.00	0.00	0.00
Total assets	468,826	11,359	14,468	17,353
Working capital deficit	(67,352)	(58,765)	(50,607)	(41,325)

Discussion of results

The quarterly trend in total assets and working capital is primarily driven by movements in cash balances related to the Company's investing activities and spending on corporate costs. The acquisition of mineral properties has resulted in quarter-on-quarter increases in total assets in fiscal 2022 and the investment in Keras and EarthRenew securities has seen a significant increase in total assets during Q4 2022. The disposition of the investment in EarthRenew shares has resulted in a decrease in total assets during Q1 2023 compared to Q4 2022.

The quarterly trend in net loss and comprehensive loss and basic and diluted loss per share is primarily driven by an increase in the Company's activities relating to an increase in exploration expenses associated with the mineral properties acquired during fiscal 2022, and increases consulting fees relating to investments in Keras and EarthRenew securities, increased equity financing and increased investor relations costs. The decrease in the net loss in Q1 2023 compared to Q4 2022 is mainly due to the significant unrealized change in fair value of investments that was recorded in Q4 2022.

LIQUIDITY, CAPITAL RESOURCES AND GOING CONCERN

The Company is in the exploration stage and therefore has no cash flow from operations. Its only source of funds since incorporation has been from the issuance of common shares and warrants. The Company is in the process of exploring mineral claims. The Company has not yet determined whether or when the claims could be economically viable.

The Company's financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at September 30, 2022, the Company had a working capital of $8,323,643 (June 30, 2022 - $9,074,645), has not yet achieved profitable operations, and has an accumulated deficit of $3,759,443 (June 30, 2022 - $3,008,441).

As at September 30, 2022 the Company had cash of $7,079,018 (June 30, 2022 - $6,601,658). The Company's cash flows from operations are negative as it is an exploration stage company.

During the three months ended September 30, 2022, the Company used cash of $141,230 in operating activities (2021 - $22,644) primarily related to consulting fees, professional fees, marketing fees and administrative fees, as well as exploration activities.

During the three months ended September 30, 2022, the Company received cash of $618,590 from investing activities (2021 - $nil) for proceeds from sales of investment in EarthRenew securities.

During the three months ended September 30, 2022, the Company received cash of $nil from financing activities (2021 - $40,000). Cash received in the prior year period related to proceeds received from a promissory note with a third party.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern.

The Company defines its capital as shareholders' equity. Capital requirements are driven by the Company's general operations. To effectively manage the Company's capital requirements, the Company monitors expenses and overhead to ensure costs and commitments are being paid.

This outlook is based on the Company's current financial position and is subject to change if opportunities become available based on exploration program results and/or external opportunities. At present, the Company's operations do not generate cash inflows and its financial success is dependent on management's ability to discover economically viable mineral deposits. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control.

In order to finance the Company's future exploration programs and to cover administrative and overhead expenses, the Company will need to raise funds through equity sales, debt, or other forms of raising capital. Many factors influence the Company's ability to raise funds, including the health of the resource market, the climate for mineral exploration investment, the Company's track record, and the experience of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activities. Management believes it will be able to raise equity capital as required in the short and long term; however, recognizes that there will be risks involved, which may be beyond its control.

While the information in the financial statements has been prepared in accordance with IFRS on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future, there are conditions and events that cast significant doubt on the validity of this presumption. The Company's ability to continue as a going concern is dependent upon achieving profitable operations and upon obtaining additional financing. While the Company is making its best efforts in this regard, the outcome of these matters cannot be predicted at this time.

As of the date of the financial statements, COVID-19 has had no impact on the Company's ability to access and explore its current properties but may impact the Company's ability to raise funding or explore its properties should travel restrictions related to COVID-19 be reinstated.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no 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 as of the date of this report.

PROPOSED TRANSACTIONS

There are no proposed transactions as of the date of this MD&A other than the sale of 100% of the issued and outstanding common shares of Hathor Exploration Ltd. Please refer to the subsequent events section.

CONTINGENCIES

The Company has no contingent liabilities as of the date of this report.

RELATED PARTY TRANSACTIONS

During the three months ended September 30, 2022, the Company incurred management fees with key management personnel of $15,000 (2021 - $nil).

Key management includes directors and officers of the Company and companies owned directly or indirectly by its directors and officers. Other than the amounts disclosed above, there was no other compensation paid or payable to key management for employee services for the reported periods.

As at September 30, 2022, accounts payable and accrued liabilities included $15,750 (June 30, 2022 - $15,750) owed to an officer of the Company. All related party amounts were incurred in the normal course of operations, bear no interest, and have no fixed terms of repayment.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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

As at September 30, 2022, the Company's cash, accounts payables and accrued liabilities and promissory notes are measured at amortized cost. The fair values of these financial instruments approximate their carrying values due to their short-term nature.

As at September 30, 2022, the Company's investments are measured at fair value through profit and loss. The Company's investments in Keras and EarthRenew common shares and EarthRenew warrants are measured at fair value using Level 1 inputs. The fair value of investments in these shares and warrants is measured based on the quoted market price of these securities at each reporting date, and changes in fair value are recognized in profit or loss. The fair value of the investments in Keras warrants is determined using the Black-Scholes option pricing model and Level 3 inputs.

During the three months ended September 30, 2022 and 2021, there were no transfers between Level 1, Level 2, and Level 3 classified financial assets and liabilities.

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below.

a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to fulfill its contractual obligations. The Company's credit risk relates primarily to cash. The Company minimizes its credit risk related to cash by placing cash with major financial institutions. The Company considers the credit risk related to cash to be minimal.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. To mitigate this risk, the Company has a planning and budgeting process in place to determine the funds required to support its ongoing operations and capital expenditures. The Company endeavors to ensure that sufficient funds are raised from equity offerings or debt financing to meet its operating requirements, after taking into account existing cash and expected exercise of stock options and warrants. The Company's cash is held in business accounts which are available on demand for the Company's programs. The Company's liquidity risk relates primarily to accounts payable and accrued liabilities and promissory notes.

(Unaudited - Expressed in Canadian dollars)

c) Foreign exchange risk

Foreign exchange risk arises on financial instruments that are denominated in a currency other than the functional currency in which they are measured. The Company is exposed to foreign exchange risk from fluctuations in the Canadian dollar to the British pound and the US dollar. The sensitivity of the Company's net loss to changes in the exchange rate between the Canadian dollar to the British pound and the US dollar would be as follows: a 1% change in the Canadian dollar exchange rate relative to the British pound would change the Company's net loss by approximately $11,000, and a 10% change in the Canadian dollar exchange rate relative to the US dollar would change the Company's net loss by approximately $50,000.

d) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and commodity prices. The Company is not exposed to significant interest rate risk on the basis that it does not hold any financial liabilities subject to movements in interest rates. The Company is exposed to market risk because of the fluctuating values of its publicly traded investments in Keras and EarthRenew. The Company has no control over these fluctuations and does not hedge its investments. The sensitivity of the Company's net loss to changes in the share prices of the investments would be as follows: a 10% change in Keras share price would change the Company's net loss by approximately $120,000, and a 10% change in EarthRenew's share price would change the Company's net loss by approximately $40,000.

OUTSTANDING SHARE DATA

As of the date of this MD&A, the Company has the following securities issued and outstanding:

	#
Common shares	81,126,589
Options	400,000
Warrants	25,170,520

SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

All significant accounting policies and critical accounting estimates are fully disclosed in the notes of the annual financial statements for the years ended June 30, 2022 and 2021.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, revenues and expenses. Management continually evaluates these judgments, estimates and assumptions based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates and judgments which may cause a material adjustment to the carrying amounts of assets and liabilities. The Company's interim results are not necessarily indicative of its results for a full year. The critical judgements and estimates applied in the preparation of these financial statements are consistent with those applied and disclosed in Note 4 to the annual financial statements for the years ended June 30, 2022 and 2021.

RISKS AND UNCERTAINTIES

All risks and uncertainties are fully disclosed in the Management's Discussion and Analysis for the years ended June 30, 2022 and 2021.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

The significant components of operating expenses are presented in the financial statements. Significant components of mineral property expenditures are included in the section Results of Operations.

ADDITIONAL INFORMATION

Additional information relating to the Company is available at www.sedar.com.