



**MANAGEMENT'S DISCUSSION AND ANALYSIS -
QUARTERLY HIGHLIGHTS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021**

MASON GRAPHITE INC.
Management's Discussion and Analysis
Three Months Ended September 30, 2022
November 28, 2022

The following Management's discussion and analysis ("MD&A") relates to the unaudited condensed consolidated financial statements of Mason Graphite Inc. ("we", "our", "us", "Mason Graphite", "Mason" or the "Company") for the three months ended September 30, 2022 and 2021 ("Financial statements"). This MD&A reports on our activities through November 28, 2022 unless otherwise indicated. The Company's Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The Company has consistently applied the accounting policies used in the preparation of its IFRS financial statements, including the comparative figures with the exception of the new standards adopted and the change in accounting policy as described in the financial statements.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains "forward-looking information" which may include, but is not limited to, statements with respect to targeted milestones to achieve development of the Lac Gu  ret Project, successfully obtaining project financing, the future financial or operating performance of the Company and its projects and investments, including its investment in Black Swan Graphene Inc. and its potential joint venture with Nouveau Monde Graphite Inc., the future price of and supply and demand for graphite or graphene, the estimation of mineral reserves and resources, the realization of mineral reserves and resources estimates, the timing and amount of estimated future production, costs of production, capital, operating and exploration expenditures, costs and timing of the development of new and existing deposits, costs and timing of future exploration, requirements for additional capital, management's belief that the Company will have sufficient funds to meet its obligations and planned expenditures for the ensuing twelve months, government regulation of mining operations, environmental risks, reclamation expenses, the success of mining operations, permitting, economic return estimates and potential upside. Often, but not always, forward-looking statements can be recognized by the use of words such as "plans", "expects", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "believes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Readers should not place undue reliance on forward-looking statements.

Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Even with the completion of the Preliminary Economic Assessment and a positive feasibility study, there are no assurances that the Lac Gu  ret Project and the other projects of the Company will be placed into production. Factors that could affect the outcome include, among others: the actual results of development activities; project delays; inability to raise the funds necessary to achieve the milestones or complete development; general business, economic, competitive, political and social uncertainties; future prices of metals; availability of alternative graphite sources or substitutions; actual graphite recovery; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; the future cost of capital to the Company; possible variations of ore grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labor disputes and other risks of the mining industry; political instability, terrorism, insurrection or war; delays in obtaining governmental approvals, necessary permitting or in the completion of development or construction activities, COVID-19, as well as those factors discussed in the section entitled "Risk and Uncertainties". Such forward-looking information is also based on a number of material factors and assumptions, including: the availability of financing at rates and on terms and conditions otherwise acceptable to the Company; future graphite and graphene prices; permitting and development consistent with the Company's expectations; foreign exchange rates; prices and availability of equipment; that contracted parties provide goods and/or services on the agreed timeframes; that the current tax credit receivable from the Qu  bec government is collected in a timely manner; that on-going contractual negotiations will be successful and progress and/or be completed in a timely manner; and that no unusual geological or technical problems occur. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking information contained herein is made as of the date of this MD&A and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as required by applicable securities laws. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements.

1. DESCRIPTION OF BUSINESS AND OVERVIEW

Mason Graphite is a Canadian corporation focused on seeking investment opportunities. Its strategy is to develop vertical and horizontal integration in the mining industry, with a special focus on industrial and specialty minerals, notably battery-related materials and their by-products. Its strategy also includes the development of value-added products, notably for green technologies like transport electrification. The Company currently owns 100% of the rights to the Lac Guéret deposit, one of the richest graphite deposits in the world, which is under an Option and Joint Venture Agreement with Nouveau Monde Graphite Inc. (TSX-V: NOU) (NYSE: NMG). The Company is also the largest shareholder of Black Swan Graphene Inc., a Canadian publicly traded company (TSX-V: SWAN) focusing on the large-scale production and commercialization of patented high-performance and low-cost graphene products aimed at several industrial sectors, including concrete, polymers, Li-ion batteries and others.

Mason Graphite's investment objectives are:

- to seek an above average return on investment to continue to create significant value for its shareholders; to use investment income to fund other investment opportunities with attractive risk-to-reward profile; and
- to create synergies among its investments, including its management involvement into the management, business, operations and strategies of its investment portfolio.

Mason Graphite's strategy is to develop vertical and horizontal integration in the mining industry, with a special focus on industrial and specialty minerals, notably battery-related materials and their by-products. This approach will be achieved by: (i) leveraging the skillset and expertise of the Board of Directors of the Company (the "Board") and management to review, diligence and de-risk investment opportunities, and (ii) adopting a flexible approach to its investments.

A) CORPORATE

Only July 20, 2022, the Company announced the initial closing of the previously announced transactions contemplated under the investment agreement dated May 15, 2022 (the "Investment Agreement") between the Company and Nouveau Monde Graphite Inc. ("Nouveau Monde"), which was approved by the shareholders of the Company on July 14, 2022.

Pursuant to the Investment Agreement, Mason Graphite has entered into an option and joint venture agreement (the "OJV Agreement") with Nouveau Monde.

Under the Option and JV Agreement, Mason Graphite granted an option to NMG to acquire a 51% interest in the Property to be exercisable by NMG (i) through the incurrence of work expenditures, including, but not limited to, the treatment of ores, concentrates, and other mineral products at NMG's Demonstration Plant aggregating a minimum of C\$10.0 million (the "Option Expenditure Threshold") in respect of the exploration, development, mining, production, commercialization and sale of products in direct relation to the Property (the "First Option Condition") as soon as reasonable and, subject to the Option Extension (as defined below), within twenty-four (24) months from the execution of the Option and JV Agreement (the "First Option Condition Deadline"), and (ii) the preparation of (a) a NI 43-101 preliminary economic assessment, with an increased project capacity from 52,000 tonnes per annum to a minimum of 250,000 tonnes per annum, within 6 months following the execution of the Option and JV Agreement, and (b) a NI 43-101 bankable feasibility study within 18 months following the execution of the Option and JV Agreement (collectively, the "Second Option Condition").

If prior to the First Option Condition Deadline, NMG has satisfied the First Option Condition and is, in the reasonable opinion of NMG and Mason Graphite, working diligently and continuously towards satisfying the Second Option Condition, the parties shall agree in writing to extend the deadline to satisfy the Second Option Condition for successive periods of six (6) months and ending no later than thirty-six (36) months from the execution of the Option and JV Agreement (the latest of such periods, the "Option Deadline"). Any expenditures incurred to satisfy the Second Option Condition above the Option Expenditure Threshold will be assumed by NMG, and unless otherwise mutually agreed to by the parties in writing, a failure by NMG to satisfy the Second Option Condition prior to the Option Deadline will be deemed to be an election by NMG not to have exercised its option to become the owner of a 51% interest in the Property and will result in the automatic termination of the Option and JV Agreement.

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The Joint Venture will be formed if NMG exercises its option and becomes the owner of a 51% interest in the Property. The Joint Venture will be formed with the objective of further exploring the Property and, if deemed warranted by NMG and Mason Graphite, of developing, constructing, and operating a mine on the Property or a part of it, and commercializing the minerals derived therefrom. The Joint Venture will also have full and continuous access to NMG's Demonstration Plant and the expertise of NMG in order to support the commercialization of the graphite derived from the Property.

Concurrently with the execution of the OJV Agreement, Mason Graphite and Nouveau Monde have completed the private placement of 5.0 million common shares of the Company (the "Initial Shares") to Nouveau Monde at a price of \$0.50 per Initial Share for gross proceeds to the Company of \$2.5 million. The Company intends to use the net proceeds from the sale of the Initial Shares to fund agreed expenses on the Lac Guéret property pursuant to the OJV Agreement. The Initial Shares will be subject to a four-month hold period pursuant to applicable securities laws.

The gross proceeds from the Subscription Receipt Financing (collectively, the "Escrowed Funds"), less the reasonable expenses of the Subscription Receipt Agent incurred in connection with the Subscription Receipt Financing, were held in escrow pursuant to the terms of the Subscription Receipt Agreement and shall be released immediately prior to completion of the Transaction.

B) INVESTMENT IN BLACK SWAN GRAPHENE

On July 21, 2021, the Company has announced the creation of Black Swan Graphene Inc. ("Black Swan Graphene") and the entering into of a definitive agreement whereby Mason Graphite has agreed, through Black Swan Graphene, to purchase strategic assets related to patented graphene production technology from Thomas Swan & Co. Limited ("Thomas Swan"), a leading UK-based specialty chemicals company (the "Transaction"). The consideration paid by Black Swan Graphene to Thomas Swan for such assets was \$7,706,200, comprised of £3 million and shares representing 33.33% of Black Swan Graphene's issued and outstanding shares. Upon the completion of the Transaction, Mason Graphite also invested approximately \$2.5 million in Black Swan Graphene for working capital purposes.

In connection with the Transaction, Black Swan Graphene has acquired a license from Trinity College Dublin for the production of exfoliated defect-free, non-oxidised 2-D materials in large quantities (the "TCD License"), which license was previously held by Thomas Swan. In addition, Black Swan Graphene and Thomas Swan have entered into a License Agreement and a Sub-License Agreement, pursuant to which Black Swan Graphene has granted Thomas Swan a license to graphene processing technology for production of up to 1,000 tonnes per year and Black Swan Graphene has sub-licensed the TCD License to Thomas Swan, respectively.

In addition to the assets related to the graphene processing technology and associated know-how sold to Black Swan Graphene, Thomas Swan also contributes its exclusive production and commercialization expertise while providing access to subject matter expertise, such as access to personnel and technical support, and deliverables from its operation in Northern England pursuant to a Services Agreement entered into between Black Swan Graphene and Thomas Swan. Black Swan Graphene aims to establish a large-scale commercial production facility in Québec, Canada, in order to leverage the province's competitive and green hydroelectricity, as well as the proximity of Mason Graphite's planned production sites. These factors are key and will accelerate the production and commercialization of the graphene developed by Thomas Swan by integrating the supply chain and lowering production costs.

Upon the completion of the Transaction, Mason Graphite and Thomas Swan held 66.67% and 33.33%, respectively, of the issued and outstanding shares of Black Swan Graphene. Pursuant to an agreement entered into simultaneously with the Transaction, Mr. Fahad Al Tamimi, Chairman of Mason Graphite, acquired directly from Thomas Swan an 8%-equity interest in Black Swan Graphene.

On November 8, 2021, Black Swan Graphene completed a private placement of 2,205,944 common shares at a price of \$1.36 per share for gross proceeds of \$3,000,085. Following completion of the private placement, Mason Graphite held approximately 56% of the issued and outstanding shares of Black Swan Graphene.

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On March 14, 2022, Black Swan Graphene completed a private placement of subscription receipts for gross proceeds of approximately \$7.0 million.

On August 2, 2022, Black Swan completed a "Qualifying Transaction" with Dragonfly Capital Corp. ("Dragonfly") pursuant to a share exchange agreement dated January 17, 2022, as amended, entered into among Dragonfly, Black Swan and its shareholders (the "RTO"). The RTO was completed by way of share exchange whereby Dragonfly acquired all of the issued and outstanding common shares of Black Swan Graphene (each, a "Black Swan Share") from the shareholders of Black Swan Graphene in consideration for the issuance of an aggregate of 210,230,343 common shares of Dragonfly at a deemed price of \$0.15 per share.

In addition, 1,225,000 options to purchase Black Swan Shares which were outstanding immediately prior to closing of the RTO were cancelled and the holders thereof were granted an aggregate of 15,175,000 options to purchase common shares and 7,875,000 restricted share units of the issuer resulting from the RTO.

C) OPTION AND JOINT VENTURE AGREEMENT WITH NOUVEAU MONDE GRAPHITE INC.

On May 16, 2022, Nouveau Monde Graphite Inc. ("Nouveau Monde") and Mason Graphite announced the entering into of an investment agreement (the "Investment Agreement") with a view towards the development and operation of Mason Graphite's Lac Guéret project.

Highlights included:

- On closing, Nouveau Monde and Mason Graphite to enter into an option and joint venture agreement (the "Option and JV Agreement") pursuant to which the parties will collaborate to advance the Lac Guéret project, with a view to form a joint venture (the "Joint Venture");
- Nouveau Monde to make a concurrent equity investment in Mason Graphite of an aggregate amount of up to \$5.0 million payable in two instalments (the "Equity Investment", and together with the formation of the Joint Venture, the "JV Transaction");
- Conditions for the formation of the Joint Venture include: (i) a minimum of \$10.0 million of expenditures from Nouveau Monde on the project, and (ii) the completion of an updated feasibility study on the property based on an estimated production scale of a minimum of 250,000 tonnes per annum of graphite concentrate, to be ascertained based on customer demand as well as technical and environmental possibilities. The latest feasibility study published by Mason Graphite is based on 51,900 tonnes per annum;
- Assuming the exercise of the option and formation of the Joint Venture, Nouveau Monde's and Mason Graphite's interest in the Joint Venture to be 51% and 49%, respectively, and Nouveau Monde to be appointed as operator of the Joint Venture;
- Joint Venture to be funded by Nouveau Monde and Mason Graphite on a pro rata basis; failure to fund work program commitments in the Joint Venture to result in a 1% dilution for each unfunded tranche of \$5.0 million;
- The Joint Venture will have full access to Nouveau Monde's Phase-1 natural graphite flake concentrator plant currently in operation in Saint-Michel-des-Saints, Québec (the "Demonstration Plant") in order to accelerate the qualification and commercialization of its graphite, which has been proven instrumental as per Nouveau Monde's recent successful experience. To date, Nouveau Monde has invested approximately \$30.0 million in the Demonstration Plant;
- The Joint Venture will benefit from Nouveau Monde's depth of personnel and commercialization capabilities; Nouveau Monde currently employs nearly 100 full-time employees, most of whom are focused exclusively on graphite advanced materials, making it one of the largest natural graphite-focused organizations in North America and the ideal partner for the project;

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- The property is notably sizable, with a total Measured and Indicated Resource of 65.5 million tonnes grading 17.2% Cg, and carries one of the highest grades of graphite ore globally with a Proven and Probable Reserve totaling 4.7 Mt grading 27.8% Cg (See Mason Graphite's press release dated September 25, 2015). Mason Graphite received the governmental authorization for the property, via the issuance of the Decree 608-2018 by the Québec Government; and
- Nouveau Monde and Black Swan Graphene entered into a non-binding letter of intent for the implementation of Black Swan Graphene's graphene processing technology in Nouveau Monde's Demonstration Plant, which has a design throughput of 3.5 tonnes of ore per hour (tph), the equivalent nameplate production capacity of approximately 1,000 tonnes of graphite concentrate per annum, using Nouveau Monde's ore grading an average of 4.5% graphitic carbon, in order to establish a fully integrated facility from graphite ore to graphene finished products.

On July 20, 2022, Mason Graphite announced the entering into of the Option and JV Agreement and the completion of the private placement of 5,000,000 common shares of the Company to Nouveau Monde at a price of \$0.50 per share for gross proceeds to the Company of \$2.5 million.

D) SOCIAL ACCEPTABILITY AND FIRST NATIONS RELATIONS

The Lac Guéret project enjoys strong social acceptability and support from the local communities.

The Company and the Innu Council of Pessamit signed the Mushalakan Agreement in June 2017, an Impact Benefit Agreement (the "IBA") for the construction and operation of the Lac Guéret project (Lac Guéret mine and Baie-Comeau concentrator). Under the IBA, both parties commit to develop a specific training and employment strategy for the Pessamiuilnut (members of the Innus of Pessamit community). Additionally, the IBA will allow the Innus of Pessamit to participate in the project concretely, through contracting opportunities and will ensure fair and equitable financial and socio-economic benefits.

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2. OPERATIONAL RESULTS

The Company's profit totaled \$7,592,186 for the three months ended period ended September 30, 2022. This compares with a loss of \$905,995 for the three months ended period ended September 30, 2021 for a variance of \$8,498,181, due to the following significant variations:

	For the three months ended September 30,		Variance	Comments
	2022	2021		
Share-based compensation	98,576	310,625	(212,049)	On January 12, 2021, 6,925,000 options were granted, a number of these options had vesting over a period of time, as a result the full amount of the stock based compensation is still being recognized. Additionally 400,000 options were granted on September 2, 2021.
Added-value processing	56,870	201,935	(145,065)	The Company spent less for the period ended September 30, 2022 compared to the prior comparative period, as the value-added graphite products project is no longer the priority.
Care and maintenance for Lac Gueret project	59,068	119,092	(60,024)	The Company continues to keep care and maintenance activities for Lac Guéret were kept at the minimum compared to the comparative period.
Gain on dilution of Black Swan Graphene Inc.	(10,477,469)	-	(10,477,469)	The Company lost control of the subsidiary (56% to 41%) on August 2, 2022 in accordance with the RTO transaction.
Loss on investment in associate	2,480,405	-	2,480,405	The Company recorded it's percentage share of the loss of Black Swan during the quarter. Black Swan completed a number of transactions related to the going public event which resulted in higher costs.
Other expenses and revenues	190,364	274,343	(83,979)	Non-significant variances in other expenses and revenues items.
Total	(7,592,186)	905,995	(8,498,181)	

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3. SUMMARY OF QUARTERLY RESULTS

	Sep 30, 22 Q1	Jun 30, 22 Q4	Mar 31, 22 Q3	Dec 31, 21 Q2
(Profit) loss from continuing operations	(note 1) (7,592,186)	(note 2) 1,722,254	897,783	(note 3) 939,588
Net (profit) loss from continuing operations per share (basic and diluted)	(0.05)	0.01	0.01	0.01
Loss from discontinued operations	252,586	431,481	546,092	1,861,993
Net loss from discontinued operations per share (basic and diluted)	0.00	0.00	0.00	0.01

	Sep 30, 21 Q1	Jun 30, 21 Q4	Mar 31, 21 Q3	Dec 31, 20 Q2
Loss for the period	905,995	2,224,634	(note 4) 2,224,634	(note 5) 2,434,278
Net loss from continuing operations per share (basic and diluted)	0.02	0.02	0.02	0.02
Loss from discontinued operations	78,826	-	-	-
Net loss from discontinued operations per share (basic and diluted)	0.00	0.00	0.00	0.00

Note 1: A gain on dilution of Black Swan Graphene as a result of the deconsolidation of the subsidiary, and the loss from the associate.

Note 2: The costs associated with closing the option and joint venture agreement with Nouveau Monde.

Note 3: The higher loss is explained by significant expenses of the new subsidiary acquired in the first quarter of 2022.

Note 4: The higher loss is explained by the fees incurred for the proxy fight and the issuance of options which generated exceptionally high expenses.

Note 5: The higher loss is explained by the fees incurred for the proxy fight and the costs of maintenance and maintaining the mining property.

4. CASH FLOW

	For the period ended September 30,	
	2022	2021
	\$	\$
Sources and uses of cash		
Cash used for operations prior to changes in working capital	(554,426)	(588,258)
Changes in non-cash working capital	287,562	7,342
Cash used in operating activities	(266,864)	(580,916)
Cash from financing activities	2,485,626	176,350
Cash used in investing activities	(3,965,488)	(5,384,922)
Net change in cash classified within subsidiary loss of control	4,125,463	-
Change in cash	2,378,737	(5,789,488)

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Operating Activities

For the three months ended September 30, 2022, cash outflows from operating activities prior to changes in working capital decreased by \$33,832 before changes in non-cash items compared to the same period last year (from \$588,258 in 2021 to \$554,426 in 2022). No significant variance was noted, other than those mentioned in section 3: Operating results: Comparison of three-month periods 2022 and 2021.

For the three months ended September 30, 2022 and 2021, cash used in non-cash working capital increased by \$287,562 in 2021 and increased by \$7,342 in 2021. This variation is mainly explained by a significant variation in the balance the sales tax receivables and accounts payables between September 30, 2022, and 2021.

Financing Activities

During the three months ended September 30, 2022, the Black Swan Graphene completed a private placement of 5,000,000 common shares at a price of \$0.50 per share for total gross proceeds of \$2,500,000 with issuance costs of \$14,374.

Investing Activities

For the three months ended September 30, 2022, cash used in investing activities was \$3,965,488 which was the cash held by Black Swan Graphene prior to the RTO event.

5. FINANCIAL POSITION

As at,	September 30, 2022	June 30, 2022
	\$	\$
Cash (note 1)	9,695,727	7,316,990
Other current assets (note 2)	137,588	13,430,372
Total current assets	9,833,315	20,747,362
Non-current assets (note 2)	20,880,818	5,695,688
Total assets	30,714,133	26,443,050
Total liabilities	204,594	277,125
Equity	30,509,539	26,165,925

Note 1: The increase is due to the closing of the private placement.

Note 2: During the three months ended September 30, 2022, Black Swan Graphene completed it's RTO transaction, the investment for Black Swan Graphene is accounted for as a equity investment subsequent to the RTO date.

6. LIQUIDITY AND CAPITAL RESOURCES

To benefit from the structural change rapidly unfolding in the graphite industry, a goal of the Board of Directors of the Company was to re-accelerate the development of the Company's Lac Guéret project, which was put on hold in April 2020. The Company is of the view that customers are currently looking to secure unprecedented volumes of graphite supply, preferably sourced in North America, to support the electrification of the transportation industry. As such, graphite prices will soon need to reach significantly higher levels to allow for new sources of supply, or upstream integration will be necessary to establish an adequate supply chain.

The Company has no operating income, is mainly dependent on external funding for its development projects. It has had recourse to the cash issuance of equity, borrowing, funds received from the Government of Quebec in the form of a resource-related tax credit and a mining tax credit for eligible exploration expenses and funds obtained from stock warrants and options exercised.

As of September 30, 2022, the Company had a working capital of \$9,628,721, an accumulated deficit of \$93,019,239 and a net profit of \$7,592,186 for then three months ended September 30, 2022. Working capital included a cash balance of \$9,695,727.

Management believes that the Company has sufficient funds to meet its obligations, operating expenses and some development expenditures for its value-added product project for the ensuing twelve months. The Company's ability to pursue its development activities for its value-added product project and the Lac Guéret project depends on management's ability to obtain additional financing, which it can do in various ways, including through strategic partnerships, joint venture agreements, debt project financing, royalty financing or other options offered by the financial markets. On July 20, 2022, the Company entered into the Option and JV Agreement with Nouveau Monde. Although management has been successful in securing funding in the past, there can be no assurance that it will achieve funding in the future, including under the Option and JV Agreement, or that such funding sources or measures will be available to the Company or that they will be available on terms and conditions acceptable to the Company.

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

For a detailed description of the financial instruments and risk management associated with the Company and its activities, please refer to the Note 15 "Financial Instruments and Risk Management" in the audited financial statements for the years ended June 30, 2022 and 2021. The Company is not aware of any significant changes to financial instruments nor any management risk presented on those dates.

8. CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

For a detailed description of the critical accounting judgments and estimates associated with the Company and its activities, please refer to the Note 3 "*Critical accounting judgments and estimates*" in the Financial Statements. Judgments and estimates are in line with last year.

9. NEW SIGNIFICANT ACCOUNTING POLICIES

For a detailed description of the significant accounting policies, please refer to the Note 2 "*Summary of significant accounting policies*" in the audited financial statements for the years ended June 30, 2022 and 2021.

10. OUTSTANDING SHARE DATA

As of November 28, 2022, the Company has:

- a) 141,292,585 common shares issued and outstanding;
- b) 6,867,000 options outstanding with expiry dates ranging between April 4, 2023 and September 2, 2026 with exercise price from \$0.46 to \$1.85 (weighted average price: \$0.49). If all the options were exercised, 6,867,000 common shares would be issued for aggregate proceeds of \$3,387,320.

11. RISKS AND UNCERTAINTIES

The operations of the Company are speculative due to the high-risk nature of its business, which is the acquisition, financing, exploration, evaluation, development and operation of mining properties. These risk factors could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking information relating to the Company.

For a detailed description of the risk factors associated with the Company and its activities, please refer to the "*Risks and Uncertainties*" in the MD&A for the year ended June 30, 2022 and 2021. The Company is not aware of significant adverse change to the risk and uncertainties presented by that date.

12. MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The information provided in this MD&A, including the Financial Statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying consolidated financial statements.

In contrast to the certificate required under National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* (in Québec, *Regulation 52-109 respecting Certification of Disclosure in Issuers' Annual and Interim Filings*) ("NI 52-109"), the "Venture Issuer Basic Certificate" does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

- Controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and;
- A process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that the design and implementation of such processes by those responsible for a venture issuer are subject to cost limitation.

DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

13. SUBSEQUENT EVENTS

On October 26, 2022 the Company announced today that it has completed its change of business from a "Tier 2 mining issuer" to a "Tier 2 investment issuer" (the "COB") pursuant to Policy 5.2 – Changes of Business and Reverse Takeovers of the TSX Venture Exchange (the "TSX-V") which was approved at the special meeting of shareholders of the Company held on July 14, 2022.

14. APPROVAL

The Board of Directors of the Company oversees management's responsibility for financial reporting through the Audit Committee. The Audit Committee meets quarterly with management and annually with the independent auditors to review the scope and results of the annual audit and to review the financial statements and related financial reporting and internal control matters before the financial statements are approved by the Board of Directors and submitted to the shareholders. The Board of Directors has approved the Financial Statements and the disclosure contained in this MD&A dated November 28, 2022.