



P2 GOLD INC.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2023 and 2022**



MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("MD&A") of P2 Gold Inc. ("P2 Gold", "we", "our", "us" or the "Company") provides information about our performance, financial condition and future prospects.

This MD&A should be read in conjunction with the condensed consolidated interim financial statements for the three and six months ended June 30, 2023 and 2022 as publicly filed in Canada on the System for Electronic Document Analysis and Retrieval ("SEDAR") website at www.sedar.com and on our website at www.p2gold.com.

The condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standards 34, *Interim Financial Reporting* using accounting policies consistent with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"). Our significant accounting policies applied in the condensed consolidated interim financial statements are the same as those disclosed in note 3 of our annual consolidated financial statements as at and for the years ended December 31, 2022 and 2021.

The functional currency of the parent company, P2 Gold, is the Canadian dollar ("\$" or "CAD") and the functional currency of each of the Company's subsidiaries is the United States dollar ("USD" or "US\$"). The presentation currency of the condensed consolidated interim financial statements is CAD. All dollar amounts in this MD&A are expressed in CAD, unless otherwise noted or the context otherwise provides. The following abbreviations are used in this MD&A: m (metres); km (kilometers); mi (miles); Mt (million tonnes); g/t (grams per tonne); oz (ounces); M oz (million ounces); M lbs (million pounds) and AuEq (gold equivalents).

This MD&A is prepared as of August 10, 2023 and includes certain statements that may be deemed "forward-looking information", "forward-looking statements", and "financial outlook". We direct readers to the "Statement Regarding Forward-Looking Information" section included within this MD&A.

Additional information relating to the Company, including our Annual Information Form ("AIF"), dated March 16, 2023, is available on the SEDAR website at www.sedar.com and on our website at www.p2gold.com.

OUR BUSINESS

The Company was incorporated on November 10, 2017 under the *Canada Business Corporations Act* under the name Central Timmins Exploration Corp. Effective August 31, 2020, the Company continued under the *Business Corporations Act (British Columbia)* and changed its name to P2 Gold Inc., and in connection therewith, the Company adopted new constating documents comprising Notice of Articles and Articles of the Company, which are available under the Company's profile at www.sedar.com.

The Company's common shares are traded on the TSX Venture Exchange ("Exchange") under the symbol "PGLD" and the OTCQB Venture Market under the symbol "PGLDF". The address of the Company's corporate head office is Suite 1100 – 355 Burrard Street, Vancouver, British Columbia ("BC"), Canada, V6C 2G8.

The Company is a mineral exploration company engaged in the acquisition, exploration and development of mineral resource properties primarily in BC, Canada and the western United States of America (“USA”). Currently, the Company is focused on acquiring ownership rights to these properties and financing exploration programs to identify potential mineral reserves.

The Company owns the Gabbs Project located on the Walker-Lane Trend in the Fairplay Mining District of Nye County, Nevada. In addition, the Company holds interests in two properties located in northwest BC, the BAM Project and the Silver Reef Property, and one property located in southeast Oregon, the Lost Cabin Property.



The Company does not hold any interests in producing mineral deposits. The Company has no production or other material source of revenue. There is no operating history upon which investors may rely. Commercial development of any kind will only occur in the event that sufficient quantities of mineral resources containing economic concentrations of minerals are discovered. If, in the future, a discovery is made, substantial financial resources will be required to establish mineral resources and/or mineral reserves. Additional substantial financial resources will be required to develop mining and processing facilities for any mineral resources and/or mineral reserves that may be discovered. If the Company is unable to finance the establishment of mineral reserves or the development of mining and processing facilities, it may be required to sell all or a portion of its interest in such property to one or more parties capable of financing such development.



2nd QUARTER HIGHLIGHTS AND SIGNIFICANT EVENTS

- In May 2023, the Company completed the following private placements:
 - A flow-through unit offering (the “FT Offering”) of 6,397,000 flow-through units at a price of \$0.32 per unit for gross proceeds of \$2,047,040. Each unit consisted of one flow-through common share of the Company and one non-flow through common share purchase warrant. The proceeds from the FT Offering will be used to fund exploration expenditures on the BAM Project.
 - A non-flow-through unit offering (the “NFT Offering”) of 3,611,927 non-flow-through units at a price of \$0.27 per unit for gross proceeds of \$975,220. Each unit consisted of one common share of the Company and one common share purchase warrant. The proceeds from the NFT Offering will be used to fund exploration and engineering expenditures and for general corporate purposes.
- On May 5, 2023, the Company entered into an amending agreement (the “Amending Agreement”) amending the terms of the option agreement pursuant to which the Company can acquire a 100% interest in the BAM Property. Under the option agreement, the Company was required to issue 800,000 common shares in its capital and pay \$550,000 to the vendor on June 29, 2023 to acquire an initial 70% interest in the BAM Property. Under the Amending Agreement, the Company issued 800,000 common shares (\$176,000 in fair value) in its capital on June 29, 2023 and will pay \$200,000 on September 30, 2023 and issue 200,000 common shares in its capital and pay \$550,000 on June 29, 2024 to acquire an initial 70% interest in the BAM Property. The other terms in respect of the option agreement for the BAM Property remain unchanged.
- On May 25, 2023, the Company announced the granting of share options to directors, officers, employees and consultants of the Company to purchase an aggregate of 2,258,333 common shares in the capital of the Company at an exercise price of \$0.24 per share, which expire on May 24, 2025.
- On June 14, 2023, the Company agreed with the vendor of the Silver Reef Property to defer the cash payment and share issuance due on June 12, 2023, under the option agreement dated June 12, 2020 as amended by an amending agreement dated June 20, 2022, to June 10, 2024.
- On June 15, 2023, the Company reported that it commenced drilling at the BAM Project.
- On June 29, 2023, the Company reported results from a positive Preliminary Economic Assessment (“PEA”) on its Gabbs Project. For further details on the PEA, refer to the “Gabbs Project” section of this MD&A.
- Subsequent to June 30, 2023, on July 14, 2023, the Company reported that it completed the first two drill holes and the 2023 mapping and sampling program at the BAM Project. For further details, refer to the “BAM Project” section of this MD&A.



BAM PROJECT (BC, Canada)

The BAM Project consists of 64 mineral tenures that cover an area of over 27,000 hectares, located approximately 150 kilometers northwest of Stewart, BC. Highway 37 and the Northwest Transmission Line are approximately 35 kilometers to the east of the BAM Project, and the Galore Creek Project access road is 1.7 kilometers to the southeast.

2023 BAM exploration program

The Company completed its first two drill holes and a mapping and sampling program at the BAM Project. A total of 912 metres were drilled focusing on the priority exploration targets beneath the Monarch Gold and Jan Copper zones.

Due to market conditions additional flow-through funding expected in early July 2023 did not materialize. As a result, the Company stopped drilling and demobilized the drill while awaiting assays. The Company plans to return to the BAM Project when funding is available to follow-up on the completed drill holes and drill the remaining priority drill targets and other targets identified from this year's exploration program.

With the completion of the two drill holes and the mapping and sampling program, exploration crews have been demobilized from BAM. Assays from the drill program are expected to be received in the third quarter of 2023.

Acquisition of Ball Creek Claims

On March 5, 2023, the Company entered into an agreement with a wholly-owned subsidiary of Orogen Royalties Inc. ("Orogen") for the acquisition of certain mineral claims (the "Ball Creek Claims") that comprise the western portion of Orogen's Ball Creek Property.

Under the terms of the agreement, in return for the transfer of the Ball Creek Claims, the Company issued 4,000,000 common shares in the capital of the Company to Orogen and granted Orogen a one percent net smelter returns royalty in respect of production from the Ball Creek Claims. The acquisition cost was measured based on the fair value of common share consideration at the date of issuance in the amount of \$900,000.

In addition, the Ball Creek Property is subject to an underlying agreement with Sandstorm Gold Ltd. ("Sandstorm") pursuant to which Sandstorm holds a two percent net smelter returns royalty (the "Sandstorm Royalty"), one percent of which may be repurchased for \$1,000,000, and is entitled to a payment of \$1,000,000 on the announcement of a one-million-ounce Mineral Resource and \$3,000,000 on the announcement of a positive feasibility study. Under the agreement, the Company assigned Orogen the right to repurchase one percent of the Sandstorm Royalty and assumed the obligations to Sandstorm on the announcement of a one-million-ounce Mineral Resource and a positive feasibility study in respect of the portion of the Ball Creek Property being acquired by the Company.



Monarch Gold Zone Mineral Resource Estimate (“MRE”)

The initial Monarch MRE comprises 520,000 ounces of gold in an Inferred Mineral Resource at a grade of 0.59 g/t (refer to Table 1 below). The pit-constrained MRE starts at surface and continues to a depth of 190 metres over a strike length of 1,250 metres, with the Monarch Gold Zone open to expansion by drilling to the northeast and southwest.

The Monarch MRE was prepared by P&E Mining Consultants Inc. (“P&E”), based on six diamond drill holes (836 metres) completed by the Company in 2021 and 95 diamond drill holes (13,963 metres) completed by the Company in 2022.

The Monarch MRE is detailed in the National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“NI 43-101”) Technical Report entitled “Technical Report and Initial Mineral Resource Estimate of the Monarch Gold Zone, BAM Gold Property, Laird Mining Division, British Columbia” (“Technical Report”) dated effective January 24, 2023 prepared by P&E. The Technical Report was filed on February 17, 2023 and is available under the Company’s profile on the SEDAR website at www.sedar.com and on our website at www.p2gold.com.

Table 1: January 2023 BAM Project, Monarch Gold Zone, Pit Constrained Inferred MRE⁽¹⁻⁵⁾

Tonnes (Mt)	Gold grade (g/t)	Silver grade (g/t)	Gold (M oz)	Silver (M oz)	Gold equivalent grade (g/t)	Gold equivalent (M oz)
27.2	0.59	2.52	0.52	2.21	0.62	0.55

- (1) Mineral Resources, which are not Mineral Reserves, do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues.
- (2) The Inferred Mineral Resource in this estimate has a lower level of confidence than that applied to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of the Inferred Mineral Resource could be upgraded to an Indicated Mineral Resource with continued exploration.
- (3) The Mineral Resources in this MD&A were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (“CIM”) Standards on Mineral Resources and Reserves, Definitions (2014) and Best Practices (2019) prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council.
- (4) The MRE was prepared for a potential open pit scenario using a constraining pit shell (with 50-degree slopes) at a 0.2 g/t gold equivalent cut-off grade. The gold equivalent cut-off grade was derived from US\$1,800/oz gold, US\$24/oz silver, CAD:USD of \$0.77, C\$2.50/tonne mining cost, C\$12.00/tonne milled processing costs, C\$1.50/tonne general and administrative (“G&A”) cost, and 90% and 80% gold and silver process recoveries, respectively.
- (5) Gold equivalent g/t = Gold g/t + (Silver g/t x 0.012)

Monarch Gold Zone MRE cut-off grade sensitivities

The Monarch MRE sensitivity table, refer to Table 2 below, shows the potential for higher-grade Mineral Resources at higher gold equivalent cut-offs, which potential can be assessed during engineering studies.



Table 2: January 2023 BAM Project, Monarch Gold Zone, Pit Constrained Inferred MRE Cut-Off Grade Sensitivities⁽¹⁻²⁾

Cut-off gold equivalent	Tonnes	Gold grade	Silver grade	Gold	Silver	Gold equivalent grade	Gold equivalent
(g/t)	(Mt)	(g/t)	(g/t)	(M oz)	(M oz)	(g/t)	(M oz)
0.6	10.2	0.97	3.04	0.32	0.99	1.00	0.33
0.4	18.0	0.75	2.82	0.43	1.63	0.78	0.45
0.2	27.2	0.59	2.52	0.52	2.21	0.62	0.55

⁽¹⁾ Refer to the footnotes to the MRE in Table 1 of this MD&A.

⁽²⁾ The MRE cut-off grade sensitivities in Table 2 are a subset of the MRE in Table 1.

Quality assurance

The Monarch MRE was prepared under the supervision of Eugene Puritch, P.Eng., FEC, CET of P&E of Brampton, Ontario, who is an Independent Qualified Person (“QP”), as defined by NI 43-101. Mr. Puritch has reviewed and approved the technical contents of this MD&A relating to the Monarch MRE.

Ken McNaughton, M.A.Sc., P.Eng., Chief Exploration Officer (“CEXO”) of P2 Gold, is the QP, as defined by NI 43-101, responsible for the BAM Project. Mr. McNaughton has reviewed, verified, and approved the scientific and technical information in this MD&A.

GABBS PROJECT (Nevada, USA)

The Gabbs Project is located in the Fairplay Mining District, south-southwest of the town of Gabbs, Nye County, Nevada. The Gabbs Project is located on the Walker-Lane mineralization trend, on the southwest flank of the Paradise Range and is road accessible via Highway 361. The Gabbs Project consists of 543 federal unpatented lode claims and one patented lode claim which comprises an approximately 45.0 km² (17.5 mi²) contiguous claim block.

There are four separate mineralized areas found to date on the Gabbs Project: the Sullivan, Lucky Strike, and Gold Ledge zones are considered to be gold-copper porphyry deposits. The Car Body Zone is considered to be an epithermal gold deposit.

Acquisition terms

On February 22, 2021, the Company entered into an asset purchase agreement with Borealis Mining Company, LLC (“Borealis”), an indirect, wholly owned subsidiary of Waterton Precious Metals Fund II Cayman, LP (“Waterton”) to acquire all the assets that comprise the Gabbs Project located on the Walker-Lane Trend in the Fairplay Mining District of Nye County, Nevada.

On May 4, 2021, the Company and Borealis agreed to amend the terms of the asset purchase agreement (“Amended Agreement”). Under the Amended Agreement, the Company paid \$1,216,600 (US\$1,000,000) and issued 15,000,000 common shares (\$7,500,000 in fair value) in its capital to Waterton at closing of the transaction. In addition, the Company was required to pay Waterton Nevada Splitter LLC (“Splitter”), an affiliate of Borealis, (a) US\$4,000,000 on the twelve-month anniversary of closing and (b) US\$5,000,000 on the earlier of the announcement of results of a PEA



and the 24-month anniversary of closing. Borealis reserved for itself a 2% net smelter returns royalty on production from the Gabbs Project, of which one percent may be repurchased at any time by the Company for US\$1,500,000 and the remaining one percent of which may be repurchased for US\$5,000,000.

On April 28, 2022, the Company and Splitter agreed to amend the terms of the milestone payments under the Amended Agreement for the purchase of the Gabbs Project. Under the amended terms, the Company would pay Splitter (a) US\$500,000 on May 31, 2022; (b) US\$500,000 on December 31, 2022, if the Company completed an equity financing in the second half of 2022; and (c) US\$8,000,000 or US\$8,500,000 on May 14, 2023 (depending on whether US\$500,000 was paid on December 31, 2022), provided that if the Company announced the results of a PEA prior to May 14, 2023, all outstanding payments would be due on the earlier of 60 days following the announcement of such results and May 14, 2023, and if the Company sold an interest in the Gabbs Project at any time, including without limitation, a royalty or stream, the proceeds of such sale shall be paid to Splitter up to the amount remaining outstanding.

On March 3, 2023, the Company and Splitter agreed to restructure the outstanding payment terms for the acquisition of the Gabbs Project, subject to Exchange approval which was received on March 30, 2023. As part of the restructuring, the Company entered into an amending agreement (the “Second Amended Agreement”) with Splitter pursuant to which the Company will pay to Splitter (a) US\$150,000 on or before December 31, 2023, (b) US\$250,000 on or before December 31, 2024, (c) US\$2,000,000 on or before December 31, 2025 and (d) US\$2,400,000 on or before December 31, 2026. Under the Second Amended Agreement, if the Company raises, through the issuance of debt or equity, in excess of \$7,500,000 (excluding flow-through funds), 10% of the funds raised will be paid to Splitter against the longest dated milestone payment and on the sale of an interest in, or of, the Gabbs Project, the proceeds will be paid to Splitter up to the amount outstanding at the time.

In addition, on March 3, 2023, the Company issued to Splitter a US\$4,000,000, zero coupon convertible note with a four-year term convertible at a price of C\$0.30 per share provided that the convertible note cannot be converted if all payments due under the Second Amended Agreement have been made at the time the convertible note is called (other than if a change of control is to occur prior to repayment of the convertible note). The convertible note can be called at any time on payment of 115% in the first year, 130% in the second year and 150% thereafter and is due on maturity, an event of default or a change of control.

Under the terms of the convertible note, approval by the shareholders of the Company is required if conversion of the convertible note would make Waterton (including affiliated entities) a control person (as defined in the Exchange’s Corporate Finance Manual).

In consideration for the restructuring, the Company issued 3,320,534 common shares (\$797,011 in fair value) in the capital of the Company to Splitter following Exchange approval of the Second Amended Agreement.



PEA

The Gabbs PEA will be detailed in the NI 43-101 Technical Report entitled “Preliminary Economic Assessment, Gabbs Project, Nye County, Nevada, USA”. The PEA was prepared by Kappes, Cassidy & Associates (“KCA”) of Reno, Nevada with Mineral Resource and mining contributions from P&E in accordance with NI 43-101. The Technical Report will be prepared and posted under the Company’s profile on the SEDAR website at www.sedar.com and on our website at www.p2gold.com within 45 days of June 29, 2023.

The PEA is preliminary in nature, includes Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves, and there is no certainty that the PEA will be realized. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. The Company has not defined any Mineral Reserves on the Gabbs Project.

Economic sensitivities

Base case metals prices were established by the Company reflecting the Company’s expectations for market conditions at the time of construction financing for the Gabbs Project.

Table 1: Gabbs Project 2023 PEA Economics

	Low case	Base case	High case	Spot case ⁽²⁾
Gold price (US\$/oz)	\$1,800	\$1,950	\$2,100	\$1,919
Copper price (US\$/lb)	\$4.00	\$4.50	\$5.00	\$3.81
Net revenue (US\$)	\$1.44 billion	\$1.58 billion	\$1.73 billion	\$1.49 billion
After tax NCF ⁽¹⁾ (US\$)	\$213.5 million	\$319.5 million	\$424.7 million	\$247.2 million
After tax NPV ⁽¹⁾ 5% (US\$)	\$90.9 million	\$163.1 million	\$234.9 million	\$114.4 million
After tax IRR ⁽¹⁾ (%)	11.9%	16.7%	21.1%	13.6%
Payback/mine life (years)	6.0/11.1	4.2/11.1	3.5/11.1	5.5/11.1

⁽¹⁾ NCF means “net cash flow”; NPV means “net present value”; IRR means “internal rate of return”.

⁽²⁾ As of June 27, 2023

Capital and operating costs

Table 2: Gabbs Project 2023 PEA capital costs

Capital costs	US\$ (in millions)
Mining (including contingency of 10%)	\$61.9
Process (including contingency of 20%)	\$143.7
Other (including contingencies)	\$24.7
Total pre-production capital	\$230.2
Working capital and initial fills	\$6.8
Sustaining capital (including contingency)	\$27.7
Reclamation and closure	\$19.6

Table 3: Gabbs Project 2023 PEA operating costs

Operating costs	US\$
Mining (US\$/tonne mined) (Life of mine (“LOM”) strip ratio – 2.36:1)	\$2.31
Processing (US\$/tonne milled)	\$11.22
G&A (US\$/tonne milled)	\$1.23
All-in sustaining costs, LOM @ base case (US\$/oz AuEq)	\$784

Mining and processing

Mining

The mineralized material will be mined by standard open-pit mining methods using an owner mining fleet of 90-tonne haul trucks and 11 m³ hydraulic shovels, fine crushed using a system incorporating a jaw crusher, cone crushers and high-pressure grinding rolls (“HPGR”), agglomerated with cement and conveyor stacked on the heap leach pad in 8-metre lifts.

Processing

The Gabbs mineralized material is estimated to contain an average of 0.25% copper based on the mine plan used for this PEA. A portion of this copper is cyanide soluble and is expected to be extracted in the heap leach circuit. The cyanide soluble copper has an effect on the cyanide consumption. A sulfidization, acidification, recycling and thickening (“SART”) plant that releases cyanide associated with the copper cyanide complex, allowing it to be recycled back to the leach process as free cyanide is included. The resulting copper precipitate will be sold, bringing additional revenue to the Project.

Mineralized material will be single-stage leached with a dilute cyanide solution. The gold and copper bearing solution will be collected in the pregnant solution pond and pumped to the SART plant. Pregnant solution will be acidified with sulfuric acid, then copper will be precipitated as sulfides by the addition of sodium hydrosulfide. The precipitate will be thickened and filtered to produce a copper filter cake for shipment to a smelter. The barren solution from the SART plant will be processed in a carbon adsorption-desorption-recovery (“ADR”) plant to recover gold. The gold will be periodically stripped from the carbon using a desorption process. The gold will be plated on stainless steel cathodes, removed by washing, filtered, dried and then smelted to produce a doré bar.

Opportunities

Management has identified a number of opportunities to improve economics of the PEA for the Gabbs Project. They include the following:

- Contract mining – evaluate contract mining versus owner fleet;
- Metallurgy – complete additional test work to increase recoveries for oxide and sulphide mineralization and evaluate the use of HPGR for potential heap leaching of sulphide mineralization to increase recovery of free gold;
- Mineral Resource – expand oxide gold and gold and copper mineralization;
- Capital expenditures – evaluate equipment alternatives to reduce capital costs; and
- Mine plan – optimize mine sequencing to increase return on capital.

Gabbs Project – 2023 MRE

The June 2023 Updated Mineral Resource Estimate (“2023 MRE”) was prepared by P&E based on four diamond drill holes and 27 reverse circulation drill holes completed by the Company in 2021 and 2022 and 494 drill holes completed by prior Gabbs Project operators between 1970 and 2011.

The main difference between the 2023 MRE and the February 2022 Mineral Resource Estimate (refer to the news release dated February 10, 2022) is the decrease in the oxide cut-off grade to 0.28 g/t gold equivalent from 0.35 g/t gold equivalent and an increase in the sulphide cut-off grade to 0.44 g/t gold equivalent from 0.36 g/t gold equivalent. As a result, oxide Mineral Resources have increased and sulphide Mineral Resources have decreased.

Table 4: June 2023 Gabbs Project Pit Constrained MRE⁽¹⁻⁴⁾

Mineral Resource classification	Tonnes (Mt)	Gold grade (g/t)	Copper grade (%)	Gold (M oz)	Copper (M lbs)	Gold equivalent grade (g/t)	Gold equivalent (M oz)
Indicated	42.3	0.50	0.28	0.676	261.3	0.78	1.058
Inferred	55.2	0.50	0.25	0.895	304.0	0.77	1.358

- (1) Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues.
- (2) The Inferred Mineral Resource in this estimate has a lower level of confidence than that applied to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of the Inferred Mineral Resource could be upgraded to an Indicated Mineral Resource with continued exploration.
- (3) The Mineral Resources in this MD&A were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (“CIM”), Standards on Mineral Resources and Reserves, Definitions (2014) and Best Practices (2019) prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council.
- (4) The MRE was prepared for a potential open pit scenario using a constraining pit shell (with 50 degree slopes) at respective 0.28 g/t and 0.44 g/t oxide and sulphide gold equivalent cut-off grades. The gold equivalent cut-off grades were derived from US\$1,838/oz gold, US\$3.96/lb copper, US\$2.15/tonne mining cost, and US\$11.76 and \$23.66/tonne respective oxide and sulphide processing costs; US\$1.25/tonne G&A cost, 78.3% and 95.2% respective gold oxide and sulphide process recoveries; and 48% and 78% respective copper oxide and sulphide process recoveries.

Oxide Mineral Resources at Gabbs consist of Indicated Mineral Resources of 724,400 ounces of gold equivalent (30.6 million tonnes grading 0.49 g/t gold and 0.27% copper) and Inferred Mineral Resources of 779,000 ounces of gold equivalent (33.0 million tonnes grading 0.53 g/t gold and 0.23% copper). Refer to Table 5 below for a breakdown of the oxide and sulphide Mineral Resources.

Table 5: June 2023 Gabbs Project Pit Constrained MRE by Rock Group⁽¹⁾⁽²⁾

Rock group	Tonnes (M)	Gold grade (g/t)	Copper grade (%)	Gold (M oz)	Copper (M lbs)	Gold eq. grade (g/t)	Gold eq. (M oz)
Oxide Indicated	30.6	0.49	0.27	0.483	182.1	0.74	0.724
Oxide Inferred	33.0	0.53	0.23	0.556	167.8	0.74	0.779
Sulphide Indicated	11.7	0.52	0.31	0.193	79.2	0.89	0.333
Sulphide Inferred	22.2	0.47	0.28	0.339	136.2	0.81	0.579

⁽¹⁾ Refer to notes 1 to 4 to Table 1 above.

⁽²⁾ Tables may differ and not sum due to rounding.

Table 6: June 2023 Gabbs Project Pit Constrained MRE by Zone⁽¹⁾⁽²⁾

Zone	Tonnes (M)	Gold grade (g/t)	Copper grade (%)	Gold (M oz)	Copper (M lbs)	Gold eq. grade (g/t)	Gold eq. (M oz)
Sullivan Indicated	42.3	0.50	0.28	0.676	261.3	0.78	1.058
Sullivan Inferred	9.6	0.52	0.27	0.161	57.6	0.83	0.256
Lucky Strike Inferred	41.0	0.47	0.26	0.619	238.0	0.74	0.976
Car Body Inferred	3.3	0.99	-	0.106	-	0.99	0.106
Gold Ledge ⁽³⁾ Inferred	1.3	0.21	0.28	-	-	0.47	-

⁽¹⁾ Refer to notes 1 to 4 to Table 1 above.

⁽²⁾ Tables may differ and not sum due to rounding.

⁽³⁾ Gold Ledge Inferred Mineral Resource rounded to zero**.

Next steps

Additional metallurgical test work will be undertaken next to refine metallurgical recoveries for both the oxide and sulphide mineralization. Thereafter, feasibility level studies will commence and will include an evaluation of contract mining versus an owner fleet, equipment alternatives and mine plan optimization. Timing of the metallurgical test work and feasibility level studies will be dependent on the availability of funds.



QPs

The PEA was prepared by Dan Whiteley, P.E. of KCA and Eugene Puritch, P.Eng., FEC, CET, and Andrew Bradfield, P.Eng. of P&E of Brampton, Ontario, each of whom is a QP as defined by NI 43-101 and independent of the Company and has reviewed and approved of the technical content relating to the PEA in this MD&A.

The 2023 MRE was prepared under the supervision of Eugene Puritch, P.Eng., FEC, CET of P&E, who is an Independent QP, as defined by NI 43-101. Mr. Puritch has reviewed and approved the technical contents of this MD&A relating to the 2023 MRE.

Ken McNaughton, M.A.Sc., P.Eng., CExO of P2 Gold, is the QP, as defined by NI 43-101, responsible for the Gabbs Project. Mr. McNaughton has reviewed, verified, and approved the scientific and technical information in this MD&A.

SILVER REEF PROPERTY (BC, Canada)

The Silver Reef Property covers an area of over 23,000 hectares approximately 85 kilometers north of Hazelton, BC and to the east of the Golden Triangle.

Technical report

For additional information about the Silver Reef Project, refer to the NI 43-101 technical report entitled “NI 43-101 Technical Report on the Silver Reef Property, Omineca Mining Division, British Columbia, Canada” with an effective date of December 31, 2021. The full technical report was filed on January 11, 2022 under the Company’s profile on the SEDAR website at www.sedar.com and on our website at www.p2gold.com.

The technical report was prepared by Ken McNaughton, M.A.Sc., P.Eng., CExO of P2 Gold, a QP as defined by NI 43-101.

Acquisition terms

On June 20, 2022, the Company entered into an agreement amending the terms of the option agreement by which the Company can acquire up to a 100% interest in the Silver Reef Property.

Under the terms of the amended option agreement, to maintain the option in good standing, the Company is contractually obligated to pay the vendor:

- \$175,000 (in cash or common shares valued at \$0.50 per share) and 300,000 common shares following the approval of the amended option agreement by the Exchange;
 - On July 8, 2022, the Exchange approved the amended option agreement with the discounted market price (defined below) set at \$0.33 per common share. On July 11, 2022, the Company issued 650,000 common shares (\$295,000 in fair value) to meet the contractual obligations under the amended option agreement.
- \$175,000 (in cash or common shares valued at the greater of the closing price of the common shares on the Exchange on June 9, 2023, and the discounted market price, as defined in Exchange policy 1.1) and 300,000 common shares on June 12, 2023; and



- \$200,000 (in cash or common shares valued at the greater of the closing price of the common shares on the Exchange on June 7, 2024, and the discounted market price) and 200,000 common shares on June 10, 2024.

In addition, the Company has until September 30, 2024 to incur any remaining exploration expenditures at the property. The other terms in respect of the option agreement for the Silver Reef Property remain unchanged.

On June 14, 2023, the Company agreed with the vendor of the Silver Reef Property to defer the cash payment and share issuance due on June 12, 2023, under the option agreement dated June 12, 2020 as amended by an amending agreement dated June 20, 2022, to June 10, 2024.

LOST CABIN PROPERTY (Oregon, USA)

The Lost Cabin Property consists of 106 unpatented lode mining claims that cover an area of over 2,190 acres, located in Lake County, Oregon. The property is located along a major-northwest-trending structural lineament and hydrothermal alteration associated with silicic volcanism, with limited exploration activities carried out to date. The Company has completed airborne and ground geophysical surveys at Lost Cabin and is reviewing the geophysical data.

Acquisition terms

On July 7, 2022, the Company entered into an agreement amending the terms of the option agreement for the Lost Cabin Property. Under the terms of the amended option agreement, the Company has until September 2023 to complete a minimum of 2,000 meters of drilling on the property. The other terms in respect of the option agreement for the Lost Cabin Property remain unchanged.

QUALITY ASSURANCE

Ken McNaughton, M.A.Sc., P. Eng., CExO of P2 Gold, is the QP, as defined by NI 43-101, responsible for the BAM Project, the Gabbs Project, the Silver Reef Property, and the Lost Cabin Property and has reviewed, verified and approved the scientific and technical information contained in this MD&A relating to such project and properties.

BUSINESS CYCLE AND SEASONALITY

The Company's business is not cyclical or seasonal, however construction of and access to its properties can be delayed and exploration activities may be curtailed during heavy spring rains, snow, cold temperatures and other extreme weather phenomena. Demand for and the price of commodities is volatile and can be affected by seasonal weather variations.

The Company is impacted by the global supply and demand outlook for gold and copper, which in turn is influenced by diverse factors, US currency valuations, derivatives market activity, interest rate and inflation forecasts and other factors.



FINANCIAL POSITION

Total assets

As at June 30, 2023, total assets were \$2,110,350, a decrease of \$303,064 compared to December 31, 2022. The decrease was predominantly due to lower cash and cash equivalents in the amount of \$411,673 resulting from continued spending on exploration and evaluation (“E&E”) expenditures for its mineral projects and corporate administrative expenses partially offset by cash flows generated from completed private placements.

Under our accounting policy for E&E expenditures, all acquisition costs incurred related to the Gabbs Project, the Ball Creek Claims and payments under option agreements were expensed to the statement of loss and not capitalized to the statement of financial position.

Total liabilities

As at June 30, 2023, total liabilities were \$10,314,836, a decrease of \$1,933,013 compared to December 31, 2022. Total liabilities primarily relate to the acquisition liabilities associated with the Gabbs Project in the amount of \$9,349,456 (December 31, 2022 – \$11,681,066). The decrease in liabilities was predominantly due to a decrease in acquisition liabilities associated with the Gabbs Project resulting from the restructuring of the payment terms and the translation of the liability from USD to CAD. This was partially offset by an increase in accounts payable and accrued liabilities in the amount of \$419,505 due to the timing of E&E expenditures incurred on the BAM Project and corporate administrative expenses.

Total shareholders’ equity

Total shareholders’ equity was a deficit of \$8,204,486, an increase in total shareholders’ equity of \$1,629,949 compared to December 31, 2022. Higher shareholders’ equity was due to the completed private placements, shares issued for the acquisition of the Ball Creek Claims and restructuring of the acquisition liabilities associated with the Gabbs Project and an increase in other reserves due to share-based compensation expense related to share options. This was partially offset by an increased net loss driven by E&E expenditures completed on the BAM and Gabbs projects and corporate administrative expenses.

FINANCIAL RESULTS OF OPERATIONS

E&E expenditures

For the three and six months ended June 30, 2023, E&E expenditures were \$1,887,401 and \$3,423,221 respectively, compared to \$2,346,991 and \$3,813,627, respectively, in the comparable periods of 2022. E&E expenditures, by property, for the three and six months ended June 30, 2023 and 2022 were as follows:

	For the three months ended		For the six months ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
BAM Project	\$ 1,780,073	\$ 1,814,231	\$ 3,204,561	\$ 2,004,000
Gabbs Project	106,225	524,323	190,313	1,784,408
Lost Cabin Property	-	4,928	27,244	18,036
Silver Reef Property	1,103	3,109	1,103	5,583
Natlan Property	-	400	-	1,200
Todd Creek Property	-	-	-	400
	\$ 1,887,401	\$ 2,346,991	\$ 3,423,221	\$ 3,813,627

For the three and six months ended June 30, 2023, the decrease in E&E expenditures of \$459,590 and \$390,406 respectively, was primarily related to the scope of drill programs completed at the BAM Project in 2023 (2 drill holes – 912 metres) and the Gabbs Project in 2022 (22 drill holes – 4,000 metres). This was partially offset by an increase in acquisition costs in the amount of \$900,000 related to the fair value of the common shares issued for the acquisition of the Ball Creek Claims.

E&E expenditures of the Company, by nature of expense, for the three and six months ended June 30, 2023 and 2022 were as follows:

	For the three months ended		For the six months ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Acquisition costs	\$ 176,000	\$ 285,720	\$ 1,107,619	\$ 319,282
Camp costs and access road	342,492	372,147	487,934	435,164
Helicopters	466,471	542,627	466,273	542,627
Drilling	345,994	245,530	383,970	764,002
Salaries and benefits	212,774	157,858	354,019	270,071
Consulting	119,041	85,656	268,410	165,338
Technical and assessment reports	88,005	216,488	101,575	477,429
Geophysical and other surveys	3,850	123,899	78,276	269,673
Assays	50,899	210,947	76,374	352,818
Travel expenses	36,803	28,894	38,212	46,441
Other E&E expenditures	15,512	14,451	29,621	22,337
Equipment rentals	26,162	59,195	26,162	101,906
Government payments	3,398	3,579	4,776	46,539
	\$ 1,887,401	\$ 2,346,991	\$ 3,423,221	\$ 3,813,627

Administrative expenses

For the three and six months ended June 30, 2023, total administrative expenses were \$793,966 and \$1,483,909 respectively, a decrease of \$76,503 and \$194,636 respectively, compared to the comparable periods in 2022.



Share-based compensation

For the three and six months ended June 30, 2023, share-based compensation expense was \$167,325 and \$316,963, a decrease of \$190,486 and \$405,070 respectively, compared to the comparable periods in 2022. The movement in share-based compensation expense was the result of the timing and number of share options granted during the periods and the vesting conditions and fair value attributed to those options.

General and administrative

For the three and six months ended June 30, 2023, general and administrative costs were \$162,033 and \$336,661 respectively, a decrease of \$83,297 and \$154,126 respectively, compared to the comparable periods in 2022. The decrease was primarily due to the Executive Vice President (“EVP”) and Corporate Secretary of the Company moving to consulting arrangements which were recorded as professional fees.

Investor relations and travel

For the three and six months ended June 30, 2023, investor relations and travel expenses were \$271,495 and \$438,149 respectively, an increase of \$111,871 and \$186,723 respectively, compared to the comparable periods in 2022. The increase was due to increased promotion, social media campaigns and marketing of the Company and attendance at investor conferences.

Professional fees

For the three and six months ended June 30, 2023, professional fees were \$106,908 and \$229,355 respectively, an increase of \$65,711 and \$150,682 respectively, compared to the comparable periods in 2022. The increase was primarily due to the EVP and Corporate Secretary consulting arrangements and technical accounting and valuation assistance associated with the restructuring of the acquisition liabilities associated with the Gabbs Project.

Interest and finance expense

For the three and six months ended June 30, 2023, interest and finance expense was \$262,195 and \$515,651 respectively. Interest and finance expense was primarily related to accretion related to the acquisition liabilities associated with the Gabbs Project resulting from the restructuring of the payment terms.

Loss (gain) on financial instruments at fair value

For the three months ended June 30, 2023, the Company reported a gain on financial instruments at fair value in the amount of \$184,983 (2022 – nil). For the six months ended June 30, 2023, the Company reported a loss on financial instruments at fair value in the amount of \$147,774 (2022 – nil). The loss (gain) on financial instruments at fair value was related to the embedded derivative associated with the convertible note, part of the new acquisition liabilities associated with the Gabbs Project. The valuation of the embedded derivative associated with the convertible note was impacted by changes in key inputs including: the discount rate, share price volatility and foreign exchange rate.



Gain on modification/extinguishment of acquisition liabilities

For the three months ended June 30, 2023, gain on modification/extinguishment of acquisition liabilities was nil, a decrease of \$729,012 compared to the comparable period in 2022. The gain on modification/extinguishment of the acquisition liabilities was related to the Amended Agreement agreed upon between the Company and Splitter on April 28, 2022. For further details, refer to the “Gabbs Project” section of this MD&A.

For the six months ended June 30, 2023, gain on modification/extinguishment of acquisition liabilities was \$2,056,201, an increase of \$1,327,189 compared to the comparable period in 2022. This was related to the restructuring of the acquisition liabilities associated with the Gabbs Project. For further details, refer to the “Gabbs Project” section of this MD&A.

Net loss and comprehensive loss

For the three months ended June 30, 2023, net loss was \$2,446,073, an increase of \$110,654 compared to the comparable period in 2022. The Company incurred lower E&E expenditures on its mineral projects, lower corporate administrative expenses and a gain on financial instruments at fair value related to the embedded derivative associated with the convertible note. This was offset by the gain on modification/extinguishment of acquisition liabilities recognized in the comparable period of 2022.

For the six months ended June 30, 2023, net loss was \$3,111,012, a decrease of \$1,643,741 compared to the comparable period in 2022. The decrease was primarily driven by the gain on modification/extinguishment of acquisition liabilities, lower E&E expenditures on its mineral projects and lower corporate administrative expenses. This was partially offset by the loss on financial instruments at fair value related to the embedded derivative associated with the convertible note and higher interest and finance expense.

Net comprehensive loss was impacted by the same reasons noted above for net loss and the currency translation adjustment for translation of the Company’s subsidiaries financial results into the presentation currency. The translation adjustment was impacted during the period ended June 30, 2023 due to the strengthening of the CAD compared to the USD.

LIQUIDITY, CAPITAL RESOURCES AND GOING CONCERN

Cash flow

For the three and six months ended June 30, 2023, cash flows used in operating activities were \$2,183,551 and \$3,215,002 respectively, a decrease of \$262,578 and \$1,349,671 respectively, compared to the comparable periods in 2022. Operating cash outflows decreased due to lower cash-related E&E expenditures at the BAM and Gabbs projects and lower corporate administrative expenses.

For the three and six months ended June 30, 2023, cash flows used in investing activities were \$4,445 and \$652 respectively, a decrease of \$9,850 and \$10,714 respectively, compared to the comparable periods in 2022. The decrease was related to no restricted cash requirements for reclamation of the BAM Project. This was partially offset by a decrease in interest and finance income received from cash and cash equivalents held by the Company.



For the three and six months ended June 30, 2023, cash flows generated by financing activities were \$2,875,730 and \$2,806,974 respectively, a decrease of \$1,894,400 and \$1,914,024 respectively, compared to the comparable periods in 2022. The decrease was due to lower proceeds generated from private placements in the amount of \$1,576,640 and no proceeds from the exercise of share options and warrants (2022 – \$262,900).

Liquidity, capital resources and going concern

As at June 30, 2023, the Company had cash and cash equivalents of \$1,062,751 (December 31, 2022 - \$1,474,424), a positive working capital (current assets less current liabilities) of \$782,201 (December 31, 2022 – deficit of \$10,086,497) and an accumulated deficit of \$51,133,339. The Company is committed to spend \$901,306 prior to December 31, 2024 on qualifying exploration expenditures in accordance with the terms of its flow-through share (“FTS”) financings. Significant funds will be required to complete the acquisition of the Gabbs Project, refer to the “Commitments” section of this MD&A.

The Company continues to incur losses to date, has limited financial resources and has no current source of revenue or cash flow generated from operating activities as its mineral properties are in the early exploration stage. The exploration and development of the Company’s properties depends on the ability of the Company to obtain financing. To address its financing requirements, the Company plans to seek financing through, but not limited to, debt financing, equity financing and strategic alliances. However, there is no assurance that such financing will be available. If adequate financing is not available or cannot be obtained on a timely basis, the Company may be required to delay, reduce the scope of or eliminate one or more of its exploration programs or relinquish some or all of its rights under its existing option and acquisition agreements. The above factors give rise to material uncertainties that may cast significant doubt on the Company’s ability to continue as a going concern.

If the Company’s exploration programs are successful, additional funds will be required to continue exploring and developing its properties until commercial production is achieved. The ability of the Company to arrange financing or the sale of a property or a project interest in the future will depend in part upon the prevailing market conditions as well as the business performance of the Company. If additional financing is raised through the issuance of shares, control of the Company may change and shareholders may experience dilution.

During the six months ended June 30, 2023, the Company successfully completed the following private placements:

- The FT Offering of 6,397,000 flow-through units at a price of \$0.32 per unit for gross proceeds of \$2,047,040. Each unit consisted of one flow-through common share of the Company and one non-flow through common share purchase warrant.
- The NFT Offering of 3,611,927 non-flow-through units at a price of \$0.27 per unit for gross proceeds of \$975,220. Each unit consisted of one common share of the Company and one common share purchase warrant.



Use of proceeds

On December 20, 2022, the Company completed a FTS private placement for gross proceeds of \$735,850. Under the terms of the FTS private placement, the funds must be used to pay for qualifying exploration expenditures, as defined under the Canadian Income Tax Act (“ITA”). As at June 30, 2023, all of the proceeds from this FTS private placement have been utilized on qualifying exploration expenditures.

On May 4, 2023, the Company completed a FTS private placement for gross proceeds of \$2,047,040. Under the terms of the FTS private placement, the funds must be used to pay for qualifying exploration expenditures, as defined under the Canadian ITA. As at June 30, 2023, \$901,306 remains to be spent on qualifying exploration expenditures.

COMMITMENTS

The following table provides our undiscounted contractual obligations as of June 30, 2023:

	1 year	2 -3 years	More than 3 years	Total
Acquisition liabilities - Gabbs Project:				
Contractual cash obligations under agreements	\$ 198,600	\$ 2,979,000	\$ 3,177,600	\$ 6,355,200
Convertible note	-	-	5,296,000	5,296,000
Lease obligations	70,392	-	-	70,392
	\$ 268,992	\$ 2,979,000	\$ 8,473,600	\$ 11,721,592

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

OUTSTANDING SHARE DATA

As at August 10, 2023, the Company had the following number of securities outstanding:

	Number of securities	Exercise price (\$)	Weighted average remaining life (years)
Common shares	106,871,913	-	-
Share options	8,012,699	\$0.24 - \$0.71	1.07
Warrants	35,592,359	\$0.40 - \$0.95	1.12
	150,476,971		



SUMMARY OF QUARTERLY RESULTS

The following table contains selected quarterly financial information derived from our unaudited quarterly condensed consolidated interim financial statements, which are reported under IFRS applicable to interim financial reporting.

	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
E&E expenditures	1,887,401	1,535,820	1,107,437	6,489,914	2,346,991	1,466,636	1,179,098	2,610,338
Net loss	(2,446,073)	(664,939)	(1,990,896)	(6,192,472)	(2,335,419)	(2,419,334)	(2,022,439)	(3,249,860)
Net comprehensive loss	(2,354,514)	(784,281)	(1,825,323)	(6,863,844)	(2,666,076)	(2,259,749)	(1,921,139)	(3,410,802)
Loss per share -								
basic and diluted	(0.02)	(0.01)	(0.02)	(0.08)	(0.03)	(0.03)	(0.03)	(0.05)
Cash and								
cash equivalents	1,062,751	378,021	1,474,424	1,713,093	7,942,937	5,629,253	7,796,236	3,204,372
Total assets	2,110,350	1,106,334	2,413,414	2,763,433	8,903,692	6,411,323	8,452,113	4,707,321
Total liabilities	10,314,836	9,878,591	12,247,849	13,149,543	13,319,094	12,715,033	12,899,281	11,615,981
Cash dividends	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

The increase in net loss and net comprehensive loss in the third quarter of 2022 and 2021 is due to summer exploration programs on the BC properties.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Additional disclosure concerning the Company's E&E expenditures and corporate administrative expenses is provided in the Company's statement of loss and comprehensive loss contained in its annual consolidated financial statements and condensed consolidated interim financial statements, which are all available under the Company's profile on the SEDAR website at www.sedar.com or on our website at www.p2gold.com.

EVENTS AFTER THE REPORTING DATE

Other than disclosed elsewhere in this MD&A, the Company does not have any material events after the reporting date to disclose.

RELATED PARTY TRANSACTIONS

Key management consists of the Company's directors and officers including its President and Chief Executive Officer, CExO, EVP and Chief Financial Officer ("CFO").

Directors and key management compensation:

	For the three months ended		For the six months ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Share-based compensation	\$ 139,360	\$ 265,893	\$ 257,788	\$ 549,178
Salaries and benefits	80,187	140,008	167,520	283,068
Management and consulting fees	30,316	-	60,685	-
	\$ 249,863	\$ 405,901	\$ 485,993	\$ 832,246



As at June 30, 2023, accounts payable and accrued liabilities include \$23,126 (December 31, 2022 – \$41,209) owed to two officers (December 31, 2022 – three officers) of the Company for consulting fees and reimbursement of transactions incurred in the normal course of business.

For the six months ended June 30, 2023, the Company charged \$78,952 (2022 – nil) to Austin Gold Corp., a related party of the Company, and Dynavat Gold Mining Technologies Inc. under financial services agreements. As at June 30, 2023, under the financial services agreements, \$15,151 (December 31, 2022 – \$9,174) is owed to the Company and included in receivables and other.

NEW ACCOUNTING POLICIES

Our significant accounting policies are presented in note 3 to the audited consolidated financial statements for the years ended December 31, 2022 and 2021. There were no new material accounting policies adopted during the six months ended June 30, 2023.

NEW ACCOUNTING STANDARDS AND RECENT PRONOUNCEMENTS

There are no other IFRS standards or International Financial Reporting Interpretations Committee interpretations that are not yet effective or early adopted that are expected to have any impact on the Company.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of accounting estimates. It also requires management to exercise judgment in the process of applying its accounting policies. Estimates and policy judgments are regularly evaluated and are based on management's experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The following discusses the most significant accounting judgments and accounting estimates that the Company has made in the preparation of the condensed consolidated interim financial statements including those that could result in material changes within the next twelve months in the carrying amounts of assets and liabilities:

Key instances of accounting policy judgment

- The assessment of the Company's ability to continue as a going concern requires judgment related to future funding available to continue exploring and developing its properties and meet working capital requirements, the outcome of which is uncertain (refer to the "Liquidity, Capital Resources and Going Concern" section of this MD&A).

Estimation uncertainty

- The valuation of the debt portion of the convertible note at inception was completed using a discounted cash flow analysis that required various estimates and assumptions, including the discount rate for a similar non-convertible instrument.

- The fair value of financial instruments that are not traded in an active market are determined using valuation techniques. Management uses its judgment to select a method of valuation and makes estimates of specific model inputs that are based on conditions existing at the end of each reporting period.

FINANCIAL INSTRUMENTS

Classification of financial assets

The Company has the following financial assets: cash and cash equivalents and receivables and other.

Cash and cash equivalents comprise cash holdings in business and savings accounts held at two Canadian Tier 1 chartered financial institutions with an original maturity date of three months or less. Cash and cash equivalents are classified at amortized cost. Interest income is recognized by applying the effective interest rate method.

Classification of financial liabilities

The Company has the following financial liabilities: accounts payable and accrued liabilities, lease obligations and acquisition liabilities for the Gabbs Project.

Accounts payable and accrued liabilities are recognized initially at fair value and subsequent to initial recognition, held at amortized cost using the effective interest method.

The contractual cash obligations and debt portion of the convertible note components of the acquisition liabilities associated with the Gabbs Project are recognized initially at fair value, net of any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are held at amortized cost using the effective interest method.

The embedded derivative associated with the convertible note, a component of the acquisition liabilities associated with the Gabbs Project, is recognized initially at fair value. It is classified as a financial liability at fair value through profit or loss (“FVTPL”).

Financial risk management

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company’s cash flows or value of its financial instruments.

(i) Currency risk

The Company is subject to currency risk on financial instruments that are denominated in currencies that are not the same as the functional currency of the entity that holds them. Exchange gains and losses would impact the statement of loss.



The Company is exposed to currency risk through cash and cash equivalents, accounts payable and accrued liabilities, the debt portion of the convertible note and the embedded derivative associated with the convertible note held in the parent entity which are denominated in USD.

(ii) Interest rate risk

The Company is subject to interest rate risk with respect to its investments in cash and cash equivalents. The Company's current policy is to invest cash at floating rates of interest with cash reserves to be maintained in cash and cash equivalents in order to maintain liquidity. Fluctuations in interest rates impact interest and finance income earned.

The Company is subject to interest rate risk with respect to the fair value of the embedded derivative associated with the convertible note, which is accounted for at FVTPL.

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company limits its exposure to credit risk on financial assets through investing its cash and cash equivalents with Canadian Tier 1 chartered financial institutions. Management believes there is a nominal expected credit loss associated with its financial assets.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by monitoring actual and projected cash flows and matching the maturity profile of financial assets and liabilities. Cash flow forecasting is performed regularly to ensure that there is sufficient liquidity in order to meet short-term business requirements.

Refer to note 1b of the condensed consolidated interim financial statements and the "Liquidity, Capital Resources and Going Concern" section of this MD&A for further discussion regarding the Company's ability to continue as a going concern.

The Company has issued surety bonds to support future decommissioning and restoration provisions.

The Company's financial obligations consist of accounts payable and accrued liabilities, lease obligations and acquisition liabilities related to the Gabbs Project.

Fair value estimation

The Company's financial assets and liabilities are initially measured and recognized according to a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable inputs.



The three levels of fair value hierarchy are as follows:

- Level 1: Quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data.

The carrying values of cash and cash equivalents, receivables and other and accounts payable and accrued liabilities approximate their fair values due to the short-term maturity of these financial instruments.

The following tables present the Company's financial assets and liabilities by level within the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

As at June 30, 2023	Carrying value		Fair value		
	FVTPL	Amortized cost	Level 1	Level 2	Level 3
Financial assets					
Cash and cash equivalents	\$ -	\$ 1,062,751	\$ -	\$ -	\$ -
Receivables and other	-	868,876	-	-	-
	\$ -	\$ 1,931,627	\$ -	\$ -	\$ -
Financial liabilities					
Accounts payable and accrued liabilities	\$ -	\$ 812,155	\$ -	\$ -	\$ -
Acquisition liabilities - Gabbs Project:					
Contractual cash obligations under agreements	-	4,255,185	-	-	-
Debt portion of convertible note	-	3,143,194	-	3,143,194	-
Embedded derivative associated with convertible note	1,951,077	-	-	-	1,951,077
	\$ 1,951,077	\$ 8,210,534	\$ -	\$ 3,143,194	\$ 1,951,077

As at December 31, 2022	Carrying value		Fair value		
	FVTPL	Amortized cost	Level 1	Level 2	Level 3
Financial assets					
Cash and cash equivalents	\$ -	\$ 1,474,424	\$ -	\$ -	\$ -
Receivables and other	-	686,928	-	-	-
	\$ -	\$ 2,161,352	\$ -	\$ -	\$ -
Financial liabilities					
Accounts payable and accrued liabilities	\$ -	\$ 392,650	\$ -	\$ -	\$ -
Acquisition liabilities - Gabbs Project:					
Contractual cash obligations under agreements	-	11,681,066	-	-	-
	\$ -	\$ 12,073,716	\$ -	\$ -	\$ -

RISKS AND UNCERTAINTIES

Mineral resource acquisition, exploration and development involves a number of risks and uncertainties, many of which are beyond our control. These risks and uncertainties include, without limitation, the risks discussed elsewhere in this MD&A and those identified in our AIF dated March 16, 2023 as filed in Canada on SEDAR at www.sedar.com. You should carefully consider such risks and uncertainties prior to deciding to invest in our securities.

STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains “forward-looking information” (within the meaning of applicable Canadian securities law, and also referred to herein as “forward-looking statements”) concerning the Company’s plans at its mineral properties and other matters. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management. Actual results could differ materially from the conclusions, forecasts and projections contained in such forward-looking information.

Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as “expects”, “is expected”, “anticipates”, “plans”, “projects”, “estimates”, “assumes”, “intends”, “strategy”, “goals”, “objectives”, “potential” or variations thereof or stating that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of historical fact and may be forward-looking statements. Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to materially differ from those reflected in the forward-looking statements, and are developed based on assumptions about such risks, uncertainties and other factors set out herein including, without limitation:

- uncertainties regarding title relating to ownership and validity of mining claims;
- governmental regulations, including environmental regulations;
- the effects of the ongoing novel coronavirus (“COVID-19”) pandemic;
- the effects of commodity price fluctuations as a result of the Russian-Ukraine conflict;
- the exploration, development and operation of a mine or mine property, including the potential for undisclosed liabilities on our mineral projects;
- the fact that we are a relatively new company with no mineral properties in development or production and no history of revenue generation;
- risks associated with the Company’s historical negative cash flow from operations;
- our ability to obtain adequate financing for our planned exploration and development activities and to complete further exploration programs;
- the Company’s need to attract and retain qualified personnel;
- uncertainties related to the competitiveness of the mining industry;
- risks associated with changes to the legal and regulatory environment that effect exploration and development of precious metals mining properties where the Company holds its mineral projects;
- uncertainties related to actual capital costs, operating costs and expenditures, production schedules and economic returns from the Company’s mineral projects;

- increased costs and restrictions on operations due to compliance with environmental laws and regulations;
- uncertainties related to the availability of future financing;
- uncertainties inherent in the estimation of Mineral Resources and metal recoveries;
- uncertainties relating to the interpretation of drill results and the geology, grade and continuity of our mineral deposits;
- risks associated with having adequate surface rights for operations;
- risks associated with security and human rights;
- environmental risks;
- risks associated with the Company being subject to government regulation in foreign jurisdictions;
- market events and general economic conditions;
- risks associated with potential legal proceedings;
- risks that the Company's title to its property could be challenged;
- risks related to the integration of businesses and assets acquired by the Company;
- delay in obtaining or failure to obtain required permits, or non-compliance with permits that are obtained;
- uncertainty regarding unsettled First Nations rights and title in BC and the potential for similar adverse claims in the other jurisdictions in which the Company hold its mineral projects;
- risks associated with potential conflicts of interest;
- commodity price fluctuations, including gold, silver and copper price volatility;
- risks associated with operating hazards at the Company's mining projects;
- uncertainties related to current global economic conditions;
- uncertainties associated with development activities;
- risks related to obtaining appropriate permits and licenses to explore, develop, operate and produce at the Company's projects;
- potential difficulties with joint venture partners;
- risk associated with theft;
- risk of water shortages and availability and risks associated with competition for water;
- uninsured risks and inadequate insurance coverage;
- foreign currency risks;
- risks associated with community relations;
- outside contractor risks;
- risks related to archaeological sites; and
- risks related to the need for reclamation activities on the Company's properties.

This list is not exhaustive of the factors that may affect the Company's forward-looking information. These and other factors should be considered carefully, and readers should not place undue reliance on such forward-looking information.