Consolidated Financial Statements of

MCFARLANE LAKE MINING LIMITED

For the years ended August 31, 2023 and 2022

(Expressed in Canadian Dollars)

McGovern Hurley

Audit. Tax. Advisory.

Independent Auditor's Report

To the Shareholders of McFarlane Lake Mining Limited

Opinion

We have audited the consolidated financial statements of McFarlane Lake Mining Limited and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at August 31, 2023 and 2022, and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at August 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 2 in the consolidated financial statements, which indicates that the Company incurred a net loss during the year ended August 31, 2023 and, as of that date, the Company's current liabilities exceeded its current assets. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that material uncertainties exist that cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Except for the matter described in Material uncertainty related to going concern section, we have determined that there were no additional key audit matters to communicate in our report.

Other information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely

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rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner of the audit resulting in this independent auditor's report is Glen McFarland.

McGovern Hurley LLP

McGovern Hurley LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
November 29, 2023

MCFARLANE LAKE MINING LIMITED
Consolidated Statements of Financial Position
As at August 31, 2023 and 2022

As at August 31,	Note	2023	2022
		$	$
ASSETS			
Current assets			
Cash		**249,411**	1,595,037
Restricted investment		**25,000**	25,000
Prepaid expenses		**37,908**	19,131
Other receivable		**82,291**	297,201
Total assets		**394,610**	1,936,369
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)			
Current liabilities			
Accounts payable and accrued liabilities	11, 13	**1,059,267**	913,335
Notes payable	7	**195,000**	195,000
Flow-through share premium liability	8	**60,470**	566,460
Total liabilities		**1,314,737**	1,674,795
Shareholders' equity (deficit)			
Share capital	9(a)	**10,225,366**	8,481,873
Warrants	9(d)	**1,887,777**	1,234,175
Contributed surplus	9(b)(c)	**2,037,849**	932,849
Deficit		**(15,071,119)**	(10,387,323)
Total shareholders' equity (deficit)		**(920,127)**	261,574
Total liabilities and shareholders' equity (deficit)		**394,610**	1,936,369

Nature of operations	1
Going concern	2
Commitments and contingencies	6, 14
Subsequent events	16

See accompanying notes to consolidated financial statements.

On behalf of the Board:

(Signed) *Mark Trevisiol* Director (Signed) *Charles Lilly* Director

MCFARLANE LAKE MINING LIMITED
Consolidated Statements of Loss and Comprehensive Loss
For the years ended August 31, 2023 and 2022

For the years ended August 31,	Note	2023	2022
		$	$
Operating expenses			
Professional fees	11	**369,595**	310,408
Advertising and promotion		**-**	17,450
Consulting fees	11	**508,695**	487,250
Director fees	11	**40,002**	-
Office and general		**203,561**	75,361
Interest and bank charges	7	**24,499**	25,113
Exploration and evaluation expenditures	6, 11	**2,379,248**	7,890,747
Investor relations and business development		**597,940**	272,700
Regulatory and transfer agent fees		**103,488**	186,945
RTO transaction cost	5	**-**	1,699,655
Share-based compensation	9(b)(c), 11	**1,105,000**	400,881
Total operating expenses		**5,332,028**	11,366,510
Loss before non-operating items		**(5,332,028)**	(11,366,510)
Other income			
Forgiveness of debt		**-**	61,393
Flow-through share premium recovery	8	**648,232**	398,227
Total other items		**648,232**	459,620
Net loss and comprehensive loss for the period		**(4,683,796)**	(10,906,890)
Basic and diluted net loss and comprehensive loss per common share	10	**(0.045)**	(0.145)
Weighted average number of common shares outstanding - Basic and diluted		**105,189,745**	75,426,217

See accompanying notes to consolidated financial statements.

MCFARLANE LAKE MINING LIMITED
Consolidated Statements of Changes in Shareholders' Equity
For the years ended August 31, 2023 and 2022

	Note	Common Share Capital		Warrants	Contributed surplus	Accumulated Deficit	Total Shareholders' Equity (Deficit)
		#	$	$	$	$	$
Balance, August 31, 2021		**59,075,000**	**2,136,510**	**-**	**531,968**	**(1,230,433)**	**1,438,045**
Shares and warrants issued in private placements	9(a)(ii)	7,955,000	2,187,625	994,375	-	-	3,182,000
Flow through shares issued in private placements	9(a)(ii)	7,717,500	3,087,000	-	-	-	3,087,000
Share issuance costs	9(a)(ii)	391,813	(1,060,038)	231,613	-	-	(828,425)
Premium on flow-through shares	9(a)(ii)	-	(964,687)	-	-	-	(964,687)
Shares and warrants issued in private placements	9(a)(iii)	65,500	18,013	8,187	-	-	26,200
Shares issued for services (finder's fee)	9(a)(iv)	443,000	121,825	-	-	-	121,825
Shares issued to parent company shareholders	9(a)(v)	3,750,000	1,031,250	-	-	-	1,031,250
Shares issued for exploration and evaluation expenditures	9(a)(vi)	1,250,000	387,500	-	-	-	387,500
Shares issued for exploration and evaluation expenditures	9(a)(vii)	1,375,000	130,625	-	-	-	130,625
Shares issued for exploration and evaluation expenditures	6, 9(a)(viii)	5,625,000	1,406,250	-	-	1,750,000	3,156,250
Share based compensation		-	-	-	400,881	-	400,881
Net loss		-	-	-	-	(10,906,890)	(10,906,890)
Balance, August 31, 2022		**87,647,813**	**8,481,873**	**1,234,175**	**932,849**	**(10,387,323)**	**261,574**
Shares and warrants issued in private placements	9(a)(ix)	12,924,000	904,680	387,720	-	-	1,292,400
Shares and warrants issued in private placements	9(a)(x)	2,200,032	231,004	99,001	-	-	330,005
Shares and warrants issued in private placements	9(a)(xi)	7,285,000	509,950	218,550	-	-	728,500
Flow through shares issued in private placements	9(a)(xi)	3,100,000	372,000	-	-	-	372,000
Premium on flow-through shares	9(a)(xi)	-	(142,242)	-	-	-	(142,242)
Share issuance costs	9(a)(ix)(x)(xi)	-	(133,789)	(52,479)	-	-	(186,268)
Shares and warrants issued for services (finder's fee)	9(a)(ix)	27,000	1,890	810	-	-	2,700
Share based compensation	9(b)	-	-	-	370,000	-	370,000
RSUs issued	9(c)	-	-	-	735,000	-	735,000
Net loss		-	-	-	-	(4,683,796)	(4,683,796)
Balance, August 31,2023		**113,183,845**	**10,225,366**	**1,887,777**	**2,037,849**	**(15,071,119)**	**(920,127)**

See accompanying notes to consolidated financial statements.

MCFARLANE LAKE MINING LIMITED
Consolidated Statements of Cash Flows
For the years ended August 31, 2023 and 2022

For the years ended	Note	**2023**	2022
		$	$
Operating activities			
Net loss		**(4,683,796)**	(10,906,890)
Items not affecting cash:			
Common shares issued for exploration and evaluation expenditures	6, 9(a)	**-**	3,674,375
Share-based compensation	9(b), 9(c)	**1,105,000**	400,881
Forgiveness of debt		**-**	(61,393)
Flow-through share premium recovery	8	**(648,232)**	(398,227)
Non-cash listing expenses	5	**-**	1,185,485
Change in non-cash working capital items:			
Prepaid expenses		**(18,777)**	(19,131)
Other receivable		**214,910**	(263,109)
Accounts payable and accrued liabilities		**145,932**	695,325
Net cash used in operating activities		**(3,884,963)**	(5,692,684)
Investing activities			
Cash obtained from reverse takeover transaction	5	**-**	9,969
Purchase GIC		**-**	(40,000)
Redemption GIC		**-**	15,000
Net cash used in investing activities		**-**	(15,031)
Financing activities			
Proceeds of private placement - units	9(a)	**2,350,905**	3,208,200
Proceeds of private placement - flow-through shares	9(a)	**372,000**	3,087,000
Payment of share issuance costs related to private placement	9(a)	**(183,568)**	(804,020)
Advance from related parties	11	**-**	4,338
Repayment to related parties	11	**-**	(13,220)
Net cash provided by financing activities		**2,539,337**	5,482,298
Decrease in cash		**(1,345,626)**	(225,417)
Balance, beginning of year		**1,595,037**	1,820,454
Balance, end of year		**249,411**	1,595,037
Supplemental cash flow information			
Non-cash share issue costs		2,700	587,048

See accompanying notes to consolidated financial statements.

1. Nature of Operations

McFarlane Lake Mining Limited (the "Company"), formerly 1287401 B.C. Ltd ("1287401"), was incorporated under the Business Corporations Act (British Columbia) on February 03, 2021 and was continued into the Province of Ontario on January 26, 2022. The Company is engaged in the acquisition and exploration of mineral resource properties in Canada.

On January 14, 2022, 1287401 completed a reverse takeover transaction (the "RTO" or "Transaction") with McFarlane Lake Mining Incorporated ("McFarlane"), a privately held mineral exploration company incorporated under the laws of Province of Ontario on August 21, 2020, by way of "three-cornered" amalgamation (Note 5). The issuer resulting from the Transaction (the "Resulting Issuer") carries on the business of McFarlane under the name "McFarlane Lake Mining Limited".

The Transaction constituted a reverse acquisition in accordance with International Reporting Standards ("IFRS") as the shareholders of McFarlane took control of 1287401. As McFarlane was deemed to be the acquirer for accounting purposes, the resulting consolidated statements of financial position were presented as a continuance of McFarlane's operations at their historical carrying values, and the comparative figures presented are those of McFarlane. The results of operations, the cash flows, and the assets and liabilities of 1287401 have been included in these consolidated financial statements since January 14, 2022.

The Company's shares are listed on the Cboe Canada Exchange (formerly the NEO Exchange) under the symbol "MLM". The Company's shares are also listed on the US OTC Exchange under the symbol "MLMLF". The Company's corporate office is at 15 Kincora Court, Sudbury, Ontario P3E 2B9, Canada.

2. Going Concern

These consolidated financial statements have been prepared using accounting policies applicable to a going concern, which contemplate the realization of assets and settlement of liabilities in the normal course of business as they become due. The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that the planned exploration programs will ultimately result in profitable mining operations.

Although the Company has taken steps to verify title to the properties on which it will conduct exploration and in which it has an interest in accordance with industry standards to the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing, requirements, or regulations, unregistered prior agreements, unregistered claims, first nations' claims and non-compliance with regulatory requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contacts and political uncertainties.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern. Accordingly, they do not give effect to the adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its obligations and commitments in other than the normal course of business. The Company has incurred losses of $4,683,796 (2022 - $10,906,890) for the year ended August 31, 2023 and as of August 31, 2023 has a deficit of $15,071,119 (2022 - $10,387,323) and a working capital deficit of $920,127 (2022 - working capital surplus of $261,574).

The business of mining and exploration for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company's continued existence is dependent upon the preservation of its interests in the underlying properties, the achievement of profitable operations, or the ability of the Company to raise additional financing as necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis.

2. Going Concern (continued)

The Company has raised capital for working capital and the planned exploration and development of its mineral properties. The Company's continuation as a going concern is dependent upon successful results from its planned exploration and evaluation activities, its ability to attain profitable operations to generate funds and its ability to raise equity capital or borrowings sufficient to meet its current and future obligations for the next 12 months. Although the Company has been successful in raising funds to date there is no assurance that it will be able to do so in the future. These matters represent material uncertainties that cast significant doubt about the Company's ability to continue as a going concern.

3. Basis of Preparation

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The policies applied in these consolidated financial statements are based on the IFRS issued and outstanding as of November 29, 2023, being the date the Board of Directors approved these consolidated financial statements.

(b) Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets which are carried at fair value. In addition, these consolidated financials have been prepared using the accrual basis of accounting, except for cash flow information.

(c) Principles of consolidation:

These consolidated financial statements incorporate the financial statements of the Company and the entity it controls.

Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities, are exposed to, or have rights to, variable returns from the Company's involvement with the entity and have the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company until the date on which control ceases. Profit or loss of subsidiaries acquired during the year are recognized from the date of acquisition or effective date of disposal as applicable. All intercompany transactions and balances have been eliminated.

As of August 31, 2023, the Company has one wholly owned subsidiary: McFarlane Lake Mining Incorporated.

(d) Functional and presentation currency:

These consolidated financial statements are presented in Canadian dollars ("CAD"), which is also the functional currency of the Company and its subsidiary.

4. Summary of Significant Accounting Policies

Significant accounting judgments, estimates and assumptions

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Information about critical judgements in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in these consolidated financial statements are discussed below:

a) Title to mineral property interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company titles. Such properties may be subject to prior agreement or transfers and titles may be affected by undetected defects.

b) Valuation of share-based payments

The Company values share-based payments granted using market-based generally accepted valuation techniques at the date of grant. Assumptions made for the valuation include volatility of the share price, risk free interest rate and the life of the stock options granted. Such assumptions are highly subjective and changes in these assumptions materially affect the calculated fair value. Assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 9. The expected volatility assumptions for option grants are based on comparable companies.

c) Valuation of deferred income tax assets

Each year, the Company evaluates the likelihood of whether some portion of deferred tax assets, if any, will be realized. This evaluation is based on historic and future expected levels of taxable income, the timing of reversals of taxable temporary timing differences that give rise to deferred tax liabilities, tax planning initiative, and deferred tax rates.

d) Going concern

The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available for its exploration projects and working capital requirements.

e) Existence of decommissioning and restoration costs and timing of expenditure

Decommissioning, restoration, and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements and constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration, or similar liabilities that may occur upon decommissioning of the mine. Such estimates are subject to change based on changes in laws and regulations with regulatory authorities.

4. Summary of Significant Accounting Policies (continued)

f) Income, value added, withholding and other taxes

The Company is subject to income, value added, withholding and other taxes. Judgment is used in determining provisions for taxes as there are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations, which may not coincide with the interpretation of the tax authorities. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. All tax related filings are subject to government audit and potential reassessment subsequent to the consolidated financial statement reporting period. In case the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

g) Provisions and contingencies

Provisions and contingencies arising in the course of operations, including provisions for income or other tax matters are subject to estimation uncertainty. Management uses all information available in assessing the recognition, measurement and disclosure of matters that may give rise to provisions or contingencies. The actual outcome of various provisional and contingent matters may vary and may cause significant adjustments to the Company’s assets when the amounts are determined or additional information is required.

h) Flow-through shares

The Company may, from time to time, issue flow-through common shares to finance a portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On the date of issuance of the flow-through shares, the premium relating to the proceeds received in excess of the fair value of the Company’s common shares is allocated to premium on flow-through shares liability. The reduction to the premium liability in the period of renunciation is recognized through operations.

Use of estimates

The estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Management believes the estimates are reasonable; however, actual results could differ from those estimates and could impact future results of operations and cash flows. Significant estimates include the valuation of options using the Black-Scholes pricing model.

4. Summary of Significant Accounting Policies (continued)

Financial instruments

Recognition

The Company recognizes a financial asset or financial liability on the consolidated statement of financial position when it becomes party to the contractual provisions of the financial instrument.

Financial assets are initially measured at fair value and are derecognized either when the Company has transferred substantially all the risks and rewards of ownership of the financial asset, or when cash flows expire. Financial liabilities are initially measured at fair value and are derecognized when the obligation specified in the contract is discharged, cancelled, or expired.

A write-off of a financial asset (or a portion thereof) constitutes a derecognition event. Write-off occurs when the Company has no reasonable expectations of recovering the contractual cash flows on a financial asset.

Classification and measurement

The Company determines the classification of its financial instruments at initial recognition. Financial assets and financial liabilities are classified according to the following measurement categories:

- those to be measured subsequently at fair value, either through profit or loss (“FVTPL”) or through other comprehensive income (“FVTOCI”); and
- those to be measured subsequently at amortized cost.

The classification and measurement of financial assets after initial recognition at fair value depends on the business model for managing the financial asset and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at each subsequent reporting period. All other financial assets are measured at their fair values at each subsequent reporting period, with any changes recorded through profit or loss or through other comprehensive income (which designation is made is an irrevocable election at the time of recognition).

After initial recognition at fair value, financial liabilities are classified and measured at either:

- amortized cost;
- FVTPL, if the Company has made an irrevocable election at the time of recognition, or when required (for items such as instruments held for trading or derivatives); or,
- FVTOCI, when the change in fair value is attributable to changes in the Company’s credit risk.

4. Summary of Significant Accounting Policies (continued)

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Transaction costs that are directly attributable to the acquisition or issuance of a financial asset or financial liability classified as subsequently measured at amortized cost are included in the fair value of the instrument on initial recognition. Transaction costs for financial assets and financial liabilities classified at fair value through profit or loss are expensed in profit or loss.

After initial recognition, financial assets and liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the Effective Interest Rate ("EIR"). EIR amortization is included in finance income in the consolidated statements of income (loss) and comprehensive income (loss). The Company's financial instruments consist of the following:

Financial Instrument	Classification
Cash	Amortized cost
Restricted investment	Amortized cost
Other receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Notes payable	Amortized cost

Derecognition

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership of the asset. Where substantially all the risks and rewards of ownership of the financial asset are neither retained nor transferred, the Company derecognizes the transferred asset only if it no longer controls the asset. Control is represented by the practical ability to sell the transferred asset without the need to impose additional restrictions. If the Company retains control over the asset, it will continue to recognize the asset to the extent of its continuing involvement. When a financial asset is derecognized in full, a gain or loss is recognized in net income for an amount equal to the difference between the carrying amount of the asset and the value of the consideration received, including any new assets and/or liabilities recognized.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled, or expires with any associated gain or loss recognized in other income or expense in the consolidated statement of loss.

Impairment

The Company assesses all information available, including on a forward-looking basis the expected credit losses associated with any financial assets carried at amortized cost. The impairment methodology applied is the simplified approach which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. To measure estimated credit losses, amounts receivable have been grouped based on shared credit risk characteristics, including the number of days past due. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

4. Summary of Significant Accounting Policies (continued)

Financial instruments recorded at fair value

Financial instruments recorded at fair value on the statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- ♦ Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- ♦ Level 2 –inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices); and
- ♦ Level 3 – inputs for the assets or liability that are not based on observable market data (unobservable inputs).

The classification of a financial instrument in the fair value hierarchy is based upon the lowest level of input that is significant to the measurement of fair value.

Exploration and Evaluation Expenditures

Exploration and evaluation expenditures are charged to profit or loss in the period incurred until such time as it has been determined that a mineral property has economically recoverable resources, in which case subsequent costs incurred to develop a mineral property are capitalized. Exploration and evaluation expenditures include acquisition costs of mineral exploration properties, property option payments and exploration and evaluation activity. Properties acquired under option agreements, whereby payments are made at the sole discretion of the Company, are recorded in the accounts at the time of payment.

Provisions and contingencies

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to exploration and evaluation assets along with a corresponding increase in the restoration provision in the year incurred. Discount rates using a pre-tax risk-free rate that reflect the time value of money are used to calculate the net present value. The restoration asset will be depreciated on the same basis as other exploration and evaluation assets.

The Company's estimates of restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to exploration and evaluation assets with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, and effects of inflation.

Decommissioning liabilities

A legal or constructive obligation to incur decommissioning liabilities may arise when environmental disturbance is caused by the exploration, development or mining of a mineral property interest. Such costs arising from the decommissioning of plant and other site work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either a unit-of-production or the straight-line method

4. Summary of Significant Accounting Policies (continued)

as appropriate. The related liability is adjusted for each period for the unwinding of the discount and for changes to the current market based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses. The Company had no material decommissioning liabilities as at August 31, 2023 and 2022.

Income taxes

Current income tax

Income tax expense consists of current and deferred tax expense. Income tax expense is recognized in the statements of loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity.

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to set off the amounts, and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred income tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax credits, and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary difference and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at end of reporting year. Deferred tax relating to items recognized directly in equity is also recognized in equity and not in the statements of loss.

The carrying amount of deferred tax assets is reviewed at the end of the reporting year and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each statement of financial position date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Related party transactions

Parties are considered to be related if one party has the ability to directly or indirectly control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions that are in the normal course of business and have commercial substance are measured at the exchange amount.

4. Summary of Significant Accounting Policies (continued)

Earnings (loss) per common share

Basic earnings (loss) per share are computed by dividing the net earnings (loss) applicable by the weighted average number of common shares outstanding during the reporting year. Diluted earnings (loss) per share is computed by dividing the net earnings (loss) by the sum of the weighted average number of common shares issued and outstanding during the reporting year and all additional common shares for the assumed exercise of options outstanding for the reporting year, if dilutive.

The diluted earnings (loss) per share is determined by adjusting the earnings (loss) attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all options outstanding that may add to the total number of common shares. Diluted loss per share does not include the effect of stock options as they are antidilutive.

Equity-based payments

Where equity-settled share options are awarded to employees and consultants, the fair value of the options at the date of grant is charged to the statements of loss over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period based on the Company's estimate of options that will eventually vest. The number of forfeitures likely to occur is estimated on the grant date.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statements of loss and comprehensive loss. When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the transaction is measured at the fair value of the equity instrument granted.

All equity-settled share-based payments are reflected in option payment reserve, until exercised. Upon exercise, the shares are issued from treasury and the amount reflected in option reserve is credited to share capital for any consideration paid. If options expire, the grant date value is reclassified to deficit.

Cash

Cash comprises cash at banks and on hand and cash held in trust as at August 31, 2023 and 2022.

Restricted investment

The restricted investment consists of a guaranteed investment certificate with a maturity term of one year and is collateral for company credit cards.

4. Summary of Significant Accounting Policies (continued)

Foreign currency transactions

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the current exchange rate. Non-monetary assets and liabilities are translated at historical rates of exchange at the time of the acquisition of assets or obligations incurred. Revenues and expenses are translated at the rate of exchange in effect at the date of the transactions. Foreign exchange translation gains and losses are recorded in operations in the period in which they occur.

New standards adopted in the year

During the year ended August 31, 2023, the Company adopted the following amendment. This change did not have any material impact on the Company's financial statements.

IAS 37 – Provisions, Contingent Liabilities, and Contingent Assets ("IAS 37") was amended. The amendments clarify that when assessing if a contract is onerous, the cost of fulfilling the contract includes all costs that relate directly to the contract – i.e. a full-cost approach. Such costs include both the incremental costs of the contract (i.e. costs a company would avoid if it did not have the contract) and an allocation of other direct costs incurred on activities required to fulfill the contract – e.g. contract management and supervision, or depreciation of equipment used in fulfilling the contract.

New standards not yet adopted and interpretations issued but not yet effective

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after September 1, 2023. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. In February 2021, the IASB issued 'Disclosure of Accounting Policies' with amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements. The amendments are effective for annual periods beginning on January 1, 2023. Earlier adoption is permitted. The Company will adopt these amendments as of their effective date, and is currently assessing the impacts on adoption.

IAS 1 – In February 2021, the IASB issued 'Disclosure of Accounting Policies' with amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements. The amendments are effective for year ends beginning on or after January 1, 2023. The Company will adopt these amendments as of their effective date, and is currently assessing the impacts on adoption.

IAS 8 – In February 2021, the IASB issued 'Definition of Accounting Estimates' to help entities distinguish between accounting policies and accounting estimates. The amendments are effective for year ends beginning on or after January 1, 2023. The Company will adopt these amendments as of their effective date, and is currently assessing the impacts on adoption.

4. Summary of Significant Accounting Policies (continued)

IAS 12 – In May 2021, the IASB issued ‘Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction’ that clarifies how entities account for deferred tax on transactions such as leases and decommissioning obligations. The amendments are effective for year ends beginning on or after January 1, 2023. The Company will adopt these amendments as of their effective date, and is currently assessing the impacts on adoption.

IFRS 10 – Consolidated Financial Statements (“IFRS 10”) and IAS 28 – Investments in Associates and Joint Ventures (“IAS 28”) were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined, however early adoption is permitted. The Company will adopt these amendments as of their effective date, and is currently assessing the impacts on adoption.

5. Reverse Takeover Transaction (the “Transaction”)

On January 14, 2022, 1287401 completed the Transaction with McFarlane by way of a three-cornered amalgamation pursuant to the provisions of the Business Corporations Act (Ontario), whereby 1000034047 Ontario Inc.(“Subco”), a wholly owned subsidiary of 1287401 incorporated under the laws of the Province of Ontario for the purpose of completing the Transaction, amalgamated with McFarlane.

Prior to the completion of the Transaction, 1287401 completed a share split of its issued and outstanding shares on the basis of 1.20967742 post-split share for each 1 pre-split share and changed the name its name from “1287401 B.C. Ltd” to “McFarlane Lake Mining Limited”.

Pursuant to the Transaction, the outstanding common shares and warrants of McFarlane and Subco were exchanged for common shares and warrants, respectively, of 1287401 on the basis of one 1287401 security for every one McFarlane and Subco security (the “Exchange Ratio”).

In connection with the Transaction, McFarlane completed a brokered and non-brokered private placement offering of securities (together, the “Offering”) consisting of an aggregate of 7,955,000 units of McFarlane (the “Units”) at a price of $0.40 per unit (the “Issue Price”) for gross proceeds of $3,182,000 and an aggregate of 7,717,500 flow-through common shares of McFarlane (the “FT Shares”) at the Issue Price for gross proceeds of $3,087,000. Concurrently with the Offering, Subco completed a non-brokered offering of 65,500 units (the “Subco Units”) for gross proceeds of approximately $26,200 (the “Subco Offering”) (see note 9).

Immediately following the closing of the Transaction, there were 79,397,813 common shares of the Company outstanding, of which 75,647,813 were held by the former shareholders of McFarlane (after amalgamating with Subco) (representing approximately 95.28% of the outstanding shares of the Company) and 3,750,000 were issued in the reverse-takeover to the shareholders of 1287401 (see note 9). As the former shareholders of McFarlane retained control of the resulting issuer, the Transaction was accounted for as a reverse acquisition where McFarlane is deemed to be the acquirer for accounting purposes. These consolidated financial statements represent the continuance of McFarlane and reflect the identifiable assets acquired and liabilities assumed of 1287401 at fair value. The results of operations of 1287401 have been included in these consolidated statements of loss from January 14, 2022, the closing date of the Transaction.

(Expressed in Canadian Dollars)

5. Reverse Takeover Transaction (the "Transaction") (continued)

As 1287401 did not meet the definition of a business as defined in IFRS 3 – Business Combinations, the acquisition was not within the scope of IFRS 3 and is accounted for as a share-based payment transaction in accordance with IFRS 2, Share-based Payments. Accordingly, the fair value of the purchase consideration was accounted for at the fair value of the equity instruments granted by the shareholders of McFarlane to the shareholders of 1287401.

The fair value of the shares was determined based on the most reliable and observable fair value measure being the price per share as determined by the concurrent financing share price.

The consideration for the Transaction has been calculated as $1,031,250 and is based on the fair value of the number of shares that the Company issued to the shareholders of 1287401 to give the shareholders of 1287401 the same percentage equity interest in the combined entity that resulted from the Transaction. The following table summarizes the allocation of the purchase price consideration to the fair value of the net assets acquired at January 14, 2022, the closing date of the Transaction.

Purchase consideration	
Fair value of 3,750,000 shares issued in resulting issuer at $0.275 per share (note 9)	$ 1,031,250
Identifiable assets acquired (liabilities assumed)	
Cash	9,969
Amounts receivable	3,491
Accounts payable and accrued liabilities	(31,123)
Due to related parties	(39,152)
Net assets acquired (liabilities assumed)	(56,815)
Excess of purchase price paid over assets acquired (liabilities assumed)	1,088,065
Listing costs:	
Excess applied to transaction cost (non-cash loss)	1,088,065
Compensation shares issued	97,420
Professional fees	514,170
Total listing costs	$ 1,699,655

The $1,088,065 excess of the fair value of the shares issued over the value of the net assets acquired (liabilities assumed) was expensed as RTO transaction cost in the consolidated statements of loss and comprehensive loss.

6. Exploration and Evaluation Properties

West Hawk Lake, High Lake and McMillan Properties

On February 23, 2021, the Company (the "Optionee") executed an option agreement with Canadian Star Minerals Ltd. (the "Optioner") whereby the Company could acquire up to 100% interest in certain properties. The agreement was subsequently amended on September 7, 2021. The terms of the option agreement are as follows:

6. Exploration and Evaluation Properties (continued)

- The Optioner granted the Optionee an exclusive option to purchase the properties for an option term expiring at the end of the day on April 30, 2022. As consideration for granting of the option to purchase, the Company is obligated to pay $250,000 as consideration for the first 6 months of the option and $50,000 per month to the Optioner beginning the seventh month from the date of the option agreement until the option is exercised and the transaction is completed.
- The purchase price to be paid by the Optionee if the option is exercised is $5,500,000 which shall be satisfied as follows:
  - $2,750,000 of cash consideration;
  - $2,750,000 in common shares of the Company reduced by the cumulative amount paid for the option to a maxmium of $550,000;
  - 7,000,000 outstanding common shares of the Company held by certain officers and directors of the Company shall be transferred to the Optioner upon closing of the transaction.

Upon exercise of the option, the property is subject to a 2% net smelter return royalty (“NSR”) for the McMillian mine claims and a 2% NSR with the right to purchase 1% for a purchase price of $1,250,000 for the High Lake claims. The Company is also required to pay $10,000 every June 15 until such time as commercial production has commenced on the mining claims or the optionee offers to return the mining claims.

On December 30, 2021, the Company executed a purchase agreement with the Optionor to acquire 100% interest in certain mining claims. The purchase price paid by the Company upon exercise of the option was satisfied as follows:

- $2,750,000 of cash consideration;
- 5,625,000 of common shares issued by the Company with a deemed value of $2,250,000 which represents $2,750,000 less the cumulative amount paid by the Company in option payments of $550,000; and
- transferred to the Optioner 7,000,000 issued and outstanding shares in the capital of the Company held by certain officers and directors of the Company upon closing of the transaction. The shares were valued at $1,700,000 based on the quoted market price of $0.085 per share. The contributed amount was recorded as exploration and evaluation expenditures in the consolidated statement of loss.

Upon execution of the purchase agreement, the Company acquired beneficial interest in the High Lake, West Hawk Lake and McMillan properties from the Optionor. The legal transfer of the title for any leases required Provincial approval. As a result, legal title was transferred for the High Lake and McMillan properties as of February 11, 2022 and February 7, 2022 respectively.

Mongowin Property

On May 21, 2021, the Company signed a binding letter of intent with Transition Metals Corp. (“Mongowin Optionor”) to acquire a 100% interest in certain mining leases (“the Property”), in Northeastern Ontario in the township of Mongowin. The letter of intent grants the Company a period of exclusivity for 5 months (subject to a 3-month extension) to enter into a definitive agreement to purchase the Property subject to the following terms and conditions:

6. Exploration and Evaluation Properties (continued)

- The Company becomes a publicly traded entity on a Canadian Exchange;
- The Company paid a non-refundable cash payment of $15,000 to the Mongowin Optionor for the period of exclusivity upon signing;
- The Company can extend the period of exclusivity for an additional 3 months by making non-refundable cash payments to the Mongowin Optionor of $15,000 per month;
- The Company provides the Mongowin Optionor with an $85,000 cash payment upon signing;
- The Company issues $500,000 worth of shares of the publicly traded entity;
- Upon earning a 100% interest in the Property, the Company shall grant the Mongowin Optionor a 1.5% NSR;
- A portion of the property is subject to an additional existing 1% NSR of which 0.5% may be purchased for $600,000;
- Commencing the 5th year following the execution of a definitive agreement, the Company will pay the Mongowin Optionor advanced royalty payments of $25,000 per year (in cash or stock) to be deducted from future royalty payments following commercial production to a maximum total of $250,000. Any exploration expenditures spent on the Property will offset the payments on a dollar for dollar basis. If the Company does not pay the advanced royalty payments or spend the required exploration expenditure, the Mongowin Optionor may choose to purchase the property for $1;
- The Vendor is entitled to a one-time milestone payment of $2,500,000 at any time commercial production is achieved.

On October 22, 2021 the Company paid an additional $15,000 to extend the period of exclusivity as per the agreement.

On February 1, 2022, the Company executed a purchase agreement with the Mongowin Optionor to acquire 100% interest in certain mining claims and patented claims located in Northeastern Ontario in Mongowin Township. The definitive agreement to purchase the Property was subject to the following terms and conditions:

a) $15,000 cash payment for a 5-month period exclusivity to transact;
b) $45,000 to affect a 3-month extension of the period of exclusivity;
c) $585,000, of which $85,000 was paid in cash and $500,000 was settled by the issuance of common shares of the Company;
d) The Company granted the Mongowin Optionor a 1.5% Net Smelter Return Royalty;
e) A portion of the property is subject to an additional existing NSR of which 0.5% may be purchased for $600,000;
f) Beginning on the fifth anniversary of the Purchase Agreement, the Company will pay the Mongowin Optionor advanced royalty payments of $25,000 per year (in cash or common shares) to a maximum total of $250,000 (in cash or shares). Any exploration expenditures incurred on the Mongowin Property will offset this payment on a dollar for dollar basis. If the Company does not pay the advanced royalty payments or spend the required exploration expenditure, the Mongowin Optionor may choose to purchase the property for $1;
g) The Mongowin Optionor is entitled to a one-time milestone payment of $2,500,000 upon the commercial exploitation of mineral products on the Mongowin Property. As this payment is contingent on future commercial production, which cannot be determined, no provision as been recorded in these consolidated financial statements.

Certain Mongowin claims were transferred to the Company on February 4, 2022 and patented claims were transferred on May 30, 2022.

6. Exploration and Evaluation Properties (continued)

Michaud/Munro Properties

The Company signed a binding letter of intent dated June 28, 2021, with 1929941 Ontario Limited (the "Michaud/Munro Optionor") to acquire a 100% interest in certain mining leases, (the "Property") in Northeastern Ontario located in the townships of Michaud and Munro located in the Larder Lake Mining. The letter of intent grants the Company a period of exclusivity until October 1, 2021 (subject to a 3-month extension) to enter into a definitive agreement to purchase the Property subject to the following terms and conditions:

- The Company becomes a publicly traded entity on a Canadian Exchange;
- The Company paid a non-refundable cash payment of $20,000 to the Michaud/Munro Optionor for the period of exclusivity upon signing;
- The Company can extend the period of exclusivity for an additional 3 months by making a non- refundable cash payment of $15,000 on or before October 1, 2021;
- The Company provides the Michaud/Munro Optionor with an $30,000 cash payment upon signing;
- The Company issues $550,000 worth of shares of the publicly traded entity;
- 1.5% Net Smelter Return Royalty ("NSR") of which 1% can be purchased for $1.5 million.

On October 22, 2021 the Michaud/Munro Optionor agreed to extend the period of exclusivity and the Company paid an additional $15,000 on this date.

The Company finalized a purchase agreement on March 10, 2022 with the Michaud/Munro Optionor in respect of the acquisition by the Company of a 100% interest in 17 mining leases located in Northeastern Ontario in the townships of Michaud and Munro in the Larder Lake Mining District near the town of Matheson, Ontario. The definitive agreement to purchase the Michaud/Munro Properties is subject to the following terms and conditions:

a) The Company paid a non-refundable cash payment of $35,000 to the Michaud/Munro Optionor for a period of exclusivity prior to the signing of the purchase agreement;
b) The Company provided the Michaud/Munro Optionor with a $30,000 cash payment upon the transfer of the mining leases;
c) The Company issued $550,000 worth of shares upon the transfer of the mining leases ;
d) 1.5% Net Smelter Return Royalty of which 1% can be purchased for $1.5 million.

The CEO of the Company has an equity interest in the Michaud/Munro Optionor company.

7. Notes payable

During fiscal 2021, McFarlane was advanced funds totalling $195,000 from companies controlled by certain directors of the Company. These promissory notes payable are unsecured, bear interest at 12% per annum and are due on demand. During the period August 31, 2023, the Company incurred interest expense of $23,400 (2022 - $23,400). Included in accounts payable and accrued liabilities as of August 31, 2023 is accrued interest owed on these notes payable in the amount of $57,291 (August 31, 2022 - $33,891).

(Expressed in Canadian Dollars)

8. Flow-through Share Premium Liability

The flow-through share premium liability balance as at August 31, 2023 is $60,470 (2022 - $566,460).

During fiscal 2023, a flow-through liability of $142,242 was initially recorded in connection with the April 14, 2023, private placement offering of 3,100,000 FT Shares for gross proceeds of $372,000 (see note 9).

During fiscal 2022, a flow-through liability of $964,687 was initially recorded in connection with the December 9, 2021, private placement offering of 7,717,500 FT Shares for gross proceeds of $3,087,000 (see note 9).

As per Company policy, the amount recorded as other income in the consolidated statement of loss during the year ended August 31, 2023 and 2022 was $648,232 and $398,227, respectively.

9. Share capital

(a) Share capital

Authorized:

i. The Company is authorized to issue an unlimited number of common shares with no par value.

	Note	# Shares*	Amount
Balance, August 31, 2021		**59,075,000**	**2,136,510**
Shares and warrants issued in private placements	9(a)(ii)	7,955,000	2,187,625
Share issuance costs	9(a)(ii)	391,813	(1,060,038)
Flow through shares issued in private placements	9(a)(ii)	7,717,500	3,087,000
Premium on flow-through shares	9(a)(ii)	-	(964,687)
Shares and warrants issued in private placements	9(a)(iii)	65,500	18,013
Shares issued for services (finder's fee)	9(a)(iv)	443,000	121,825
Shares issued to parent company shareholders	9(a)(v)	3,750,000	1,031,250
Shares issued for exploration and evaluation expenditures	9(a)(vi)(vii)(viii)	8,250,000	1,924,375
Balance, August 31, 2022		**87,647,813**	**$ 8,481,873**
Shares and warrants issued in private placements	9(a)(ix)	12,924,000	904,680
Shares and warrants issued in private placements	9(a)(x)	2,200,032	231,004
Shares and warrants issued in private placements	9(a)(xi)	7,285,000	509,950
Flow through shares issued in private placements	9(a)(xi)	3,100,000	372,000
Premium on flow-through shares	9(a)(xi)	-	(142,242)
Shares issued for services (finder's fee)	9(a)(ix)	27,000	1,890
Share issuance costs	9(a)(ix)(x)(xi)	-	(133,789)
Balance, August 31, 2023		**113,183,845**	**$ 10,225,366**

** All figures reflect the Exchange Ratio*

(Expressed in Canadian Dollars)

9. Share Capital (continued)

Issued:

ii. In connection with the Transaction, on December 9, 2021, McFarlane closed a brokered and non-brokered private placement offering of securities (together, the "Offering") consisting of an aggregate of 7,955,000 units of McFarlane (the "Units") at a price of $0.40 per unit (the "Issue Price") for gross proceeds of $3,182,000 and an aggregate of 7,717,500 flow-through common shares of McFarlane (the "FT Shares") at the Issue Price for gross proceeds of $3,087,000.

Each Unit consisted of one common share (a "Common Share") of McFarlane and one-half of one common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant shall be exercisable to acquire a common share at a price of $0.60 per common share for a period of 36 months from the closing of the Offering.

The allocation of the Units between share capital and warrants was done based on the relative fair value of each of the components after applying the Exchange Ratio. The fair value of the warrants was determined using the Black-Scholes Model using the following assumptions:

Share price	$0.275	Risk free interest rate	1.07%
Expected life	3.0 years	Volatility	208.11%
Dividend yield	0.00%		

The relative fair value of the shares was determined to be $2,187,625 and the relative fair value of the warrant was determined to be $994,375.

The gross proceeds from FT Share portion of the Offering were allocated to common shares and FT Share premium using the residual method, with proceeds being allocated to the common shares first based on the market value of the shares at the time of the issuance. The fair value of the shares was determined to be $2,122,313 and $964,687 was allocated as the value of the Flow-through share premium.

Canaccord Genuity Corp. (the "Agent") acted as lead agent in connection with the brokered portion of the Offering (the "Brokered Offering") and provided advisory services to McFarlane in connection with the non-brokered offering.

As part of the private placement, McFarlane incurred share issuance costs of $1,391,068 made up of the following:

a) Upon closing of the Offering, the Agent received a commission in the amount of $333,830 and an aggregate of 834,575 broker warrants (the "Broker Warrants"). Each Broker Warrant entitles the holder thereof to acquire one Unit at exercise price equal to the Issue Price for a period of 36 months following the closing date of the Offering (being December 9, 2021). Each Unit consisted of one common share (a "Common Share") of McFarlane and one-half of one common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant shall be exercisable to acquire a Common Share at a price of $0.60 per Common Share for a period of 36 months form the closing of the Offering. The fair value of the Broker Warrants of $308,793 was determined using the Black-Scholes Model using the following assumptions:

(Expressed in Canadian Dollars)

9. Share Capital (continued)

Unit price	$0.40	Risk free interest rate	1.07%
Expected life	3.0 years	Volatility	208.11%
Dividend yield	0.00%		

b) Upon closing of the Offering, the Agent received an advisory fee in the amount of $105,000 and an aggregate of 262,500 advisory warrants (the "Advisory Warrants"). Each Advisory Warrant entitles the holder thereof to acquire one Unit at exercise price equal to the Issue Price for a period of 36 months following the closing date of the Offering (being December 9, 2021). Each Unit consisted of one common share (a "Common Share") of McFarlane and one-half of one common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant shall be exercisable to acquire a Common Share at a price of $0.60 per Common Share for a period of 36 months form the closing of the Offering.

The fair value of the warrants of $97,125 was determined using the Black-Scholes Model based on the following assumptions:

Unit price	$0.40	Risk free interest rate	1.07%
Expected life	3.0 years	Volatility	208.11%
Dividend yield	0.00%		

c) Upon Closing of the Offering, McFarlane issued 391,813 Units to the Agent in satisfaction of a corporate finance advisory fee. Each Unit consisted of one common share (a "Common Share") of McFarlane and one-half of one common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant shall be exercisable to acquire a Common Share at a price of $0.60 per Common Share for a period of 36 months form the closing of the Offering. The fair value of the corporate finance advisory fee was determined to be $107,748 based on the fair value of $0.275 per unit. The fair value of the warrants was determined to be $48,977 using the Black-Scholes Model based on the following assumptions:

Share price	$0.275	Risk free interest rate	1.07%
Expected life	3.0 years	Volatility	208.11%
Dividend yield	0.00%		

d) In connection of the Offering, McFarlane incurred $365,190 in legal and accounting expenses.

iii. Concurrently with the Offering, Subco completed a non-brokered offering of 65,500 units (the "Subco Units") for gross proceeds of approximately $26,200 (the "Subco Offering"). Each Subco Unit consisted of one common share of Subco (the "Subco Shares") and one-half of one common share purchase warrant of Subco (each whole warrant, a "Subco Warrant"). Each Subco Warrant is exercisable into one Subco share at a price of $0.60 for a period of 36 months from the closing date of the Subco Offering (being December 9, 2021). Upon completion of the Transaction, holders of Subco Shares were issued Resulting Issuer Shares in exchange for their Subco Shares, and warrants of the Resulting Issuer in exchange for their Subco Warrants with each such warrant exercisable for Resulting Issuer Shares on substantially the same terms as the Subco Warrants.

The allocation of the Subco Units between share capital and warrants was done based on the relative fair value of each of the components after applying the Exchange Ratio. The fair value of the warrants was determined using the Black-Scholes Model based on the following assumptions:

(Expressed in Canadian Dollars)

9. Share Capital (continued)

Share price	$0.275	Risk free interest rate	1.07%
Expected life	3.0 years	Volatility	208.11%
Dividend yield	0.00%		

The relative fair value of the shares was determined to be $18,013 and the relative fair value of the warrant was determined to be $8,188.

iv. Pursuant to an advisory agreement dated May 18, 2021 between the McFarlane and WD Capital Markets Inc. ("WDC"), McFarlane issued 443,000 Common Shares to WDC in satisfaction of a finder's fee for arranging a suitable shell and certain advisory services. The fair value of the finder's fee was determined to be $121,825 based on the fair value of $0.275 per share.

v. On January 14, 2022, 3,750,000 shares were deemed to be issued to the original owners of the Company. The fair value of the shares was determined based on the most reliable and observable fair value measure being the market price per share from the recent Offering.

vi. On February 4, 2022, 1,250,000 shares were issued pursuant to the purchase agreement in respect of the acquisition of 100% interest in the Mongowin property. The shares were valued at $387,500 based on the quoted market price of $0.31 per share. See also Note 6 (exploration and evaluation properties).

vii. On May 17, 2022, 1,375,000 shares were issued pursuant to the purchase agreement in respect of the acquisition of the Michaud/Munro properties. The shares were valued at $130,625 based on the quoted market price of $0.095 per share. See also Note 6 (exploration and evaluation properties).

viii. On July 6, 2022, 5,625,000 shares were issued pursuant to the purchase agreement in respect of the acquisition of the West Hawk Lake, High Lake and McMillan properties. The shares were valued at $1,406,250 based on the quoted market price of $0.25 per share. See also Note 6 (exploration and evaluation properties).

ix. On September 16, 2022, the Company closed a non-brokered private placement offering of units of the Company for aggregate gross proceeds of $1,292,400. Under the private placement, the Company issued 12,924,000 units at a price of $0.10 per Unit.

Each unit consists of one common share of the Company and one-half of one common share purchase warrant. Each warrant is exercisable by the holder to acquire one common share at a price of $0.20 per common share until September 16, 2025.

The allocation of the Units between share capital and warrants was done based on the relative fair value of each of the components. The fair value of the warrants was determined using the Black-Scholes Model using the following assumptions:

Share price	$0.07	Risk free interest rate	3.71%
Expected life	3.0 years	Volatility	210.47%
Dividend yield	0.00%		

The relative fair value of the shares was determined to be $904,680 and the relative fair value of the warrant was determined to be $387,720.

(Expressed in Canadian Dollars)

9. Share Capital (continued)

As part of the private placement, the Company incurred share issuance costs of $88,241 made up of the following:

a) In connection with the offering, the Company paid finders' fees of $9,600 in cash and issued 27,000 Units to certain finders. The fair value of the units issued was determined to be $2,700 based on the fair value of $0.10 per unit. The fair value of the warrants was determined to be $810 using the Black-Scholes Model based on the following assumptions:

Share price	$0.07	Risk free interest rate	3.71%
Expected life	3.0 years	Volatility	210.47%
Dividend yield	0.00%		

b) In connection with the offering, the Company incurred $75,941 in legal and accounting expenses.

Certain directors and officers of the Company subscribed to a total of 3,000,000 units for gross proceeds of $300,000 in the private placement.

x. On February 17, 2023, the Company closed a non-brokered private placement offering of units of the Company for aggregate gross proceeds of $330,005. Under the private placement, the Company issued 2,200,032 units at a price of $0.15 per unit.

Each unit consists of one common share of the Company and one-half of one common share purchase warrant. Each warrant is exercisable by the holder to acquire one common share of the Company at a price of $0.25 per common share until February 17, 2026.

The allocation of the Units between share capital and warrants was done based on the relative fair value of each of the components. The fair value of the warrants was determined using the Black-Scholes Model using the following assumptions:

Share price	$0.105	Risk free interest rate	3.87%
Expected life	3.0 years	Volatility	202.54%
Dividend yield	0.00%		

The relative fair value of the shares was determined to be $231,004 and the relative fair value of the warrant was determined to be $99,001.

In connection with the private placement, the Company incurred $64,495 in legal and accounting expenses.

xi. On April 13, 2023, the Company closed a non-brokered private placement offering for aggregate gross proceeds of $1,100,500. In connection with the offering, the Company issued 7,285,000 units at a price of $0.10 per unit and 3,100,000 flow-through shares at a price of $0.12 per FT share.

Each unit consists of one common share of the Company and one-half of one common share purchase warrant. Each warrant is exercisable by the holder to acquire one common share of the Company at a price of $0.20 per common share until April 13, 2026.

(Expressed in Canadian Dollars)

9. Share Capital (continued)

The allocation of the Units between share capital and warrants was done based on the relative fair value of each of the components. The fair value of the warrants was determined using the Black-Scholes Model using the following assumptions:

Share price	$0.07	Risk free interest rate	3.59%
Expected life	3.0 years	Volatility	229.01%
Dividend yield	0.00%		

The relative fair value of the shares was determined to be $509,950 and the relative fair value of the warrant was determined to be $218,500.

In connection with the offering, the Company paid finders' fees of $19,410 in cash and incurred $14,122 in legal and accounting expenses.

The gross proceeds from FT Share portion of the offering were allocated to common shares and FT Share premium using the residual method, with proceeds being allocated to the common shares first based on the market value of the shares at the time of the issuance. The fair value of the shares was determined to be $229,758 and $142,242 was allocated as the value of the Flow-through share premium.

Certain directors and officers of the Company subscribed to a total of 2,100,000 units for gross proceeds of approximately $210,000 in the private placement.

(b) Stock options

The Company has a stock option plan (the "Plan") for its directors, officers, consultants, and key employees under which the Company may grant options to acquire a maximum number of 15% of the total issued and outstanding common shares of the company. These options are non-transferable and are valid for a maximum of 5 years from the issue date. Vesting terms and conditions are determined by the Board of Directors at the time of the grant. The exercise price of the options is fixed by the Board of Directors at the time of the grant at a minimum of the market price of the common shares, subject to regulatory requirements.

Expected volatility has been determined using the share price of comparable companies for the period equivalent to the life of the options prior to grant date.

	Number of options	Weighted average exercise price
Options outstanding at August 31, 2021	5,500,000	$ 0.10
Granted	1,500,000	0.40
Options outstanding at August 31, 2022	7,000,000	$ 0.16
Granted	2,325,000	0.12
Granted	325,000	0.16
Granted	325,000	0.12
Options outstanding at August 31, 2023	9,975,000	$ 0.15

(Expressed in Canadian Dollars)

9. Share Capital (continued)

On January 25, 2022, after the closing of the RTO Transaction, the Board approved the grant of a total of 1,500,000 stock options to directors, executive officers, management and consultants, exercisable at $0.40 per share and expiring on January 25, 2027. The options have a five-year term and vested immediately. The stock options fair value of $400,881 was determined using a Black-Scholes model based on the following assumptions: expected life of 5 years, expected volatility of 201%, expected dividend yield of 0% and a risk-free interest rate of 1.64%.

On October 14, 2022, the Company granted of a total of 2,325,000 stock options to directors, executive officers, management and consultants, exercisable at $0.12 per share and expiring on October 14, 2027. All of these options were issued to related parties. The options have a five-year term and vested immediately. The stock options fair value of $279,000 was determined using a Black-Scholes model based on the following assumptions: expected life of 5 years, expected volatility of 195.23%, expected dividend yield of 0% and a risk-free interest rate of 3.64%.

On January 13, 2023, the Company granted of a total of 325,000 stock options to a new director, exercisable at $0.16 per share and expiring on January 13, 2028. All of these options were issued to a related party. The options have a five-year term and vested immediately. The stock options fair value of $52,000 was determined using a Black-Scholes model based on the following assumptions: expected life of 5 years, expected volatility of 193.77%, expected dividend yield of 0% and a risk-free interest rate of 3.00%.

On May 8, 2023, the Company granted of a total of 325,000 stock options to a director, exercisable at $0.12 per share and expiring on May 8, 2028. All of these options were issued to a related party. The options have a five-year term and vested immediately. The stock options fair value of $39,000 was determined using a Black-Scholes model based on the following assumptions: expected life of 5 years, expected volatility of 216.80%, expected dividend yield of 0% and a risk-free interest rate of 3.08%.

At August 31, 2023, the following options were outstanding and available to be exercised:

Grant Date	Expiration	Number of Stock Options	Exercise Price	Remaining Life (in years)
May 31, 2021	May 31, 2026	5,500,000	$ 0.10	2.75
January 25, 2022	January 25, 2027	1,500,000	0.40	3.41
October 14, 2022	October 14, 2027	2,325,000	0.12	4.12
January 13, 2023	January 13, 2028	325,000	0.16	4.37
May 8, 2023	May 8, 2028	325,000	0.12	4.69
		9,975,000	$ 0.15	3.29

(Expressed in Canadian Dollars)

9. Share Capital (continued)

(c) Restricted share units

The Company adopted a restricted share unit plan (the "RSU Plan") on December 7, 2021, under which the Company may grant restricted share units ("RSUs") to directors, officers and key employees of the Company.

	Number of RSUs	Grant date fair value
RSUs outstanding at August 31, 2021 & 2022	-	$ -
Granted	7,000,000	0.105
RSUs outstanding at August 31, 2023	7,000,000	$ 0.105

On March 27, 2023, the Company granted of an aggregate of 7,000,000 RSUs to two directors of the Company which vest immediately. Each vested RSU entitles the holder to receive one Common Share.

The fair value of the RSUs were determined to be $735,000 based on the market value of the shares on the date of the grant.

As at August 31, 2023 the following RSUs were outstanding and exercisable:

Grant Date	Number of RSUs	Grant date fair value
March 27, 2023	7,000,000	$ 0.105

(d) Warrants

As at August 31, 2023, the following warrants were outstanding and exercisable:

Grant Date	Expiry Date	Number of warrants Outstanding	Exercise Price	Remaining Life (in years)
December 9, 2021	December 9, 2024	4,206,156	$ 0.60	1.28
December 9, 2021	December 9, 2024	1,097,075	0.40	1.28
September 16, 2022	September 16, 2025	6,475,500	0.20	2.05
February 17, 2023	February 17, 2026	1,100,016	0.25	2.47
April 13, 2023	April 13, 2026	3,642,500	0.20	2.62
		16,521,247	$ 0.32	1.95

(Expressed in Canadian Dollars)

10. Loss per Share

For the year ended August 31, 2023, basic and diluted loss per share has been calculated based on the loss attributable to common shareholders of $4,683,796 (2022 – $10,906,890) and the weighted average number of common shares outstanding of 105,189,745 (2022 –75,426,217).

11. Related Party Transactions and Balances

The following expenses were incurred with key management personnel of the Company. Key management personnel are persons responsible for planning, directing, and controlling the activities of the Company including any directors and officers of the Company.

The remuneration of directors and key management of the Company for the years ended August 31, 2023 and 2022 was as follows:

	2023 $	2022 $
Consulting fees	574,000	487,250
Director fees	40,002	-
Exploration and evaluation expenditures	-	45,813
Share based payments	1,105,000	400,891

Included in accounts payable and accrued liabilities as at August 31, 2023 is $55,425 owing to officers and management of the Company (August 31, 2022 - $55,874). The amounts are unsecured, non-interest bearing and due on demand.

Also included in accounts payable and accrued liabilities as at August 31, 2023 is accrued interest owing on the notes payable due to directors of the Company in the amount of $57,291 (August 31, 2022 - $33,891).

Also included in accounts payable and accrued liabilities as at August 31, 2023 is director fees owing to directors of the Company in the amount of $21,000 (August 31, 2022 - $nil).

During the year ended August 31, 2023, the Company incurred professional fees to a law firm and its associated companies for legal, accounting and capital advisory services totalling $439,527 (2022 - $849,536). One of the directors of the Company is a partner in this law firm. Included in accounts payable and accrued liabilities as at August 31, 2023 is $454,431 owing to this law firm and its associated companies (August 31, 2022 - $571,125). The amounts are unsecured, non-interest bearing and due on demand.

The CEO of the Company has an equity interest in the Michaud/Munro Optionor company 1929941 Ontario Limited (“1929941”). On March 10, 2022, the Company completed a transaction with 1929941 for the acquisition of the Michaud/Munro exploration properties as noted in Note 6.

See also Notes 6, 7, and 9.

(Expressed in Canadian Dollars)

12. Capital Management

The Company defines capital as consisting of common share capital, options reserve and deficit.

The Company's objective in managing capital is to maintain adequate levels of funding to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and development of its mineral property interests and to maintain a flexible capital structure which will optimize the costs of capital at an acceptable risk.

The Company endeavours to manage its capital structure in a manner that provides sufficient funding for operational activities through funds primarily secured through equity capital obtained in private placements. There can be no assurances that the Company will be able to continue raising capital in this manner. Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will be able to continue this form of financing due to the current difficult conditions. The Company makes adjustments to its management of capital in the light of changes in economic conditions and the risk characteristics of its assets, seeking to limit shareholder dilution and optimize its costs of capital while maintaining an acceptable level of risk.

The Company is not subject to any externally imposed capital requirements.

13. Financial Risks and Concentration of Risk

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or an equity instrument of another entity.

The carrying value of the Company's financial instruments approximates fair value due to the short-term or demand nature of these financial instruments.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its obligations. The Company mitigates its exposure by monitoring the counterparty's ability to repay.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its financing activities. The Company prepares annual capital expenditure budgets, which are monitored and updated as required. In addition, the Company requires authorization from the Board of Directors for expenditures on projects to assist with the management of capital.

The following are the contractual maturities of financial liabilities as at August 31, 2023:

At August 31, 2023	Carrying amount	within 1 year	1-3 years	4+ years
Accounts payable and accrued liabilities	$ 1,059,267	$ 1,059,267	$ -	$ -
Notes payable	195,000	195,000	-	-
	$ 1,254,267	$ 1,254,267	$ -	$ -

(Expressed in Canadian Dollars)

13. Financial Risks and Concentration of Risk (continued)

The following are the contractual maturities of financial liabilities as at August 31, 2022:

At August 31, 2022	Carrying amount	within 1 year	1-3 years	4+ years
Accounts payable and accrued liabilities	$ 913,335	$ 913,335	$ -	$ -
Notes payable	195,000	195,000	-	-
	$ 1,108,335	$ 1,108,335	$ -	$ -

Interest rate risk

The Company does not currently have any outstanding variable interest-bearing loans and, therefore, the Company is not exposed to interest rate risk through fluctuation in the prime interest rate.

14. Commitments and Contingencies

Consulting Agreements

The Company entered into consulting agreements on January 4, 2022 with its key management personnel (the Chief Executive Officer, the Chief Operating Officer and the Chief Financial Officer) at combined consulting fees of $27,000 per month. These contracts require payment of approximately $1 million upon the occurrence of a change of control of the Company, as defined by each officer's respective consulting agreement. The Company is also committed to payments upon termination of approximately $420,000 pursuant to the terms of these contracts. As a triggering event has not taken place, these amounts have not been recorded in these consolidated financial statements.

Environmental Contingencies

The Company's exploration activities are subject to various federal, state, provincial, and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations. See also Note 6 (exploration and evaluation properties).

Flow-through Financings

The Company has entered into flow-through private placements ("FT Placements") to fund exploration activities. Canadian tax rules require the Company to spend flow-through funds on "Canadian exploration expenses" (as defined in the Income Tax Act (Canada)) by the end of the calendar year following the year in which they were raised. The Company indemnified the subscribers of flow-through shares from any tax consequences should the Company, notwithstanding its plans, fail to meet its commitments under the flow-through subscription agreements.

(Expressed in Canadian Dollars)

14. Commitments and Contingencies (continued)

In April 13, 2023, the Company completed a FT Placement for $372,000, thus committing to spend this amount by December 31, 2024 on “Canadian exploration expenses” which qualify as “flow-through mining expenditures”, as these terms are defined in the Income Tax Act (Canada) (“Resource Expenditures”). Upon the issuance of the FT Shares, the Company recorded an aggregate flow-through share premium liability of $142,242. During the year ended August 31, 2023, the Company incurred $213,855 of resource expenditures and recorded a flow-through share premium recovery of $81,772 in the consolidated statement of loss. The Company intends to incur the remaining $158,145 of resource expenditures by December 31, 2024 to complete its commitment.

The Company’s exploration and evaluation activities are subject to laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its activities are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

15. Income Taxes

a) Provision for Income Taxes

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.5% to the effective tax rate is as follows:

	2023 $	2022 $
(Loss) before income taxes	(4,683,796)	(10,906,890)
Expected income tax recovery based on statutory rate	(1,241,000)	(2,890,000)
Adjustment to expected income tax recovery:		
Share based compensation	293,000	106,000
Flow-through renunciation	365,000	232,000
Expenses not deductible for tax purposes	6,000	289,000
Other	205,000	(6,000)
Change in unrecorded deferred tax asset	372,000	2,269,000
Deferred income tax provision (recovery)	-	-

b) Deferred Income Tax

Deferred taxes are a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities.

(Expressed in Canadian Dollars)

15. Income Taxes (continued)

	2023 $	2022 $
Unrecognized deferred tax assets		
Deferred income tax assets have not been recognized in respect of the following deductible temporary differences:		
Non-capital loss carry-forwards	3,585,000	1,856,000
Share issue costs	952,000	1,646,000
Mineral property costs	7,758,000	7,267,000
Total	12,295,000	10,769,000

The tax losses expire in 2041 to 2043. The other temporary differences do not expire under current legislation.

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can use the benefits.

16. Subsequent Events

On November 1, 2023, the Company closed the first tranche (the “First Tranche”) of a private placement offering of units of the Company (“Units”) and flow-through shares (“FT Shares”) of the Company (the “Offering”).

The First Tranche consisted of 43,500,000 Units at a price of $0.05 per Unit and 24,943,681 FT Shares at a price of $0.06 per FT Share for combined aggregate gross proceeds to the Company of $3,671,620.

On November 27, 2023 the Company closed the second (and final) tranche (the “Second Tranche”) which consisted of 8,600,000 Units at a price of $0.05 per Unit and 8,391,325 FT Shares at a price of $0.06 per FT Share for combined aggregate gross proceeds to the Company of $933,479.

The total gross proceeds to the Company from the First and Second Tranches of the Offering were $4,605,099.

Each Unit consists of one common share of the Company (each, a “Common Share”) and one common share purchase warrant (each, a “Warrant”). Each Warrant is exercisable by the holder to acquire one Common Share of the Company at a price of $0.07 per common share until May 1, 2025 (tranche 1) and May 27, 2025 (tranche 2).

In connection with the Offering, the Company has estimated that the legal expenses and other issue costs will approximate $110,000.

Certain directors and officers of the Company subscribed for a total of 3,700,000 Units and 1,200,000 FT Shares for gross proceeds of $257,000 in the Offering.

MCFARLANE LAKE
MINING

McFarlane Lake Mining Limited
Management Discussion and Analysis

For the year ended August 31, 2023 and 2022

November 29, 2023

Contents

1. Introduction

The following Management Discussion and Analysis ("**MD&A**") of McFarlane Lake Mining Limited (the "**Company**") dated November 29, 2023 and should be read together with the Company's audited consolidated financial statements and related notes for the year ended August 31, 2023 and 2022 which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**").

All dollar figures in this MD&A are stated in Canadian dollars unless otherwise indicated. All references to the Company include its subsidiary unless the context requires otherwise.

2. Caution Regarding Forward-Looking Information and Statements

This MD&A contains forward-looking statements intended to provide readers with a reasonable basis for assessing the Company's performance. Forward-looking statements can be identified by such words as "plans", "expects", "budgets", "estimates", "intends", "anticipates", "believes", "continues", "may", "could", "would", "should", "might" or "will", or equivalents or variations thereof. Forward-looking statements include those with respect to the Company's future strategy, plans, transactions, objectives and adequacy of working capital, including statements relating to acquiring, exploring, and monetizing current and future mineral exploration properties. Forward-looking statements rely on underlying assumptions, including management's expectations as to transaction opportunities, exploration potential, and precious metals prices, that, if not realized, can result in such forward-looking statements not being achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause the actual results of the Company to differ materially from those expressed or implied by such forward-looking statements. Such risks and uncertainties include, those described under "Risks and Uncertainties" below and among others, the exploration or monetization potential of the Company's mineral properties, transaction execution risk, volatility in financial markets, economic conditions, precious metals prices and unanticipated increases in expenses. Factors that could cause actual results to differ materially from those anticipated in these forward-looking statements are described under caption "Risk Factors" in the Company's annual information form ("AIF"), which is available for review on SEDAR+ at www.sedarplus.ca. Although the Company has attempted to identify important factors that could cause actions, events or results not to be as predicted, there can be no assurance that forward-looking statements will prove to be accurate. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement. Other than as required by applicable Canadian securities laws, the Company does not undertake to update any such forward-looking statements to reflect events or circumstances after the date hereof. Accordingly, readers should not place undue reliance on any forward-looking statements herein.

3. Qualified Person

Robert Kusins, P.Geo., Vice President Geology, is a Qualified Person as defined under National Instrument 43-101 – Standards for Disclosure for Mineral Projects ("**NI 43-101**") and has reviewed and approved the scientific and technical information contained in this MD&A. Mr. Kusins is not independent of the Company by virtue of his position as Vice President Geology.

4. General Overview

The Company (formerly 1287401 B.C. Ltd.) was incorporated under the laws of the Province of British Columbia on February 3, 2021 and was continued into the Province of Ontario on January 26, 2022. The Company is currently listed on the Neo Exchange Inc., (now operating as Cboe Canada) (the "**Exchange**") and the US OTCQB Venture Market ("**OTCQB**") in the United States. During the previous fiscal year ended August 31, 2022 the Company acquired a number of mineral resource properties in Canada and completed drilling on its West Hawk Lake mineral resource property located in Manitoba (the "**West Hawk Lake Property**"). In the fiscal quarter ended May 31, 2023, the Company completed preliminary exploration activities on its High Lake mineral resource property, (the "**High Lake Property**"). The head office and registered office of the Company is located at 15 Kincora Court, Sudbury, Ontario P3E 2B9.

The Company's consolidated financial statements are presented on a consolidated basis and include its wholly owned subsidiary McFarlane Lake Mining Incorporated ("**McFarlane Subco**").

5. Highlights and Key Developments (to the date of this MD&A)

Mineral Property Exploration and Development Activities during the period

(1) Mineral Resource Estimate

On May 23, 2023, the Company announced an Initial Mineral Resource Estimate ("**MRE**") of the Purdex Zone (as defined herein) of the High Lake Property. The MRE was independently prepared by P&E Mining Consultants Inc in accordance with NI-43-101, with an effective date of April 14, 2023. On June 4, 2023, the Company filed a completed technical report and initial mineral resource estimate titled "Technical Report and Initial Mineral Resource Estimate of the High Lake-West Hawk Lake Gold Project, Kenora Mining Division, Ontario and Falcon Lake Area, Manitoba (the "**Technical Report**"). The Technical Report was prepared by P&E Mining Consultants Inc. and has an effective date of April 14, 2023.

Classification	Tonnes (k)	Au (g/t)	Au (k Oz)
Indicated	152	9.38	45.8
Inferred	287	10.43	96.2

(2) Induced Polarization Survey

The Induced Polarization ("**IP**") survey covering 18.7 line kilometres was completed during January and early February 2023. Surveying was completed on two grids, the eastern grid covering the Purdex Zone and a western grid covering the P, R, W and Porphyry zones. Five priority targets, Purdex East, Conglomerate, A-D Extension, Porphyry and Gap, were defined from the survey data. The Purdex East Target is the highest priority target, and the Porphyry Zone is a potential copper-gold target.

(3) High Lake Property Drilling and Exploration

The Company was granted an exploration permit (the "**Permit**") from the Ontario Ministry of Mines, for its High Lake Property and in November 2022 the Company commenced an exploration program involving ground geophysics and diamond drilling at the High Lake Property in Ontario, three kilometres from the Trans-Canada Highway near the Ontario-Manitoba border. The program consists of ground geophysical data collection and its interpretation including 10,437 metres of diamond drilling. Field work was paused in mid-February 2023. The Company released early drilling results in news releases dated December 12, 2022, January 9, 2023, January 25, 2023, February 7, 2023, February 28, 2023 and March 6, 2023 which returned some significant gold intercepts, including an intersection of 24.96 g/t gold over 14.90 metres in hole MLHL-22-06, (see Section 9.2 for further details).

Company Financings during the Period

(1) Non-brokered Private Placement dated November 1, 2023 and November 27, 2023

On November 1, 2023, the Company closed the first tranche (the "First Tranche") of a private placement offering of units of the Company ("Units") and flow-through shares ("FT Shares") of the Company (the "Offering"). The First Tranche consisted of 43,500,000 Units at a price of $0.05 per Unit and 24,943,681 FT Shares at a price of $0.06 per FT Share for combined aggregate gross proceeds to the Company of $3,671,620. On November 27, 2023 the Company closed the second (and final) tranche, (the "Second Tranche") which consisted of 8,600,000 Units at a price of $0.05 per Unit and 8,391,325 FT Shares at a price of $0.06 per FT Share for combined aggregate gross proceeds to the Company of $933,479. The total gross proceeds to the Company from the First and Second Tranches of the Offering were $4,605,099.

Each Unit consists of one common share of the Company (each, a "Common Share") and one common share purchase warrant (each, a "Warrant"). Each Warrant is exercisable by the holder to acquire one Common Share of the Company at a price of $0.07 per common share until May 1, 2025 (Tranche 1) and May 27, 2025 (Tranche 2).

Certain directors and officers of the Company subscribed for a total of 3,700,000 Units and 1,200,000 FT Shares for gross proceeds of $257,000 in the Offering.

(2) Non-Brokered Private Placement dated April 14, 2023

On April 14, 2023, the Company closed a non-brokered private placement offering for aggregate gross proceeds of C$1,100,500 (the "**April Offering**"). In connection with the April Offering, the Company issued 7,285,000 units ("**Units**") at a price of C$0.10 per Unit and 3,100,000 flow-through shares (the "**FT Shares**") at a price of C$0.12 per FT Share. Each Unit consisted of one common share of the Company and one-half of one common share purchase warrant (each whole warrant, a "**Warrant**"). Each Warrant is exercisable by the holder thereof to acquire one common share of the Company at a price of $0.20 per common share for a period of 36 months from April 14, 2023.

Certain directors and officers of the Company subscribed for a total of 2,100,000 units for gross proceeds of $210,000.

(3) Non-Brokered Private Placement dated February 17, 2023

On February 17, 2023 the Company closed a non-brokered private placement (the "**Winter Offering**") for aggregate gross proceeds of $330,004. In connection with the Winter Offering, the Company issued a total of 2,200,032 units of the Company (the "**Winter Units**") at a price of $0.15 per Winter Unit. Each Winter Unit consisted of one Common Share and one-half of one common share purchase warrant (each whole warrant, a "**Winter Warrant**"). Each Winter Warrant is exercisable by the holder to acquire one Common Share at a price of C$0.25 per Common Share until February 17, 2026.

(4) Non-Brokered Private Placement dated September 16, 2022

On September 16, 2022, the Company closed a non-brokered private placement offering **("Summer Offering")** for aggregate gross proceeds of $1,292,400. Pursuant the Summer Offering, the Company issued 12,924,000 units ("**Summer Units**") at a price of $0.10 per Summer Unit.

Each Summer Unit consisted of one Common Share and one-half of one common share purchase warrant (each whole warrant, a "**Summer Warrant**"). Each Summer Warrant is exercisable by the holder to acquire one Common Share at a price of $0.20 per Common Share until September 16, 2025.

Certain directors and officers of the Company subscribed for a total of 3,000,000 units for gross proceeds of $300,000.

Other Company Activities During the period

(1) Appointment of New Director and Grant of Options

As of May 8, 2023 the Company announced that Dario Zulich accepted a position as a new member of the Company's board of directors (the "**Appointment**"). In connection with the Appointment, the board of directors approved the grant of 325,000 incentive stock options to Mr. Zulich exercisable into the equivalent amount of common shares of the Company at a price of $0.12 per share for a period of 5 years.

(2) Issuance of Restricted Share Units

On April 3, 2023, the board of directors approved the grant of an aggregate of 7,000,000 restricted share units ('**RSUs**") to directors Perry Dellelce and Mark Trevisiol which vested immediately. Each vested RSU entitles the holder to receive one common share. These grants were made to appropriately reward the previous and ongoing contributions of Mr. Dellelce and Mr. Trevisiol and to encourage them to continue contributing significantly to the Company's success in the future. In connection with the grant of the RSUs, each of Mr. Trevisiol and Mr. Dellelce filed an early warning report in accordance with National Instrument 62-103 - *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues*. Each of the early warning reports are available at www.sedarplus.ca.

(3) Changes to the Board of Directors and Issuance of Options

On January 16, 2023 the Company announced that Guy Mahaffy resigned as a director and on the same day, the Company announced that Deborah Battiston was appointed to the board of directors. The Company granted a total of 325,000 stock options to Ms. Battiston, each option being exercisable to acquire one Common Share at a price of $0.16 and expiring on January 13, 2028 (the "**January Options**"). The January Options have a five-year term and vested immediately.

5.1. Mineral Exploration Properties Acquired During the Previous Fiscal Year and the First Quarter of this Year

(1) Definitive Purchase Agreement with Canadian Star Minerals Ltd. for the West Hawk Lake Property, the High Lake Property and the McMillan Property.

On December 30, 2021, the Company executed a definitive purchase agreement with Canadian Star Minerals Ltd. ("**Canadian Star Minerals**") to acquire properties located in Manitoba (the West Hawk Lake Property) and Ontario (the High Lake Property and the McMillan property (the "**McMillan Property**")), (the "**CSM Purchase Agreement**"). Legal title transfers to the Company for the McMillan Property, the High Lake Property and the West Hawk Lake Property were completed on February 7, 2022, February 11, 2022, and April 21, 2022, respectively. Upon transfer of legal title to the McMillan Property a payment of $750,000 was made to Canadian Star Minerals. On July 6, 2022, a cash payment of $2,000,000 and 5,625,000 common shares of the Company were issued to Canadian Star Minerals pursuant to the terms of the CSM Purchase Agreement. On July 8, 2022 the final terms of the CSM Purchase Agreement were satisfied by the transfer of 7,000,000 common shares of the Company to Canadian Star Minerals from certain officers and directors of the Company.

(2) Acquisition of the Mongowin Property

On February 1, 2022, the Company exercised its exclusive option to acquire a 100% interest in the Mongowin property located in northeastern Ontario near Sudbury (the "**Mongowin Property**").

Pursuant to the purchase agreement (the "**Transition Agreement**") with Transition Metals Corp. ("**Transition**"), the total consideration paid for the Mongowin Property by the Company was: (i) a $15,000 cash payment for a 5-month period exclusivity to transact, (ii) $45,000 to effect a 3-month extension of the period of exclusivity, (iii) $585,000, of which $85,000 was paid in cash and 1,250,00 in common shares of the Company were issued; and (iv) a 1.5% net smelter royalty. A small portion of the Mongowin Property is subject to an additional, underlying 1% royalty, of which 0.5% can be acquired for $600,000. Additionally, beginning on the fifth anniversary of the Transition Agreement, the Company will pay Transition advanced royalty payments of $25,000 per year (in cash or common shares) to a maximum total of $250,000. Any exploration expenditures spent on the Property will offset the payments on a dollar for dollar basis. Lastly, upon the commercial exploitation of mineral products on the Mongowin Property, Transition will be entitled to a one-time payment of $2,500,000.

The 122 claims comprising the Mongowin Property were transferred to the Company on February 4, 2022, and the three patented claims were transferred on May 31, 2022.

(3) Acquisition of Mining Leases in Michaud and Munro Townships

In line with the Company's strategy to explore opportunities with properties that have historic mineralization, in March 2022, the Company acquired a 100% interest in certain mining leases in the Michaud and Munro townships in the Larder Lake Mining District near Matheson, Ontario (the "**M&M Properties**").

The Company was attracted to the M&M Properties because they are located along the Timmins Highway 101 corridor. This region has a history of production and is host to six operating gold mines. The M&M

Properties have been family-held for over 50 years and have seen limited work, with the most recent drilling completed in 1995. The Michaud portion of the property has two well-known fault systems to its north and south, and the Munro portion of the property is part of the prolific Kidd-Munro assemblage within the Abitibi Greenstone Belt. The Company plans to develop an exploration plan for M&M Properties. On October 22, 2022, the Company acquired an additional 6 claims adjacent to the M&M Properties, (see also Section 8.6 for more details).

(4) Strategic Acquisition of New Claims for Its High Lake Property

The Company acquired 15 new claims ("**New Claims**") surrounding its High Lake Property during the fourth quarter of fiscal 2022, (see section 8.4 for more details). The acquisition by the Company includes 7 claims acquired by purchase and 8 claims acquired by staking. The acquisition of the New Claims significantly expands the exploration property at the High Lake Property from 341.49 hectares to 577.82 hectares. This acquisition of the New Claims gives the Company significant potential to discover new gold mineralization adjacent to the Company's existing property. The New Claims lie on the same geological trends as the Company's existing claims which have historically known gold mineralization. In particular, the Company is encouraged by the exploration drilling opportunity that exists around our Purdex Zone with the mineralization in this area trending towards the New Claims in the northeast.

(5) Strategic Acquisition of New Claims on Other Properties

The Company acquired 16 new claims for its McMillan Property located near Espanola, Ontario approximately 80 kilometres southwest of Sudbury, Ontario. All 16 claims were staked through the Ontario Mining Lands Administration System by the Company. These new claims substantially increase the Company's land holdings in the area by 352.5 hectares to 3,247.5 hectares.

5.2. Mineral Property Exploration Activities in the Previous Fiscal Year

(1) Completion of Exploration and Drilling on the West Hawk Lake Property

Drilling at the West Hawk Lake Property near the Ontario-Manitoba border commenced in February 2022, with a program of 3,068 metres over 14 holes wrapping up in March of this year. The program's goal was to verify past reported gold mineralization, follow up on geophysical targets and confirm structural continuity.

The program was very successful, confirming the existence of high-grade intersections, expanding the Waverly Zone to 200 meters along strike and another 100 meters deep to over 200 meters (while remaining open at depth), identifying key structures extending well beyond the previously explored areas and successfully intersecting gold values in the Sunbeam breccia. Additional details are provided in section 9.

6. Selected Financial Information

6.1. Capital Resources

Common Shares issued as at August 31, 2023, are as follows:

Date	Number of Common Shares	Gross Share Proceeds	
August 21, 2020	32,000,000	$	320
April 30, 2021	5,000,000	$	5,000
May 20, 2021	22,075,000	$	2,207,500
December 9, 2021	20,322,813	$	6,417,025
February 4, 2022	1,250,000	$	387,500
July 25, 2022	1,375,000	$	130,625
August 4, 2022	5,625,000	$	1,406,250
September 16, 2022	12,951,000	$	1,292,400
February 17, 2023	2,200,032	$	330,005
April 14, 2023	10,385,000	$	1,100,500
Total	**113,183,845**	**$**	**13,277,125**

6.2. Stock Options

The Company has a stock option plan (the "**Plan**") for its directors, officers, consultants and key employees under which the Company may grant options to acquire a maximum number of 10% of the total issued and outstanding common shares of the company.

These options are non-transferable and are valid for a maximum term of 10 years from the issue date, unless sooner terminated. Vesting terms and conditions are determined by the Board of Directors at the time of the grant.

The exercise price of the options is fixed by the Board of Directors at the time of the grant at a minimum of the market price of the common shares at said time, subject to regulatory requirements. Expected volatility has been determined using the share price of comparable companies for the period equivalent to the life of the options prior to grant date.

In connection with the reverse takeover transaction of January 14, 2022 (the "**RTO Transaction**"), the Company granted 5,500,000 incentive stock options to its directors and officers, exercisable at $0.10 per share for a period of 5 years as replacement options for stock options granted to directors and officers of McFarlane Lake Mining Incorporated on May 31, 2021. The grant date fair value of $0.10 per option was estimated using the Black-Scholes option pricing model based on the following assumptions: expected life of 5 years, expected volatility of 190%, expected dividend yield of 0% and a risk-free interest rate of 1%. The options vested immediately.

On January 25, 2022, the Company granted 1,500,000 incentive stock options to its directors and certain officers, exercisable at $0.40 per share for a period of 5 years. The grant date fair value of $0.27 per option was estimated using the Black-Scholes option pricing model based on the following assumptions:

expected life of 5 years, expected volatility of 201%, expected dividend yield of 0% and a risk-free interest rate of 1.64%. The options vested immediately.

On January 13, 2023, the Company granted 325,000 incentive stock options to Ms. Battiston, exercisable at $0.16 per share for a period of 5 years. The grant date exercise price was based on the closing price of the Company's common shares on the Exchange on the date of the award, in accordance with the Plan. The options vested immediately.

On May 8, 2023, the Company granted 325,000 incentive stock options to Mr. Zulich exercisable at a price of $0.12 per share for a period of 5 years. The grant date exercise price was based on the closing price of the Company's common shares on the Exchange on the date of the award, in accordance with the Plan. The options vested immediately.

As at August 31, 2023, the following options were outstanding and available to be exercised:

Grant Date	Expiration	Number of Stock Options	Exercise Price	Remaining_Years
May 31, 2021	May 31, 2026	5,500,000	$0.10	2.75 years
Jan 25, 2022	Jan 25, 2027	1,500,000	$0.40	3.41 years
Oct 14, 2022	Oct 14, 2027	2,325,000	$0.12	4.12 years
Jan 13, 2023	Jan 13, 2028	325,000	$0.16	4.37 years
May 8, 2023	May 8, 2028	325,000	$0.12	4.69 years
Total		**9,975,000**		

6.3. Warrants

As at August 31, 2023, the following warrants were outstanding and exercisable into Common Shares:

Grant Date	Expiration	Number of Stock Options	Exercise Price	Remaining_Years
Dec 9, 2021	Dec 9, 2024	4,206,156	$0.60	1.28 years
Dec 9, 2021	Dec 9, 2024	1,097,075	$0.40	1.28 years
Sep 16, 2022	Sep 16, 2025	6,475,500	$0.20	2.05 years
Feb 17, 2023	Feb 17, 2026	1,100,016	$0.25	2.47 years
Apr 14, 2023	Apr 14, 2026	3,642,500	$0.20	2.62 years
Total		**16,521,247**		

6.4. Restricted Share Units (RSU's)

As at August 31, 2023 the Company has 7,000,000 RSU's outstanding and are subject to the Company's Restricted Share Unit Plan as outlined in the Company's Management Information Circular dated January 23, 2023 which is available under the Company's profile at www.sedarplus.ca.
The grants of the RSUs constituted "related party transactions" within the meaning of Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101"). For these grants, the Company relied on applicable exemptions from the formal valuation and minority approval requirements in Sections 5.5(a) and 5.7(1)(a), respectively, of MI 61-101. No new insiders were created as a result of these grants, nor has there been any change of control.

6.5. Notes Payable

During the fiscal year ended August 31, 2021, the Company was advanced funds in the amount of $195,000 from companies controlled by two directors evidenced by unsecured, demand promissory notes issued by the Company which bear interest at 12% per annum. As of August 31, 2023, these notes payable totaled $195,000 (August 31, 2022 – $195,000). Accrued interest owed on these notes payable in the amount of $57,291 (August 31, 2022 – $33,891) is included in the accounts payable and accrued liabilities of the Company as of August 31, 2023.

6.6. Other Annual Financial Information

The table below sets out certain selected annual financial information regarding the operations of the Company for the period indicated. The selected financial information has been prepared in accordance with IFRS and should be read in conjunction with the Company's financial statements and related notes.

Item	August 31, 2023	August 31, 2022	August 31, 2021
Total assets	$394,610	$1,936,369	$1,851,055
Total non-current liabilities	nil	nil	nil
Shareholder's equity (deficit)	($920,127)	$261,574	$1,438,045
Total revenue	nil	nil	nil
Net and comprehensive income (loss)	($4,683,796)	($10,906,890)	($1,230,433)
Basic and diluted income (loss) per share	($0.045)	($0.145)	($0.031)

The Company had no operational activity for the period ended August 31, 2020. For the fiscal year ended August 31, 2021, the Company started the process of analyzing and acquiring mineral properties with the objective of becoming a mineral property exploration company. As of August 31, 2021, the Company entered into an option agreement and two letters of intent encompassing six (6) properties containing gold mineralization in Manitoba and Ontario (collectively, the "**Mineral Properties**"). For the year ended August 31, 2022, the Company recorded a net and comprehensive loss of $10,906,890 which consisted primarily of exploration property acquisition and exploration costs of $7.9 million, exchange listing costs of $1.9 million and other net costs of $1.1 million. For the year ended August 31, 2023, the Company recorded a net and comprehensive loss of $4,683,796 which consisted primarily of exploration property acquisition and exploration costs of $2.5 million (see table below), professional, consulting and director fees of $1.0 million and other net costs of $1.2 million.

Total Exploration and Evaluation Expenditures for the year ended August 31, 2023 were as follows:

Acquisition and Evaluation Costs by Property Item	Year ended August 31, 2023
Acquisition and Maintenance Costs	
Royalty payments	$10,000
Claims staking costs	$10,478
Total Acquisition and Maintenance	**$20,478**
Exploration Costs by Property	
West Hawk Lake (WHL)	
WHL field expense	$12,647
Total West Hawk Lake	**$12,647**
High Lake Property (HL)	
HL Field expenses	$28,919
Line cutting	69,525
Ground geophysics	0
Drilling	1,539,070
Sampling	6,474
Assaying	102,101
Supplies and equipment	63,164
Core shed	22,402
Core racks	5,000
Camp costs other	2,996
Exploration personnel	312,940
Consultant	70,000
Environmental and permitting	2,932
Studies and reports	95,306
Total High Lake	**$2,320,829**
McMillan and Mongowin Properties (MM)	
MM Field expenses	$25,294
Total McMillan and Mongowin Properties	**$25,294**
Grand Total	**$2,379,248**

7. Summary of Quarterly Results

A summary of the results of the last 8 fiscal quarters since incorporation are as follows:

Quarter ended	Total revenue	Net income (loss) for the period	Earnings (loss) per share – basic and diluted
November 30, 2021	Nil	($669,453)	($0.011)
February 28, 2022	Nil	($3,761,900)	($0.049)
May 31, 2022	Nil	($814,378)	($0.010)
August 31, 2022	Nil	($5,661,159)	($0.075)
November 30, 2022	Nil	($1,252,408)	($0.013)
February 28, 2023	Nil	($1,652,694)	($0.016)
May 31, 2023	Nil	($1,298,900)	($0.012)
August 31, 2023	Nil	($479,794)	($0.01)

7.1. Results of Operations

7.1.1. Three months ended August 31, 2023

The Company did not record any revenues in the three months ended August 31, 2023 (August 31, 2022 – nil) and incurred a net loss of $479,794 as compared to a $5,661,159 loss for the three months ended August 31, 2022.

The current three-month period loss is comprised mainly of the following amounts:

a) professional fees of $22,775 – these fees incurred in the period relate to general corporate business matters, and on-going accounting costs:
b) exploration and evaluation expenditure (recoveries) of ($36,967) – the Company incurred some exploration and evaluation costs for the scheduled drilling program on the High Lake scheduled for the first and second quarter of fiscal 2024, (see section immediately below for further details) and recovered costs relating to the previous drilling program earlier in the fiscal year;
c) consulting and director fees of $150,447 – these fees were paid during the period to Company management, directors and other mining consultants;
d) regulatory, transfer agent fees, investor relations and business development costs and advertising and promotion of $246,670 - these fees were paid to the NEO and OTCQB and included listing fees along with fees paid to investor relations, and marketing firms as part of the listing requirements of the NEO;
e) other costs of $95,041 - these costs are comprised of digital marketing and donation costs, interest costs owed on the notes payable (as described in section 6.5) and general and office costs;
f) Share-based compensation of $70,000 – these costs relate to a valuation adjustment to the previously issued restricted share units granted to two directors;
g) other income flow through share premium recovery of $68,172 - during the period the Company incurred Canadian exploration expenditures which qualify as flow through mining expenditures, and which decreased the amount of the flow through share premium liability as of August 31, 2023.

Details of the Exploration Expenditures (Recoveries) for the Period

Exploration Expense	Three months ended August 31, 2023
High Lake Property	
Field Expenses	$8,892
Sampling/assaying cost (recoveries)	($50,022)
Ground geophysics cost (recoveries)	($20,064)
Exploration personnel cost (recoveries)	($45,464)
Consultant	$25,000
Sub Total High Lake net cost recoveries	**($81,658)**
Studies and Reports	$21,850
WHL field expenses	$12,647
Royalty payment	$10,000
MM Field expenses	$194
Total cost (recoveries)	**($36,967)**

7.1.2. Twelve months ended August 31, 2023

The Company did not record any revenues in the twelve months ended August 31, 2023 (August 31, 2022 – nil) and incurred a net loss of $4,683,796 as compared to a $10,906,890 loss for the twelve months ended August 31, 2022. The twelve-month loss is comprised of the following amounts:

a) professional fees of $369,595 – these fees were paid to the Company's corporate lawyers for general corporate matters and finance related costs;
b) exploration and evaluation expenditures of $2,379,248 – the Company completed its planned exploration work on the High Lake property during the year. Minor exploration costs were incurred on the other Company Mineral Properties during the period as well and costs were incurred with various mining consultants, (see above section 6.6 for further details);
c) Consulting and director fees of $548,697 – these fees were paid in the twelve-month period to Company management, directors and other mining consultants;
d) regulatory and transfer agent fees of $103,488 - these fees were paid to the NEO for listing and other related fees and fees were also incurred with respect to the OTCQB listing for the Company along with fees paid to the Company's transfer agent;
e) investor relations and business development of $597,940 - during the twelve-month period the Company incurred costs with an investor relations firm and a marketing firm as part of the listing requirement of the NEO and incurred other advertising and mining conference and related costs;
f) other costs of $228,060 – these costs are comprised of digital marketing costs, interest costs owed on the notes payable (as described in section 6.5) and general and office costs;
g) share based compensation costs of $1,105,000 – these costs were incurred upon the issuance of Company stock options to key management, and officers and directors of the Company;
h) flow through share premium recovery of $648,232 - during the year the Company incurred Canadian exploration expenditures that qualify as flow through mining expenditures which in turn decrease the amount of the flow through share premium liability as of August 31, 2023.

7.2. Liquidity and Capital Resources

The Company's cash position as of August 31, 2023, was $249,411 (August 31, 2022 - $1,595,037) with a net working capital (deficit) of ($920,127) (August 31, 2022 - $261,574). As at August 31, 2023, the Company had total assets of $394,610 (August 31, 2022 - $1,936,369).

The Company believes that the current capital resources are not sufficient to pay overhead expenses or fund its proposed mineral property acquisitions and exploration programs for the next twelve months. Although the Company has been successful in raising funds to date there is no assurance that it will be able to do so in the future. These matters represent material uncertainties that cast significant doubt about the Company's ability to continue as a going concern. On November 1, 2023 the Company completed the first tranche of a non-brokered private placement Offering, (the "**Offering**") for aggregate gross proceeds of $3,671,620, (see section 10.4 for further details). Due to strong investor demand, the Company has upsized the Offering to 4,605,099 and the second and final tranche of the Offering for $933,479 closed on November 27, 2023.

Further to this Offering, the Company is currently evaluating its alternatives with regards to another proposed equity financing sometime in the second or third quarter of 2024. The Company will continue to monitor the current economic and financial market conditions and evaluate their impact on the Company's liquidity and future prospects.

Since the Company may not be able to generate cash flow from its operations for the foreseeable future, the Company will have to rely on the issuance of shares or the exercise of options and warrants to fund ongoing operations and investment. The ability of the Company to raise capital will depend on market conditions and it may not be possible for the Company to issue securities on acceptable terms or at all.

The Company manages its capital structure to ensure sufficient resources are available to meet operational requirements and safeguard its ability to continue as a going concern. There are no externally imposed capital requirements on the Company. Management considers the items included in shareholders' equity and working capital as capital. The Company manages the capital structure and adjusts it in response to changes in economic conditions and the risk characteristics of the underlying assets. The Company's primary objective with respect to its capital management is to ensure that it has sufficient capital resources to fund the operation of the Company. To secure additional capital necessary to pursue these objectives, the Company intends to raise additional funds through equity or debt financing.

As of the date this MD&A the Company's contractual obligations are as follows:

Contractual Obligations	Total	Less than 1 Year	1-3 Years	4-5 Years	After 5 Years
Notes Payable	$195,000	$195,000	Nil	Nil	Nil
Accounts payable and Accrued liabilities	$1,059,267	$1,059,267	Nil	Nil	Nil
Purchase Obligations	Nil	Nil	Nil	Nil	Nil
Other Obligations	Nil	Nil	Nil	Nil	Nil
Total Contractual Obligations	$1,254,267	$1,254,267	Nil	Nil	Nil

8. Property Acquisitions

8.1. The West Hawk Lake Property, High Lake Property and the McMillan Property

On December 30, 2021, the Company executed a purchase agreement with Canadian Star Minerals to acquire a 100% interest in the West Hawk Lake Property, the High Lake Property and the McMillan Property (the “**CSM Properties**”). The purchase price paid by the Company was satisfied as follows:

a) $2,750,000 of cash consideration;
b) 5,625,000 of common shares issued by the Company with a deemed value of $2,250,000 which represents $2,750,000 less the cumulative amount paid by the Company in option payments of $550,000; and
c) 7,000,000 issued and outstanding common shares in the capital of the Company held by certain officers and directors of the Company were transferred to Canadian Star Minerals upon closing of the transaction. The shares were valued at $1,750,000 based on the quoted market price of $0.25 per share. The contributed amount was charged directly to deficit.

Upon execution of the CSM Purchase Agreement, the Company acquired beneficial interest in the CSM Properties from the Canadian Star Minerals. The legal transfer of the title for any leases required Provincial approval. As a result, legal title was transferred for the High Lake Property and McMillan Property as of February 11, 2022 and February 7, 2022 respectively.

8.2. The Mongowin Property

On February 1, 2022, the Company executed a purchase agreement with Transition to acquire 100% interest in the Mongowin Property. The Transition Agreement was subject to the following terms and conditions:

d) $15,000 cash payment for a 5-month period exclusivity to transact;
e) $45,000 to affect a 3-month extension of the period of exclusivity;
f) $585,000, of which $85,000 was paid in cash and $500,000 was settled by the issuance of common shares of the Company;
g) the Company granted Transition a 1.5% net smelter return royalty;
h) a portion of the Mongowin Property is subject to an additional existing 1% net smelter royalty of which 0.5% may be purchased for $600,000;
i) beginning on the fifth anniversary of the Transition Agreement, the Company will pay Transition advanced royalty payments of $25,000 per year (in cash or common shares) to a maximum total of $250,000. Any exploration expenditures spent on the Mongowin Property will offset the payments on a dollar for dollar basis. If the Company does not pay the advanced royalty payments or spend the required exploration expenditure, Transition may choose to purchase the Mongowin Property for $1; and
j) transition is entitled to a one-time milestone payment of $2,500,000 upon the commercial exploitation of mineral products on the Mongowin Property.

Certain claims were comprising the Mongowin Property transferred to the Company on February 4, 2022 and the patented claims were transferred on May 30, 2022.

The Mongowin Property is contiguous with the McMillan Property and as such both properties together will be referred to as the McMillan Property in future.

8.3. The Michaud/Munro Properties

The Company finalized a purchase agreement on March 10, 2022 with 1929941 Ontario Limited ("**192 Ontario**") in respect of the acquisition by the Company of a 100% interest in 17 mining leases located in Northeastern Ontario in the townships of Michaud and Munro in the Larder Lake Mining District near the town of Matheson, Ontario. The definitive agreement to purchase the M&M Properties was subject to the following terms and conditions:

a) the Company paid a non-refundable cash payment of $35,000 to the 192 Ontario for a period of exclusivity prior to the signing of the purchase agreement;
b) the Company provided 192 Ontario with a $30,000 cash payment upon the transfer of the mining leases comprising M&M Properties;
c) the Company issued $550,000 worth of common shares upon the transfer of the mining leases; and
d) 1.5% net smelter return royalty of which 1% can be purchased for $1.5 million.

The CEO of the Company, Mark Trevisiol, has an equity interest in 192 Ontario. (See also section 10.2 – Transactions Between Related Parties).

8.4. Strategic Acquisition of New Claims on High Lake Property

The Company acquired the New Claims surrounding its High Lake Property (see Figure 1). The acquisition of the New Claims significantly expands the exploration property at the High Lake Property from 341.49 hectares to 577.43 hectares. Seven of the fourteen New Claims were acquired by the Company through private purchase for a cash settlement from an individual who had the rights to the claims under the Ontario Mining Lands Administration System ("**MLAS**") on August 18, 2022. The remaining seven claims were staked through the MLAS by the Company on August 11, 2022.

Subsequently to the acquisition an additional partial claim, 750300 was staked on September 29, 2022 by the company to cover a wedge fraction created between the High Lake property and the purchased claims. The additional fraction resulted in the property increasing in size to 577.82 hectares.

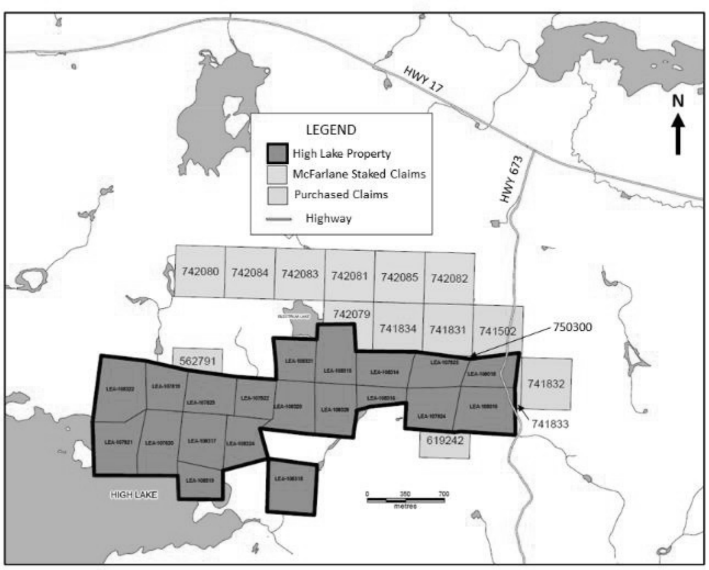

Figure 1 Newly acquired claims at High Lake

The acquisition of the New Claims provides the Company with the potential to discover new gold mineralization adjacent to its existing property which has known gold mineralization. In particular, the Company is encouraged by the exploration drilling opportunity that exists around the Purdex Zone (as defined herein) with the mineralization in this area trending towards the New Claims in the northeast. The New Claims also allow the Company to expand the P Zone and previously discovered D Zone (Figure 2). A soil sampling survey (Report by Barrier Reef Resources Ltd. January 5, 1984) covering the western portions of the High Lake Property and a portion of the New Claims outlined several soil trends over 100 parts per billion ("**ppb**") gold. Local sample results within the D Zone in claim 562791 detected soil trends as high as 12,200 ppb gold.

As previously announced, the Purdex Gold Zone ("**Purdex Zone**") is the Company's priority target at the High Lake Property as it has only been tested to a depth of 100 metres and has significant potential for further mineralization. In 2006, a 10-metre panel sample from a trench on surface on the Purdex Zone averaged 9.84 g/t gold (NI 43-101 Report High Lake/Electrum Lake Property by Seymour Sears December 10, 2009), earlier drilling had intersected drill core returning 12.58 g/tonne gold over 9.6 meters (Consolidated Jalna Resources report February 28, 1989). The New Claims will allow for deeper exploration of this target area.

Limited drilling was completed by Calnor Resources Ltd in 1986 on the Zone D trend, with the best results obtained from hole SC86-21 of 1.27 g/t gold over 15.2 metres, including an intersection of 3.09 g/t gold over 1.5 metres (Calnor Resources Assessment Report March 31, 1986). These intersections are historical in nature and as such is based on prior data and reports prepared by previous property owners which predate NI 43-101. The reader is cautioned not to treat them, or any part of them, as current mineral resources or reserves. The Company has determined these historical estimates are reliable, and relevant to be included here in that they demonstrate simply the mineral potential of the High Lake Property. A qualified person has not done sufficient work to classify the historical estimates as current resources and the Company is not treating the historical estimates as current resources. Significant data compilation, re-drilling, re-sampling and data verification may be required by a qualified person before the historical estimates can be classified as a current resource. There can be no assurance that any of the historical mineral resources, in whole or in part, will ever become economically viable. In addition, mineral resources are not mineral reserves and do not have demonstrated economic viability. Even if classified as a current resource, there is no certainty as to whether further exploration will result in any inferred mineral resources being upgraded to an indicated or measured mineral resource category. The historical estimates relating to inferred mineral resources were calculated using prior mining industry standard definitions and practices for estimating mineral resource and mineral reserves. Such prior definitions and practices were utilized prior to the implementation of the current standards of the Canadian Institute of Mining for mineral resource estimation and have a lower level of confidence.

The addition of claim 562791 provides the Company with exploration opportunities at the D Zone and strike and down dip extensions of the P Zone which will be tested as part of the fall drilling program.

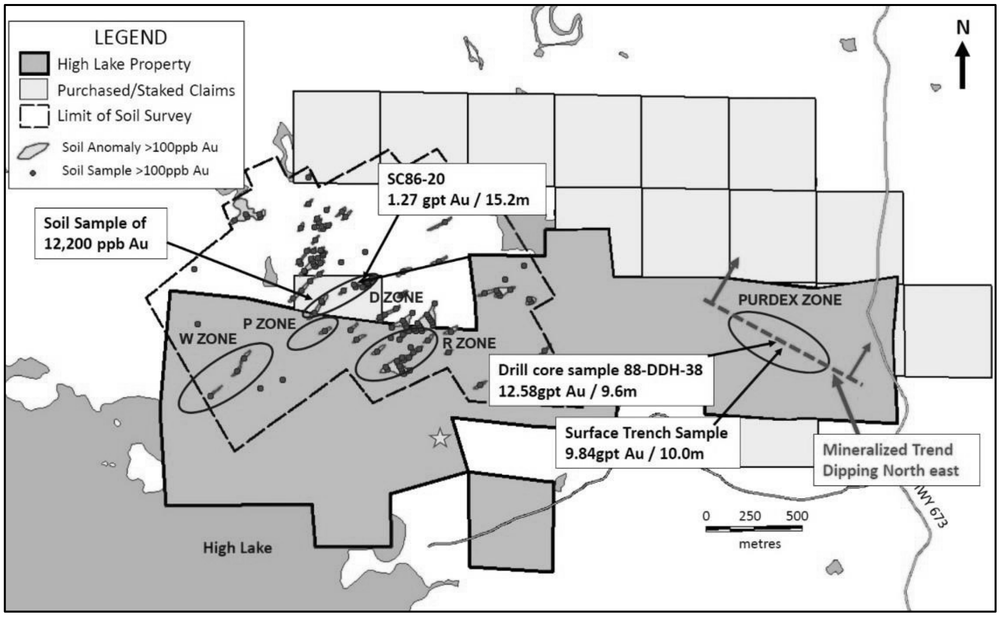

Figure 2 extension of zones onto new claims and previous soil study results

8.5. Strategic Acquisition of New Claims on McMillan Property

The Company acquired 16 new claims for the McMillan Property located near Espanola, Ontario approximately 80 kilometres southwest of Sudbury, Ontario. All 16 claims were staked through the Ontario Mining Lands Administration System by McFarlane Lake on September 14, 2022. These new claims substantially increase the Company's land holdings in the area by 352.5 hectares to 3,247.5 hectares (Figure 3).

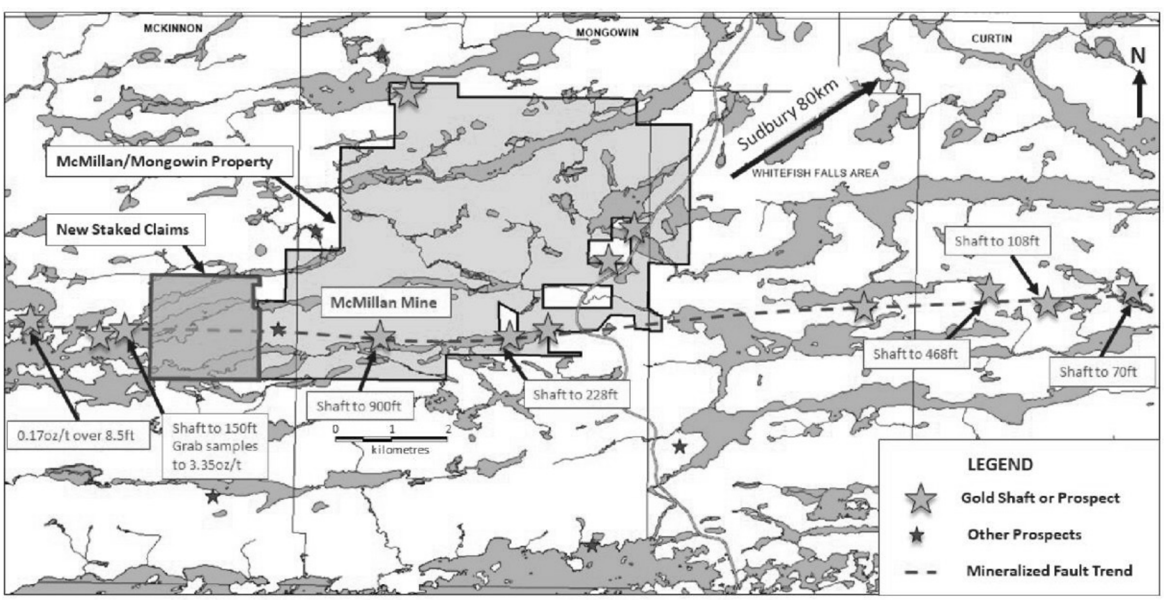

Figure 3 location of new claims along favourable mineralized fault trend

Theses claims are situated on strike of the McMillan Mine, which between 1934 and 1937 reported production of 60,139 tons of ore for a recovered grade of 0.176 ounces per ton (6.03 grams per tonne) NI 43-101 Report, Butler 2006. A number of historical shafts and exploration properties are situated along the favourable mineralized fault trend.

8.6. Strategic Acquisition of New Claims on Munro Property

The Company completed the strategic acquisition of an additional 6 claims (October 24, 2022) adjoining the Munro property, increasing the property by 111.5 hectares as shown in Figure 4.

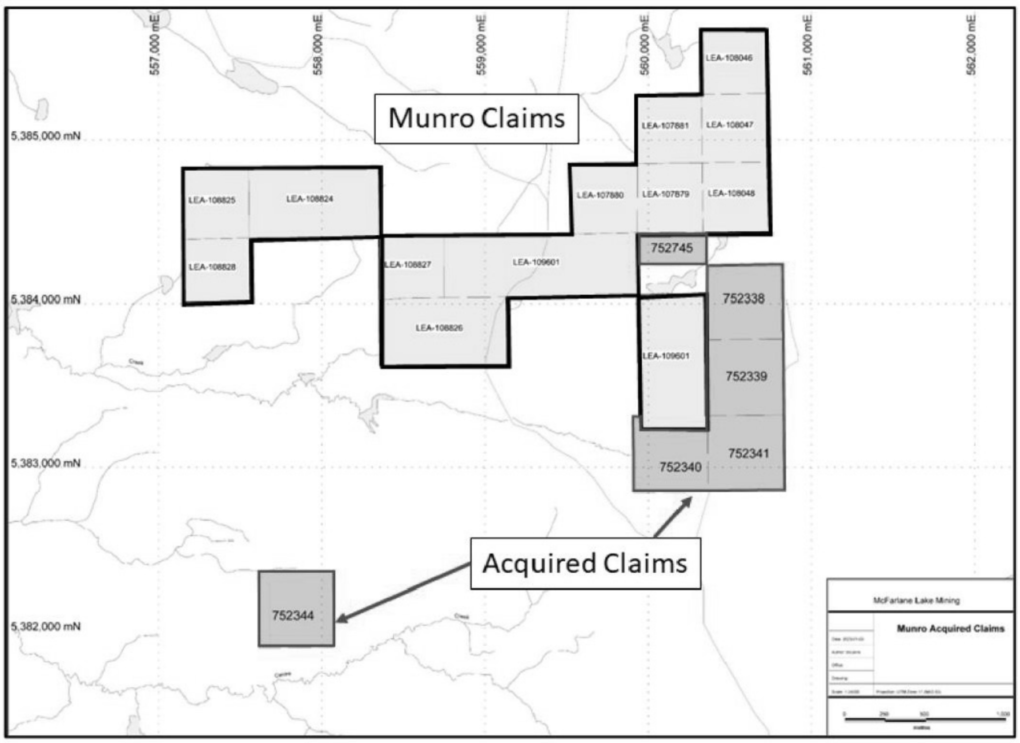

Figure 4 location of newly acquired claims Munro Property

8.7. Cancellation of Claims on McMillan Property

The Company received notification from the provincial mining recorder that claims 600606, 600636 and 600684 were to be cancelled on April 03, 2023. These claims had been inadvertently allowed to be registered on lands which had received a prior licence of occupation. Besides the cancellation of these claims, the prior licence of occupation resulted in the reduction of size of nine claims including 584118, 583929, 583930, 583932, 583935, 600605, 600635, 600683 and 600685 as shown on Figure 5. The reduction in size of the claims resulted in claims 584118, 600683 and 600685 being reduced to the water limits of Fox Lake. This resulted in these three claims being no longer contiguous with the remaining McMillan Property and resulted in the forfeiture of these claims on their anniversary date of July 23, 2023. The cancellation of the claims resulted in the property size being reduced to 3,026.40 hectares.

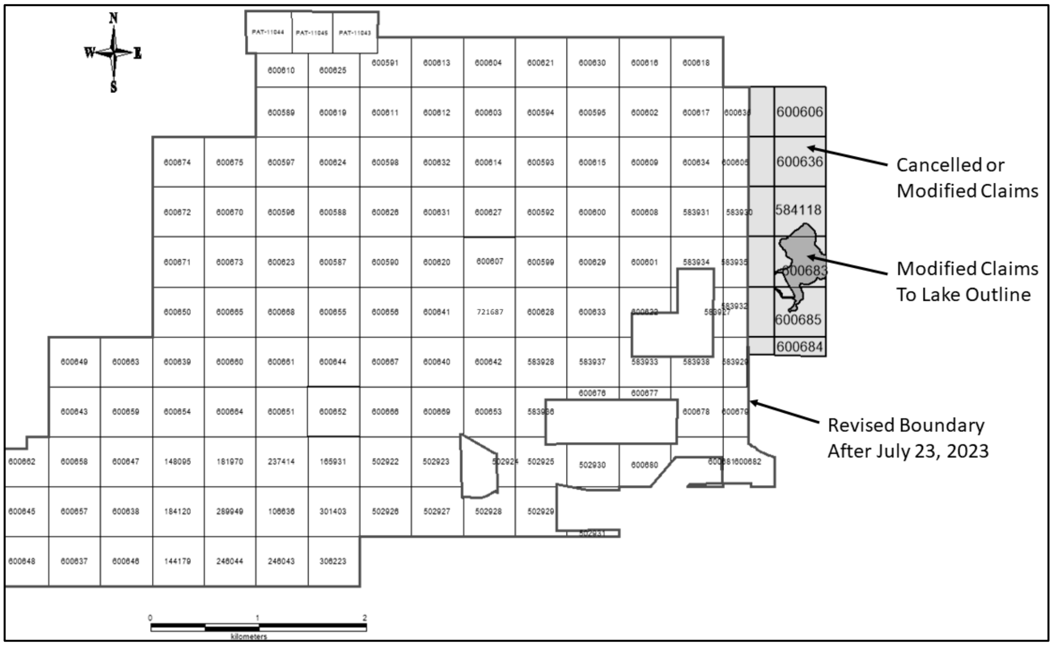

Figure 5 location of cancelled claims McMillan Property

9. Exploration Activities

9.1. West Hawk Lake Property

The Company commenced its first exploration activities on the West Hawk Lake Property in December 2021 with the goal to verify past reported gold mineralization, follow up on geophysical targets and confirm structural continuity. The initial activity was 18.6 km of line cutting completed as of December 18, 2021.

An induced polarization survey (geophysics) (the “**IP Survey**”) was initiated by Golden Mallard Corp. in the first week of January 2022 with field work completed as of February 7, 2022. The pseudo-sections with preliminary interpretation of anomalies were provided and this data was used to develop final targets for diamond drilling.

Initial results of the IP Survey suggest potential mineralization, from the indication of strong chargeability anomalies flanked by or co-incident resistivity anomalies. These prospective anomalies may indicate the presence of sulphides within silicified zones.

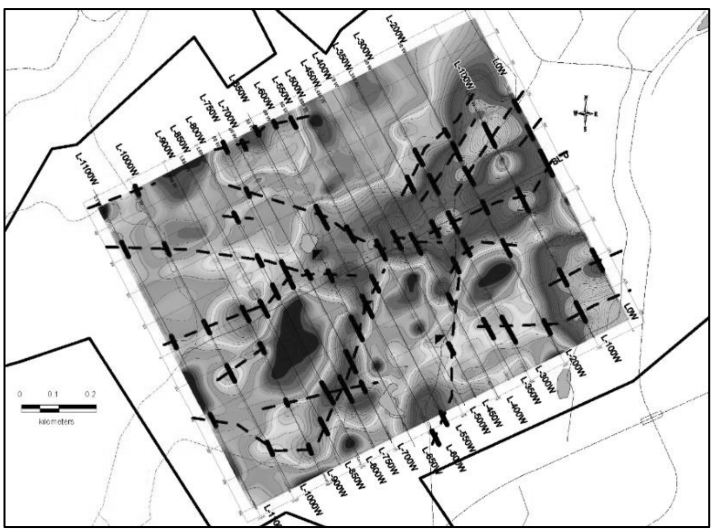

Figure 6 Induced Polarization Survey - Chargeability

The IP Survey displayed resistivity and chargeability towards the eastern portion of grid and remains open to the east for further expansion with additional surveying. These findings are supported by drilling within the anomalous trends that have confirmed the presence of fine sulphides, silicification, and quartz veins in sheared quartz monzonite.

Platinum Diamond Drilling Inc. was selected to complete a 3,000-meter diamond drilling program on the West Hawk Lake Property and mobilized to site on February 4, 2022, collaring the first hole on February 6, 2022. Drilling was completed on March 20, 2022, with a total of 3,068 meters drilled with one drill at an average rate of more than 70 meters per day. The driller demobilized from the site on March 23, 2022.

The drill core was logged and sampled at a nearby facility by Bayside Geoscience with samples, including Quality Assurance/ Quality Control (QA/QC) samples, being sent to an accredited lab in Thunder Bay for processing. The final results were received from the lab on May 18, 2022, and a press release announcing the results was disseminated on May 25, 2022.

Drilling intersected zones of sheared and altered quartz monzonite with local sections of quartz veining mineralized with fine pyrite, arsenopyrite and locally minor chalcopyrite and sphalerite. Thin mafic dikes frequently intrude these sheared sections and the dikes are subsequently sheared, altered and mineralized.

Figure 7 Drill Core from West Hawk Lake 2022 Drill Program

The program successfully met and exceeded expectations. The highlights include:

- all holes intersected the structure and anomalous gold value (not all economic);
- confirmed the existence of high-grade gold mineralization in the Waverly Raise Zone;
- demonstrated the potential at the Waverly Zone for a gold zone with a strike length of 200 meters and down to over 200 meters deep remaining open at depth;
- successfully intersected gold at the Sunbeam Breccia below known gold mineralization; and
- identified strong geological structures extending beyond the previously explored areas.

Assay result highlights include:

- **MLWH-22-01** intersected two zones, **22.17g/t gold over 1.27m** including **49.4g/t gold over 0.55m,** and **9.85g/t gold over 1.62m;**
- **MLWH-22-02** intersected a single zone of **9.88g/t over 1.0m;**
- **MLWH-22-08** intersected two zones, **19.40g/t gold over 0.64m** (Letain C) and **8.62g/t gold over 1.0m** (Waverly);
- Drilling expanded the strike length of the zone to 200m and down to **over 200m**, open to depth and discovery of additional shoots along favourable structural and IP trend; and
- **MLWH-22-05** intersected two zones, **3.81/g/t gold over 4.0m** and **7.85/g/t gold over 2.0m** including **11.30g/t gold over 1.0m.** Zone remains open for expansion at depth and discovery of additional breccia pipes.

The Company will use the continuity in gold mineralization that it has discovered to plan future drilling at the West Hawk Lake Property to meet its goal of developing a NI 43-101 compliant gold resource. No exploration activities have been completed in the current fiscal year.

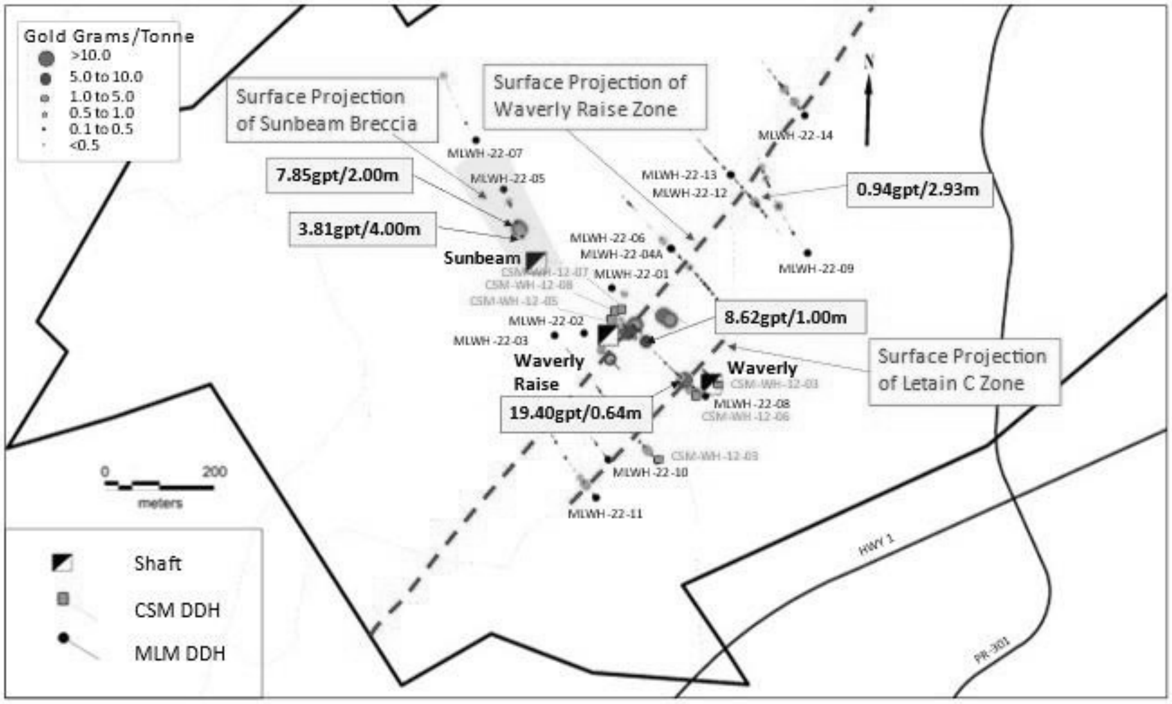

Figure 8 Drill intersections at West Hawk Lake – Plan View

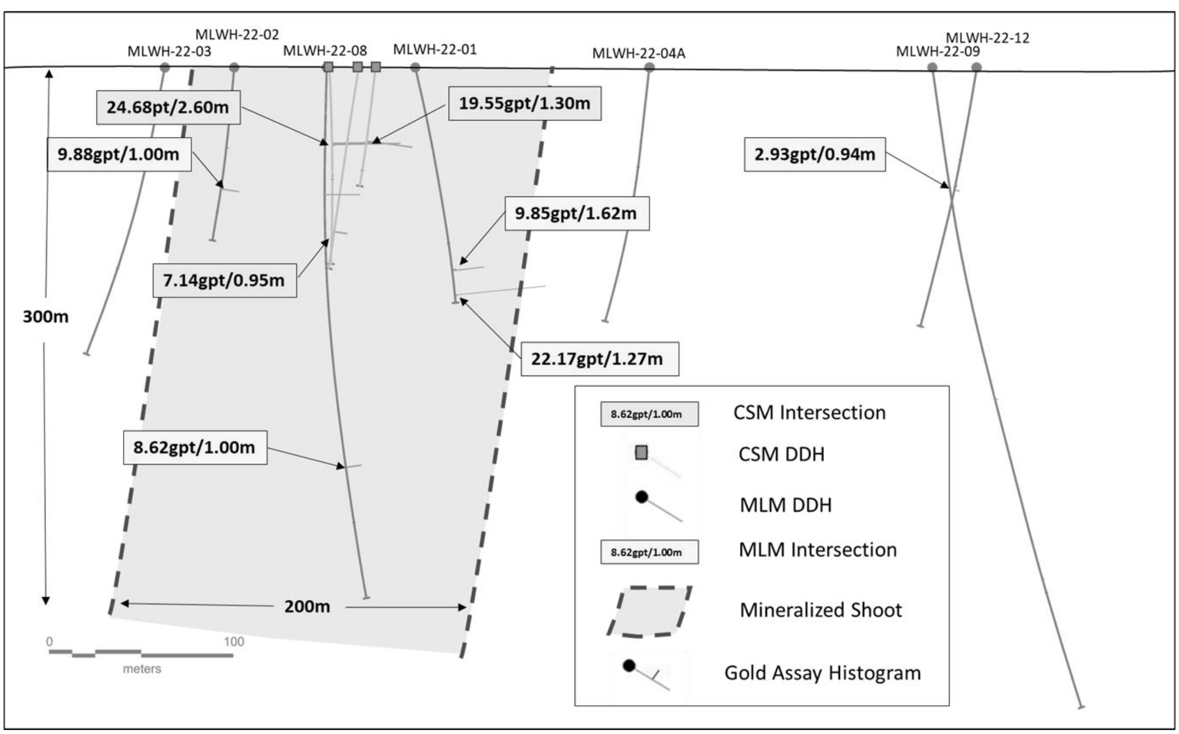

Figure 9 Drill intersections at West Hawk Lake – Longitudinal Section View

9.2. High Lake Property

The Company applied for the exploration permit on June 24, 2022, and the permit was issued on August 18, 2022. Subsequently, the Shoal Lake 40 representatives have contended that the Ministry of Mines did not properly consult the First Nation group and they have been working with the Ministry to resolve the issue. A second exploration drilling permit that covers all the IP survey targets was issued on October 31, 2023.

The Company's High Lake Property exploration program was initiated on November 7, 2022 and included line cutting, an induced polarization survey and diamond drilling. As of February 12, 2023, the drilling contractor, Platinum Diamond Drilling, had completed 10,437m of diamond drilling on the Purdex Zone and drilling was paused. The Company has issued five press releases on the results available from the lab (see the news releases dated December 12, 2022, January 9, 2023, January 25, 2023, February 7, 2023, February 28, 2023, March 6, 2023 and April 11, 2023), confirming the expected high grade based on the existing historical resources.

The drilling included a number of significant intersections with distinct visible gold occurrences in the diamond drill core, from near surface to 357m below surface, included in the table below;

Hole ID	From Metres	To metres	Length metres	Gold grams/tonne	Elevation metres
MLHL-22-02	*65.00*	*66.00*	*1.00*	***10.70***	*-61.5*
MLHL-22-04	*187.00*	*188.45*	*1.45*	***32.58***	*-158.7*
MLHL-22-05	*242.51*	*250.00*	*7.49*	*4.95*	*-226.4*
MLHL-22-05	*267.45*	*273.83*	*6.38*	*4.49*	*-248.7*
MLHL-22-06	*325.56*	*340.46*	*14.90*	***24.96***	*-320.4*
including	*332.47*	*334.76*	*7.99*	***43.22***	
including	*337.31*	*340.46*	*3.15*	***53.87***	
MLHL-23-08A	*430.60*	*433.45*	*2.85*	*7.84*	*-357.4*
MLHL-22-12	*229.00*	*235.50*	*6.50*	***14.73***	*-178.0*
MLHL-22-17	*113.20*	*114.50*	*1.30*	***148.37***	*-55.0*
MLHL-22-21	*356.95*	*358.75*	*1.80*	***47.28***	*-350.7*
MLHL-22-25	*202.10*	*205.07*	*2.97*	*6.85*	*-182.3*
MLHL-22-28	*25.25*	*35.00*	*9.75*	*9.99*	*-21.2*
including	*29.62*	*35.00*	*5.38*	***15.35***	
including	*29.62*	*30.17*	*0.55*	***117.00***	
MLHL-22-30	*85.00*	*86.00*	*1.00*	***20.20***	*-80.6*
MLHL-22-31	*56.00*	*56.75*	*0.75*	***16.70***	*-40.1*
MLHL-23-40	*14.61*	*41.80*	*27.19*	*6.14*	*-19.9*
including	*14.61*	*19.94*	*5.33*	***24.55***	*-12.2*
MLHL-23-41	*14.75*	*15.32*	*0.57*	*6.84*	*-19.9*
MLHL-23-43	*248.67*	*249.00*	*0.33*	***21.10***	*-197.8*
MLHL-23-45	*292.10*	*318.50*	*26.40*	*9.20*	*-285.3*

Drilling on section 750, as shown in Figure 10, has outlined a steeply dipping vein system occurring within a structural zone at or about the contact between quartz-feldspar porphyry and mafic volcanics. The porphyry and mafics are often highly sheared and may display silicification or sericitization. Gold occurs within quartz tourmaline veins and in the adjacent sheared and altered host lithologies which may be either quartz-feldspar porphyry or mafic volcanics. These veins are often mineralized with pyrite, pyrrhotite and chalcopyrite, with occasional lesser sphalerite and arsenopyrite.

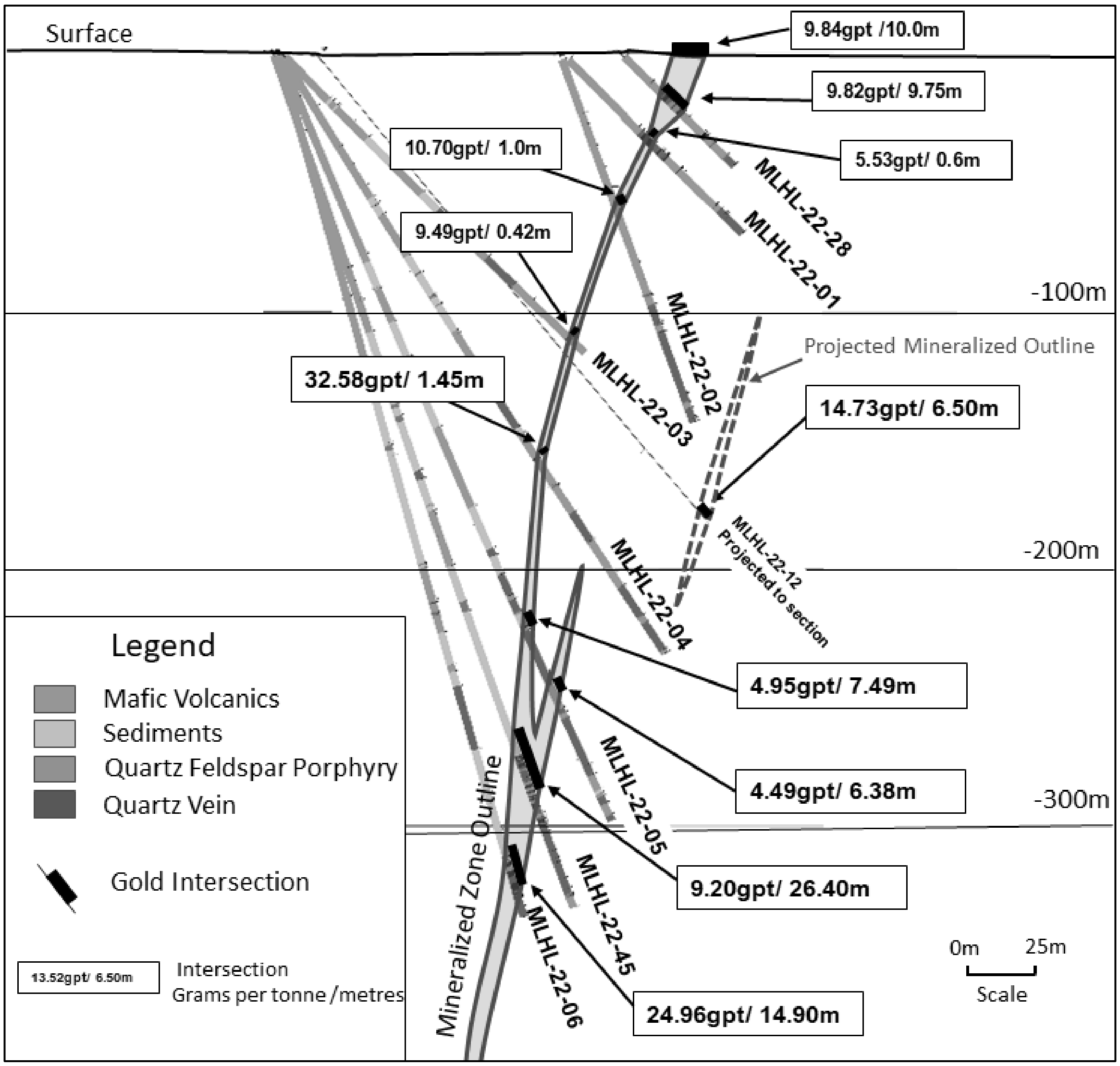

Figure 10 - Cross Section of Diamond Drill Holes

Mineral Resource Estimate

The Company's maiden mineral resource estimate on its 100% owned High Lake Property, was released on May 24, 2023. The Technical Report was independently prepared by P&E Mining Consultants Inc (QP) in accordance with NI-43-101, with an effective date of April 14, 2023. The full Technical Report is available on SEDAR+ (www.sedarplus.ca).

This MRE has been classified in accordance with CIM Definition Standards on Mineral Resources and Mineral Reserves (CIM, 2014) and follows the CIM Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines (CIM, 2019). It is based on our recently completed drilling program and mineralization modelling.

Most of the estimated Mineral Resource tonnage related to the High Lake deposit is contained in three stacked zones (Zone A, B and C in Figure 11) within a 75-metre-wide corridor starting at surface and covering an area of 420 metres vertical by 220 metres along strike. The true thickness of the High Lake zones varies from 1.2 to 9.0 metres.

The mineralized zone and our current drill results to date with multiple high-grade intersections are shown in Figure 11 below.

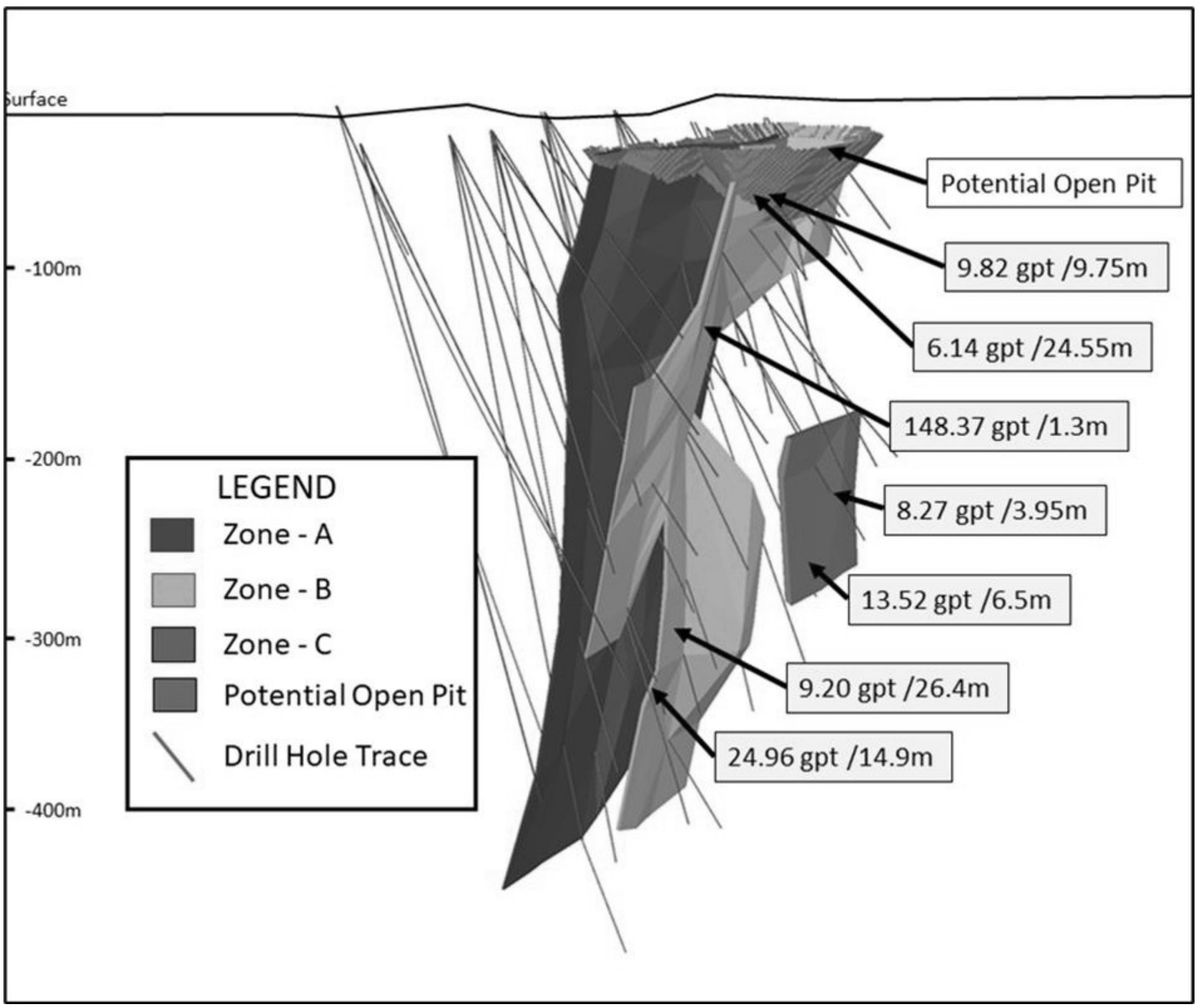

Figure 11 - 3D of the Mineral Resource Model

Purdex Zone Mineral Resource at 2.6 g/t Au cut-off

Classification	Tonnes (k)	Au (g/t)	Au (k Oz)
Indicated	152	9.38	45.8
Inferred	287	10.43	96.2

Mineral Resource Sensitivity to cut-off grade

A sensitivity analysis was performed on the MRE to assess the impact of various lower cut-off gold grades. The sensitivity is low indicating a well constrained model.

	Indicated			Inferred		
Au Cut-Off (g/t)	**Tonnes (t)**	**Au Grade (g/t)**	**Au (Oz)**	**Tonnes (t)**	**Au Grade (g/t)**	**Au (Oz)**
3.0	139,747	9.95	44,705	260,540	10.98	91,975
2.9	142,155	9.83	44,927	265,418	10.84	92,502
2.8	145,051	9.69	45,189	270,031	10.7	92,894
2.7	148,441	9.53	45,482	274,556	10.57	93,303
2.6	151,851	9.38	45,794	287,373	10.43	96,165
2.5	155,726	9.21	46,112	285,116	10.27	94,142
2.4	159,140	9.06	46,355	289,847	10.15	94,586
2.3	162,621	8.92	46,637	295,015	10.01	94,944
2.2	166,374	8.77	46,911	300,930	9.86	95,397
2.1	170,427	8.61	47,177	307,287	9.7	95,831
2.0	174,316	8.47	47,469	313,324	9.55	96,203

Notes

1. *The mineral resources described above have been prepared in accordance with the CIM Standards (Canadian Institute of Mining, Metallurgy, and Petroleum, 2014) and follow Best Practices outlined by CIM (2019)*
2. *Underground Mineral Resources have been reported using a 2.6 g/t lower cut-off based on US$1,800/oz Au, 0.77 US$ FX, 95% process recovery and costs of C$130/t mining, C$40/t processing and $15/t G&A.*
3. *The High Lake deposit has been classified as Inferred and Indicated Mineral Resources according to drill spacing and two grade estimation passes. Underground Mineral Resources have been classified manually within a constraining volume*

*to remove isolated areas not satisfying reasonable prospects for eventual economic extraction ("**RPEEE"**) and have been reported using an approximate 2 m minimum thickness.*

4. *There are no known underground workings at the High Lake Deposit*
5. *The bulk density of 2.7 t/m^{3}has been applied based on measurements taken on the drill core and assigned in the block model.*
6. *The MRE is based on a block models with a block size of 0.5 m x 0.5 m x 0.5 m.*
7. *Tonnage has been expressed in the metric system, and gold metal content has been expressed in troy ounces.*
8. *The tonnages have been rounded to the nearest 100 tonnes and the metal content has been rounded to the nearest 100 ounces. Gold grades have been reported to two decimal places.*

These Mineral Resources are not Mineral Reserves as they have not demonstrated economic viability. The quantity and grade of reported Inferred Mineral Resources disclosed herein are uncertain in nature and there has been insufficient exploration to define these Mineral Resources as Indicated or Measured; however, the Company reasonably expects that most of the Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.

The qualified person of the Company is not aware of any factors or issues that materially affect the MRE other than normal risks faced by mining projects in the province in terms of environmental, permitting, taxation, socio-economic, marketing, and political factors, and additional risk factors regarding Inferred Mineral Resources.

The mineralized zone on the Purdex Zone extends to surface and there may be an opportunity to mine these Mineral Resources early in a development project through an open pit (Figure 11). P&E has reviewed two potential pit options and subsets of the Mineral Resource that could feasibly be exploited through these options, which are outlined in Table 3 below.

Potential Pits (Subsets of MRE above) at 1.0 g/t Au cut-off

		Tonnes (k)	**Au Grade (g/t)**	**Au (k Oz)**
Pit 1	**Indicated**	22	6.36	4.5
	Inferred	3	5.25	0.5
Pit 2	**Indicated**	45	4.47	6.5
	Inferred	7	3.65	0.8

Induced Polarization Survey

Line cutting and an IP survey were also completed over two grids, the Eastern Grid, containing the Purdex Zone and the Western Grid overlaying a number of previously identified gold zones as well as a potential copper zone. DPE Limited completed both the line-cutting and the IP survey in the field from early December 2022 to early February 2023. The line cutting on the eastern grid was 5,875m and 15,225m on the Western grid. The IP survey was conducted over 5,175m and 13,325m of line on the eastern and western grid respectively.

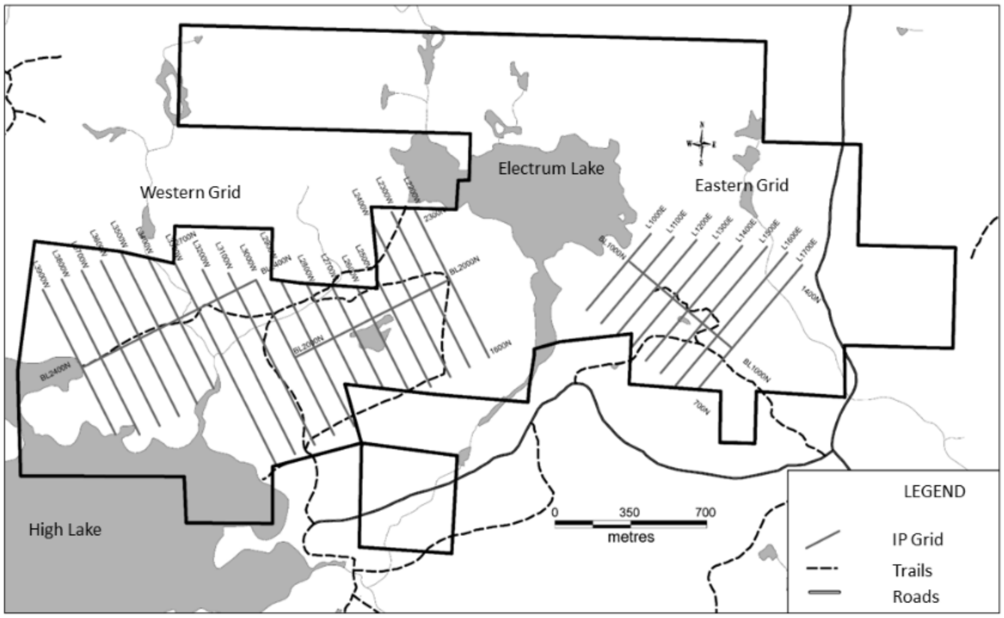

Figure 12 - IP Grid

A program of IP surveying covering 18.7-line kilometers was completed during January and early February 2023. Surveying was completed on two grids, the eastern grid covering the Purdex Zone and a western grid covering the P, R and W zones. This grid was extended to cover the Porphyry zone which contained a trench that grades 0.95% Cu over 22.9 metres. A final report dated March 31, 2023 was received by the Company.

The report identifies five priority targets, Purdex East, Conglomerate, A-D Extension, Porphyry and Gap as shown on Figure 13.

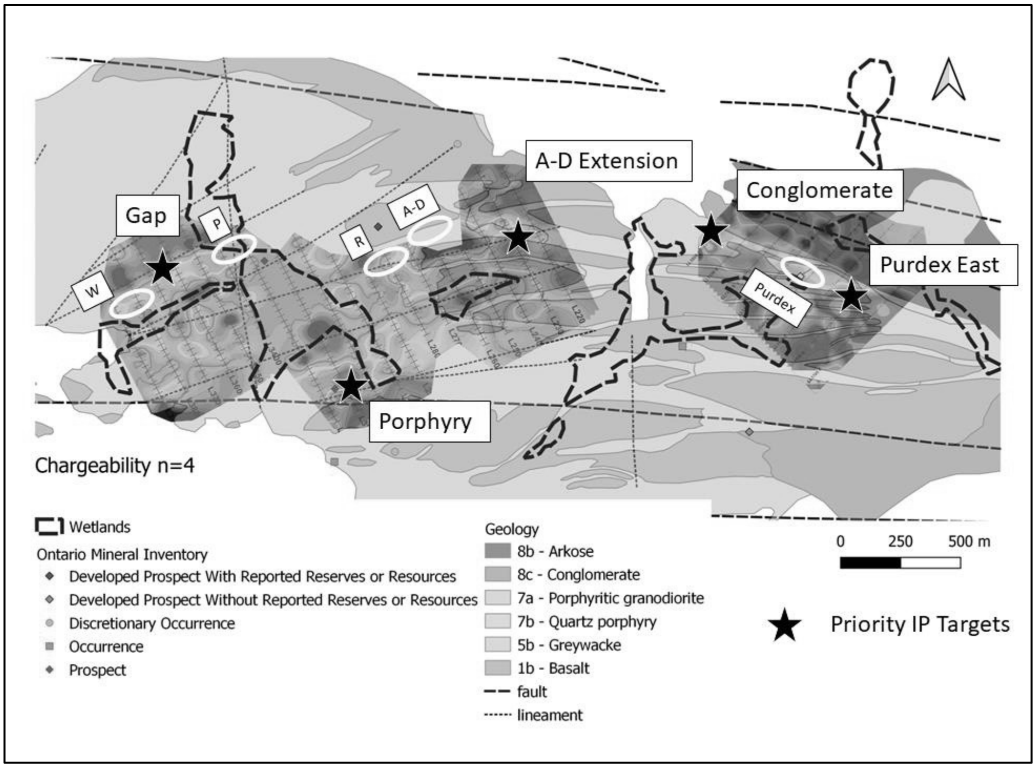

Figure 13 - IP Chargeability Plan

Purdex East is the continuation of the chargeability 300m to the southeast of the anomaly that occurs over the Purdex zone and the anomaly is stronger, this is our highest priority for continued exploration. The Conglomerate zone displays increasing chargeability as it approaches a potential fold nose area which may bode well for gold mineralization. To the west along strike the Purdex zone transgresses into conglomerate units with elevated chargeability possibly providing a favourable host to gold mineralization. Details of these two targets are shown in figure 14.

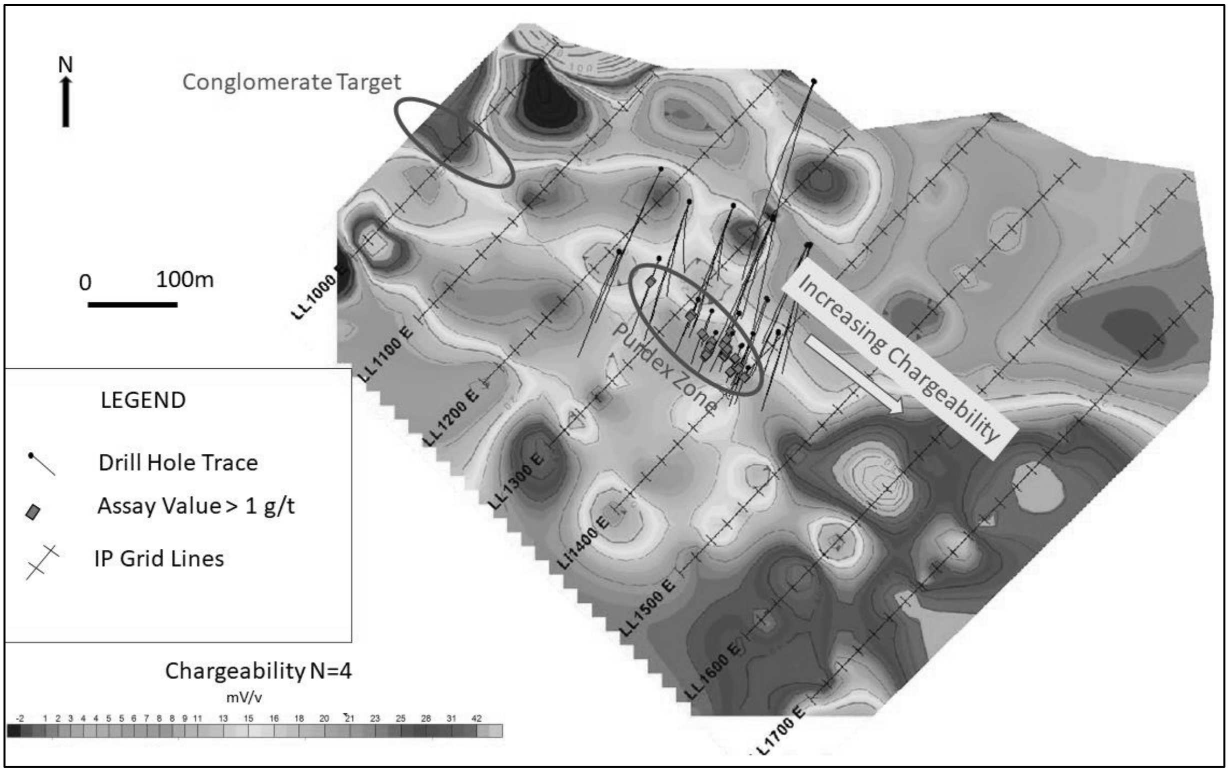

Figure 14 - IP Chargeability Plan – Purdex Area

Two gold targets are defined on the western grid with favourable chargeability anomalies associated with extensions to known gold mineralization at the A-D Extension and the Gap as shown on Figure 13. The A-D extension represents the eastward extension of four known gold zones onto McFarlane Lake ground. A potential fold nose as defined by the IP may provide a favourable site for gold mineralization. The Gap area is situated between two historical zones, the W and P zones. A chargeability trend between the two zones has not previously been drilled.

The Porphyry target covers historical trenches in the High Lake Porphyry which have returned copper values of 0.95% and up to 1 g/t of gold over 22.9m (ODM Geological Report No. 41, 1965). This large chargeability target remains largely untested with significant potential.

Prospecting

The Company followed up the IP Survey with a prospecting program on the High Lake Property. The program was successful in outlining numerous anomalous areas with 12 samples returning values containing gold. Gold samples were returned in 4 target areas identified in the recent geophysical survey (company announcement of April 11, 2023). The highest-grade gold samples collected in the recent field work were obtained west of the recently drilled Purdex Zone (15.9 grams per tonne gold) and east of the Purdex Zone (9.35 grams per tonne gold). The Eastern and Western area of Purdex is a top target area as identified from the Geophysical survey. The gold samples from these areas were in elevated areas of conductivity supporting geophysical data as having the potential to contain gold mineralization. Of key interest are samples which returned up to 1.55 grams per tonne gold with associated copper values up to 0.87% in the Porphyry Zone. This is described in more detail below. A map outlining the sample locations with gold values is shown on Figure 15

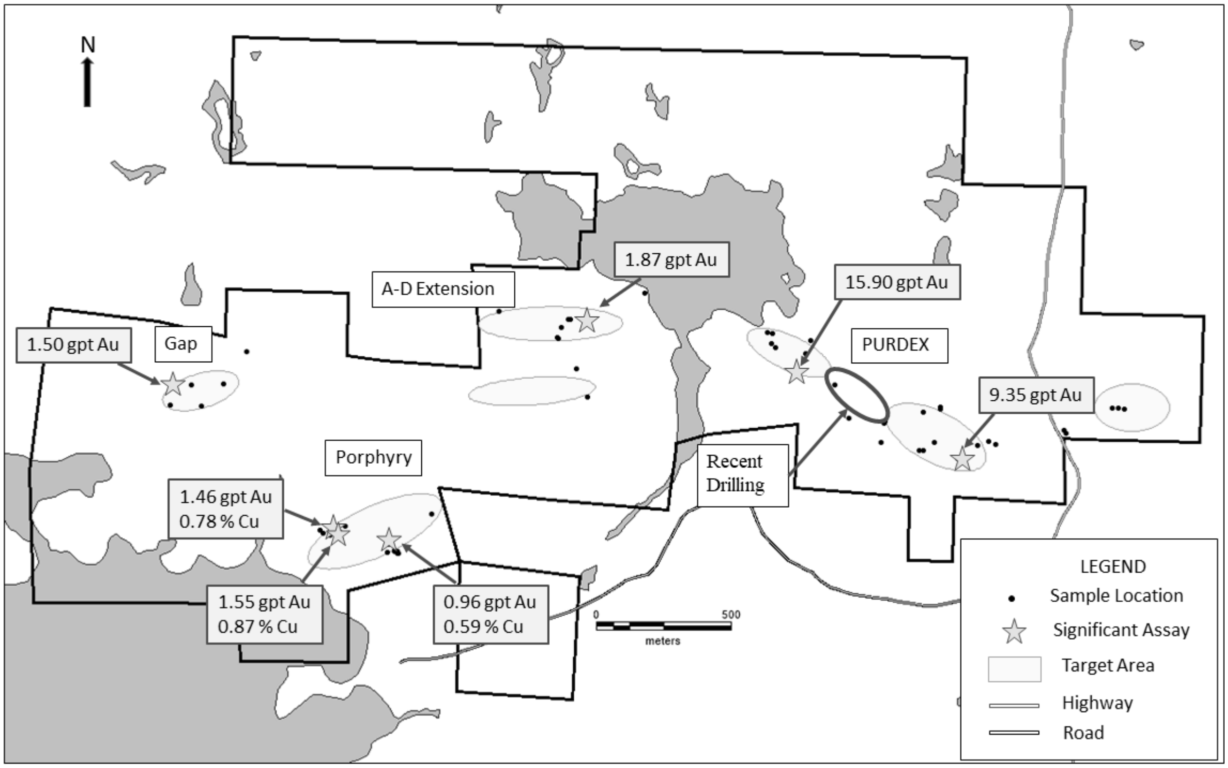

*Figure 25– **Prospecting and Sampling Gold and Copper Results***

Anomalous samples were returned from the Purdex Zone, A-D extension, Gap and Porphyry Zone. The most significant samples were obtained from 350m east and 120m west of the Purdex Zone along the trend of elevated chargeability as shown on Figure 16. A trend of increasing chargeability is noted to the east of the Purdex Zone.

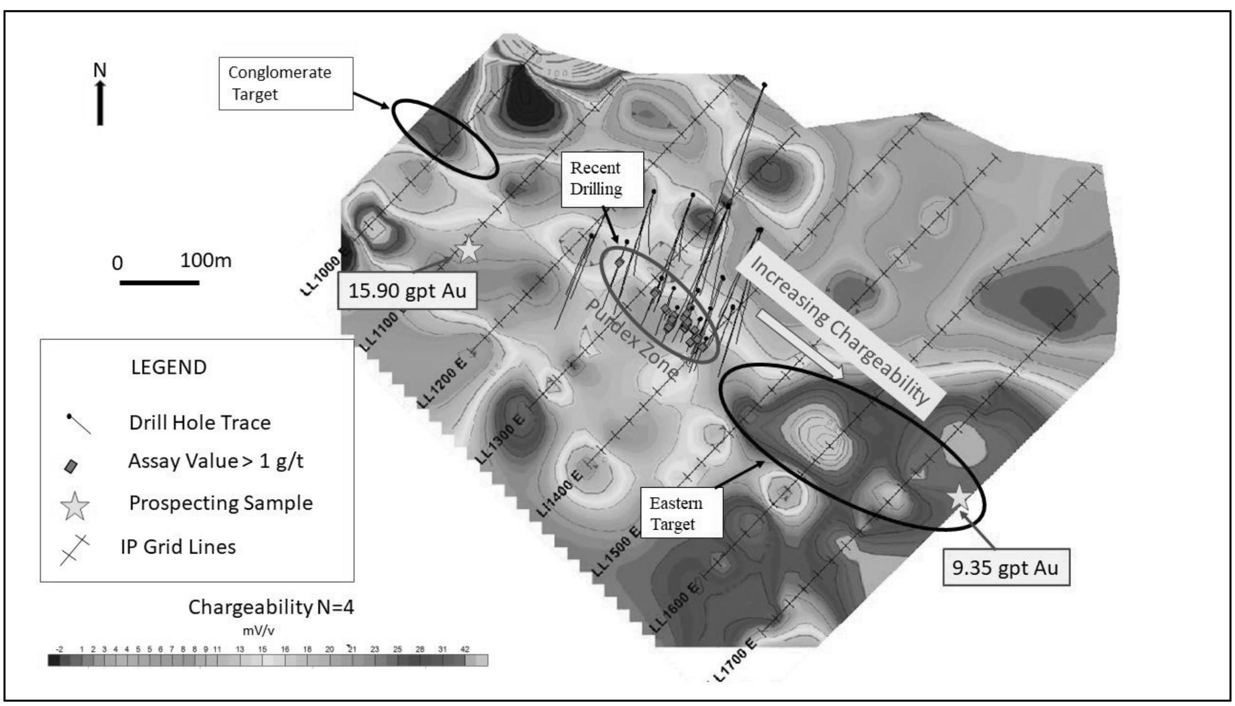

Figure 16 Purdex Sampling Gold Results with IP Chargeability

Sampling on the western portion of the property returned elevated gold and locally copper values, as shown on Figure 17. Elevated gold values were returned from the A-D Extension, Gap and Porphyry Zones, which respectively returned grades of 1.87, 1.50 and 1.55 gpt Au. The A-D extension represents the potential on-strike continuation of the historical A, B, C and D Zones drilled by Electrum Lake Gold Mines and Calnor Resources in 1960 and 1986, respectively. Elevated chargeability east of these zones on the High Lake property suggests their continuation in conjunction with the sampling in the area.

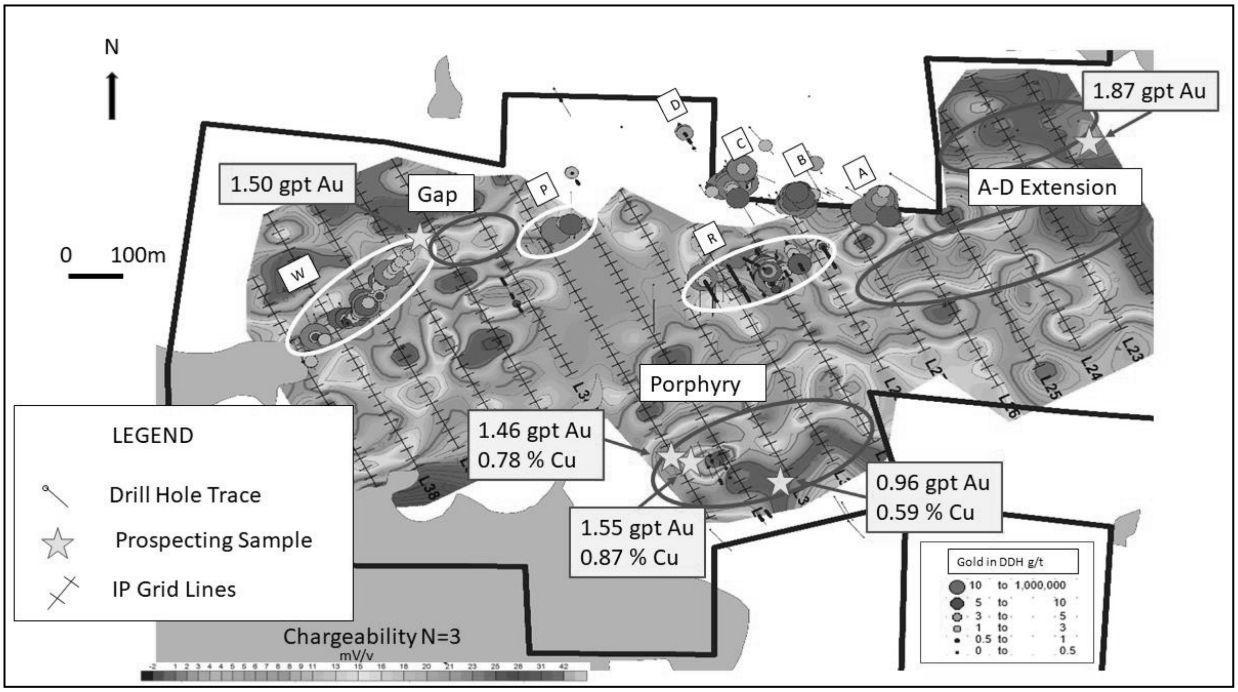

Figure 17 Western Sampling Gold Results with IP Chargeability

The Gap is a 200 metre in length break in drilling between the W and P zones, which remains untested. Elevated chargeability and adjacent recent sampling further enhance this target.

Of key interest is the copper-gold showing (the "**Porphyry Zone**") on the southwest of the property. The Porphyry Zone prospecting and sampling program produced a number of elevated gold and copper values, including 1.55, 1.46 and 0.96 grams per tonne gold associated with 0.87, 0.78 and 0.59% Copper, respectively. This represents another opportunity for McFarlane as this wide vein system has been tracked for over 600 metres along surface. This also supports the geological theory that the gold mineralization found elsewhere on the property may have been as a result of a porphyry system within the area.

Compilation and AI Program

The Company commissioned Orix Geoscience Inc. to create a 2D geological compilation of all publicly available files and data provided by the Company. The process involved systematically extracting and digitizing all relevant geological information contained in historical reports, as well as consolidate, and standardize the data to match digital datasets that have been generated more recently by the Company. The purpose of the compilation was to create a clean, robust, and usable digital dataset to feed into an Artificial Intelligence system to assist in generating new exploration targets. Final deliverable for the compilation were received on October 19, 2023. The Company is currently working with Orix to develop a 3D model of the Purdex Zone.

The Company has commissioned Mercator Geological Servies Limited to utilize the recently completed compilation utilizing their Artificial Intelligence (**"AI"**) driven Prospectivity Analysis methods. A prospectivity model will be designed based on the gold deposit types observed on the property, specifically based on gold mineralization within the defined Purdex Zone. The model will produce a property-wide 2D prospectivity map heat map that highlights areas where favourable structure, lithology, mineralization, and geochemistry for greenstone-hosted gold deposits. This work is currently in progress.

9.3. McMillan Property

The McMillan Property (including the Mongowin Property) is not scheduled for any significant exploration programs in 2022, but some assessment work was required. To that end the Company is also engaged in discussions with the Ministry of Mines, (formerly the Ministry of Northern Development, Mines, Natural Resources and Forestry) for this area to review permitting requirements, timelines and consultation requirements and reached out to the four Indigenous communities on the consultation list to introduce the Company and outline our plans for the future. On the McMillan Property, the Company has reprocessed VLF data using modern software and techniques to determine high priority targets and completed prospecting of the property in November 2022.

Reprocessing of the VLF data outlined a number of anomalous trends as shown in Figure 18. Anomaly C, a continuation of the McMillan Mine trend, represents a highly prospective anomaly which should be followed up by additional prospecting and drilling. The anomaly remains largely untested. The VLF report was submitted on September 01, 2022 with approval granted on November 23, 2022 for the submission.

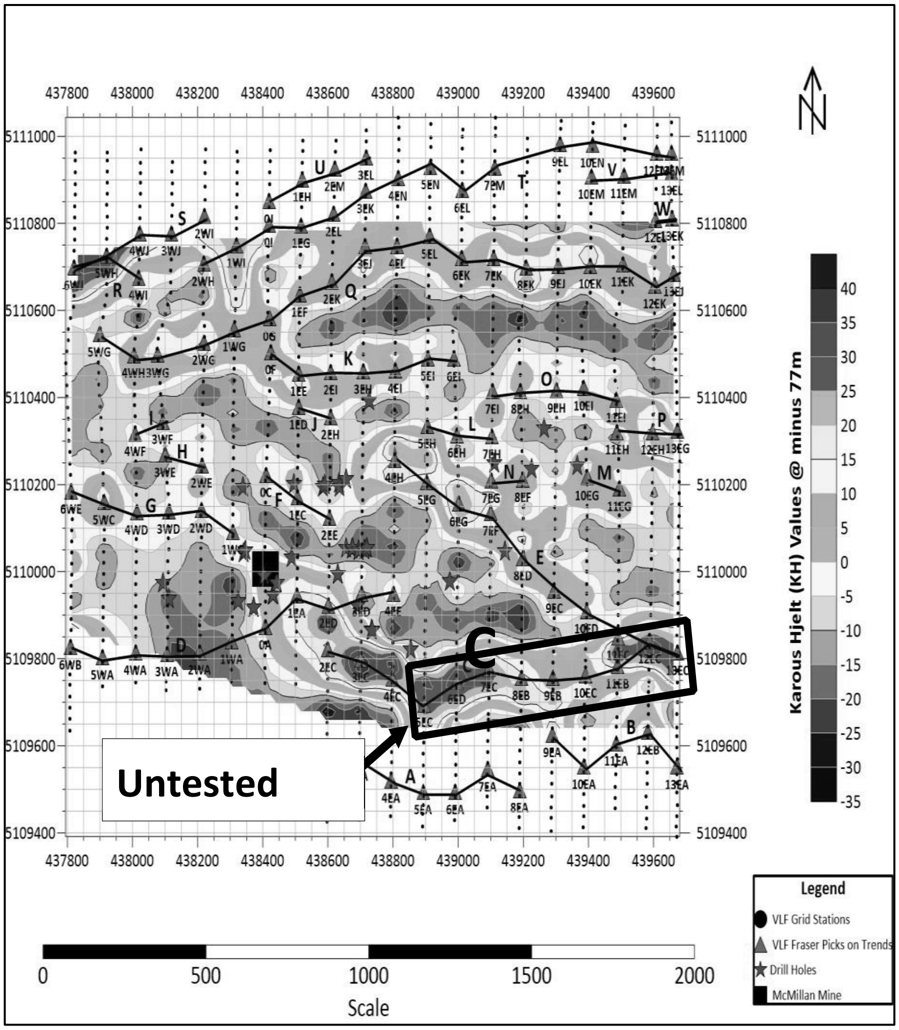

Figure 18 - Reprocessed VLF Survey

A prospecting program was undertaken on the McMillan Property between October 20 thru to November 10, 2022 followed by a subsequent program from November 20 to 27, 2022. Prospecting was focussed on prospective trend developed from the VLF survey and areas of historical significance. A total of 64 grab samples were collected for analysis. The highest assay values of 5.61 and 10.9 gpt Au were obtained from a 20cm wide quartz vein with arsenopyrite mineralization located along the edge of House Lake and in close proximity to Anomaly C from the VLF survey.

The anomaly remains untested to the east. Additional anomalous samples assayed include 1.02 gpt Au from a smoky grey quartz vein located north of the mine trend.

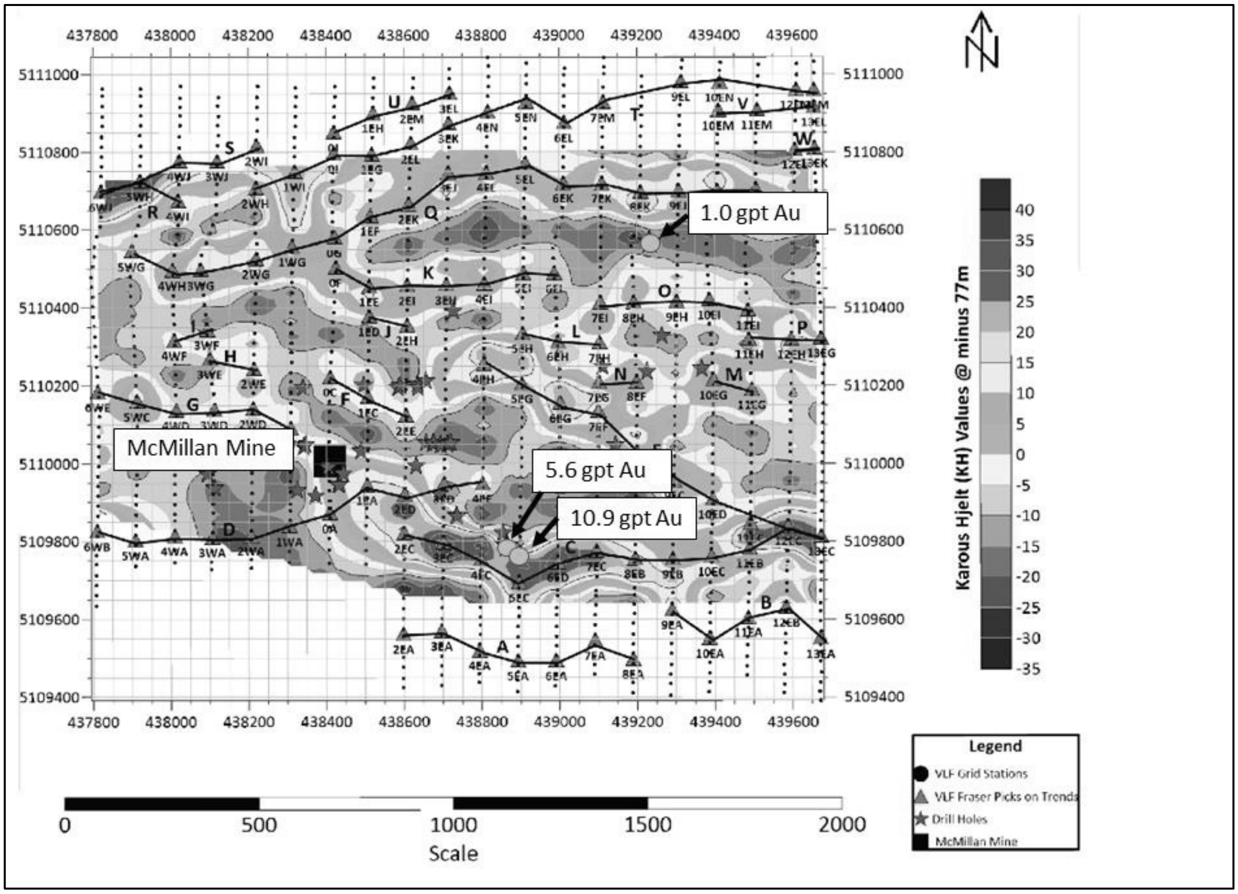

Figure 19 - Location of anomalous samples from prospecting program

Two days of prospecting were completed on the property on July 18th and 21st 2023 as a follow-up to previous prospecting programs. Two areas were targeted for further prospecting. An eastern area adjacent Fox Lake, where previous work had determined an area of ankerite alteration and a western area north of House Lake where sampling in 2022 had returned 1.02 gpt gold within a quartz vein. Four samples were collected for gold analysis which returned negligible gold values. The area covered by the prospecting are outlined by the prospecting tracks on Figure 20.

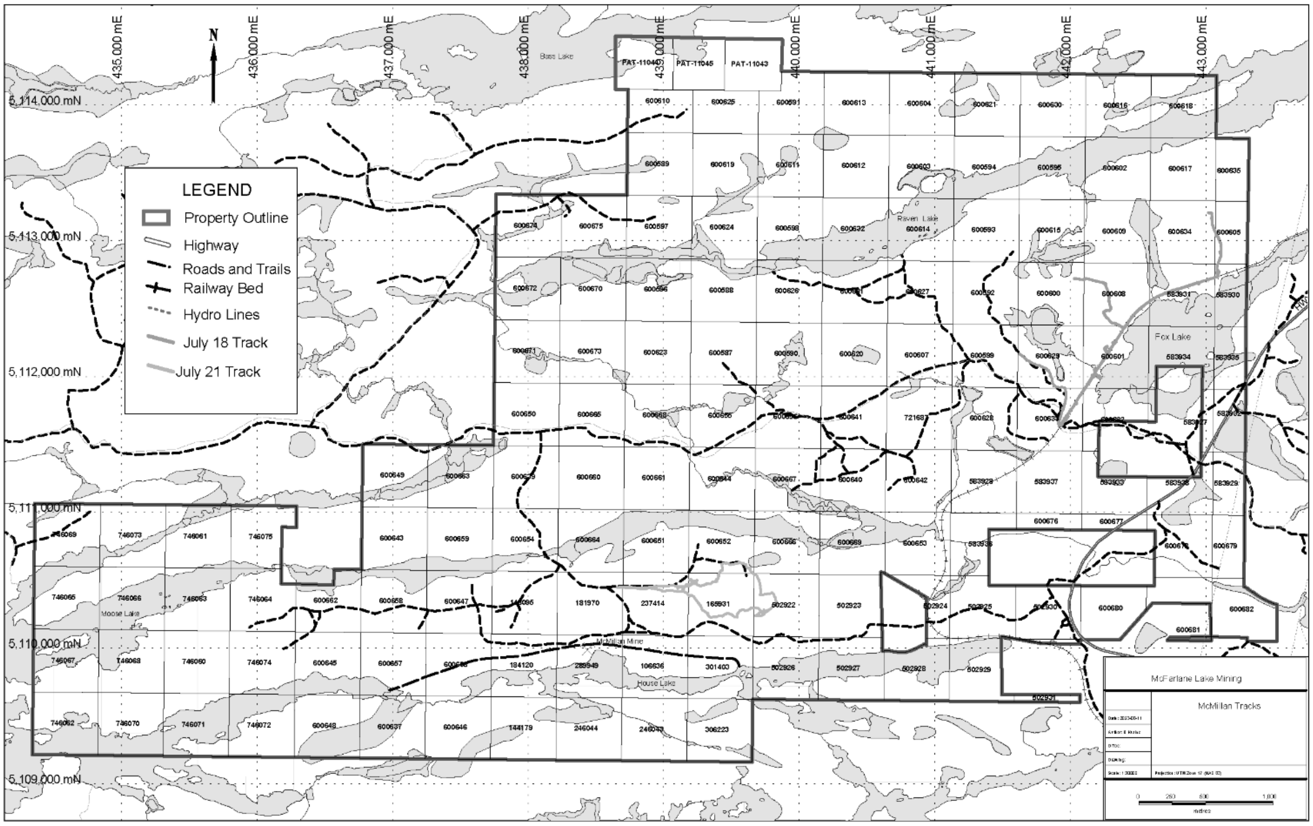

Figure 20 - Prospecting Tracks

An exploration plan PL-23-000093 was submitted to the ministry on October 05, 2023 for line cutting and IP surveying on the property as shown in Figure 21. Approval of the plan came into effect on November 11, 2023, with work expected to commence early in 2024.

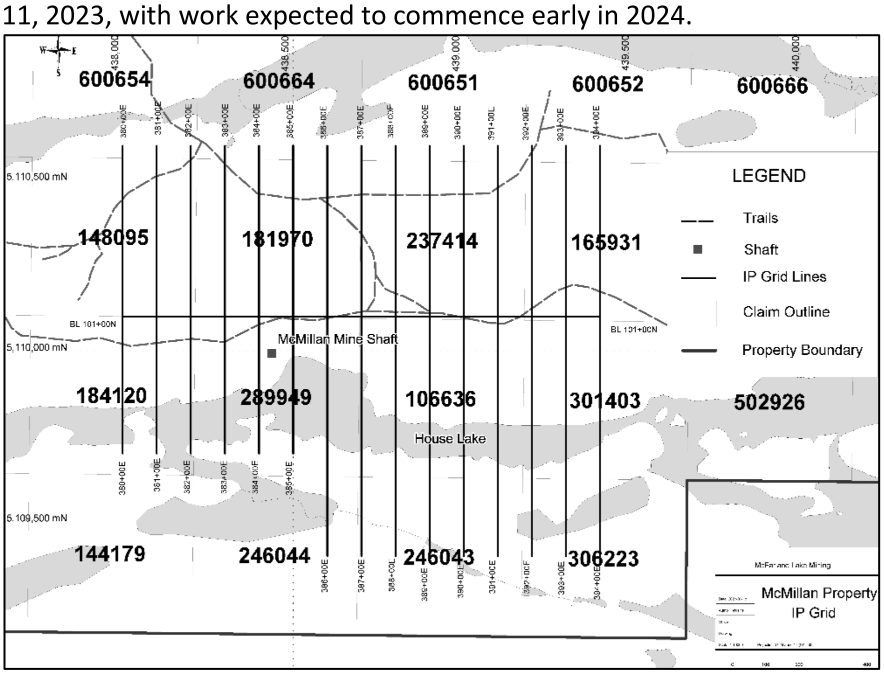

Figure 21 - Line Cutting and IP Grid

10. Other

10.1. Off-Balance Sheet Arrangements

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

10.2. Transactions Between Related Parties

Related party transactions are comprised of services rendered by directors or officers of the Company or by a company with a director or officer in common. Related party transactions are in the normal course of business and are measured at the exchange amount.

During the three and twelve months ended August 31, 2023, the Company incurred the following expenses with key management personnel of the Company:

	Three months ended August 31, 2023	Twelve months ended August 31, 2023
Consulting and director fees	$170,752	$614,002
Stock based compensation	Nil	$1,105,000
Exploration and evaluation expenditures	Nil	Nil

Included in accounts payable and accrued liabilities as at August 31, 2023, is $55,425 owing to the officers and management of the Company (August 31, 2022 - $55,874). The amounts are unsecured, non-interest bearing and due on demand.

During fiscal 2021, the Company was advanced funds totalling $195,000 from companies controlled by Perry Dellelce and Mark Trevisiol, respectively. These promissory notes payable are unsecured, bear interest at 12% per annum and are due on demand. Included in accounts payable and accrued liabilities as of August 31, 2023, is accrued interest owed on these notes payable in the amount of $57,291 (August 31, 2022 - $33,891), see also section 10.3 below.

During the 3- and 12-month periods ending August 31, 2023, the Company incurred professional fees to a law firm and its associated companies for legal, accounting and capital advisory services totalling $33,202 and $439,527, respectively (2022 - $298,864 and $849,536). Perry Dellelce is a partner in this law firm and a shareholder in the other associated companies. Included in accounts payable and accrued liabilities as at August 31, 2023, is $454,431 owing to this law firm and its associated companies (August 31, 2022 - $571,125). The amounts are unsecured, non-interest bearing and due on demand.

The CEO of the Company has an equity interest in the Michaud/Munro Optionor company 1929941 Ontario Limited (“1929941”). On March 10, 2022, the Company completed a transaction with 1929941 for the acquisition of the Michaud/Munro exploration properties as described in section 8.3 above.

10.3. Notes Payable

During the year ended August 31, 2021, McFarlane Lake Mining Incorporated was advanced funds totalling $195,000 from companies controlled by Perry Dellelce and Mark Trevisiol, respectively. These promissory notes payable are secured by a general guarantee by the Company, bear interest at 12% per annum and are due on demand. Included in accounts payable and accrued liabilities as of August 31, 2023, is accrued interest owed on these notes payable in the amount of $57,291 (August 31, 2022 - $33,891). The monies were advanced to assist in the financing of the Company's operations.

10.4. Events Subsequent to fiscal year end of August 31, 2023

Non-Brokered Private Placement Financing

Please refer to Section 5 – Key Developments to the date of this MD&A for information regarding the Offering.

11. Commitments and Contingencies

(1) Consulting Agreements

The Company entered into consulting agreements on January 4, 2022, with its key management personnel (the Chief Executive Officer, the Chief Operating Officer and the Chief Financial Officer) at combined consulting fees of $27,000 per month. These contracts require payment of approximately $1 million upon the occurrence of a change of control of the Company, as defined by each officer's respective consulting agreement. The Company is also committed to payments upon termination of approximately $420,000 pursuant to the terms of these contracts. As a triggering event has not taken place, these amounts have not been recorded in these consolidated financial statements.

The Company entered into a one-year consulting agreement with its Vice President of Geology (the "Consultant") on June 14, 2021. The terms of the agreement included a grant of 500,000 stock options to the Consultant issued on May 31, 2021 and consulting fees of $15,000 per month. As of the date of this MD&A both the Company and the Consultant have mutually agreed to continue the agreement on a month-by-month basis.

The Company entered into an eighteen-month consulting agreement with a mining consultant on December 30, 2021. The terms of the agreement initially included consulting fees of $10,000 per month. As of June 1, 2022 the mining consultant agreed to reduce the monthly consulting fee to $5,000 per month thereby extending the term of the consulting agreement.

(2) Environmental Contingencies

The Company's exploration activities are subject to various federal, state, provincial, and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations. See also Note 6 (exploration and evaluation properties).

(3) Flow-Through Financings

The Company has conducted flow-through private placements ("**FT Placements**") to fund exploration activities. Canadian tax rules require the Company to spend flow-through funds on "Canadian exploration expenses" (as defined in the *Income Tax Act* (Canada)) by the end of the calendar year following the year in which they were raised. The Company indemnified the subscribers of flow-through shares from any tax consequences should the Company, notwithstanding its plans, fail to meet its commitments under the flow-through subscription agreements.

In December 2021, the Company completed a FT Placement for $3,087,000, thus committing to spend this amount by December 31, 2022, on "Canadian exploration expenses" which qualify as "flow-through mining expenditures", as these terms are defined in the *Income Tax Act* (Canada) ("**Resource Expenditures**"). Upon issuance of the flow-through shares, the Company recorded an aggregate flow-through share premium liability of $964,687. As of December 31, 2022, the Company had spent the required amount on qualifying expenses thereby fulfilling the Company's liability obligation under the terms of the FT agreement.

In April 2023, the Company issued 3,100,000 FT Shares for gross proceeds equal to $372,000, thus committing to spend this amount by December 31, 2024 on "Canadian exploration expenses" which qualify as "flow-through mining expenditures", as these terms are defined in the *Income Tax Act* (Canada) ("**Resource Expenditures**"). During the three and twelve months ended August 31, 2023, the Company incurred $132,254 and $213,855 of Resource Expenditures towards this commitment and recorded flow-through share premium income of $68,172 and $81,772 respectively in the condensed consolidated statement of loss and comprehensive loss.

The Company's exploration and evaluation activities are subject to laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its activities are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

12. Changes in Accounting Policies including Initial Adoption

There have been no changes in the existing accounting policies of the Company in the period nor have any new accounting policies been adopted during this period.

13. Critical accounting estimates

The preparation of the condensed consolidated annual financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Information about critical judgements in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements are discussed below:

a) Title to mineral property interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company titles. Such properties may be subject to prior agreement or transfers and titles may be affected by undetected defects.

b) Valuation of share-based payments

The Company values share-based payments granted using market-based generally accepted valuation techniques at the date of grant or issuance. Assumptions made for the valuation include volatility of the share price, risk free interest rate and the life of the stock options granted. Such assumptions are highly subjective and changes in these assumptions materially affect the calculated fair value. Assumptions and models used for estimating fair value for share-based payment transactions are disclosed in the Company's consolidated financial statements for the year ended August 31, 2023. The expected volatility assumptions for the Company's option grants are based on comparable companies.

c) Valuation of deferred income tax assets

Each year, the Company evaluates the likelihood of whether some portion of deferred tax assets, if any, will not be realized. This evaluation is based on historic and future expected levels of taxable income, the timing of reversals of taxable temporary timing differences that give rise to deferred tax liabilities, tax planning initiative, and deferred tax rates.

d) Going concern

The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available for its exploration projects and working capital requirements.

e) Income, value added, withholding and other taxes

The Company is subject to income, value added, withholding and other taxes. Judgment is used in determining provisions for taxes as there are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations, which may not coincide with the interpretation of the tax authorities. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. In case the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

f) Use of estimates

The estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Management believes the estimates are reasonable; however, actual results could differ from those estimates and could impact future results of operations and cash flows. Significant estimates include the valuation of options using the Black-Scholes pricing model.

14. Internal Control Over Financial Reporting

(1) Evaluation of Disclosure Controls and Procedures

The Chief Executive Officer and Chief Financial Officer of the Company are responsible for designing and evaluating disclosure controls and procedures, or causing them to be designed and evaluated under their supervision to provide reasonable assurance that information required to be disclosed in reports filed with or submitted to, securities regulatory authorities is recorded, processed, summarized and reported within the time periods specified under Canadian securities laws and that material information is accumulated and communicated to management, including the Chief Executive Officer and the Chief Financial Officer, to allow timely decisions regarding required disclosure. The Chief Executive Officer and the Chief Financial Officer conclude that the design and operation of the Company's disclosure controls and procedures were effective as at August 31, 2023.

(2) Internal Control over Financial Reporting

The Chief Executive Officer and Chief Financial Officer of the Company are responsible for designing and evaluating internal controls over financial reporting or causing them to be designed and evaluated under their supervision to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purposes in accordance with IFRS. The control framework that has been used is the (COSO) Internal Control – Integrated Framework, 2013.

The Chief Executive Officer and Chief Financial Officer conclude that internal control over financial reporting is designed and operating effectively as at August 31, 2023, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes. The result of the inherent limitations in all control systems specifically with regards to the lack of segregation of duties between the Company management duties means that the evaluation of controls cannot provide absolute assurance that all control issues and instances of fraud, if any, can be detected. Management under the supervision of the CEO and CFO, has evaluated the effectiveness of the internal control over financial reporting using the framework designed and based on this evaluation, the CEO and CFO have concluded that internal controls over financial reporting was effective as of August 31, 2023.

15. Financial Instruments and Other Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or an equity instrument of another entity.

The Company does not have any outstanding hedging or derivative contracts as of the year end date.

The carrying value of the Company's financial instruments approximate fair value due to the short-term or demand nature of these financial instruments.

16. Outstanding Share Data

As of the date of this MD&A, the Company had the following equity securities outstanding:

Security Description	Nov 29, 2023	Aug 31, 2023	Aug 31, 20221
Common shares	198,618,851	113,183,845	87,647,813
Stock options to acquire common shares	9,975,000	9,975,000	7,000,000
Share purchase warrants and other instruments	68,621,247	16,521,247	5,303,231
Common Shares Fully Diluted	**277,215,098**	**139,680,092**	**99,951,044**

17. Company Forecast 12-month Operating Expenditures

The Company is forecasting to incur the following expenditures in the upcoming 12-month operating period:

Use of Funds	Amount of Funds
Property Acquisition	$ 300,000
Technical Work	
Exploration Programs	$ 2,943,914
Consulting and studies	$ 634,500
Corporate Development	
Management	$ 164,000
Legal and Professional Fees	$ 336,000
Regulatory and Transfer Agent Fees	$ 67,250
Office and Admin including Digital Marketing and investor relations	$ 356,980
Sub Total	$ 4,802,644

***Note**: Additional capital raise required in fiscal 2024*

18. Risks and Uncertainties

The business and operations of the Company are subject to a number of risks. The Company considers the risks set out below to be the most significant to existing and potential investors in the Company, but not all of the risks associated with an investment in securities of the Company. Accordingly, investors should also refer to the risks and uncertainties set forth in the Company's Annual Information Form which is available for review under the Company's SEDAR+ profile at www.sedarplus.ca. Investors should carefully consider the risks and uncertainties described below as well as the other information contained in this MD&A and in the Annual Information Form. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the Company is currently unaware or which it considers to be material in relation to the Company's business actually occur, the Company's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects are likely to be materially and adversely affected. In such circumstances, the price of the Company's securities could decline and investors may lose all or part of their investment.

(1) Going Concern

The consolidated financial statements have been prepared using accounting policies applicable to a going concern, which contemplate the realization of assets and settlement of liabilities in the normal course of business as they become due. The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that the planned exploration programs will ultimately result in profitable mining operations.

Although the Company has taken steps to verify title to the properties on which it will conduct exploration and in which it has an interest in accordance with industry standards to the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing, requirements, or regulations, unregistered prior agreements, unregistered claims, first nations' claims and non-compliance with regulatory requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contacts and political uncertainties.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern. Accordingly, they do not give effect to the adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its obligations and commitments in other than the normal course of business. The Company has incurred losses for the year ended August 31, 2023 and as of August 31, 2023, has a deficit of $15,071,119 (August 31, 2022 – $10,387,323) and expects to incur further losses in the development of its business.

The business of mining and exploration for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company's continued existence is dependent upon the preservation of its interests in the underlying properties, the achievement of profitable operations, or the ability of the Company to raise additional financing as necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis.

The Company has raised capital for working capital and the planned exploration and development of its mineral properties. The Company's continuation as a going concern is dependent upon successful results from its planned exploration and evaluation activities, its ability to attain profitable operations to generate funds and its ability to raise equity capital or borrowings sufficient to meet its current and future obligations for the next 12 months. Although the Company has been successful in raising funds to date there is no assurance that it will be able to do so in the future. These matters represent material uncertainties that cast significant doubt about the Company's ability to continue as a going concern. In November 2023, the Company closed the Offering for aggregate gross proceeds of $4,605,599 to meet part of its financial obligations for the next 12 months, (see also Section 5).

(2) No Operating History

The Company was incorporated on February 3, 2021 and has not commenced commercial operations. The Company has no history of earnings or paid any cash dividends, and it is unlikely to produce earnings or pay dividends in the immediate or foreseeable future.

(3) Speculative Nature of Investment Risk

An investment in securities of the Company involves a high degree of risk and must be considered highly speculative due to the nature of the Company's business and the present stage of development of its mineral properties. In addition to information set out or incorporated by reference in this MD&A, prospective investors should carefully consider the risk factors set out below. Any one risk factor could materially affect the Company's financial condition and future operating results and could cause actual events to differ materially from those described in forward looking statements relating to the Company.

(4) Exploration and Mining Risks

Resource exploration and development and mining operations are highly speculative and characterized by a number of significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits, but from finding mineral deposits which, though present, are insufficient in quantity and quality to be mined profitability. Few properties that are explored are ultimately developed into producing mines. There is no assurance that the Company's mineral exploration and development programs will result in any discoveries of bodies of commercial mineralization. There is also no assurance that even if commercial quantities of mineralization are discovered, a mineral property will be brought into commercial production. The Company will continue to rely upon the advice and work of consultants and others for exploration, development, construction, and operating expertise.

Substantial expenditures are required to establish and upgrade mineral resources, to establish mineral reserves, to develop metallurgical processes to extract metals from mineral resources and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. No assurance can be given that the funds required for development can be obtained on a timely basis. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size and grade; metal prices which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. Unsuccessful exploration and development programs could have a material adverse impact on the Company's operations and financial condition.

(5) Factors beyond the Company's Control

The mining exploration business is subject to several factors beyond the Company's control including changes in economic conditions, intense industry competition, variability in operating costs, changes in government and in rules and regulations of various regulatory authorities. An adverse change in any one of such factors would have a material adverse effect on the Company, its business and results of operations which might result in the Company not identifying a body of economic mineralization, completing the development of a mine according to specifications in a timely, cost-effective manner or successfully developing mining activities on a profitable basis.

(6) Additional Funding Required

Exploration and development of the Company's mineral properties will require significant additional financing. Accordingly, the continuing development of the Company's mineral properties will depend upon the Company's ability to obtain financing through equity financing, debt financing, the joint venturing of projects or other external sources. Failure to obtain sufficient financing may result in a delay or an indefinite postponement of exploration, development, or production on any or all of the Company's mineral properties, or even a loss of property interest, or have a material adverse impact on the Company's future cash flows, earnings, results of operations and financial condition or result in the substantial dilution of its interests in its mineral properties. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favorable to the Company. If the Company was required to arrange for debt financing it could be exposed to the risk of leverage, while equity financing may cause existing shareholders to suffer dilution. There can be no assurance that the Company will be successful in overcoming these risks or any other problems encountered in connection with such financings. Failure to raise capital when needed would have a material adverse effect on the Company's business, financial condition, and results of operations.

The Company has and will continue to have negative operating cash flow until its mineral properties commence commercial production should exploration and development efforts demonstrate that commercial production from such mineral properties is feasible.

(7) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its obligations. The Company's credit risk relates to the amounts due from related parties and demand note balances. The Company mitigates its exposure by monitoring the counterparty's ability to repay.

(8) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its financing activities. The Company prepares annual capital expenditure budgets, which are monitored and updated as required. In addition, the Company requires authorization from the Board of Directors for expenditures on projects to assist with the management of capital. As of August 31, 2023, the Company has a net working capital (deficit) of ($920,127), as of August 31, 2022 - $261,574.

(9) Reliance on Independent Contractors

The Company's success depends to an extent on the performance and continued service of certain independent contractors. The Company has or will be contracting the services of professional drillers and others for exploration, environmental, engineering, and other services. Poor performance by such contractors or the loss of such services could have a material and adverse effect on the Company, its business and results of operations and result in the Company failing to meet its business objectives.

(10) COVID-19

The global outbreak of COVID-19 has had a significant impact on businesses through restrictions put in place by the federal and provincial governments regarding travel, gatherings, and other public health restrictions. While these restrictions have for the most part been lifted, the duration of the various disruptions to the Company and the related financial impact cannot be reasonably estimated at the present time. At this time, the Company is yet uncertain the extent to which COVID-19 will impact its operations. However, the Company anticipates this outbreak may cause supply chain disruptions, staff shortages and the return of increased government regulations, all of which may negatively impact the Company's business and financial condition.

(11) Fluctuating Mineral Prices

The Company's revenues in the future, if any, are expected to be in large part derived from the extraction and sale of precious and base minerals and metals, which in turn depend on the results of the Company's exploration on these properties and whether development will be commercially viable or even possible. Factors beyond the control of the Company may affect the marketability of metals discovered, if any. Metal prices have fluctuated widely, particularly in recent years, partially due to the significant market reaction to COVID-19. Consequently, the economic viability of any of the Company's exploration projects cannot be accurately predicted and may be adversely affected by fluctuations in mineral prices.

(12) Competition

The mining industry is intensely competitive in all its phases. The Company competes for the acquisition of mineral properties, claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees with many companies possessing greater financial resources and technical facilities than the Company. The competition in the mineral exploration and development business could have an adverse effect on the Company's ability to hire or maintain experienced and expert personnel or acquire suitable properties or prospects for mineral exploration in the future.

(13) Resale of Common Shares

The continued operation of the Company will be dependent upon its ability to generate operating revenues and to procure additional financing. There can be no assurance that any such revenues can be generated or that other financing can be obtained. If the Company is unable to generate such revenues or obtain such additional financing, any investment in the Company may be lost. In such event, the probability of resale of the common shares by any investor of the Company would be diminished.

(14) Community Groups

There is an ongoing level of public concern relating to the effects of mining on the natural landscape, on communities and on the environment. Certain non-governmental organizations, public interest groups and reporting organizations ("**NGOs**") who oppose resource development can be vocal critics of the mining industry. Any such actions and the resulting media coverage could have an adverse effect on the reputation and financial condition of the Company or its relationships with the communities in which it operates, which could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

19. Additional Information

Additional information relating to the Company, including the Company's AIF, may be found under the Company's SEDAR+ profile at www.sedarplus.ca.