



Hemlo Explorers

**Management's Discussion and Analysis
of the Financial Condition and Results of Operations
Six Months Ended July 31, 2023**

The following discussion of financial performance and condition should be read in conjunction with the unaudited condensed interim financial statements of Hemlo Explorers Inc. (the “Company”) for the six months ended July 31, 2023 and the audited financial statements year ended January 31, 2023 and the notes thereto, that have been prepared in accordance with International Financial Reporting Standards (“IFRS”). All dollar amounts are expressed in Canadian dollars unless otherwise indicated. This report, which is dated September 27, 2023, has been approved by the Board of Directors and the Company’s other public filings can be reviewed on the SEDAR website. (www.sedar.com).

CAUTIONARY NOTE

This document contains or refers to forward-looking information. Such forward-looking information includes, among other things, statements regarding targets, estimates and/or assumptions in respect of future production, capital costs and future economic, market and other conditions, and is based on current expectations that involve a number of business risks and uncertainties. Factors that could cause actual results to differ materially from any forward-looking statement include, but are not limited to: the grade and recovery of ore which is mined varying from estimates; exploration and development costs varying significantly from estimates; inflation; fluctuations in commodity prices; delays in the development of any project caused by unavailability of equipment, labour or supplies, climatic conditions or otherwise; termination or revision of any debt financing; failure to raise additional funds required to finance the completion of a project; and other factors. Forward-looking statements are subject to significant risks and uncertainties and other factors that could cause actual results to differ materially from expected results. Readers should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date hereof and we assume no responsibility to update them or revise them to reflect new events or circumstances, except as required by law. Also refer to the **Risks and uncertainties** section of this MD&A.

TECHNICAL INFORMATION

The “Qualified Person” under the guidelines of National Instrument 43-101 of the Canadian Securities Administrators (“NI 43-101”) for the Company’s exploration projects in the following discussion and analysis is Dr. Lesley Rose, P.Geo., a Registered Professional Geologist in Ontario, and an employee of the Company. The technical information concerning such properties contained herein has been reviewed by Dr. Rose. Readers are cautioned that grab samples are selective by nature. The grades and mineralization present are unlikely to represent future average grades on the project.

Corporate Information

The Company was incorporated pursuant to the provisions of the *Business Corporations Act* (of Alberta) on January 10, 2008. On July 21, 2008, the Company was authorized to continue its operations from the jurisdiction of Alberta to Ontario. The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain reserves that are economically recoverable. The recoverability of the amounts expended on the mineral properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete exploration and development and upon future profitable production or proceeds from disposition of such properties.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has interests, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements, First Nations assertions and non-compliance with regulatory requirements.

Overall Performance

As at July 31, 2023, the Company had assets of \$883,995 and a net equity position of \$566,750. This compares with assets of \$435,665 and a net equity position of \$352,273 at January 31, 2023.

Review of Operations

Recent Activity

On April 4, 2022, the Company announced that it had entered into a Binding Term Sheet with a wholly owned subsidiary of Barrick Gold Corporation ("Barrick"). Under the terms of the agreement, Barrick can earn an 80% interest in a portion of the Pic Project by delivering to the Company a Pre-Feasibility Study ("PFS") within six years of signing the definitive agreement, with two annual extensions at the end of six years by paying Hemlo \$500,000 for each additional year. Barrick must incur a guaranteed amount of exploration spending of \$800,000 in the first year and \$1,000,000 in each subsequent year.

On August 29, 2022, the Company executed a definitive agreement with a wholly-owned subsidiary of Barrick Gold Corporation ("Barrick") whereby Barrick has the right to earn an 80% interest in the Pic Project by delivering to the Company a Pre-Feasibility Study ("PFS") within six years of signing the definitive agreement. Barrick may extend the expenditure period by up to two years by paying Hemlo \$500,000 per year. Barrick must incur a guaranteed amount of exploration spending of \$800,000 in the first year and \$1,000,000 in each year thereafter.

On August 31, 2022, the Company closed a non-brokered private placement with a wholly-owned subsidiary of Barrick Gold Corporation. The Company issued 1,841,468 common shares priced at \$0.1052 per common share for gross proceeds of \$193,722.43.

On September 28, 2022, the Company announced the execution of an Exploration Agreement (the "Agreement") with Biigtigong Nishnaabeg ("Biigtigong") which covers exploration on Project Idaho and the Pic Project. The Agreement allows for the Company to move forward expeditiously with its exploration plans. The Company also transferred the mining claims known as Hemlo West to N'hinmaagewin Ltd., a company owned by Biigtigong.

On October 26, 2022, the Company announced the acceleration of the Falcon Lake option agreement (originally announced on January 12, 2022) with FE Battery Metals Corp. ("FE"), whereby FE paid the remaining \$70,000 and issued 138,579 post consolidation shares in FE. As consideration for the acceleration, the Company waived the remaining work requirement of the option agreement.

On October 31, 2022, the Company provided an exploration update on the summer field season at Project Idaho that included detailed mapping, prospecting and grab sampling. Anomalous gold, platinum, and palladium were returned from grab samples that were coincident with regional faulting and gabbroic intrusives, similar geochemically to those of the neighbouring Marathon Pd-Cu Deposit. The Company also acquired government sourced LiDAR data and contracted a 321-line km airborne VTEM geophysical survey.

On November 16, 2022, the Company announced the preliminary results of a soil sampling program at Project Idaho that covered the western portion of the project area. The soils returned anomalous values of gold, platinum, and palladium.

On January 25, 2023, the Company announced the final results of the soil sampling program at Project Idaho, highlighting the significant anomalous gold, platinum, and palladium with the Project Idaho area.

On February 6, 2023, the Company announced a recap of the 2022 exploration program and the 2023 outlook.

On February 23, 2023, the Company announced a summary of the progress made by Barrick Gold Inc. on the Pic Project that was optioned in August 2022.

On May 12, 2023, the Company extended the term of an aggregate of 3,932,038 share purchase warrants by an additional eighteen months from May 25, 2023 to November 25, 2024, subject to accelerated expiry terms if the Company's common shares trade at or above \$0.80 per share for 20 consecutive days in which case the Company will have the right to accelerate the exercise period to a date ending at least 30 days from the date of notice of such acceleration.

On June 20, 2023, the Company announced that it had identified Coldwell Complex type intrusive rocks cross-cutting a banded iron formation at Project Idaho. This is significant because it provides further evidence that Coldwell Complex magmatism stretched as far west as the Project Idaho ground.

On June 30, 2023, the Company closed the first tranche of a non-brokered private placement. The Company issued 7,293,333 units, each comprised of one non flow-through common share and one common share purchase warrant and 2,291,110 "flow-through" units, each comprised of one flow-through common share and one common share purchase warrant, for aggregate gross proceeds of approximately \$753,000.

On July 11, 2023, the Company announced it had commenced drilling at Project Idaho targeting VTEM anomalies which correspond to surface platinum, palladium and copper mineralization and Coldwell Complex intrusives.

On July 21, 2023, the Company closed the final tranche of a non-brokered private placement. The Company issued 300,000 units, each comprised of one non flow-through common share and one common share purchase warrant and 4,011,110 "flow-through" units, each comprised of one flow-through common share and one common share purchase warrant, for aggregate gross proceeds of approximately \$383,500. In total, the two tranches of the private placement consisted of an aggregate of 7,593,333 units at a price of \$0.075 per unit and 6,302,220 "flow through" units at a price of \$0.09 per "flow-through" unit for aggregate gross proceeds of \$1,136,700.

On September 11, 2023, the Company announced it had been selected to receive grant funding of up to \$200,000 under the Ontario Junior Exploration Program ("OJEP") from the Ontario Government. This amount will cover up to 50% of eligible exploration costs, to a maximum of \$200,000 in respect of expenditures incurred by the Company during the period from April 1, 2023 to February 15, 2024.

Portfolio of Projects

Exploration Expenditures by Project

During the six months ended July 31, 2023, the Company incurred a total of \$832,768 in exploration expenditures (2022 - \$600,069).

The majority of the exploration expenditures were related to Project Idaho. A complete breakdown of the exploration expenditures by project and category is provided below:

Property	Idaho		North Limb		Pic Project		Hemlo West		Belcher Islands Iron & Other		Total	
	01-Feb-2023 31-Jul-2023	01-Feb-2022 31-Jan-2023	01-Feb-2023 31-Jul-2023	01-Feb-2022 31-Jan-2023	01-Feb-2023 31-Jul-2023	01-Feb-2022 31-Jan-2023	01-Feb-2023 31-Jul-2023	01-Feb-2022 31-Jan-2023	01-Feb-2023 31-Jul-2023	01-Feb-2022 31-Jan-2023	01-Feb-2023 31-Jul-2023	01-Feb-2022 31-Jan-2023
Balance, beginning of period	\$ 810,566	\$ -	\$ 3,960,218	\$ 3,938,125	\$ 7,545,852	\$ 7,292,385	\$ -	\$ 240,813	\$14,125,310	\$14,222,906	\$26,441,946	\$25,694,229
Acquisition, Staking & Options	-	-	-	-	-	5,550	-	-	-	4,904	-	10,454
Assays & Sampling	3,893	76,472	-	-	-	-	-	-	-	-	3,893	76,472
Camp Costs & Equipment/Supplies	54,613	63,623	11,315	31,260	3,300	53,458	-	-	2,132	-	71,360	148,341
Geological Salaries & Consulting	118,302	304,394	-	433	-	165,965	-	-	37,700	-	156,002	470,792
Drilling	204,617	-	-	-	-	-	-	-	-	-	204,617	-
Field Work	102,356	268,465	-	-	-	8,497	-	-	-	-	102,356	276,962
Geophysical	1,800	124,795	-	-	-	-	-	-	-	-	1,800	124,795
Permitting & Land Tenure	12,190	29,063	-	-	-	24,805	-	5,625	-	-	12,190	59,493
Transportation & Fuel	280,550	16,104	-	-	-	192	-	-	-	-	280,550	16,296
Recoveries	(140,000)	(72,350)	-	(9,600)	-	(5,000)	-	-	(37,700)	-	(177,700)	(86,950)
Property Sales/Options/Disposals	-	-	-	-	-	-	-	(246,438)	-	(102,500)	-	(348,938)
Total for period	638,321	810,566	11,315	22,093	3,300	253,467	-	(240,813)	2,132	(97,596)	655,068	747,717
Balance, end of period	\$ 1,448,887	\$ 810,566	\$ 3,971,533	\$ 3,960,218	\$ 7,549,152	\$ 7,545,852	\$ -	\$ -	\$14,127,442	\$14,125,310	\$27,097,014	\$26,441,946

During the period, the Company prepared for and began drilling at Project Idaho targeting VTEM anomalies which correspond to surface palladium, platinum, and copper (“Pd, Pt, Au”) mineralization and Coldwell Complex intrusives. In late spring, the Company started logistics planning for the drill program. This included synthesizing all types of evidence and observations and data into drill targeting exercises, evaluating properties nearby the larger claim package, developing the priority sequence of targets, determining the criteria needed in order to drill underneath a primary hole, making quick logs and quick sections, mapping out the landing sites, securing the drilling contractor, core shack, helicopter contract, rental houses, and organizing an outside geological contractor to supply personnel.

Drill results remain pending as of the date of this MD&A.

For the portion of the Pic Project that was optioned to Barrick Gold Inc., the Company continues to monitor the progress of of Barrick Gold Inc. The option agreement is further described in this MD&A.

Project Idaho

In December 2021, the Company announced the introduction of Project Idaho as a new exploration target at the southwest corner of the larger Pic Project. Key features of Project Idaho are as follows:

- Primary targets are less than 3 km east of Generation Mining’s proposed open pit operation at the Marathon Palladium-Copper Deposit (“Marathon Deposit”) north of Marathon, Ontario.
- The project area’s geological setting, structural features, and historic geophysical data resemble that of the Marathon Deposit due to the genetic link with the Coldwell Complex.
- An extensive array of intersecting radial and concentric faults emanating from and related to the Coldwell Complex cross-cut the project area, propagated from uplift and caldera collapse during the Coldwell Complex emplacement.
- Faulting geometry served as a network of channels and pathways for the outward transport of gabbroic magma that contained Pd-Cu-bearing sulfide liquid that was then deposited in trough-like

“steps” along the footwall of the Marathon Deposit's Eastern Gabbro. The same faults continue onto Project Idaho along with parallel gabbroic intrusions and anomalous Pd, Pt, and Au.

- Recent prospecting and historic data compilation has identified mafic intrusives outcrops similar to the Two Duck Lake gabbroic intrusives at the Marathon Deposit to the west. Geochemical calculations by Dr. Dave Good of Western University demonstrate a genetic link between the gabbros of Project Idaho and the mineralized Two Duck Lake gabbro of the Marathon Deposit, suggesting that these intrusive rocks were from the same magmatic event and therefore likely carry a similar complement of metals.
- Historic ground magnetic and IP surveys show a linear north-south trending unit extending due south of a 2008 VTEM survey chargeability anomaly, which sits on an interpreted radial fault and is possibly an indication of sulfide mineralization at depth.
- Silicified and sericitized rhyolite breccia zones corresponding with historic IP anomalies have been identified in the field, indicating extensive alteration into the Archean basement.

North Limb Project

The North Limb Project is located 15 km northeast of the Williams Mine operated by Barrick Gold Corporation and consists of 653 cell claims encompassing approximately 8,000 hectares. The North Limb project was assembled over the past five years through three project purchases, including an acquisition from O3 Mining Inc., combined with significant claim staking.

On May 24, 2016, the Company purchased a 100% interest in 135 claim units comprising 2,160 hectares approximately 40 km northeast of Marathon, Ontario, with the vendors retaining a 1% NSR on the purchased claims. In addition, the Company staked 303 claim units totaling 4,848 hectares.

Highlights from the 2016 prospecting program carried out by the Company on the North Limb Project included the discovery of a new gold occurrence (the “Petrant Lake” occurrence). Limited sampling returned two strongly anomalous gold values of 1.74 g/t gold and 1.64 g/t gold located approximately 160 m apart. The samples were spatially associated with one of the priority airborne electromagnetic (“EM”) anomalies identified from the 2016 VTEM Max survey the Company flew over the North Limb Project.

In late 2016, the Company completed an 823-line km airborne VTEM Max geophysical survey over the North Limb Project. The survey data generated several new high priority drill targets, including one associated with the Petrant Lake occurrence. In total, ten targets generated from the survey were submitted to Geotech Ltd. that generated numerous EM plate models at central, east and west locations of the North Limb Project.

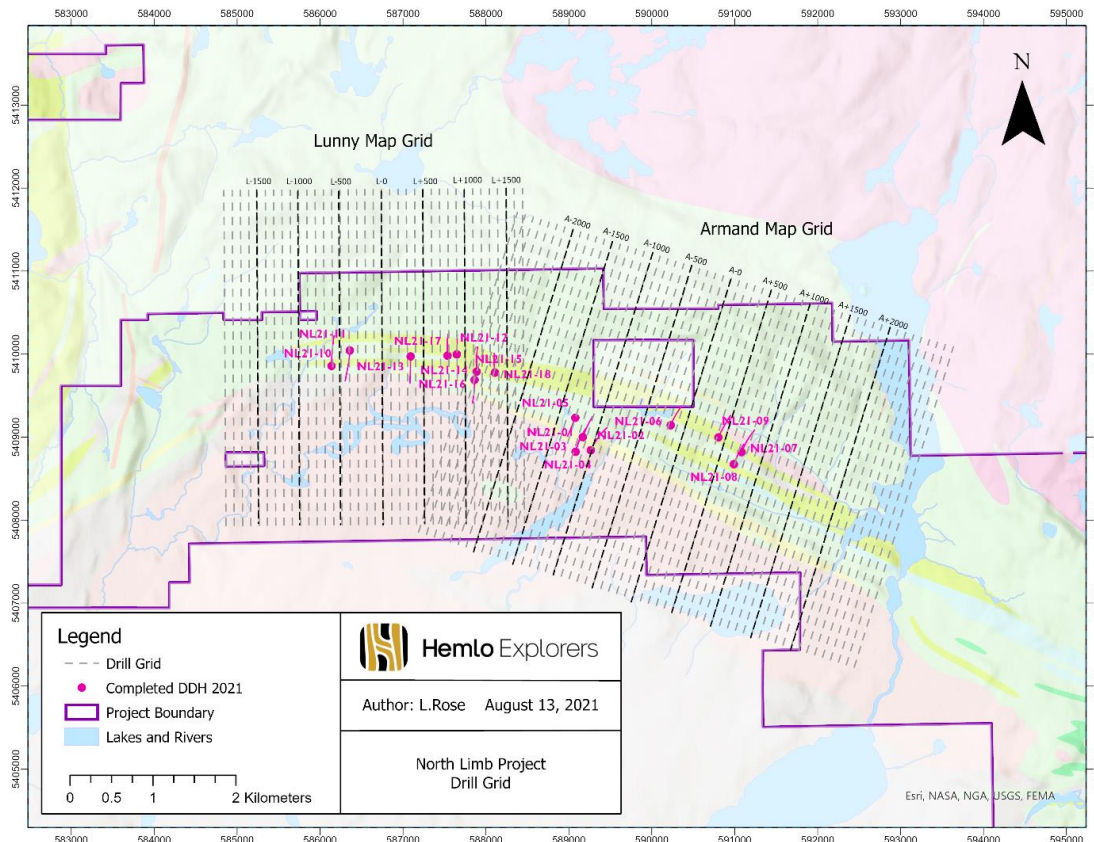
During 2017, the Company completed a 15 km induced polarization (“IP”) survey on a portion of the West Quadrant of the North Limb which outlined 4 high priority targets. Additionally, the Company completed a small drill program of 8 broadly spaced diamond drill holes totaling 1,423 m, which tested a variety of targets within the western half of the project. No significant gold mineralization was encountered.

On May 8, 2020, the Company strategically added 64 cell claims to the North Limb Project through an acquisition from O3 Mining Inc. The additional claims contained a section of highly prospective volcanogenic sequences with drill intercepts of 37.35 g/t gold over 1 m and 10.57 g/t gold over 1 m from drillholes F195-2 and F195-4, respectively.

From July to October 2020, a prospecting program was undertaken on the East and Central Quadrants of the North Limb Project with 245 grab samples taken and assayed for gold and multi-element analysis. Prospecting and mapping specifically focused on the 8.2 km Armand Lake Volcanic Complex (“ALVC”) which resembles the Moose Lake Volcanic Complex at the Hemlo Mine to the south. In addition, a 6.3 km humus survey was undertaken over two select areas of the ALVC with 264 samples analyzed for gold and multi-elements. The results, merged with historic data identified new drill target areas along the ALVC trend. During the same period on the East and Central Quadrants, the Company compiled historical drillholes and several ground surveys generating a 3D model and targets for proposed drilling.

In January 2021, the Company began a diamond drill program (“Program”) targeting the East and Central Quadrants of the North Limb Project. In total, 7,891 m were drilled in 18 drill holes. While no significant values of gold mineralization was encountered, a contiguous gold-bearing horizon was defined along a considerable strike length and to 600 m depth. Management was encouraged that these anomalous gold horizons, in addition to widespread elevated pathfinder elements such as those at the Hemlo gold deposit, suggested the existence of an extensive gold enriched hydrothermal system at the North Limb Project.

Figure 1: Central & East Quadrants of the North Limb Project – Area of Focus



Links to the news releases and results are available here:

1. [May 12, 2021 Hemlo Explorers Provides Update on Drilling at the North Limb Project](#)
2. [July 27, 2021 Hemlo Explorers Intersects a Contiguous Gold Bearing Horizon over 400 metre Strike](#)
3. [August 24, 2021 Hemlo Continues to Intersect Anomalous Gold Horizons at the Armand Lake Volcanic Complex](#)
4. [September 30, 2021 Hemlo Intersects 3.97 g/t Au over 1 m at the North Limb Project Lunny West Showing](#)
5. [November 9, 2021 Hemlo Intersects Multiple Anomalous Gold Horizons at the North Limb Project](#)

Pic Project

The Pic Project encompasses approximately 24,000 hectares and was amalgamated through the acquisitions of the Wire Lake, Black Raven, Goodchild, and Benton claims, in combination with the Company staking an additional 985 cell claims.

A compilation map of the Pic Project can be viewed here:

https://hemloexplorers.ca/site/assets/files/2011/pic_compilation_may_2022.jpg

Option with Barrick Gold Corporation

On August 26, 2022, the Company executed a definitive agreement (the “Definitive Agreement”) with a wholly-owned subsidiary of Barrick Gold Corporation (“Barrick”) whereby Barrick has the right to earn into an 80% interest in certain mineral claims comprising 16,800 hectares of the Pic Project. The key terms of the Definitive Agreement are:

1. Barrick may earn an 80% interest (the “Earn-In”) in the Pic Project by delivering to the Company a Pre-Feasibility Study within six years (the “Expenditure Period”) of the Definitive Agreement (of which at least \$800,000 is the guaranteed expenditure in the first twelve months, subject to certain conditions);
2. In order to maintain the Earn-In right from the date of the first anniversary of the Definitive Agreement to the end of the Expenditure Period, Barrick must fund work expenditures of \$1,000,000 on or before each anniversary of the Definitive Agreement;
3. Barrick will have the option to extend the Expenditure Period by two additional one-year periods by paying to the Company an amount of \$500,000 for each one-year extension;
4. Subject to a successful Earn-In by Barrick, the Company and Barrick shall establish a joint-venture corporation (the “JV Corp.”), to be held on the basis of 20% as to the Company and 80% as to Barrick;
5. If either party’s interest in the JV Corp. declines below a 10% threshold, then that party’s interest shall, as applicable, convert to a 1% NSR royalty.

As of June 30, 2023, Barrick has spent \$1.73 million on the Pic Project claims under the aforementioned option agreement. Drilling has recently begun as of the date of this MD&A.

Wire Lake Claims

On October 7, 2016, the Company entered into an option agreement to acquire a 100% interest in 251 claim units (now 866 cell claims) covering approximately 4,047 hectares that are located in the Schreiber-Hemlo Greenstone Belt (the “Wire Lake Claims”). On signing, the Company paid \$40,000 in cash and issued 26,042 common shares valued at \$25,000. The option agreement called for the Company to make additional cash payments to the vendor totaling \$550,000 over the following five anniversary dates of the option agreement. The option was completed on October 7, 2021, and the Company granted the vendor a 2% NSR royalty, one-half of which may be bought back for a lump sum payment of \$1,000,000.

The Wire Lake Claims lie 29 km northwest of Barrick’s Williams Mine and 40 km southwest of the past producing base metal mines near Manitouwadge. Gold was first discovered on the Wire Lake Claims in 1986 and the project was explored by junior companies until 1993, following which the project remained dormant for over 20 years pending the outcome of litigation. Previous work identified a gold bearing zone (the “Wire Lake Gold Zone”) over a 2,400 m strike length that remains open in both directions and at depth. The Wire Lake Gold Zone (“WLGZ”) is characterized by moderate to intense alteration (e.g. silicification, carbonatization, biotitization and sericitization) within predominantly mafic volcanics. Sulfide content (pyrrhotite, pyrite, +/- arsenopyrite and sphalerite) usually ranges from 1 to 3% but can locally be up to 10%. Visible gold has been observed rarely, and where it does occur it is usually associated with quartz stringers and veinlets. Approximately 15% of the claims were explored.

During the fall of 2016, a reconnaissance prospecting program was successful in tracing out the WLZ over a strike length of 2.4 km and the Company contracted a 620-line km airborne Mag & VLF geophysical survey over the claims.

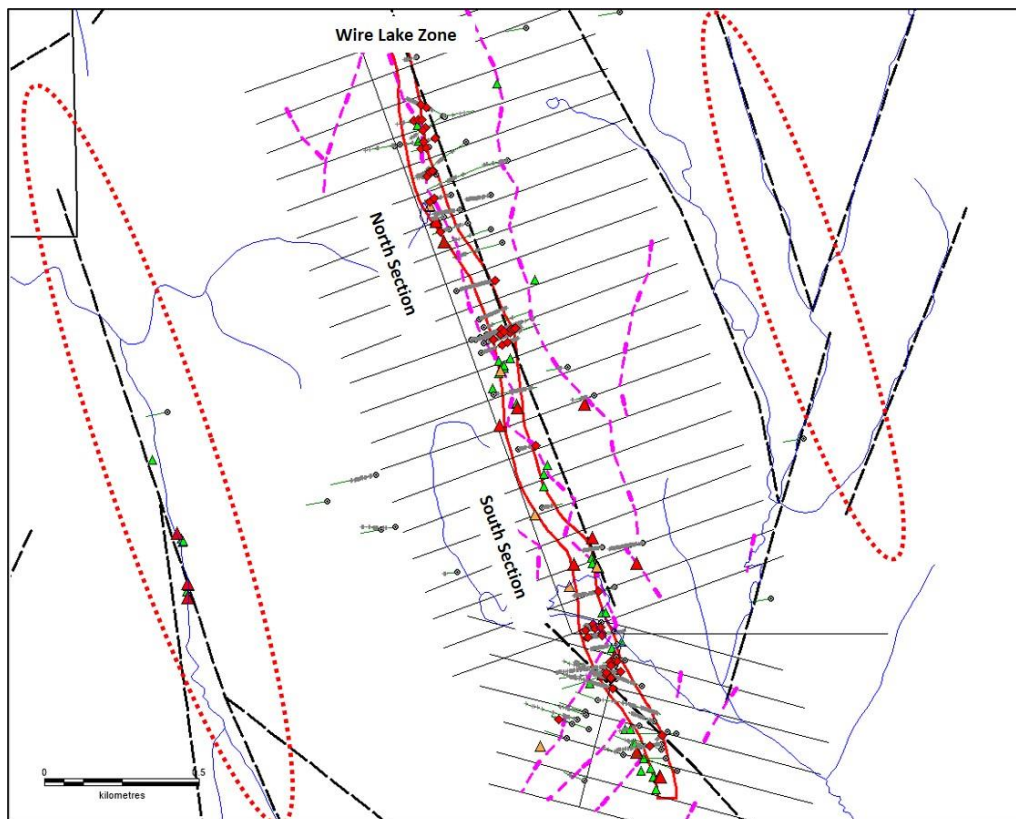
During May 2017, the Company completed a 34-line km induced polarization (“IP”) survey on the Wire Lake Claims. The IP survey grid extended the strike length of the WLZ by 300 m, now totaling 2.7 km. The IP survey identified numerous priority targets for follow-up exploration work.

Highlights from the 2017 drill program include:

- WL-2017-001: 2.6 g/t Au over 18.7 m, including 57.1 g/t Au over 0.5 m;
- WL-2017-002: 1.4 g/t Au over 13.0 m and 0.8 g/t Au over 28.0 m, including 1.6 g/t Au over 10.6 m;
- WL-2017-011: 1.4 g/t Au over 32.4 m, including 4.2 g/t Au over 5.0 m;
- WL-2017-013: 1.4 g/t Au over 18.8 m, including 5.3 g/t Au over 3.1 m;
- WL-2017-021: 1.1 g/t Au over 31.7 m, including 1.6 g/t Au over 5.4 m and 2.0 g/t Au over 5.8 m; and
- WL-2017-020: 1.4 g/t Au over 18.0 m.

On December 13, 2017, the Company announced the results from the fall prospecting program at Wire Lake and the discovery of a new gold zone that extended the WLZ between 500 and 700 m to the south. The Company’s geological team was successful in outlining an 800 m² area hosting gold and pyrite-pyrrhotite mineralization in altered mafic volcanics (e.g. biotitization and silicification alteration). Assays from fifteen grab samples taken from this area averaged 1.92 g/t Au. Of significance was that the four samples taken the furthest east returned 10.4 g/t Au, 6.6 g/t Au, 3.6 g/t Au and 1.1 g/t Au over a 180 m strike length. The WLZ remains open to the east and along strike.

Figure 2: Plan Map of Wire Lake Gold Zone



In 2018, three diamond drill holes totaling 657 m and targeting the Kakeeway and Lucky Seven zones were completed in the WLGZ.

- Drilling in the Kakeeway Zone suggested an additional 525 m strike-length extension to the WLGZ;
- Drilling in the Lucky Seven Zone confirmed the extension of the WLGZ to at least ~200 m depth down-dip and that the mineralized system remains open at depth; and
- Subsidiary zones of mineralization were discovered in the footwall and hanging wall of the main zone of mineralization forming the WLGZ.

In May 2020, the Company completed a 460-line km high resolution helicopter-borne magnetic survey covering the Porphyry and Contact Lake areas north of the WLGZ, in order to help identify buried intrusive boundaries and structural trends. Both target areas displayed soil and lithochemical anomalies with elevated gold and base metal values.

In August 2020, historic diamond drill data was compiled for Wire Lake in order to developing a 3D geological model of the WLGZ and generate drill targets. A total of 115 drill holes were validated and re-coded using a unified lithological legend in an effort to constrain both the geometry and continuity of the mineralized zone.

In September 2020, drill hole and ground survey data were compiled and a 3D model was generated for the WLGZ. As a result, the mineralized zones remained open at depth as historic shallow drilling tested only the first 200 m. In addition, two parallel zones, on either side of the WLGZ trend, were identified for future IP and prospecting campaigns. These zones had only seen very limited previous exploration.

Black Raven Claims

On April 23, 2017, the Company entered into an acquisition agreement (the “Acquisition Agreement”) with StrikePoint Gold Inc. (“StrikePoint”) to acquire a 100% interest in 576 cell claims (the “Black Raven Claims”) located adjacent to the Company’s Wire Lake claims. The Black Raven Claims cover approximately 6,640 hectares located in the northwest portion of the Schreiber-Hemlo Greenstone Belt. Pursuant to the Acquisition Agreement, the Company paid \$15,000 cash on signing, and issued 416,667 common shares valued at \$587,500. Additionally, the Company issued 83,333 share purchase warrants, valued at \$40,025, entitling StrikePoint to acquire up to 83,333 common shares at a price of \$1.89 per share for a period of twelve months.

In conjunction with the Acquisition Agreement, the Company executed a termination and assumption agreement (the “Termination and Assumption Agreement”) with the underlying optionors of the Black Raven Claims in order to terminate the underlying option agreement, discharge a future milestone payment and assume the underlying royalty obligations. The Termination and Assumption Agreement called for the Company to issue 66,667 common shares on signing to the Optionors, valued at \$94,000, and assume a 2.5% net smelter return (“NSR”) royalty. The royalty agreement provided that 1.5% of the NSR royalty may be bought back by the Company at any time upon payment of \$1,500,000, or in increments of 0.5% NSR royalty for \$500,000 each.

In addition to covering the extension of the WLGZ, the Black Raven Claims contained several gold and gold-zinc prospects and occurrences, including the Super G Prospect, the Kurt Kuhner Occurrence, as well as the Beaver Pond Boulder Train and Crocker Float.

The Super G Prospect was discovered by Hemlo Gold Mines Inc. in 1993. High-grade visible-gold bearing, quartz vein float boulders on the north shore of Smoke Lake returned grab samples assaying up to 32.3 g/t Au. Follow-up work led to the discovery of surface samples which produced bonanza grades of 846.40 g/t Au and 570.00 g/t Au. Trenching and drilling outlined a narrow but locally, high-grade quartz vein system over a strike length of 400 m to a depth of 130 m.

The Kurt Kuhner Gold-Zinc Occurrence was discovered by Kerr Addison Mines Ltd. in 1971. Nine diamond drill holes totaling 309 m were drilled. Assay results included 2.74 g/t Au and 1.16% Zn over 5.55 m from drill hole KP-71-5.

The Beaver Pond Boulder Train located east of Smoke Lake has been traced by prospecting for over 600 m. The boulder train consists of angular syenitic-monzonitic material containing quartz veinlets and stockworks with 1-2% finely disseminated pyrite. Historic grab samples returned results up to 47.66 g/t Au.

The Crocker Float is located approximately 270 m north of Smoke Lake. Unlike the float in the Beaver Pond Boulder Train, the Crocker Float is composed of granodiorite crosscut by malachite-stained quartz veinlets and veins containing up to 5% pyrite +/- chalcopyrite. Two historic samples taken from the boulder returned bonanza grades of 312.90 and 95.31 g/t Au, and 70.70 and 10.70 g/t Ag, respectively.

Highlights from the 2018 Exploration Program at Smoke Lake

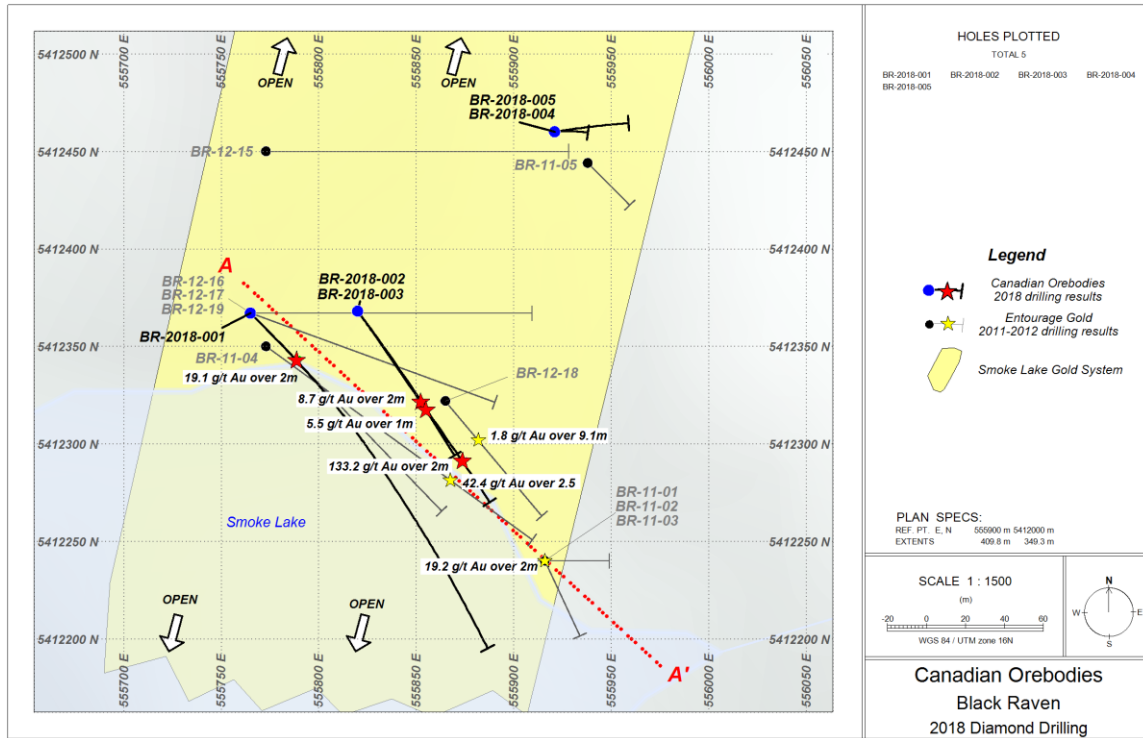
Five diamond drill holes in 2018 totaling 785.3 m were drilled in the Smoke Lake area to target the Super G vein. The results of the 2018 drilling suggested that the Super G vein was part of the much larger mineralized system referred to as the Smoke Lake Gold System ("SLGS"). From the integration of the historic and 2018 drilling results, the SLGS was interpreted to be an anastomosing network of mineralized structures in which gold mineralization was associated with mm- to cm-wide quartz stringers and veins with haloes of disseminated sulfides. Additional drilling was deemed necessary to confirm the interpreted geometry of the SLGS.

Narrow higher-grade zones enveloped by lower grade mineralization were observed in the main mineralized structures composing the SLGS. The SLGS was so far defined by drilling over a strike length of >400 m and to a vertical depth of 130 m. Drilling in 2018 in the Super G structure suggests a 170 m down plunge continuity of high-grade mineralization that remained open at depth, with the vein system also open in both directions along strike. Surface mapping of gold mineralization in the area also suggests that additional mineralized structures are likely present in the hanging wall and footwall of the SLGS. The SLGS was targeted based on the previous work of Freewest Resources Canada Ltd. in 2003 and diamond drilling by Entourage Metals Ltd. in 2011-12. Both exploration programs encountered multiple zones of mineralization in the area and the best diamond drilling intersections were obtained in the Super G vein, which returned assay results of 44.5 g/t Au (uncut) over a drilled width of 2.4 m (BR-11-04¹) and 19.2 g/t Au over 2.0 m (BR-11-01¹).

In the Company's 2018 drill program, hole BR-2018-001 intersected 19.1 g/t Au over 2.0 m in the Markes structure of the SLGS. Hole BR-2018-002 contained 133.2 g/t Au over 2.0 m, including 443.0 g/t Au over 0.6 m in the Super G vein, which represented the highest-grade drill result on the project to date. The intersection in BR-2018-002 suggests an up-plunge continuity of the zone of high-grade mineralization between BR-11-01 and BR-11-04, whereas BR-2018-003 demonstrated that the zone of mineralization remains open down-plunge.

¹ Readers are cautioned that these assay results are historical in nature and have not been verified by a qualified person on behalf of the Company.

Figure 3: Plan Map of 2018 Drilling at Smoke Lake Gold System



Highlights from the 2019 Exploration Program at Smoke Lake

The 2019 winter drill campaign consisted of 9 holes totaling 1,270 m, with the objective of testing the extension of the Super G structure under Smoke Lake and better defining the mineralized structures of the SLGS. The winter drill program was successful as the results proved that the Super G vein is one component of a larger gold system in which four gold-bearing structures have been identified. The results of the drill program further demonstrate that high-grade gold mineralization can be found in all the known mineralized structures of the SLGS, and that near-surface high-grade mineralization can be discovered in the area. The results of the drill program also suggested that haloes of lower grade mineralization could be found around the Super G and the other higher-grade veins of the SLGS. Interpretation of the structural measurements of the oriented core indicated that multiple vein orientations could be found in the mineralized structures of the SLGS. The structural complexity observed near the higher-grade intersections suggests that structural intersections could be favorable targets for high-grade mineralization.

The integration of the multi-element analyses from the 2019 drilling program with the multi-element analyses from the previous drill programs identified zinc and copper anomalies along the contact between the volcanic units in the area. In diamond drill core, the zinc ± copper anomalies occurred within zones of silicification alteration and veining with variable sphalerite and accessory chalcopyrite.

Goodchild Claims

On February 20, 2018, the Company announced the acquisition of the Goodchild Claims which covers a strategic and highly prospective land holding in the middle of the Company’s 100% owned Black Raven Claims. The Goodchild Claims consists of 33 cell claims totaling approximately 400 hectares. The Company purchased the claims from the court-appointed receiver of Century Mining Corporation (“Century”) for a cash payment of \$40,000, the assumption of Century’s three percent (3.0%) net smelter return (“NSR”) royalty obligations in respect of the Goodchild Claims and the payment of a portion of the receiver’s

expenses associated with the transaction. In connection with the purchase, the Company also entered into an agreement with Teck Resources Limited ("Teck") to terminate certain rights Teck had in relation to the Goodchild Claims in exchange for the granting to Teck of a one-half of one percent (0.5%) NSR royalty in respect of the Goodchild Claims. The Company also entered into an agreement with the existing NSR royalty holders on the Goodchild Claims to vary the terms on which the royalty may be bought down. In exchange for the issuance of 13,333 shares of the Company, valued at \$12,000, the Company obtained the right to purchase up to two-thirds (2%) of the royalty for \$1,500,000.

The Goodchild Claims are underlain by mafic volcanics with minor interflow sediments which have been intruded by the Goodchild serpentinite. The Beggs Lake Stock, an elliptical intrusion approximately 3.2 km by 1.5 km in size, of quartz monzonite to trondhjemite composition intrudes the metavolcanic rocks and the serpentinite.

Initial exploration on the Goodchild Claims during the 1950's and 1960's focused on the nickel-copper potential of the Goodchild serpentinite and values of up to 2.0% Cu and 0.5% Ni over 2.5 m were reported from diamond drilling. After the discovery of the Super G Gold Vein in 1993, located immediately southwest of the Goodchild Claims, the area was re-evaluated for its gold potential. Two styles of gold mineralization were subsequently recognized: (i) northwest trending, 2-8 m wide pyritic, ankerite +/- albite altered shear zones in mafic volcanics (Moses Main); and (ii) quartz veining and associated disseminated pyrite within the Beggs Lake Stock along north to north-east trending structures (Lucky 13 and the UGM Trend).

The Moses Main Occurrence was exposed by a series of trenches over a 200 m strike length and samples collected in the 1990's returned values of up to 8.6 g/t Au. The Lucky 13 is hosted within a strongly altered NNE trending shear within the Beggs Lake Stock from which grab samples returned values grading up to 100.8 g/t Au. The UGM Trend consists of three showings over a 500 m strike length. Gold associated with elevated bismuth, molybdenum and tungsten values occurs along a northeast trending lineament within the Beggs Lake Stock, and values up to 3.0 g/t Au in outcrop and 10.8 g/t Au in boulders were returned.

Benton Claims

On August 16, 2018, the Company completed the acquisition of the "Goodchild Lake" mining claims (the "Benton Claims ") from Benton Resources Inc. ("Benton"). The Benton Claims consist of 31 cell claims totaling approximately 500 hectares covering a prospective trend adjacent to the northwest portion of the Company's 100% owned Black Raven Claims. As consideration for the purchase, the Company issued to Benton 33,333 common shares in the capital stock of the Company valued at \$27,000 and granted Benton a 1.5% NSR royalty. The Company has the option to buy-down 50% of the NSR at any time for a cash payment of \$750,000.

Hemlo West

On September 28, 2022, the Company announced the execution of an Exploration Agreement (the "Agreement") with Biigtigong Nishnaabeg ("Biigtigong") which covers exploration on Project Idaho and the Pic Project. The Agreement allows for the Company to move forward expeditiously with its exploration plans. As part of the Agreement, the Company transferred the mining claims known as Hemlo West to N'hinmaagewin Ltd., a company owned by Biigtigong. The Company maintained a 5.0% Net Smelter Royalty on the claims.

Belcher Islands Iron

The Company has a 100% interest in the Belcher Islands Iron Project ("Belcher Project"), which covers 23,042 hectares located on the Belcher Islands in Nunavut, Canada. The project consists of 1,226 hectares of Inuit Owned Land and 29 claims covering 21,816 hectares of Municipal Land. A significant amount of exploration work, including numerous widely spaced diamond drill holes, was carried out on the project during the 1950's by Belcher Mining Corporation Ltd. Since acquiring the Belcher Project, the Company has drilled 97 holes in a number of target areas. The Company's 2011 exploration program culminated in

a NI 43-101 Resource Estimate prepared by George Wahl of GH Wahl & Associates Consulting, which was effective February 6, 2012. The Belcher Project is host to the Haig Inlet Deposit which has an indicated resource of 230 million tonnes at 35.17% Fe and an additional inferred resource of 289 million tonnes at 35.47% Fe.

The Haig Inlet Deposit is a Lake Superior Type iron formation, is Paleoproterozoic (1,880 Ga) and is located at the western edge of the Superior Province. This iron formation is thought to have been deposited under similar conditions and timing as the Sokoman Formation which hosts the prolific Labrador Trough iron deposits. Many of the stratigraphic sub-units of the Sokoman can be correlated to similar units in the Kipalu Formation, which hosts the Haig Inlet deposit. The Kipalu Iron Formation hosts the Haig Inlet Iron mineralization and is overlain by a sequence of flood basalts. The iron formation is comprised of granular cherts and banded red cherts suggesting an alternating sequence of near shore environment with deposition above and below the wave base and a deeper and quieter marine environment. Lake Superior Type deposits mineralized predominantly with hematite have been successfully mined and concentrated at mining operations in the Labrador Trough continuously since 1954.

As the Company is focused on the precious and base metals opportunities in the Hemlo Camp, management is seeking to maximize the value of the Belcher Islands asset.

Falcon Lake Lithium Claims

On January 12, 2022, the Company announced an option for the 48 cell claims it owns in the Falcon Lake Area to FE Battery Metals Corp. ("First Energy", previously First Energy Metals Limited). The cell claims are located 325 km northeast of Thunder Bay, Ontario.

Under the terms of the option agreement, First Energy must complete the following:

1. Upon signing ("Effective Date") make cash payments of \$15,000 and issue 100,000 shares in First Energy to Hemlo Explorers;
2. By the first anniversary of the Effective Date, make cash payments of \$30,000 and issue 250,000 shares of First Energy to the Company;
3. By the second anniversary of the Effective Date, make cash payments of \$40,000 and issue 250,000 shares of First Energy to the Company; and
4. Complete \$50,000 in exploration spending in the first year following the Effective Date and complete \$100,000 in exploration spending in the second and third year following the Effective Date.

On October 26, 2022, the Company announced the acceleration of the Falcon Lake option agreement with First Energy, whereby First Energy paid the remaining \$70,000 and issued 138,579 post consolidation shares in First Energy. As consideration for the acceleration, the Company waived the remaining work requirement of the option agreement.

Royalty Interest

Hawkins Property

The Company has a 0.5% NSR royalty on the Hawkins Property, located 120 km south of Hearst, Ontario, which covers a total area of 1,536 hectares. The property is host to the historic Shenango Gold Mine. The Shenango Gold Mine was in production during 1936, 1937 and 1945. Two shafts were sunk to 52 and 125 feet and an adit was driven 90 feet while following auriferous quartz veins cutting mafic metavolcanics. In the mid-1980's Falconbridge Exploration Ltd. carried out an extensive shallow drilling program and defined a low-grade auriferous felsic horizon with values of 1-4 g/t Au over 4 to 30 m widths along a minimum strike length of 3 to 4 km. No thorough drilling was carried out to evaluate these felsic volcanoclastic units at depth or to the west. The Hawkins Property is owned by Pavey Ark Minerals Inc. and under option to E2Gold Inc. E2Gold recently completed a 10,000 m phase 2 step-out drilling program and initial assays have been

released. The Hawkins Property has an inferred mineral resource of 6.2 million tonnes grading 1.65 g/t Au for a total of 328,800 ounces of gold (See E2Gold's NI 43-101 Technical Report available [here](#)).

Outlook

The Company recently completed its 2023 field exploration program with drill results and mapping and sampling from the King Lake area pending. For the balance of the fiscal year, the Company will continue to evaluate the results of the 2023 program, and monitor the progress of Barrick Gold Inc. on its Pic Project option. The Company is also reviewing other projects as they arise.

Results of Operations

For the six months ended July 31, 2023, the Company had a loss of \$836,725 compared to a loss of \$899,105 in the comparative period last year.

Comparison of the Exploration Expenses

The Company spent \$832,768 on exploration expenditures during the six months ended July 31, 2023, an increase from the \$600,069 incurred during the same period in the prior year.

Comparison of Administrative Expenses

The Company expensed \$53,973 in professional and consulting fees as compared to \$71,905 in the previous period. The Company incurred \$127,452 for management and administrative expenses, down slightly from the prior period of \$133,423. Office and administration expenses were \$49,528 for the six months ended July 31, 2023, up from the \$40,666 incurred in the previous year, but in line with expectations. Shareholder information expense for the period was \$27,962, down from \$57,619 in the previous year due to decreased marketing activities.

During the six months ended July 31, 2023, the Company earned interest on its cash investments aggregating \$5,394, which was lower than the \$6,404 earned in the prior year due to lower cash balances. Additionally in the period, the Company recovered \$177,700 in exploration expenditures (2022 – \$9,600).

During the period, the Company recorded a premium on flow-through shares income of \$nil (2022 - \$27,328) and share based compensation expense of \$nil (2022 - \$nil).

Summary of Quarterly Results

	May 1, 2023 to Jul. 31, 2023	Feb. 1, 2023 to Apr. 30, 2023	Nov. 1, 2022 to Jan. 31, 2023	Aug. 1, 2022 to Oct. 31, 2022
(\$)				
Total revenues	-	-	-	-
Net income (loss) before other comprehensive income (loss)	(848,943)	12,218	(257,697)	(370,482)
Net income (loss) per share – basic and fully diluted	0.02	0.00	(0.01)	(0.01)
Total assets	883,995	479,517	435,665	661,918
Long-term debt	Nil	Nil	Nil	Nil
Shareholders' equity	566,750	364,491	352,273	609,970
Cash dividends declared per common share	Nil	Nil	Nil	Nil

	May 1, 2022 to Jul. 31, 2022	Feb. 1, 2022 to Apr. 30, 2022	Nov. 1, 2021 to Jan. 31, 2022	Aug. 1, 2021 to Oct. 31, 2021
(\$)				
Total revenues	-	-	-	-
Net (loss) before other comprehensive (loss)	(486,988)	(412,117)	(559,824)	(911,607)
Net (loss) per share – basic and fully diluted	(0.01)	(0.01)	(0.02)	(0.03)
Total assets	960,236	1,448,096	1,811,296	564,860
Long-term debt	Nil	Nil	Nil	Nil
Shareholders' equity	791,343	1,278,331	1,690,448	445,535
Cash dividends declared per common share	Nil	Nil	Nil	Nil

Objectives and Milestones

The objectives of the Company are to:

- i. enhance its geological knowledge of Project Idaho and the North Limb Projects and its other properties in pursuit of significant precious, critical and base metal discoveries;
- ii. develop targets on the properties for future sampling and drilling programs; and
- iii. management is actively targeting, reviewing and, if desirable, will look to acquire and develop additional mineral assets in order to augment and strengthen its current mineral property portfolio.

In conducting its search for additional mineral properties, the Company may consider acquiring properties that it considers prospective based on criteria such as the exploration history or location of the properties,

or a combination of these and other factors. Risk factors to be considered in connection with the Company's search for and acquisition of additional mineral properties include the significant expenses required to locate and establish mineral reserves; the fact that expenditures made by the Company may not result in discoveries of commercial quantities of minerals; environmental issues; land title; competition; and, the potential failure of the Company to generate adequate funding for any such acquisitions. See the *Risks and Uncertainties* section of this MD&A.

Liquidity and Capital Resources

As at July 31, 2023, the Company had working capital of \$558,186 (January 31, 2023 – \$337,594). See *Risks and Uncertainties – Liquidity Risk*.

During the six months ended July 31, 2023 and 2022, no share purchase warrants were exercised.

The Company estimates that its corporate and general costs to maintain the requirements of a reporting issuer for the next twelve months will total approximately \$600,000. As of the date of this MD&A, the Company does not have sufficient working capital to fund its corporate and general costs over the next twelve months. The Company will seek to raise additional capital or monetize its interest in one or more of its properties in the next year.

In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. As at July 31, 2023, the Company had not yet achieved profitable operations, and had a net loss of \$(836,725), accumulated deficit of \$43,294,656, and expects to incur further losses in the foreseeable future, all of which indicate the existence of a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern. Realization values may be substantially different from carrying values as shown and these consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon its ability to obtain necessary financing and generate operational profit to meet its ongoing levels of corporate overhead and discharge its liabilities as they come due. The Company intends to raise additional financing to address the going concern issue. The success of the Company's endeavors cannot be predicted at this time. There is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

The exploration and development of the Company's properties depends on the ability of the Company to obtain financing. If the Company's exploration programs are successful, additional funds will be required to develop the Company's properties and, if successful, to place them in commercial production. The only sources of future funds available to the Company are further offerings of either debt or equity capital of the Company, or the sale by the Company of an interest in any of its properties in whole or in part. The ability of the Company to arrange such financing in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Company. If additional financing is raised by the issuance of shares from the treasury of the Company, control of the Company may change and shareholders may suffer additional dilution. If adequate financing is not available, the Company may be required to delay, reduce the scope of, or eliminate one or more exploration activities or relinquish rights to certain of its interests. Failure to obtain additional financing on a timely basis could cause the Company to forfeit its interests in some or all of its properties and reduce or terminate its operations.

Capital Management

In managing its capital, the Company's primary objective is to ensure the entity can continue as a going concern as well as to provide optimal returns to its shareholders, in the long term. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of properties for the mining of minerals that are

economically recoverable. The Board of Directors does not establish quantitative returns on capital criteria for management due to the nature of the industry, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company considers its capital to be equity, which is comprised of share capital, reserves, accumulated other comprehensive income, and accumulated deficit, which at July 31, 2023 totaled \$566,750 (January 31, 2023 - \$352,283).

The projects in which the Company currently has an interest are in the exploration stage. As such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. Management has chosen to mitigate the risk and uncertainty associated with raising additional capital in current economic conditions by:

- i) attempting to maintain a liquidity cushion in order to address any potential disruptions or industry downturns;
- ii) minimizing discretionary disbursements;
- iii) reducing or eliminating exploration expenditures that are of limited strategic value; and
- iv) exploring alternative sources of liquidity.

As such, the Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the Company's relative size, is reasonable. There were no changes in the Company's approach to capital management during the period ended July 31, 2023. The Company is not subject to externally imposed capital requirements.

As at July 31, 2023, the Company had approximately \$50,000 in flow-through expenditure obligations remaining.

Critical Accounting Policies and Estimates

Changes in accounting policies

The Company did not adopt any new accounting policies during the six months ended July 31, 2023.

Mineral Properties and Exploration Expenditures

The Company expenses all costs relating to the acquisition of, exploration for and development of mineral claims and credits all revenues received against the exploration expenditures. Such costs include, but are not limited to geological, geophysical studies, exploratory drilling and sampling.

Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized; this includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs that give rise to a future benefit.

Use of Estimates

The preparation of these financial statements requires management to make estimates 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. The financial statements include estimates which, 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 the revision affects both current and future periods.

The preparation of these financial statements required the following critical accounting estimates and significant judgments:

- (i) the calculation of the fair value of warrants, broker warrants and stock options requires the use of estimates of inputs in the Black-Scholes option pricing model.

Share-based Compensation

The share option plan allows the Company's employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as a share-based payment expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. The fair value is measured at grant date and each tranche is recognized on a graded-vesting basis over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

Related Party Transactions

During the six months ended July 31, 2023, nil share options (2022 – nil) were granted to officers and directors of the Company. Through the normal course of business, the following related party transactions occurred during the six months ended July 31, 2023:

- i) The Company paid geological consulting fees totaling \$4,200 to Harvey Holdings Inc., a corporation controlled by John Harvey, a member of the Board of Directors (2022 - \$nil).
- ii) The Company charged geological consulting fees totaling \$37,700 to Juno Corp., a corporation with common management and directors, for the time of the Company's geologists (2022 – \$nil).

Related-party transactions occur from time to time in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Off-balance Sheet Transactions

During the six months ended July 31, 2023, there were no off-balance sheet transactions. The Company has not entered into any specialized financial agreements to minimize its investment risk, currency risk or commodity risk.

Dividends

The Company has neither declared nor paid any dividends on its common shares. The Company intends to retain its earnings, if any, to finance growth and expand its operations and does not anticipate paying any dividends on its common shares in the foreseeable future.

Risks and Uncertainties

Credit Risk

The Company deposits cash with financial institutions it believes to be creditworthy. In some circumstances, cash balances at these financial institutions may exceed the federally guaranteed amount. The Company's

current credit risk is primarily attributable to cash, cash equivalents, and HST recoverable. Cash and cash equivalents are held with a reputable, Tier A Canadian chartered bank and as such, management believes the risk of loss to be minimal. HST recoverable is due from the federal government of Canada. Management believes that the credit risk with respect to financial instruments included in HST recoverable is minimal and remote.

Liquidity Risk

The Company's ability to remain liquid over the long term depends on its ability to obtain financing necessary to complete exploration and development of its mineral properties and their future profitable production or, alternatively, upon the Company's ability to dispose of its interest on an advantageous basis.

As mentioned previously in this MD&A, as at July 31, 2023, the Company had working capital of \$558,186 (January 31, 2023 – \$337,594). The Company is seeking additional capital to increase its liquidity over the medium to long term. All of the Company's accounts payable and accrual liabilities have contractual maturities of less than 60 days and are subject to normal trade terms. The Company's financial statements have been prepared in accordance with accounting principles applicable to a going concern, which assume the Company will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. The Company's continued existence is dependent upon its ability to obtain the necessary financing to meet ongoing expenses, to complete the development of its mineral properties and upon future profitable operations. The Company intends to raise additional capital to address the going concern issue.

Market Risk

Currency Risk

The Company has no foreign currency denominated assets or liabilities. Major purchases are transacted in Canadian dollars and therefore the Company had no material foreign currency exposure at July 31, 2023.

Interest Rate Risk

The Company has cash and cash equivalents balances and no debt. Interest rate risk is remote.

Equity Price Risk

Market risk arises from the possibility that changes in market prices will affect the value of financial instruments of the Company. Except for marketable securities, the Company's other financial instruments (cash, cash equivalents, short term investments, HST recoverable, accounts payable and accrued liabilities) are not subject to price risk.

Commodity Price Risk

The Company is exposed to price risk with respect to gold, iron and other commodity prices, as such prices impact the future economic feasibility of its exploration properties. The Company closely monitors these commodity prices to determine the appropriate course of action to be taken by the Company.

Sensitivity Analysis

The Company is exposed to equity securities price risk because of the marketable securities held by the Company. The Company's marketable securities are not part of its core operations, and accordingly, gains and losses from these investments are not representative of the Company's performance.

Fair Value

The Company has designated its cash as fair value through profit and loss. HST recoverable is classified for accounting purposes at amortized cost. Marketable securities, if owned, are valued at the bid price as at the date of the financial statements. Accounts payable and accrued liabilities are classified for accounting purposes at amortized cost. As at July 31, 2023, the carrying and fair value amounts of the Company's financial instruments are approximately equivalent.

Additional Risk Factors

The operations of the Company are speculative due to the high-risk nature of its business, which is the acquisition, financing, exploration and development of mining properties. Additional risks not currently known to the Company, or that the Company currently deems immaterial, may also impair the Company's operations. If any of the following risks actually occur, the Company's business, financial condition and operating results could be adversely affected.

Additional Capital

The exploration activities of the Company may require substantial additional financing. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration and development of any of the Company's 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 financings will be favourable to the Company. In addition, low commodity prices may affect the Company's ability to obtain financing.

Environmental and Permitting

All aspects of the Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. These regulations, among other things, mandate the maintenance of air and water quality standards, land reclamation, transportation, storage and disposal of hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors, and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

Acquisition

The Company uses its best judgment to acquire mining properties for exploration and development. In pursuit of such opportunities, the Company may fail to select appropriate acquisition candidates or negotiate acceptable agreements, including arrangements to finance the acquisitions and development, or integrate such opportunity and their personnel with the Company. The Company cannot assure that it can complete any acquisition that it pursues or is currently pursuing, on favourable terms, or that any acquisition completed will ultimately benefit the Company.

Competition

The mining industry is intensely competitive in all of its phases, and the Company competes with many companies possessing greater financial resources and technical facilities than the Company. Competition in the mining business could adversely affect the Company's ability to acquire suitable producing properties or prospectus for mineral exploration in the future. This competition could also affect the Company's ability to attract and maintain qualified personnel.

Political Risk

All of the Company's properties are located in Canada. Accordingly, the Company is subject to risks normally associated with exploration for and development of mineral properties in Canada, which the Company believes to be low. The Company's mineral exploration activities could be affected in varying degrees by future political instability and or government regulation relating to foreign investment and the mining business. Although not expected, operations may also be affected in varying degrees by terrorism, military conflict or repression, crime, extreme fluctuations in currency rates and high inflation.

Business Risk

There are numerous business risks involved in the mineral exploration industry, some of which are outlined below. The Company may not always own 100% of the mineral concessions. Similarly, any non-compliance with or non-satisfaction of the terms of an option by the Company could affect its ability to exercise the option and earn its interest in the mining concessions and assets relating to properties. Mining concessions may not include surface rights and there can be no assurance that the Company will be successful in negotiating long term surface rights access agreements in respect of the properties. Failure to obtain surface rights could have an adverse impact on the Company's future operations. The Company's current or future operations, including development activities, are subject to environmental regulations which may make operations not economically viable or prohibit them altogether.

The success of the operations and activities of the Company is dependent to a significant extent on the efforts and abilities of its management, outside contractors, experts and other advisors. Investors must be willing to rely to a significant degree on management's discretion and judgement, as well as the expertise and competence of the outside contractors, experts and other advisors. The Company does not have a formal program in place for succession of management and training of management. The loss of one or more of the key employees or contractors, if not replaced on a timely basis, could adversely affect the Company operations and financial performance.

Disclosure of Outstanding Share Information

The following table sets forth the outstanding securities of the Company as at September 27, 2023:

Common Shares of no-par value	Number
Shares	50,724,920
Options	2,390,000
Warrants	18,152,391

Internal Controls Over Financial Reporting

The Chief Executive Officer and Chief Financial Officer of the Company are responsible for designing internal controls over financial reporting ("ICFR") or causing them to be designed under their supervision in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The control framework that has been used is the COSO framework. There were no changes in the Company's ICFR that occurred that have materially affected, or are reasonably likely to materially affect, the Company's ICFR.

Disclosure Controls and Procedures

Disclosure controls and procedures have been designed to ensure that information required to be disclosed by the Company is accumulated and communicated to our management as appropriate to allow timely decisions regarding required disclosure. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

Additional Information

Additional information relating to the Company is available on the internet at the SEDAR website located at www.sedar.com or the Company's website located at www.hemloexplorers.ca.