



FARADAY COPPER

Faraday Copper Corp.

(Formerly CopperBank Resources Corp.)

Management Discussion and Analysis

For the three and nine months ended September 30, 2022 and 2021

Dated: November 9, 2022



REPORTING PERIOD AND EFFECTIVE DATE

The following management's discussion and analysis of financial condition and results of operations ("MD&A") for the three and nine month ended September 30, 2022, prepared as of November 9, 2022, should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2021 (the "annual financial statements") and the unaudited condensed interim consolidated financial statements for the three and nine month ended September 30, 2022 and 2021, (the "interim financial statements") and the related notes thereto of Faraday Copper Corp. (formerly CopperBank Resources Corp.) (the "Company" or "Faraday"). The financial statements have been prepared by management in accordance with International Accounting Standard 34 *Interim Financial Reporting* using accounting policies consistent with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). Other information contained in this document has also, been prepared by management and is consistent with the information contained in the interim financial statements.

The first, second, third, and fourth quarters of the Company's fiscal years are referred to as "Q1", "Q2", "Q3" and "Q4", respectively. All amounts are presented in Canadian dollars, the Company's presentation currency, unless otherwise stated.

Certain statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements.

Additional information is available on SEDAR at www.sedar.com and at the Company's website at www.faradaycopper.com.

DESCRIPTION OF BUSINESS

Faraday was incorporated on October 21, 2014 under the Business Corporations Act (British Columbia). The Company's registered office is located at Suite 2400, 745 Thurlow Street, Vancouver, British Columbia, V6E 0C5. The Company's head office and principal address is located at 250 - 200 Burrard St., Vancouver, British Columbia, V6C 3L6. The Company's shares are traded on the Toronto Stock Exchange ("TSX") under the symbol "FDY", and its principal business is the acquisition and development of resource properties.

On April 20, 2022, the Company formerly approved a name change from CopperBank Resources Corp. to Faraday Copper Corp.

As of the date of the MD&A, COVID-19 has had no impact on the Company's ability to access and explore its current properties but may impact the Company's ability to raise funding or explore its properties should travel restrictions related to COVID-19 be extended or expanded in scope.

Company Strategy

To create value through the technical advancement and economic viability of our copper projects by:

- Demonstrating leading health, safety, and environmental performance;
- Advancing and optimizing Copper Creek and Contact Copper projects; and
- Driving awareness and reputation through stakeholder engagements.



Highlights

- Appointed Arndt Brettschneider to the Board of Directors on November 9, 2022.
- Graduated to the TSX on November 3, 2022, marking another significant milestone for the Company.
- Commenced the Phase II, 10,000-meter drilling program on October 30, 2022.
- Released an updated Mineral Resource Estimate (“MRE”) for the Copper Creek Project, as planned, on July 6, 2022, with 355.1 million tonnes and over 3.9 billion pounds of copper in the Measured and Indicated Mineral Resources category, refer to Table 1.
- Announced selection of independent consultants for the Copper Creek project MRE update and Mine-to-Mill assessment, including SRK (Denver), SRK (Vancouver), Call & Nicholas (Tucson), and Ausenco (Tucson) on June 1, 2022.
- Released the Copper Creek project geological model on May 12, 2022.
- Closed non-brokered equity financing of \$20 million on May 5, 2022 (the “Financing”).
- Completed rebranding of the Company to Faraday Copper and new directors elected to the Board of Directors on April 19, 2022.
- Continued to advance the Copper Creek project, including:
 - Extended and completed Phase I drill campaign from a 5,000-meter eight-hole program to a 6,000-meter nine-hole program, testing both high-grade breccia hosted and porphyry style copper mineralization;
 - Announced results for three and five of the nine-hole Phase I drill program, on September 7, 2022, and October 17, 2022, respectively, which confirmed the high-grade nature of the near-surface breccia-hosted mineralization, identified lower-grade mineralization previously classified as waste, intersected high grade mineralization at Keel, and expanded mineralization at American Eagle. Assay results remain pending for the final hole
 - Announced confirmation of historic, high-grade copper intercepts and identified mineralized zones in previously unsampled diamond drill core adjacent to known, high-grade breccia intercepts, on April 13, 2022.
 - Completed a generative exploration study that provided a portfolio of targets with a plan to drill select targets as part of the Phase II drill program.
 - Completed preliminary review of metallurgical data focused on the validation of historic floatation test work, comminution data, copper-molybdenum separation and to identify opportunities ahead of the technical study.
 - Selected a total of 9 additional samples for metallurgical testing and shipped them to the ALS metallurgical laboratory in Kamloops Canada.
 - Performed ongoing geotechnical work in parallel with the Phase I drill campaign. This program provided open pit design and mine sequencing parameters, underground stability analysis, cavability assessment and hydrogeological data collection.
 - Completed high-resolution topographic survey data collection for the resource area and continued historical data digitization and survey program.
 - Initiated framework and data collection for proactive environmental baseline monitoring program with support of external experts, including the installation of flow meters in active drainages and piezometers in drill holes.
 - Continued stakeholder mapping and community engagement as part of developing the Company’s sustainability strategy, including three open houses with the communities of San Manuel, Mammoth, and Oracle.
- Ongoing strategic review of the Contact Copper project to support a new geological model and an updated MRE, including:
 - Completed fieldwork mapping of over eight square kilometers (“km”) on the New York area, Copper Ridge area and new magnetic geophysical targets.
 - A total of 294 rock chip samples were gathered during mapping. Anomalous, visual copper mineralization was found in 158 samples.
 - Completed drone magnetic survey of the Project that spanned 190 line km spaced at 150 m, which identified three new targets.
 - Initiated a soil sampling program covering the project area for 1,275 samples spaced at 50 m.
 - Relogged and reinterpreted over 50 kilometers of historical core
 - Ongoing review of historical technical reports and data, including metallurgical data.
 - Continued analysis of the historical data, additional field mapping and metallurgical work and obtained additional geophysical data to better inform drill targets.
 - Generated a new geological model.
 - Following completion of the current work programs, the Company intends to complete a new target generation process for potential drill targets to be tested during a Phase I drilling program.

Upcoming Milestones

- Q2 2023 – Updated MRE and Preliminary Economic Assessment (“PEA”) for Copper Creek
- Q3 2023 – Updated MRE for Contact Copper



Appointment of Management and Directors

On April 1, 2022, the Company appointed Angela Johnson as Vice President Corporate Development and Sustainability.

At the Company's annual and special meeting, held on April 19, 2022, Gianni Kovacevic, Giulio Bonifacio and Tony Ricci did not stand for re-election to the Board of Directors. In addition, shareholders elected Katherine Arnold, Randy Engel, Robert Doyle and Audra Walsh to serve on the Board of Directors.

On April 25, 2022, the Company appointed Stacey Pavlova as Vice President Investor Relations and Communications.

Issuance of Shares from Private Placements

On May 5, 2022, the Company closed a private placement and issued 25,000,000 common shares at a price of \$0.80 per share for gross proceeds of \$20,000,000.

Issuance and Exercise of Options

Nine months ended September 30, 2022

On January 28, 2022, the Company issued 75,000 common shares pursuant to the exercise of 75,000 stock options with an exercise price of \$0.23 for gross proceeds of \$17,250.

On February 16, 2022, the Company issued 125,000 common shares pursuant to the exercise of 125,000 stock options with an exercise price of \$0.40 for gross proceeds of \$50,000.

On February 24, 2022, the Company issued 25,000 common shares pursuant to the exercise of 25,000 stock options with an exercise price of \$0.40 for gross proceeds of \$10,000.

In February 2022, the Company granted 344,000 stock options with exercise prices from \$0.80 to \$0.94 per share to employees, directors, and officers of the Company. These options can be exercised for a period of five years from the date of grant and are subject to the policies of the TSX. Of these options, 50% will vest one year from the grant date and 50% will vest two years from the grant date.

On March 1, 2022, the 25,000 stock options with exercise price of \$0.23 were forfeited. These options were not fully vested by the time of cancellation and as a result, the share-based compensation recognized associated with the options was reversed.

On March 3, 2022, the Company issued 25,000 common shares pursuant to the exercise of 25,000 stock options with an exercise price of \$0.23 for gross proceeds of \$5,750.

On March 7, 2022, the Company issued 50,000 common shares pursuant to the exercise of 50,000 stock options with an exercise price of \$0.40 for gross proceeds of \$20,000.

On April 1, 2022, the Company granted 500,000 stock options with an exercise price of \$0.86 per share to an employee of the Company. These options can be exercised for a period of five years from the date of grant and are subject to the policies of the TSX. One third of these options vest on September 1, 2022, 2023, and 2024 respectively.

On April 25, 2022, the Company granted 350,000 stock options with an exercise price of \$0.91 per share to an employee of the Company. These options can be exercised for a period of five years from the date of grant and are subject to the policies of the TSX. One third of these options vest on September 18, 2022, 2023, and 2024 respectively.

On June 17, 2022, the Company issued 250,000 common shares pursuant to the exercise of 250,000 stock options with the exercise price of \$0.40 for gross proceeds of \$100,000.

On July 28, 2022, 150,000 stock options expired with the exercise price of \$0.52.

In July 2022, the Company issued 125,000 common shares pursuant to the exercise of 125,000 stock options, of which 112,500 with the exercise price of \$0.23 and 12,500 with the exercise price of \$0.40 for gross proceeds of \$30,875.

In August 2022, the Company issued 375,000 common shares pursuant to the exercise of 375,000 stock options with the exercise price of \$0.23 for gross proceeds of \$86,250.



On August 16, 2022, the Company granted 90,000 stock options with an exercise price of \$0.49 per share to an employee of the Company. These options are exercisable for a period of five years from the date of grant and are subject to the policies of the TSX. One third of these options vest on August 16, 2023, 2024 and 2025, respectively.

On September 8, 2022, the Company granted 80,000 stock options with an exercise price of \$0.44 per share to a related party of the Company. These options are exercisable for a period of three years from the date of grant and are subject to the policies of the TSX. One quarter of these options vest on September 8, 2022, March 1, 2023, September 1, 2023 and March 1, 2024, respectively.

During the three and nine months ended September 30, 2022, the Company incurred share-based compensation of \$1,090,100 and \$3,035,376, respectively in connection with options vested (2021 - \$658,874 and \$886,546, respectively).

Issuance and Vesting of Restricted Share Units (“RSUs”)

Nine months ended September 30, 2022

In January 2022, the Company granted 162,000 RSUs to employees of the Company with a fair value of \$0.72 per unit. Of these RSUs, one third vested immediately, one third will vest one year from the grant date, and one third will vest two years from the grant date.

On March 1, 2022, the Company granted 120,000 RSUs to an employee of the Company with a fair value of \$0.90 per unit. Of these RSUs, one third vested immediately, one third will vest one year from the grant date, and one third will vest two years from the grant date.

In March 2022, the Company settled 260,666 RSUs to employees of the Company through the issuance of 190,100 common shares net of 70,566 common shares withheld in lieu of withholding taxes. As a result, \$137,800 was reallocated from the Company’s RSU reserve into share capital.

On May 2, 2022, the Company granted 1,250,000 RSUs to new directors of the Company with a fair value of \$0.91 per unit. Of the granted RSUs, one third vest April 19, 2023, one third will vest April 19, 2024, and one third will vest April 19, 2025.

On May 11, 2022, the Company cancelled 28,000 RSUs with an issue price of \$0.72 due to an employee being terminated.

During the three and nine months ended September 30, 2022, the Company incurred share-based compensation of \$226,384 and \$899,973, respectively in connection with RSUs vested (2021 - \$nil and \$nil, respectively).

USE OF PROCEEDS AND MILESTONES

On September 16, 2021, the Company closed a non-brokered private placement of units for aggregate gross proceeds of C\$5,000,000 at a price of C\$0.40 per unit and on May 5, 2022, the Company closed a non-brokered private placement of common shares for aggregate gross proceeds of C\$20,000,000 at a price of C\$0.80 per common share, together (the “Offerings”).

The Company intends to use the gross proceeds from the Offerings to advance the Company’s Copper Creek and Contact Copper exploration projects, as well as for general working capital purposes, as estimated below.

	September 16, 2021	May 5, 2022
	\$	\$
Total proceeds	5,000,000	20,000,000
Expected allocation of proceeds:		
Copper Creek expenditures	4,075,000	16,250,000
Contact Copper expenditures	135,000	1,000,000
General working capital expenses	790,000	2,750,000

Considering the current uncertainty as to the general market and competitive conditions, the Company continues to maintain its fiscally responsible approach to its mineral exploration activities. In particular, the Company continues to evaluate market conditions on an ongoing basis, with the goal of, among other things: (i) identifying the appropriate time to initiate certain business objectives, and (ii) exploring potential alternative, viable opportunities to further develop and expand the Company’s business.



As such, the Company notes that there may be circumstances where, for sound business reasons, the Company may be required to reallocate funds, including due to demands for shifting focus or investment in mining exploration and/or development activities, requirements for accelerating, increasing, reducing, or eliminating initiatives in response to changes in market, regulations and/or developments in the mining sector generally and in the price of copper, unexpected setbacks, and strategic opportunities, such as partnerships, strategic partners, joint ventures, mergers, acquisitions, and other opportunities.

QUALIFIED PERSONS

The scientific and technical information contained in this MD&A has been reviewed and approved by Thomas Bissig, P. Geo, VP Exploration and Zach Allwright, P. Eng., VP Projects and Evaluations, both a "Qualified Person" as defined under National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101").

RESOURCE PROPERTIES

As of September 30, 2022, the Company had two resource properties in the United States:

Copper Creek Project

The project is a 100% owned, large copper deposit, located ~120 road km northeast of Tucson, Arizona, and ~24 km northeast of San Manuel, Arizona. The resource area is ~3 km in length and is open in all directions. The property consists of ~41 square km of contiguous patented and un-patented mining claims and state prospecting permits. The area is in a mining friendly and politically stable jurisdiction with extensive infrastructure including power, rail, water, roads, and access to skilled personnel.

The property is in the heart of the prolific southwestern porphyry copper region of North America at the projected intersection of a major northwest belt of copper deposits (Ray, Miami/Globe, Superior/Resolution, Johnson Camp) and a major east-northeast belt of deposits (San Manuel/Kalamazoo, Silver Bell, Lakeshore, Safford, Morenci).

The property hosts an Early Halo style porphyry copper deposit with high-grade, near-surface, breccia-hosted mineralization. Both mineralization types include historical copper/molybdenum mineral resources prepared in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") standards. Silver and gold are also present in varying amounts associated with both types of mineralization.

On May 12, 2022, the Company announced the completion of a geological model for the Copper Creek breccia and Early Halo style porphyry copper-molybdenum deposit, which provided the foundation for an updated MRE. On July 6, 2022, the Company announced the completion of an updated MRE for the Copper Creek project, with a technical report titled "NI 43-101 Technical Report Mineral Resource Estimate Copper Creek Project, Arizona" and filed on SEDAR on August 18, 2022.

On September 7 and October 17, 2022, the Company announced results for three and five of the nine-hole Phase I drill program, respectively, which confirmed the high-grade nature of the near-surface breccia-hosted mineralization, identified lower-grade mineralization previously classified as waste, intersected high grade mineralization at Keel, and expanded mineralization at American Eagle.

The learnings from the geological model and the results from the Phase I drilling provided the framework for the Phase II 10,000-meter diamond drill program, which commenced on October 30, 2022. The initial focus will be on expanding the drill data coverage in areas where shallow breccia hosted mineralization may be present, but where drilling is limited. These include the Holly breccia, the Copper Giant breccia and the southeast extension of the Copper Prince breccia. Angled oriented drill holes are planned for the deep American Eagle zone, where historical drilling was largely completed by vertical drill holes. Angled drill holes will provide better information on the geometry and continuity of mineralized zones, breccias and porphyry intrusions.

In addition, a generative study was completed and involved the integration of all technical data layers including ground and airborne magnetics, Z-TEM electromagnetic data, geochemistry, age dating, petrography, surface mapping and mineralogical mapping from satellite data to develop a portfolio of targets. These targets have been ranked and prioritized by the addition of an economic analysis.

With extensive historical exploration, over 200,000 metres of drilling and modest past production, significant exploration upside remains. There are over 400 known breccia occurrences mapped at surface, of which only 35 have been drilled and 14 are included in the MRE.



Table 1: Combined Open Pit and Underground Mineral Resources Estimate, Copper Creek Project

Category	Tonnes (Mt)	Grade				Contained Metal			
		Cu (%)	Mo (%)	Ag (g/t)	CuEq (%)	Cu (Mlbs)	Mo (Mlbs)	Ag (Moz)	CuEq (Mlbs)
Open Pit (OP)									
Measured	38.9	0.68	0.010	1.8	0.72	584.2	8.7	2.2	614.6
Indicated	45.7	0.44	0.007	0.9	0.46	446.4	7.2	1.3	467.8
M&I	84.6	0.55	0.009	1.3	0.58	1,030.6	16.0	3.6	1,082.5
Inferred	29.3	0.35	0.004	0.8	0.36	224.6	2.9	0.8	233.0
Underground (UG)									
Measured	26.1	0.50	0.012	1.5	0.54	288.7	7.0	1.3	312.7
Indicated	244.4	0.48	0.007	1.2	0.51	2,587.8	39.9	9.7	2,731.1
M&I	270.5	0.48	0.008	1.3	0.51	2,876.5	46.9	11.0	3,043.8
Inferred	45.6	0.41	0.009	0.9	0.44	410.3	9.2	1.3	440.5
Total (OP + UG)									
Measured	65.1	0.61	0.011	1.7	0.65	872.9	15.7	3.5	927.3
Indicated	290.0	0.47	0.007	1.2	0.50	3,034.2	47.2	11.0	3,199.0
M&I	355.1	0.50	0.008	1.3	0.53	3,907.1	62.9	14.5	4,126.3
Inferred	75.0	0.38	0.007	0.8	0.41	634.9	12.0	2.0	673.5

Notes to Table 1:

- The Mineral Resources in this estimate were calculated using the CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines (CIM, 2014) prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council.
- All dollar amounts are presented in U.S. dollars.
- Pit shell constrained resources with reasonable prospects for eventual economic extraction ("RPEEE") are stated as contained within estimation domains above 0.23% CuEq cut-off grade. Pit shells are based on an assumed copper price of \$3.80/lb, assumed molybdenum price of \$13.00/lb, assumed silver price of \$20.00/oz and overall slope angle of 47 degrees based on preliminary geotechnical data. Operating cost assumptions include mining cost of \$2.25/tonne ("t"), processing cost of \$7.95/t, General & Administrative ("G&A") costs of \$1.25/t, and Treatment Charges and Refining Charges ("TCRC") and Freight costs of \$6.50/t.
- Underground constrained resources with RPEEE are stated as contained within estimation domains above 0.31% CuEq cut-off grade. Underground bulk mining footprints are based on an assumed copper price of \$3.80/lb, assumed molybdenum price of \$13.00/lb, assumed silver price of \$20.00/oz, underground mining cost of \$9.25/t, processing cost of \$7.00/t, G&A costs of \$1.25/t, and TCRC and Freight costs of \$6.50/t.
- Average bulk density assigned by domain: 2.33 g/cm³ for all near-surface breccias; 2.40 g/cm³ for the Mammoth breccia; 2.56 g/cm³ for the Keel breccia, porphyry mineralization and all other areas outside of breccias.
- Variable metallurgical recovery by metal and domain are considered for CuEq, as follows: copper recovery of 92%, 85% and 60% within sulphide, transitional and oxide material, respectively; molybdenum recovery of 78% and 68% for sulphide and transitional material, respectively; silver recovery of 50% and 40% for sulphide and transitional material, respectively.
- CuEq is calculated by domain based on the above variable recovery. For example, sulphide CuEq = [(Cu grade/100 * 0.92 Cu recovery * 2204.62 * 3.8 Cu price) + (Mo grade/100 * 0.78 Mo recovery * 2204.62 * 13 Mo price) + (Ag grade * 0.50 Ag recovery * 20 Ag price / 31.10348)] / (0.92 Cu recovery * 2204.62 * 3.8) * 100.
- Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resources will be converted into Mineral Reserves in the future. The estimate of Mineral Resources may be materially affected by environmental permitting, legal, title, taxation, sociopolitical, marketing or other relevant issues.
- All quantities are rounded to the appropriate number of significant figures; consequently, sums may not add up due to rounding.

The near-surface mineralized breccias were subjected to partial in-situ oxidization that transformed part of the sulphides into secondary copper oxides. Three domains are recognized within the open pit resource, referred to as Oxide, Mixed, and Sulphide. The underground resources stated in Table 1 are comprised of only sulphide mineralization. The Copper Creek open pit Mineral Resources are reported by domain in Table 2.



Table 2: Open Pit Mineral Resources Estimate by Domain, Copper Creek Project

Category	Domain	Tonnes (Mt)	Grade				Contained Metal			
			Cu	Mo	Ag	CuEq	Cu	Mo	Ag	CuEq
			(%)	(%)	(g/t)	(%)	(Mlbs)	(Mlbs)	(Moz)	(Mlbs)
Measured	Oxide	2.5	0.51	0.005	1.38	0.51	28.0	0.3	0.1	28.0
	Mixed	5.8	0.59	0.005	1.24	0.61	75.1	0.6	0.2	77.3
	Sulphide	30.7	0.71	0.012	1.93	0.75	481.0	7.9	1.9	509.3
	Total	38.9	0.68	0.010	1.79	0.72	584.2	8.7	2.2	614.6
Indicated	Oxide	5.7	0.38	0.007	1.17	0.38	48.3	0.9	0.2	48.3
	Mixed	8.6	0.46	0.007	1.03	0.48	86.5	1.4	0.3	91.0
	Sulphide	31.3	0.45	0.007	0.84	0.48	311.7	5.0	0.8	328.5
	Total	45.7	0.44	0.007	0.91	0.46	446.4	7.2	1.3	467.8
M&I	Oxide	8.2	0.42	0.006	1.23	0.42	76.3	1.1	0.3	76.3
	Mixed	14.3	0.51	0.006	1.11	0.53	161.6	2.0	0.5	168.3
	Sulphide	62.0	0.58	0.009	1.38	0.61	792.7	12.8	2.7	837.8
	Total	84.6	0.55	0.009	1.32	0.58	1,030.6	16.0	3.6	1,082.5
Inferred	Oxide	5.6	0.29	0.004	0.73	0.29	35.5	0.5	0.1	35.5
	Mixed	8.3	0.31	0.005	0.82	0.33	57.1	0.8	0.2	59.9
	Sulphide	15.5	0.39	0.004	0.86	0.40	132.0	1.5	0.4	137.6
	Total	29.3	0.35	0.004	0.82	0.36	224.6	2.9	0.8	233.0

Notes: Refer to the Notes to Table 1.

Historical Reports

A historical MRE was published in a technical report titled “Copper Creek 2012 Mineral Resource Update, Pinal County, Arizona, U.S., Technical Report” prepared for Redhawk Resources Inc. (“Redhawk”) by Independent Mining Consultants Inc., dated and filed by Redhawk on SEDAR on June 25, 2012.

A technical report titled “Preliminary Economic Assessment 25,000 TPD Mill with an Underground Mine for Development of the Copper Creek Resource” prepared for Redhawk by SGS Metcon/KD Engineering, Tucson Arizona, dated and filed by Redhawk on SEDAR on October 28, 2013.

Contact Copper Project

The project is a 100% owned, copper oxide project located in Elko County, Nevada. The project is located west of the town of Contact, Nevada. U.S. Highway 93 traverses the east side of the project along with a 138 KV transmission line, between the towns of Wells and Jackpot, Nevada. The property consists of approximately 2,650 acres in 155 patented claims and 3,285 acres in 219 unpatented claims.

Copper mineralization occurs as an intrusive-related deposit within a granodiorite batholith and is observed in quartz veins within structural zones and in the surrounding intrusion. The copper content is highest in the quartz veins, particularly where chalcocite is present, but grades outward into granodiorite where copper minerals occur in quartz veinlets, fracture coatings and disseminations. Mineralization is in the form of tenorite, chrysocolla and cuprite, and lesser chalcocite and covellite. In addition, skarn mineralization potential exists at the contact of the granodiorite to the Paleozoic sedimentary rocks.

The historic MRE and technical study were published in a technical report titled “NI 43-101 Pre-Feasibility Study on the Contact Copper Project” prepared for Enxco International Ltd. by Hard Rock Consultants LLC, published October 1, 2013.

There is expected to be exploration upside with several targets that have not been drill tested including Copper Ridge. The Copper Ridge zone features oxide copper mineralization with grab samples containing up to 12.4% copper.

SUMMARY OF QUARTERLY RESULTS

All the Company’s resource properties are in the exploration stage. The Company has not had revenue from inception and does not expect to have revenue in the near future. The Company’s operating result are not seasonal in nature and have been mainly related to the amount of exploration activities in such quarter. The Company’s quarterly performance in the latest eight quarters is as follows:

	Q3 2022	Q2 2022	Q1 2022	Q4 2021
	\$	\$	\$	\$
Net loss	2,265,275	2,896,801	1,529,035	3,600,238
Loss per share	0.02	0.02	0.01	0.04



	Q3 2021	Q2 2021	Q1 2021	Q4 2020
	\$	\$	\$	\$
Net loss	1,036,301	452,998	378,364	148,483
Loss per share	0.01	0.01	0.00	0.00

Loss per share - basic and diluted

The Company's quarterly historical results are not subject to seasonality. The loss during the quarter ended September 30, 2022, was higher than average as the Company recorded non-cash share-based compensation of \$1,316,484, related to the vesting of stock options and RSUs during the nine months ended September 30, 2022.

Performance Summary

	Notes	Q3 2022	Q3 2021
		\$	\$
Operating expenses			
Amortization		7,128	3,107
Consulting and management fees	(a)	78,545	244,167
General and administration	(b)	846,595	79,450
Professional fees	(c)	66,508	21,919
Promotion, advertisement, shareholder relations		34,956	28,784
Share-based compensation	(d)	1,316,484	658,874
Travel		26,756	-
		(2,376,972)	(1,036,301)
Other income			
Interest income		111,697	-
Total other income		111,697	-
Net loss		(2,265,275)	(1,036,301)

- a) Consulting and management fees are lower during Q3 2022, primarily due to the former CEO and CFO of the Company having consulting arrangements with the Company during 2021.
- b) General and administration costs are higher during Q3 2022, primarily due to the Company's employment agreements for CEO, CFO, VPs and other employees, as well as due to overall higher activity levels of the Company.
- c) Professional fees are higher during Q3 2022, primarily due to legal, tax, and accounting fees associated with the increased activity levels of the Company, including base shelf prospectus filing fees, audit costs, and TSX listing costs.
- d) Share-based compensation expenses are higher during Q3 2022, primarily due to the change in the value of the Company's share price, which is a significant driver of the expense, and increased personnel levels.

LIQUIDITY, CAPITAL RESOURCES, AND GOING CONCERN

During the nine months ended September 30, 2022, cash used in operating activities was \$2,393,473 (2021 - \$1,135,455), cash used in investing activities was \$9,963,314 (2021 - \$344,030) primarily expenditures related to the Copper Creek project, and cash provided by financing activities was \$20,290,126 (2021 - \$6,569,298).

The Company is a resource exploration stage company and does not generate any revenue and has been mainly relying on equity-based financing to fund its operations. As at September 30, 2022, the Company had a net working capital of \$11,881,749 (December 31, 2021 - \$3,581,323). The Company will need to raise additional funding to finance its day-to-day operations and to enable the Company to achieve its long-term business objectives. On May 5, 2022, the Company closed a \$20,000,000 private placement.

Although the Company has a history of obtaining funding when needed, readers are cautioned that there can be no assurance that management's plan to raise further financing will be successful, as it is dependent on prevailing capital market conditions.



RELATED PARTY TRANSACTIONS

The Company has entered into the following related party transactions during the three and nine months ended September 30, 2022 and 2021:

(a) Purchase of Goods and Services

During the nine months ended September 30, 2022, the Company was charged \$16,912 and \$6,092 for environmental consulting and advisory services by Next Plan, LLC, and geological consulting services by GeoAqua Consultants Limited, respectively. Katherine Arnold is a member of Next Plan, LLC, and GeoAqua Consultants Limited is a company owned by Alan Wilson, both current directors of the Company.

(b) Key Management Personnel

During the nine months ended September 30, 2022, the company incurred the following transactions with key management personnel, being the Chief Executive Officer, Chief Financial Officer, Vice President Studies & Evaluations, and Vice President of Exploration; as well as the directors of the Company:

	Three months ended		Nine months ended	
	2022	September 30, 2021	2022	September 30, 2021
	\$	\$	\$	\$
Consulting and management fees ⁽¹⁾	10,598	235,667	23,004	408,667
Director fees	36,000	-	72,000	-
Salaries and other compensation ⁽¹⁾	557,729	-	1,360,501	-
Share-based payments	1,031,442	518,011	2,532,555	646,844
Total	1,635,769	753,678	3,988,060	1,055,511

⁽¹⁾ During the three and nine months ended September 30, 2022, amounts capitalized from compensation for related parties totaled \$244,929 and \$568,702, respectively (three and nine months ended September 30, 2021 - \$nil and \$nil, respectively).

As at September 30, 2022, the amount due to related parties comprised of amounts owed to key management members and directors totaling \$515,752 (December 31, 2021 - \$163,916). Amounts owed to related parties have the same terms as the Company's accounts payable and accrued liabilities, which are unsecured and non-interest-bearing and with no specific repayment terms.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements as at September 30, 2022 or at the date of this MD&A.

PROPOSED TRANSACTIONS

The Company has no undisclosed proposed transactions as at September 30, 2022 or at the date of this MD&A.

SIGNIFICANT ACCOUNTING POLICIES

The Company has not changed its accounting policies since its prior year ended December 31, 2021 and has applied accounting policies consistently for all periods presented.

FINANCIAL INSTRUMENTS

The Company's interim financial instruments are exposed to several financial and market risks, including credit, interest rate, and liquidity risks. The Company may, or may not, establish from time-to-time active policies to manage these risks. The Company does not currently have in place any active hedging or derivative trading policies to manage these risks since the Company's management does not believe that the current size, scale, and pattern of cash flow of its operations would warrant such hedging activities. There was no change in the management of the financial risks compared to the recent year ended December 31, 2021.



CREDIT RISK

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations.

The financial instruments that potentially subject the Company to a significant concentration of credit risk consist of cash and cash equivalents. The Company mitigates its exposure to credit loss associated with cash and cash equivalents by placing its cash and cash equivalents in major financial institutions. As at September 30, 2022, the Company had cash equivalents of \$13,205,753 in term deposits (December 31, 2021 - \$2,300) that are redeemable within 30 days and bear interest up to 3.65%. Interest income on term deposits during the three and nine months ended September 30, 2022 was \$111,697 and \$126,679, respectively (2021 - \$nil and \$nil, respectively).

LIQUIDITY RISK

Liquidity risk is the risk that the Company may be unable to meet its financial obligations as they fall due or that it will be required to meet them at excessive cost. The Company reviews its working capital position regularly to ensure there is sufficient capital to meet short-term business requirements, after considering the Company's holdings of cash. The Company's cash is invested in business accounts, which are available on demand. The Company manages its liquidity risk mainly through raising funds from private placements and from related parties.

The Company's operating cash requirements are continuously monitored and adjusted as input variables change. As these variables change, liquidity risks may necessitate the need for the Company to pursue equity issuances, obtain project or debt financing, or enter into joint venture arrangements. There is no assurance that the necessary financing will be available in a timely manner or at a reasonable cost.

INTEREST RATE RISK

Interest rate risk is the risk that the Company is exposed to the risk that the value of financial instruments will change due to movements in market interest rates. As of September 30, 2022, the Company did not have debt instruments exposed to variable interest rate. The risk is not significant.

FOREIGN CURRENCY RISK

Foreign currency risk is the risk that the fair value of the Company's assets and liabilities will fluctuate due to changes in foreign exchange rates.

The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in its functional currency. The Company does not manage currency risk through hedging or other currency management tools.

As of September 30, 2022 and December 31, 2021, the Company's exposure to foreign currency risk on its financial instruments is as follows:

	September 30, 2022		December 31, 2021	
	US\$	\$	US\$	\$
Cash	125,942	172,629	8,614	10,967
Accounts payable and accrued liabilities	(485,242)	(665,121)	-	-
Net financial liabilities	(359,300)	(492,492)	8,614	10,967

A 5% change in the U.S. dollar against the Canadian dollar at September 30, 2022 would result in an a \$24,625 impact to the Company.

FAIR VALUE

Financial assets and liabilities that are recognized on the statement of financial position at fair value can be classified in a hierarchy that is based on the significance of the inputs used in making the measurements. The levels in the hierarchy are:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and

Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).



The Company's financial instruments consist of cash and cash equivalents, other receivables, accounts payable and accrued liabilities, and due to related parties, which are classified as amortized cost financial instruments. The fair values of these financial instruments approximate their carrying value due to their short-term nature.

OUTSTANDING SHARE DATA

As of the date of this MD&A, the Company has 123,012,438 common shares outstanding.

RISK FACTORS

For a detailed listing of the risk factors faced by the Company, please refer to the Company's MD&A for the years ended December 31, 2021 and 2020.

FORWARD LOOKING STATEMENTS

Certain statements contained in this MD&A constitute "forward-looking statements". These statements relate to future events or the Company's future performance, business prospects or opportunities. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. Information concerning the interpretation of drill results, mineral resource and reserve estimates and capital cost estimates may also be deemed as forward-looking statements as such information constitutes a prediction of what mineralization might be found to be present and how much capital will be required if and when a project is actually developed. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be relied upon. In particular this MD&A contains forward looking statements pertaining to the expected timing of its updated workplan and strategy for the Contact Copper project and the Copper Creek project, the expected timing for the commencement of certain phases of the Company's drilling programs at Copper Creek and Contact Copper, the expected timing of the updated PEA, MRE and NI 43-101 technical reports and the intended use of proceeds from the Company's private placement offering. These statements speak only as of the date of this MD&A. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by forward-looking statements contained in this MD&A. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about:

- permitting and licensing risks;
- public health risks including risks associated with the on-going COVID-19 global pandemic
- negative cash flow
- liquidity and financing risks;
- funding risk;
- exploration costs;
- uninsurable risks;
- conflicts of interest;
- government policy changes;
- ownership risks;
- community relations;
- market conditions;
- stress in the global economy;
- current global financial condition;
- exchange rate and currency risks;
- commodity prices;
- dilution risk;
- general business and economic conditions;
- the supply and demand for, deliveries of, and the level and volatility of prices of copper or other mineral commodities under exploration;
- the availability of financing for the Company's exploration and development projects on reasonable terms;
- the ability to procure equipment and operating supplies in sufficient quantities and on a timely basis;
- the ability to attract and retain skilled staff;
- market competition;
- The accuracy of our resource estimate (including, with respect to size, grade and recoverability) and the geological, operational and price assumptions on which it is based; and
- Tax benefits and tax rates.



These forward-looking statements involve risks and uncertainties relating to, among other things, risks related to international operations, actual results of current exploration activities, conclusions of economic evaluations, changes in project parameters as plans continue to be refined, as well as those factors discussed in the section “Risk Factors”. Factors that could cause actual results to differ materially include, but are not limited to, the risk factors discussed in the section. The Company cautions that the foregoing list of important factors is not exhaustive. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not undertake to update any forward-looking statements that are incorporated by reference herein, except in accordance with applicable securities laws.