



## **Management Discussion and Analysis For the year ended March 31, 2023**

This Management’s Discussion and Analysis (“MD&A”) for Surge Copper Corp. (the “Company”) has been prepared by management dated July 28, 2023 and provides information on the Company’s operations for the year ended March 31, 2023 and to the date of this report. This discussion and analysis should be read in conjunction with the Audited Consolidated Financial Statements for the Year Ended March 31, 2023 and the Audited Consolidated Financial Statements for the year ended March 31, 2022.

### **Forward-Looking Information**

This MD&A contains certain forward-looking statements and information relating to the Company that is based on the beliefs of its management as well as assumptions made by and information currently available to the Company. When used in this document, the words “anticipate”, “believe”, “estimate”, “expect” and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, among other things, regulatory compliance, the sufficiency of current working capital, and the estimated cost and availability of funding for the continued exploration of the Company’s properties. Such statements reflect the current views of the Company with respect to future events and are subject to certain risks, uncertainties, and assumptions. Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Aside from factors identified in the interim MD&A, additional, important factors, if any, are identified here.

### **Overall Performance**

#### **Business of the Company**

The Company is engaged in the exploration and development of mineral properties hosting copper, gold, silver, and molybdenum resources located in central British Columbia. The Company continues to evaluate acquisition of additional mineral interests in Canada.

## Highlights

Highlights from the year ended March 31, 2023:

### Operations

- ✓ Subsequent to year end, completed a Preliminary Economic Assessment on the Berg Project, led by Ausenco Engineering Canada Inc., which outlined a large-scale, long-life development project with a simple design and high outputs of critical minerals located in a safe jurisdiction near world class infrastructure and highlighted base case economics including an NPV<sub>8%</sub> of C\$2.1 billion and an IRR of 20% with a 30-year mine life and total payable production of 5.8 billion pounds of copper equivalent
- ✓ Subsequent to year end, completed an accompanying resource update on the Berg Project which included total Measured and Indicated resources of 1.0 billion tonnes grading 0.23% copper, 0.03% molybdenum, 4.6 g/t silver, and 0.02 g/t gold, containing 5.1 billion pounds of copper, 633 million pounds of molybdenum, 150 million ounces of silver, and 744 thousand ounces of gold, plus an additional 542 million tonnes of Inferred resources grading 0.17% copper, 0.02% molybdenum, 3.7 g/t silver, and 0.02 g/t gold, containing 2.1 billion pounds of copper, 288 million pounds of molybdenum, 65 million ounces of silver, and 284 thousand ounces of gold
- ✓ Completed a resource update at the Ootsa Property which included total Measured and Indicated resources of 439 million tonnes grading 0.18% copper, 0.017% molybdenum, 0.12 g/t gold, and 2.1 g/t silver containing 1.7 billion pounds of copper, 167 million pounds of molybdenum, 1.6 million ounces of gold, and 30 million ounces of silver
- ✓ The new Measured and Indicated resources at both Berg and Ootsa contain, on a 100% basis, 6.8 billion pounds of copper, 800 million pounds of molybdenum, 180 million ounces of silver, and 2.3 million ounces of gold
- ✓ Completed a district-wide 4,224 line-kilometre airborne ZTEM geophysical survey covering effectively the entire Ootsa and Berg Properties which successfully imaged known deposits and generated numerous high-potential signatures supporting exploration target generation
- ✓ Completed a metallurgical testwork program focused on the Seel deposit at the Ootsa Property, which demonstrated robust recoveries of copper and precious metals into bulk concentrates under locked-cycle tests, and recoveries of molybdenum into a separate molybdenum concentrate
- ✓ Received a new five-year area-based exploration permit for the Berg Property and surrounding 100% owned claims and established a new exploration camp near the Sibola target
- ✓ During 2022 the Company completed 38 drill holes, 23 induced polarization geophysical lines in 5 grids, conducted extensive surface mapping, and collected 4,481 soil samples and 337 rock samples across the combined Ootsa and Berg properties
- ✓ Large intervals of zinc-silver-gold-lead breccia mineralization were encountered in multiple drill holes from the Seel Breccia East zone, highlighted by hole S22-319 which intersected 138 metres grading 0.94% zinc and 8.1 g/t silver including 36 metres grading 1.49% zinc, 14 g/t silver, 0.14 g/t gold, and 0.11% copper
- ✓ The new Seel Breccia East discovery has been traced for over 300 metres along strike and is over 200 metres thick, and remains open to the west-southwest
- ✓ A new porphyry discovery, termed the Cu-Au Porphyry Zone, was identified immediately north of the Seel Breccia East zone where hole S22-330 intersected 100 metres grading 0.23% copper and 0.19 g/t gold from 40 metres down hole
- ✓ A high-grade silver discovery was made at the Blackjack Target with hole BJ22-01 intersecting 1430 g/t silver over 2 meters within a larger zone of 73.1 g/t silver over 66 metres; the Blackjack Target represents a very large and highly altered intrusive centre that is highly prospective for precious metal mineralization and wide open for exploration
- ✓ Hole BGT22-02 from the Bergette target intersected the longest interval of significant mineralization (>0.2% copper) to date returning 176 metres grading 0.22% copper, 0.012% molybdenum, and 0.03 g/t gold from 8 metres depth; the Bergette copper-molybdenum-in-soil anomaly was expanded to 2.7 by 1.7 kilometres

- ✓ A grab sample from the Tahtsa target has returned 4,150 g/t silver and 4.3 g/t gold from a zone where quartz veining has been observed over a width of 50 metres
- ✓ A bulk tonnage precious metal target has been identified at the North Whiting Creek Target where 4 representative surface grab samples from a sparsely sampled area 70 metres by 300 metres average 2.17 g/t gold and 33.8 g/t silver, within a larger 400 by 500 metre zinc-lead-copper-in-soil anomaly
- ✓ Subsequent to year end, commenced the 2023 field exploration program, which will include approximately 3,500 metres of core drilling focused at the Berg Project, in addition to reconnaissance surface exploration at several early-stage prospects throughout the combined Berg and Ootsa district

#### **Financial**

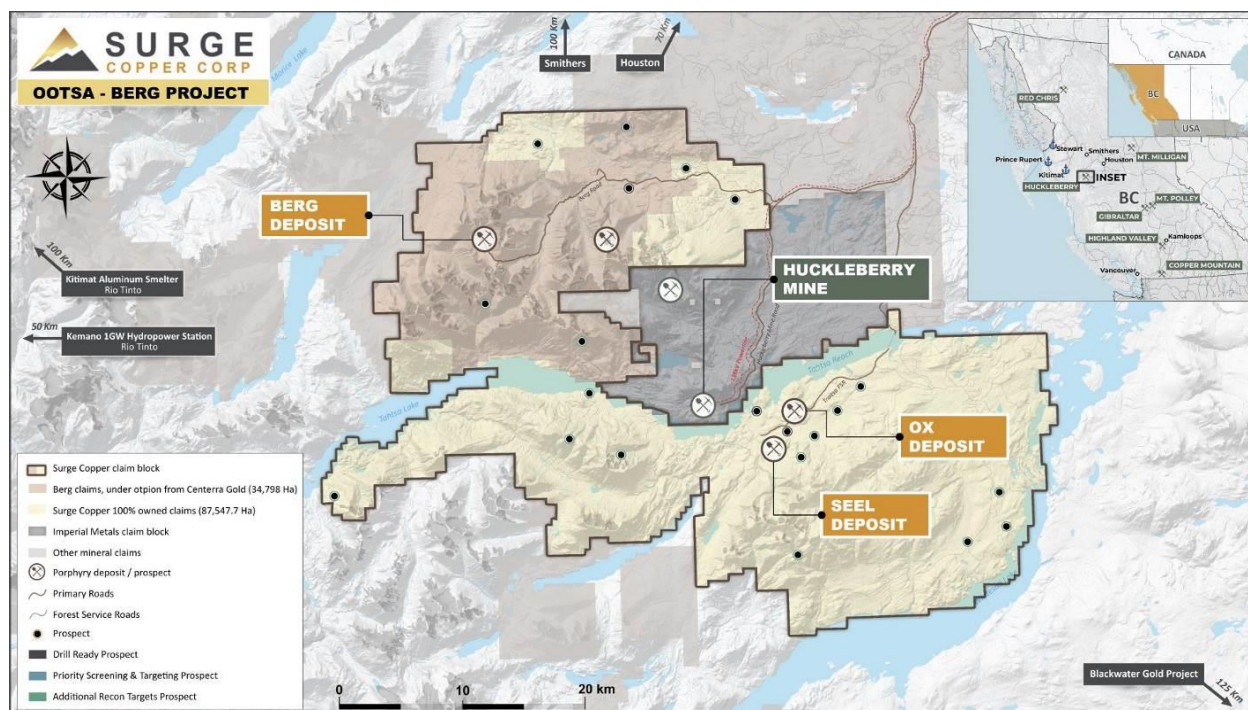
- ✓ Ended the year with cash of \$2,821,995 and a working capital of \$1,719,547
- ✓ During the fiscal year, incurred cash flow from operations of (\$926,030) and cash flow from investing activities of (\$8,192,754)

#### **Catalyst Outlook**

- ✓ Exploration results from the Company's 2023 field exploration program including drilling results from Berg and surface exploration results from multiple additional target areas throughout the combined Berg and Ootsa district
- ✓ Continued advancement of the Berg Project toward pre-feasibility

### **Mineral Properties – Overview**

The Company controls a 125,499-hectare contiguous land package located in central British Columbia which hosts NI43-101 compliant resources of copper, molybdenum, gold, and silver at the Seel, Ox, and Berg deposits. The claim package is divided between several 100% owned claim blocks which are collectively referred to as the Ootsa Property, and a single contiguous claim block referred to as the Berg Property in which the Company is earning into a 70% interest, all as further described in the following sections. The Ootsa Property primarily consists of the area in the southern portion of the district, south of Tahtsa Reach, which hosts the Seel and Ox deposits, and also includes certain 100% owned claims in the northern part of the district. There are numerous exploration targets which the Company is progressing on both the Ootsa Property and the Berg Property. The district is notable in part due to substantial infrastructure present in the region, including networks of forest service roads, hydroelectric grid power, and the Huckleberry Mine owned by Imperial Metals which produced copper, molybdenum, silver, and gold, from similar style porphyry deposits from 1997 to 2016 and is currently held on care and maintenance.



Regional map.

## Berg Property, British Columbia

On December 15, 2020, the Company entered into a definitive option agreement to acquire a 70% interest in the Berg Property from Thompson Creek Metals Company Inc., a wholly owned subsidiary of Centerra Gold Inc. Under the terms of the agreement, Surge must issue \$5 million in common shares of Surge and spend \$8 million on exploration, over a period of up to five years as outlined in the table below. As at March 31, 2023, the Company has issued 6,825,939 common shares, 689,655 common shares, and 1,481,481 common shares valued at \$4 million dollars, \$200,000 dollars, and \$200,000 dollars respectively, as outlined in the agreement and the schedule below, and has incurred total exploration expenditures of \$6,318,485. The Berg Property is 34,798 hectares in size and is contiguous with the Ootsa Property and combined the Ootsa and Berg Properties give Surge Copper control of 50km of strike length in a very prospective porphyry belt. The Berg Property contains the Berg Deposit, a large, advanced stage porphyry copper-molybdenum-silver deposit located 28 km northwest of Surge's Seel deposit, plus numerous exploration targets.

Date for Completion	Value of Common Shares to be issued	Minimum Exploration Expenditures to be Incurred
Within 5 days of the Approval Date	\$4,000,000 (6,825,939 common shares issued)	\$Nil
On or before the first anniversary of the Effective Date <sup>(1)</sup>	\$200,000 (689,655 common shares issued)	\$Nil
On or before the second anniversary of the Effective Date <sup>(1)</sup>	\$200,000 (1,481,481 common shares issued)	\$2,000,000 <sup>(2)</sup> (completed)
On or before the third anniversary of the Effective Date <sup>(1)</sup>	\$200,000	\$2,000,000 (completed)
On or before the fourth anniversary of the Effective Date <sup>(1)</sup>	\$200,000	\$2,000,000 (completed)
On or before the fifth anniversary of the Effective Date <sup>(1)</sup>	\$200,000	\$2,000,000
<b>Total</b>	<b>\$5,000,000</b>	<b>\$8,000,000</b>

(1) "Effective Date" means the date of the agreement, December 15, 2020.  
(2) \$1,000,000 of the expenditures are a firm commitment.

A total of 53,754 metres over 215 holes have been completed on the Berg Deposit by prior operators including Kennecott, Placer Dome, Terrane Metals, and Thompson Creek Metals. Drilling in most areas of the Berg Deposit remains wide-spaced and mineralization is open to depth and outward from the central Berg Stock. The deposit has been shown to have excellent vertical continuity with significant mineralization intersected greater than 550m below surface.

### Summary of Exploration Activities

During 2021 the Company re-habilitated 16.5 kilometres of historic access road into the Berg deposit and constructed a 15-person tent camp. Further rehabilitation work included a total of 12.8 hectares of previous operations area such as roads and drill sites. Nine core holes were drilled for a total of 2,855 metres. Drilling focused on better understanding and extending higher grade zones within the deposit and testing zones with low drill density. A table containing selected highlights from the 2021 drill program is below.

Drill Hole	From (m)	To (m)	Width (m)*	Cu %	Mo %	Au g/t	Ag g/t	Comments
BRG21-234	15	340.1 EOH	325	0.30	0.016	0.03	4.3	
including	15	120	105	0.57	0.028	0.04	4.6	Chalcocite blanket
BRG21-235	20	182	162	0.37	0.075	0.03	4.3	
including	20	110	90	0.43	0.073	0.04	4.5	Chalcocite blanket
BRG21-235	182	327 EOH	145	0.14	0.023	0.01	1.6	Eocene intrusion
BRG21-236	24	381 EOH	357	0.38	0.038	0.04	5.6	
including	24	116	92	0.52	0.070	0.05	4.8	Chalcocite blanket
BRG21-237	34	166	132	0.56	0.047	0.05	7.6	Chalcocite blanket
BRG21-237	184	255 EOH	71	0.32	0.077	0.03	5.1	
BRG21-238	24	168	144	0.47	0.014	0.04	5.1	
including	236	126	100	0.59	0.016	0.05	6.2	Chalcocite blanket
BRG21-239	20	243 EOH	223	0.42	0.022	0.04	5.4	
including	76	190	114	0.51	0.025	0.05	5.7	
including	76	114	38	0.67	0.032	0.05	8.2	Chalcocite blanket
BRG21-240	14	96	82	0.22	0.006	0.03	3.1	Chalcocite blanket
including	26	44	18	0.31	0.003	0.04	2.7	

BRG21-241	20	166	146	0.40	0.014	0.02	6.5	
including	22	90	68	0.58	0.038	0.03	6.0	Chalcocite blanket
including	30	52	22	0.85	0.024	0.04	8.2	Chalcocite blanket
BRG21-242	28	396 EOH	368	0.37	0.039	0.03	5.5	
including	28	138	110	0.51	0.021	0.03	3.9	Chalcocite blanket
including	52	96	44	0.62	0.019	0.04	4.4	Chalcocite blanket

\*Width refers to drill hole intercepts, true widths have not been determined.

The Company announced on August 17, 2022, that it had received a new 5-year area-based exploration permit covering the Berg Property and several contiguous 100% owned properties in the northern part of the district. The Company has subsequently constructed its third exploration camp in the area, near the Sibola target, and completed 10 exploration holes on the Berg Property at the Sibola and Bergette targets including a partial test of the Sylvia target. In addition, twenty induced polarization geophysical lines were completed on the Berg Property covering the Bergette, Sylvia, Fire, NE, and Sibola targets. During 2022 the Company completed a historic core and pulp resampling program on 2007, 2008, and 2011 drill core from Berg to bolster precious metal data in the Berg drill hole database.

Four helicopter supported drill holes were completed at the Bergette Target in 2022. Highlights include hole BGT22-01 which intersected 143 metres grading 0.23% copper and 0.010% molybdenum including 18 metres grading 0.55% copper and 0.021% molybdenum, and hole BTG22-02 which intersected 176 metres grading 0.22% copper and 0.012% molybdenum including 16 metres grading 0.53% copper and 0.034% molybdenum. Four holes tested the Sibola target in 2022 and confirmed very large alteration systems occur through the area with all holes intersecting large and intense zones of hydrothermal alteration containing varying amounts of pyrite, silicification, sericite, and propylitic alteration. Hole SIB22-01 intersected a 3 metre interval of high-grade silver returning 312 g/t silver and 0.12% copper from 66 metres depth. The hole also intersected a 52 metre wide interval grading 0.10 g/t gold and 2 g/t silver from 224 metres depth. This broad interval of anomalous gold is associated with thin silica-pyrite and calcite veinlets and patchy silica flooding and sericite alteration in a fine grained volcanic rock and shows precious metal targets are viable in the area.

### **Berg Resource Estimate and Preliminary Economic Assessment**

On June 13, 2023 the Company announced an updated resource estimate and a maiden preliminary economic assessment of the Berg deposit. The study identified a large-scale, stand alone greenfield development project with simple design and high outputs of critical minerals located in a safe jurisdiction with world-class infrastructure. Highlights from the study include:

- Base case after-tax NPV<sub>8%</sub> of C\$2.1 billion and IRR of 20% based on long-term commodity price assumptions of US\$4.00/lb copper, US\$15.00/lb molybdenum, US\$23/oz silver, and US\$1,800/oz gold plus foreign exchange of 0.77 USD CAD
- 30-year mine life with total payable production of 5.8 billion pounds (2.6 million tonnes) of copper equivalent (CuEq)<sup>1</sup>, including 3.7 billion pounds (1.7 million tonnes) of copper
- Updated mineral resource estimate includes combined Measured & Indicated resource of 1.0 billion tonnes grading 0.23% copper, 0.03% molybdenum, 4.6 g/t silver, and 0.02 g/t gold, containing 5.1 billion pounds of copper, 633 million

pounds of molybdenum, 150 million ounces of silver, and 744 thousand ounces of gold, plus an additional 0.5 billion tonnes of material in the Inferred category

- Mineable inventory contains 978 million tonnes grading 0.22% copper, 0.02% molybdenum, 4.5 g/t silver, and 0.02 g/t gold, and consists of 80% Measured and Indicated resources, with the first 5 years of steady-state production containing 162 million tonnes with an average grade of 0.30% copper, 0.03% molybdenum, 5.7 g/t silver, and 0.03 g/t gold
- First 10 years of steady-state production: annual payable production of 220 million pounds (100 kilotonnes) of copper equivalent including 151 million pounds (69 kilotonnes) of copper
- Life of mine annual payable production of 191 million pounds (87 kilotonnes) of copper equivalent including 121 million pounds (55 kilotonnes) of copper
- Life of mine C1 co-product cash costs of US\$1.75/lb Payable CuEq and by-product cash costs of US\$0.46/lb Payable Cu
- Low life of mine strip ratio of 1.1 inclusive of pre-stripping requirements of 43 million tonnes
- Pre-production capex of C\$2.0 billion, implying capital intensity metrics including NPV / Capex of 1.1x, Capex / Annual Production of US\$17,456/t Payable CuEq, Capex / Total LOM Payable Production of US\$0.26/lb Payable CuEq, and Average FCF Yield on Capex of 18%
- Low estimated costs of approximately C\$6-8 million and rapid 18-month timeline to advance project to PFS stage
- Simple project design includes a single open pit, overland conveyor system, concentrator process plant and tailings and waste management facility, and ties into existing infrastructure including roads and hydroelectric gridpower

\*All references herein to copper equivalent (CuEq) are on the basis of recovered or payable metals, as indicated, with such recovered or payable metals converted into copper equivalent based on their respective price ratios using the long-term metal prices used in the PEA of US\$4.00/lb copper, US\$15.00/lb molybdenum, US\$23.00/oz silver, and US\$1,800/oz gold and with the formula  $\text{CuEq (lbs)} = \text{Cu (lbs)} + 3.75 * \text{Mo (lbs)} + 5.75 * \text{Ag (oz)} + 450 * \text{Au (oz)}$ .

The resource estimate and Preliminary Economic Assessment (the “PEA”) was prepared in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”). The PEA was completed by Ausenco Engineering Canada Inc. (“Ausenco”) and is based on an updated mineral resource estimate completed by Moose Mountain Technical Services Inc. (“MMTS”). The PEA is the first economic study prepared in accordance with NI 43-101 on the Berg Project and represents a significant milestone in the advancement of the Berg Project and the Company’s overall strategy in the combined Berg-Ootsa district. The Company is currently earning a 70% interest in the Berg Project from Centerra Gold. All figures presented herein are on an unlevered, 100% basis, all currency numbers are either United States dollars (US\$) or Canadian dollars (C\$) as specified, all tonnes refer to metric tonnes, and all ounces refer to Troy ounces. The PEA is preliminary in nature and includes Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves, and there is no certainty the PEA will be realized.

The PEA outlines a large, open-pit mining operation which, over the course of 30 years, would extract a mineable inventory to provide a mill feed of approximately 978 million tonnes with an average grade of 0.22% copper, 0.02% molybdenum, 4.5 g/t silver, and 0.02 g/t gold. The mine is developed in multiple phases, focusing on early extraction of the higher-grade portions of the deposit in the supergene enrichment zone. Mining is performed by way of conventional truck and shovel operations, with run-of-mine mill feed and certain volumes of waste rock crushed and transported via a 3.4-kilometre electrically powered overland conveyor system from the mine to the process plant located at 400 metres lower elevation to the west of the mine site. The mill and concentrator process plant will operate at a 90,000 tonnes per day nominal capacity and will produce separate copper and molybdenum concentrates via a conventional sulphide flotation and molybdenum separation flowsheet. Process tailings and potentially acid generating (“PAG”) waste rock will use co-storage of tailings and waste rock together for permanent storage in a tailings & waste rock management facility (“TWMF”) located southwest of and adjacent to the process plant. Final copper concentrate products containing precious metal by-products will be transported to one of several nearby deep seaports along the Pacific coast for sale to end customers, and molybdenum concentrates will be transported by truck to a rail load out location for toll roasting within continental North America before final sale of molybdenum oxide to end customers globally. The study outlines a two-year construction period with pre-production capital expenditures of just under C\$2.0 billion, sustaining capital expenditures over the life of mine of \$1.5

billion, reclamation and closure costs at the end of the mine life of C\$200 million, and total taxes paid over the life of mine, on an undiscounted basis, of C\$4.9 billion.

### Key Financial and Economic Analysis Metrics

#### Base Case After-Tax Economic Metrics

NPV <sub>7%</sub>	C\$mm	\$2,473
NPV <sub>8%</sub>	C\$mm	\$2,084
IRR	%	20%
Payback Period	years	3.9
Pre-Production Capex	C\$mm	\$1,968
NPV / Capex	x	1.1x
Capex / Total Production	US\$/lb CuEq	\$0.26
Capex / Annual Production	US\$/t CuEq	\$17,456
FCF Yield on Capex	%	18%

#### Aggregate Undiscounted Financial Metrics

		Avg. Annual <sup>1</sup>	LOM Total
Revenue	C\$mm	\$994	\$30,262
Operating Costs	C\$mm	\$426	\$12,976
Royalties	C\$mm	\$9	\$277
Pre-Production Capex	C\$mm	\$984	\$1,968
Sustaining Capex	C\$mm	\$50	\$1,733
Cash Taxes	C\$mm	\$161	\$4,858
Free Cash Flow	C\$mm	\$348	\$8,450

#### Pricing Assumptions

Copper	US\$/lb	\$4.00
Molybdenum	US\$/lb	\$15.00
Silver	US\$/oz	\$23.00
Gold	US\$/oz	\$1,800
Foreign Exchange	USDCAD	0.77

#### LOM Gross Revenue Contribution

Copper	%	64%
Molybdenum	%	26%
Silver	%	8%
Gold	%	3%

1. Average annual financial metrics are weighted by total mill throughput in each year, except pre-production capex which is a simple average.



## Key Operating Metrics

<b>Aggregate Operating Metrics</b>		<b>Avg. Annual<sup>1</sup></b>	<b>LOM Total</b>
Mine Life	years	-	30
Milled Mineralized Material	Mt	32	978
Strip Ratio	waste:ore	1.06	1.13
<b>Grades</b>			
Copper	% Cu	0.22%	0.22%
Molybdenum	% Mo	0.02%	0.02%
Silver	g/t Ag	4.5	4.5
Gold	g/t Au	0.02	0.02
<b>Payable Production</b>			
Copper	Mlbs Cu	121	3,702
Molybdenum	Mlbs Mo	13	399
Silver	Moz Ag	3	82
Gold	koz Au	12	354
Copper Equivalent	Mlbs CuEq	191	5,825
Copper Equivalent	kt CuEq	87	2,642
<b>LOM Blended Process Recovery and Payability</b>		<b>Recovery<sup>2</sup></b>	<b>Payability</b>
Copper	%	81%	97%
Molybdenum	%	76%	99%
Silver	%	65%	90%
Gold	%	55%	90%
<b>Cash Costs<sup>3</sup></b>			
C1 Cash Costs (co-product)	US\$/lb CuEq	\$1.75	
C3 Cash Costs (co-product)	US\$/lb CuEq	\$1.98	
C1 Cash Costs (by-product)	US\$/lb Cu	\$0.46	
C3 Cash Costs (by-product)	US\$/lb Cu	\$0.82	

1. Average annual operating metrics are weighted by total mill throughput in each year, except strip ratio which is a simple average.
2. Recovery numbers represent blended average across zones and are calculated based on total LOM recovered metal divided by contained metal.
3. C1 and C3 cash costs are based on common industry definitions. C1 cash costs include all on-site and off-site costs required to generate revenue, plus royalties, and are presented in aggregate versus payable copper equivalent (co-product) and net of by-product revenue versus payable copper (by-product). C3 cash costs are C1 cash costs plus sustaining capex.

In conjunction with the PEA, a new mineral resource estimate (“MRE”) has been completed on the Berg deposit with block model estimation performed by Sue Bird, P.Eng., of MMTS, an independent Qualified Person as defined by NI 43-101. The MRE benefits from 2,855 metres of new drilling completed by Surge in 2021, 7,261 new gold assays collected by Surge from historical core and pulp samples during 2022 and 2023, improved geostatistical modelling of silver in the deposit, and improved metallurgical recovery assumptions based on an extensive review of historical metallurgical testwork by Ausenco and Surge. The MRE has an effective date of June 7, 2023.

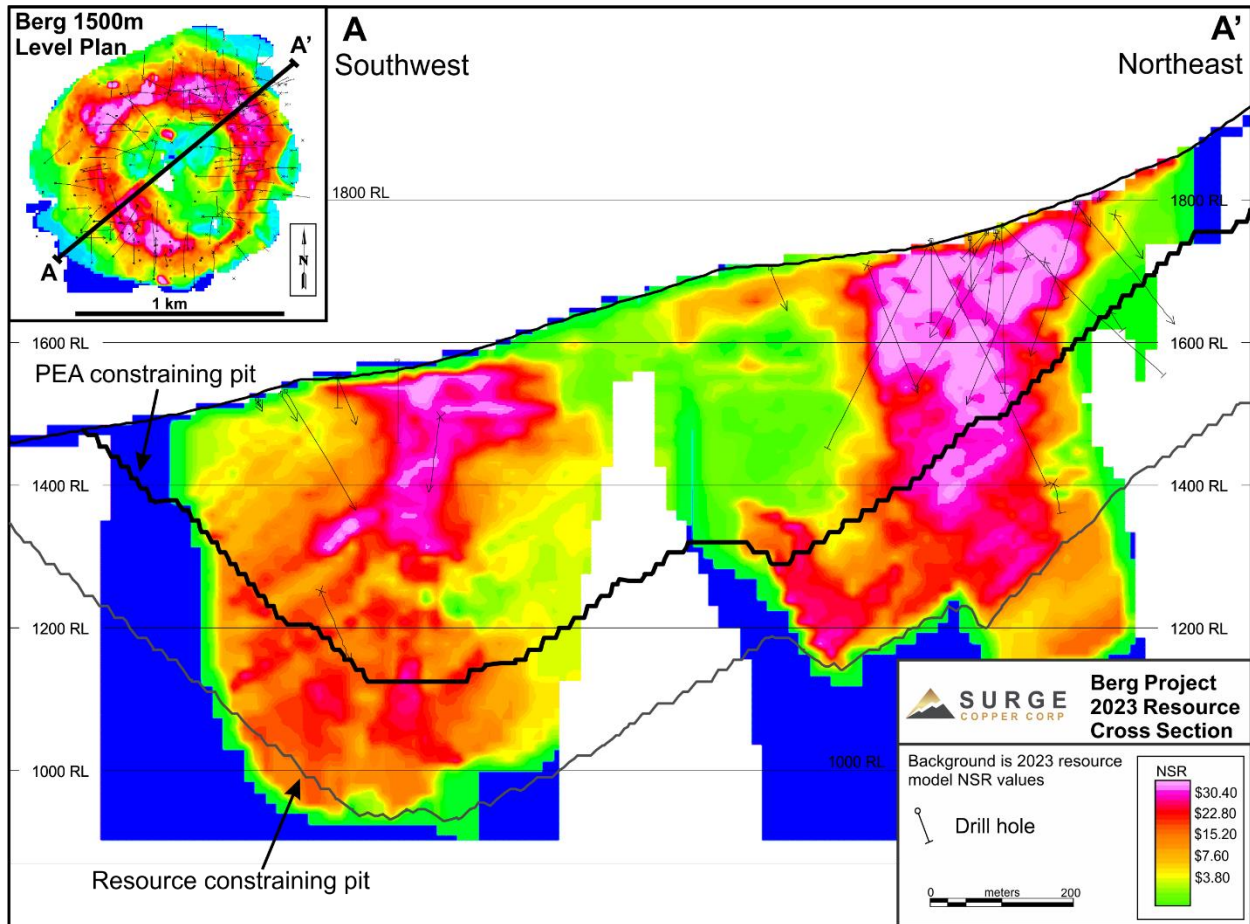
The MRE is summarized in the table below. The resource is constrained by an open pit with a “reasonable prospect of eventual economic extraction” using a cutoff of CDN\$8.50/t and the parameters as defined in the notes to the table. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

**Berg Mineral Resource Estimate by Classification and Oxidation Zone at Base Case NSR Cut-off of C\$8.50/t**

C\$8.50/t NSR Cut-off	Tonnage (Mt)	NSR/t (C\$/t)	Grade				Gross Contained Metal			
			Cu (%)	Mo (%)	Ag (g/t)	Au (g/t)	Cu (Mbs)	Mo (Mbs)	Ag (Moz)	Au (koz)
<i>Supergene</i>										
Measured	14	\$43.03	0.39	0.03	5.6	0.04	120	8	3	18
Indicated	227	\$32.60	0.29	0.02	5.4	0.03	1,443	107	39	224
<b>Total M+I</b>	<b>241</b>	<b>\$33.20</b>	<b>0.29</b>	<b>0.02</b>	<b>5.4</b>	<b>0.03</b>	<b>1,564</b>	<b>115</b>	<b>42</b>	<b>242</b>
Inferred	42	\$18.12	0.17	0.01	3.3	0.02	160	8	4	29
<i>Hypogene</i>										
Measured	19	\$35.02	0.26	0.04	4.6	0.03	110	16	3	16
Indicated	743	\$28.18	0.21	0.03	4.4	0.02	3,399	500	104	481
<b>Total M+I</b>	<b>762</b>	<b>\$28.35</b>	<b>0.21</b>	<b>0.03</b>	<b>4.4</b>	<b>0.02</b>	<b>3,508</b>	<b>516</b>	<b>107</b>	<b>497</b>
Inferred	500	\$22.91	0.17	0.03	3.8	0.02	1,885	280	60	255
<i>Leach Cap</i>										
Measured	0	\$18.39	0.14	0.02	3.4	0.03	1	0	0	0
Indicated	6	\$17.19	0.13	0.01	5.1	0.03	16	2	1	4
<b>Total M+I</b>	<b>6</b>	<b>\$17.24</b>	<b>0.13</b>	<b>0.01</b>	<b>5.1</b>	<b>0.03</b>	<b>17</b>	<b>2</b>	<b>1</b>	<b>5</b>
Inferred	0	\$17.87	0.12	0.01	7.5	0.02	0	0	0	0
<i>Total</i>										
Measured	34	\$38.22	0.31	0.03	5.0	0.03	230	24	5	34
Indicated	976	\$29.15	0.23	0.03	4.6	0.02	4,858	609	145	709
<b>Total M+I</b>	<b>1,009</b>	<b>\$29.45</b>	<b>0.23</b>	<b>0.03</b>	<b>4.6</b>	<b>0.02</b>	<b>5,089</b>	<b>633</b>	<b>150</b>	<b>744</b>
Inferred	542	\$22.54	0.17	0.02	3.7	0.02	2,045	288	65	284

Notes:

- 1) The Mineral Resource estimate has been prepared by Sue Bird, P.Eng., an independent Qualified Person.
- 2) Resources are reported using the 2014 CIM Definition Standards and were estimated in accordance with the CIM 2019 Best Practices Guidelines.
- 3) Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
- 4) The Mineral Resource has been confined by a “reasonable prospects of eventual economic extraction” pit using the following assumptions:
  - a. Cu price of US\$4.00/lb, Mo price of US\$15.00/lb, Au price of US\$1,800/oz, Ag price of US\$23/oz at an exchange rate of 0.77 US\$ per C\$;
  - b. 96.5% payable for Cu, 90.0% payable for Ag and Au, 99.0% payable for Mo, 1% unit deduction for Cu and Mo, Cu concentrate smelting of US\$75/dmt, US\$0.08/lb Cu refining, US\$1.30/lb Mo refining, transport and offsite costs of US\$100/wmt and US\$130/wmt for Cu and Mo concentrates respectively, a 1.0 % NSR royalty, and uses average recoveries for Cu, Mo, Ag, and Au of 82%, 70%, 66% and 55% respectively in the supergene & leach cap and of 80%, 78%, 64% and 55% respectively in the hypogene;
  - c. Mining costs of C\$2.50/tonne mineralized material, C\$2.50/tonne waste;
  - d. Processing, G&A and tailings management Costs of C\$8.50/tonne; and
  - e. Pit slopes of 45 degrees.
- 5) Numbers may not add due to rounding.



**Figure 4. Berg Resource Cross Section Showing Resource Pit and Mineable Inventory Pit**

## 2023 Berg Exploration

In June 2023 an exploration program was initiated on the Berg and Ootsa properties. The program will initially focus on low-cost surface exploration work including soil and rock sampling, mapping, and prospecting, to follow up on multiple new targets identified during the 2022 program. To date the Company has completed over 2,300 soil samples from across the Berg and Ootsa properties along with mapping and rock sampling over select target areas. In mid July the focus of the program will shift to drilling at the Berg deposit where the Company is looking to complete 6 to 8 core holes for up to 3,500 metres of drilling. The 2023 drill program will have multiple objectives including grade expansion, providing additional material for metallurgical testwork, filling in precious metal gaps in the deposit, increasing geotechnical knowledge, and converting a portion of Inferred resources to Measured and Indicated.

## Ootsa Property, British Columbia

The Company owns a 100% interest in the Ootsa Property, located in central British Columbia, comprised of 140 mineral claims totalling 90,701.3 hectares. All the Ootsa claims apart from 2 have had sufficient exploration work completed to remain valid until mid-2029. Beyond claims acquired by staking, material transactions and royalty obligations in respect to this property are:

- Fourteen claims totalling 574.6 hectares, known as the Ox claims, are subject to a 2% Net Smelter Returns (“NSR”) royalty. The purchase agreement with the vendor entitles the Company to purchase 50% of the 2% NSR royalty at any time for \$500,000, and to purchase the remaining 1% NSR royalty at any time for an additional \$1,000,000.
- Five claims totalling 3,450.4 hectares, known as the Seel claims, are subject to a 1% NSR royalty. The purchase agreement with the vendor entitles the Company to purchase 50% of this 1% NSR royalty any time for \$1,000,000.
- Two claims totalling 383.4 hectares, known as the Swing claims (the Captain Mine), are subject to a 2% NSR royalty. The purchase agreement with the vendor entitles the Company to purchase 50% of the 2% NSR royalty at any time for \$500,000 or the Company may purchase the entire 2% NSR royalty at any time for \$1,000,000.
- One claim totalling 211.3 hectares, known as the Troitsa Peak claim, is subject to a 1% NSR royalty. The purchase agreement with the vendor entitles the Company to purchase 50% of the 1% NSR royalty at any time for \$500,000.
- One claim totalling 76.4 hectares adjacent to the Company’s Berg Property, is subject to a 2.5% NSR royalty. The purchase agreement with the vendor entitles the Company to purchase 60% of the 2.5% NSR royalty (i.e. 1.5%) at any time for \$1,500,000.
- Two claims totalling 1,568.23 hectares adjacent to the Company’s Berg/Ootsa property, are subject to a 2% NSR royalty. The purchase agreement with the vendor entitles the Company to purchase 50% of the 2% NSR royalty at any time for \$1,500,000 and the remaining 1% NSR royalty at any time for an additional \$2,000,000.
- Two claims totalling 572 hectares, known as the Sylvia claims, are subject to a 2% NSR royalty. The purchase agreement with the vendor entitles the Company to purchase 50% of the 1% NSR royalty at any time for \$1,000,000.

### **Background Summary of Exploration Activities**

From 2004 to 2022, the Company has conducted extensive exploration on the Ootsa Property, in particular around the Seel and Ox deposits. In total, the Company has drilled 179,758 metres of core in 485 holes, conducted metallurgical testing, completed numerous ground based and airborne geophysical surveys, and collected and assembled a database containing 10,323 soil samples. NI 43-101 compliant resources containing porphyry style Cu-Au-Mo-Ag mineralization have been delineated at the Seel and Ox deposits, and numerous exploration targets have been identified.

Between October 2020 and October 2021, the Company undertook a large-scale drill campaign focused around the Seel deposit system. The drill program was focused on both expanding and infilling the main mineralized zones at the Seel deposit (including West Seel, East Seel, and the Seel Breccia Zone), as well as testing certain exploration targets proximal to the main deposits. In total, 45,010 metres of core were drilled over 97 holes. The program delivered numerous high quality drill intercepts, characterized by long, multi-hundred metre zones of continuous mineralization, in addition to some narrower, higher-grade intercepts from the near-surface Seel Breccia Zone, which was significantly expanded through the drill program. A table containing selected highlights from the 2020-2021 drill program is below. Of note, hole S20-219 represents the longest mineralized interval drilled on the Ootsa Property to date.

Drill Hole	Deposit	From (m)	To (m)	Width (m)*	Cu %	Mo %	Au g/t	Ag g/t
S20-218	East Seel	64	190	126	0.43	0.000	0.50	2.0
S20-219	West Seel	15	1,028	1,013	0.20	0.025	0.13	2.9
including	West Seel	436	546	110	0.33	0.061	0.20	4.8
S21-228	West Seel	210	795 EOH	585	0.25	0.023	0.25	2.2
including	West Seel	272	436	164	0.29	0.029	0.30	2.9
S21-235	West Seel	380	886	506	0.20	0.030	0.11	2.2
S21-242	West Seel	458	717 EOH	259	0.23	0.027	0.29	2.3
S21-243	West Seel	274	706	432	0.29	0.035	0.20	3.0
including	West Seel	522	624	102	0.39	0.049	0.25	3.4
S21-250	West Seel	440	804	364	0.24	0.036	0.19	2.3
including	West Seel	574	666	92	0.38	0.046	0.35	3.9
S21-265	West Seel	342	744 EOH	402	0.25	0.025	0.16	2.7
S21-266	West Seel	198	693 EOH	495	0.25	0.021	0.21	3.4
including	West Seel	382	508	126	0.34	0.034	0.39	4.6
S21-268	West Seel	20	290	270	0.24	0.014	0.14	5.5
S21-280	Seel Breccia	3	26	23	0.84	0.000	0.11	19.9
including	Seel Breccia	12	24	12	1.23	0.000	0.18	20.5
S21-281	Seel Breccia	24	70	46	1.24	0.000	0.12	34.0
including	Seel Breccia	38	66	28	1.50	0.000	0.10	40.7
including	Seel Breccia	38	48	10	2.66	0.000	0.21	73.1
S21-294	Seel Breccia	18	60	42	0.62	0.000	0.09	16.9
including	Seel Breccia	20	40	20	1.17	0.000	0.16	32.1
S21-295	Seel Breccia	8	60	52	0.51	0.000	0.04	15.1
including	Seel Breccia	10	30	20	1.09	0.000	0.10	33.1
S21-296	Seel Breccia	18	54	36	0.62	0.000	0.04	16.5
including	Seel Breccia	24	42	18	0.78	0.000	0.03	20.9

\*Width refers to drill hole intercepts, true widths have not been determined.

During June and July 2021, the Company commissioned an airborne Z-Axis Tipper Electromagnetic (“ZTEM”) survey over the majority of the combined Ootsa and Berg properties. The objectives of the survey were to collect geophysical data to assist in mapping subsurface structures, alteration, and lithologies over large areas and to significant depths, aiding in advancing known exploration targets and generating new exploration targets. The final results from this survey were announced on April 12, 2022. The ZTEM survey successfully imaged the known deposits at Berg, Seel, and Ox, providing clear and coherent geophysical signatures at the deposit scale, within much larger regional scale geophysical features. The survey also successfully captured numerous similar signatures elsewhere in the district, some of which are associated with known exploration targets, and some that are new and have had no prior exploration work performed.

From June to August, 2022 the Company completed 10,545 metres of core drilling over 28 holes focused on exploration targets proximal to the Seel and Ox deposits, with a total of 21 holes targeting the Breccia Zone East area, and the remaining 7 holes testing exploration targets, including the West Ox, Midway, Blackjack, East Blackjack, and Placer North targets. In addition, four induced polarization geophysical lines were run over 3 exploration targets at Ootsa and over 4,000 soil samples and 500 rock samples were taken across the Ootsa and Berg properties to further advance new targets.

The program resulted in 3 new important discoveries at the Ootsa project at the Breccia East, Cu-Au, and Blackjack zones. The Seel Breccia East zone sits immediately east of the East Seel deposit and 21 holes drilled in 2022 have defined a breccia hosted zone up to 240 metres long, by 200 metres wide, and extending to 150 meters depth, hosting zinc, lead, copper, silver

and gold. Hole S22-319 from the zone intersected 138 metres grading 0.94% zinc, 8.1 g/t silver, 0.07 g/t gold from 98 metres downhole, including 36 metres grading 1.49% zinc, 14 g/t silver, 0.14 g/t gold and 0.11% copper. The Company discovered a new zone of copper-gold porphyry style mineralization termed the Cu-Au zone located immediately north of the new Seel Breccia East Zone, where hole S22-330 intersected 100 metres grading 0.23% copper and 0.19 g/t gold from 40 metres downhole. Geophysical data show a 200 by 400 metre conductive and chargeable feature immediately north of hole S22-330 that is considered prospective to host copper-gold porphyry-style mineralization and has not been drill tested previously. Hole BJ22-01 at the Blackjack Target tested a large ZTEM geophysical anomaly and discovered a high-grade silver vein with a large halo of disseminated silver returning 1430 g/t silver over 2 metres within 66 metres grading 71.3 g/t silver. Blackjack represents a multi kilometre scale highly altered intrusive centre that is highly prospective for precious metal mineralization and wide open for further expansion and discovery.

<b>Summary of Assay Results for Selected Holes from the Breccia East zone</b>								
<b>Drill Hole</b>	<b>From (m)</b>	<b>To (m)</b>	<b>Width (m)<sup>1</sup></b>	<b>Ag g/t</b>	<b>Au g/t</b>	<b>Zn %</b>	<b>Cu %</b>	<b>Pb %</b>
S22-319	98	236	<b>138</b>	<b>8.1</b>	0.07	<b>0.94</b>	0.06	0.08
including	98	134	36	<b>14.0</b>	0.14	<b>1.49</b>	0.11	0.08
S22-323	92.8	206	113.2	<b>9.3</b>	0.09	<b>0.82</b>	0.07	0.10
including	106	136	30	<b>19.9</b>	0.17	<b>1.37</b>	0.16	0.15
S22-326	148	196	48	18.4	0.26	0.74	0.05	0.57
S22-329	88	202	114	3.2	0.06	0.68	0.02	0.02
including	88	110	22	5.1	0.08	1.11	0.03	0.03
S22-329	292	308	16	6.9	0.21	1.00	0.04	0.04
S22-335	156	260	<b>104</b>	<b>8.7</b>	<b>0.17</b>	<b>0.73</b>	<b>0.10</b>	<b>0.07</b>
including	188	238	<b>50</b>	<b>8.4</b>	<b>0.26</b>	<b>1.02</b>	<b>0.07</b>	<b>0.06</b>
1. Width refers to drill hole intercepts; true widths have not been determined.								

### **Ootsa Property 2022 Mineral Resource**

On June 21, 2022, the Company announced an updated NI43-101 resource estimate for the Ootsa Property containing 439 million tonnes in the Measured and Indicated categories grading 0.18% copper, 0.017% molybdenum, 0.12 g/t gold, and 2.1 g/t silver, as summarized in the table below. The resource estimate comprised pit-constrained resources at both the Seel and Ox deposits and was based on a total drill hole database of 151,876 metres, including all the drilling completed during the 2020-2021 drill program described above. The resource estimate combined multiple zones at the Seel deposit into a single pit-constrained volume, highlighting the overall size of the mineral endowment as well as the presence of near-surface, higher-grade subsets of the resource, as highlighted in the figures below.

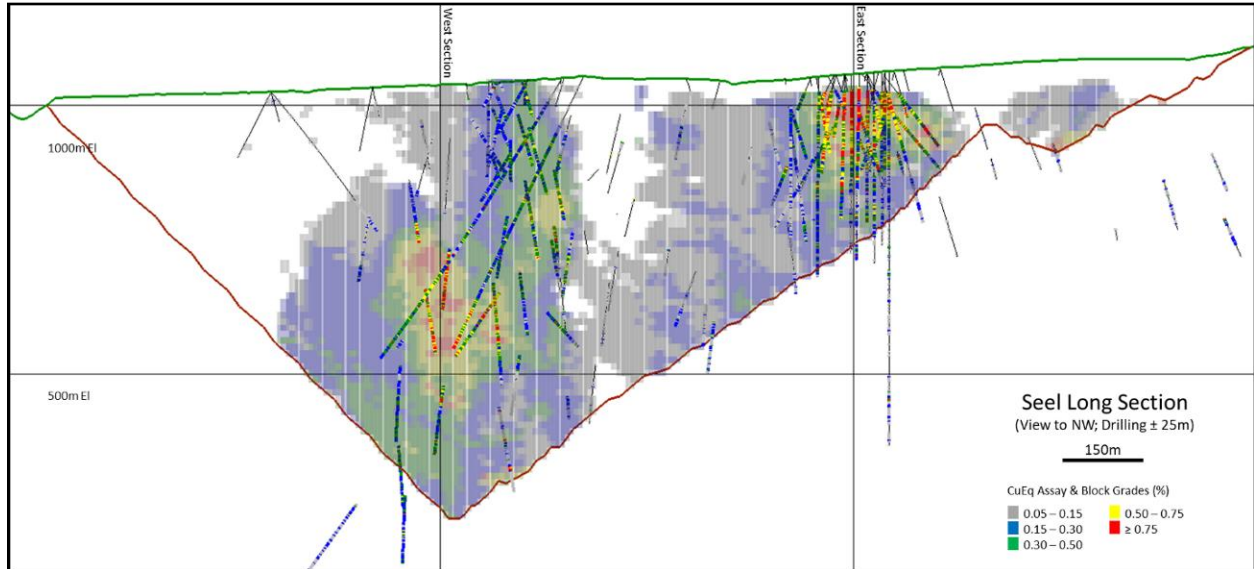
Ootsa Mineral Resource Estimate by Classification at Base Case NSR Cut-off of \$8.27/t

<i>C\$8.27/t NSR Cut-off</i>	<b>Tonnage</b> (Mt)	<b>Grade</b>				<b>Gross Contained Metal</b>			
		<b>Cu</b> (%)	<b>Mo</b> (%)	<b>Au</b> (g/t)	<b>Ag</b> (g/t)	<b>Cu</b> (Mlbs)	<b>Mo</b> (Mlbs)	<b>Au</b> (Moz)	<b>Ag</b> (Moz)
<i>Seel</i>									
Measured	103.7	0.19	0.014	0.15	2.6	440	32	0.5	8.7
Indicated	276.1	0.16	0.017	0.12	2.0	974	105	1.1	18.2
<b>Total M+I</b>	<b>379.8</b>	<b>0.17</b>	<b>0.016</b>	<b>0.13</b>	<b>2.2</b>	<b>1,414</b>	<b>137</b>	<b>1.6</b>	<b>26.9</b>
Inferred	135.4	0.15	0.015	0.10	2.0	455	45	0.4	8.8
<i>Ox</i>									
Measured	30.1	0.24	0.026	0.04	1.4	157	17	0.0	1.4
Indicated	28.7	0.19	0.020	0.03	1.3	122	12	0.0	1.2
<b>Total M+I</b>	<b>58.8</b>	<b>0.22</b>	<b>0.023</b>	<b>0.03</b>	<b>1.4</b>	<b>280</b>	<b>29</b>	<b>0.1</b>	<b>2.6</b>
Inferred	2.4	0.13	0.011	0.03	1.1	7	1	0.0	0.1
<i>Total</i>									
Measured	133.8	0.20	0.017	0.13	2.4	597	49	0.5	10.1
Indicated	304.8	0.16	0.018	0.11	2.0	1,097	118	1.1	19.4
<b>Total M+I</b>	<b>438.6</b>	<b>0.18</b>	<b>0.017</b>	<b>0.12</b>	<b>2.1</b>	<b>1,694</b>	<b>167</b>	<b>1.6</b>	<b>29.5</b>
Inferred	137.7	0.15	0.015	0.10	2.0	462	46	0.4	8.9

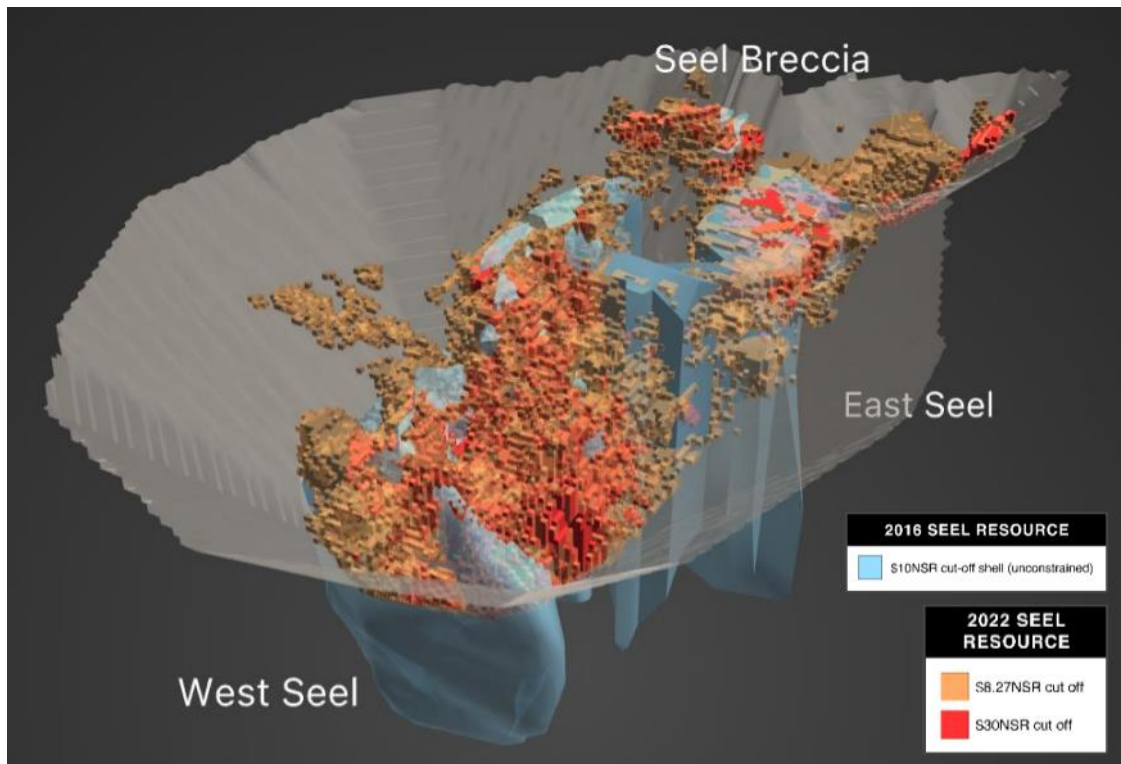
Notes:

- 1) Economic viability can only be assessed through the completion of engineering studies defining reserves including PFS and FS. Resource classification adheres to CIM Definition Standards; it cannot be assumed that all or any part of Inferred Mineral Resources will be upgraded to Indicated or Measured as a result of continued exploration.
- 2) A C\$8.27 per tonne NSR cut-off value was used as the base case for reporting mineral resources that have reasonable prospects for eventual economic extraction. The NSR cut-off was derived from US\$ metal prices of US\$3.85/lb Cu, US\$12.40/lb Mo, US\$1,750/oz Au, and US\$22.00/oz Ag, and a USDCAD exchange rate of 0.77. Process recoveries used were 90% Cu, 70% Au, 70% Mo, and 65% Ag with respective smelter payables of 96%, 90%, 98.5%, and 96%. Refining charges in US\$ were US\$0.05/lb Cu, US\$5/oz Au, and US\$0.50/oz Ag. A generated pit shell using Whittle (3DS Geovia) was used to report resources. The generation of the pit shell considered 45-degree slope angles, C\$ operating costs of C\$2.34/t for mining and C\$8.11/t for processing, G&A, and ore mining premium with a 2% ore dilution rate.
- 3) Grades were estimated using ordinary kriging using capped assays composited to two-metre intervals, with estimation block sizes of 12x12x12 for both Seel and Ox.
- 4) The total waste tonnes within the Seel constraining pit are 1,443.4 Mt implying a strip ratio of 2.8 : 1, and the total waste tonnes within the Ox constraining pit are 65.6 Mt implying a strip ratio of 1.1 : 1.
- 5) Mineral resources that are not mineral reserves do not have demonstrated economic viability.
- 6) The Qualified Person for the Mineral Resource Estimate is James N. Gray, P.Ge., of Advantage Geoservices Ltd.
- 7) All figures are rounded to reflect the relative accuracy of the estimate.
- 8) The effective date of the mineral resource estimate is February 18, 2022.





Long section looking NW through the Seel deposit showing constraining pit outline, drill traces, and block model.



Visualization of 2022 Ootsa resource estimate block model, in comparison to modeled mineralized zones (unconstrained) from prior resource.

### Auro Claims, British Columbia

The Company owns a 2% net smelter return royalty on the Auro claim block, a 22,591-hectare claim block which forms part of the Blackwater property, which is owned by Artemis Gold Inc.



## **Financial Condition, Results of Operations and Cash Flows**

The Company's working capital as at March 31, 2023 was \$1,719,547 (March 31, 2022 – \$6,685,852).

### **Selected Quarterly / Annual Information**

Selected annual information for the three most recently completed fiscal years is as follows:

	<b>Fiscal year ended March 31 (audited)</b>		
	<b>2023</b>	<b>2022</b>	<b>2021</b>
Revenues	\$94,849	\$30,533	\$13,628
Income (loss) for the year	(\$2,112,414)	(\$4,889,505)	(\$5,803,092)
Income (loss) per share: basic	(\$0.01)	(\$0.03)	(\$0.06)
Income (loss) per share: diluted	(\$0.01)	(\$0.03)	(\$0.04)
Total assets	\$50,350,510	\$47,280,565	\$33,906,167
Long term debt	\$Nil	\$Nil	\$Nil
Mineral property cash expenditures	\$8,192,754	\$7,830,979	\$4,358,729

### **Annual Results for the Year Ended March 31, 2023**

Administrative expenditures for the year ended March 31, 2023 were \$3,313,804 (2022 – \$3,771,533). The decreased administration expenditures reflect increased management fees incurred during the year of \$871,193 (2022 - \$749,367), decreased consulting fees of \$103,000 (2022 - \$145,635), decreased marketing and conferences expenses of \$110,825 (2022 - \$206,488), decreased shareholder communications expenses of \$61,022 (2022 - \$100,578), decreased share-based payments of \$1,880,735 (2022 - \$2,287,802), decreased transfer agent fees of \$42,238 (2022 - \$119,047) and increased professional fees expense of \$74,163 (2022 - \$28,309).

Net cash flows used in operating activities for the year ended March 31, 2023 were \$871,360 (2022 - \$1,562,686). Cash expenditures on the Company's Ootsa Project and Berg Property mineral interests were \$8,114,069 (2022 - \$7,797,459). Purchases of equipment and related camp assets totaled \$Nil (2022 - \$34,270).

### **Annual Results for the Year Ended March 31, 2022**

Administrative expenditures for the year ended March 31, 2022 were \$3,771,533 (2021 – \$5,078,918). The decreased administration expenditures reflect increased management fees incurred during the year of \$749,367 (2021 - \$275,736), decreased consulting fees of \$145,635 (2021 - \$805,987), increased marketing and conferences expenses of \$206,488 (2021 - \$61,551), increased shareholder communications expenses of \$100,578 (2021 - \$44,148), decreased share-based payments of \$2,287,802 (2021 - \$3,680,473), increased transfer agent fees of \$119,047 (2021 - \$65,734) and decreased professional fees expense of \$28,309 (2021 - \$52,490).

Net cash flows used in operating activities for the year ended March 31, 2022 were \$1,562,686 (2021 - \$1,473,238). Cash expenditures on the Company's Ootsa Project and Berg Property mineral interests were \$7,797,459 (2021 - \$4,358,729). Purchases of equipment and related camp assets totaled \$34,270 (2021 - \$12,500). BC mining exploration tax credits receivable were \$Nil (2021 - \$1,076).

The following table provides selected financial information of the Company for each of the last eight quarters:

<b>Basis of presentation</b>	<b>IFRS</b>	<b>IFRS</b>	<b>IFRS</b>	<b>IFRS</b>	<b>IFRS</b>	<b>IFRS</b>	<b>IFRS</b>	<b>IFRS</b>
<b>Quarter ended:</b>	<b>Mar 31-2023</b>	<b>Dec 31-2022</b>	<b>Sep 30-2022</b>	<b>Jun 30-2022</b>	<b>Mar 31-2022</b>	<b>Dec 31-2021</b>	<b>Sep 30-2021</b>	<b>Jun 30-2021</b>
Income (loss)	(2,438,051)	(157,290)	601,222	(\$118,295)	(\$4,313,982)	873,199	70,353	(\$1,519,075)
Income (loss) per share: basic	\$0.00	\$0.00	\$0.00	(\$0.00)	(\$0.03)	(\$0.00)	(\$0.00)	(\$0.01)
Weighted average of shares issued	186,271,863	169,760,336	169,499,856	168,425,199	166,717,781	165,866,004	163,067,366	140,426,745
Total assets	\$50,350,510	\$47,047,040	\$47,567,245	\$47,979,021	\$47,280,565	\$47,572,547	\$48,186,651	\$47,584,672
Long-term liabilities, excluding deferred income tax liability	\$80,367	\$99,763	\$99,763	\$105,033	\$105,033	\$Nil	\$Nil	\$Nil

#### Results for the 4<sup>th</sup> Quarter Ended March 31, 2023

During the three months ended March 31, 2023 the Company's administrative expenditures were \$2,438,051 (2022 – \$4,313,982) and included share-based payments of \$1,577,378 (2022 - \$220,417), management costs of \$450,421 (2022 - \$157,685), travel and promotion costs of \$9,700 (2022 – \$3,332) and consulting fees of \$27,000 (2022 - \$45,000). All comparative amounts refer to the three months ended March 31, 2022.

#### Liquidity and Capital Resources

As an exploration stage company, the Company's liquidity position decreases as mineral exploration and evaluation expenditures plus administrative expenses are incurred. To mitigate this liquidity risk, the Company budgets both exploration and administrative expenditures and closely monitors its liquidity position. The Company's cash position as at March 31, 2023 was \$2,821,995 (March 31, 2023- \$7,822,852).

On June 9, 2021, the Company completed a bought deal private placement for total gross proceeds of \$14,014,125, consisting of (i) 4,445,000 units (the "Units") sold at a price of \$0.45 per Unit; (ii) 11,325,000 flow-through units (the "FT units") sold at a price of \$0.53 per FT Unit; and (iii) 9,775,000 charity flow-through units (the "Charity FT Units") sold at a price of \$0.615. Each Unit consisted of one common share of and one-half of one transferable common share purchase warrant (each whole such common share purchase warrant, a "Warrant"). Each FT Unit consisted of one flow-through common share and one-half of one Warrant issued on a flow-through basis. Each Charity FT Unit consisted of one charity flow-through common share and one-half of one Warrant issued on a flow-through basis. Each Warrant shall be exercisable into one additional common share at a price of \$0.60 at any time on or before June 9, 2023. In connection with this offering, the Company paid a cash commission of \$737,989 and a fiscal advisory fee of \$42,858. In addition, the Company issued 1,339,085 broker warrants and 81,317 fiscal advisory warrants (collectively, the "Compensation Warrants") to the Underwriters. Each Compensation Warrant is exercisable into one additional common share for a period of twenty-four months at an exercise price of \$0.45 per Warrant.

During the year ended March 31, 2022, a total of 4,311,681 share purchase warrants and 1,988,000 stock options were exercised for gross proceeds of \$1,036,221.

During the year ended March 31, 2023, a total of 2,533,386 share purchase warrants were exercised for gross proceeds of \$326,426.

On January 31, 2023, the Company completed a non-brokered private placement for total gross proceeds of \$3,881,625 consisting of (i) 11,539,000 units (the "Units") sold at a price of \$0.13 per Unit and (ii) 11,077,000 charity flow-through

units (the “Charity FT Units”) sold at a price of \$0.215. Each Unit consisted of one common share and one-half of one transferable common share purchase warrant (each whole such common share purchase warrant, a “Warrant”). Each Charity FT Unit consisted of one charity flow-through common share and one-half of one Warrant. Each Warrant shall be exercisable into one additional common share for a period of twelve months at an exercise price of \$0.20 per Warrant. The Company paid cash finder’s fees totaling \$46,260.

As at July 28, 2023, 1,876,833 share purchase warrants were exercised for gross proceeds of \$168,915.

### **Share Data**

Additional equity issuances not for cash proceeds which occurred during the current period and any subsequent events are detailed below in chronological order.

On December 15, 2022, the Company issued 1,481,481 common shares valued at \$200,000 for exploration and evaluation assets.

On February 15, 2023, the Company has settled 639,947 RSU’s and 310,128 DSU’s in the issuance of shares valued at \$118,759.

As at July 28, 2023, the Company had 196,424,245 common shares issued and outstanding, 5,500,000 options, 8,043,609 RSU’s, 5,411,132 DSU’s issued and outstanding and 49,498,819 share purchase warrants issued and outstanding.

### **Off-Balance Sheet Arrangements**

The Company does not have any off-balance sheet arrangements and does not contemplate such arrangements in the foreseeable future. There are no contingent liabilities.

### **Related Party Transactions**

The Company incurred the following transactions with companies controlled by directors of the Company:

	<b>For the year ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
Key management personnel compensation comprised of:		
Short term employee benefits:		
Management fees – mineral property costs	\$ 199,650	\$ 29,730
Professional fees – administration	-	27,600
Management and administration	750,246	231,450
	\$ 949,896	\$ 288,780
Share-based payments	1,880,735	3,048,629
	\$ 2,830,631	\$ 3,337,409

The above transactions, occurring in the normal course of operations, are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

## **FINANCIAL INSTRUMENTS, MANAGEMENT OF CAPITAL AND FINANCIAL RISK**

All financial instruments are included on the Company's balance sheet and measured at either fair value or amortized cost.

The Company's financial assets consist of cash and cash equivalents and amounts receivable, which are designated as loans and receivables and measured at amortized cost.

The Company's financial liabilities consist of accounts payable and accrued liabilities and due to related parties, which are designated as other financial liabilities and measured at amortized cost.

The carrying values of the Company's financial instruments measured at amortized costs approximate their fair values due to their short-term nature.

The capital of the Company consists of shareholders' equity - \$44,700,301 (March 31, 2022 - \$41,534,519).

The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. There were no changes in the Company's approach to capital management during the year.

The Company is not subject to any externally imposed capital requirements. The Company relies on capital markets to support continued growth.

### **Critical Accounting Estimates**

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

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

#### a) Exploration and Evaluation Expenditures

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available.

#### b) Title to Mineral Property Interests

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

#### c) Income Taxes

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient

taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same entity against which the unused tax losses can be utilized.

However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

The key estimates applied in the preparation of the consolidated financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities are as follows:

d) British Columbia Mining Exploration Tax Credit (“BCMETC”) Claim

The completion of certain qualified exploration costs by the Company entitles it to refundable tax credits as part of an exploration incentive plan offered by the Province of British Columbia. No amount has been accrued for fiscal 2022 or fiscal 2023.

### **New Standards, Interpretations and Amendments**

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. These new standards, interpretations and amendments, which have not yet been applied are included in the Audited Consolidation Financial Statements for the year ended March 31, 2023.

### **Disclosure Controls and Procedures**

In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer’s Annual and Interim Filings) (“NI 52-109”) the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the audited consolidated financial statements and this accompanying interim MD&A (together the “Interim Filings”).

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information the reader should refer to the Venture Issuer Basic Certificates filed by the Company with respect to the Annual and Interim Filings on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Disclosure for Venture Issuers without Significant Revenue**

Consistent with other junior companies in the mineral exploration industry, the Company has no source of operating revenue. The Company’s Financial Statements for the year ended March 31, 2023 provide a breakdown of the general and administrative expenses for the period under review and an analysis of the capitalized and expensed exploration and evaluation incurred on its mineral properties.

### **Risks and Uncertainties**

#### Early Stage – Need for Additional Funds

The Company has no history of profitable operations and its present business is at an early stage. As such, the Company is subject to many risks common to such enterprises, including undercapitalization, cash shortages and limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders’ investments and the likelihood of success must be considered in light of its early stage of operations.

The Company has no source of operating cash flow and no assurance that additional funding will be available to it for further exploration and development of its projects when required.

Although the Company has been successful in the past in obtaining financing through the sale of equity securities or joint ventures, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of its properties.

#### Exploration and Evaluation

Exploration for minerals is a speculative venture involving substantial risk. There is no certainty that the expenditures made by the Company will result in discoveries of commercial mineral reserves.

Mining and development risk always accompany anticipated rewards, and uncertainties always exist where mineral properties are concerned. Uncertainties include the size, grade and recovery of a natural occurring mineral deposit. Although exploration and development efforts can outline a mineral deposit with a degree of certainty, ultimate grade and tonnages are never fully known until mining has been completed.

Metal and prices are also a significant factor in the development decision for a mineral property, as a mine may not be economically feasible in a period of depressed prices. Factors, beyond the control of the Company may affect the marketability of any minerals discovered. Pricing is affected by numerous factors such as international economic and political trends, global or regional consumption and demand patterns, and increased production by current producers.

#### Operating Hazards and Risks

Mining operations involve many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of metals, any of which could result in damage to or destruction of mines and other producing facilities, damage to life and property, environmental damage and possible legal liability for any or all damage.

#### Title Risks

Although the Company has exercised the usual due diligence with respect to determining title to properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned.

#### Environmental Regulations, Permits and Licences

The Company's operations are subject to various laws and regulations governing the protection of the environment, exploration, development, production, taxes, labour standards, occupational health, waste disposal, safety and other matters. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in impositions of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a direction of stricter standards, and enforcement, and higher fines and penalties for non-responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations. The Company intends to fully comply with all environmental regulations.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact of the Company and cause increases in capital expenditures or productions costs or reduction in levels of productions at producing properties or requirements abandonment or delays in development of new mining properties.

#### Competition and Agreements with Other Parties

The mining industry is intensely competitive in all its phases. The Company competes with other companies that have greater financial resources and technical capacity. Competition could adversely affect the Company's ability to acquire suitable properties or prospects in the future.

The Company may, in the future, be unable to meet its share of costs incurred under agreements to which it is a party and it may have its interest in the properties subject to such agreements reduced as a result. Also, if other parties to such agreements do not meet their share of such costs, the Company may not be able to finance the expenditures required to complete recommended programs.

#### Price Volatility of Public Stock

In recent years securities markets have experienced extremes in price and volume volatility. The market price of securities of many early stage companies, among others, have experienced fluctuations in price which may not necessarily be related to the operating performance, underlying asset values or prospects of such companies. It may be anticipated that any market for the Company's shares will be subject to market trends generally and the value of the Company's shares on the TSX Venture Exchange may be affected by such volatility.

#### Economic Conditions

Unfavourable economic conditions may negatively impact the Company's financial viability as a result of increased financing costs and limited access to capital markets.

#### Dependence on Management

The Company is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate the Company.

#### **Conflicts of Interest**

The Company's directors and officers may serve as directors and officers, or may be associated with other reporting companies or have significant shareholding in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding terms respecting the transaction. If a conflict of interest arises, the Company will follow the provisions of the Business Corporations Act ("Corporations Act") in dealing with conflicts of interest. These provisions state that where a director/officer has such a conflict, the director must arrange a meeting of the board to disclose his interest and must refrain from voting on the matter unless otherwise permitted by the Corporations Act. In accordance with the laws of the Province of British Columbia, the directors and officers of the Company are required to act honestly, in good faith and in the best interests of the Company.

## **Approval**

The Audit Committee has reviewed and approved the disclosure included in this MD&A. A copy of the interim and annual and MD&A's will be provided to anyone who requests it. Additional Information relating to the Company can be found at the Company's website [www.surgetcopper.com](http://www.surgetcopper.com) or [www.sedar.com](http://www.sedar.com).