GENERATIONMINING

Management's Discussion and Analysis
For the Three and Six Months Ended June 30, 2023

The following is Management's Discussion and Analysis ("MD&A") of the unaudited interim condensed consolidated financial statements of operations of Generation Mining Limited and its wholly owned subsidiary company (together "Generation" or the "Company") for the three and six months ended June 30, 2023. This MD&A should be read in conjunction with the unaudited consolidated financial statements for the three and six months ended June 30, 2023 and 2022 and the audited consolidated financial statements for the year ended December 31, 2022 and 2021 including the notes thereto, prepared in accordance with the International Financial Reporting Standards or ("IFRS").

The MD&A is prepared by management and approved by the Board of Directors as of August 10, 2023. All figures are in Canadian dollars unless stated otherwise. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com.

This MD&A contains forward-looking statements. All statements in this discussion, other than statements of historical fact, that address future exploration and development activities and events or developments that the Company expects, are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Forward-looking statements should be read in conjunction with the risk factors described in the "Risk Factors" and "Cautionary Note Regarding Forward Looking Information" sections at the end of this MD&A and as described in the Company's Annual Information Form ("AIF") for the year ended December 31, 2022.

Scientific and technical information contained in this MD&A relating to mineral reserves, mineral resources and exploration results was reviewed and approved by Drew Anwyll, P.Eng., M.Eng., Chief Operating Officer of the Company, and Mauro Bassotti, P.Geo., Vice President of Geology, each a "Qualified Person" under National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101").

Readers are referred to the NI 43-101 technical report for the Marathon Project entitled, "Feasibility Study Update Marathon Palladium & Copper Project Ontario, Canada" (the "2023 Feasibility Study") dated March 31, 2023. Readers are encouraged to review the full text of the Feasibility Study, available for review under the Company's website www.genmining.com and under the Company's profile at www.sedar.com. The 2023 Feasibility Study supports the scientific and technical information set out in this MD&A, and supersedes the previously filed Feasibility Study dated March 23, 2021 ("2021 Feasibility Study").

Certain non-IFRS measures are included in this MD&A and are discussed in the *Non-IFRS Measures* section of this MD&A.

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BUSINESS OVERVIEW

The Company was incorporated under the *Business Corporations Act* (Ontario) on January 11, 2018. Its registered office is located at 100 King Street West, Suite 7010, Toronto, Ontario M5X 1B1. The Company's common shares trade on the Toronto Stock Exchange ("TSX") under the symbol GENM and OTCQB (The Venture Marketplace) under the symbol GENMF. The Company is an exploration and development stage company primarily focused on the development and construction of the Marathon Palladium and Copper project located in Marathon, Ontario Canada (the "Marathon Property" or "Marathon Project" or the "Project"), a large undeveloped platinum group metal and copper mineral deposit in Northwestern Ontario, Canada. The Marathon Project is 100% owned by Generation PGM Inc. ("Generation PGM"), a wholly owned subsidiary of Generation. The Company also has other exploration properties located in Canada.

The Company released the results of the 2023 Feasibility Study on March 31, 2023. The 2023 Feasibility Study estimated that at US$1,800/oz palladium, and US$3.70/lb copper, the Marathon Project's net present value ("NPV") (at a 6% discount rate) is approximately $1.16 billion with a payback of 2.3 years and an internal rate of return ("IRR") of 25.8%. Initial Capital costs set out in the 2023 Feasibility Study were estimated at $1,112 million ($898 million net of equipment financing and pre-commercial production revenue). The mine would produce an estimated 166,000 payable palladium ounces and 41 million payable pounds of copper per year over a 12.5-year mine life at an all-in sustaining cost of US$813 per palladium-equivalent ounce.

The Company is at an early stage of development and, as is common with many exploration and development companies, it relies on financings to fund its exploration, development and acquisition activities. The Company had a surplus of current assets over current liabilities of $2,464,760 at June 30, 2023 (December - $12,587,562); had not yet achieved profitable operations; had accumulated losses of $108,520,451 at June 30, 2023 (December - $96,825,284); and expects to incur further losses in the development of its business. The Company has also made financial commitments which are outlined under Early Procurements elsewhere in this MD&A. The Company does not have adequate cash resources to fund its operations over the next twelve months and will require additional financing in order to conduct its planned work programs on its mineral properties, meet its ongoing levels of corporate overhead and discharge its liabilities as they come due. See Liquidity and Going Concern disclosure elsewhere in this MD&A.

2023 SECOND QUARTER HIGHLIGHTS

- On March 31, 2023, the Company filed the 2023 Feasibility Study for the Marathon Project which demonstrates robust economics with an after-tax $NPV_{6\%}$ of $1.16 billion and an IRR of 25.8%.
- On May 2, 2023 the Company executed a mandate letter to arrange a senior secured project finance facility of up to US$400 million to fund the construction and development of its Marathon Project. A syndicate including Export Development Canada, together with ING Capital LLC and Societe Generale S.A. will act as the Mandated Lead Arrangers. The formal Mandate includes a non-binding indicative term sheet for a senior debt facility of up to US$400 million.

OUTLOOK

The Company intends to continue to advance the development of the Marathon Project. Key milestones and areas of focus over the next twelve months will include the following:

- Apply for permits critical to allow for construction to commence;
- Advance project execution plans;
- Arrange project financing required to develop the Marathon Project;
- Advance detailed engineering and long-lead item procurement, subject to project financing; and
- Commence early-works construction, subject to receiving the requisite permits and project financing, as discussed elsewhere in this MD&A, along with formal Board approval to advance the Project.

CORPORATE, PROJECT AND EXPLORATION UPDATES

Advancing Detailed Engineering

The Company advanced the detailed engineering and procurement ("EP Services") of the Marathon Project throughout 2022 and into 2023. Late in Q1 2023, the Company paused the EP Services pending increased visibility regarding the timing associated with the receipt of permits required for commencement of construction and project financing. The tailings dam designs, water infrastructure, on-site and off-site infrastructure, and process plant designs had been advanced to approximately 40% complete. Additional detailed engineering will be required on the Plant to advance to construction. The water management and tailings dam designs are advanced to a level to allow for permitting approvals (with drawings having been advanced to "issued for construction").

Early Procurements

Grinding Mills, Power Transformer and Sub-Station

On August 8, 2022, Generation PGM entered into an agreement with Hycroft Mining Holding Corporation ("Hycroft"), as subsequently amended, for the purchase of an unused surplus SAG mill, ball mill and main sub-station and power transformers (the "Mills"), currently stored in Nevada and Texas, USA for US$13,600,000, of which US$500,000 was paid on signing, a second payment of US$500,000 was paid on September 9, 2022, and a third payment of US$50,000 was paid on December 30, 2022. On May 15, 2023, the terms of the agreement were amended to include a payment of US$100,000 on signing (paid), US$50,000 for every US$1,000,000 raised in equity like financings, to a maximum of US$400,000, with the balance outstanding due June 30, 2024 (previously June 30, 2023). The balance outstanding as at June 30, 2023 is US$12,450,000. Generation PGM will pay interest on the balance outstanding of 5% per annum for the period January 1, 2023 to March 31, 2023 and 7.5% per annum for the period April 1, 2023 to June 30, 2024. Generation PGM will also assume certain costs related to the Mills, including storage, insurance and financing charges, if any, until completion of the sale.

The Mills are slightly larger in size and power than the initial plant design (2021 Feasibility Study), which allows the grinding circuit to be operated in a SAB configuration (as opposed to SABC), thereby eliminating the need for a pebble crusher and providing for increased process plant throughput of 10%. The Mills have been incorporated into the revised flow sheet in the 2023 Feasibility Study.

Construction Camp

On July 12, 2022, the Company announced that it had entered into an agreement with Valard Equipment LP ("Valard"), as subsequently amended, for the lease of a construction camp (the "Camp") located in

Marathon, Ontario until December 31, 2023 (the "Lease Term") and an option, exercisable at the Company's discretion, to purchase the Camp on or before the end of the Lease Term. The total remaining obligations, including the monthly lease payments and the purchase option due December 31, 2023 is $2,980,000. In connection with this agreement, the Company has also leased the existing serviced camp site from the Town of Marathon.

The Camp will be used to accommodate up to 283 workers for the initial site preparation phase through the construction phase. Additional accommodation capacity will be secured for the Marathon Project as construction ramps up to the peak of approximately 1,000 workers. Previously, the Camp was used to accommodate the workforce for a transmission line project and has all the required infrastructure services, including a commercial kitchen, a recreation facility, a maintenance facility, and management offices. The Biigtigong Nishnaabeg First Nation ("BN") will operate and service the Camp as part of the Company's commitments under the Community Benefit Agreement ("CBA") entered into with BN.

Early Works Construction

Management currently anticipates commencing early works construction upon receipt of the requisite permits and project financing, as discussed elsewhere in this MD&A, along with formal Board approval to advance the Project.

Environment, Permitting and Community

Environmental Assessment Updates

The development of a mining project in Ontario requires various approvals from both the Federal and Provincial governments. Project permitting is generally split into two phases, the Environmental Assessment ("EA") phase followed by the permitting phase.

The Marathon Project was assessed in accordance with the Canadian Environmental Assessment Act 2012 ("CEAA 2012") and Ontario's Environmental Assessment Act, 1990 ("EA Act") through a Joint Review Panel ("JRP") pursuant to the Canada-Ontario Agreement on Environmental Assessment Cooperation (2004). The JRP is an independent single Environmental Assessment process that is harmonized with the Federal and Ontario provincial governments and concludes with a recommendation report from the JRP to the federal and provincial Ministers of Ministry of Environment, Conservation and Parks ("MECP") in Ontario and Environment and Climate Change Canada("ECCC").

Following approval of the Federal and Provincial environmental assessments, various permits, approvals, and licenses will be required to construct and operate the Marathon Project.

In April of 2021 an updated Environmental Impact Statement ("EIS"), which provides an outline and analysis of key elements of the Project design, the environmental, economic, and social effects of the Project, along with proposed mitigation, controls and benefits that will be present over the life cycle of the Project from construction to post closure, was submitted to the JRP.

In December 2021, the JRP determined that the EIS together with material provided, following requests for additional information, were sufficient to proceed to the public hearings. Over 50 participants, including members of the public, non-governmental organizations, government agencies and Indigenous groups participated in the hearing, held from March 15th to May 19th, 2022, to share their perspectives and pose questions on the potential environmental and socio-economic effects of the Project.

On August 2, 2022, the JRP published its Report. The Report set out recommendations for the Company, and the federal and provincial governments, to mitigate or minimize any adverse effects of the Marathon Project. On November 30, 2022, the Project was formally approved by the joint Federal and Provincial Environmental Assessment process. The Company is proceeding to satisfy the various EA conditions and obtain the necessary permits for construction and operations.

Permitting Updates

The Company is advancing permitting activities, including preparation of the draft closure plan allowing for Indigenous consultation and review. Environmental committees have been established with Indigenous communities to collaborate on permit development for fisheries, caribou and other species at risk ("SAR"), water management and closure as well as upcoming environmental monitoring programs.

To assist with the permitting, the sustainability team is being supported by:

- **WSP Global Inc.** (formerly: Wood Canada Limited): closure planning, fisheries compensation planning, caribou and other SAR mitigations and advance permits to allow for construction to commence,
- **Stantec Inc.**: comprehensive air and noise modelling,
- **Knight Piésold Ltd**: tailings and water management facility designs,
- **EcoMetrix Inc**: geochemistry, aquatics, water quality modelling, and
- **Northern BioScience**: monitoring of species at risk and terrestrial studies on the property.

Community Update

The Company and its predecessors have been engaged in consultation and discussion with several Indigenous communities and regional municipalities with respect to the Project since 2004. The Company, along with the identified communities, are developing constructive relationships through regular meetings and interactions to advance the development of the Project. The Company is striving to ensure these partnerships have mutually beneficial outcomes and anticipates strong and long-lasting relationships with these groups.

The Community Benefit Agreement ("CBA") between Generation PGM and Biigtigong Nishnaabeg ("BN"), which was ratified through a BN membership vote completed on November 12, 2022, describes the benefits the BN community will receive from the Project and details how the Project's impacts on the community will be mitigated. It includes commitments from the Company regarding environmental management, employment, training and education, business opportunities, social and cultural support, and financial participation.

Project Financing

In August 2021, the Company appointed Endeavour Financial as its Financial Advisor to provide financial advisory services with respect to the development of the Marathon Project. Endeavour Financial, with offices in London, UK, George Town, Cayman Islands, and Vancouver, British Columbia, is a top mining financial advisory firm, with a record of success in the mining industry, specializing in arranging multi-sourced funding solutions for development-stage companies. The Endeavour Financial team has diverse experience in both natural resources and finance, including investment bankers, geologists, mining engineers, cash flow modelers and financiers.

Stream Financing

The Company and its 100% owned subsidiary Generation PGM entered into a definitive Precious Metal Purchase Agreement ("PMPA") with Wheaton Precious Metals Corp. ("Wheaton") in respect to the Marathon Project which became effective on January 26, 2022.

Pursuant to the PMPA, Wheaton will pay the Company total upfront cash consideration of $240,000,000, $40,000,000 of which was paid ($20,000,000 on March 31, 2022 ("First Early Deposit") and $20,000,000 on September 7, 2022) on an early deposit basis prior to construction to be used for development of the Marathon Project. The remainder of $200,000,000 is payable in four staged instalments during construction, subject to various customary conditions being satisfied. Generation Mining and its subsidiary Generation PGM, have provided Wheaton a first ranking security interest over all their assets and various time sensitive performance guarantees relating to the development of the Project.

Under the PMPA, Wheaton will purchase 100% of the payable gold production until 150 thousand ounces ("koz") have been delivered, thereafter dropping to 67% of payable gold production for the life of the mine; and 22% of the payable platinum production until 120 koz have been delivered, thereafter dropping to 15% for the life of mine.

Wheaton will make ongoing payments for the gold and platinum ounces delivered equal to 18% of the spot prices ("Production Payment") until the value of gold and platinum delivered less the Production Payment is equal to the upfront consideration of $240,000,000, at which point the Production Payment will increase to 22% of the spot price.

The term of the agreement is 20 years, renewable at WPM's election for an additional 10 years.

After the first anniversary date of the First Early Deposit (March 31, 2022), if the Company has not met certain conditions precedent under the PMPA it will be subject to a Delay Payment of 250 ounces of gold per month until the conditions have been satisfied. The Delay balance is payable in gold deliveries from operations and the Company has an option to settle in cash. As of April 1, 2023, the Company has started to incur the monthly Delay Payment.

Senior Secured Facility

On May 2, 2023, the Company executed a mandate letter to arrange a senior secured project finance facility of up to US$400 million (the "Mandate") to fund the construction and development of the Marathon Project. A syndicate including Export Development Canada ("EDC"), together with ING Capital LLC ("ING") and Societe Generale S.A. ("Societe Generale") will act as the Mandated Lead Arrangers ("MLAs"). The formal Mandate includes a non-binding indicative term sheet (the "Term Sheet") for a senior debt facility of up to US$400 million (the "Facility").

The execution of the Mandate is a key milestone in the project financing process for the development of the Marathon Project. EDC, ING and Societe Generale were chosen as MLAs due to their extensive experience providing project financing to greenfield mining projects and the strength of their mining teams.

Closing of the Facility, targeted for the fourth quarter of 2023, remains subject to completion of final due diligence in form and substance satisfactory to the MLAs, final credit approvals and execution of definitive Facility documentation. The definitive Facility documentation will include customary project finance terms and conditions, as well as a comprehensive intercreditor agreement. Drawdowns under the Facility would be subject to customary conditions precedent.

Summary

Mandating the three financial institutions noted above, all of whom have a strong mining and metals track record, represents a significant milestone for the Company. The US$400 million senior debt facility ($540 million) combined with the undrawn Wheaton Precious Metals Stream of $200 million, or a total of $740 million, represents a significant portion of the initial capital required to develop the Marathon Project. The Company will now focus on finalizing the definitive documentation, together with arranging equipment leases and sourcing the balance of the capital required to fully finance construction. The project finance process is expected to take several months and is being run in parallel with the permitting approvals.

2023 UPDATED FEASIBILITY STUDY - MARATHON PROJECT

On March 31, 2023, the Company announced and filed its updated Feasibility Study for the Marathon Palladium-Copper Project. The 2023 Feasibility Study presents an optimized design for the Project with improved clarity on anticipated capital and operating costs in the current inflationary environment. The 2023 Feasibility Study outlines the operation of an open pit mine and processing plant over a mine life of 12.5 years and replaces the Company's 2021 Feasibility Study. All dollar amounts are in Canadian dollars unless otherwise stated. All references to Mlbs are to millions of pounds and Moz are to millions of ounces and koz are to thousands of ounces.

Highlights:

- **Robust economics**[1] : An after-tax NPV at a 6% discount rate of $1.16 billion and IRR of 25.8% based on a long-term price of US$1,800/oz for palladium and US$3.70/lb for copper
- **Quick payback period on Initial Capital**[2,3]**:** 2.3 years
- **Initial Capital**: $1,112 million ($898 million net of equipment financing and pre-commercial production revenue), an increase of 25% from the 2021 Feasibility Study.
- **Low Operating Costs and attractive AISC:** Life of mine ("LOM") average operating costs of US$709/PdEq oz and all-in sustaining costs ("AISC") of US$813/PdEq oz[3]. Operating costs have increased 14% compared with the 2021 Feasibility Study.
- **Increased Mineral Reserve Estimate:** an increase of 8.5% in Mineral Reserves tonnages and a decreased open pit strip ratio
- **Optimized operation:** increased process plant throughput and improved metallurgical recoveries over LOM
- **Average annual payable metals:** 166 koz palladium, 41 Mlbs copper, 38 koz platinum, 12 koz gold and 248 koz silver
- **LOM payable metals:** 2.1 Moz palladium, 517 Mlbs copper, 485 koz platinum, 158 koz gold and 3.2 Moz silver
- **Strong cash flows in first three years of production following commercial production:** $851 million of free cash flow[3], 580 koz of payable palladium and 132 Mlbs of payable copper
- **Jobs**: Creation of over 800 jobs during construction jobs and over 400 direct permanent jobs during operations

The 2023 Feasibility Study was prepared by the Company and G Mining Services Inc. ("GMS"), along with contributions from Wood Canada Limited, Knight Piésold Ltd., P&E Mining Consultants Inc. ("P&E"), and JDS Energy and Mining, Inc., and with support from LQ Consulting and Management Inc. and Haggarty Technical Services. The effective date of the Feasibility Study is December 31, 2022.

[1] Unless otherwise noted, the economic analysis includes the impacts of the Precious Metal Purchase Agreement with Wheaton Precious Metals Corp. ("WPM PMPA") on the project cash flows.
[2] The initial capital cost excludes the receipt of any deposits delivered under the WPM PMPA. However, such deposits are included in the economic analysis used to determine expected cash flows, which are used to calculate NPVs, IRRs and Payback Period.
[3] Refer to "Non-IFRS Measures" section.

KEY RESULTS AND ASSUMPTIONS IN UPDATED 2023 FEASIBILITY STUDY

Key macro assumptions for the updated 2023 Feasibility Study are summarized and compared against the 2021 Feasibility Study below. Metal price assumptions were based on the lesser of the three-year trailing average and the spot price on December 31, 2022, rounded to nearest interval:

Key Assumptions	Units	2023 FS	2021 FS
Palladium Price	US$/oz	$1,800	$1,725
Copper Price	US$/lb	$3.70	$3.20
Platinum Price	US$/oz	$1,000	$1,000
Gold Price	US$/oz	$1,800	$1,400
Silver Price	US$/oz	$22.50	$20.00
Foreign Exchange ("FX")	C$:US$	1.35	1.28
Diesel Price	$/litre	1.17	0.77
Electricity	$/kWhr	0.07	0.08

Production data for the revised LOM, which incorporates the revised Mineral Reserves (see "Summary of Mineral Reserves and Resources" section of this MD&A), updated mine plan and higher throughputs achievable with the Company's SAG and Ball mills (see "Early Procurements – SAG and Ball Mills" section of this MD&A):

Production Data	Units	2023 FS	2021 FS
Mine Life (operating)	years	12.5	12.8
Average Process Plant Throughput	tpd	27,700	25,200
Average Process Plant Throughput	Mt/year	10.1	9.2
Average Mining Rate	tpd	115,000	110,000
Average Mining Rate	Mt/year	42	40
Total Ore Mined	Mt	127	118
Strip Ratio	waste:ore	2.63	2.80
Palladium (payable)	k oz	2,122	1,905
Copper (payable)	M lbs	517	467
Platinum (payable)	k oz	485	537
Gold (payable)	k oz	158	151
Silver (payable)	k oz	3,156	2,823
LOM Palladium Equivalent Payable	PdEq. koz	3,613	3,195
Average Annual Palladium – Payable Metal	k oz	166	149
Average Annual Copper – Payable Metal	M lbs	41	36
Average Annual Platinum – Payable Metal	k oz	38	41
Average Annual Gold – Payable Metal	k oz	12	12
Average Annual Silver – Payable Metal	k oz	248	220

The revised capital costs have been updated to incorporate the impacts of inflation since the 2021 Feasibility Study, in addition to the latest design and scope changes from the advancement in detailed engineering. The accuracy of the capital cost estimate for the 2023 Feasibility Study meets AACE Feasibility Study Class 3 guidelines and is within -15% to +20% (note: AACE classification: Low: -10% to -20% and High: +10% to +30%) of final project costs with contingency.

Capital Costs	Units	2023 FS	2021 FS
Initial Capital[a]	$M	1,112	888
Less:			
Pre-commercial production revenue	$M	($156)	($171)
Leased equipment, net of lease payments during construction	$M	($58)	($53)
Initial Capital (Adjusted) [a]	**$M**	**898**	**665**
LOM Sustaining Capital[a]	$M	424	423
Closure Costs	$M	72	66
[a] Refer to "Non-IFRS Measures" section			

Operating costs have been updated to reflect the revised production plan, with all major cost drivers (labour, fuel, power, reagents and consumables, transport and smelter charges,) based on Q4 2022 pricing.

Operating Costs (Average LOM)	Units	2023 FS	2021 FS
Mining [a]	$/t mined	3.25	2.53
Mining	$/t milled	11.45	9.23
Processing	$/t milled	8.70	9.08
G&A [b]	$/t milled	2.67	2.48
Transport & Refining Charges	$/t milled	4.13	2.80
Royalty	$/t milled	0.09	0.04
Total Operating Cost [d]	**$/t milled**	**27.04**	**23.63**
LOM Average Operating Costs	**US$/oz PdEq**	**709**	**687**
LOM Average AISC [c] [d]	**US$/oz PdEq**	**813**	**809**

[a] Including capitalized maintenance parts
[b] Includes estimated costs associated with certain commitments to and agreements with Indigenous communities
[c] AISC is calculated without the impact of the WPM PMPA.
[d] Refer to "Non-IFRS Measures" section

Operating Cost and AISC (LOM)	$ M	US$/oz PdEq
Mining	1,432	300
Process Plant	1,087	228
General $ Administrative	334	70
Concentrate Transport Costs	230	48
Treatment & Refining Charges	286	60
Royalties	12	2
Total Operating Costs[d]	**3,381**	**709**
Closure & Reclamation	72	15
Sustaining Capital	424	89
All-in Sustaining Cost (AISC) [d]	**3,878**	**813**
[d] Refer to "Non-IFRS Measures" section		

Capital Cost Summary

The Initial Capital cost considers a construction timeframe of approximately 24 months followed by commissioning and ramp-up to commercial production over a period of approximately six months. During the pre-commercial production, the costs and revenue associated with operations will be capitalized and are included in the capital costs.

Construction Indirect costs and General and Owner's costs are related to the expenses other than direct equipment purchases and direct construction costs.

Sustaining Capital items include future equipment purchases and replacements for the mining fleet and other site support equipment, the progressive build of the tailings storage facility ("TSF") over the LOM, and on and off-site infrastructure development to support the growth and contribute to operational improvements following initial construction.

The current capital cost estimate for the initial construction and the sustaining capital required during the LOM are shown in the table below. This estimate represents a 25% ($224 million) increase to the initial construction capex reported in the 2021 Feasibility Study. Within this increased capital cost, approximately 19% ($43 million) is due to scope changes, 71% ($160 million) is due to cost escalation and 10% ($22 million) with increased contingency.

Capital Costs [(a)] [(b)]	**Initial ($M)**	**Sustaining ($M)**	**Total ($M)**
Mining and Surface Equipment	117	130	247
Process Plant	345	3	348
Infrastructure	72	94	166
TSF, Water Management and Earthworks	95	198	293
General and Owner's Costs	31	-	31
Construction Indirects	197	-	197
Pre-production, Start-up and Commissioning	159	-	159
Contingency[(c)]	97	-	97
Sub-Total	**1,112**	**424**	**1,537**
Equipment Financing adjustment	(58)	-	(58)
Pre-Production Revenue	(156)	-	(156)
Total Capital (adjusted)	**898**	**424**	**1,322**

Notes:
[(a)] Sums in the table may not total due to rounding.
[(b)] Refer to "Non-IFRS Measures" section.
[(c)] Contingency included at project sub-category basis and totals approximately 9.5%.

Economic Analysis

The economic analysis is carried out in real terms (i.e., without inflation factors) in Q4 2022 Canadian Dollars without any project financing but inclusive of the WPM PMPA, and anticipated financing of mobile equipment and closure bonding.

Financial Evaluation	Units	2023 FS	2021 FS
Pre-Tax Cash Flow (undiscounted)	$M	3,387	3,004
Pre-Tax $NPV_{6\%}$	$M	1,798	1,636
Pre-Tax IRR	%	31.9	38.6
Payback	Years	2.0	1.9
Net Cash Flow (undiscounted)	$M	2,285	2,060
After-Tax $NPV_{6\%}$	$M	1,164	1,068
After-Tax IRR	%	25.8	29.7
Payback	years	2.3	2.3

Sensitivities

The Project has significant leverage to palladium and copper prices. The after-tax valuation sensitivities for the key metrics are shown below.

Palladium Price US$/oz	1,400	1,600	1,700	1,800	1,900	2,000	2,200
NPV6% ($M)	696	930	1,047	**1,164**	1,282	1,400	1,634
Payback (yrs)	3.3	2.9	2.5	**2.3**	2.2	2.0	1.9
IRR (%)	18.5	22.3	24.0	**25.8**	27.5	29.1	32.3

Copper Price US$/lb	2.50	3.00	3.50	3.70	3.90	4.50	5.00
NPV6% ($M)	836	972	1,109	**1,164**	1,219	1,386	1,522
Payback (yrs)	3.0	2.6	2.4	**2.3**	2.2	2.0	1.9
IRR (%)	21.1	23.1	25.0	**25.8**	26.5	28.7	30.4

After-Tax Results	OPEX Sensitivity				
	+30%	+15%	0%	-15%	-30%
NPV 6% ($M)	1,031	1,085	**1,164**	1,274	1,411
Payback (yrs)	2.7	2.5	**2.3**	2.1	2.0
IRR (%)	23.4	24.4	**25.8**	27.4	29.2

After-Tax Results	CAPEX Sensitivity				
	+30%	+15%	0%	-15%	-30%
NPV 6% ($M)	932	1,048	**1,164**	1,281	1,397
Payback (yrs)	3.3	3.0	**2.3**	1.9	1.3
IRR (%)	18.4	21.6	**25.8**	31.6	40.1

Sensitivities (continued)

Discount Rate Sensitivity (%)	NPV (After-Tax) ($M)
0	2,285
5	1,303
6	**1,164**
8	925
10	731

Foreign Exchange Rate C$:US$	NPV (After-Tax) ($M)
1.25	928
1.30	1,046
1.35	**1,164**
1.40	1,284
1.45	1,403

Fuel Price Sensitivity (C$/litre)	NPV (After-Tax) ($M)
0.90	1,197
1.00	1,185
1.10	1,173
1.17	**1,164**
1.30	1,148
1.40	1,136

Power Price Sensitivity ($/kWhr)	NPV (After-Tax) ($M)
0.05	1,207
0.06	1,186
0.07	**1,164**
0.08	1,143
0.09	1,121
0.10	1,100

SUMMARY OF MINERAL RESERVES AND RESOURCES

Mineral Resources

The Mineral Resource Estimate below is for the combined Marathon, Geordie and Sally deposits. The Mineral Resource Estimates for Geordie and Sally were prepared by P&E. The Mineral Resource Estimate for Marathon was prepared by Gen Mining and reviewed by P&E.

Pit Constrained Combined Mineral Resource Estimate [a-j] for the Marathon, Geordie and Sally Deposits (Effective date December 31, 2022)

Mineral Resource Classification	Tonnes	Pd		Cu		Pt		Au		Ag	
	k	g/t	koz	%	M lbs	g/t	koz	g/t	koz	g/t	koz
Marathon Deposit											
Measured	158,682	0.60	3,077	0.20	712	0.19	995	0.07	359	1.75	8,939
Indicated	29,905	0.43	412	0.19	124	0.14	136	0.06	59	1.64	1,575
Meas. + Ind.	**188,587**	**0.58**	**3,489**	**0.20**	**836**	**0.19**	**1131**	**0.07**	**418**	**1.73**	**10,514**
Inferred	1,662	0.37	20	0.16	6	0.14	7	0.07	4	1.25	67
Geordie Deposit											
Indicated	17,268	0.56	312	0.35	133	0.04	20	0.05	25	2.4	1,351
Inferred	12,899	0.51	212	0.28	80	0.03	12	0.03	14	2.4	982
Sally Deposit											
Indicated	24,801	0.35	278	0.17	93	0.2	160	0.07	56	0.7	567
Inferred	14,019	0.28	124	0.19	57	0.15	70	0.05	24	0.6	280
Total Project											
Measured	158,682	0.60	3,077	0.20	712	0.19	995	0.07	359	1.75	8,939
Indicated	71,974	0.43	1,002	0.22	350	0.14	316	0.06	140	1.5	3,493
Meas. + Ind.	**230,656**	**0.55**	**4,079**	**0.21**	**1,062**	**0.18**	**1,311**	**0.07**	**499**	**1.67**	**12,432**
Inferred	28,580	0.39	356	0.23	143	0.1	89	0.04	42	1.45	1,329

Notes:

a. *Mineral Resources were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions (2014) and Best Practices Guidelines (2019) prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council.*
b. *Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, marketing, or other relevant issues.*
c. *The Inferred Mineral Resource in this estimate has a lower level of confidence than that applied to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of the Inferred Mineral Resource could be upgraded to an Indicated Mineral Resource with continued exploration.*
d. *The Marathon Mineral Resource is reported within a constrained pit shell at a NSR cut-off value of $15/t.*
e. *Marathon NSR (C$t) = (Cu % x 88.72) + (Ag g/t x 0.47) + (Au g/t x 44.69) + (Pd g/t x 58.63) + (Pt g/t x 28.54) - 3.37.*
f. *The Marathon Mineral Resource estimate was based on metal prices of US$1,800/oz Pd, US$3.50/lb Cu, US$1,000/oz Pt, US$1,600/oz Au and US$20/oz Ag and an exchange rate of 1.30C$ to 1 US$.*
g. *The Sally and Geordie Mineral Resources are reported within a constraining pit shell at a NSR cut-off value of $13/t.*
h. *Sally and Geordie NSR (C$/t) = (Ag g/t x 0.48) + (Au g/t x 42.14) + (Cu % x 73.27) + (Pd g/t x 50.50) + (Pt g/t x 25.07) – 2.62.*
i. *The Sally and Geordie Mineral Resource estimates were based on metal prices of. US$1,600/oz Pd, US$3.00/lb Cu, US$900/oz Pt, US$1,500/oz Au and US$18/oz Ag.*
j. *Contained metal totals may differ due to rounding.*

Mineral Reserves

The Mineral Reserve estimate for the Project includes only the Marathon Deposit. The Mineral Reserve Estimate was prepared by GMS.

Marathon Project Open Pit Mineral Reserve Estimates[a-i]
(Effective Date of December 31, 2022)

Mineral Reserves	Tonnes	Pd		Cu		Pt		Au		Ag	
	kt	g/t	koz	%	M lb	g/t	koz	g/t	koz	g/t	koz
Proven	114,798	0.65	2,382	0.21	530	0.20	744	0.07	259	1.68	6,191
Probable	12,863	0.47	193	0.20	55	0.15	61	0.06	26	1.53	635
P & P	**127,662**	**0.63**	**2,575**	**0.21**	**586**	**0.20**	**806**	**0.07**	**285**	**1.66**	**6,825**

***Note*:**

a. Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definition Standards for Mineral Resources and Mineral Reserves (CIM (2014) definitions) were used for Mineral Reserve classification.

b. Mineral Reserve Estimate completed by Alexandre Dorval, P.Eng., of GMS, an independent QP, as defined by NI 43-101.

c. Mineral Reserves were estimated at a cut-off value $16.90 NSR/t of ore.

d. Mineral Reserves were estimated using the following long-term metal prices: Pd = US$1,500/oz, Pt = US$1,000/oz, Cu = US$3.50/lb, Au = US$1,600/oz and Ag = US$20/oz, and an exchange rate of 1.30C$ to 1 US$. The pit designs are based on a pit shell selected at a revenue factor of 0.74.

e. A minimum mining width of 5 m was used.

f. Bulk density of ore is variable and averages 3.1 t/m^3.

g. The average strip ratio is 2.6:1.

h. The average mining dilution factor is 9%.

i. Numbers may not add due to rounding.

Qualified Persons

The 2023 Feasibility Study and referenced throughout this MD&A was prepared through the collaboration of the following consulting firms and Qualified Persons:

Consultant Company	Primary Area of Responsibility	Qualified Persons
G Mining Services Inc.	Overall integration, Mineral Reserve Estimate, mining methods, concentrate logistics, economic analysis, operating costs pertaining to mining and G&A	Carl Michaud, P.Eng Alexandre Dorval, P.Eng
JDS Energy and Mining, Inc.	Infrastructure, and power capital cost estimates, and project execution plan and schedule	Jean-Francois Maille, P.Eng.
Wood Canada Limited	Recovery methods, processing plant capital and operating cost	Ben Bissonnette, P.Eng. Joe Paventi, P.Eng. Sumit Nair, P.Eng.
Knight Piésold Ltd.	Tailings Storage Facility, water balance, geotechnical studies (mine rock storage piles, open pit and local infrastructure and foundations)	Craig N. Hall, P.Eng.
P&E Mining Consultants, Inc.	Property description and location, accessibility, history, geological setting and mineralization, deposit types, exploration, drilling, sample preparation and security, data verification, and Mineral Resource Estimates and adjacent properties	Eugene J. Puritch, P.Eng., FEC, CET Jarita Barry, P.Geo. Fred H. Brown, P.Geo. David Burga, P.Geo. William Stone, PhD, P.Geo.

RESULTS FROM OPERATIONS

The following tables set forth financial information for the Company which has been summarized from and should be read in conjunction with the Company's audited consolidated financial statements for the three and six months ended June 30, 2023, and 2022, including the notes thereto.

	Three months ended June 30,		Six months ended June 30,	
Statements of Loss	**2023**	**2022**	**2023**	**2022**
Expenses				
Property acquisition	**$ -**	$ 8,795	**$ -**	$ 18,856,376
Environmental assessment and community consultation	**1,097,385**	1,627,302	**2,013,204**	4,143,834
Project feasibility and engineering	**1,219,190**	3,413,135	**5,296,547**	6,036,089
Exploration and site costs	**574,873**	999,167	**1,277,641**	1,548,088
Other	**186,218**	1,589	**470,073**	260,039
Acquisition, evaluation and exploration expenditures	**3,077,666**	6,049,988	**9,057,465**	30,844,426
Share-based compensation	**158,167**	391,518	**309,929**	746,271
Audit, legal and advisory fees	**741,343**	206,556	**1,187,795**	1,017,425
Management and corporate administration services	**477,423**	1,303,138	**897,170**	1,889,855
Shareholder and investor communications costs	**130,842**	222,921	**343,724**	441,761
Occupancy cost	**28,774**	28,129	**58,206**	58,439
Interest expense	**113,841**	14,329	**199,281**	21,390
Operating loss	**(4,728,056)**	(8,216,579)	**(12,053,570)**	(35,019,567)
Realized and unrealized gain (loss) on marketable securities	-	(297,000)	-	(864,000)
Fair value (loss) gain on financial liability	**(864,365)**	838,238	**141,471**	838,238
Foreign exchange gain (loss)	**2,968**	(791)	**4,301**	(791)
Interest income	**63,228**	66,839	**212,631**	76,080
Net Loss and Comprehensive Loss	**$(5,526,225)**	**$(7,609,293)**	**$(11,695,167)**	**$(34,970,040)**
Net Loss per Share – Basic and diluted	**$ (0.03)**	**$ (0.04)**	**$ (0.06)**	**$ (0.20)**

<u>Three Months Ended June 30, 2023, compared to 2022</u>

The Company incurred a net loss of $5,526,225 or $0.03 per share for the three months ended June 30, 2023, compared to a net loss of $7,609,293 or $0.04 per share for the three months ended June 30, 2022. The decrease of expenditures is primarily related to the following:

- ***Acquisition, evaluation and exploration expenses*** were $3,077,666 for the three months ended June 30, 2023, compared to $6,049,988 for the three months ended June 30, 2022. The decrease of $2,972,322 is primarily related to the following:
  - a decrease of $529,917 in costs associated with community consultation which was primarily related to a decrease of expenditures for costs associated with the Joint Review Panel,
  - a decrease of $2,193,945 in engineering costs due to the Company pausing, late in Q1 2023, Engineering and Procurement Services pending increased visibility regarding the timing associated with the receipt of permits required for the commencement of construction and project financing, and
  - a decrease in exploration and site costs of $424,294.

- ***Share-based compensation*** was $158,167 for the three months ended June 30, 2023, compared to $391,518 for the three months ended June 30, 2022. Share-based compensation is a non-cash item calculated using the Black Scholes valuation model and fluctuates period to period depending on the number of options vested.
- ***Audit, legal and advisory fees*** were $741,343 for the three months ended June 30, 2023, compared to $206,556 for the three months ended June 30, 2022. The increase of $534,787 in 2023 is primarily a result of a increase in advisory and legal fees relating to project financing.
- ***Management and corporate administration*** expenses were $477,423 in the three months ended June 30, 2023, compared to $1,303,138 for the three months ended June 30, 2022. The decrease of approximately $825,715 is the result of a decrease in administration activities, executive compensation and the timing and amount of bonuses recorded in the prior period.
- ***Shareholder and investor communications*** costs were $130,842 in the three months ended June 30, 2023, compared to $222,921 in the three months ended June 30, 2022. The decrease of approximately $92,079 is the result of a decrease of marketing expenditures.
- ***Interest expense*** was $113,841 in the three months ended June 30, 2023, compared to $14,329 in the three months ended June 30, 2022. Interest expense results from the recognition and depreciation of the company's leases as a right-of-use asset.
- ***Realized and unrealized gains and losses on marketable securities*** relate to the sale and/or period end fair value adjustments of marketable securities during the period. Additional information is outlined below under the section heading Marketable Securities.
- ***Fair value gain and loss on the financial liability*** relate to the fair value adjustments associated with the financial liability associated with the stream arrangement. See *Project Financing – Phase 1 Stream Financing* section of this MD&A for further detail.
- ***Interest income*** results from interest earned on short term guaranteed investment certificates.

Six Months Ended June 30, 2023, compared to 2022

The Company incurred a net loss of $11,695,167 or $0.06 per share for the six months ended June 30, 2023, compared to a net loss of $34,970,040 or $0.20 per share for the six months ended June 30, 2022. The decrease of expenditures is primarily related to the following:

- ***Acquisition, evaluation and exploration expenses*** were $9,057,465 for the six months ended June 30, 2023, compared to $30,844,426 for the six months ended June 30, 2022. The decrease of $21,786,961 is primarily related to the following:
  - a decrease of $18,856,376 associated with the acquisition of the remaining interest in the Marathon project in the prior period,
  - a decrease of $2,130,630 in costs associated with community consultation which was primarily related to a decrease of expenditures associated with the Joint Review Panel,
  - a decrease of $739,542 in engineering costs due to the Company pausing, late in Q1 2023, Engineering and Procurement Services pending increased visibility regarding the timing associated with the receipt of permits required for commencement of construction and project financing, and
  - a decrease in exploration and site costs of $270,447.

- ***Share-based compensation*** was $309,929 for the six months ended June 30, 2023, compared to $746,271 for the six months ended June 30, 2022. Share-based compensation is a non-cash item calculated using the Black Scholes valuation model and fluctuates period to period depending on the number of options vested.
- ***Audit, legal and advisory fees*** were $1,187,795 for the six months ended June 30, 2023, compared to $1,017,425 for the six months ended June 30, 2022. The increase of $170,370 in 2023 is primarily a result of an increase in advisory and legal fees relating to project financing.
- ***Management and corporate administration*** expenses were $897,170 in the six months ended June 30, 2023, compared to $1,889,855 for the six months ended June 30, 2022. The decrease of approximately $992,685 is the result of a decrease in administration activities, executive compensation and the timing and amount of bonuses recorded in the prior period.
- ***Shareholder and investor communications*** costs were $343,724 in the six months ended June 30, 2023, compared to $441,761 in the six months ended June 30, 2022. The decrease of approximately $98,037 is the result of a decrease of marketing expenditures.
- ***Interest expense*** was $199,281 in the six months ended June 30, 2023, compared to $21,390 in the six months ended June 30, 2022. Interest expense results from the recognition and depreciation of the company's leases as a right-of-use asset.
- ***Realized and unrealized gains and losses on marketable securities*** relate to the sale and/or period end fair value adjustments of marketable securities during the period. Additional information is outlined below under the section heading Marketable Securities.
- ***Fair value gains on the financial liability*** relate to the fair value adjustments associated with the financial liability associated with the stream arrangement. See *Project Financing – Phase 1 Stream Financing* section of this MD&A for further detail.
- ***Interest income*** results from interest earned on short term guaranteed investment certificates.

Acquisition, Evaluation and Exploration Expenditures

Below are the acquisition, evaluation and exploration expenditures for the three and six months ended June 30, 2023, compared with the equivalent period in 2022.

	Three months ended June 30,		**Six months ended June 30,**	
	2023	2022	**2023**	2022
Davidson	**$4,282**	$6,520	**$133,126**	$135,266
Marathon	**3,073,384**	6,043,468	**8,924,339**	30,709,160
Total mineral property expenditures	**$ 3,077,666**	$ 6,049,988	**$ 9,057,465**	$ 30,844,426

The following table displays the cumulative mineral property expenditures by project as at June 30, 2023 and 2022.

	Cumulative December 31,2022	Acquisition	Evaluation and exploration	**Cumulative June 30, 2023**
Darnley Bay	$576,941	$ -	$ -	**$576,941**
Davidson	715,018	**133,126**	-	**848,144**
Marathon	77,150,210	-	**8,924,339**	**86,074,549**
Total expenditures in the period	$78,442,169	**$133,126**	**$8,924,339**	**$87,499,634**

	Cumulative December 31,2021	Acquisition	Evaluation and exploration	**Cumulative June 30, 2022**
Darnley Bay	$576,941	**$ -**	**$ -**	**$576,941**
Davidson	579,752	**135,266**	**-**	**715,018**
Marathon	29,718,094	**18,949,720**	**11,759,440**	**60,427,254**
Total expenditures in the period	$30,874,787	**$19,084,986**	**$11,759,440**	**$61,719,213**

Marketable Securities

As of June 30, 2023, the Company held 5,400,000 Major Precious Metals Shares (December 31, 2022 - 5,400,000) valued at nil (December 31, 2022 - nil). The fair value was determined using the market value on June 30, 2023 and December 31, 2022. The fair value adjustments resulted in a value of nil for the three months ended June 30, 2023 (June 30, 2022 – unrealized loss of $297,000) and a value of nil for the six months ended June 30, 2023 (June 30, 2022 – unrealized loss of $864,000). During the six months ended June 30, 2023 and 2022, the Company sold nil shares.

SUMMARY OF QUARTERLY RESULTS

Three Months Ended	**Jun 30 2023**	**Mar 31 2023**	**Dec 31 2022**	**Sep 30 2022**
Acquisition, evaluation and exploration	**$3,077,666**	$5,979,799	$8,168,137	$8,554,818
General and administration	**1,492,223**	1,193,953	1,084,830	1,118,843
Share-based payments	**158,167**	151,762	173,049	338,517
Operating loss	**(4,728,056)**	(7,325,514)	(9,426,016)	(10,012,178)
Realized and unrealized gain (loss) on marketable securities	-	-	(162,000)	(216,000)
Fair value on financial liability	**(864,365)**	1,005,835	(1,216,232)	(406,099)
Foreign exchange gain (loss)	**2,228**	1,333	(132)	(2,533)
Interest income	**63,228**	149,403	158,988	18,591
Net and comprehensive loss for the period	**$(5,526,225)**	$(6,168,943)	$(10,645,392)	$(10,618,219)
Basic and diluted (loss) earnings per share	**$(0.03)**	$(0.03)	$(0.06)	$(0.06)
Weighted average number of common shares Outstanding	**183,365,509**	181,517,408	180,377,514	180,186,476

Three Months Ended	Jun 30, 2022	Mar 31 2022	Dec 31 2021	Sep 30 2021
Acquisition, evaluation and exploration	$6,049,988	$24,794,438	$3,816,514	$2,914,161
General and administration	1,775,073	1,653,797	631,179	354,655
Share-based payments	391,518	354,753	227,734	372,942
Operating loss	(8,216,579)	(26,802,988)	(4,675,427)	(3,641,758)
Realized and unrealized gain (loss) on marketable securities	(297,000)	(567,000)	(648,000)	(54,000)
Interest income	66,839	9,241	5,119	14,946
Net and comprehensive loss	$(7,609,293)	$(27,360,747)	$(5,318,308)	$(3,680,812)
Basic and diluted (loss) earnings per share	$(0.04)	$(0.16)	$(0.04)	$(0.02)
Weighted average number of common shares outstanding	179,917,408	171,462,569	150,281,914	150,025,839

The Company's operating losses are driven mainly by the extent and cost of the company's acquisition, evaluation and exploration activities. The significant changes over the most recent eight completed quarters are outlined below.

- Acquisition and evaluation expenditures have been steadily increasing over the last several quarters as the Company advances the Marathon Property from feasibility through permitting and detailed engineering. In the first quarter of 2022, an increase of $18,942,584 is associated with the acquisition of the remaining interest in the Marathon Project from Stillwater. Late in first quarter of 2023 the Company paused Engineering and Procurement Services pending increased visibility regarding the timing associated with the receipt of permits required for commencement of construction and project financing which resulted in a decrease in acquisition and evaluation expenditures.
- General and administrative expenses have also been steadily increasing over the last several quarters as the Company advances the Marathon Property. Increases over time is the result of increasing the size of the management team along with increased professional fees for various transaction and ongoing project financing.
- Share-based payments are a non-cash item calculated using the Black Scholes valuation model and fluctuates period to period depending on the number of options granted and vesting.
- Realized and unrealized gains and losses on marketable securities relate to the sale and/or period end fair value adjustments of marketable securities during the period. Additional information is outlined below under the section heading Marketable Securities.
- *Fair value gain and loss on the financial liability* relate to the fair value adjustments associated with the financial liability associated with the stream arrangement. See *Project Financing – Phase 1 Stream Financing* section of this MD&A for further detail.

FINANCIAL POSITION

Assets

As at June 30, 2023, the Company had total assets of $12,752,569 (December 31, 2022 - $25,017,226) which consisted of current assets of $9,450,850 (December 31, 2022 - $20,716,943) and non-current assets of $3,301,719 (December 31, 2022 - $4,300,283).

Current assets as at June 30, 2023, consist primarily of cash and cash equivalents of $9,067,517 (December 31, 2022 - $18,766,791), accounts receivable of $176,189 (December 31, 2022 - $1,731,987) and prepaids of $207,144 (December 31, 2022 - $218,165). Cash is held in Canadian dollar denominated accounts and short term guaranteed investment certificates and accounts receivable is mainly comprised of HST receivable.

Non-current assets as at June 30, 2023, consist of restricted cash held as security for the corporate office lease, land and building acquired through the acquisition of the Marathon Property, right of use assets and security deposits related to the Hycroft Mills.

Liabilities

As at June 30, 2023, the Company had total liabilities of $50,322,072 (December 31, 2022 - $49,114,842) which consisted of current liabilities of $6,986,090 (December 31, 2022 - $8,129,381) and long-term liabilities of $43,335,982 (December 31, 2022 - $40,985,461).

Current liabilities as at June 30, 2023, consist of accounts payable and accrued liabilities of $4,075,810 (December 31, 2022 - $5,029,890) and short-term lease liability of $2,910,280 (December 31, 2022 - $3,099,491). Accounts payable relate to expenditures incurred to advance the Marathon Property. Short-term lease liability is related to leased assets which consist of the office lease, vehicles and the Valard Camp.

Long-term liabilities as at June 30, 2023, consist of a $43,335,982 (December 31, 2022 – $40,985,461) which consisted of precious metal purchase agreement with Wheaton Precious Metals Corp. of $43,245,271 (December 31, 2022 – $40,784,093) and long-term lease liability of $90,711 (December 31, 2022 - $201,368). The precious metals purchase agreement is further described under Project Financing – Phase 1 Stream Financing section of this MD&A. Long term lease liability is related to leased assets which consist of the office lease, vehicles and the Valard Camp.

LIQUIDITY AND GOING CONCERN UNCERTAINTY

The Company relies on equity, metal streams and potentially debt or other structured financings to fund its acquisition, evaluation, and exploration activities, cover administrative expenses and to meet its obligations as they become due.

The Company is at an early stage of development and, as is common with many exploration and development companies, it relies on financings to fund its exploration, development and acquisition activities. The Company had a surplus of current assets over current liabilities of $2,464,760 at June 30, 2023 (December 31, 2022 - $12,587,562); had not yet achieved profitable operations; had accumulated losses of $108,520,451 at June 30, 2023; (December 31, 2022 - $96,825,284) and expects to incur further losses in the development of its business. Generation Mining does not have adequate cash resources to fund its operations over the next twelve months and will require additional financing in order to conduct its planned work programs on its mineral properties, meet its ongoing levels of corporate overhead and discharge its liabilities as they come due. Additionally, the Company may enter into certain financial commitments for long lead capital equipment required for the development of the Marathon Project, see Eary Procurements for further detail. There can be no certainty as to the ability of the Company to raise sufficient additional financing in order to continue to operate, and accordingly, there is a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

The Company's main source of liquidity is its cash. These funds are primarily used to finance working capital, exploration and evaluation expenditures, capital expenditures, and acquisitions. The Company manages its liquidity risk by regularly monitoring its cash flows from operating activities and holding adequate amounts of cash. Cash is held on deposit in guaranteed investment certificates with a major Canadian chartered bank. The Company has also made financial commitments which are outlined under Early Procurements elsewhere in this MD&A.

Cash used in operating activities during the six months ended June 30, 2023, was $9,902,373 compared with $12,996,802 in the same period in 2022. The cash used in operations in both periods relate mainly to the acquisition, exploration and evaluation of the Marathon Property, and corresponding expenditures in audit, legal and advisory fees, investor communications expenses and general and administrative expenses.

Cash used in investing activities was $135,695 during the six months ended June 30, 2023, compared to cash used in investing activities of $584,026 in the same period in 2022. Cash used in investing activities in the prior period consists of purchase of equipment related to the acquisition of the remaining interest in the Marathon Property and right of use asset additions.

Cash generated from financing activities during the six months ended June 30, 2023, amounted to $338,794, compared to $25,753,297 in the prior period. Financing activities during both periods consisted of proceeds from the exercise of common share purchase warrants and the exercise of stock options (See *Outstanding Security Data* section below for further details), and proceeds from the PMPA early deposits.

CAPITAL RESOURCES

The Company does not have any debt or credit facilities with financial institutions.

At present, the Company's operations do not generate cash in-flows and its financial success is dependent on management's ability to discover economically viable mineral deposits. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control. To finance the Company's exploration programs, detailed engineering, environmental assessment and to cover administrative and overhead expenses, the Company raises money through equity, debt and metal streaming financings. Many factors influence the Company's ability to raise funds, including the health of the resource market, the climate for mineral exploration investment, the Company's track record, and the experience and caliber of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration and development activities.

Management believes it will be able to raise capital as required in the long term but recognizes there will be risks involved that may be beyond their control. If the Company is unable to raise sufficient financing, it may need to scale back its intended operational programs and its other expenses. Other than as discussed herein, the Company is not aware of any trends, demands, commitments, events or uncertainties that may result in its liquidity either materially increasing or decreasing at present or in the foreseeable future, other than general market conditions, which are uncertain for junior exploration companies. Material increases or decreases in the Company's liquidity will be substantially determined by the success or failure of its exploration and development programs, as well as its continued ability to raise capital.

MARATHON PROPERTY ACQUISITION

On January 26, 2022, the Company completed the acquisition of Stillwater's interest and currently owns a 100% interest in the Marathon Project. As a result of this transaction, Sibanye-Stillwater, a leading international precious metals mining company, with a diverse portfolio of operations in the United States and Southern Africa, now holds 32,813,127 common shares of the Company, representing approximately 17.9% of the Company's issued and outstanding common shares.

OTHER MINERAL PROPERTIES

In addition to the Marathon Property, the Company holds options, rights and/or ownership interest in the following material mineral properties as of June 30, 2023:

Darnley Bay, Northwest Territories: The Company held the exclusive rights to a mineral concession covering the Inuvialuit Settlement Region's lands where the Inuvialuit hold the mineral and surface rights and an exploration and development agreement with the Inuvialuit Regional Corporation (the "IRC"). On January 27, 2023, the Company sold its interest in the Darnley Bay mineral concession to Elton Resources ("Elton") under an Asset Purchase Agreement ("APA"). As per the agreement, $150,000 was remitted by Elton to the IRC. The APA states that Elton is to complete a Going Public transaction by December 31, 2023 (originally August 31, 2024, but extended by mutual agreement). Prior to the transaction, $4 million of Elton stock is to be issued to the Company and $850,000 cash is to be paid to the Company upon completion of the Going Public transaction. If Elton does not complete the transaction, the property interest is to revert back to the Company

Davidson, British Columbia: The Company has an option to acquire a 100% interest in a property hosting a molybdenum-tungsten deposit. The option agreement was signed on April 1, 2016 and cumulative payments totaling $847,392 were made as at June 30, 2023 meeting all spending requirements. There is an ongoing commitment of $100,000 payable on each anniversary of the agreement until commercial production is achieved or the agreement is terminated. Upon commercial production, the vendor will be entitled to a net smelter return royalty of 3%.

RELATED PARTY TRANSACTIONS

Key management includes the Company's directors, officers and any employees with authority and responsibility for planning, directing, and controlling the activities of an entity, directly or indirectly. Compensation awarded to key management includes the following:

	Three months ended June 30,		**Six months ended June 30,**	
	2023	2022	**2023**	2022
Salaries and bonuses	**$ 515,837**	$ 1,241,088	**$1,081,675**	$1,499,630
Share-based payments - options	**57,680**	206,970	**149,947**	279,327
Total compensation to key management	**$ 573,517**	$ 1,448,058	**$1,231,622**	$1,778,957

As at June 30, 2023, accrued compensation includes $1,295,500 (June 30, 2022 - $205,299) primarily due to key management of the Company.

OUTSTANDING SECURITY DATA

Common Shares

The following table summarizes the continuity of common shares for the six months ended June 30, 2023, and as at August 10, 2023:

	Number of shares	$
Balance as at December 31, 2021	**150,414,599**	**38,231,174**
Issued for property acquisition (2)	21,759,332	19,289,426
Shares issued for exercise of warrants (1)	7,743,477	8,779,307
Shares issued for exercise of options	500,000	374,617
Balance as at December 31, 2022	**180,417,408**	**66,674,524**
Shares issued for exercise of options	3,100,000	909,000
Balance as at June 30, 2023, and August 10, 2023	**183,517,408**	**67,583,524**

Warrants

The following table summarizes the continuity of warrants for the six months ended June 30, 2023, and as at August 10, 2023:

	Number of warrants
Outstanding, December 31, 2021	**8,870,251**
Warrants issued (1)	(7,743,477)
Warrants exercised (1)	(1,126,774)
Outstanding, June 30, 2023, and August 10, 2023	**-**

(1) The exercise and share issuance or expiry of warrants relate to financings completed on June 5, 2019, August 29, 2019, and February 13, 2020. Pursuant to a private placement completed on July 9, 2019, 2,000,040 finders options were issued which entitled the holder to purchase a unit at $0.28 consisting of one common share and one half warrant exercisable at $0.45 until July 9, 2021. The fair value of the finder's options have an estimated grant date fair value of $488,655 which was estimated using the Black Scholes option pricing model and the following assumptions: Risk-free interest rate 1.64%, expected volatility using Company historical 193%, dividend yield nil, expected life 2 years.

(2) On January 26, 2022, the Company completed the acquisition of the remaining interest in the Marathon Project from Stillwater whereby the Company issued 21,759,332 common shares of the Company to Stillwater at a price of $0.89 per common share, or total consideration $19,289,426. The Company now holds 100% of the Marathon Project, and the joint venture agreement dated July 10, 2019, between Stillwater and Generation PGM has been terminated in accordance with its terms.

Stock Options and other Equity Incentive Awards

On May 9, 2018, the Company adopted an incentive Stock Option Plan (the "Plan"). The Plan was amended in July 2020. The Company subsequently adopted an Omnibus Equity Incentive plan (the "Equity Plan") on May 11, 2023, which received shareholder approval on June 28, 2023. With the approval of the Equity Plan, the Option Plan was terminated and all of the issued and outstanding stock options granted under the Option Plan are now governed by the Equity Plan.

Under the Equity Plan, the Company can issue stock options ("Options"), deferred share units ("DSUs"), restricted share units ("RSUs") and performance share units ("PSUs", and collectively with Options, DSUs and PSUs, the "Awards"), as applicable, to directors, employees and consultants in accordance with the terms of the Equity Plan. The maximum number of Common Shares issuable under the Equity Plan will not exceed 10% of the issued and outstanding Common Shares from time to time. Limits have also been set in respect of the maximum number of Awards that may be issued to insiders at any time, as well as within any one-year period. The Equity Plan is a rolling plan, therefore, the number of shares that have been reserved for issuance under the Equity Plan will increase when the Company's issued and outstanding common shares increase.

The Awards are non-assignable and non-transferable, except upon death. As of June 30, 2023, the Company has not granted any new Awards under the Equity Plan.

The following table sets forth the continuity of outstanding stock options for the six months ended June 30, 2023, and as at August 10, 2023:

	Number of options
Outstanding, December 31, 2021	**14,750,000**
Options granted	900,000
Outstanding, March 31, 2022	**15,650,000**
Options granted	2,125,000
Options exercised	(500,000)
Options forfeited	(500,000)
Outstanding, December 31, 2022	**16,775,000**
Options granted	602,059
Options exercised	(3,100,000)
Options forfeited	(75,000)
Outstanding, June 30, 2023, and August 10, 2023	**14,202,059**

The fair value of options granted under the Plan is measured on the date of grant using the Black-Scholes pricing model and expensed to net income (loss) using the following inputs and assumptions at the measurement date:

Date	Number of Options	Exercise Price ($)	Market Price ($)	Expected Volatility (%) (1)	Risk-free Interest Rate (%)	Expected Life (yrs)/Dividend Yield %	Fair Value of Options ($)	Vesting
08-Mar-21	500,000	1.00	0.95	132	0.92	2.5 - 3/ 0%	343,333	1/3rd vesting
12-May-21	1,550,000	1.06	1.02	129	0.53	3 / 0%	1,162,500	Immediate
12-May-21	575,000	1.06	1.02	129	0.53	1.5 - 2/ 0%	419,750	1/3rd vesting
21-Sept-21	1,150,000	0.80	0.67	108	0.55	3 / 0%	525,000	1/3rd vesting
18-Feb-22	900,000	0.85	0.85	97	1.57	3 / 0%	468,000	1/3rd vesting
12-Apr-22	975,000	0.99	0.99	92	2.39	3 / 0%	575,250	1/3rd vesting
21-Jun-22	200,000	0.80	0.61	86	3.34	3 / 0%	62,000	1/3rd vesting
19-Jul-22	550,000	0.52	0.54	84	3.26	3 / 0%	165,000	1/3rd vesting
02-Aug-22	400,000	0.64	0.66	84	3.00	3 / 0%	148,000	1/3rd vesting
05-Apr-23	602,059	0.58	0.57	64	3.32	3 / 0%	150,515	1/3rd vesting

(1) Based on the Company's historical volatility.

As at June 30, 2023, stock options carry exercise prices and terms to maturity as follows:

Exercise price $	Options Outstanding	Options Exercisable	Expiry date	Remaining contractual life (years)
1.06	1,950,000	1,950,000	May 12, 2024	0.9
0.30	2,625,000	2,625,000	July 16, 2024	1.0
0.30	200,000	200,000	August 7, 2024	1.1
0.80	1,150,000	1,150,000	September 21, 2024	1.2
0.65	500,000	500,000	February 5, 2025	1.6
0.85	900,000	600,000	February 18, 2025	1.6
0.45	750,000	750,000	March 18, 2025	1.7
0.99	975,000	650,000	April 13, 2025	1.8
0.52	2,450,000	2,450,000	April 20, 2025	1.8
0.80	200,000	133,000	June 21, 2025	2.0
0.52	550,000	283,000	July 19, 2025	2.1
0.64	400,000	133,000	August 2, 2025	2.1
0.52	450,000	450,000	November 6, 2025	2.4
1.00	500,000	500,000	March 8, 2026	2.7
0.58	602,059	200,686	April 5, 2026	2.8
0.65(1)	**14,202,059**	**12,574,686**		**1.6(1)**

(1) Weighted average

FINANCIAL RISK MANAGEMENT

The Company examines the various financial risks to which it is exposed and assesses the impact and likelihood of those risks. These risks include credit risk, liquidity risk, foreign currency risk, interest rate risk, other price risk and fair valuation risk, and are detailed in Note 4 of the Company's audited consolidated financial statements for the year ended December 31, 2022.

Credit Risk

Credit risk is the financial risk of non-performance of a contracted counter party. The Company's credit risk is primarily attributable to cash and receivables. The Company reduces its credit risk by maintaining its cash with a Canadian chartered bank. The Company's maximum exposure to credit risk as at June 30, 2023, is the carrying value of cash and receivables. The credit risk on receivables is deemed low as the majority is related to federal government refunds.

Liquidity Risk

Liquidity risk encompasses the risk that the Company cannot meet its financial obligations in full. The Company's main source of liquidity is its cash and marketable securities. These funds are primarily used to finance working capital, exploration and evaluation expenditures, capital expenditures, and acquisitions. The Company manages its liquidity risk by regularly monitoring its cash flows from operating activities and holding adequate amounts of cash. As at June 30, 2023, the Company has current assets of $9,450,850 (December 31, 2022 - $20,716,943) to cover current liabilities of $6,986,090 (December 31, 2022 - $8,129,381). The current assets include restricted cash, marketable securities, receivables, and prepaid expenses. The Company also manages liquidity risk on the basis of expected maturity dates. The following table analyzes financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows).

	Undiscounted lease liability – base contract	Undiscounted lease liability – operating costs	Accounts payable and accrued liabilities	Total
Less than 1 year	$ 3,197,514	$ 25,581	$ 4,075,810	$ 7,298,905
1-5 years	136,748	34,108	-	170,856
Balance at June 30, 2023	**$ 3,334,262**	**$ 59,689**	**$ 4,075,810**	**$ 7,469,761**

Foreign Currency Risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of a change in foreign exchange rates. The Company has no significant exposure to foreign currency exchange risk as it has no significant transaction balances denominated in a foreign currency.

Interest Rate Risk

Interest rate risk is the risk borne by an interest-bearing asset or liability as a result of fluctuations in interest rates.

Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. The Company is exposed to fluctuations in market prices of its marketable securities in a quoted mining exploration company. The fair value of these financial instruments represents the maximum exposure to price risk.

Fair Value

The carrying value of cash, accounts payable and accrued liabilities are considered representative of their fair value due to their short-term nature. Marketable securities are recorded at fair value as of June 30, 2023, and classified as Level 1 in the fair value hierarchy as they are recorded at fair value by reference to market quoted prices.

Financial liability associated with the Company's Precious Metal Purchase Agreement is recorded at fair value and classified as Level 3 in the fair value hierarchy as some of the inputs do not have an observable or corroborated market data. The fair value of the stream obligation is calculated using the risk-free interest rate derived from the Bank of Canada long term treasury rate, consensus metal prices, company specific credit spread based on various debt term sheets received and expected gold and platinum ounces to be delivered from the current life of mine plan for the Marathon Project.

OFF-BALANCE SHEET ARRANGEMENTS

As at June 30, 2023, the Company did not have any off-balance sheet items.

DIVIDENDS

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

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, and contingent liabilities at the date of the financial statements and reporting amounts of revenues and expenses during the reporting period. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes may differ materially from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are generally recognized in the period in which the estimates are revised.

Our significant judgments, estimates and assumptions are disclosed in note 2 of the audited consolidated financial statements for the year ended December 31, 2022.

ACCOUNTING POLICIES AND BASIS OF PRESENTATION

The Company's accounting policies are disclosed in note 3 of the Company's audited consolidated financial statements for the year ended December 31, 2022.

NON-IFRS MEASURES

The Company has included certain non-IFRS financial measures in this MDA such as initial capital cost, cash operating costs and AISC per palladium equivalent ounce ("PdEq"), unit operating costs, and Free Cash Flow, which are not measures recognized under IFRS and do not have a standardized meaning prescribed by IFRS. For the reconciliation of cash costs and AISC, on both a per tonne and PdEq basis, please see the table set forth in the Capital and Operating Cost Summary set forth above. Non-IFRS measures do not have any standardized meaning prescribed under IFRS, and therefore, they may not be comparable to similar measures employed by other companies. The data presented is intended to provide additional information and should not be considered in isolation or as a substitute for measures prepared in accordance with IFRS. These measures do not have any standardized meaning prescribed under IFRS, and therefore may not be comparable to other issuers.

- Initial Capital includes all costs incurred from the Effective Date (excluding historical sunk costs) until the point where commercial production is achieved, including expenses related to engineering, equipment purchases and installation, process plant and mine infrastructure construction, and any other costs associated with putting the Project into operations.
- Initial Capital (Adjusted) includes all costs mentioned above in addition to adjustments for pre-commercial production revenue and equipment financing (net of payments, interest and fees incurred prior to commercial production).
- Operating Costs include mining, processing, general and administrative and other, concentrate transportation costs, treatment and refining charges, and royalties. Costs related to the Wheaton PMPA are excluded.
- AISC includes Operating Costs, closure, and reclamation, and sustaining capital. For the full reconciliation of cash costs and AISC please see the Capital and Operating Cost Summary set out above.

- LOM Average AISC includes LOM AISC divided by LOM PdEq.
- LOM Average Operating Cost includes LOM Operating Costs divided by LOM PdEq.
- Free Cash Flow includes total revenue less Operating Costs, working capital adjustments, equipment financing, initial capital, sustaining capital and closure costs.
- Palladium Equivalent ounces uses the formula PdEq oz = Pd oz +(Cu lb x 3.7 US$/lb + Pt oz x US$1000/oz + Au oz x US$1800/oz + Ag oz x US$22.5/oz) / US$1800 Pd/oz The grades used are the average grades of the respective metals over the LOM.

RECENT ACCOUNTING PRONOUNCEMENTS

Future Accounting Changes

Certain new standards, interpretations, amendments, and improvements to existing standards were issued by the IASB or IFRS Interpretation Committee that are not yet effective for the relevant reporting periods. Updates that are not applicable or are not consequential to the Company have been excluded therefrom. The Company is in the process of evaluating the impact on its financial statements.

New Accounting Pronouncement

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

In January 2020, the IASB issued amendments to IAS 1, "Presentation of Financial Statements" to clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and is unaffected by expectations about whether or not an entity will exercise their right to defer settlement of a liability. The amendments further clarify requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments. These amendments are effective for annual reporting periods beginning on or after January 1, 2023, with earlier application permitted. At its meeting on June 22/23, 2021, the Board tentatively decided to defer the effective date of the 2020 amendments to IAS 1 to no earlier than January 1, 2024. The adoption of these amendments is not expected to have a significant impact on the consolidated financial statements.

INTERNAL CONTROL OVER FINANCIAL REPORTING

The President and Chief Executive Officer and Chief Financial Officer of the Company are responsible for designing internal controls over financial reporting or causing them to be designed under their supervision in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company's internal control framework was designed based on the Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

There was no change in the Company's internal controls over financial reporting that occurred during the six months ended June 30, 2023, that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting.

DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures have been designed to provide reasonable assurance that all relevant information required to be disclosed by the Company is accumulated and communicated to senior management as appropriate to allow timely decisions regarding required disclosure. The Company's President and Chief Executive Officer and Chief Financial Officer have concluded, based on their evaluation of the design of the disclosure controls and procedures, that as of June 30, 2023, the Company's disclosure controls, and procedures have been designed to provide reasonable assurance that material information is made known to them by others within the Company.

LIMITATIONS OF CONTROLS AND PROCEDURES

The Company's management, including the Chief Executive Officer and President and Chief Financial Officer, believe that any internal controls over financial reporting and disclosure controls and procedures, no matter how well designed, can have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance that the objectives of the control system are met.

RISKS AND UNCERTAINTIES

The The operations of the Company are speculative due to the high-risk nature of its business, which is the acquisition, financing, exploration and development of mining properties. The risk of financial resources has been further amplified by the COVID-19 pandemic which had a significant impact on global economies and financial markets resulting in supply chain delays, inflationary pressures and fluctuations in commodity prices. Should depressed market conditions continue, it may be difficult or impossible for the Company to obtain the required financing to complete its l objectives. Failure to obtain financing could result in delay or postponement of further development of the Company's Marathon Project and other properties. These risk factors could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward–looking information relating to the Company. Accordingly, any investment in securities of the Company is speculative and investors should not invest in securities of the Company unless they can afford to lose their entire investment.

The Company has no history of earnings, has earned no revenue since commencing operations and has no source of operating cash flow. As a result, the Company may be required to seek additional sources of debt and equity financing in the near future. Although the Company has been successful to date in financing its activities through the sale of equity securities and the Wheaton PMPA, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the commercial terms of such financing will be favourable. To obtain such financing, the Company may sell additional securities including, but not limited to, the Company's shares or some form of convertible security, the effect of which could result in substantial dilution to the equity interests of the Corporation's shareholders. The Company may also sell a part of its interest in an asset in order to raise capital.

Based on the Company's liquidity position as of the date of this MD&A, and in light of the Company's currently anticipated short-term financial commitments, management estimates that it will need additional financing to meet its current and future financial obligations in the near future. The Company is actively seeking such additional financing and is exploring other alternatives to support its short-term liquidity requirements, such as the deferral of payments for certain financial commitments, in order to continue advancing permitting and financing of the Marathon Project. However, there is no assurance that financing can be obtained in the limited time period required and in the quantum needed. There can be no certainty as to the ability of the Company to raise sufficient additional financing in order to continue to operate, and accordingly, there is a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). Forward-looking statements reflect current expectations or beliefs regarding future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates", "targets" or "believes", or variations of, or the negatives of, such words and phrases or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved, including statements relating to the Company's Feasibility Study and results therefrom (including NPV, IRR, capital and operating costs and other financial metrics), Mineral Resource and Mineral Reserve potential, exploration and development plans, or the timing of milestones, including public hearings, government approvals, receipt of permits, completion of definitive financing documentation and closing of the senior secured facility, for advancing construction of the Marathon Project. All forward-looking statements, including those herein, are qualified by this cautionary statement.

Although the Company believes that the expectations expressed in such statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the statements. There are certain factors that could cause actual results to differ materially from those in the forward-looking information. These include commodity price volatility, continued availability of capital and financing within the timing required by the Company and on terms acceptable to the Company, uncertainties involved in interpreting geological data, increases in capital and operating costs, timing for the receipt of regulatory and governmental approvals, procurement delays and supply chain disruptions, interest rate and currency risks, environmental compliance and changes in environmental legislation and regulation, the Company's relationships with First Nations communities, exploration successes, and general economic, market or business conditions, as well as those risk factors set out in the Company's AIF for the year ended December 31, 2022, the Technical Report dated March 31, 2023 and in the continuous disclosure documents filed by the Company on SEDAR at www.sedar.com. Readers are cautioned that the risk factors and related uncertainties in the Company's Annual Information Form and Annual Management Discussion and Analysis for the year ended December 31, 2022, are not exhaustive of the factors that may affect forward-looking statements. Accordingly, readers should not place undue reliance on forward-looking statements.

The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date or dates specified in such statements.

Forward-looking statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions relating to: the availability of financing for the Company's operations; operating and capital costs; results of operations; the mine development and production schedule and related costs; the supply and demand for, and the level and volatility of commodity prices; timing of the receipt of regulatory and governmental approvals for development projects and other operations; the accuracy of Mineral Reserve and Mineral Resource Estimates, production estimates and capital and operating cost estimates; and general business and economic conditions.

Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking information. For more information on the Company, investors are encouraged to review the Company's public filings on SEDAR at www.sedar.com. The Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, other than as required by law.

INFORMATION CONCERNING ESTIMATES OF MINERAL RESERVES AND RESOURCES

The Mineral Reserve and Mineral Resource estimates in this MD&A have been disclosed in accordance with NI 43-101, which differs from the requirements of the U.S. Securities and Exchange Commission (the "SEC"), and information with respect to mineralization and Mineral Reserves and Mineral Resources contained herein may not be comparable to similar information disclosed by U.S. companies. The SEC has adopted amendments to its disclosure rules to modernize the mineral property disclosure requirements under the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"). These amendments became effective February 25, 2019 (the "SEC Modernization Rules") with compliance required for the first fiscal year beginning on or after January 1, 2021. Under the SEC Modernization Rules, the historical property disclosure requirements for mining registrants included in Industry Guide 7 under the U.S. Securities Act of 1933, as amended, will be rescinded and replaced with disclosure requirements in subpart 1300 of SEC Regulation S-K. As a result of the adoption of the SEC Modernization Rules, the SEC now recognizes estimates of "Measured Mineral Resources", "Indicated Mineral Resources" and "Inferred Mineral Resources." In addition, the SEC has amended its definitions of "Proven Mineral Reserves" and "Probable Mineral Reserves" to be "substantially similar" to the corresponding standards under NI 43-101. While the SEC will now recognize "Measured Mineral Resources", "Indicated Mineral Resources" and "Inferred Mineral Resources", U.S. investors should not assume that any part or all of the mineralization in these categories will ever be converted into a higher category of Mineral Resources or into Mineral Reserves. Mineralization described using these terms has a greater amount of uncertainty as to its existence and feasibility than mineralization that has been characterized as reserves. Accordingly, U.S. investors are cautioned not to assume that any Measured Mineral Resources, Indicated Mineral Resources, or Inferred Mineral Resources that the Company reports are or will be economically or legally mineable. Further, "Inferred Mineral Resources" have a greater amount of uncertainty as to their existence and as to whether they can be mined legally or economically. Therefore, U.S. investors are also cautioned not to assume that all or any part of the "Inferred Mineral Resources" exist. There is no assurance that any Mineral Reserves or Mineral Resources that the Company may report as "Proven Mineral Reserves", "Probable Mineral Reserves", "Measured Mineral Resources", "Indicated Mineral Resources" and "Inferred Mineral Resources" under NI 43-101 would be the same had the Company

prepared the Reserve or Resource Estimates under the standards adopted under the SEC Modernization Rules.

Mineral Resources are not Mineral Reserves, and do not have demonstrated economic viability, but do have reasonable prospects for economic extraction. Measured and Indicated Mineral Resources are sufficiently well defined to allow geological and grade continuity to be reasonably assumed and permit the application of technical and economic parameters in assessing the economic viability of the Mineral Resource. Inferred Mineral Resources are estimated on limited information not sufficient to verify geological and grade continuity or to allow technical and economic parameters to be applied. Inferred Mineral Resources are too speculative geologically to have economic considerations applied to them to enable them to be categorized as Mineral Reserves. There is no certainty that Mineral Resources of any classification can be upgraded to Mineral Reserves through continued exploration.

The Company's Mineral Reserve and Mineral Resource figures are estimates and the Company can provide no assurances that the indicated levels of mineral will be produced or that the Company will receive the price assumed in determining its Mineral Reserves. Such estimates are expressions of judgment based on knowledge, mining experience, analysis of drilling results and industry practices. Valid estimates made at a given time may significantly change when new information becomes available. While the Company believes that these Mineral Reserve and Mineral Resource Estimates are well established and the best estimates of the Company's management, by their nature Mineral Reserve and Mineral Resource Estimates are imprecise a depend, to a certain extent, upon analysis of drilling results and statistical inferences which may ultimately prove unreliable. If the Company's Mineral Reserve or Mineral Reserve Estimates are inaccurate or are reduced in the future, this could have an adverse impact on the Company's future cash flows, earnings, results or operations and financial condition.

The Company estimates the future mine life of the Marathon Project. The Company can give no assurance that its mine life estimate will be achieved. Failure to achieve this estimate could have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.