

MURCHISON MINERALS LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2022

This Management's Discussion and Analysis ("MD&A") is intended to supplement the condensed interim consolidated financial statements and notes of Murchison Minerals Ltd. (the "Company" or "Murchison") for the three and nine months ended September 30, 2022. The unaudited condensed interim consolidated financial statements including comparative figures have been prepared by the Company in accordance with International Financial Reporting Standards ("IFRS") applicable to preparation of interim financial statements. This MD&A should be read in conjunction with the Company's audited consolidated financial statements and accompanying notes for the year ended December 31, 2021, which have been prepared in accordance with IFRS and available on the Company's website (www.murchisonminerals.com). This MD&A covers the most recently completed financial quarter and the subsequent period up to November 23, 2022. The information is presented in Canadian dollars unless stated otherwise.

OVERALL PERFORMANCE

Description of Business

Murchison is a Canadian-based exploration company focused on nickel-copper-cobalt exploration at the 100%-owned Haut-Plateau Manicouagan ("HPM") project in Quebec and the exploration and development of the 100%-owned Brabant-McKenzie VMS zinc-copper-silver deposit (the "Deposit") located on the Brabant McKenzie project ("BMK") in north-central Saskatchewan. The Company also has an option to earn 100% interest in the Barraute-Landrienne zinc-silver-gold project in Quebec. The Company expects to acquire additional properties as attractive opportunities are identified. The Company does not have any projects that generate revenue at this time. The Company's ability to carry out its business plan in the future rests entirely on its ability to secure equity and other financings or realize cash from the sale of assets.

Trends

The financing, exploration and development of any properties the Company holds or may acquire in the future will be subject to a number of factors including the commodity prices for minerals, applicable laws and regulations, political conditions, currency fluctuations, the hiring of qualified people, and obtaining necessary services in jurisdictions where the Company operates. The current trends relating to these factors could change at any time and negatively affect the Company's operations and business. Apart from these, the risk factors noted under the heading "Uncertainties and Risk Factors" and "Forward Looking Statement" included in MD&A for the year ended December 31, 2021, management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

OUTLOOK

On June 30, 2022, the Company completed a non-brokered private placement for aggregate gross proceeds of \$5,353,589. This private placement, combined with the Early Warrant Incentive Program completed on April 15, 2022 which brought proceeds of \$1,278,906 via the exercise of 10,657,500 warrants, have enabled Murchison to complete its three phased exploration program at HPM over the past few months.

Murchison's working capital as at September 30, 2022 is approximately \$2.9 million.

Additionally, the Company will be advancing the BMK project through commencing comprehensive desktop studies on results to date, with the following objectives i) define drilling plan to optimize the BMK mineral resource focussing on expanding high-grade domains and testing open areas on strike and down dip, and ii) define exploration plans to test blue sky potential along the BMK trend.

The Company continues to expand its investor relations activities with the objective of getting wider recognition of the Company's exploration activities to current and potential investors. This is also achieved by Murchison attending several resource specific conferences and using social media.

There are no known legal, environmental or other risks that could materially affect the potential development of Company's exploration projects.

On its HPM project, Murchison's focus is on continuing dialogue with the Innu Takuaikan Uashat mak Mani-Utenam (ITUM) and the Government of Quebec. The objective of the continued dialogue is to establish a path forward which is mutually beneficial to all parties following previous concerns raised by the ITUM community in August 2022.

Advancing exploration at the mineral properties will require substantially more financial resources. In the past, the Corporation has been able to rely on its ability to raise financing via equity private placements.

Management's main objective is to advance its current projects and maximize their potential via the use of different exploration techniques available. The long-term goal remains to develop the Company's properties and achieve commercial production. The Company may enter into partnerships in order to fully exploit the production potential of its exploration assets.

MINERAL PROPERTIES – EXPLORATION ACTIVITIES

HPM PROPERTY – QUEBEC

At HPM, a VTEM airborne geophysical survey commenced on April 11, 2022 to provide full coverage over the expanded (December 8, 2021) land package. The initial 200-metre spaced survey was completed in early July detecting a significant number of new electromagnetic anomalies. Based on the results received, the Company further expanded the claims area by an additional 72 km², the HPM land package now covers 648 km². An additional 980-line kilometres of VTEM survey was subsequently initiated. This additional survey was completed in early August and the final results were recently received and forwarded to Condor Consulting for a complete and comprehensive review of the data along with modelling and a detailed interpretation. The new survey covered the majority of the eastern Haut-Plateau region where rafts of paragneiss reside within a highly prospective assemblage of norite, gabbro, and anorthosite intrusive rocks which host the nickel-copper-cobalt occurrences. These rock assemblages are similar to those rock types found at other prestigious nickel mining camps, such as Voisey's Bay.

In late June, the Company mobilized at HPM and initiated its summer prospecting program and drill campaign. The prospecting was initiated in early July and consisted of three teams of two utilizing a beep mat to detect conductive geophysical anomalies at surface. The prospecting program was concluded at the end of August and successfully located multiple new areas of sulphide which includes the Taureau, Loup, and Original targets (see press release dated October 5th). The prospecting program also extended surface mineralization at both BDF and Syrah.

In early August (August 5th release), the Company commenced the 2022 summer HPM drill campaign. The program was concluded in early September and drilled 13 holes totaling 4,316 metres. The drilling focused at BDF with 10 holes and an additional 3 holes were drilled at Syrah. pXRF results have been released for the 10 holes drilled at BDF (see releases September 8th, 14th and October 12th and 17th) and final lab assays are pending and will be released as received. The assay results for BDF22-001 have been received and the agreement between pXRF and lab assays have been exceptional (see November 14th release). Highlights of BDF22-001 include 18.05 m grading 1.86% Ni Equivalent and 69.9 m grading 0.68% Ni Equivalent.

The 2022 drill campaign is considered a major success with significant mineralization intersected in multiple holes at BDF extending the mineralization along strike and at depth. The program also drilled the most significant intercept to date with BDF22-002 intersecting 121.2 m interval with a pXRF estimate of 1.39% Ni Eq (or 4.14% Cu Eq)– including 21.0 m at 3.43% Ni Eq (or 10.25% Cu Eq) (See September 14th

release). Work has commenced towards drafting an inaugural resource at BDF which is expected to be completed in early 2023.

Murchison considers the HPM highly prospective to host additional nickel-copper-cobalt mineralization particularly at BDF and Syrah where significant mineralization has already been encountered. The HPM project continues to show tremendous promise with its numerous gossanous nickel-copper-cobalt-bearing outcrops spatially linked to historical airborne electro-magnetic (EM) anomalies. The HPM property has developed into an exploration project with mining camp scale prospectivity.

BRABANT LAKE PROPERTY – SASKATCHEWAN

The Property is owned 100% by Murchison is strategically located along Highway 102 approximately 175 kilometres northeast of the town of La Ronge and near major infrastructure, including grid power. The Property consists of the Brabant-McKenzie VMS Deposit and multiple known mineralized showings and identified geophysical conductors over approximately 57-kilometre strike length of favourable geological horizon, all of which remain under-explored and mostly untested. The 627 km² Property shares geological characteristics, including similar age, with the Flin Flon and Lynn Lake volcanogenic massive sulphide (VMS) mining camps in Manitoba.

Murchison has recently recompiled all the historic data from the project and has begun remodeling of the Brabant-McKenzie deposit. The modelling will be focused on defining locations to either expand the existing mineralization defining deposit or further defined the high-grade core of the deposit. The most recent drill program conducted at the deposit in March 2021 intersected significant mineralization in hole BM21-004 which assayed 9.07% zinc, 0.81% copper, 0.26% lead, 0.11 g/t gold and 35.11 g/t silver over 15.35 metres (80 to 95% true thickness) with the intercept approximately 50 metres outside of the indicated resources and indicates significant opportunity to define additional high grade mineralization within the core of the deposit.

The Company has commenced a reinterpretation of all of the historical geophysical data collected to date. The goals of the reinterpretation will be to define new drill targets at the T2T and TOM2 targets which both have a similar geophysical response to the Brabant-McKenzie deposit as well as are located along strike. These targets were both drill tested by a single drill hole in the winter of 2020 which did not adequately explain the geophysical anomaly. The reinterpretation will also focus on defining additional drill targets at the Main Lake and Betty Zone areas where VMS alteration and mineralization was intersected in 2020 and 2021 respectively. The most recent drilling at Main Lake intersected encouraging sulphide mineralization in hole ML21-002 intersecting two lens of sulphide mineralization. First interval assayed 0.84% zinc, 0.36% copper and 8.5 g/t silver over 3.59 metres (149.5 to 153.15m) and includes 0.47 metre of 3.6% zinc, 0.2% copper and 6.6 g/t silver. The second interval assayed 1.27% zinc, 0.03% copper, and 14.75 g/t silver over 4.08 metres (176.5 to 180.59m) and includes 1.01 metres of 4.71% zinc, 0.04% copper and 21.2 g/t silver. At the Betty Zone, 4 holes were completed in 2021 with the best intercept to date in hole BZ21-002 which assayed 4.40% zinc, 1.33% copper, 12.95 g/t silver from 280.73 to 281.65 metres (0.92 m) including 0.42 m at 3.76% zinc, 2.40% copper, 21.70 g/t silver and 0.12 g/t gold.

BARRAUTE-LANDRIENNE PROPERTY - QUEBEC

On April 28, 2021, the Company entered into an agreement with Gestion Aline Leclerc Inc. ("GAL") granting Murchison an option to earn 100% in 75 mineral claims covering 2,377 hectares, by making payments totaling \$500,000 and property expenditures of \$1.0 million over a 6-year period. The first payment of \$20,000 is due on April 28, 2022. GAL will retain a royalty of 1% of net smelter returns (NSR) on future production. The 1% NSR can be acquired anytime by the Company for \$1.0 million.

The claims, split into 4 blocks are located in the Barraute-Landrienne mining camp, approximately 60 km north of Val-d'Or, and about 4 km northwest of the municipality of Barraute in Québec and were selected targeting new zinc-silver-gold deposits. These four blocks of claims are believed to host some of the best untested geological/geophysical base-metal targets in the area and are considered ready for drilling. The

Barraute mining camp hosts several mineralized showings and polymetallic metal deposits including the substantial 15.7 Mt zinc-silver Abcourt-Barvue deposit located at only 2 km from the Barraute property.

Exploration work completed throughout the past several years by GAL and others resulted in a new geological interpretation suggesting the correlation of the Abcourt-Barvue Mine stratigraphy within the Barraute property. Further west, the Landrienne property hosts several untested isolated Megatam geophysical anomalies, near felsic-mafic volcanic contacts.

Zinc-silver mineralization was discovered in the region in 1950. The Abcourt-Barvue deposit of Abcourt Mines Inc. was in operation during two periods: between 1952 and 1957 by Barvue Mines Limited and between 1985 and 1990 by Abcourt. In all, 5,002,190 metric tonnes grading 38.74 g/t silver and 2.98% zinc were mined from the Barvue open pit and 632,319 metric tonnes grading 131.65 g/t silver and 5.04% zinc were mined from underground production.

These properties are all located near infrastructure and human resources for exploration and possible future operations.

Qualified Persons

The scientific and technical disclosures included in this MD&A have been reviewed by John Shmyr, P.Geo., VP Exploration, a registered member of the Professional Engineers and Geoscientists of Saskatchewan and current holder of a special authorization with the Ordre des Géologues du Québec. Mr. Shmyr is a Qualified Person as defined by National Instrument 43-101.

Access to Properties

The Company's access to its Canadian properties is dependent on climate and weather conditions. The Brabant property in Saskatchewan is accessible all year round. All projects in Québec can be accessed from January to September as weather limits the activities during other times of the year.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS

The following table sets out the exploration expenses for the nine months ended:

	September 30, 2022	September 30, 2021
HPM		
Geology & prospecting	\$ 1,316,029	\$ 156,052
Geophysics	1,014,102	214,607
Drilling	2,762,229	10,830
General Administrative	42,922	-
Metallurgy	4,937	-
Exploration Tax Credits	(7,631)	-
Amortization	11,192	-
Mineral Property and Staking	15,932	11,524
Total HPM	\$ 5,159,712	\$ 393,013

	September 30, 2022	September 30, 2021
Brabant Lake		
Amortization	\$ 20,767	\$ 16,964
Drilling	1,500	1,489,041
General Administrative	2,500	4,084
Geology	92,596	72,461
Geophysics	90,844	71,277
Metallurgy	-	66,451
Government Assistance	(50,000)	-
Mineral Property and Staking	5,950	300
Total Brabant Lake	\$ 164,157	\$1,720,578
Barraute-Landrienne, Quebec		
Geology	\$ 3,947	\$ 33,302
Geophysics	3,567	95,934
Option Payment	20,000	-
Mineral Property and Staking	659	2,500
Total Barraute-Landrienne	\$ 28,173	\$ 131,636
Total exploration expenses	\$ 5,352,042	\$ 2,245,227

RESULTS OF OPERATIONS

For the three months ended September 30, 2022, the Company incurred a loss of \$3,484,165 (Q3/21 - \$811,766). The increase of \$2,672,399 is mainly related to the following factors: **1.** higher exploration expenses of \$3,273,829 (Q3/22 - \$3,942,998 vs Q3/21 - \$669,169) as the Company was conducting a prospecting and a drilling programs at HPM during the quarter; **2.** higher management fees and salaries of \$64,514 (Q3/22 - \$144,502 vs Q3/21 - \$79,988) as the Company adjusted compensation for its executive team during Q3/22; **3.** higher non-cash share-based payments of \$306,880 (Q3/22 - \$318,167 vs Q3/21 - \$11,287) as the Company granted stock options in Q3/22, offset by; **4.** higher non-cash flow-through shares premium of \$994,635 (Q3/22 - \$1,005,483 vs Q3/21 - \$10,848) as the Company completed recognized the income based on the related exploration activities funded by flow-through financings.

For the nine months ended September 30, 2022, the Company incurred a loss of \$5,319,349 (2021 - \$2,588,977). The increase of \$2,730,372 is mainly related to the following factors: **1.** higher exploration expenses of \$3,106,815 (2022 - \$5,352,042 vs 2021 - \$2,245,227) as the Company completed geophysical surveys and was also conducting a prospecting and a drilling programs at HPM during the last quarter; **2.** higher investor relations expenses of \$232,476 (2022 - \$349,442 vs 2021 - \$116,966) related to the hire of a full-time IR manager and overall increased IR activities by the Company; **3.** Higher management fees and salaries of \$126,254 (2022 - \$353,942 vs 2021 - \$227,688) as the Company adjusted compensation for its executive team during Q3/22 combined with the Company's new CEO joining in October 2021 and that no such expense accounted for in 2021. **4.** higher regulatory and transfer agent expenses of \$72,242 (2022 - \$86,893 vs 2021 - \$14,651) directly related to the Company's application to trade its common shares on the OTCQB in the United States which was completed during the first quarter of 2022; **5.** higher non-cash share-based payments of \$304,865 (2022 - \$358,395 vs 2021 - \$53,530) as the Company granted stock options in Q3/22; offset by **6.** higher non-cash flow-through shares premium of \$1,101,731 (2022 - \$1,232,190 vs 2021 - \$130,459) as the Company recognized the income based on the related exploration activities funded by flow-through financings.

LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2022, the Company had a cash of \$4,422,336 and working capital (excluding flow-through share premium liability) of \$2,864,380 (December 31, 2021, \$1,792,033 and \$1,889,546, respectively). The Company's excess cash, when available, is deposited into interest-bearing accounts or invested in redeemable GICs with major Canadian chartered banks.

As at September 30, 2022, the Company had amounts receivable and prepaid expenses totaling \$576,743 which included a sales tax receivable of \$498,076, prepaid expenses of \$44,425 and advances for exploration of \$34,242.

During 2021, the Company acquired exploration equipment at a cost of \$65,136, which included the purchase of an exploration vehicle in the amount of \$43,586. This amount was financed via a loan bearing an annual interest rate of 7.89% and is repayable over 60 monthly payments of \$881. The balance payable at September 30, 2022 was \$34,247.

The September 30, 2022, condensed interim consolidated financial statements were prepared in accordance with accounting principles applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge liabilities in the normal course of business. The Company's ability to continue as a going concern is always dependent on its ability to raise new funds to meet its obligations and continue its exploration activities.

Equity Financing

The Company's exploration projects are at an early stage and it has not yet been determined whether any of its properties contain economically recoverable ore. As a result, the Company has no current sources of revenue and has relied on the issuance of shares to generate the funds required to further its projects.

Private Placement

On June 30, 2022, the Company completed a non-brokered private placement and issued 10,166,666 units at a price of \$0.09 per unit, 20,195,002 Quebec flow-through units at a price of \$0.105 and 16,557,954 Charity flow-through units at a price of \$0.14 for aggregate gross proceeds of CAD \$5,353,589.

Each unit, Quebec flow-through unit and Charity flow-through unit was comprised of one common share of the Company and one-half of a common share purchase warrant. Each whole warrant is exercisable to acquire one additional common share at a price of \$0.18 for a period of 18 months expiring December 30, 2023. In the event that, the 20-day volume weighted average price of the common shares on the TSX Venture Exchange is greater than \$0.225 (\$0.24 for the unit), the Company may give notice to the holders of the warrants that the expiry time of the warrants has been accelerated and the warrants will expire on the 30th business day following the date of such notice to subscribe for and purchase the number common shares of the Company set forth above on the basis of one common share at a price of \$0.18 for each warrant exercised.

Finder's fees totaling \$149,150 were paid under the private placement and 1,230,471 finders' warrants were issued.

Warrants

Between January 10 and February 10, 2022, 7,025,000 warrants exercisable at \$0.12 and expiring on January 23 and February 13, 2022 were exercised for gross proceeds of \$843,000.

Following the implementation of a warrant exercise incentive program on March 17, 2022, 10,657,550 warrants at a price of \$0.12 were exercised for gross proceeds of \$1,278,906. As part of the incentive program, the Company issued 5,328,775 incentive warrants exercisable at \$0.18 until April 15, 2023.

In April 2022, an additional 1,351,000 warrants were exercised at \$0.12 under the warrant exercise incentive program for gross proceeds of \$162,120 and an additional 675,500 incentive warrants were issued.

As part of the private placement completed on June 30, 2022, 23,459,809 warrants and 1,230,471 finders' warrants were issued. Each warrant is exercisable to acquire one additional common share at a price of \$0.18 for a period of 18 months expiring December 30, 2023. In the event that, the 20-day volume weighted average price of the common shares on the TSX Venture Exchange is greater than \$0.225 (\$0.24 for the unit), the Company may give notice to the holders of the warrants that the expiry time of the warrants has been accelerated and the warrants will expire on the 30th business day following the date of such notice to subscribe for and purchase the number common shares of the Company set forth above on the basis of one common share at a price of \$0.18 for each warrant exercised.

During the period, 1,884,600 warrants expired on January 23, 2022, 100,000 expired on February 13, 2022 and 2,995,000 expired on September 5, 2022.

On October 21, 2022, 15,645,235 warrants exercisable at \$0.12 expired unexercised

General

The Company's ability to successfully acquire mineral projects or recover amounts expended on mineral properties is conditional on its ability to secure financing when required. The Company expects to meet additional financing requirements through equity financing. The Company may seek other alternatives for financing in the future depending on market conditions and exploration results; however, there can be no assurance that such financing attempts will be successful. The impact on our business and the cost and availability of financing remain uncertain and could affect our overall liquidity.

Commitments and Obligations

Management Contracts

The Company entered into consulting agreements for the services of its President and CEO, CFO and Executive Chairman. Under the agreements, additional payments totalling \$962,500 are to be made upon the occurrence of a change of control. As a triggering event has not taken place, the contingent payments have not been reflected in the consolidated financial statements. The commitment upon termination of the agreements is \$359,400, in aggregate. The minimum commitment due within one year under the terms of the agreements is \$386,400, in aggregate.

Property Option Agreement

On April 28, 2021, the Company optioned certain claims forming the Barraute-Landrienne property whereby Murchison can earn 100% in 75 mineral claims, by making payments totaling \$500,000 and property expenditures of \$1.0 million over a 6-year period. The \$20,000 first year anniversary payment was paid on May 3, 2022.

Flow-Through Obligation

As at September 30, 2022, the Company has to incur \$349,000 in qualifying exploration expenditures by December 31, 2023 to meet its flow-through commitments. At this time, management anticipates meeting that obligation and as a result, no additional provisions are required.

The flow-through agreements require the Company to renounce certain tax deductions for Canadian exploration expenditures incurred on the Company's mineral properties to flow-through participants. The Company indemnified the subscribers for any related tax amounts that become payable by the subscribers as a result of the Company not meeting its expenditure commitments.

The Company has no long-term contractual obligations.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

a) Remuneration of directors and the officers was as follows:

	Three Months Ended September 30		Nine Months Ended September 30	
	2022	2021	2022	2021
Salaries and benefits	\$ 143,280	\$ 42,813	\$ 350,738	\$ 178,188
Share-based payments	216,075	-	216,075	25,400
	\$ 359,355	\$ 42,813	\$ 566,813	\$ 203,588

For the three-month period ended September 30, 2022, the salaries and benefits amount above includes \$27,930 (2021 - \$20,313) for fees invoiced by a corporation controlled by the CFO of the Company for his services and \$21,600 (2021 - \$22,500) for fees invoiced by the Executive Chairman (former CEO until October 11, 2021) as well as \$93,750 (2021 - \$nil) for fees invoiced by a corporation controlled by the CEO of the Company for his services as CEO.

For the nine-month period ended September 30, 2022, the salaries and benefits amount above includes \$117,188 (2021 - \$90,688) for fees invoiced by a corporation controlled by the CFO of the Company for his services and \$64,800 (2021 - \$87,500) for fees invoiced by the Executive Chairman as well as \$168,750 (2021 - \$nil) for fees invoiced by a corporation controlled by the CEO of the Company for his services as CEO.

b) Warrant Incentive Program

As part of the warrant exercise incentive program implemented on March 17, 2022, officers and directors of the Company exercised 9,436,550 warrants at a price of \$0.12 for gross proceeds of \$1,132,386. As part of the incentive program, the Company issued 4,718,275 incentive warrants exercisable at \$0.18 until April 15, 2023.

PROPOSED TRANSACTIONS

The Company continues to evaluate quality exploration projects and financing opportunities. There are no material transactions currently pending.

FINANCIAL INSTRUMENTS

	September 30 2022	December 31 2021
Financial assets:		
Amortized cost		
Cash and cash equivalents	\$ 4,422,336	\$ 1,792,033
FVPL		
Investments	-	2,584
Financial liabilities:		
Amortized cost		
Accounts payable and accrued liabilities	\$ 2,124,121	\$ 211,305
Loan payable	34,247	39,963

As of September 30, 2022 and December 31, 2020, the fair value of all the Company's financial instruments approximates the carrying value, due to their short-term nature, except as for the investment which is presented at fair value.

As at September 30, 2022, the Company's Investment on the consolidated statements of financial position was recorded at level 1 with a fair value of \$nil (December 31, 2021 - \$2,584).

Significant accounting judgments and estimates:

The preparation of consolidated financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions about future events that affect the amounts reported in the consolidated financial statements and related notes to the financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates.

The areas that require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to the following:

- ***Assets' carrying values and impairment charges***
In the determination of carrying values and impairment charges, management looks at the higher of recoverable amount or fair value less costs to sell in the case of assets and at objective evidence, significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.
- ***Income and other taxes***
Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the statement of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

- ***Share-based payments***
Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based non-vested share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgments used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates. The Company currently estimates the expected volatility of its common

shares based on historical volatility taking into consideration the expected life of the options and warrants.

Capital Management:

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions and
- to maximize shareholders' return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by Management and the Board of Directors on an ongoing basis.

The Company considers its capital to consist of equity, comprising share capital, reserves and deficit. The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is regularly updated based on its exploration and development activities. Selected information is regularly provided to the Board of Directors of the Company. The Company's capital management objectives, policies and processes have remained unchanged during the quarter and nine months ended September 30, 2022 and the year ended December 31, 2021. The Company is not subject to any capital requirements imposed by a regulator or lending institution.

ADDITIONAL INFORMATION

Outstanding Shareholders' Equity Data

As of November 23, 2022, the following are outstanding:

- | | |
|-----------------|-------------|
| • Common Shares | 218,211,957 |
| • Stock Options | 19,180,000 |
| • Warrants | 30,019,055 |

Uncertainties and Risk Factors

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position.

In addition to the risks outlined the December 31, 2021 annual MD&A, Murchison has identified the extreme volatility occurring in the financial markets as a significant risk for the Company. As a result of the market turmoil, investors are moving away from assets they perceive as risky to those they perceive as less so. Companies like Murchison are considered risk assets and as mentioned above are highly speculative. The volatility in the markets and investor sentiment may make it difficult for the Company to access the capital markets to raise the funds required for its future expenditures.

FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements based on the Company's current expectations. Forward-looking information can often be identified by forward looking words such as "anticipate", "believe", "expect", "goal", "plan", "intend", "estimate" or similar words suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance.

These forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from those presented in this document. Accordingly, the Company undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change, unless required by law. Readers are cautioned not to place undue reliance on forward-looking information.