

# **MURCHISON MINERALS LTD. MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE QUARTER ENDED MARCH 31, 2023**

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 months ended March 31, 2023. 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, 2022, which have been prepared in accordance with IFRS and available on the Company's website ([www.murchisonminerals.com](http://www.murchisonminerals.com)). This MD&A covers the most recently completed financial quarter and the subsequent period up to May 24, 2023. 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-lead-gold deposit (the "Deposit") located on the Brabant McKenzie project ("BMK") in north-central Saskatchewan. 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 this MD&A, 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**

Murchison considers both the HPM and BMK projects to be top tier under valued exploration projects both with significant scale to host numerous deposits in areas that remain considerably underexplored. The projects are in the top tier mining jurisdictions, Quebec and Saskatchewan. Murchison is the dominant land holder for both projects with both already containing significant sulphide mineralization and numerous showings located through the properties.

The HPM project's entire 951 km<sup>2</sup> land package is highly prospective to host nickel- copper-cobalt mineralization, particularly at Barre de Fer ("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 airborne electro-magnetic (EM) anomalies.

The BMK project which hosts the Brabant-McKenzie VMS Deposit is considered by the Company to be an emerging VMS district. The Deposit currently remains open and the Company plans to continue to grow the resource through additional expansion drilling. The two most recent exploration programs in

2020 and 2021 successfully discovered VMS mineralization at the Betty and Main Lake targets which confirms the viability that project hosts multiple VMS mineralizing systems. The Company is excited to continue to explore these prospects as well as other targets such as T2T and Tom2.

The HPM property has developed into an exploration project with mining camp scale prospectivity. The Company believes that drill results at HPM speak for themselves and BDF22-002 is one of the top nickel-sulphide intersections made at a pre-resource project globally over the last several years.

The results from the 2022 drill program demonstrate the significance of the BDF zone and overall potential of the HPM project, which, we believe, is clearly one of the few new emerging nickel-sulphide districts on the planet. The HPM project is developing at a time when worldwide nickel demand is slated to increase significantly over the coming years. The opportunity is compounded for Murchison by the fact there is significant pre-existing infrastructure with a maintained highway, rail, and available hydropower all within kilometres. Those fundamentals, along with the fact the Government of Quebec is implementing a vertically integrated critical minerals strategy puts HPM at the forefront.

For 2023 on its HPM project in Quebec, Murchison is planning to follow up on last year positive drill results at the BDF zone as well as continue its prospecting activities property wide. The Company is reviewing the HPM exploration data in order to create an updated geologic model of the BDF zone. This comprehensive model includes geology, geochemistry and geophysics and will be used to streamline future exploration programs at BDF and the surrounding areas. The Company will be continuing dialogues with the Innu TakuaiKAN Uashat mak Mani-Utenam (ITUM) and the Government of Quebec with the objective of establishing a path forward which will be mutually beneficial to all parties.

Also for 2023, the Company will continue to advance the BMK project through comprehensive desktop studies with the objectives of; i) defining a drilling plan to optimize the BMK mineral resource focusing on expanding high-grade domains and testing open areas on strike and down dip, and ii) defining an exploration plans to test blue sky potential along the BMK trend leveraging the discovery potential for copper dominant zones. Also, the Company has engaged renowned VMS expert Dr. Stephen Piercy to complete systematic relogging of the historic BMK to further inform the geologic model to aid in future expansion and exploration.

The polymetallic BMK Deposit is considered a high grade VMS deposit with very high zinc and silver grades. The Deposit is ideally located only 2 km away from highway 102 and grid power. The Deposit comes to surface, is over a current strike length of 1.1 km and has been tested down to approximately 700 metres depth. Preliminary metallurgical work completed in 2021 delivered exceptional results. Currently, the Deposit lacks a copper stockwork zone which is typical in VMS systems with similar high zinc grades and locating the copper rich mineralization is high priority. Additionally, as VMS deposits form in clusters, it is highly unlikely that BMK Deposit is the only VMS deposit in the area and the Company is confident that future exploration work will yield additional discoveries.

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.

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. The Company will need to raise additional funds to complete its 2023 exploration plans.

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

The 2022 drill campaign was a major success with significant mineralization intersected in multiple holes at BDF extending the mineralization along strike and at depth. During the program, drilling encountered the most significant intercept to date with BDF22-002 intersecting 121.2 m interval at 1.36% NiEq (or 4.07% CuEq) – including 21.0 m at 3.21% NiEq (or 9.59% CuEq) (see November 29, 2022 press release). Mineralization has now been intersected at BDF down to 475 m, over a strike length of 370 m and over a width of 200 m in multiple lens up individually up to 48 m thick (see January 17, 2023 press release). The zone of mineralization remains open in all directions and the Company is eager to continue to expand mineralization through subsequent drill programs. Below table highlights the results from the first 2 drill holes at the BDF target.

**2022 Drill Campaign Assay Results for BDF22-001 & 002**

Hole		From (m)	To (m)	Length* (m)	Ni %	Cu %	Co %	NiEq. %**	CuEq. %**
BDF22-001		89.95	108	18.05	1.44	0.44	0.10	1.86	5.00
	<b>Includes</b>	<b>96.5</b>	<b>108</b>	<b>11.5</b>	<b>1.98</b>	<b>0.56</b>	<b>0.13</b>	<b>2.53</b>	<b>6.80</b>
	<b>Includes</b>	<b>97.8</b>	<b>105.9</b>	<b>8.1</b>	<b>2.69</b>	<b>0.69</b>	<b>0.18</b>	<b>3.41</b>	<b>9.16</b>
		122	132.85	10.85	0.29	0.24	0.03	0.44	1.18
		180.5	189	8.5	0.62	0.37	0.05	0.88	2.36
		196.5	219.2	22.7	0.23	0.11	0.02	0.32	0.85
		267	336.9	69.9	0.50	0.23	0.04	0.68	1.83
	<b>Includes</b>	<b>283.4</b>	<b>299.5</b>	<b>16.1</b>	<b>0.92</b>	<b>0.43</b>	<b>0.07</b>	<b>1.26</b>	<b>3.38</b>
BDF22-002		123.8	245	121.2	1.02	0.56	0.07	1.36	4.07
	<b>Includes</b>	<b>134.1</b>	<b>144.2</b>	<b>10.1</b>	<b>2.08</b>	<b>1.17</b>	<b>0.14</b>	<b>2.78</b>	<b>8.31</b>
	<b>Includes</b>	<b>152</b>	<b>196</b>	<b>44</b>	<b>1.58</b>	<b>0.71</b>	<b>0.11</b>	<b>2.05</b>	<b>6.14</b>
	<b>Including</b>	<b>152</b>	<b>180.8</b>	<b>28.8</b>	<b>2.21</b>	<b>0.99</b>	<b>0.15</b>	<b>2.86</b>	<b>8.55</b>
	<b>Including</b>	<b>152.5</b>	<b>173.5</b>	<b>21</b>	<b>2.45</b>	<b>1.22</b>	<b>0.16</b>	<b>3.21</b>	<b>9.59</b>
	<b>Including</b>	<b>177.05</b>	<b>180.8</b>	<b>3.75</b>	<b>2.85</b>	<b>0.57</b>	<b>0.19</b>	<b>3.45</b>	<b>10.30</b>
	<b>Includes</b>	<b>207.5</b>	<b>218</b>	<b>10.5</b>	<b>1.30</b>	<b>0.80</b>	<b>0.09</b>	<b>1.76</b>	<b>5.26</b>
		303.55	357.50	53.95	0.22	0.10	0.02	0.30	0.88

Reported as core length, true thickness is not known. \*\*Nickel Equivalent (NiEq) & Copper Equivalent (CuEq) values were calculated using the following USD metal prices from Sept 12, 2022: \$10.84/lb Nickel, \$3.63/lb Copper, and \$23.56/lb Cobalt. NiEq.% was calculated using  $Ni\% + ((Cu\ Price/Ni\ Price) * Cu\%) + ((Co\ Price/Ni\ Price) * Co\%)$ . CuEq.% was calculated using  $Cu\% + ((Ni\ Price/Cu\ Price) * Ni\%) + ((Co\ Price/Cu\ Price) * Co\%)$ . 100% percent recovery is assumed for equivalent calculations however it should be noted that 100% recovery is not to be expected for final recovery and true recovery may differ significantly from element to element. Please note that copper equivalent is in substitution for nickel equivalent and not in addition to.

The drilling at Syrah target which lies approximately 300 m to the northwest of the BDF Zone successfully intersected significant disseminated sulphide mineralization. The best intercept in hole SYR22-001 intersected 277.3 m grading 0.22% NiEq or 0.70% CuEq (see February 7, 2023 press release). Mineralization intersected at Syrah confirms the presence of a large magmatic sulphide system but does not explain the conductive geophysical anomaly. The Company is confident the disseminated mineralization intersected is a key vectoring tool towards discovery of more massive to semi-massive mineralization within the target area.

The Company also completed backpack drilling on the 100% owned Lac Paradis prospect. Lac Paradis prospect is located approximately 120 km southwest of the HPM project area where claims were acquired by the Company in January of 2022. The backpack drill results confirmed nickel mineralization discovered on surface in 2003 and the area remains highly unexplored. The best result of the backpack drill core sampling was 1.55 m grading 1.43% NiEq or 4.65% CuEq including 0.37m grading 5.01% NiEq or 16.25% CuEq (see February 7, 2023 press release). The Company considers the Lac Paradis prospect results encouraging and is planning additional prospecting work on the property.

Additionally, Dr. Peter Lightfoot – Technical Advisor for Murchison Minerals – has reviewed whole rock geochemistry from samples taken during the 2022 exploration program and has identified the geochemical signature of the intrusive rocks that host high-grade Ni-Cu-Co mineralization at the BDF Zone. Based on his findings, the Company has identified a significant number of high-priority targets along the BDF that have a similar signature to BDF. Furthermore, the identification of the intrusive host rock has led the Company to stake an additional 313.7 km<sup>2</sup> of mineral tenements. The newly expanded claim block covers a large area of prospective mafic-ultramafic rocks identified to the east of the previous HPM claim area.

Based on the success of the summer 2022 exploration program at HPM, the Company is currently developing its exploration plans for 2023. These plans will consist of a similar three-pronged approach as was applied in 2022: utilizing geophysical surveys, ground prospecting, and diamond drilling.

### **BRABANT LAKE PROPERTY – SASKATCHEWAN**

The Brabant Lake property is 100% owned by Murchison is strategically located along Highway 102 approximately 175 km northeast of the town of La Ronge and near major infrastructure, including grid power. The Brabant Lake property consists of the BMK VMS Deposit and multiple known mineralized showings and identified geophysical conductors over approximately 57 km strike length of favourable geological horizon, all of which remain under-explored and mostly untested. The 627 km<sup>2</sup> property shares geological characteristics, including similar age, with the Flin Flon and Lynn Lake volcanogenic massive sulphide (VMS) mining camps in Manitoba.

The BMK Deposit currently hosts an NI 43-101 compliant resource estimate (September 4, 2018) with 2.1 Mt indicated resources at 7.08% Zn, 0.69% Cu, 0.49% Pb, 0.23 g/t Au, 39.6 g/t Ag and 7.6 Mt additional inferred resources at 4.46% Zn, 0.57% Cu, 0.19% Pb, 0.1 g/t Au, 18.42 g/t Ag. The resource utilized a 3.5% ZnEq cut off based on metal prices of US\$1.20/lb zinc, \$2.50/lb copper, \$1.00/lb lead, \$16.00/oz silver and \$1200/oz/gold, and a US\$ exchange rate of \$1.25. The Deposit remains open in multiple directions.

Murchison has recompiled all the historic data from the project and has begun remodeling of the Deposit. The modelling has been focused on defining locations to expand the Deposit particularly at depth and along strike. The modelling work is also focused on locations to upgrade the Deposit through expansion of high-grade zones. 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 m (80 to 95% true thickness) with the intercept approximately 50 m outside of the indicated resources and indicates significant opportunity to define additional high-grade mineralization within the core of the Deposit.

Reinterpretation of historical drill core by selective relogging has defined the host stratigraphy at BMK to be mixed mafic and felsic volcanoclastic hosted within a back-arc basin. These environments are similar to other jurisdictions such as the Bathurst mining camp and are known to contain some of the largest VMS deposits. This reinterpretation provides additional justification for the presence of additional VMS mineralization within the BMK project area. Typical volcanoclastic VMS deposits with very high zinc grades are often formed through "zone refinement" which indicates that the deposit should contain a considerable copper rich zone. This copper rich zone has yet to be found and is a high priority exploration target for Murchison.

The Company has commenced a reinterpretation of all 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 Deposit and are located along strike. These targets were both drilled by a single drill hole in the winter of 2020 and results did not adequately explain the geophysical anomaly and additional drilling will be required. 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 m (149.5 to 153.15m) and includes 0.47 m 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 m (176.5 to 180.59m) and includes 1.01 m 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 m (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.

On February 3, 2023, the Company terminated the agreement to focus on its HPM and BMK projects.

#### **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 properties is dependent on climate and weather conditions. The Brabant Lake 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 three months ended:

	March 31, 2023	March 31, 2022
<b>HPM, Quebec</b>		
Drilling	\$ 167,636	\$ 5,687
Geology and prospecting	42,778	108,094
Geophysics	36,918	16,125
Acquisition and staking	56,155	3,763
Acquisition and staking	-	3,486
Tax credits receivable	(97,100)	(7,631)
<b>Total HPM</b>	<b>\$ 206,387</b>	<b>\$ 129,524</b>
<b>Brabant Lake, Saskatchewan</b>		
Amortization	\$ 1,235	\$ 7,582
Drilling ( <i>less government assistance</i> )	-	1,500
General Administrative	2,000	1,000
Geology	27,583	35,165
Geophysics	-	54,820
Mineral Property & Staking	1,050	4,000
<b>Total Brabant Lake</b>	<b>\$ 31,868</b>	<b>\$ 104,067</b>
<b>Barraute-Landrienne, Quebec</b>		
Geology	\$ 3,737	\$ 1,087
Acquisition and staking	18,387	-
Tax credits receivable	(1,200)	-
<b>Total Barraute-Landrienne</b>	<b>\$ 20,924</b>	<b>\$ 1,087</b>
<b>Total exploration expenses</b>	<b>\$ 259,179</b>	<b>\$ 234,678</b>

## RESULTS OF OPERATIONS

For the three months ended March 31, 2023, the Company incurred a loss of \$576,617 (Q1/21 - \$557,687). The increase of \$18,930 is mainly related to the following factors: **1.** higher exploration expenses of \$122,801 (Q1/23 - \$259,179 vs Q1/22 - \$234,678) related to activities on the HPM project which were reduced by \$98,300 of estimated refundable Quebec tax credits (net increase of \$24,501). offset by; **2.** lower regulatory and transfer agent expenses of \$53,439 (Q1/23 - \$31,506 vs Q1/22 - \$84,895) as the 2022 amount included expenses related to the OTCQB listing; **3.** Lower other income of \$24,000 and; **4.** Lower non-cash flow-through share premium of \$35,438 (Q1/23 - \$nil vs Q1/22 - \$35,438) as no flow-through share income was recognized in Q1/23.

## LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2023, the Company had a cash of \$1,378,664 and working capital of \$1,602,746 (December 31, 2022 – \$1,706,952 and \$2,167,994, 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 March 31, 2023, the Company had amounts receivable and prepaid expenses totaling \$477,791 which included sales tax receivable of \$70,327, tax credits receivable of \$358,542, prepaid expenses and other receivables of \$48,922.

During 2022, the Company acquired an accommodation building in Saskatchewan at a cost of \$50,000 of which \$18,000 is payable monthly from April to September 2023 and a final lump sum of \$14,000 on October 1, 2023. The purchase bears no interest. During 2021, the Company purchased 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 March 31, 2023 was \$30,235.

The March 31, 2023, 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.

### **Warrants**

On April 15, 2023, 5,328,775 warrants exercisable at \$0.18 expired unexercised.

### **Stock Options**

On January 10, 2023, 710,000 stock options exercisable at \$0.19 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 remains uncertain and could affect our overall liquidity.

### **Commitments and Obligations**

#### *Management Contracts*

The Company entered into consulting agreements for the services of its key executives. Under the agreements, additional payments totalling \$1,363,750 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 \$366,250, in aggregate. The minimum commitment due within one year under the terms of the agreements is \$678,900, 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 covering 2,377 hectares, by making payments totaling \$500,000 and property expenditures of \$1.0 million over a 6-year period. On February 3, 2023, the Company terminated the option agreement.

*Flow-Through Indemnification*

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.

*Environmental*

The Company's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

The Company has no long-term contractual obligations other than the loans payable as disclosed above.

**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:*

	2023	2022
Salaries and benefits	\$ 122,495	\$ 114,256
Share-based payments	-	8,850
	<b>\$ 122,495</b>	<b>\$ 123,106</b>

For the three-month period ended March 31, 2023, the salaries and benefits amount above includes \$44,645 (2022 - \$55,156) for fees invoiced by a corporation controlled by the CFO of the Company for his services and \$21,600 (2022 - \$21,600) for fees invoiced by the Executive Chairman of the Company for his services as Executive Chairman. The salaries and benefits also include \$56,250 (2022 - \$37,500) for fees invoiced by a corporation controlled by the CEO of the Company for his services as CEO fees.

b) *Warrant Incentive Program*

In January 2022, two directors exercised 4,187,500 warrants at a price of \$0.12 for aggregate gross proceeds of \$502,500. Also, 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 this incentive program, the Company issued 4,718,275 warrants to the officers and directors exercisable at \$0.18 until April 15, 2023. The fair value of these incentive warrants was \$75,492.

**PROPOSED TRANSACTIONS**

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



## FINANCIAL INSTRUMENTS

	March 31, 2023	December 31, 2022
Financial assets:		
Amortized cost		
Cash and cash equivalents	\$ 1,378,664	\$ 1,706,952
Financial liabilities:		
Amortized cost		
Accounts payable and accrued liabilities	\$ 211,131	\$ 357,895
Loan payable	62,235	73,263

As of March 31, 2023 and December 31, 2022, 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.

### 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 shareholder 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 period ended March 31, 2023. The Company is not subject to any capital requirements imposed by a regulator or lending institution.

## ADDITIONAL INFORMATION

### Outstanding Shareholders' Equity Data

As of May 24, 2023, the following are outstanding:

- |                 |             |
|-----------------|-------------|
| • Common Shares | 218,211,957 |
| • Stock Options | 20,785,000  |
| • Warrants      | 24,690,279  |

### **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, 2022 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.*