Minto Metals Corp.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the years ended December 31, 2022 and 2021

MANAGEMENT’S DISCUSSION AND ANALYSIS

The following Management’s Discussion and Analysis (“**MD&A**”) provides a review of the activities, results of operations, and financial condition of Minto Metals Corp. (the “**Company**” or “**Minto**”), for the year ended December 31, 2022, compared with the prior fiscal year. This MD&A should be read in conjunction with the Company’s audited annual financial statements for the years ended December 31, 2022 and 2021, compared with the prior fiscal year, and related notes thereto, which have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”) as issued by the International Accounting Standards Board (“**IASB**”). All figures in this MD&A are presented in thousands of Canadian Dollars except for share, per share and per pound unless otherwise specified. References to “USD$” are to United States Dollars. This MD&A has been prepared as of April 5, 2023.

Additional information about the Company, including its annual information form, can be found on www.sedar.com and Minto’s website at www.mintomine.com.

This MD&A contains forward-looking statements that involve various risks, uncertainties and assumptions. See the “Cautionary Note Regarding Forward-Looking Statements” section below. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements, as a result of a number of factors, including those set out in “Cautionary Note Regarding Forward Looking Statements” sections of this MD&A for the years ended December 31, 2022 and 2021.

The use of the “Company” or “Minto” herein, refers to Minto Metals Corp. and/or one or more or all its subsidiaries, as it may apply.

All figures are presented in thousands of Canadian Dollars unless otherwise specified.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This MD&A contains "forward-looking information" and "forward-looking statements" (collectively, "**forward-looking statements**"), within the meaning of applicable Canadian securities laws and "forward-looking information" within the meaning of applicable U.S. securities laws, which we refer to collectively as "forward-looking statements". Forward-looking statements are statements and information regarding possible events, conditions, or results of operations that are based upon assumptions about future conditions and courses of action. All statements and information other than statements of historical fact may be forward-looking statements. In some cases, forward-looking statements can be identified by the use of words such as "seek", "expect", "anticipate", "budget", "plan", "estimate", "continue", "forecast", "intend", "believe", "predict", "potential", "target", "may", "could", "would", "might", "will" and similar words or phrases (including negative variations) suggesting future outcomes or statements regarding an outlook. Forward-looking statements or assumptions in this MD&A include, but are not limited to: statements regarding future business plans and operations, statements of production volume, cash costs, cash on hand and future cash flows expected to fund future obligations, capital expenditures, exploration expenditures and activities, copper prices, market value, permitting timelines, mill production, investment in people, worldwide demand for copper, equipment and labour availability, executing on a “Fill the Mill” strategy and allocation of capital resources, the payment schedule regarding the Company’s closure liabilities due to the Government of Yukon, as well as other assumptions set forth in the technical report prepared for the Minto Mine Property (as hereinafter defined) entitled “NI 43-101 Preliminary Economic Assessment, Technical Report, Minto Yukon, Canada” bearing an effective date of March 31, 2021 and filed on the Company’s profile on SEDAR on June 17, 2021 (the “**Minto Property Technical Report**”).

Such forward looking statements are based on a number of material factors and assumptions, including, but not limited to: the accuracy of mineral reserves and mineral resources, grade, mine life, cash cost, net present value, internal rate of return and production and processing estimates, and other assumptions, projections and estimates made, such as the successful completion of development and exploration projects, planned expansions or other projects within the timelines anticipated and at anticipated production levels; that mineral resources can be developed as planned; interest and exchange rates; that required financing and permits will be obtained; general economic conditions; that labour disputes or disruptions, flooding, ground instability, geotechnical failure, fire, failure of plant, equipment or processes to operate are as anticipated and other risks of the mining industry will not be encountered; that contracted parties provide goods or services in a timely manner; that there is no material adverse change in the price of copper, gold or other metals; competitive conditions in the mining industry; title to mineral properties; costs; taxes; the retention of the Company's key personnel; and changes in laws, risks related to the direct and indirect impact of COVID-19 including rules and regulations applicable to Minto.

Forward-looking statements involve known and unknown risks, uncertainties, and other factors which may cause actual results, performance, or achievements to differ materially from those anticipated in such forward-looking statements. The Company believes the expectations reflected in such forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and you are cautioned not to place undue reliance on forward-looking statements contained herein. Some of the risks and other factors which could cause actual results to differ materially from those expressed in the forward-looking statements contained in this MD&A, include, but are not limited to: mineral reserve and mineral resource estimates may change and may prove to be inaccurate; life of mine estimates are based on a number of factors and assumptions and may prove to be incorrect; Minto has a limited operating history and is subject to risks associated with establishing new mining operations; sustained increases in costs, or decreases in the availability, of commodities consumed or otherwise used by the Company may adversely affect the Company; actual production, costs, returns and other economic and financial performance may vary from the Company's estimates in response to a variety of factors, many of which are not within the Company's control; adverse geotechnical and geological conditions (including geotechnical failures) may result in operating delays and lower throughput or recovery, closures or damage to mine infrastructure; the ability of the Company to treat the number of tonnes planned, recover valuable materials, remove deleterious materials and process ore, concentrate and tailings as planned is dependent on a number of factors and assumptions which may not be present or occur as expected; the Company's operations may encounter delays in or losses of production due to equipment delays or the availability of equipment; the Company's operations are subject to continuously evolving legislation, compliance with which may be difficult, uneconomic or require significant expenditures; the Company may be unsuccessful in attracting and retaining key personnel; labour disruptions could adversely affect the Company's operations; risks related to the Company's use of contractors; the hazards and risks normally encountered in the exploration, development and production of copper, gold and silver; the Company's operations are subject to environmental hazards and compliance with applicable environmental laws and regulations; the Company's operations and workforce are exposed to health and safety risks; unexpected costs and delays related to, or the failure of the Company to obtain, necessary permits could impede the Company's operations; the Company's title to exploration, development and mining interests can be uncertain and may be contested; the Company's properties may be subject to claims by various community stakeholders; risks related to limited access to infrastructure and water; the Company's exploration programs may not successfully expand its current mineral reserves or replace them with new reserves; the Company's common shares (the “**Common Shares**”) may experience price and trading volume volatility; the Company's revenues are dependent on the market prices for copper, which have experienced significant recent fluctuations; the Company may not be able to secure additional financing and the increased reclamation costs security as and when required or on acceptable terms,; Company shareholders may be subject to future dilution; risks related to changes in interest rates and foreign currency exchange rates; changes to taxation laws applicable to the Company may affect the

Company's profitability; the risks related to the Company's internal controls over financial reporting and compliance with applicable accounting regulations and securities laws; the carrying value of the Company's assets may change and these assets may be subject to impairment charges; the Company may be liable for uninsured or partially insured losses; the Company may be subject to litigation; the Company may be unsuccessful in identifying targets for acquisition or completing suitable corporate transactions, and any such transactions may not be beneficial to the Company or its shareholders; the Company must compete with other mining companies and individuals for mining interests; risks related to information systems security threats; and the risks set out elsewhere herein and in the Company’s other public disclosure documents filed on SEDAR, including in its Annual Information Form for the year ended December 31, 2022.

Although the Company has attempted to identify important factors that could cause actual results or events to differ materially from those described in the forward-looking statements, including those risk factors, you are cautioned that this list is not exhaustive and there may be other factors that the Company has not identified. These forward-looking statements are made as of the date of this MD&A, and the Company disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise unless as required by applicable securities laws.

TABLE OF CONTENTS

BUSINESS OVERVIEW

Minto Metals Corp. is a publicly-traded Canadian company incorporated in British Columbia, Canada. Minto's shares are listed on the TSX Venture Exchange ("**TSX-V**") under the symbol "MNTO". The Company has two wholly owned subsidiaries, 536445 Yukon Inc. and 536545 Yukon Inc. that hold mineral claims. The Company's head office is located at Suite 800, 5940 Macleod Trail SW, Calgary, Alberta.

Minto owns and operates the producing Minto mine located in the Minto Copper Belt of the Yukon, Canada ("**Minto Mine Property**"). The Minto Mine Property first began open pit mining and milling operations in 2007 with underground mining commencing in 2014. Capstone Mining Corp. (the previous owner of the Minto Mine Property) ("**Capstone**") put the Minto Mine Property into care & maintenance in 2018 and the mine operations were shut down. In mid-2019 Minto (formerly Minto Explorations Ltd., "**Minto Explorations**") purchased the Minto Mine Property and restarted the mine. The current Minto Mine Property includes underground mining operations, a processing plant that produces a high-grade copper, gold and silver concentrate, and all supporting infrastructure associated with operating a remote mine located in Yukon. The Minto Mine Property is located on the Selkirk First Nation's Territory, sitting about 20 km WNW of Minto Landing on the west side of the Yukon River. Minto Landing is located on the east side of the Yukon River approximately 250 road-km north of the City of Whitehorse, the capital city of the Yukon.

On November 23, 2021, the Company completed a reverse takeover transaction (the "**RTO Transaction**") pursuant to an amalgamation agreement (the "**Amalgamation Agreement**") dated June 15, 2021, as amended on November 5, 2021, between Minto Explorations and 1246778 BC Ltd. ("**778 BC**"). Pursuant to the Amalgamation Agreement, Minto Explorations Ltd. and 778 BC amalgamated and continued under the *Business Corporations Act* (British Columbia) as the Company, and each shareholder of Minto Explorations and shareholder of 778 BC received one (1) Common Share of the Company in exchange for each share of Minto Explorations and 778 BC, respectively.

In connection with the RTO Transaction and pursuant to an agreement between Minto Explorations and 778 BC, 778 BC closed the first tranche of a brokered "best efforts" private placement offering and non-brokered private placement offering of the financing completed in connection with the RTO Transaction (the "**RTO Financing**") on September 21, 2021, pursuant to which 778 BC issued an aggregate of 5,857,938 778 subscription receipts of 788 BC (each, a "**788 BC Subscription Receipt**") at an issued price of $2.60 per 778 BC Subscription Receipt for aggregate gross proceeds of $15,230,638.80. On October 22, 2021, 778 BC closed a second tranche of the RTO Financing, pursuant to which 778 BC issued an aggregate of 444,798 778 BC Subscription Receipts at an issued price of $2.60 per 778 BC Subscription Receipt for aggregate gross proceeds of $1,156,474.80. Pursuant to the subscription receipt agreement entered into among Minto Explorations, 788 BC, Stifel Nicolaus Canada Inc., Raymond James Ltd. and TSX Trust Company in respect of the 788 BC Subscription Receipts, each 778 BC Subscription Receipt was automatically exchanged for one (1) common share of 788 BC (each, a "**788 BC Common Share**") upon satisfaction of the escrow release conditions and immediately prior to completion of the RTO Transaction.

Immediately prior to completion of the RTO Transaction: (i) 778 BC completed a non-brokered private placement offering of 3,173,067 778 BC Common Shares at a price of $2.60 per 778 BC Common Share for aggregate gross proceeds of $8,249,997.60; and (ii) Minto Explorations completed a brokered "best efforts" private placement offering and non-brokered private placement offering of 2,459,906 common shares of Minto Explorations, issued as "flow-through shares" (as defined in subsection 66(15) of the *Income Tax Act* (Canada) (each, a "**Minto Flow-Through Share**") at a price of $2.60 per Minto Flow-Through Share, pursuant to the terms and conditions of the agency agreement entered into among Minto Explorations, 778 BC and the agents in connection with the RTO Financing (the "**Agency Agreement**").

Each Minto Flow-Through Share was automatically exchanged for one (1) Common Share on the completion of the RTO Transaction.

Upon completion of the RTO Financing and pursuant to the terms of the Agency Agreement, the Company received aggregate gross proceeds of $31,033,230.80 raised at a price of $2.60 per common share, and in consideration for their services in connection with the brokered portion of the RTO Financing, the agents in the RTO Financing received a fee in the amount of $1,674,087. The net proceeds of the RTO Financing were and are used to fund operational improvements at the Minto Mine Property, near-mine exploration activities and for general corporate purposes including working capital.

In connection with the RTO Transaction, escrow agreements between Minto and Pembridge Resources plc ("**Pembridge**"), Copper Holdings LLC ("**Copper Holdings**"), Cedro Holdings I, LLC ("**Cedro Holdings**") and certain directors and insiders of the Company were entered into whereby the Common Shares held in escrow will be released as follows:

a) 10% of the Common Shares were released on the date of the Final Exchange Bulletin which was November 25, 2021;
b) 20% of the shares were released 6 months from the Final Exchange Bulletin date (May 25, 2022);
c) 30% of the shares were released 12 months from the Final Exchange Bulletin date (November 25, 2022); and
d) 40% of the shares will be released 18 months from the Final Exchange Bulletin date (May 25, 2023).

Approximately 30.06% of the Common Shares of Minto were held in escrow as at December 31, 2022.

On November 29, 2021, Minto shares started trading on the TSX-V under the symbol "**MNTO**".

2022 FOURTH QUARTER HIGHLIGHTS

Minto finished the three months ended December 31, 2022 with a decrease in quarterly copper sales volumes and revenue compared to the same period in 2021. A mill shutdown in December due to extremely cold weather, contractor equipment reliability issues, as well as decreases in market average copper prices were the main cause of the negative impacts for the quarter:

- Copper sales decreased 22.6% to 6.46 million pounds for the three months ended December 31, 2022 compared to 8.35 million pounds for the same period in 2021;
- Revenue declined by $14.7 million to $32.6 million for the three months ended December 31, 2022 compared to the same period in 2021;
- Operating results
    - Mill Feed for the three months ended December 31, 2022 was 25.1% lower at 195,876 dry metric tonnes ("**dmt**") compared to 261,615 dmt for the same period in 2021;
    - Mined ore totaled to 205,596 tonnes for the three months ended December 31, 2022, a 21.9% decrease compared to 263,208 tonnes for the same period in 2021;
    - Production costs for the three months ended December 31, 2022 were $33.6 million, a 3.6% decrease compared to $34.8 million for the same period in 2021, which is consistent with decrease in mined ore;
    - Cash costs per copper pound sold[1] averaged USD$3.15/lb for the three months ended December 31, 2022, a 5.6% increase compared to $2.92/lb for the same period in 2021; and

- All-In Sustaining Costs ("**AISC**") per pound sold[1] averaged USD$4.16/lb for the three months ended December 31, 2022, a 18.7% increase from USD$3.50/lb for the same period in 2021; and
- Adjusted EBITDA for the three months ended December 31, 2022 totaled ($7.0) million, a decrease of $20.1 million compared to $13.1 million for the same period in 2021.

SELECTED ANNUAL INFORMATION / FINANCIAL OVERVIEW

	Three months ended		Year ended	
	December 31, 2022	December 31, 2021	**December 31, 2022**	December 31, 2021
Revenue	**$ 32,588**	$ 47,289	**$ 153,159**	$ 138,297
Production costs	**(33,583)**	(34,814)	**(133,783)**	(113,510)
Royalty expense	**(3,809)**	1,070	**(5,803)**	(1,496)
Depletion and amortization	**(3,623)**	(3,559)	**(13,973)**	(11,240)
(Loss) income from mine operations	**(8,427)**	9,986	**(400)**	12,051
Related party management fees	**-**	(239)	**-**	(888)
Stock-based compensation expense	**(407)**	(3,110)	**(492)**	(3,110)
Other expenses	**-**	(2,013)	**-**	(2,896)
Other income (loss), net	**6,212**	1,089	**(3,093)**	(1,715)
Finance costs	**(2,713)**	(1,338)	**(7,478)**	(4,973)
Income tax expense	**1,495**	(295)	**406**	(439)
Net (loss) income and comprehensive (loss) income	**$ (3,840)**	$ 4,080	**$ (11,057)**	$ (1,970)
Loss per share	**$ (0.05)**	$ 0.06	**$ (0.15)**	$ (0.03)
EBITDA (1) (2)	**$ 1,001**	$ 9,272	**$ 9,988**	$ 14,682
Adjusted EBITDA (1)	**(6,957)**	13,068	**13,343**	22,246
Cash flow provided by (used in) operating activities	**7,052**	(1,822)	**27,925**	12,190
Copper sales volumes (millions of lbs)	**6.46**	8.35	**28.86**	25.64
Average realized Copper prices ($USD/lb)	**$ 3.58**	$ 4.24	**$ 4.00**	$ 4.08
Cash costs ($USD/lb) (1)	**$ 3.15**	$ 2.92	**$ 2.98**	$ 3.19
All-In sustaining costs ($USD/lb) (1)	**$ 4.16**	$ 3.50	**$ 3.88**	$ 3.87

(1) Non-GAAP measure. Refer to the "Alternative Performance Measures" section near the end of this MD&A.
(2) EBITDA is Earnings Before Interest, Taxes, Depreciation and Amortization.

Copper sales volumes of 28.9 million pounds for the year ended December 31, 2022 increased 12.6% in comparison to 25.6 million pounds for same period in 2021. This was mostly driven by strong copper production volumes and enhanced grades in the first quarter of 2022.

Total revenue for the year ended December 31, 2022 increased by 10.7% to $153.2 million compared to $138.3 million for the same period in 2021. Higher copper sales volumes were offset by a lower average realized prices as copper prices fell throughout the year. Adjusted EBITDA of $13.3 million for the year ended December 31, 2022 was 40.0% lower compared to the same period in 2021 and the main driver was the higher production costs in 2022. All-in sustaining costs for the year ended December 31, 2022 were 0.3% and 4.5% higher on a US dollar and Canadian dollar basis, respectively, in comparison to the same period in 2021 mainly due to higher levels of capital investments made by the Company in 2022.

Average realized copper prices of USD$3.58/lb and USD$4.00/lb, respectively, for the three months and year ended December 31, 2022 decreased by 15.7% and 1.9%, respectively, compared to USD$4.24/lb and USD$4.08/lb for the same periods in 2021. This was mainly due to the worldwide decrease for copper demand and global inventory sell-off of inventories. The Company does not expect this trend to continue in the long-term as worldwide demand for copper remains strong due to increase in the implementation of green projects such as solar and wind power generation and electric vehicles.

The net loss for the year ended December 31, 2022 of $11.1 million was $9.1 million lower compared to the net loss for the same period in 2021.

		December 31, 2022	December 31, 2021
Total assets	**$**	**124,865**	$ 116,154
Total Liabilities		**149,991**	132,026
Total short and long-term debt		**41,206**	42,796
Working capital (deficiency) (1)		**(43,676)**	(16,219)

(1) Non-GAAP measure. Refer to the "Liquidity" section for a reconciliation of this measure.

Total assets for the year ended December 31, 2022 have increased when compared to the same period in 2021 mainly due to the Company's, inventories, long-term deposits, and capital asset additions. Total debt has increased mainly due an increase in accounts payable and accrued liabilities.

Total assets and liabilities have decreased from Q3 of 2022 as the Surety Bond payable has been designated a commitment because it does not qualify to be recorded on the Balance Sheet. In addition, the Company changed its accounting for the Forward Foreign Exchange contracts to record only the net gain or loss position as at the balance sheet date as opposed to recording the full value of the contracts. These changes resulted in no change to the overall Working Capital deficiency the Company had in Q3 of 2022.

SELECTED QUARTERLY FINANCIAL INFORMATION

	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Revenue	$ 32,588	$ 35,266	$ 32,023	$ 53,282	$ 47,289	$ 30,125	$ 35,414	$ 25,469
Net (loss) income	(3,840)	(12,295)	(9,458)	14,536	4,080	(6,338)	3,052	(2,765)
(Loss) earnings per share	(0.05)	(0.17)	(0.13)	0.20	0.06	(0.11)	0.05	(0.04)
Cash flow from (used in) operating activities	7,052	5,769	103	15,000	(1,822)	5,127	1,932	6,953
Capital expenditures	5,437	5,121	6,769	5,897	2,371	1,147	1,058	1,726

Changes in revenue over the quarters are reflective of the ramp-up of operations in 2021 and changes in copper prices over the last two years. The net loss in the fourth quarter of 2022 was mainly due to lower production. The net loss in the third quarter of 2022 was mainly due to mark-to-market losses and higher production costs from lower equipment and labour availabilities. Net losses in 2021 were mainly due to costs incurred during the ramp-up of production. Cash flow from operating activities in the fourth quarter of 2022 was a result of decrease in receivable balances driven by mark-to-market adjustments. Cash flow used in operating activities in 2021 was a result of higher receivables balances from higher revenue.

FINANCIAL REVIEW

For the Three Month Period Ended December 31, 2022

Net loss for the three months ended December 31, 2022 of $3.8 million compared to net income of $4.1 million for the same period in 2021 is a result of:

- Revenue decrease of $14.7 million compared to the same period in 2021 due to decrease in sales volumes and lower average realized prices for copper;
- Production costs decreased $1.2 million compared to the same period in 2021, which is reflective of the lower ore production in the quarter;
- Royalties increased by $4.9 million in comparison to the same period in 2021 mainly due to a reassessment of 2021 royalties and a higher overall revenue and production for 2022;

- Finance costs were $1.4 million higher compared to the same period in 2021; and
- Mark-to-market revenue gain of $7.5 million compared to a gain of $2.4 million for the same period in 2021 as the value of the final unsettled copper payable increased due to increases in copper market prices in December or 2022 and 2021.

For the Year Ended December 31, 2022

The net loss of $11.1 million for the year ended December 31, 2022 was $9.1 million lower as compared to the same period in 2021. The material differences between the periods are outlined below:

- Increase in revenue by $14.7 million due to higher sales volumes and higher average realized prices for copper, which were mostly driven by the strong first quarter in 2022;
- Production costs increased by $20.3 million compared to 2021 due to the higher ore output from the mine in 2022;
- Royalty expenses increased $4.3 million compared to the same period in 2021 due to the increased revenue and a re-assessment of 2021's royalties owing;
- Depletion and amortization was $2.7 million higher than 2021 and this was due to the Company's adding capital and leased assets to get production levels to 3,200 tonnes per day of mined ore to the surface;
- Finance costs were $2.5 million higher compared to the same period in 2021 as a result of lease additions and finance costs on higher provisionally settled amounts; and
- Mark-to-market revenue loss of $3.0 million worsened from a loss of $0.3 million in 2021 as the value of the unsettled copper payable to the Company decreased due to decline in market prices compared to provisionally settled prices.

CASH FLOW REVIEW

	Three months ended		Year ended	
	December 31, 2022	December 31, 2021	**December 31, 2022**	December 31, 2021
Net operating cash flow before changes in non-cash working capital	**$ (7,079)**	$ 15,346	**$ 9,403**	$ 17,179
Changes in non-cash working capital	**14,131**	(17,168)	**18,522**	(4,989)
Cash flow provided by operating activities	**7,052**	(1,822)	**27,925**	12,190
Capital expenditures	**(5,437)**	(2,371)	**(23,224)**	(6,302)
Right-of-use asset additions	**(2)**	(1,343)	**(770)**	(1,343)
Repayment of lease liabilities	**(1,548)**	(2,188)	**(7,434)**	(7,426)
Cash restricted by lenders	**(770)**	-	**(770)**	-
Share issuance	**-**	31,033	**-**	31,033
Share issuance cost	**-**	(1,674)	**-**	(1,674)
Payment of note payable/return of capital	**-**	(12,796)	**-**	(19,102)
Advances from Sumitomo	**-**	5,659	**5,194**	11,958
Sumitomo loan receipts net of payments	**(71)**	(3,040)	**(4,677)**	(5,501)
Repayment of Due to Pembridge	**(1,000)**	-	**(3,000)**	-
Long-term deposits	**(360)**	(2,511)	**(2,360)**	(4,362)
Total cash flow for the period	**$ (2,136)**	$ 8,947	**$ (9,116)**	$ 9,471
Impact of foreign exchange on cash balances	**(2)**	1	**(3)**	1
	$ (2,138)	$ 8,948	**$ (9,119)**	$ 9,472
Cash balance at the beginning of the period	**2,998**	1,031	**9,979**	507
Cash balance at end of period	**$ 860**	$ 9,979	**$ 860**	$ 9,979

Cash usage before non-cash working capital changes was $7.1 million for the three months ended December 31, 2022 as compared to $15.3 million for the same period in 2021, which is mainly reflective of the decreased revenues in the quarter. The increase in accounts payable combined with the decrease in accounts receivable from September 30, 2022 contributed to the $14.1 million cash provided by working capital for the fourth quarter of 2022.

Net operating cash flow before non-cash working capital changes was $9.4 million for the year ended December 31, 2022 as compared to net operating cash flow of $17.2 million for the same period in 2021, which is mainly reflective of the increase in production costs for the year. The increase in non-cash working capital was mainly due to increases in accounts payable and accrued liabilities.

OPERATIONS REVIEW

	Three months ended		Year ended	
	December 31, 2022	December 31, 2021	**December 31, 2022**	December 31, 2021
Mined:				
Ore (tonnes)	**205,596**	263,208	**904,066**	866,805
Waste (tonnes)	**29,466**	20,351	**134,900**	128,166
	235,062	283,559	**1,038,966**	994,971
Mill Feed (dmt)	**195,876**	261,615	**878,380**	903,498
Copper grade	**1.63%**	1.63%	**1.58%**	1.40%
Concentrate produced (dmt)	**7,070**	10,580	**34,242**	31,065
Copper recovery	**95.0%**	93.90%	**94.1%**	93.20%
Copper grade in concentrate	**42.4%**	37.9%	**38.4%**	38.0%
Copper production volumes (million of lbs)	**6.46**	8.35	**28.86**	25.64
Gold production (ounces)	**3,196**	4,664	**12,168**	11,783
Silver production (ounces)	**32,762**	48,007	**135,878**	135,354
Cash costs ($USD/lb) (1)	**$ 3.15**	$ 2.92	**$ 2.98**	$ 3.19
AISC ($USD/lb)	**$ 4.16**	$ 3.50	**$ 3.88**	$ 3.87

(1) Non-GAAP measure. Refer to the “Alternative Performance Measures” section near the end of this MD&A.

Mined ore decreased 21.9% to 205,596 tonnes for the three months ended December 31, 2022 compared to 263,208 tonnes for the same period in 2021 mainly due to lower equipment availability and operational effectiveness. For the year ended December 31, 2022, mine ore increased 4.3% to 904,066 tonnes compared to 866,805 tones for the same period in 2021. The year-over-year increase was mostly due to planned ramp up of production in combination with a strong first quarter results in 2022.

Mill feed for the three months ended December 31, 2022 decreased by 25.1% to 195,876 dmt compared to 261,615 dmt for the same period of 2021. This decrease was reflective of the 21.9% decrease in mined ore. In mid-2021, the Company implemented a plan to increase its recoveries through the mill and for the three months ended December 31, 2022, copper recoveries increased to 95.0% compared to 93.9% for the same period in 2021.

Mill feed for the year ended December 31, 2022 decreased by 2.9% to 878,380 dmt compared to 903,498 dmt for the same period in 2021. Copper recoveries increased to 94.1% for the year ended December 31, 2022 compared to 93.2% for the same period in 2021.

For the three months ended December 31, 2022, cash costs increased 7.9% to USD$3.15/lb compared to USD$2.92/lb for the same period in 2021, and this was mainly due to decreased production in the quarter. Cash costs for year ended December 31, 2022 of USD$2.98/lb decreased 6.6% compared to USD$3.19/lb for the same period in 2021, and this decrease was mainly due to increased year-over-year production volumes and improved copper grade.

2023 STRATEGY AND OUTLOOK

Minto's highly experienced Senior Leadership Team along with a diverse and supportive Board of Directors are a focused and motivated team, set to deliver against the exciting opportunity in the Minto Copper Belt situated on Selkirk First Nation Territory.

Minto Metals has a tremendous opportunity to leverage these three pillars of growth to increase market value:

1. Increased Annual Copper Production in conjunction with Improved Operational Costs
2. High Impact Drilling to Increase Mine Life Beyond 2028
3. Leverage Current USD$350 million infrastructure to support Organic Growth

To deliver against the three initiatives, the Company's three main strategic pillars are:

1. Investment in People
2. Operational Expansion
3. Exploration

Investment in People

Investing in our People is fundamental to developing our high performance culture of safe production, environmental stewardship and effective cost control. People are at the core of our operation, and we trust one another to do their best and we look forward to celebrating more successes as a team in 2023. The transition from a contracted underground ore production workforce to Minto employees was successfully completed in early 2022 and the Company saw increased productivity and fewer safety incidents as a result.

Operational Expansion

Minto is committed to a high-performance cost control strategy to deliver sustainable results while creating value for our stakeholders. Minto continues to implement a strategy of Fix, Fill and Optimize to improve both the Mill and Mining operations. Executing on the Company's "Fill the Mill" strategy is now expected to occur in late 2023 and is dependent on obtaining the next phase of required mining permits which is expected to occur in second quarter of 2023.

Capital investment is required for the development of our assets and we are working closely with our partners at the Selkirk First Nation and the Yukon Government to facilitate the required permits to support our efforts. Our goal is to deliver a high-quality product while protecting the Selkirk First Nation's land that we operate on.

On June 30, 2022 Minto received an amendment to its Quartz Mining License (QML-0001 or "QML") which supports the ongoing development and production activities at the mine. This will allow the Company to start developing the Ridgetop and Minto East 2 areas for future mining. On May 16, 2022, the Company signed a four-year offtake extension with Sumitomo for 200,000 dry metric tonnes of copper concentrate.

Exploration

On February 23, 2022, Minto announced receipt of a ten-year Class 4 Quartz Mining Land Use Permit from the Yukon Government for exploration activities on its claims and provided an overview of its 2022 Exploration Program. Minto owns mineral claims on more than 26,000 hectares ("**ha**") of land which delivers the potential for new mineral resources with an effective exploration program. In 2022, Minto conducted a 28,438 metre exploration drill program targeting high priority exploration targets in close proximity to mine infrastructure. As well, Minto conducted geophysical surveys (MT, BHEM) on the Mine property and a satellite-based remote sensing survey (Worldview-3) over all the Minto Copper Belt mining claims. Minto invested $7.4 million in 2022 towards exploration and organic resource growth opportunities.

The Exploration drilling program was very successful in identifying potential new lenses across the Mine Property. The following are highlighted drill intersections from discoveries made in 2022:

Minto Northwest
22EXP042: 2.20% Copper over 20 metres
22EXP044: 1.71% Cu over 20.14 metres
22EXP045: 1.91% Cu over 34.59 metres

Minto East 150 Deep
22-SDME-007: 5.53% Cu over 8.66 metres
22-SDME-008: 2.28% Cu over 8.41 metres
22-SDME-015: 3.53% Cu over 6.35 metres

Cu Keel South Footwall
22EXP031: 3.52% Cu over 7.26 metres

Exploration programming in 2023 will focus on resource-building (delineation) drilling from the 2022 discoveries and drilling new, robust targets generated by the 2022 geophysics programs as well as internal targets generated by the Exploration team.

Minto is fully committed to conducting exploration activities in a socially and environmentally responsible manner. Minto's long-term Exploration strategy mandates minimal disturbance, which can be achieved through the utilization of modern state-of-the-art techniques in targeting and data acquisition.

2022 Overview

The following table summarizes the production, cost, and capital expenditure guidance for 2022 versus the achieved results for 2022. Copper production was in-line with the guidance provided however cash costs were higher due to higher per tonne production costs. AISC was in-line with the guidance due to lower capital costs as the company's cash flow could not support a higher capital investment plan due to the lower than expected average copper prices in the last nine months of 2022.

Production Volumes	Actual Results Year Ended December 31, 2022	Guidance Year Ended December 31, 2022
Payable Copper (million pounds)	28.9	27.0 - 31.0
Gold (ounces) (1)	12,168	11,000 - 12,100
Silver (ounces) (1)	135,878	140,000 - 150,000
Production Costs	**Year Ended December 31, 2022**	**Year Ended December 31, 2022**
Cash Costs ($USD/lb) (2)	$2.98	$2.70 -$2.90
AISC ($USD/lb) (2)	$3.88	$3.85 -$4.00
Exploration ($ millions)	$7.4	$9.2
Sustaining Capital (2)	$15.6	$27.0- $31.0

(1) 100% amounts. Under the agreement with Wheaton Precious Metals, the Company receives 65% of the value of the gold shipments up to 11,000 ounces. Silver receipts are the lesser of the prevailing market price and US $4.35/oz.
(2) Non-GAAP measure. Refer to the "Alternative Performance Measures" section near the end of this MD&A.

2023 Outlook

The following table summarises the production, cost and capital expenditure outlook for 2023. The guidance has been changed since the previous guidance issued on February 23, 2023. Payable Copper production has been lowered due to lower than expected grades and equipment availability in Q1. This also resulted in an increase in Cash Costs guidance. Exploration activities have been cut back so the Company can focus its resources on development drilling to access new areas with higher copper grades.

	Current Guidance Year Ended December 31, 2023	Previous Guidance Year Ended December 31, 2023
Payable Copper (millions of pounds)	27.0 - 30.0	31.0 - 34.0
Cash Costs ($USD/lb) (1) (2)	$3.10 - $3.30	$2.80 - $3.00
Capital Expenditures ($ millions)		
Mine Development (new areas)	$29.1	$22.4
Vehicle Leases	$6.3	$6.3
Sustaining (2)	$2.7	$10.2
In-fill Drilling	$3.9	$7.1
Total Capital Expenditures	$42.0	$46.0
Exploration ($ millions)	$4.0 - $6.0	$7.0 - $9.0

(1) Foreign exchange used CAD: USD = $0.76.
(2) Non-GAAP measure. Refer to the "Alternative Performance Measures" section near the end of this MD&A.

LIQUIDITY

		December 31, 2022		December 31 2021
Cash	$	860	$	9,979
Accounts Receivable		15,835		20,762
Inventories		9,821		6,212
Prepaid expenses		4,954		2,855
		31,470		39,808
Accounts payable and accrued liabilities		57,953		36,370
Current portion of Sumitomo loan		2,182		10,221
Current portion of Note payable to Pembridge		6,773		-
Current portion of Due to Pembridge		2,433		4,000
Derivative Liabilities		650		-
Current portion of lease liability		5,155		5,436
		75,146		56,027
Working capital deficency	$	(43,676)	$	(16,219)

The Company's working capital deficiency of $43.7 million for the year ended December 31, 2022 was $27.5 million higher compared to the same period 2021. Short-term assets (not including restricted cash of $0.8 million) were $8.3 million lower compared to December 31, 2021. A main driver for this was the decrease in cash of $9.1 million due to the Company's capital asset purchases and payment of debt. The decrease in receivables of $4.9 million was another contributor, and receivables decreased due to lower revenue in the fourth quarter 2022. The decline in short term assets were offset from the increases in inventories and prepaids. The note payable to Pembridge is now classified as current as payment was originally due no later than January 15, 2023 however the Company is currently in negotiations to extend this the payment date. Minto continues to effectively manage its cash flows and is addressing the deficiency by improving operational performance and investigating longer-term solutions such as equity and debt financing.

On May 16, 2022, the Company signed a four-year offtake extension with Sumitomo for 200,000 dry metric tonnes of copper concentrate. In conjunction with the offtake agreement, Sumitomo agreed to extend its debt facility to USD$17.5 million which is repayable during the four-year term or the remaining agreement term at the end of the draw. Loan repayment amounts are based upon the amount of concentrate produced divided by the remaining amount of concentrate to deliver under the offtake agreement. Interest on the loan is calculated at LIBOR Screen Rate +5.0% and drawdowns are in multiples of USD$1.0 million or more.

The loan is secured by a general and continuing security in certain collateral, including all accounts, inventory, equipment, intangibles, documents of title, money, chattel paper, instruments, securities, documents, proceeds, leaseholds and all present and future undertakings of the Company.

There are no covenants on the loan, however, if Minto has drawn down USD$12.5 million and is requesting an advance, the following must have occurred:

1. Such request must be made after January 1, 2024;
2. Average concentrate production for the three calendar month period before such advance shall exceed 3,500 DMT's per calendar month; and
3. Minto shall have provided the latest mine plan and financial plan for the period of the remaining minimum quantity and such plan shall not in the Sumitomo's opinion, acting reasonably, include any fatal flaws and/or significant changes that may impact the production schedule.

The loan balance outstanding at March 16, 2022 was transferred to the new facility.

On January 4, 2022, pursuant to section 5 of the Yukon Security Regulation and the Quartz Mining License (QML-0001), the Government of Yukon concluded its assessment of the outstanding closure liabilities at the Minto mine site. The Government of Yukon has requested Minto to increase and maintain the financial security amount for reclamation costs from $72.1 million to $104.2 million by no later than April 5, 2022. Subsequently, on April 1, 2022, the Company received a letter from the Yukon Government indicating that the Quartz Mining Licence had been amended to reflect the requirement to pay the determined security amount. The amount was staged to reflect that Minto would not be conducting certain mining activities before the next scheduled review in August 2022. Additionally, Minto was provided a list of conditions to enable continued operations until the security is furnished. These conditions require Minto to reduce environmental risks and closure liabilities. Minto has a plan that is being implemented to reduce these risks. The plan has been successful in managing water through the higher-risk period of freshet with Minto discharging more water than any of the previous 7 years and successfully treating mine-impacted water.

In June 2022, the Yukon Government provided a framework for how to apply for security credits with a view to reducing the amount of security required to be furnished and maintained. A significant portion of the difference between the $72.1 million and the $104.3 million is related to contingency costs. Minto is addressing the contingency costs through a series of actions and investments by the Company leading to an application for credits in August 2022 resulting in a further reduction of $6,041,493 in required security for the current site conditions. A new reclamation and closure plan submitted to the Yukon Government in September of 2022 focused on the Main Pit Dam and related changes to closure planning. Minto anticipates a new security determination by April 2023. On August 19, 2022, pursuant to section 5 of the Yukon Security Regulation and the Quartz Mining License (QML-0001), the Government of Yukon issued a further amendment to the January 4th assessment of the outstanding closure liabilities at the Minto mine site. The Government of Yukon has now required Minto to increase and maintain the financial security amount for reclamation costs from $72.1 million to $93.2 million. Credits were obtained for progressive reclamation activities and for reducing the risks associated with water treatment plant through Minto’s investments in the plant to bring it back to operational status. Minto continues to work on water treatment and believes that further reductions will be possible in 2023. Additionally, the construction of the Main Pit Dam, once approved, will also reduce closure liabilities significantly.

On August 31, 2022, the Company sent a payment schedule proposal to the Yukon Government to furnish the additional $21.1 million. On September 11, 2022, the Government of Yukon sent a notice to the Company in response to the proposal, stating that the payment schedule, while not preferrable, is an acceptable approach.

On November 25, 2022, the Company sent an updated payment proposal to the Yukon Government which replaces the payment proposal set on August 31, 2022. Regardless of the revenue generated by the Company, the new proposal is outlined as:

1. Minimum cash payment of $360,000 on or before December 30, 2022; and
2. Minimum cash payment of $180,000 on or before the end of each month thereafter until the outstanding amount is paid.

The revised payment schedule will be revisited in March 2023 to determine any necessary adjustments to achieve full payment of the outstanding securities. The provision of the updated payment proposal does not impact the state of compliance with the Quartz Mining License.

While Minto is currently non-compliant with the security requirements in its Quartz Mining License, the Company is still authorized by the Yukon Government to continue operating in a restricted manner to reduce Yukon's exposure to environmental risks and liabilities. As of December 31, 2022, Minto had provided $2.4 million to the Yukon Government.

Minto continues to work with the Yukon Government, the Selkirk First Nation, and our surety business partners with respect to the increased security requirement and are in the process of reviewing the amount required to be furnished based on work completed by the Company to reduce environmental risk during the past nine months. If Minto does not furnish security and Yukon Government does not provide an extension, Minto will be out of compliance with its QML. As a result of such non-compliance, the inspector could then direct Minto to take certain actions, including cessation of activity until the QML is brought back into compliance.

		December 31, 2022		December 31 2021
Long-term debt	**$**	**12,931**	$	11,702
Due to Pembridge		**2,433**		5,174
Note payable to Pembridge		**6,773**		6,368
Due to Sumitomo		**11,294**		10,221
Leases		**7,775**		9,331
Total debt	**$**	**41,206**	$	42,796

Total debt for the year ended December 31, 2022 of $41.2 million was $1.6 million lower compared to $42.8 million for the same period in 2021. The reduction was mainly due to the Company's debt payment for both the loan due to Pembridge and loan due to Sumitomo. Refer to Notes 10 and 12 of the Company's 2022 Annual Financial Statements for more information on the Company's debt.

USE OF PROCEEDS FROM RTO FINANCING

Gross proceeds	$	31,033
Agent's fee and expenses		(1,674)
Net proceeds	$	29,359
Notes payable	$	12,796
RTO Financing expenses		-
Working capital		10,167
2022 Exploration costs		6,396
	$	29,359

Minto used $12.8 million (USD$10.0 million) of the proceeds to pay the amount due to Pembridge relating to the note payable. This amount was paid directly to Capstone as part of the 2019 Minto mine purchase agreement between Pembridge and Capstone. As of December 31, 2022, the Company used $6.4 million of the proceeds for exploration activities.

The following table from Minto's TSX-V Form 2B – Listing Application dated November 12, 2021 outlines the estimated net proceeds of the RTO Financing and the use of proceeds along with cash from operations for 18 months following the RTO Financing:

Gross proceeds	$	31,033
Agent's fee and expenses		(1,734)
Net proceeds	$	29,299
RTO Financing expenses	$	1,800
Exploration		7,000
Surface operations		5,000
Mine capital - Phase 1 of Minto North		7,500
Mine capital - Minto Water Evaporation Program		2,500
G&A For 18 months		10,800
Working capital		6,700
	$	41,300

COMMITMENTS AND CONTRACTUAL OBLIGATIONS

	Carrying Amount	Contractual Cash Flows	Less than 1 year	1 - 3 years	4 - 5 years	More than 5 years
Accounts payable and accrued liabilities	$ **58,113**	$ **58,113**	$ 58,113	$ -	$ -	$ -
Long-term debt	**12,931**	**13,544**	-	13,544	-	-
Due to Pembridge	**2,433**	**2,433**	2,433	-	-	-
Note Payable to Pembridge	**6,773**	**6,773**	6,773	-	-	-
Due to Sumitomo	**11,294**	**11,294**	2,182	9,112	-	-
Surety bond	**18,640**	**18,640**	1,980	16,660	-	-
Lease liabilities	**7,775**	**7,775**	5,155	2,620	-	-
	$ **117,959**	$ **118,572**	$ 76,636	$ 41,936	$ -	$ -

As a result of the Company's renunciation of qualifying exploration expenses at December 31, 2021 relating to the Minto Flow-Through Shares, the Company was committed to spend $6.4 million of qualified exploration expenditures (as defined by the Canada Revenue Agency) in 2022. The Company fulfilled this requirement in Q3 of 2022.

The Company has a payment proposal with the Yukon Government with respect to its Surety Bond. As of December 31, 2022, the Company has deposited $2.4 million and will receive this back once the bond has been secured. Refer to Note 15 for further information on the Surety Bond commitment.

Except as described above, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the Company's financial performance.

CAPITAL RESOURCES

The Company had $0.9 million of cash on hand as at December 31, 2022 and is expecting to fund future obligations with its cash on hand and future cash flows generated from the mine. The Company continually reviews its short and long-term plans and takes steps to reduce operating costs and maximize cash flow from operations at current operating levels.

To facilitate the management of its capital requirements, the Company prepares annual operating budgets which are approved by the Board of Directors. Minto continuously monitors its cash flows and prepares regular forecasts based on changes in operations and/or economic conditions to facilitate the management of its capital requirements. In 2022, Minto intends to allocate its capital resources to debt repayment, water treatment, tailings management, optimizing its underground ore production and exploration programs.

Minto has $10.1 million deposited in an account at a major United States bank relating to its $72.1 million surety bond. In addition, the Company has a $2.8 million deposit with Yukon Energy relating to the decommissioning of the electrical facilities at the mine. Both deposits are classified as long-term deposits on the Company's balance sheet.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, accounts receivable, a long-term deposit, accounts payable and accrued liabilities, the amounts due to Sumitomo and to Pembridge, and long-term debt.

Minto's trade accounts receivable are fully attributable to Sumitomo and Wheaton pursuant to their respective offtake and streaming agreements. Both entities are well-capitalized, with credit risk considered to be minimal. The Company manages this risk by requiring provisional payments of the value of the concentrate shipped.

The Company is exposed to commodity price risk as its revenues are derived from the sale of metals, the prices for which have been historically volatile. The Company sometimes manages this risk by locking in copper prices to mitigate price risk when management believes it a prudent decision. To mitigate some of this risk, the Company has fixed the price on 9,773 metric tonnes of copper at USD$8,626.65 per tonne as at December 31, 2022. If copper prices were to change by +/- $0.01, there would be a $0.3 million effect on copper revenue.

The credit risk on cash is limited because the funds are held with banks with high credit ratings as assigned by international credit rating agencies.

The Company is exposed to foreign exchange risk as the Company's operating costs will be primarily in Canadian dollars, while revenues are received in United States dollars ("**USD**"). Hence, any fluctuation of the USD in relation to these currencies may affect the profitability of the Company and the value of the Company's assets and liabilities. As such, the Company may use foreign currency exchange forward contracts to manage risks of changes in foreign exchange rates.

The Company's outstanding foreign exchange forwards as of December 31, 2022 were:

Contract Type	Direction	Inception Date	Maturity Date	Hedged Amount (USD)	Nominal Amount (CAD)	Forward rate	December 31, 2022 Spot rate
Foreign Exchange Forward Contract	Sell USD	July 14, 2022	January 31, 2023	1,000	1,354	1.2913	1.3544
Foreign Exchange Forward Contract	Sell USD	August 17, 2022	January 31, 2023	1,000	1,354	1.3018	1.3544
Foreign Exchange Forward Contract	Sell USD	November 29, 2022	January 31, 2023	1,000	1,354	1.3015	1.3544
Foreign Exchange Forward Contract	Sell USD	December 16, 2022	January 31, 2023	3,000	4,064	1.3015	1.3544
Foreign Exchange Forward Contract	Sell USD	July 14, 2022	February 28, 2023	1,000	1,354	1.3138	1.3544
Foreign Exchange Forward Contract	Sell USD	August 17, 2022	February 28, 2023	1,000	1,354	1.3138	1.3544
Foreign Exchange Forward Contract	Sell USD	November 29, 2022	February 28, 2023	1,000	1,354	1.3137	1.3544
Foreign Exchange Forward Contract	Sell USD	December 16, 2022	February 28, 2023	3,000	4,064	1.3131	1.3544
Foreign Exchange Forward Contract	Sell USD	July 14, 2022	March 31, 2023	1,000	1,354	1.3130	1.3544
Foreign Exchange Forward Contract	Sell USD	November 29, 2022	March 31, 2023	1,000	1,354	1.3129	1.3544
Foreign Exchange Forward Contract	Sell USD	December 16, 2022	March 31, 2023	3,000	4,065	1.2900	1.3544
				17,000	23,025		

The Company has entered into one-year Facility Term Agreements (the "**Facility Agreements**") both with Corpay and GPS Capital. With the facility agreements, the Company is authorized to enter into forward exchange contracts for up to CAD$40.0 million with Corpay and USD $40.0 million with GPS Capital. As of December 31, 2022, the Company has drawn down a total of CAD$14.4 million on the Corpay facility and USD$26.9 million on the GPS Capital facility.

Minto has entered into twenty-four European Knock In Options ("**EKI's**") as of December 31, 2022. The EKI's are expire at 10:00 AM on the last business day of the executable month and are compared to the spot rate at that time. If the spot rate is lower than the protection rate, then Minto has the right to sell USD amount at the put rate. If the spot rate is higher than the barrier rate, then Minto has the obligation to sell the USD at the put rate.

Strategy	Expiry	Delivery Date	Rate (Protection)	Barrier	Notional (USD)	Notional (CAD)
FX Option	January 31, 2023	February 1, 2023	1.3200	1.3750	750	990
FX Option	January 31, 2023	February 1, 2023	1.3100	1.3835	650	852
FX Option	February 28, 2023	March 1, 2023	1.3200	1.3750	750	990
FX Option	February 28, 2023	March 1, 2023	1.3100	1.3835	650	852
FX Option	March 31, 2023	April 1, 2023	1.3200	1.3750	750	990
FX Option	March 31, 2023	April 1, 2023	1.3100	1.3835	650	852
FX Option	April 28, 2023	May 1, 2023	1.3200	1.3750	750	990
FX Option	April 28, 2023	May 1, 2023	1.3350	1.4100	300	401
FX Option	April 28, 2023	May 1, 2023	1.3100	1.3835	650	852
FX Option	May 31, 2023	June 1, 2023	1.3200	1.3750	750	990
FX Option	May 31, 2023	June 1, 2023	1.3100	1.3835	650	852
FX Option	May 31, 2023	June 1, 2023	1.3350	1.4100	300	401
FX Option	June 30, 2023	July 5, 2023	1.3200	1.3750	750	990
FX Option	June 30, 2023	July 5, 2023	1.3100	1.3835	650	852
FX Option	June 30, 2023	July 5, 2023	1.3350	1.4100	300	401
FX Option	July 31, 2023	August 1, 2023	1.3200	1.3750	750	990
FX Option	July 31, 2023	August 1, 2023	1.3350	1.4100	300	401
FX Option	August 31, 2023	September 1, 2023	1.3200	1.3750	750	990
FX Option	August 31, 2023	September 1, 2023	1.3350	1.4100	300	401
FX Option	September 29, 2023	October 3, 2023	1.3200	1.3750	750	990
FX Option	September 29, 2023	October 3, 2023	1.3350	1.4100	300	401
FX Option	October 31, 2023	November 1, 2023	1.3200	1.3750	750	990
FX Option	October 31, 2023	November 1, 2023	1.3350	1.4100	300	401
FX Option	November 21, 2023	November 22, 2023	1.3350	1.4100	300	401
					13,800	18,213

The Company changed its accounting for the foreign exchange forwards as a result of the 2022 year end audit. The forwards and now being recorded on a net gain or loss basis in the 2022 Year End results as opposed to gross amounts receivable and owing in the Company's Q3 2022 Interim Financial Statements.

RELATED PARTY TRANSACTIONS

During the year ended December 31, 2022, the Company undertook the following related party transactions:

- Interest of $0.3 million for the year ended December 31, 2022 (December 31, 2021 - $0.3 million) was recorded to Pembridge, a shareholder of the Company. The outstanding interest balance payable to Pembridge at December 31, 2022 was included in the balance due to Pembridge of $2.4 million at December 31, 2022 (December 31, 2021 - $5.2 million);
- Related to management services provided by the Joint Advisory Committee ("**JAC**") prior to the RTO application were management fees of $nil for the year ended December 31, 2022 (December 31, 2021 – $0.6 million) were recorded to Gati Al-Jebouri and Guy Le Bel, common directors of the Company and Pembridge. As at December 31, 2022, $0.3 million (December 31, 2021 - $0.8 million) of fees were outstanding;
- Related to management services provided by the JAC prior to the RTO application were management fees of $nil for the year ended December 31, 2022 (December 31, 2021 - $0.8 million), were recorded to Copper Holdings, a shareholder of the Company. At December 31, 2022, the outstanding balance payable to Copper Holdings was $1.0 million (December 31, 2021 - $1.0 million);
- Related to management services provided by the JAC prior to the RTO application were management fees of $nil for the year ended December 31, 2022 (December 31, 2021 - $0.4 million), were recorded

to Cedro Holdings, a shareholder of the Company. At December 31, 2022, the outstanding balance payable to Cedro Holdings was $0.5 million (December 31, 2021 - $0.5 million);

- On March 31, 2021, pursuant to the Shareholders' Agreement of June 2020, the Company paid the first US $5.0 million (CAD $6.3 million) payment of the purchase price for the Company to Capstone Mining Corp. on behalf of Pembridge in the form of a return of their capital. On November 18, 2021 Minto Explorations issued an US $15.0 million Note Payable in favour of Pembridge for the remaining amount of the purchase price payable by Pembridge to Capstone Mining Corp. This was also treated as return on Pembridge's capital.
- Interest of USD $0.8 million for the year ended December 31, 2022 relating to long-term loans (December 31, 2021 - $0.5 million), respectively, were recorded to each of Copper Holdings, and Cedro Holdings, shareholders of the Company.

These related party transactions are in the normal course of operations and are measured at the amount of consideration established and agreed to by the related parties.

Compensation of Key Management

Compensation totals for key management personnel were as follows:

	Year ended	
	December 31, 2022	December 31, 2021
Salaries and benefits	**$ 2,111**	$ 1,710
Stock compensation	**79**	813
	$ 2,190	$ 2,523

PROPOSED TRANSACTIONS

No transactions, dispositions or mergers are under consideration by the Company as of the date of this MD&A.

OUTSTANDING SHARE DATA

As of the date of this MD&A April 5, 2023, 72,917,202 Common Shares, and 3,089,895 incentive stock options, 706,067 deferred share units, and 224,730 restricted share units under the Company's long term incentive plan, are issued and outstanding.

CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of financial statements in accordance with IFRS requires management to make certain judgments and estimates that affect the reported amounts of assets, liabilities, revenues, and expenses. These estimates are reviewed by management on a regular basis. Changes in these judgements and estimates due to the emergence of new information and changes in circumstances may result in actual results or changes to estimates that could have a material impact on the Company's financial results and financial condition. The Company's use of estimates and judgements in preparing the annual consolidated financial statements is disclosed in Note 3 in the consolidated financial statements for the year ended December 31, 2022. There have been no material changes to the Company's critical accounting judgements and estimates during the year ended December 31, 2022. There have been no changes to accounting pronouncements not yet adopted during the year ended December 31, 2022.

CHANGE IN ACCOUNTING POLICIES

IAS 37, Provisions, Contingent Liabilities and Contingent Assets (effective January 1, 2022)
Clarifies that the 'costs of fulfilling a contract' when assessing whether a contract is onerous comprise both the incremental costs and an allocation of other costs that relate directly to fulfilling contracts. The amendments apply to contracts existing at the date when the amendments are first applied. The Company has assessed this amendment and has determined that there are no provisions in its material contracts that would classify them as onerous.

No other changes in accounting policies occurred during the year ended December 31, 2022.

CONTROL ENVIRONMENT

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, and not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation. The Company has a very limited history of operations and has not made any assessment as to the effectiveness of its internal controls. Though the Company intends to put into place a system of internal controls appropriate for its size, and reflective of its level of operations, there are limited internal controls currently in place. As of December 31, 2022, the Company is continuing its work with MNP LLP to assess and improve internal controls.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* ("**NI 52-109**"), the Company's certifying officers, as a venture issuer, are not required to make representations relating to the establishment and maintenance of disclosure controls and procedures ("**DC&P**") and internal control over financial reporting ("**ICFR**"), as defined in NI 52-109. In particular, the certifying officers of the Company will not be required to make any representations that they have:

(a) designed, or caused to be designed, DC&P to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings, or other reports filed or submitted under securities legislation is recorded, processed, summarized, and reported within the time periods specified in securities legislation; and

(b) designed, or caused to be designed, ICFR to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

Readers should be aware that inherent limitations on the ability to certify officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR may result in additional risks to the quality, reliability, transparency, and timeliness of interim and annual filings and other reports provided under securities legislation.

ALTERNATIVE PERFORMANCE MEASURES

The Company discloses several financial and performance measures in this MD&A that do not have any standardized meaning prescribed under GAAP. These financial and performance measures include "EBITDA", "Adjusted EBITDA", "Cash costs", "All-in sustaining costs", "Sustaining capital", and "Growth capital", which should not be considered as alternatives to, or more meaningful than individual measures as determined in accordance with GAAP. Management believes that these measures provide an indication of the results generated by the Company's principal business activities and provide useful supplemental information for analysis of the Company's operating performance and liquidity. The Company's method of calculating these measures may differ from other companies, and accordingly, these measures may not be comparable to similar measures used by other companies.

EBITDA and Adjusted EBIDTA

EBITDA is calculated as net income (loss) and comprehensive income (loss) before depletion and amortization, finance costs and income tax expense (recovery). Adjusted EBITDA is calculated as EBITDA adjusted for certain non-cash and non-recurring expense items.

EBITDA and Adjusted EBITDA are used by management to assess performance, establish objectives, and make operating and capital decisions. In addition, EBITDA and Adjusted EBITDA are measures widely used by securities analysts, investors, lending institutions, and others to evaluate the financial performance of companies in the mining industry. EBITDA and Adjusted EBITDA are each presented as a relevant measure in the MD&A to assist readers in assessing the performance of the Company. Readers should be cautioned that neither EBITDA and Adjusted EBITDA should be construed as an alternative to net income (loss), as determined in accordance with GAAP as an indicator of the Company's performance, and may not be comparable to companies with similar calculations.

The following table reconciles the nearest GAAP measure, net income (loss) and comprehensive income (loss), to EBITDA and Adjusted EBITDA:

	Three months ended		Year ended	
	December 31, 2022	December 31, 2021	**December 31, 2022**	December 31, 2021
Net (loss) income and comprehensive (loss) income	**$ (3,840)**	$ 4,080	**$ (11,057)**	$ (1,970)
Finance costs	**2,713**	1,338	**7,478**	4,973
Depletion and amortization	**3,623**	3,559	**13,973**	11,240
Income tax expense	**(1,495)**	295	**(406)**	439
EBITDA	**$ 1,001**	$ 9,272	**$ 9,988**	$ 14,682
Share-based compensation expense	**407**	3,110	**492**	3,110
Unrealized foregin exchange loss (gain)	**338**	(128)	**1,624**	(144)
Mark-to-market revenue adjustments	**(7,461)**	(2,421)	**2,966**	288
Amortization of flow-through shares benefit	**(1,242)**	-	**(1,727)**	-
Loss on lease termination	**-**	9	**-**	201
Impairment of equipment	**-**	1,213	**-**	1,213
RTO Financing expenses	**-**	1,065	**-**	1,948
Listing expense	**-**	948	**-**	948
Adjusted EBITDA	**$ (6,957)**	$ 13,068	**$ 13,343**	$ 22,246

Cash Costs and All-In Sustaining Costs

Cash costs are a non-GAAP measure. Cash costs are calculated as the total of production costs and refining and treatment costs less corporate costs and net by-product revenue which is a component of revenue as presented in the notes to the Financial Statements.

Cash costs are used by management to assess the direct operating costs incurred to generate revenue during the period. Cash costs are presented as a relevant measure in the MD&A to assist readers in assessing the liquidity and cost-management performance of the Company. Readers should be cautioned that cash costs should not be construed as an alternative to individual expenses as determined in accordance with IFRS and presented in the Financial Statements as an indicator of the Company's performance or liquidity and may not be comparable to companies with similar calculations.

All-in sustaining costs is a non-GAAP measure. All-in sustaining costs are calculated as the total of cash costs, sustaining capital expenditures, lease payments, royalties, and corporate and other costs.

All-in sustaining costs are used by management to assess the direct operating costs and capital expenditures required to be incurred to generate revenue and maintain mine operations during the period. All-in sustaining costs are presented as a relevant measure in the MD&A to assist readers in assessing the expenditures required to generate revenue and maintain the Company's operations. Readers should be cautioned that all-in sustaining costs should not be construed as an alternative to individual expenses or cash used in investing activities, as determined in accordance with IFRS and presented in the Financial Statements as an indicator of the Company's performance or liquidity and may not be comparable to companies with similar calculations.

	Three months ended		Year ended	
	December 31, 2022	December 31, 2021	**December 31, 2022**	December 31, 2021
Copper sales volumes (millions of lbs)	**6.46**	8.35	**28.86**	25.64
Production Costs	**$ 33,583**	$ 34,814	**$ 133,783**	$ 113,510
Less:				
Corporate Costs	**(2,557)**	(857)	**(6,039)**	(4,252)
Exploration	**(848)**	(1,893)	**(7,431)**	(3,557)
By product revenue	**(5,210)**	(4,341)	**(22,003)**	(13,826)
Treatment and selling costs	**2,758**	3,005	**13,964**	10,869
Cash costs	**$ 27,726**	$ 30,728	**$ 112,274**	$ 102,744
Cash costs ($CAD/lb)	**$ 4.28**	$ 3.68	**$ 3.88**	$ 4.01
Cash costs ($USD/lb)	**$ 3.15**	$ 2.92	**$ 2.98**	$ 3.19
Cash costs	**$ 27,726**	$ 30,728	**$ 112,274**	$ 102,744
Sustaining capital expenditures	**986**	2,371	**15,403**	6,302
Right-of-use asset additions	**2**	1,343	**770**	1,343
Lease payments	**1,548**	2,188	**7,434**	7,426
Royalties	**3,809**	(1,070)	**5,803**	1,496
Accretion of reclamation obligation	**29**	210	**287**	449
Amortization of reclamation asset	**9**	114	**270**	277
Corporate costs	**2,557**	857	**6,039**	4,252
Realized foreign exchange & other	**386**	134	**230**	105
All-In sustaining costs ("AISC")	**$ 37,052**	$ 36,875	**$ 148,510**	$ 124,394
AISC ($CAD/lb)	**$ 5.66**	$ 4.42	**$ 5.07**	$ 4.85
AISC ($USD/lb)	**$ 4.16**	$ 3.50	**$ 3.88**	$ 3.87

Sustaining Capital and Growth Capital

The Company identifies two components comprising total additions to mineral properties, plant, and equipment: sustaining capital and growth capital. Sustaining capital expenditures are non-discretionary expenditures required to maintain the Company's base operating levels and capacity. Growth capital expenditures are expenditures made as part of the Company's growth and development plans in order to expand, expedite or enhance the earning potential of its assets. Management uses sustaining and growth capital to assess the extent of discretionary and non-discretionary capital spending during the period.

The following table identifies the components of additions to mineral properties, plant, and equipment:

	Three months ended		Year ended	
	December 31, 2022	December 31, 2021	**December 31, 2022**	December 31, 2021
Sustaining capital	**$ 1,202**	$ 2,371	**$ 15,619**	$ 6,302
Growth capital	**4,451**	-	**7,821**	-
Total capital expenditures	**$ 5,653**	**$ 2,371**	**$ 23,440**	**$ 6,302**

RISK FACTORS

For full details on the risks affecting the Company, please refer to the Company's Annual Information Form for the year ended December 31, 2022. This document is available for viewing on the Company's website at www.mintometals.com or on the Company's profile on the SEDAR website at www.sedar.com.

Dependence on the Minto Mine Property

The Minto Mine Property accounts for all of the Company's current commercial production and is expected to continue to account for all of its commercial production in the near term. Any adverse development affecting the Minto Mine Property will have a material adverse effect on the Company's business, prospects, financial performance and results of operations.

Additional Capital

The Company plans to continue its focus on mining extraction and the processing of that extraction. The Company will use its operating cash flows to carry out such endeavors. However, the Company will require substantial additional financing to further extend the mine life. Further extraction and processing capacities may be dependent upon its ability to obtain financing through equity or debt, and there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration, development, and processing of the Company's projects.

Financing Risks

There are no assurances that additional funding will be available to the Company for further exploration, development, and production of its projects. Further development and production of the Minto Mine Property or other properties of the Company may be dependent upon its ability to obtain financing through equity or debt and there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration, development, and production of the Company's projects.

International Conflict

International conflict and other geopolitical tensions and events, including war, military action, terrorism, trade disputes, and international responses thereto have historically led to, and may in the future lead to, uncertainty or volatility in global energy, supply chain and financial markets. Russia's invasion of Ukraine has led to sanctions being levied against Russia by the international community and may result in additional sanctions or other international action, any of which may have a destabilizing effect on commodity prices, supply chain and global economies more broadly. Volatility in commodity prices and supply chain disruptions may adversely affect our business and financial condition, and results of exploration operations.

The extent and duration of the current Russian-Ukrainian conflict and related international action cannot be accurately predicted at this time and the effects of such conflict may magnify the impact of the other risks identified in this Annual Information Form, including those relating to commodity price volatility, global financial conditions and supply chain disruptions. The situation is rapidly changing and unforeseeable impacts, including on our shareholders and counterparties on which we rely and transact with, may materialize, and may have an adverse effect on our business, results of operation and financial condition.

Lack of Funding to Satisfy Contractual Obligations

It is expected that the Company may in the future enter into partnerships or joint ventures in order to fully exploit the Minto Mineral resources available. The Company may, in the future, be unable to meet its share of costs incurred under agreements to which it is a party and the Company may have its property interests subject to such agreements reduced as a result or even face termination of such agreements.

Government Regulation

The Company's exploration, production, and processing operations are subject to government legislation, policies and controls relating to prospecting, development, production, environmental protection, taxes and labour standards. In order for the Company to carry out its activities, its various licenses and permits must be obtained and kept current. There is no guarantee that the Company's licenses and permits will be granted, or that once granted will be extended. In addition, the terms and conditions of such licenses or permits could be changed and there can be no assurances that any application to renew any existing licenses will be approved. There can be no assurance that all permits that the Company requires will be obtainable on reasonable terms, or at all. Delays or a failure to obtain such permits, or a failure to comply with the terms of any such permits that the Company has obtained, could have a material adverse impact on the Company. The Company may be required to contribute to the cost of providing the required infrastructure to facilitate the development of its properties. The Company will also have to obtain and comply with permits and licenses that may contain specific conditions concerning operating procedures, water use, waste disposal, spills, environmental studies, abandonment and restoration plans and financial assurances. There can be no assurance that the Company will be able to comply with any such conditions. Future taxation of mining operators cannot be predicted with certainty so planning must be undertaken using present conditions and best estimates of any potential future changes.

Exploration Risks

The Company is a resource company focused primarily on the continued exploration and development of mineral resources at the Minto Mine Property in the Yukon. There is no assurance that any of the Company's discovered or acquired projects can be mined profitably, nor that the Minto Mine Property can continue to be mined profitably. Accordingly, it is not assured that the Company will realize any profits in the short to medium term, if at all. Any profitability from the business of the Company will be dependent upon the continued extraction and processing of the economic deposits of Minto Minerals, which in itself is subject to numerous risk factors.

The exploration, development, and processing of Minto Mineral deposits involves a high degree of financial risk over a significant period of time that even a combination of management's careful evaluation, experience and knowledge may not eliminate. Major expenses may be required to continue establishing reserves by drilling and constructing mining and processing facilities at a particular site. The profitability of the Company's operations is, in part, directly related to the cost and success of its exploration, development and production programs, which may be affected by a number of factors. Substantial expenditures are required to maintain and capitalize upon Minto Mineral reserves that are sufficient to support the commercial mining operations and the construction of new and maintaining of existing processing facilities on those properties that are actually developed.

Replacement of Reserves

The Minto Mine Property deposits are the current source of metals production. Current life-of-mine plans provide for a defined production life for the mine. If the mineral reserves are not replaced either by the development or discovery of additional reserves and/or extension of the life-of-mine at the current operating mine or through the acquisition or development of additional producing mines, this could have an adverse impact on future cash flows, earnings, results of operations, and financial condition of the Company, and this may be compounded by requirements to expend funds for reclamation and decommissioning.

Imprecision in Mineral Reserve and Mineral Resource Estimates

There is a degree of uncertainty attributable to the estimation of mineral reserves and mineral resources. Until mineral reserves or mineral resources are actually mined and processed, the quantity and grade of mineral resources and mineral reserves must be considered as estimates only and no assurances can be given that the estimated levels of metals will be produced or that we will receive the price assumed in determining our mineral reserves. These 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. By their nature, mineral reserve and mineral resource estimates are imprecise and depend, to a certain extent, upon analysis of drilling results and interpretations that may ultimately prove unreliable.

Furthermore, fluctuations in the market price of metals, as well as increased capital or production costs or reduced recovery rates may render mineral reserves uneconomic and may ultimately result in a reduction of mineral reserves. The extent to which resources may ultimately be reclassified as proven or probable mineral reserves is dependent upon the demonstration of their profitable recovery. The evaluation of mineral reserves or mineral resources is always influenced by economic and technological factors, which may change over time. No assurances can be given that any resource estimate will ultimately be reclassified as proven or probable mineral reserves or that mineralization can be mined or processed profitably. If the Company's mineral reserve or mineral resource figures are inaccurate or are reduced in the future, this could have an adverse impact on future cash flows, earnings, results of operations, and financial condition.

Inaccuracies in Production and Cost Estimates

The Company prepares estimates of future production and future production costs of operations. No assurance can be given that production and cost estimates will be achieved. These production and cost estimates are based on, among other things, the following factors: the accuracy of mineral reserve estimates; the accuracy of assumptions regarding ground conditions and physical characteristics of ores, such as hardness and the presence or absence of particular metallurgical characteristics; equipment and mechanical availability; labour availability and productivity; access to the mine; facilities and infrastructure; sufficient materials and supplies on hand; and the accuracy of estimated rates and costs of mining and processing, including the cost of human and physical resources required to carry out our activities. Failure to achieve production or cost estimates, or increases in costs, could have an adverse impact on the Company's future cash flows, earnings, results of operations, and financial condition.

Actual production and costs may vary from estimates for a variety of reasons, including actual metals mined varying from estimates of grade, tonnage, dilution and metallurgical and other characteristics; short-term operating factors relating to the mineral reserves, such as the need for sequential development of minerals and the processing of new or different mineral grades. In addition, there can be no assurance that mineral recoveries in small scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production, or that the existing known and experienced recoveries will continue. Costs of production may also be affected by a variety of factors, including: changing stripping ratios, mineral grade metallurgy, labour costs and productivity, costs of supplies and services (such as, for example, fuel and power), general inflationary pressures, and currency exchange rates. Failure to achieve production estimates could have an adverse impact on future cash flows, earnings, results of operations, and financial condition.

Control of the Company

Copper Holdings and Cedro Holdings holds, directly or indirectly, approximately 36.8% and 27.5%, respectively, of the issued and outstanding Common Shares, and are the Company's largest shareholders and each are a control person for the purposes of Canadian Securities Law. As a result, Copper Holdings and Cedro Holdings may have the ability to influence the outcome of matters submitted to the shareholders of the Company for approval, which could include the election and removal of directors, amendments to the Company's corporate governing documents and business combinations. The Company's interests and those of Copper Holdings and Cedro Holdings may at times conflict, and this conflict might be resolved against the Company's interests. The concentration of approximately 36.8% and 27.5%, respectively, of the issued and outstanding Common Shares in the hands of two shareholders may discourage an unsolicited bid for the Common Shares, and this may adversely impact the value and trading price of the Common Shares.

Global Financial Conditions

Recent global financial conditions have been characterized by increased volatility and access to public financing, particularly for junior mineral companies, has been negatively impacted. These conditions may affect the Company's ability to obtain equity or debt financing in the future on terms favourable to the Company or at all. If such volatile conditions continue, the Company's operations could be negatively impacted.

Commodity Markets

The price of the Company's securities, its financial results, and its access to the capital required to finance its exploration and production activities may in the future be adversely affected by declines in the price of precious and base metals and, in particular, the price of copper. Precious metal prices fluctuate widely and are affected by numerous factors beyond the Company's control such as the sale or purchase of precious metals by various dealers, central banks and financial institutions, interest rates, exchange rates, inflation or deflation, currency exchange fluctuation, global and regional supply and demand, production and consumption patterns, speculative activities, increased production due to improved production methods, government regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals, environmental protection, and international political and economic trends, conditions and events. If these or other factors continue to adversely affect the price of copper, the market price of the Company's securities may decline.

Market Fluctuation and Commercial Quantities

The market for copper and other Minto Minerals, generally, is influenced by many factors beyond the Company's control, including without limitation the supply and demand for these metals. In addition, the metals industry in general is intensely competitive and there is no assurance that, even if apparently commercial quantities and qualities of metals (such as copper) are discovered, a market will exist for their profitable sale. Commercial viability of precious and base metals and other Minto Mineral deposits may be affected by other factors that are beyond the Company's control, including particular attributes of the deposit such as its size, quantity and quality, the cost of processing, proximity to infrastructure, the availability of transportation and sources of energy, financing, government legislation and regulations including those relating to prices, taxes, royalties, land tenure, land use, import and export restrictions, exchange controls, restrictions on production, and environmental protection. It is impossible to assess with certainty the impact of various factors that may affect commercial viability such that any adverse combination of such factors may result in the Company not receiving an adequate return on invested capital or having its projects be rendered uneconomic.

Economic Dependence

The resources extracted from the Minto Mine Property have two customers that account for 100% of the Minto Mineral sales revenue. The loss of either of these customers or curtailment of purchases by such customers could have a material adverse effect on our results of operations, financial condition, and cash flows of the Company.

Environmental and Regulatory Risks and Hazards

The mining industries are subject to extensive governmental regulations for the protection of the environment, including regulations relating to air and water quality, solid and hazardous waste handling and disposal and the promotion of occupational health and safety, which may adversely affect the Company or require it to expend significant funds. There is also a risk that environmental and other laws and regulations may become more onerous, making it more costly for the Company to remain in compliance with such laws and regulations, which could result in the incurrence of additional costs and operational delays. All phases of the Company's operations in the Yukon are subject to extensive federal and territorial environmental regulation and may be subject to SFN's environmental regulation in the future.

These environmental regulations require the Company to obtain various operating approvals and licenses and also impose standards and controls relating to exploration, development, production and reclamation activities. Compliance with regulations could result in delays in beginning or expanding operations, incurring additional costs for the treatment of water and tailings, cleanup of hazardous substances or reclamation activities, and payment of penalties, all of which could have an adverse impact on the Company's financial performance and results of operations.

There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties on which the Company holds interests which are unknown to the Company at present and which have been caused by previous or existing owners or operators of the properties.

The Company cannot give any assurances that breaches of environmental Laws (whether inadvertent or not) or environmental pollution will not materially and adversely affect its financial condition. There is no assurance that any future changes to environmental regulation, if any, will not adversely affect the Company.

The Company proactively manages the regulatory risks and is committed to operating the mine in compliance with applicable laws and regulations and Minto policies, practices and procedures. Operations at the Minto Mine Property involve the following procedures to avoid, minimize, mitigate and/or offset its' environmental impacts by:

- Implementing an Environmental Monitoring and Surveillance, Reporting Plan (EMSRP) to proactively identify potential environmental risks;
- Implementing site-specific environmental plans such as spill contingency plan, sediment and erosion control plan, wildlife protection plan, etc. to avoid, minimize and mitigate environmental impacts;
- Implementing an Operations Adaptive Management Plan whereby specific responses are staged according to specific performance thresholds that describe actions to be implemented if specific performance thresholds are crossed;
- Regular environmental audits by independent third party consultants to identify any potential gaps in compliance or practices;
- Implementing regular site inspections by qualified professionals including external experts; and
- Regularly engaging with external experts and with environmental professionals at other mine sites to collaborate on key environmental risks including via Northern Mine Remediation Program at Yukon University and Yukon Mining Research Consortium. The Company hosts two projects: a PhD reclamation-focused project and a MSc project focused on the potential use of bioreactors to treat mine-impacted water.

If these environmental mitigation procedures are insufficient or fail, the Company could become subject to liability for remediation costs, which could be significant and may not be insured against. In addition, metal production could be delayed or halted to prevent further discharges and to allow for remediation. Such delays or cessations in production could be long-term or, in some cases, permanent and any interference with production could result in a significant reduction in, or loss of, cash flow and value for us. While appropriate steps are taken to prevent the failure of the Company's environmental remediation procedures, such failures may occur.

Reclamation Obligations

Reclamation requirements vary depending on the site-specific activities, location of the property and the managing governmental agency, but they are similar in that they aim to minimize long-term effects of mining exploitation and exploration disturbance by requiring the operating company to control possible deleterious effluents and to re-establish to some degree pre-disturbance landforms and vegetation. The Company will be actively providing for or carrying out any required reclamation activities on the Minto Mine Property. Any significant environmental issues that may arise, however, could lead to increased reclamation expenditures including security demands from Yukon Government and have a material adverse effect on financial resources.

Reclamation Security

Under the Pembridge Share Purchase Agreement, Pembridge is obligated to, and is obligated to cause the Company to, use all commercially reasonable efforts to obtain or cause the Company to obtain a new surety bond with the Government of Yukon securing reclamation obligations in respect of the Minto Mine Property and releasing Capstone from its obligations and liabilities under the surety bond that is currently outstanding. There is no assurance the Company will be successful in obtaining such new surety bond on satisfactory terms or at all.

Currency Rate Risk

The Company may be subject to currency risks. The Company's reporting currency is the Canadian dollar, which is exposed to fluctuations against other currencies. The Company's primary operations are located in Canada. Should the Company expand its operations into additional countries its expenditures and obligations may be incurred in foreign currencies. As such, the Company's results of operations may become subject to foreign currency fluctuation risks and such fluctuations may adversely affect the financial position and operating results of the Company. The Company implemented a foreign exchange hedging strategy in 2022 to mitigate some of this risk.

Interest Rate Risk

The Company is exposed to interest rate risk on its outstanding borrowings, short term investments and in respect of the outstanding surety bond to secure certain reclamation obligations in respect of the Minto Mine Property. Presently, most of the Company’s outstanding borrowings are at fixed interest rates however, it is exposed to fluctuations in interest rates under the Prepayment Facility Agreement with Sumitomo as interest is calculated quarterly on the outstanding balance at LIBOR for the applicable period. Depending upon the amount of the Company’s outstanding borrowings, fluctuations in the interest rates applicable to the Company could have an adverse effect on the Company’s financial condition, results of operations and cash flows.

Limited Supplies and Supply Chain Disruptions

The Company’s operations depend on a supply of a number of materials and supplies specific to underground mining and milling operations such as explosives, ground support, chemicals, and other supplies and resources such as skilled personnel. Supply may be interrupted due to a shortage, global transportation challenges or the scarce nature of inputs. Supply might also be interrupted due to transportation and logistics associated with the remote location of some of the Company’s operations, and government restrictions or regulations which delay importation of necessary items. Any interruptions to the procurement and supply of these items, production inputs and other supplies, or the availability of skilled personnel could have an adverse impact on our future cash flows, earnings, results of operations, and financial condition.

The Company is subject to deliverability uncertainties related to the proximity of its resources to adequate transportation and shipping ports in the Yukon. An inability to obtain a suitable alternative to the port of Skagway for the export of copper concentrate may adversely affect the Company’s ability to meet its financial objectives.

Competitive Industry Environment

The mining industry is highly competitive in all of its phases, both domestically and internationally. The Company's continued ability to extract metals and process those metals will not only depend on its ability to develop its present properties, but also on its ability to access or acquire further metals deposits, of which there is a limited supply. The Company may be at a competitive disadvantage in acquiring additional mining properties because it must compete with other individuals and companies, some of which may have greater financial resources, operational experience or technical capabilities than the Company. The Company may also encounter competition from other mining companies in its efforts to hire experienced project management professionals. Competition could adversely affect the Company's ability to attract necessary funding or acquire and develop suitable producing properties or prospects for metals extraction in the future. Competition for services and equipment could result in delays if such services or equipment cannot be obtained in a timely manner due to inadequate availability, and could also cause scheduling difficulties and cost increases due to the need to coordinate the availability of services or equipment, any of which could materially increase project development, exploration or construction costs and result in project delays.

Audit of Tax Filings

The Company's taxes may be affected by a number of factors, some of which are outside of its control, including the application and interpretation of the relevant tax laws and treaties. If The Company's filing position, application of tax incentives or similar 'holidays' or benefits were to be challenged for whatever reason, this could have a material adverse effect on the Company's business, results of operations and financial condition. The Company may be subject to routine tax audits by various tax authorities. Tax audits may result in additional tax, interest payments and penalties which would negatively affect the Company's financial condition and operating results. New laws and regulations or changes in tax rules and regulations or the interpretation of tax laws by the courts or the tax authorities may also have a substantial negative impact on the Company's business. There is no assurance that the Company's current financial condition will not be materially adversely affected in the future due to such changes.

Market for the Common Shares

There can be no assurance that an active market for the Common Shares will develop or be sustained. If an active public market for the Common Shares does not develop, the liquidity of a purchaser's investment may be limited, and the share price may decline.

Market Price of the Common Shares and Share Price Volatility

The market price for the Common Shares cannot be assured. Securities of micro-cap and small-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price that have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. The trading price of the Common Shares may be subject to large fluctuations. For the same reason, the value of any of the Company’s securities convertible into, or exchangeable for, Common Shares may also fluctuate significantly, which may result in losses to investors. The price of the Common Shares will be subject to market trends and conditions generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings. Factors that may contribute to volatility in the securities of the Company include macroeconomic developments globally, and market perceptions of the attractiveness of particular industries. The price of the Common Shares is also likely to be significantly affected by short-term changes in mineral prices or in its financial condition or results of operations.

Other factors unrelated to the Company’s performance that may have an effect on the price of the Common Shares include the following: lessening in trading volume and general market interest in the Company’s securities may affect an investor’s ability to trade significant numbers of the Common Shares; the size of the Company’s public float may limit the ability of some institutions to invest in the Common Shares; and a substantial decline in the price of the Common Shares that persists for a significant period of time could cause the Common Shares to be delisted from the exchange on which they trade, further reducing market liquidity. The market price for the Common Shares may also be affected by the Company’s ability to meet or exceed expectations of analysts or investors. Any failure to meet these expectations, even if minor, may have a material adverse effect on the market price of the Common Shares.

In the past, following periods of volatility in the market price of a company's securities, shareholders have often instituted class action securities litigation against those companies. Such litigation, if instituted, could result in substantial cost and diversion of management attention and resources, which could materially and adversely harm the Company and its financial position.

Influence of Third Party Stakeholders

Some of the lands in which the Company holds an interest, or the exploration, production, and processing equipment and roads or other means of access which the Company intends to utilize in carrying out its work programs or general business mandates, may be subject to interests or claims by third party individuals, groups or companies. In the event that such third parties assert any claims, the Company work programs may be delayed even if such claims are not meritorious. Such delays may result in significant financial loss and loss of opportunity for the Company.

Dividend Policy

Investors in the Company's securities cannot expect to receive a dividend on their investment in the foreseeable future, if at all. Accordingly, it is unlikely that investors will receive any return on their investment in the Company's securities other than through possible share price appreciation.

Future Sales of Common Shares by Major Shareholder

Sales of a large number of Common Shares in the public markets, or the potential for such sales, could decrease the trading price of the Common Shares and could impair the Company's ability to raise capital through future sales of Common Shares. In particular, Copper Holdings and Cedro Holdings own, directly or indirectly, approximately 36.8% and 27.5%, respectively, of the issued and outstanding Common Shares. Upon release of their Common Shares from escrow pursuant to the policies of the TSX-V, if either decides to liquidate all or a significant portion of its position, it could adversely affect the price of the Common Shares.

Risk of Litigation

The Company may become involved in disputes with other parties in the future which may result in litigation. The results of litigation cannot be predicted with certainty. If the Company is unable to resolve these disputes favourably, it may have a material adverse impact on the ability of the Company to carry out its business plan.

Internal Controls

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, and not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation. The Company has a very limited history of operations and has not made any assessment as to the effectiveness of its internal controls. Though the Company intends to put into place a system of internal controls appropriate for its size, and reflective of its level of operations, there are limited internal controls currently in place.

In contrast to the certificate required for non-venture issuers under NI 52-109, the Company's certifying officers, as a venture issuer, are not required to make representations relating to the establishment and maintenance of disclosure controls and procedures (“**DC&P**”) and internal control over financial reporting (“**ICFR**”), as defined in NI 52-109. In particular, the certifying officers of the Company will not be required to make any representations that they have:

(a) designed, or caused to be designed, DC&P to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

(b) designed, or caused to be designed, ICFR to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Credit Risk

Credit risk arises from cash and cash equivalents held with banks and financial institutions, derivative financial instruments (including forward gold sales contracts) and amounts receivable and long-term deposits. The maximum exposure to credit risk is equal to the carrying value of the financial assets.

Liquidity Risk

Liquidity risk arises through the excess of financial obligations due over available financial assets at any point in time. The Company's objective in managing liquidity risk will be to maintain sufficient readily available cash reserves and credit in order to meet its liquidity requirements at any point in time. The total cost and planned timing of acquisitions and/or other development or construction projects is not currently determinable and it is not currently known precisely when the Company will require external financing in future periods.

Ability to Repay the Notes

The Company’s ability to make payments on the Notes will depend on its ability to generate cash flow from its operations. This, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond the Company’s control.

There can be no guarantee the Company will generate cash flow from operations, or that future financings will be available, in amounts sufficient to enable the Company to make all required payments under the Notes and to fund its other liquidity needs. The Company may have to adopt one or more alternatives, such as reducing or delaying planned expenses and capital expenditures, selling assets, restructuring debt or obtaining additional equity or debt financing. These strategies may not be implemented on satisfactory terms, or at all.

COVID-19

The Company's business, operations and financial condition could be materially adversely affected by the outbreak of pandemics or other health crises, such as the outbreak of COVID-19 that was designated as a pandemic by the World Health Organization on March 11, 2020. The international response to the spread of COVID-19 has led to significant restrictions on travel, temporary business closures, quarantines, global stock market volatility, and a general reduction in consumer activity. Such public health crises can result in operating, supply chain and project development delays and disruptions, global stock market and financial market volatility, declining trade and market sentiment, reduced movement of people and labour shortages, and travel and shipping disruption and shutdowns, including as a result of government regulation and prevention measures, or a fear of any of the foregoing, all of which could affect commodity prices, interest rates, credit risk and inflation. In addition, the current COVID-19 pandemic, and any future emergence and spread of similar pathogens could have an adverse impact on global economic conditions which may adversely impact the Company's operations, and the operations of suppliers, contractors and service providers.

The Company may experience business interruptions, including suspended (whether government mandated or otherwise) or reduced operations relating to COVID-19 and other such events outside of its control, which could have a material adverse impact on its business, operations and operating results, financial condition and liquidity.

As at the date hereof, the duration of the business disruptions internationally and related financial impact of COVID-19 cannot be reasonably estimated. It is unknown whether and how the Company may be affected if the pandemic persists for an extended period of time. The Company's exposure to such public health crises also includes risks to employee health and safety. Should an employee, contractor, community member or visitor become infected with a serious illness that has the potential to spread rapidly, this could place the Company's workforce at risk.

National Instrument 43-101 Compliance

All scientific and technical information in this MD&A has been reviewed, verified, and approved by David Benson, P.Geo, Vice President of Exploration for Minto, a Qualified Person within the meaning of National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*. This includes the sampling and QA/QC procedures and results thereof disclosed in this MD&A. For more information on the Company’s QA/QC and sampling procedures, please refer to the Minto Property Technical Report and Annual Information Form dated April 5, 2022, all available on the Company’s profile on SEDAR at www.sedar.com.