The following management discussion and analysis (MD&A) is management's assessment of the results and financial condition of CANEX Metals Inc. ("CANEX" or "the Company") for the year ended September 30, 2023. The information included in this MD&A, with an effective date of December 15, 2023, should be read in conjunction with the Consolidated Financial Statements as at and for the year ended September 30, 2023, and related notes thereto. CANEX Metal's common shares trade on the TSX Venture Exchange under the symbol "CANX". The Company's most recent filings are available on the System for Electronic Document Analysis and Retrieval ("SEDAR+") and can be accessed at www.sedarplus.ca.

The Company's Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as at and for the year ended September 30, 2023. The Company has consistently applied the same accounting policies throughout all periods presented. The Company's accounting policies are provided in Note 3 "Summary of significant accounting policies" to the annual Consolidated Financial Statements at September 30, 2023. All dollar amounts are in Canadian dollars, unless otherwise noted.

The "Qualified Person" under the guidelines of National Instrument 43-101 of the Canadian Securities Administrators ("NI 43-101") for CANEX Metals' exploration projects in the following MD&A is Dr. Shane Ebert, P. Geo., a Professional Geologist, registered in the Province of British Columbia and the President and Director of CANEX Metals. The scientific and technical information concerning such properties contained herein has been reviewed by Dr. Ebert.

Statements and/or financial forecasts that are unaudited and not historical, including without limitation, exploration budgets, data regarding potential mineralization, exploration results and future plans and objectives, are to be regarded as forward-looking statements that are subject to risks and uncertainties that can cause actual results to differ materially from those anticipated. Such risks and uncertainties include risks related to the Company's business including, but not limited to: general market and economic conditions, limited operating history, continued industry and public acceptance, regulatory compliance, potential liability claims, additional capital requirements and uncertainty of obtaining additional financing and dependence on key personnel. Actual exploration and administrative expenditures can differ from budget due to unforeseen circumstances, changes in the market place that will cause suppliers' prices to change, and additional findings that will dictate that the exploration plan be altered to result in more or less work.

All forward-looking information is stated as of the effective date of this document and is subject to change after this date. There can be no assurance that forward-looking information will prove to be accurate and future events and actual results could differ materially from those anticipated.

1. Principal Business of the Company

CANEX Metals, including its wholly owned subsidiary, Canexco Inc. ("Canexco"), is engaged exclusively in the business of mineral exploration and development and, as the Company has no mining operations and no earnings there from, it is considered to be in the exploration stage. The recoverability of the amounts comprising exploration and evaluation assets is dependent upon the existence of economically recoverable mineral reserves; the acquisition and maintenance of appropriate permits, licenses and rights; the ability of the Company to obtain financing to complete the development of the mineral properties where necessary and upon future profitable production; or, alternatively, upon the Company's ability to recover its costs through a disposition of its interests. The Company's philosophy is to acquire projects at the grass roots level and advance them to a point where partners can be brought in to further the properties to the stage where a mine is commercially feasible, or the property can be sold outright.

The Company has no operating income and no earnings; exploration and operating activities are financed by the sale of common shares and warrants. None of the Company's mineral properties are in production. Consequently, the Company's net income is a limited indicator of its performance and potential.

2. Highlights – year ended September 30, 2023,

- On November 29, 2023, subsequent to year end, the Company and it's 100% owned Arizona subsidiary CANEXCO Inc. announce the completion of the Excelsior Mine Property 100% purchase by issuing 8,694,170 CANEX shares and paying US$120,000 in cash as defined in the Amended Excelsior Mine Property Option Agreement.
- On August 31, 2023, the Company successfully negotiated new terms under the Excelsior Mine Property Option Agreement. The parties agreed to remove all requirements to complete the Stage 2 and Stage 3 earn in obligations in exchange for a one-time share and cash payment. Under the amended agreement CANEX will earn a 100% interest in the Excelsior Mine Property in exchange for issuing 8,694,170 CANEX shares and paying US$120,000 in cash. The Vendors will retain a 1.5% net smelter royalty and CANEX retains a right of first refusal on the sale of the royalty. In addition, until August 31, 2030, should the Company be subject to any event that would impact the creditors rights that is not cured in 30 days, they will deliver the mine property back to the Vendor without encumbrance.
- The Excelsior Mine Property consists of 11 lode mining claims and 2 patented mining claims covering 3 past producing historic gold mines located within the Company's larger Gold Range Project in Arizona. As outlined below, CANEX has drilled 72 holes into the main Excelsior deposit, defining a moderately dipping gold mineralized zone up to 400 meters long by 20 to 60 metres wide, that has been traced at least 100 metres down dip.
- During 2023, the Company collected 387 soil and 95 rock samples, staked 17 new mining claims, and drilled 24 reverse circulation holes for 3150.9 metres of drilling. Surface mapping and sampling in 2023 expanded known gold anomalies and identified new drill targets, with the work culminating in a new drill discovery at WestGold.
- The Company's fifth drill program began March 2023 and ended in late April 2023 with a total of 24 holes drilled for 3150.9 metres.
- The fifth program focused on testing 3 new target areas, WestGold, zones parallel to Excelsior, and the new Shaft discovery, and infilling and expanding the Excelsior deposit. Highlights from this program include:
  - 0.7 g/t gold over 35 metres – Hole GR23-120 WestGold zone (press release 2023-05-8)
  - 0.2 g/t gold over 54.9 metres – Hole GR23-118 WestGold zone (press release 2023-05-8)
  - 4.1 g/t gold over 6.1 metres – Hole GR23-131 Excelsior zone (press release 2023-06-5)
  - 2.3 g/t gold over 3.1 metres – Hole GR23-127 East Excelsior target (press release 2023-06-5)
- The results from the fourth program drilled in late 2022 also expanded known mineralized zones at the Eldorado, Excelsior, and Central Zones, and a new discovery at the Shaft zone was made. Highlights from the program, include:
  - 1.4 g/t gold over 6.1 metres – Hole GR22-97 New Zone East of Excelsior (press release 2022-12-12)
  - 1.2 g/t gold over 12.19 metres – Hole GR22-90 Excelsior zone (press release 2022-09-6)
  - 0.7 g/t gold over 9.15 metres and 0.6 g/t gold over 18.29 metres, for a cumulative mineralized interval of 27.44 metres grading 0.6 g/t gold – Hole GR22-91 Central zone (press release 2022-09-06)
  - 1.1 g/t gold over 27.4 – Hole GR22-110 Shaft zone (press release 2023-01-23)
- Surface exploration conducted during Q4 2022 and Q1 2023 identified a new gold target at WestGold which was rapidly advanced to the drill stage.
- On April 3, 2023, the Company closed a non-brokered private placement financing of 10,000,000 common shares at $0.06 per share for gross proceeds of $600,000. This financing allowed CANEX to increase the

fifth drill program from 15 to 24 holes. The additional capital was used to further test priority exploration and expansion targets, as well as provide funding for general working capital.

- The Annual General Meeting was also held in May of 2023, where all five nominees, Dr Shane Ebert, Jean-Pierre Jutras, Lesley Hayes, Gregory Hanks and Blair Schultz were re-elected to the board of directors. Shareholders also approved fixing the number of directors at five, the appointment of BDO Canada LLP as auditors and ratified CANEX's stock option plan.

3. Mineral Properties

Gold Range Property, Arizona, USA

The Gold Range Property is in Northern Arizona within an area that has seen historic lode and placer gold production but limited modern gold exploration. Since assembling the Gold Range property as a grass roots exploration target, the Company has conducted extensive surface mapping, flown a drone magnetic survey, conducted a LiDAR and air photo survey, collected over 930 surface rock samples, over 3600 surface soil samples, staked 246 claims, conducted positive bottle roll metallurgical test work, and drilled 15,412 metres in 138 holes. Ongoing surface exploration is adding to the Company's understanding of existing targets and continually identifying new ones which will be systematically advanced, prioritized and drill tested.

Exploration programs, including surface sampling, mapping and drill testing, conducted during fiscal 2022 and the first three quarters of fiscal 2023 identified multiple large gold exploration targets in the 4-kilometre-long mineralized corridor stretching from the Eldorado to Excelsior to WestGold Zones The Eldorado to WestGold trend defines a structurally controlled mineralized corridor with both high grade and bulk tonnage styles of gold mineralization, and initial drill testing has returned multiple intercepts of oxide gold mineralization starting at surface. During the January 2023 field program, 17 claims were staked to secure additional ground adjacent to the Shaft target.

After having received all of the necessary permitting and new data from recent exploration programs, the fifth drill program commenced during March, 2023 and was completed late April, 2023. The drill program focused on testing the three new target areas recently defined, including WestGold, the zones parallel to Excelsior, and the new Shaft discovery. The WestGold target contains the largest and highest grade gold in soil anomaly defined on the Gold Range property to date and the Company's drill test of that target has resulted in a new and potentially very significant gold discovery that will be an important focus for the Company moving forward.

During Q2 2023, the Company also initiated and completed a LiDar and air photo survey covering the Gold Range property. This high quality and detailed topographic and photo data is useful for ongoing exploration, Engineering, and permitting and compliance.

On October 24, 2022, the Company acquired one lode mining claim located adjacent to the WestGold Zone (Never Get Left Prospect claim) (16.52 acres) for total consideration of US$20,000 ($27,444).

On February 7, 2023, the Company made a US$20,000 ($27,304) option payment in respect of the Never Get Left Claim in accordance with the terms of the option agreement. For more information, refer to Section 3) "Mineral properties – Gold Range, Arizona, USA" outlined below.

Key exploration events at Gold Range include:

- Option agreement signed on 3 key claims over a new gold discovery – June 2019
- CANEX stakes 11 claims surrounding the new gold discovery – June 2019
- CANEX stakes 23 additional claims – October 2019
- Trenching and Drilling permits received – October 2019
- Trenching and mapping program conducted – October 2019
- CANEX stakes 32 additional claims – November 2019
- Drone airborne magnetic survey results received – January 2020
- CANEX stakes 73 additional claims – January 2020

- Amended exploration permit received – February 2020
- CANEX options Never Get Left Claim – February 2020
- Field mapping, prospecting, and soil sampling conducted – Feb to May 2020
- Field mapping and soil sampling conducted – July to August 2020
- Drill program conducted – August to September 2020
- CANEX stakes 47 additional claims – November 2020
- Second drill program conducted – January 28 to March 1, 2021
- Results from the second drill program released – April 15 to July 6, 2021
- Excelsior Mine Property definitive option agreement signed – June 2, 2021
- Results from metallurgical bottle roll testing – September 8, 2021
- Third drill program conducted – September, 2021 – March, 2022
- Results from surface sampling and mapping – March, 2022
- Results from the third drill program – December, 2021 to June, 2022
- Fourth drill program conducted – Commencing May, 2022 – paused as of mid-July 2022
- Acquisition of “Never Get Left Prospect” claim – October 24, 2022
- Results from surface sampling conducted during Q4 2022 – November 22, 2022
- Results from fourth drill program released – December, 2022 to January 2023
- Preliminary surface sampling and mapping of the WestGold target – December 2022
- CANEX stakes 17 additional claims – January 2023
- Surface exploration program, Shaft and WestGold targets – January 2023
- Fifth drill program conducted – March 2023 – April 2023
- The Company acquired 100% ownership in Excelsior property – November 29, 2023

At September 30, 2023 the Company holds 261 lode mining claims and 2 patented claims (approx. 1650 hectares) in respect of the Gold Range Property, which includes claims under option and claims acquired by staking. The area has seen historic lode and placer gold production but limited systematic modern lode gold exploration. The gross costs and impairments recorded to the Gold Range Property at September 30, 2023 are $5,053,585 and $nil, respectively (September 30, 2022 - $3,913,041 and $nil).

CANEX first became interested in the Gold Range property in 2019, following the discovery of a quartz vein containing abundant visible gold by a local prospector in an area termed the Discovery Zone. Subsequent mapping and soil and rock sampling identified a 1000-metre-long linear trend of historic workings and exposed quartz veins centered around the Adit zone. Additional programs of surface sampling and mapping, trenching, and airborne magnetic surveying resulted in further expansion of the claim holdings and the recognition of multi kilometre scale mineralized trends.

The first drill program on the property was conducted in 2020 and resulted in a new oxide gold bulk tonnage target being identified at the Eldorado zone highlighted by hole GR20-9 which returned 0.9 g/t gold over 27.4 metres from surface. In early 2021 an additional 15 holes were drilled into the Eldorado discovery, 14 holes were drilled into the recently acquired Excelsior target, and 5 additional holes tested targets along the 2.5 kilometre trend between Eldorado and Excelsior. Metallurgical test work was conducted on 8 bottle roll samples from drill holes at Eldorado and Excelsior achieving final cyanide soluble gold recoveries ranging from 94 to 99%, averaging 97%. The test work showed rapid leach kinetics with the majority of gold extracted with the first 6 hours, and maximum extraction almost complete within 24 hours. These exceptional preliminary recoveries demonstrate that the system could be amenable to heap leach processing and significantly de-risk the bulk tonnage oxide heap-leach concept at Gold Range.

Additional drilling and further claim acquisition in 2022 further defined the known gold zones and expanded the Gold Range property, with a focus on delineating the Excelsior zone which was defined by drilling over a 400 metre strike length, across widths of 20 to 60 metres, and to depths up to 100 metres. Drilling highlights from across the property include:

Hole GR21-57: 1.0 g/t gold over 59.45 metres from surface (Excelsior)
Hole GR21-37: 1.6 g/t gold over 35.1 metres from surface (Excelsior)

Hole GR21-46: 2.2 g/t gold over 18.3 metres from 16.8 metres depth (Excelsior)
Hole GR22-82: 9.7 g/t gold over 1.5 metres from 38.1 metres depth (Excelsior)
Hole GR21-25: 1.3 g/t gold over 21.3 metres from 54.9 metres depth (Eldorado)
Hole GR20-4: 10 g/t gold over 1.5 metres from 3.1 metres depth (Eldorado)

Further mapping, sampling, claim expansion, and drilling in 2023 expanded known gold anomalies and identified new drill targets, with the work culminating in a new drill discovery at WestGold which is showing potential to host a sizable zone of near surface bulk tonnage gold mineralization over an area at least 400 by 300 metres. Hole GR23-120 at WestGold returned 0.7 g/t gold over 35 metres including 1.9 g/t gold over 10.67 metres in an area that had never been drilled prior to CANEX's 2023 program. The main Excelsior to Eldorado to WestGold mineralized trend has been expanded to 4 kilometers of prospective strike length and remains a key exploration target on the property. At September 30, 2023, the Company has drilled at total of 138 holes, for a total of 15,412 metres.

Gibson Prospect, British Columbia

In 2017 the Company entered into an option agreement with owner Altius Resource Inc. ("Altius") to acquire a 100% interest in the Gibson property located in central British Columbia, approximately 95 kilometres northwest of Fort St. James. The Company conducted surface mapping and sampling, trenching, and drilled 10 holes into the Gibson property in 2017 and 2018. This work resulted in strong precious metal results including:

Hole G18-01: 0.81 g/t gold and 40 g/t silver over 31.5 metres from 33.5 metres depth
Trench 1: 1.6 g/t gold and 175 g/t silver over 12.0 metres
Hole G18-01: 3.7 g/t gold and 321 g/t silver over 2.5 metres from 54 metres depth
Hole G18-01: 11.9 g/t gold and 301 g/t silver over 1.0 metres from 64 metres depth
Hole G18-03: 2.7 g/t gold and 872g/t silver over 0.5 metres from 19 metres depth

The Company has identified promising precious metal potential at Gibson and the mineralized zone remains open in all directions under shallow cover.

During the year ended September 30, 2021, the Company determined that further exploration on this property, would no longer be a priority unless a third-party partner could be found to further advance the exploration program; however, the Company continues to hold claims which expire in January 2029. Accordingly, the Company recorded an impairment of the full amount of exploration expenditures to September 30, 2021. In November 2023, the Company received a further extension to meet its minimum exploration expenditures to August 30, 2024. All other terms of the option agreement remain unchanged. For more information, refer to Section 7 a) "Contractual obligations" below.

4. Operating results

Year ended September 30, 2023 compared to the year ended September 30, 2022:

A summarized statement of operations appears below to assist in the discussion that follows:

	Four months ended September 30		Year ended September 30	
	2023	**2022**	**2023**	**2022**
General and administrative expenses	**$ (95,883)**	$ (46,238)	**$ (405,043)**	$ (638,669)
Reporting to shareholders	**(2,419)**	999	**(20,720)**	(19,493)
Professional fees	**(39,280)**	(29,522)	**(55,210)**	(42,268)
Depreciation	**2,840**	-	**-**	-
Accretion	**640**	-	**-**	-
Stock exchange and transfer agent fees	**(5,348)**	(2,600)	**(13,734)**	(12,768)
Pre-acquisition expense	**-**	-	**(3,381)**	-
Dividend income	**-**	-	**-**	231,232
Interest and other	**4,226**	6,284	**24,287**	3,127
Gain (loss) from short-term investments	**(61,601)**	28,167	**(61,601)**	(302,493)
Net and comprehensive loss	**$ (196,825)**	$ (42,910)	**$ (535,402)**	$ (781,332)

The most significant changes in other expenditures follow:

- Variances in general and administrative expenditures and professional fees are examined in further detail in the chart below.
- Reporting to shareholders' expenditures during the year ended September 30, 2023 include fees for filing the fiscal 2022 annual audited financial statements (Q1 2023) as well as expenditures for the Annual General Meeting ("AGM") held during Q3 2023, relating to the fiscal 2022 annual audited financial statements. Reporting to shareholders' expenditures during the year ended September 30, 2022 include fees for filing the fiscal 2021 annual audited financial statements (Q1 2022) as well as expenditures for the Annual General Meeting ("AGM") held during Q2 2022, relating to the fiscal 2020 and 2021 annual audited financial statements. Q4 2022 includes an adjustment for postage related to AGM mailings.
- Depreciation and Accretion expense recovery relates to the reversal of amounts booked in Q3 2023.
- There is no significant variance between the current three- and twelve-month periods and the comparative three- and twelve-month periods for Stock exchange and transfer agent fees other than inflationary increases seen in all expense categories. Transfer agent fees relate directly to the number of security exchange transactions during the respective periods.
- Depreciation and accretion expenses have increased for the current three- and twelve-month periods due to the accounting for the new sub-lease for office space. Once a contractual arrangement is established and the terms extend beyond one year, an asset with offsetting liability is recognized as the present value of the future payments required under the contract using the Company's incremental borrowing cost. The asset is depreciated over the term of the lease and the value of the liability accretes each month at the weighted average rate inherent within the lease. During the comparative periods, there was no lease in place for office space and month-to-month rental payments were expensed as occupancy costs included in general and administrative expenses.
- Pre-acquisition expenditures incurred during the year ended September 30, 2023, relate to lease research conducted for exploration and evaluation properties. There were no similar expenditures during the comparative period.
- On October 22, 2021, Spruce Ridge declared a dividend in-kind of common shares of Canada Nickel that was payable on or before November 5, 2021. The dividend was paid on October 29, 2021, to shareholders of Spruce Ridge at the close of business on October 29, 2021, the record date. One Canada Nickel share was paid under the dividend declared for every 71.14 Spruce Ridge shares

held. At October 29, 2021, the Company held 5,633,500 Spruce Ridge shares. As a result, the Company received a dividend of 79,189 Canada Nickel shares at $2.92 per share valued on October 29, 2021, for a total value of $231,232. There was no similar transaction during the current three- and twelve-month periods.

- Interest and other income include interest earned from a high interest savings account, management fees and foreign exchange gains and losses. The variance between the current and comparative periods relates to higher bank balances and interest rates throughout fiscal 2023.
- During the year ended September 30, 2023, the Company recognized a net loss of $61,601 (2022 – loss of $302,493) on its short-term investments, including a net realized loss of $203,268 (2022 – gain of $7,350) on the sale of certain short-term investments and net cash proceeds of $158,400 (2022 - $238,600). Refer to Note 7 “Short-term investments” to the Audited Consolidated Financial Statements for the year ended September 30, 2023, which accompany this document, for further information regarding these transactions. The remainder of the gains or losses in each respective period result from adjusting the Company’s holdings in common shares to fair value at the respective period ends. These market price changes result in significant valuation adjustments from period to period.

General and administrative expenses

	Three months ended September 30		Year ended September 30	
	2023	**2022**	**2023**	**2022**
Administrative consulting fees	**$ 58,242**	$ 38,497	**$ 234,731**	$ 350,145
Stock-based compensation	**11,355**	(30,595)	**35,460**	139,038
Occupancy costs	**2,763**	4,698	**13,723**	18,789
Office, secretarial and supplies	**12,129**	11,552	**48,299**	53,929
Travel and promotion	**5,444**	16,207	**48,615**	56,877
Insurance	**3,930**	3,938	**15,743**	13,462
Directors' fees	**1,500**	1,500	**5,000**	4,500
Computer network and website maintenance	**520**	441	**3,472**	1,929
Total	**$ 95,883**	$ 46,238	**$ 405,043**	$ 638,669

- Administrative consulting fees, which consist of fees for the CFO, the controller, geological consulting, and services provided by other consultants, have increased by $19,745 for the three month period ended September 30, 2023 compared to the comparative period. During the period the controller retired and was replaced resulting in additional work and overlap during the transition period. Expenditures for fiscal year 2023 were down $115,414 year over year, due to reduced activity, particularly as these costs relate to geological consulting.
- During the year ended September 30, 2023, the Company issued 400,000 options that may be exercised at $0.06 per share to July 11, 2026. All of the options have vested as of September 30, 2023, with the exception of 75,000 vesting on January 11, 2024, and 75,000 July 11, 2024. The options were valued, on the grant date, at $9,475, $2,842 and $2,843 respectively, using the Black-Scholes Options Pricing model assuming a 3-year term, volatility of 136.9%, a risk-free discount rate of 4.46% and a dividend rate of 0%. During the year ended September 30, 2022, the Company issued 1,525,000 options that may be exercised at $0.18 per share to May 1, 2027. All of the options have vested as of September 30, 2022, with the exception of 200,000 options vesting May 1, 2023 and 200,000 options vesting May 1, 2024. The options were valued, on the grant date, at $139,038, $24,105 and $6,490 respectively, using the Black-Scholes Options Pricing model assuming a 5-year term volatility of 102.32%, a risk-free discount rate of 2.75% and a dividend rate of 0%. The Q4 2022 credit of $30,595 reflects the adjustment required pertaining to the remaining 400,000 options vesting in future periods as noted above.
- Occupancy costs are lower on a three- and twelve- month basis compared to the prior periods. The terms of a new sublease arrangement included a rent free period that resulted in lower overall costs.
- Office, secretarial and supplies are consistent year over year other than minor increases due to the current inflationary environment.

- Travel and promotional expenditures have decreased by $10,763 and $8,262 during the three- and twelve-month periods ended September 30, 2023, respectively and the comparative three- and twelve-month periods. The Company has continued its promotional efforts with respect to investor relations through a number of avenues, including presenting to potential investors at virtual conferences, and investments in various on-line investor relations management tools. However, there was less activity during the current year as the Company worked to keep costs to a minimum and preserve working capital for future exploration projects.
- Insurance premiums have increased during the year, consistent with expected rate increases at renewal.
- The Company pays directors who are not officers of the Company $500 for meeting attendance in person or by telephone. There are currently three directors who are not officers and the amounts above reflect the directors' fees paid or payable for meetings attended during the above-noted periods.

Professional fees

The following summarizes the components of professional fees included in the statement of net and comprehensive loss:

	Three months ended September 30		Year ended September 30	
	2023	**2022**	**2023**	**2022**
Legal and filing fees	**$ 1,131**	$ 2,022	**$ 8,555**	$ 9,625
Audit fees	**38,150**	27,500	**46,655**	32,643
Total	**$ 39,281**	$ 29,522	**$ 55,210**	$ 42,268

- Professional fees consist of annual auditing fees plus legal and other filing fees. Both the current and comparative three- and twelve-month periods audit and accounting fees relate to the audited financial statements, and filing US tax returns on account of Canexco, for the years ended September 30, 2023 and 2022 respectively.
- Legal and filing fees incurred during the current and comparative three-month periods ended September 30, 2023 and September 30, 2022, primarily relate to filing fees for news releases during the respective periods.

5. Liquidity and Capital Resources

The Company's working capital position at September 30, 2023 was $768,190 (September 30, 2022 - $1,717,734), a decrease of $949,544. Significant changes to working capital are discussed below:

- The Company consumed $465,706 in operating activities during the year ended September 30, 2023 ($528,571 – September 30, 2022). Changes in operational expenditures are described above in Section 4) "Operating results".
- During the year ended September 30, 2023, the Company disposed of 4,000,000 Spruce Ridge Resources Ltd. Common shares resulting in a net realized loss of $203,268 and net cash proceeds of $158,400. During the year ended September 30, 2022, the Company disposed of 79,189 Canada Nickel common shares resulting in a net realized gain of $7,350 and net cash proceeds of $238,583. See Note 7 - "Short-term investments" to the Audited Consolidated Financial Statements dated September 30, 2023, for more information.
- The company invested $1,058,071 (2022 - $2,066,388) in exploration and evaluation assets for exploration activities all related to the Gold Range Property, Arizona, USA. See Note 8 - "Exploration and evaluation assets" of the Audited Consolidated Financial Statements dated September 30, 2023, which accompany this document and Section 3) "Mineral properties" for more information. Additionally, during 2022, the Company expended $5,092 (US$3,900) to increase the bond held by the BLM in respect of the Gold Range Property
- During the year ended September 30, 2023, the Company closed a non-brokered private placement financing for aggregate gross proceeds of $600,000. During the year ended September 30, 2022, the

Company closed a non-brokered private placement financing for aggregate gross proceeds of $2,500,021. (refer to Section 6) "Financing").

- During the year ended September 30, 2022, 400,000 options exercisable at $0.06 per share, expiring July 6, 2022, were exercised for total proceeds of $24,000. There were no similar transactions in fiscal 2023.
- During the year ended September 30, 2022, 1,399,990 warrants exercisable at $0.08 per share, expiring June 6, 2022 and 13,416 warrants exercisable at $0.05 per share, expiring June 6, 2022, were exercised for total proceeds of $112,670. There were no similar transactions in fiscal 2023.
- During the year ended September 30, 2023, the Company incurred cash share issuance costs of $8,033 (September 30, 2022 - $17,886).

The Company is continually investigating financing options. The continuing operations of the Company are dependent upon its ability to obtain adequate financing or to commence profitable operations in the future. The Company feels that it has sufficient working capital to finance general and administration and other operating expenses for 12 months assuming similar activity levels to the previous year. However, increases in activity levels, new property acquisitions and any level of exploration on its mineral properties will require additional financing. There can be no assurance that the Company will be successful in obtaining financing. Refer to Note 1 "Nature of operations and continuance of operations" to the Audited Consolidated Financial Statements for the year ended September 30, 2023, that accompany this document.

6. Financing

Year ended September 30, 2023

On November 11, 2022, the Company issued 1,000,000 common shares valued at $112,500 pursuant to an option agreement on the Gold Range property. The share issuance price was valued in accordance with the agreement. See Section 3) "Mineral properties – Gold Range Property, Arizona, USA" for more information.

On April 3, 2023, the Company closed a non-brokered private placement financing for 10,000,000 common shares at a price of $0.06 per share for gross proceeds of $600,000. Related parties, comprised of officers and directors, acquired 1,835,869 of the common shares issued.

Year ended September 30, 2022

On April 29, 2022, 500,000 warrants exercisable at $0.08 per share, expiring June 6, 2022, were exercised for total proceeds of $40,000.

On May 27, 2022, the Company closed a non-brokered private placement financing of 19,230,927 units ("Common Units") at a price of $0.13 per Common Unit for gross proceeds of $2,500,021. Each Common Unit consists of one common share and one-half of one common share purchase warrant. Each whole common share purchase warrant will entitle the holder to purchase one common share at a price of $0.18 per share for a period to two years, May 27, 2024. After a 6-month non-callable period, the warrants will be subject to acceleration at the Company's discretion if at any time the Company's 20-day volume weighted average share price trades above $0.25.

On May 30, 2022, 133,330 warrants exercisable at $0.08 per share, expiring June 6, 2022, were exercised for total proceeds of $10,666.

On June 2, 2022, 133,330 warrants exercisable at $0.08 per share, expiring June 6, 2022, were exercised, and 13,416 warrants exercisable at $0.05 per share, expiring June 6, 2022, were exercised for total proceeds of $11,338.

On June 3, 2022, 633,330 warrants exercisable at $0.08 per share, expiring June 6, 2022, were exercised for total proceeds of $50,666.

On June 29, 2022, 400,000 options exercisable at $0.06 per share, expiring July 6, 2022, were exercised for total proceeds of $24,000.

7. Contractual Obligations

a) On April 4, 2017, the Company announced it had signed a Letter of intent to acquire a 100% interest in the Gibson property from Altius Resources Inc. ("Altius"). Gibson is 887 Ha in size and located in central British Columbia, approximately 95 kilometres northwest of Fort St. James. The purchase agreement was executed on May 12, 2017 and received Exchange approval on May 17, 2017.

The remaining commitments of the agreement are as follows:

	Altius	
	Share issues	Minimum Exploration Expenditures *
		($)
Expenditure commitment, on or before August 30, 2023	-	500,000
Following the completion of the Expenditure Commitment	1,240,000	-
Total remaining commitment	1,240,000	500,000

* - as at September 30, 2023, the Company has incurred exploration expenditures of $293,500

In addition, Altius will retain a right to purchase an underlying 1.5% Net Smelter Royalty ("NSR") and preferential rights on any future royalties or streams granted on the Property. If the Company achieves measured and indicated mineral resources in excess of 1 million gold equivalent ounces, a Milestone Payment of 1,275,000 shares will be issued to Altius. Altius will have a pro rata right to participate in future equity financings of the Company for two years.

Pursuant to the Underlying Agreement, Steven Scott is also entitled to the additional milestone bonuses of 1) $25,000 in cash or securities upon a Bankable Feasibility Study; and 2) $50,000 in cash or securities upon Commercial Production.

On November 12, 2018, the Company was granted an extension to meet its minimum exploration expenditures of $500,000 by November 12, 2018, to July 15, 2019, as lack of access during 2018, in part, prevented the Company from completing the required expenditures within the allotted time. The Company was subsequently granted further extensions to meet its minimum exploration expenditures of $500,000. The agreement has been amended to allow the Company to meet minimum exploration expenditures by August 30, 2024. All other terms of the agreement remain unchanged.

b) On June 11, 2019, the Company’s wholly owned subsidiary, Canexco Inc., entered into an Option Agreement to acquire a 100% interest in the Gold Range Property, Arizona, USA from a Prospector, the “Optionor”. On June 11, 2023, the Company completed its payment and expenditure obligations and the 100% earn in was complete. The Optionor retains a 2% NSR, half of which can be bought back by the company for US$500,000 and the remaining one half can be bought back for US$1,000,000.

c) On February 24, 2020, the Company's wholly owned subsidiary, Canexco Inc., entered into an arm's length Option Agreement to acquire a 100% interest in the Never Get Left Claim, Mohave County, Arizona, USA from Onyx Exploration Inc. ("Onex") which is adjacent to the Company's Pit Zone target. Under the terms of the agreement the Company was committed to pay US$90,000 over four years.

As at September 30, 2023, the following commitment remains outstanding, all other payments have been made as they came due.

	Option Payments
Due date	**US$**
February 24, 2024	30,000

Onex will retain a 2% NSR, half of which can be bought back by the Company for US$500,000 and the remaining half can be bought back for US$500,000. Additionally, the company must pay 10% of any profits realized from the processing and recovery of metals from the existing leach pad materials located within Onex's claim. The remaining committed option payments of US$30,000 would equate to CDN$40,560, using the September 30, 2023, Bank of Canada exchange rate. An increase or decrease of 10% to the exchange rate would result in an increase or decrease in required option payments of $4,056.

d) On January 12, 2021, the Company, and its wholly owned subsidiary, Canexco Inc., signed a Letter of Intent ("LOI") allowing the Company to earn into the Excelsior Mine Property ("the Property") from a private vendor over 3 stages. On September 5, 2023, the Company announced that the terms of the original agreement had been amended to remove all requirements to complete the Stage 2 and Stage 3 earn in obligations in exchange for a one-time share and cash payment. Under the amended option agreement CANEX will earn a 100% interest in the Excelsior Mine Property in exchange for issuing 8,694,170 CANEX shares and paying US$120,000 in cash. The vendors will retain a 1.5% net smelter royalty as outlined in the original agreement.

On November 29, 2023, subsequent to year end September 30, 2023, the Company announced the completion of the Excelsior Mine Property purchase through the issuance of shares and cash payment. CANEX has retained a right of first refusal on the 1.5% net smelter royalty in the event of any sale and committed to a reversion agreement until August 31, 2030, whereby the Company, if subject to any event that would impact the creditors rights that is not cured in 30 days, will deliver the mine property back to the Vendor without encumbrance.

8. Exploration Expenditures

Refer to "Exploration and evaluation assets," Note 8 to the Audited Consolidated Financial Statements dated September 30, 2023.

9. Off-Balance Sheet Transactions

There are no off-balance sheet transactions to report.

10. Selected Annual Financial Information

The following selected financial data has been extracted from the Audited Consolidated Financial Statements, for the fiscal years ended September 30, 2023, 2022, and 2021 and should be read in conjunction with those Audited Consolidated Financial Statements.

For the years ended or as at September 30	**2023**	**2022**	**2021**
Financial Results	**$**	**$**	**$**
Interest and other income (loss)	24,287	3,127	2,769
Net loss and comprehensive loss for the year	(535,402)	(781,362)	(805,515)
Basic and diluted earnings (loss) per share	(0.01)	(0.01)	(0.01)
Financial Position			
Working capital	768,190	1,717,734	1,707,055
Total assets	5,924,609	5,766,921	3,879,055
Capital stock	21,135,858	20,431,391	17,789,834
Reserves	2,260,775	2,225,314	2,109,028
Deficit	(17,570,272)	(17,034,870)	(16,253,508)

Included in the income for 2023 is an impairment of mineral properties aggregating $Nil, (2022 - $Nil, 2021 - $473,527). Other Comprehensive (loss) income pertaining to the revaluation of marketable securities from period to period resulted in an unrealized gain of $141,668 in 2023 (2022 – loss of $309,842, 2021 – gain of $138,330) and dividends of $Nil (2022 - $231,232, 2021 - $Nil) being included in Net and Comprehensive Loss.

11. Selected Quarterly Financial Information

The following selected financial data has been extracted from the unaudited interim consolidated financial statements for the fiscal periods indicated and should be read in conjunction with those unaudited financial statements.

Three months ended	Sep 30 2023 (Q4 2023)	Jun 30 2023 (Q3 2023)	Mar 31 2023 (Q2 2023)	Dec 31 2022 (Q1 2023)	Sep 30 2022 (Q4 2022)	Jun 30 2022 (Q3 2022)	Mar 31 2022 (Q2 2022)	Dec 31 2021 (Q1 2022)
	$	$	$	$	$	$	$	$
Loss before impairment of exploration and evaluation assets	(139,450)	(176,420)	(105,441)	(76,779)	(77,361)	(454,007)	(79,063)	(102,797)
Impairment of exploration and evaluation assets	-	-	-	-	-	-	-	-
Loss before other items	(139,450)	(176,420)	(105,441)	(76,779)	(77,361)	(454,007)	(79,063)	(102,797)
Dividend income	-	-	-	-	-	-	-	231,232
Interest and other income	4,226	5,588	7,634	6,839	6,284	4,893	(3,589)	(4,461)
Gain (loss) on short-term investments	(61,601)	-	-	-	28,167	(281,675)	(112,670)	63,685
Comprehensive profit (loss)	(196,825)	(170,832)	(97,807)	(69,940)	(42,910)	(730,789)	(195,322)	187,659
Basic and diluted earnings (loss) per share	0.00	0.00	0.00	0.00	0.00	(0.01)	0.00	0.00

Generally, the most significant influences on the variability of profit or loss are the amount of stock-based compensation, the amount of exploration and evaluation asset impairments or recoveries, and gains or losses on short-term investments. However, the increase in activity in the junior mining sector in recent years has also resulted in increased expenditures.

The Company's improved working capital position in recent periods has allowed the Company to expand its operations into fiscal 2023, 2022 and 2021 which is reflected above including expenditures for administrative consulting fees, office expenditures and travel and promotional activities as described in Section 4) "Operating results, General and administrative expenses". The most recent AGM's were held in Q3 2023 and Q2 2022.

The timing of the impairments and gains on sale of the Company's Exploration and evaluation assets cannot be predicted in advance and will vary from one reporting period to the next. As a result, there may be dramatic changes in the financial results and balance sheet position reported by the Company on a period-by-period basis.

Interest and other reflect foreign exchange gains and losses incurred on a US dollar denominated bank account held by the Company to conduct its business in the United States.

The Company received common shares in four separate publicly traded Companies as partial consideration for the sale of mineral property interests in past years. Comprehensive Profit or Loss will fluctuate as the carrying value of these investments is adjusted to fair value at the respective period ends. In addition, on October 22, 2021 (Q1 2022), Spruce Ridge declared a dividend-in-kind of Canada Nickel common shares, based on the number of shares held on October 29, 2021, the record date, at a ratio of 1 CNC share to 71.14 Spruce Ridge shares. On October 29, 2021, the Company received 79,189 CNC shares valued at $2.92 per share for a total value of $231,232.

12. Directors and Officers

Shane Ebert	*Director and President*	Gregory Hanks	*Director*
Jean Pierre Jutras	*Director and Vice-President*	Chantelle Collins	*Chief Financial Officer*
Barbara O'Neill	*Corporate Secretary*	Lesley Hayes	*Director*
Blair Schultz	*Director*		

13. Related Party Transactions and Key Management Remuneration

Related party transactions for the years ended September 30, 2023, and 2022, are disclosed and explained in Note 17 to the Audited Consolidated Financial Statements for the year ended September 30, 2023, that accompany this MD&A.

14. Share Capital and Equity Reserves

Refer to Note 11 to the financial statements and the Consolidated Statement of Equity for common share capital, stock option and warrant transactions during the year ended September 30, 2023 and balances as at that date.

On November 29, 2023, 8,694,170 common shares were issued pursuant to the amended Excelsior property option agreement (Section 3 – "Mineral properties, Gold Range property, Arizona, USA"). There were no further share capital, stock option or warrant transactions during the subsequent period from October 1, 2023 and up to December 15, 2023, the date of this report.

15. Financial Instruments

The carrying value of the Company's financial instruments, consisting of cash and cash equivalents, accounts receivable (net of sales tax) and accounts payable and accrued liabilities approximate their fair value due to the short-term nature of the instruments.

It is management's opinion that the Company is not exposed to significant interest or credit risks arising from these financial instruments. The carrying value of financial assets and liabilities measured at amortized cost approximates fair value due to the short-term nature of the instruments.

The Company undertakes transactions denominated in US currency through its exploration in the US; consequently, it is exposed to exchange rate fluctuations. The Company will acquire US funds from time to time to settle US$ denominated liabilities. The Company had US$5,852 ($7,912) (2022 - US$13,173, ($18,056)) in a US denominated bank account at September 30, 2023. The effect of a foreign currency increase or decrease of 10% on this cash holding would result in an increase or decrease of $585 (2022 - $1,806). Additionally, at September 30, 2023, accounts payable and accrued liabilities include liabilities of US$4,290 ($5,800) (2022 - US$32,829 ($44,999)), that must be settled in US$. The effect of a foreign currency increase of decrease of 10% on this liability would result in an increase or decrease of $580 (2022 - $4,500).

16. Financial risk management

a) Credit risk

Credit risk is the risk of financial loss to the Company if counterparties to a financial instrument fail to meet their contractual obligations. The Company’s financial instruments that could be subject to credit risk consist of receivables, and mining exploration tax credit receivable. The Company has had a history of prompt receipt of their receivables and considers credit risk to be low on these instruments as at September 30, 2023 and September 30, 2022.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they are due. The Company’s approach to managing liquidity risk is the utilization of budgets, to attempt to maintain sufficient liquidity in order to meet operational and exploration requirements, as well as property acquisition commitments. The Company raises capital through equity issues and its ability to do so is dependent on a number of factors including market acceptance, stock price and exploration results. The Company is continually investigating financing options. During the year ended September 30, 2023, the Company closed a private placement financing for aggregate gross proceeds of $600,000, Refer to Note 11 – “Share capital, stock options and warrants” for further details. The Company feels that it has sufficient working capital to finance general and administrative and other operating expenses for 12 months assuming similar activity levels to the previous year. Additional financing will be required to fund new property acquisitions and future exploration programs. Refer to Note 1 – “Nature of operations and continuance of operations” on the Audited Consolidated Financial Statements, September 30, 2023.

c) Market risk

The Company's equity investments are subject to market price risk. These investments were received as partial proceeds for the sale of mineral property interests. The Company does not invest excess cash in equity investments. The investments in common shares and warrants are recorded at fair value at the respective period ends with the resultant gains or losses recorded in earnings. The price or value of these investments can vary from period to period. During the year ended September 30, 2023, the market price fluctuation on the investments held resulted in a net gain of $141,668 (year ended September 30, 2022 - net loss of $309,842) on short-term investments. In 2023, a 10% change in fair value of the Company's marketable investments would result in a charge to income of $14,167 (2022 - $30,984). The Company does not intend to hold these investments for more than one year.

The Company has not yet developed producing mineral interests; it is not exposed to commodity price risk associated with developed properties at this time.

d) Interest rate risk

The Company has no debt facilities and has minimal amounts of interest income; it is not exposed to significant interest rate risk at this time. All market risk is associated with the Company's investments in common shares, which are recorded at fair value at the respective period ends with the resultant gains or losses recorded in earnings.

e) Foreign exchange risk
The Company undertakes transactions denominated in US currency; consequently, it is exposed to exchange rate fluctuations. The Company has disclosed US$ commitments pertaining to three option agreements in Section 7) "Contractual obligations". Refer to Section 15) "Financial instruments" for the foreign exchange risk associated with the foreign denominated cash balances held, as well as accounts payable that must be settled in US$ at September 30, 2023 and September 30, 2022.

17. Outlook

The Company's primary objective is to discover mineral resources in economic quantities capable of supporting an operating mine. Should the Company discover such a promising property, it would likely attempt to ally with a more senior mining company that might option-in on the property or purchase the property outright, as the Company does not have expertise in operating a mine.

- During fiscal 2023, the Company's treasury was increased by a number of different events including a private placement financing and the sale of short-term investments bringing in $600,000 and $158,399 in cash, respectively. During fiscal 2022, the Company's treasury was also increased by a number of different events including the sale of short-term investments, a private placement financing, the exercise of certain warrants and the exercise of certain options bringing in $238,583, $2,500,021, $112,670 and $24,000 in cash, respectively.

  The increase in the Company's treasury, in addition to funding the Company's working capital for general operations, has allowed the Company to implement an extensive drilling program on its Gold Range Property in Arizona, USA. The Company has sufficient working capital to conduct measured low-cost surface exploration programs at Gold Range without the need for financing. Near and midterm objectives will include low-cost advancement of surface targets in preparation for drill testing to be conducted once market conditions allow further financing opportunities.

- With respect to the Gibson Prospect, to date the Company has expended $293,500 on exploration activities. Due to limited resources, including manpower, the Company has focussed its attention on exploration activities on the Gold Range property discussed above. The Company continues to hold core claims which expire January 2029, keeping possibilities open for the Company to find a third-party partner to further the exploration program.

The Company continues to actively search for new early-stage exploration opportunities and avenues for growth in stable jurisdictions within North America. The Company has not entered into any business combination, acquisition or similar agreements except as noted above.

18) Risks

The business and operations of the Company are subject to numerous risks, many of which are beyond the Company's control. The Company considers the risks set out below to be some of the most significant to potential investors in the Company, but not all of the risks associated with an investment in securities of the Company. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the Company is currently unaware or which it considers to be material in relation to the Company's business actually occur, the Company's assets, liabilities, financial condition, results of operation (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the price of the Company's securities could decline and investors may lose all or part of their investment.

The Company is a natural resource company engaged in the acquisition, exploration and development of mineral properties. Given the nature of the mining business, the limited extent of the Company's assets and the present stage of exploration, the following risk factors, among others, should be considered:

- **Exploration, development, and operating risks**
  The Company is in the process of exploring its properties and has not yet determined whether its properties contain economically recoverable reserves and, therefore, does not generate any revenues from production. The recovery of expenditures on mineral properties and the related deferred exploration expenditures are dependent on the existence of economically recoverable mineralization, the ability of the Company to obtain financing necessary to complete the exploration and development of its properties, and upon future profitable production, or alternatively, on the sufficiency of proceeds from disposition. Mineral exploration is highly speculative in nature, involves many risks and frequently is non-productive. There is no assurance that exploration efforts will be successful.

- **Substantial capital requirements and liquidity**
  Substantial additional funds for the establishment of the Company's current and planned mining operations will be required. No assurances can be given that the Company will be able to raise the additional funding that may be required for such activities, should such funding not be fully generated from operations. Mineral prices, environmental rehabilitation or restitution, revenues, taxes, transportation costs, capital expenditures and operating expenses and geological results are all factors which will have an impact on the amount of additional capital that may be required. To meet such funding requirements, the Company may be required to undertake additional equity financing, which would be dilutive to shareholders. Debt financing, if available, may also involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operation and pursue only those projects that can be funded through cash flows generated from its existing operations, if any.

- **Fluctuating mineral prices**
  The economics of mineral exploration are affected by many factors beyond the Company's control, including commodity prices, the cost of operations, variations in the grade of minerals explored and fluctuations in the market price of minerals. Depending on the price of minerals, the Company may determine that it is impractical to continue a mineral exploration operation. Mineral prices are prone to fluctuations and the marketability of minerals is affected by government regulation relating to price, royalties, allowable production and the importing and exporting of minerals, the effect of which cannot be accurately predicted. There is no assurance that a profitable market will exist for the sale of any minerals found on the Company's properties.

- **Regulatory, permit and license requirements**
  The current or future operations of the Company require permits from various governmental authorities, and such operations are and will be governed by laws and regulations concerning exploration, development, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, site safety and other matters. Companies engaged in the exploration and development of mineral properties generally experience increased costs and delays in development and other schedules as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that all permits which the Company may require for facilities and the conduct of exploration and development operations on the Properties will be obtainable on reasonable terms, or that such laws and regulation will not have an adverse effect on any exploration or development project which the Company might undertake.

  Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in exploration and development operations may be required to compensate those suffering loss or damage by reason of the exploration and development activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations. Amendments to current laws, regulations and permits governing operations and activities of mineral companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or exploration and development costs, or require abandonment or delays in the development of new or existing properties.

- **Financing risks and dilution to shareholders**
  The Company has limited financial resources, no operations, and no revenues. If the Company's exploration program on its properties is successful, additional funds will be required for the purposes of further exploration and development. There can be no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be available on favourable terms or at all. It is likely such additional capital will be raised through the issuance of additional equity which will result in dilution to the Company's shareholders.

- **Title to properties**
  Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. The Company cannot give an assurance that title to its properties will not be challenged or impugned. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify. A successful claim that the Optionors or the Company, as the case may be does not have title to its properties could cause the Company to lose any rights to explore, develop and mine any minerals on its properties without compensation for its prior expenditures relating to its properties.

- **Competition**
  The mineral exploration and development industry is highly competitive. The Company will have to compete with other mining companies, many of which have greater financial, technical and other resources than the Company, for, among other things, the acquisition of mineral claims, leases and other mineral interest as well as for the recruitment and retention of qualified employees and other personnel. Failure to compete successfully against other mining companies could have a material adverse effect on the Company and its prospects.

- **Reliance on management and dependence on key personnel**
  The success of the Company will be largely dependent upon the performance of its directors and officers and the ability to attract and retain key personnel. The loss of the services of these persons may have a material adverse effect on the Company's business and prospects. The Company will compete with numerous other companies for the recruitment and retention of qualified employees and contractors. There is no assurance that the Company can maintain the service of its directors and officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Company and its prospects.

- **Environmental risks**
  The Company's exploration and appraisal programs will, in general, be subject to approval by regulatory bodies. Additionally, all phases of the mining business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and provincial and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with mining operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increase capital expenditures and operating costs.

- **Conflicts of interest**
  Certain of the Directors and Officers of the Company are engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies and, as a result of these and other activities, such Directors and Officers of the Company may become subject to conflicts of interest. Canadian corporate laws provide that in the event that a Director has an interest in a contract or proposed contract or agreement, the director shall disclose his interest in such contact or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided under those laws. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the applicable Canadian corporate laws.

- **Uninsurable risks**
  Exploration, development, and production operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences, any of which could result in damage to, or destruction of mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although precautions to minimize risk will be taken, operations are subject hazards that may result in environmental pollution and consequent liability that could have a material adverse impact on the business, operations and financial performance of the Company. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could have an adverse impact on the Company's results of operations and financial condition and could cause a decline in the value of the Company's shares.

- **Litigation**
  The Company and/or its directors may be subject to a variety of civil or other legal proceedings, with or without merit.

19) Critical Accounting Estimates

The most significant accounting estimate for the Company relates to the carrying value of its exploration and evaluation assets. Exploration and evaluation assets consist of the capitalized costs of exploration and mining concessions. Acquisition and leasehold costs and exploration costs are capitalized and deferred until such time as the property is put into production or the properties are disposed of either through sale or abandonment. The estimated values of exploration and evaluation assets are evaluated by management on a regular basis to determine whether facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount. Reference is made to project economics, including the timing of the exploration and/or development work, the work programs and exploration results experienced by the Company and others, financing, the extent to which optionees have committed, or are expected to commit to, exploration on the property and the imminent expiry of the right to explore, among other factors. When it becomes apparent that the carrying value of a specific property will not be realized, an impairment provision is made for the estimated decline in value.

The Company’s estimate for decommissioning obligations is based on existing laws, contracts and other policies. The value of the obligation is based on estimated future costs for abandonments and reclamations which require that certain assumptions be made. By their nature, these estimates are subject to measurement uncertainty.

Another significant accounting estimate relates to valuing stock-based compensation and warrants. The Company uses the Black-Scholes Option Pricing Model. Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company’s stock options granted and vested, or warrants issued, during the year.

The Company estimates the fair value of its short-term equity investments at each period end as they are carried at fair value in the Balance Sheet. The Company uses the closing price of the common shares on the period-end date. The price at which these instruments can ultimately be sold will vary from these estimates due to the timing of their sale, the volume of trading in the securities at any given time and changes in the market over time, among other factors.

20. New Accounting Policies

The Company did not adopt any new accounting policies during the year ended September 30, 2023.

21. Subsequent events

On November 29, 2023, the Company closed the acquisition of 100% of the Excelsior Mine Property by issuing 8,694,170 CANEX shares and paying US$120,000 in cash. Refer to Section 7) “Contractual obligations d)” for more information.

22. Other

Additional information relating to the Company may be found on SEDAR+ at www.sedarplus.ca