GENERATIONMINING

Management's Discussion and Analysis
For the Year Ended December 31, 2022

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

The MD&A is prepared by management and approved by the Board of Directors as of March 31, 2023. All figures are in Canadian dollars unless stated otherwise. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com.

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

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

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

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

Contents

BUSINESS OVERVIEW

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

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

2022 FOURTH QUARTER AND ANNUAL HIGHLIGHTS

- Subsequent to year end, the Company filed the 2023 Feasibility Study for the Marathon Project which demonstrates robust economics with an after-tax NPV_6 of $1.16 billion and an IRR of 25.8%.
- On November 30, 2022, the Company announced that the Marathon Project was approved by the joint Federal and Provincial Environmental Assessment process.
- On November 14, 2022, the Company announced that Biigtigong Nishnaabeg ("BN") approved a Community Benefits Agreement ("CBA") in respect of the Marathon Project.
- On September 8, 2022, the Company announced that it had received the second $20 million payment from Wheaton Precious Metals Corp. ("Wheaton") under the previously announced Precious Metal Purchase Agreement (the "PMPA").
- On August 8, 2022, the Company announced the acquisition of an unused ball mill and SAG mill, reducing the risk associated with the procurement, logistics and cost-uncertainty associated with these long-lead items.
- On July 12, 2022, the Company announced a lease purchase option agreement of an existing construction camp located near the Town of Marathon, Ontario, which will be used to accommodate up to 283 workers for the initial site preparation phase through the construction phase.
- On June 8, 2022, the Company provided a Project Finance update, having received significant non-binding expressions of interest from more than a dozen lenders, including commercial banks, export credit agencies, offtake partners and equipment lessors. The Company's appointed project finance advisor, Endeavour Financial, estimates that the project can carry approximately US$400 million in senior debt based on the Company's 2021 Feasibility Study. Export Development Canada (EDC) has provided an expression of interest to support the project, subject to the successful completion of its

due diligence process, indicating the potential to provide project debt financing of up to US$200 million, with commercial banks envisioned to make up the remainder of the senior debt facility.

- On May 19, 2022, the Public Hearings conducted by the Joint Review Panel ("JRP") on the Environmental Impact Statement ("EIS") of the Company's Marathon Project concluded. On August 2, 2022, the JRP delivered its report (the "Report") to the offices of both the Federal Minister of Environment and Climate Change and the Ontario Minister of the Environment. The Report sets out recommendations for the Company, and the federal and provincial governments, to mitigate or minimize any adverse effects of the Marathon Project.
- The Company significantly bolstered its management team to support the advancement and development of the Marathon Project. Newly filled roles include General Counsel, VP Investor Relations, VP Projects, VP Geology, VP Sustainability and Technical Services Manager. See the *Corporate, Project and Exploration Updates* section of this MD&A for further discussion.
- In January 2022, the Company concluded the acquisition of the remaining interest in the Marathon Property from Sibanye-Stillwater Limited ("Sibanye-Stillwater") to hold a 100% interest in the Marathon Project. Sibanye-Stillwater is currently the largest shareholder of Generation holding 32,813,127 common shares representing a current ownership position of approximately 18.2% of the Company.

OUTLOOK

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

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

CORPORATE, PROJECT AND EXPLORATION UPDATES

Strengthening Management Team

The Company has made significant additions to the management team throughout 2022 to support the advancement and development of the Marathon Project.

In July the Company appointed Ruben Wallin as Vice President of Sustainability. Mr. Wallin is an environment and sustainability professional with more than 30 years of experience in the global mining industry. He has broad corporate and operational management experience in the areas of environment, health and safety, community relations, government relations, permitting and tailings management. Mr. Wallin has worked extensively throughout the Americas and Africa during his career and is experienced in current global industry standards and best practices. In Canada, he has been involved in the successful operation of the Detour Lake Mine, the Canadian Malartic Mine and the Victor Mine. Before joining McEwen Mining where he was the Vice President Sustainability, Mr. Wallin held the position of Vice President of Environment and Sustainability for Detour Gold Corporation.

In July the Company appointed Paul Murphy as the Vice President, Project. Mr. Murphy is an experienced civil engineer with 35 years in construction and engineering. Previously he worked with G-Mining Services, VP Projects at Centerra Gold and GM of Engineering and Construction at IAMGOLD.

In May the Company appointed Mauro Bassotti as Vice President of Geology. Mr. Bassotti brings over 24 years diverse international and domestic experience with open pit and underground mines in gold, copper and other base metals. He has extensive leadership experience in brownfield and capital drilling, all aspects of operational geological site functions, and technical services. Most recently he was Senior Director Geology of Ma'aden Mining, Gold and Base Metals in Riyadh, KSA, where he was responsible for the corporate guidance and direction of the Geological group. Prior to this role, he worked with Detour Gold, New Gold, Barrick Gold and Placer Dome, across Asia Pacific, Africa, Australia, and Canada. Mauro has been recognized as a Qualified Person under NI 43-101 and other reporting requirements.

In May the Company appointed Ann Wilkinson as Vice President of Investor Relations, a newly created role. Ms. Wilkinson has over 20 years' experience in the mining industry in both investor relations and other management roles, bringing diverse expertise in investor and stakeholder relations domestically and internationally in Chile, Dominican Republic, Brazil and Honduras. Ann has successfully devised and executed investor relations initiatives on both strategic and tactical levels for existing and prospective investors and raised significant capital for various projects. She is well recognized within the investment community.

In May Daniel Janusauskas was appointed Technical Services Manager for the Company. Mr. Janusauskas' most recent experience was with Baffinland Iron Mines in Nunavut as Technical Services Superintendent where he supervised Engineering, Geology, Survey and Production Technology teams. Previous mining experience with Detour Gold Inc., as a Strategic Mine Engineer, contributing to the life-of-mine planning, and co-authoring the 2015-2018 NI 43-101 Reports and Mineral Resource and Reserve Estimates.

In April the Company appointed Adam Segal as General Counsel. Mr. Segal has over 20 years of legal and business experience working with public mining companies in project exploration, development and operations. Mr. Segal spent ten years in the legal group at Sherritt International, and was most recently Vice President of Corporate Development. Prior to Sherritt he practiced law at Borden Ladner Gervais LLP.

Advancing Detailed Engineering

The Company advanced the detailed engineering and procurement ("EP Services") of the Marathon Project throughout 2022. The EP Services work is being advanced by the Wood PLC ("Wood") engineering team (Oakville office), reporting directly to Generation's engineering and project teams. The tailings dam designs, water infrastructure, and remaining on-site and off-site infrastructure designs are being advanced in parallel with the plant designs with the goal of having engineering advanced to a suitable level at the commencement of construction.

Early Procurements

SAG and Ball Mills

On August 8, 2022, Generation PGM entered into an agreement with Hycroft Mining Holding Corporation ("Hycroft") for the purchase of an unused surplus SAG mill, ball mill and power transformers (the "Mills") currently stored in Nevada and Texas, USA for US$13,550,000, of which US$500,000 was paid on signing and a second payment of US$500,000 was paid on September 9, 2022. A final payment of US$12,550,000 is due June 30, 2023 (originally March 31, 2023, but extended by mutual agreement). Generation PGM will also assume certain costs related to the Mills, including storage, insurance and financing charges, if any, until completion of the sale.

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

Construction Camp

On July 12, 2022, the Company announced that it had entered into an agreement with Valard Equipment LP ("Valard") for the lease of a construction camp (the "Camp") located in Marathon, Ontario until December 31, 2023 (the "Lease Term") and an option, exercisable at the Company's discretion, to purchase the Camp on or before the end of the Lease Term. In connection with this agreement, the Company has also leased the existing serviced camp site from the Town of Marathon.

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

Early Works Construction

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

Environment, Permitting and Community

Environmental Assessment Updates

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

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

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

The initial EA process was started by the prior proponent (Stillwater Canada Inc) of the Marathon Project in 2010 and was put on hold in January 2014. In September 2019, the Company received confirmation from the Federal and Provincial governments that the Marathon Project would remain subject to the requirements of the CEAA 2012 and the EA Act, and the process could be restarted.

In July 2020, the Company officially restarted the EA approval process and commenced the process to provide an Environmental Impact Statement ("EIS") report addendum. In November 2020, the Government of Canada and the Province of Ontario appointed the JRP members to continue the EA of the Company's Marathon Project. Updated baseline studies were submitted in November 2020 and the initial volume of the EIS was completed in January 2021 with the second volume completed in April 2021. The EIS provides an outline and analysis of key elements of the Project design, the environmental, economic, and social effects along with proposed mitigation, controls and benefits that will be present over the life cycle of the Project from construction to post closure.

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

Representatives of Generation PGM, along with its expert witnesses, participated in the technical, general and Indigenous community sessions scheduled throughout the hearing. Generation PGM's witnesses explained the positive socio-economic aspects of the Project as well as their expert predictions that the Project is not expected to have significant adverse environmental effects. Throughout the hearing, the Panel members asked for several undertakings for supplemental information to complete their review and requested that Generation PGM summarize all the mitigation measures, monitoring plans, follow-up programs and associated environmental management plans it had committed to in the EIS and during the EA process in a consolidated document ("Undertaking 31"). During the hearings, Biigtigong Nishnaabeg and Pays Plat First Nations requested engagement with Generation PGM to ensure their requirements were captured in Generation PGM's response to Undertaking 31. As a result, Generation PGM and Biigtigong Nishnaabeg requested a four-week extension to engage on critical commitments specific to Biigtigong Nishnaabeg and the filing of Undertaking 31. The Panel accepted the extension request. Consequently, Undertaking 31 was filed May 11, 2022, with closing remarks from the JRP occurring on May 19, 2022.

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

As the proponent, Generation PGM is responsible for the costs of the JRP and certain other costs. As of the date of this MD&A, the JRP costs totaled approximately $2.8 million.

Permitting Updates

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

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

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

Community Update

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

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

Project Financing

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

Phase I – Stream Financing

Phase I of the project financing consisted of the marketing, due diligence and site visits with several financiers who expressed interest in all forms of financing including debt, equity, metal streams and royalties. The Company's focus was to put in place the first tranche of the project financing without excessive dilution for shareholders, while ensuring the financing was sufficient and complementary to the ultimate financing package. The interest was significant, and the Company received multiple proposals. The most attractive proposal was from Wheaton Precious Metals Corp ("Wheaton").

In December 2021, the Company entered into a definitive Precious Metal Purchase Agreement (the "PMPA") with Wheaton. The PMPA became effective in January 2022 upon closing of the acquisition of the remaining interest in the Marathon Property from Sibanye-Stillwater to hold a 100% interest in the Marathon Project. Pursuant to the PMPA, Wheaton will pay Generation total cash consideration of $240 million, $40 million of which has been received to date. The details are as follows:

- Under the Marathon PMPA, Wheaton will purchase 100% of the payable gold production until 150 thousand ounces ("koz") have been delivered, thereafter dropping to 67% of payable gold production for the life of the mine; and 22% of the payable platinum production until 120 koz have been delivered, thereafter dropping to 15% for the life of mine.
- Wheaton will pay Generation total cash consideration of C$240 million, C$40 million of which has been paid on an early deposit basis prior to construction to be used for development of the Marathon Project, with the remainder payable in four staged installments during construction, subject to various customary conditions being satisfied and pre-determined completion tests.
- Wheaton will make ongoing payments for the gold and platinum ounces delivered equal to 18% of the spot prices ("Production Payment") until the value of gold and platinum delivered less the Production Payment is equal to the consideration of C$240 million, at which point the Production Payment will increase to 22% of the spot prices.
- Generation and its subsidiary Generation PGM has provided Wheaton with corporate guarantees and other security over their assets and various time sensitive performance guarantees relating to the development of the Project.

On March 31, 2022, Generation received, through its wholly-owned subsidiary Generation PGM, the first $20,000,000 payment pursuant to the PMPA with the second payment of $20,000,000 being received on September 8, 2022.

Phase II – Balance of Project Financing

Phase II involves the access to medium term financing with the initial stage being a request for proposal process ("RFP") for the balance of the project financing. The RFP process has resulted in strong initial non-binding expressions of interest from more than a dozen lenders including commercial bank lenders, export credit financiers, private equity companies, potential offtake partners and equipment lessors. The interest has been significant with the total potential indicated capital being well in excess of US$1 billion among several interested parties. The Company has been analyzing the proposals, advancing diligence and definitive documentation with a select group of lenders. The Company continues to focus on maximizing capital from non-equity sources while minimizing the cost of capital and maximizing equity returns. Endeavour estimates that the project can carry approximately US$400 million in senior debt based on the 2021 Feasibility Study.

The Company also reported that Export Development Canada ("EDC") had provided an expression of interest to support the project, subject to the successful completion of its due diligence process. EDC has indicated the ability to provide potential project financing of up to US$200 million. EDC is a financial Crown corporation dedicated to helping Canadian companies of all sizes succeed on the world stage. Based on expressions of interest received the Company expects commercial banks to make up the remainder of the senior debt facility.

The project finance process is expected to take several months and is being run in parallel with the permitting approvals.

2023 UPDATED FEASIBILITY STUDY - MARATHON PROJECT

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

Highlights:

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

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

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[1] Unless otherwise noted, the economic analysis includes the impacts of the Precious Metal Purchase Agreement with Wheaton Precious Metals Corp. ("WPM PMPA") on the project cash flows

[2] The initial capital cost excludes the receipt of any deposits delivered under the WPM PMPA. However, such despots are included in the economic analysis used to determine expected cash flows, which are used to calculate NPVs, IRRs and Payback Period.

[3] Refer to "Non-IFRS Measures" section.

KEY RESULTS AND ASSUMPTIONS IN UPDATED 2023 FEASIBILITY STUDY

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

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

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

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

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

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

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

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

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

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

Capital Cost Summary

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

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

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

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

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

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

Economic Analysis

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

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

Sensitivities

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

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

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

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

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

Sensitivities (continued)

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

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

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

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

SUMMARY OF MINERAL RESERVES AND RESOURCES

Mineral Resources

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

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

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

Notes:

a. Mineral Resources were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions (2014) and Best Practices Guidelines (2019) prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council.

b. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, marketing, or other relevant issues.

c. The Inferred Mineral Resource in this estimate has a lower level of confidence that that applied to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of the Inferred Mineral Resource could be upgraded to an Indicated Mineral Resource with continued exploration.

d. The Marathon Mineral Resource is reported within a constrained pit shell at a NSR cut-off value of $15/t.

e. Marathon NSR (C$t) = (Cu % x 88.72) + (Ag g/t x 0.47) + (Au g/t x 44.69) + (Pd g/t x 58.63) + (Pt g/t x 28.54) - 3.37.

f. The Marathon Mineral Resource estimate was based on metal prices of US$1,800/oz Pd, US$3.50/lb Cu, US$1,000/oz Pt, US$1,600/oz Au and US$20/oz Ag and an exchange rate of 1.30C$ to 1 US$.

g. The Sally and Geordie Mineral Resources are reported within a constraining pit shell at a NSR cut-off value of $13/t.

h. Sally and Geordie NSR (C$/t) = (Ag g/t x 0.48) + (Au g/t x 42.14) + (Cu % x 73.27) + (Pd g/t x 50.50) + (Pt g/t x 25.07) – 2.62.

i. The Sally and Geordie Mineral Resource estimates were based on metal prices of. US$1,600/oz Pd, US$3.00/lb Cu, US$900/oz Pt, US$1,500/oz Au and US$18/oz Ag.

j. Contained metal totals may differ due to rounding.

Mineral Reserves

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

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

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

***Note*:**

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

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

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

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

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

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

g. The average strip ratio is 2.6:1.

h. The average mining dilution factor is 9%.

i. Numbers may not add due to rounding.

Qualified Persons

This MD&A has been reviewed and approved by Drew Anwyll, P.Eng., M.Eng., Chief Operating Officer and Mauro Bassotti, P.Geo, Vice President of Geology both of the Company, and Qualified Persons as defined by Canadian Securities Administrators National Instrument 43-101 Standards of Disclosure for Mineral Projects. The independent Qualified Persons mentioned below have reviewed and approved their respective technical information contained in this MD&A.

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

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

RESULTS FROM OPERATIONS

The following tables set forth financial information for the Company which has been summarized from and should be read in conjunction with the Company's audited consolidated financial statements for the years ended December 31, 2022, and 2021, including the notes thereto.

	Three months ended December 31,		Year ended December 31,	
Statements of Loss	**2022**	**2021**	**2022**	**2021**
Expenses				
Property acquisition	**$ -**	$ -	**$18,856,376**	$ -
EA and community consultation	**$1,478,872**	1,353,624	**$7,017,620**	4,510,814
Project feasibility and engineering	**5,629,074**	1,877,490	**$16,366,727**	3,306,286
Exploration and site costs	**1,060,191**	482,963	**$5,066,918**	4,187,647
Other	**-**	102,437	**259,740**	571,723
Acquisition, evaluation and exploration expenditures	**8,168,137**	3,816,514	**47,567,381**	12,576,470
Share-based compensation	**173,049**	227,734	**1,257,837**	2,273,858
Audit, legal and advisory fees	**297,050**	339,476	**1,769,382**	420,706
Management and corporate administration services	**426,502**	132,945	**2,727,145**	974,147
Shareholder and investor communications costs	**207,913**	113,025	**791,527**	871,351
Occupancy cost	**27,820**	38,330	**108,978**	148,404
Interest (recovery) expense	**125,545**	7,403	**235,511**	31,386
Operating loss	**(9,426,016)**	(4,675,427)	**(54,457,761)**	(17,296,322)
Realized and unrealized gain (loss) on marketable securities	**(162,000)**	(648,000)	**(1,242,000)**	186,765
Fair value loss on financial liability	**(1,216,232)**	-	**(784,093)**	-
Foreign exchange loss	**(132)**	-	**(3,456)**	-
Interest income	**158,988**	5,119	**253,659**	26,145
Net Loss and Comprehensive Loss	**$(10,645,392)**	**$(5,318,308)**	**$(56,233,651)**	**$ (17,083,412)**
Net Loss per Share – Basic and diluted	**$ (0.06)**	**$ (0.04)**	**$ (0.32)**	**$(0.12)**

Three Months Ended December 31, 2022, compared to 2021

The Company incurred a net loss of $10,645,392 or $0.06 per share for the three months ended December 31, 2022, compared to a net loss of $5,318,308 or $0.04 per share for the three months ended December 31, 2021. The significant differences largely relate to the ramp up in activities as the Company advances towards a development decision and are outlined below:

- ***Acquisition, evaluation and exploration expenses*** were $8,168,137 for the three months ended December 31, 2022, compared to $3,816,514 for the three months ended December 31, 2021. The increase of $4,351,623 is primarily related to the following:
  - an increase of $125,248 in costs primarily associated with community consultation. For the three months ended December 31, 2022, environmental assessment and community consultation expenditures did not include any payments to the federal government to reimburse it for costs associated with the Joint Review Panel,
  - an increase of $3,751,584 in engineering costs as the Company advances the design engineering of the plant, and
  - an increase in exploration and site costs of $577,228.

- ***Share-based compensation*** was $173,049 for the three months ended December 31, 2022, compared to $227,734 for the three months ended December 31, 2021. Share-based compensation is a non-cash item calculated using the Black Scholes valuation model and fluctuates period to period depending on the number of options vested.
- ***Audit, legal and advisory fees*** were $297,050 for the three months ended December 31, 2022, compared to $339,476 for the three months ended December 31, 2021. The decrease of $42,426 in 2022 is primarily related to a decrease of legal fees.
- ***Management and corporate administration*** services expenses were $426,502 in the three months ended December 31, 2022, compared to $132,945 for the three months ended December 31, 2021. The increase of approximately $293,557 is the result of an increase in administration activities, executive compensation and bonuses resulting from the growth of the development team.
- ***Shareholder and investor communications*** costs were $207,913 in the three months ended December 31, 2022, compared to $113,025 in the three months ended December 31, 2021. The increase of $94,888 is primarily related to an increase in marketing fees and investor conventions.
- ***Occupancy costs*** were $27,820 in the three months ended December 31, 2022, compared to with $38,330 in the three months ended December 31, 2021, consistent with the comparable quarters.
- ***Interest expense*** was $125,545 in the three months ended December 31, 2022, compared to interest recovery of $7,403 in the three months ended December 31, 2021. Interest expense results from the recognition and depreciation of the company's leases as a right-of-use asset.
- ***Realized and unrealized gains and losses on marketable securities*** relate to the sale and/or period end fair value adjustments of marketable securities or marketable securities receivable during the period. Transactions during the quarter are outlined above under the section heading Marketable Securities.
- ***Fair value gains on the financial liability*** relate to the fair value adjustments associated with the financial liability associated with the stream arrangement. See *Project Financing – Phase 1 Stream Financing* section of this MD&A for further detail.
- ***Interest income*** results from interest earned on short term guaranteed investment certificates.

<u>Year Ended December 31, 2022, compared to 2021</u>

The Company incurred a net loss of $56,233,651 or $0.32 per share for the year ended December 31, 2022, compared to a net loss of $17,083,412 or $0.12 per share for the year ended December 31, 2021. The significant differences largely relate to the ramp up in activities as the Company advances towards a development decision and are outlined below:

- ***Acquisition, evaluation, and exploration expenses*** were $47,567,381 for the year ended December 31, 2022, compared to $12,576,470 for the year ended December 31, 2021. The increase of $34,990,911 is primarily related to the following:
  - an increase of $18,856,376 associated with the acquisition of the remaining interest in the Marathon Project from Stillwater,
  - an increase of $2,506,806 in costs associated with the Joint Review Panel, environmental assessment and community consultation. For the year ended December 31, 2022, environmental assessment and community consultation expenditures included $1,278,883 paid to the federal government to reimburse it for costs associated with the Joint Review Panel,
  - an increase of $13,060,441 in engineering costs as the Company advances the design

engineering of the plant, and
- an increase in exploration and site costs of $879,271.

- ***Share-based compensation*** was $1,257,837 for the year ended December 31, 2022, compared to $2,273,858 for the year ended December 31, 2021. Share-based compensation is a non-cash item calculated using the Black Scholes valuation model and fluctuates period to period depending on the number of options vested.
- ***Audit, legal and advisory fees*** were $1,769,382 for the year ended December 31, 2022, compared to $420,706 for the year ended December 31, 2021. The increase of $1,348,676 in 2022 is primarily related to an increase of legal fees and financing fees, directly attributable to the significant transactions executed by the Company, as discussed throughout this MD&A.
- ***Management and corporate administration*** services expenses were $2,727,145 in the year ended December 31, 2022, compared to $974,147 for the year ended December 31, 2021. The increase of approximately $1,752,998 is the result of an increase in administration activities, executive compensation and bonuses resulting from the growth of the development team.
- ***Shareholder and investor communications*** costs were $791,527 in the year ended December 31, 2022, compared to $871,351 in the year ended December 31, 2021. The decrease of approximately $79,824 is primarily related to a decrease in marketing fees.
- ***Occupancy costs*** were $108,978 in the year ended December 31, 2022, compared to $148,404 in the year ended December 31, 2021. The expenditures are consistent with the comparable quarter.
- ***Interest expense*** was $235,511 in the year ended December 31, 2022, compared to interest recovery of $31,386 in the year ended December 31, 2021. Interest expense results from the recognition and depreciation of the company's leases as a right-of-use asset.
- ***Realized and unrealized gains and losses on marketable securities*** relate to the sale and/or period end fair value adjustments of marketable securities or marketable securities receivable during the period. Transactions during the quarter are outlined above under the section heading Marketable Securities.
- ***Fair value gains on the financial liability*** relate to the fair value adjustments associated with the financial liability associated with the stream arrangement. See *Project Financing – Phase 1 Stream Financing* section of this MD&A for further detail.
- ***Interest income*** results from interest earned on short-term guaranteed investment certificates.

<u>Acquisition, Evaluation and Exploration Expenditures</u>

Below are the acquisition, evaluation and exploration expenditures for the year ended December 31, 2022, compared with the equivalent period in 2021.

	Year Ended December 31,	
	2022	2021
Davidson	**$135,266**	$ 128,765
Marathon	**47,432,115**	12,447,705
Total mineral property expenditures	**$47,567,381**	$ 12,576,470

The following table displays the cumulative mineral property expenditures by project as at December 31, 2022.

	Cumulative December 31,2021	Acquisition	Evaluation and exploration	**Cumulative December 31,2022**
Darnley Bay	$576,941	$ -	$ -	**$576,941**
Davidson	579,752	135,266	-	**715,018**
Marathon	29,718,095	18,949,719	28,482,396	**77,150,210**
Total expenditures in the year	**$30,874,788**	**$19,084,985**	**$28,482,396**	**$78,442,169**

Marketable Securities

As of December 31, 2022, the Company held 5,400,000 Major Precious Metals Shares (December 31, 2021 - 5,400,000) valued at nil (December 31, 2021 - $1,242,000). The fair value was determined using the market value on December 31, 2022 and December 31, 2021. The fair value adjustments resulted in an unrealized loss of $1,242,000 for the year ended December 31, 2022 (December 31, 2021 – unrealized loss of $1,106,425).

During the year ended December 31, 2022, the Company sold nil shares (December 31, 2021 – 2,755,000) for total proceeds of nil (December 31, 2021 - $1,513,590), and a realized gain of nil (December 31, 2021 – $1,293,190).

SUMMARY OF QUARTERLY RESULTS

Three Months Ended	**Dec 31 2022**	**Sep 30 2022**	**Jun 30 2022**	**Mar 31 2022**
Acquisition, evaluation and exploration	$8,168,137	$8,554,818	$6,049,988	$24,794,438
General and administration	1,084,830	1,118,843	1,775,073	1,653,797
Share-based payments	173,049	338,517	391,518	354,753
Operating loss	(9,426,016)	(10,012,178)	(8,216,579)	(26,802,988)
Realized and unrealized gain (loss) on marketable securities	(162,000)	(216,000)	(297,000)	(567,000)
Gain on debt write-off	-	-	-	-
Fair value on financial liability	(1,216,232)	(406,099)	838,238	-
Foreign exchange loss	(132)	(2,533)	791	-
Interest income	158,988	18,591	66,839	9,241
Net and comprehensive loss	(10,645,392)	(10,618,219)	(7,609,293)	(27,360,747)
Basic and diluted (loss) earnings per share	$(0.06)	$(0.06)	$(0.04)	$(0.16)
Weighted average number of common shares Outstanding	180,377,514	180,186,476	179,917,408	171,462,569

Three Months Ended	**Dec 31 2021**	**Sep 30 2021**	**June 30 2021**	**Mar 31 2021**
Acquisition, evaluation and exploration	$3,816,514	$2,914,161	$ 2,976,786	$2,869,009
General and administration	631,179	354,655	983,869	476,293
Share-based payments	227,734	372,942	1,448,594	224,588
Operating loss	(4,675,427)	(3,641,758)	(5,409,249)	(3,569,888)
Realized and unrealized gain (loss) on marketable securities	(648,000)	(54,000)	(441,510)	1,330,275
Gain on debt write-off	-	-	-	-
Fair value on financial liability	-	-	-	-
Foreign exchange loss	-	-	-	-
Interest income	5,119	14,946	2,500	3,580
Net and comprehensive loss	(5,318,308)	(3,680,812)	(5,848,259)	(2,236,033)
Basic and diluted (loss) earnings per share	$(0.04)	$(0.02)	$(0.04)	$(0.02)
Weighted average number of common shares outstanding	150,281,914	150,025,839	143,035,426	139,038,358

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

- Acquisition and evaluation expenditures have been steadily increasing over the last several quarters as the Company advances the Marathon Property from feasibility through permitting and detailed engineering. In the first quarter of 2022, an increase of $18,942,584 is associated with the acquisition of the remaining interest in the Marathon Project from Stillwater.
- General and administrative expenses have remained consistent with comparable quarters other than the second quarter of 2021 when employee bonuses were incurred and the first quarter of 2022 when there was an increase in legal and financing fees associated with the acquisition of the remaining interest in the Marathon Project from Stillwater and the Precious Metal Purchase Agreement with Wheaton Precious Metals Corp. Current quarter general and administrative expenses are a result of additions to the management team and increased administrative activities to support the advancement of the Marathon Project.
- Share-based payments are a non-cash item calculated using the Black Scholes valuation model and fluctuates period to period depending on the number of options granted and vesting.
- Realized and unrealized gains and losses on marketable securities and receivable marketable securities relate to the sale and/or period end fair value adjustments of marketable securities or marketable securities receivable during the period. Transactions during the period are outlined above under the section headings Marketable Securities.
- Gain on debt write-off is a non-recurring item.

FINANCIAL POSITION

Assets

As at December 31, 2022, the Company had total assets of $25,017,226 (December 31, 2021 - $8,173,106) which consisted of current assets of $20,716,943 (December 31, 2021 - $7,467,448) and non-current assets of $4,300,283 (December 31, 2021 - $705,658).

Current assets as at December 31, 2022, consist primarily of cash and cash equivalents of $18,766,791 (December 31, 2021 - $5,397,171), marketable securities of nil (December 31, 2021 - $1,242,000), accounts receivable of $1,731,987 (December 31, 2021 - $727,966) and prepaids of $218,165 (December 31, 2021 - $100,311). Cash is held in Canadian dollar denominated accounts and short term guaranteed investment certificates and accounts receivable is mainly comprised of HST receivable.

Non-current assets as at December 31, 2022, consist of restricted cash and cash equivalents pursuant to guaranteed investment certificates held as security for the corporate office lease, land and building acquired pursuant to the acquisition of the Marathon Property, the corporate office and other right of use assets and Hycroft security deposits.

Liabilities

As at December 31, 2022, the Company had total liabilities of $49,114,842 (December 31, 2021 - $2,499,598) which consisted of current liabilities of $8,129,381 (December 31, 2021 - $2,348,103) and long-term liabilities of $40,985,461 (December 31, 2021 - $151,495).

Current liabilities as at December 31, 2022, primarily consist of accounts payable and accrued liabilities of $5,029,890 (December 31, 2021 - $2,308,183) and short-term lease liability of $3,099,491 (December 31, 2021 - $39,920). The increase in accounts payable is due mainly to the increased expenditures relating to the advancement of the Marathon Property. The increase in the short-term lease liability is related to the lease of the Valard construction camp.

Long-term liabilities as at December 31, 2022, primarily consist of a $40,784,093 liability related to the Precious Metal Purchase Agreement with Wheaton Precious Metals Corp. As a result of applying IFRS 16, the Company recognized a right-of-use asset for its corporate office lease, Valard construction camp and other equipment. As at December 31, 2022, the balance of the current lease liability is $3,099,491 and the long-term lease liability is $201,368.

LIQUIDITY AND GOING CONCERN UNCERTAINTY

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

The Company is at an early stage of development and, as is common with many exploration companies, it relies on financings to fund its exploration and acquisition activities. The Company had a surplus of current assets over current liabilities of $12,587,562 at December 31, 2022; had not yet achieved profitable operations; had accumulated losses of $96,825,284 at December 31, 2022; and expects to incur further losses in the development of its business. Generation Mining does not have adequate cash resources to fund its operations over the next twelve months and will require additional financing in order to conduct its planned work programs on its mineral properties, meet its ongoing levels of corporate overhead and discharge its liabilities as they come due. There can be no certainty as to the ability of the Company to raise sufficient additional financing in order to continue to operate, and accordingly, there is a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

The Company's main source of liquidity is its cash. These funds are primarily used to finance working capital, exploration and evaluation expenditures, capital expenditures, and acquisitions. The Company manages its liquidity risk by regularly monitoring its cash flows from operating activities and holding adequate amounts of cash. Cash is held on deposit in guaranteed investment certificates with a major Canadian chartered bank.

Cash used in operating activities during the year ended December 31, 2022, was $30,822,875 compared with $14,528,662 in the same period of the prior period. The cash used in operations in both periods relate mainly to the acquisition, exploration and evaluation of the Marathon Property, and corresponding increases in audit, legal and advisory fees, investor communications expenses and general and administrative expenses.

Cash used in investing activities was $1,420,757 during the year ended December 31, 2022, compared to cash provided by investing activities of $1,513,590 in the same period in 2021. Cash used in investing activities in the current period consists of the acquisition of the remaining interest in the Marathon Property and right of use asset additions.

Cash generated from financing activities during the year ended December 31, 2022, amounted to $45,613,252, compared to $6,749,883 in the prior period. Financing activities during both periods consisted of proceeds from the exercise of common share purchase warrants and the exercise of stock options (See *Outstanding Security Data* section below for further details). Financing activities also consisted of proceeds from the Precious Metals Purchase Agreement.

In the current quarter, the Company entered into an option agreement to purchase a construction camp as well as unused ball and SAG mills. See section *Advancing Project Engineering and Early Procurements* for additional information on these commitments.

CAPITAL RESOURCES

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

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

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

MARATHON PROPERTY ACQUISITION

On July 10, 2019, the Company, through Generation PGM, completed the acquisition of a 51% initial interest in the Marathon Property and entered into a joint venture agreement with Stillwater Canada Inc. ("Stillwater"). The Company paid $3,000,000 in cash and issued 11,053,795 common shares of the Company at a deemed price of $0.2714 per common share (totaling $3,000,000), for total consideration of $6,000,000.

Pursuant to the joint venture agreement Generation Mining had the right to increase its interest in the Marathon Property to 80% by funding $10,000,000 in exploration, evaluation, and development expenditures and preparing a preliminary economic assessment ("PEA") within four years ("Ownership Increase Right"). On February 19, 2020, the Company filed a PEA and in November 2020 incurred $10,000,000 in exploration and evaluation expenditures fulfilling the Ownership Increase Right. On November 27, 2020, the Company increased its ownership interest to hold an 80% interest in the Marathon Property. On December 14, 2020, Stillwater elected to forgo its proportionate share of joint venture funding and dilute pursuant to the provisions of the joint venture agreement ("Dilution Provisions"). On July 21, 2021, Stillwater elected to not exercise its ownership increase right to expand its ownership in the Marathon Property to 51%. Pursuant to the Dilution Provisions Generation Mining held an 83.5% and Stillwater a 16.5% interest in the joint venture as of September 30, 2021.

On December 8, 2021, Generation entered into a binding acquisition agreement (the "Acquisition Agreement") with Stillwater, pursuant to which Generation would acquire Stillwater's remaining 16.5% interest in the Marathon Project for total consideration of 21,759,332 common shares of Generation. On January 26, 2022, the Company completed the acquisition of Stillwater's interest and currently owns a 100% interest in the Marathon Project. As a result of this transaction, Sibanye-Stillwater, a leading international precious metals mining company, with a diverse portfolio of operations in the United States and Southern Africa, now holds 32,813,127 common shares of the Company, representing approximately 18.2% of the Company's issued and outstanding common shares as at November 10, 2022.

OTHER MINERAL PROPERTIES

In addition to the Marathon Property, the Company holds options, rights and/or ownership interest in the following material mineral properties as of December 31, 2022:

Darnley Bay, Northwest Territories: The Company held the exclusive rights to a mineral concession covering the Inuvialuit Settlement Region's lands where the Inuvialuit hold the mineral and surface rights and an exploration and development agreement with the Inuvialuit Regional Corporation (the "IRC"). The Company was in default under the various agreements with the IRC. In October 2021, the IRC agreed in principle that the exclusive rights to the mineral rights will be reinstated, and an amended exploration agreement will be negotiated. Pursuant to the agreement in principle, the Company will pay $150,000 per year to the IRC upon finalization of the amended agreements. On January 27, 2023, the Company sold its interest in the Darnley Bay mineral concession to Elton Resources ("Elton") under an Asset Purchase Agreement ("APA").

Davidson, British Columbia: The Company has an option to acquire a 100% interest in a property hosting a molybdenum-tungsten deposit. Cumulative payments totaling $714,266 were made as at December 31, 2022, meeting all spending requirements. There is an ongoing commitment of $100,000 payable on each anniversary of the agreement until commercial production is achieved or the agreement is terminated. Upon commercial production, the vendor will be entitled to a net smelter return royalty of 3%.

RELATED PARTY TRANSACTIONS

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

	Year ended December 31	
	2022	2021
Salaries and bonuses	**$ 2,586,533**	$ 1,932,646
Share-based compensation	**542,601**	1,590,198
Total compensation to key management	**$ 3,129,134**	$ 3,522,844

As at December 31, 2022, accrued compensation includes $650,912 (December 31, 2021 - $485,750) primarily due to key management of the Company.

OUTSTANDING SECURITY DATA

Common Shares

The following table summarizes the continuity of common shares for the year ended December 31, 2022, and as at March 31, 2023:

	Number of shares	$
Balance as at December 31, 2020	**136,315,292**	27,671,672
Shares issued for exercise of warrants (1)	13,799,307	10,358,502
Shares issued for exercise of options	300,000	201,000
Balance as at December 31, 2021	**150,414,599**	**38,231,174**
Issued for property acquisition (2)	21,759,332	19,289,426
Shares issued for exercise of warrants (1)	7,743,477	8,779,307
Shares issued for exercise of options	500,000	374,617
Balance at December 31, 2022	**180,417,408**	**66,674,524**
Shares issued for exercise of options	1,100,000	549,000
Balance at March 31, 2023	**181,517,408**	**67,223,524**

Warrants

The following table summarizes the continuity of warrants for the year ended December 31, 2022, and as at March 31, 2023:

	Number of warrants
Outstanding, December 31, 2020	**22,068,284**
Warrants issued (1)	639,711
Warrants exercised (1)	(13,799,307)
Warrants expired (1)	(38,437)
Outstanding, December 31, 2021	**8,870,251**
Warrants issued (1)	(7,743,477)
Warrants exercised (1)	(1,126,774)
Outstanding, December 31, 2022, and March 31, 2023	**-**

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

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

Stock Options

On May 9, 2018, the Company adopted an incentive Stock Option Plan (the "Plan"). The Plan was amended in July 2020. Under the Plan, options are non-assignable and may be granted for a term not exceeding ten years. The total number of common shares that may be reserved for issuance may not exceed ten percent of outstanding common shares at the grant date and may not exceed five percent for any one person in any 12-month period. The exercise price of an option may not be lower than the market price of the common shares on the Toronto Stock Exchange. The options are non-transferable. Outstanding options may be adjusted by the Board in certain events, as to exercise price and number of common shares, to prevent dilution or enlargement.

The following table sets forth the continuity of outstanding stock options for the year ended December 31, 2022, and as at March 31, 2023:

	Number of options
Outstanding, December 31, 2020	**11,225,000**
Options granted	3,875,000
Options exercised	(300,000)
Options forfeited	(50,000)
Outstanding, December 31, 2021	**14,750,000**
Options granted	3,025,000
Options exercised	(500,000)
Options forfeited	(500,000)
Outstanding, December 31, 2022	**16,775,000**
Options exercised	(1,100,000)
Options forfeited	(75,000)
Outstanding, March 31, 2023	**15,600,000**

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

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

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

As at December 31, 2022, stock options carry exercise prices and terms to maturity as follows:

Exercise price $	Options Outstanding	Options Exercisable	Expiry date	Remaining contractual life (years)
0.10	2,400,000	2,400,000	May 11, 2023	0.4
1.06	2,025,000	2,025,000	May 12, 2024	1.4
0.30	3,025,000	3,025,000	July 16, 2024	1.5
0.30	200,000	200,000	August 7, 2024	1.6
0.80	1,150,000	1,150,000	September 21, 2024	1.7
0.65	500,000	500,000	February 5, 2025	2.1
0.85	900,000	300,000	February 18, 2025	2.1
0.45	750,000	750,000	March 18, 2025	2.2
0.99	975,000	325,000	April 13, 2025	2.3
0.52	2,750,000	2,750,000	April 20, 2025	2.3
0.80	200,000	67,000	June 21, 2025	2.5
0.52	550,000	283,000	July 19, 2025	2.6
0.64	400,000	133,000	August 2, 2025	2.6
0.52	450,000	450,000	November 6, 2025	2.9
1.00	500,000	500,000	March 8, 2026	3.2
0.57(1)	**16,775,000**	**14,858,000**		**1.8(1)**

(1) Weighted average

FINANCIAL RISK MANAGEMENT

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

Credit Risk

Credit risk is the financial risk of non-performance of a contracted counter party. The Company's credit risk is primarily attributable to cash and receivables. The Company reduces its credit risk by maintaining its cash with a Canadian chartered bank. The Company's maximum exposure to credit risk as at December 31, 2022, is the carrying value of cash and receivables. The credit risk on receivables is deemed low as the majority is related to federal government refunds.

Liquidity Risk

Liquidity risk encompasses the risk that the Company cannot meet its financial obligations in full. The Company's main source of liquidity is its cash and marketable securities. These funds are primarily used to finance working capital, exploration and evaluation expenditures, capital expenditures, and acquisitions. The Company manages its liquidity risk by regularly monitoring its cash flows from operating activities and holding adequate amounts of cash. As at December 31, 2022, the Company had current assets of $20,716,943 (December 31, 2021 - $7,467,448) to cover current liabilities of $8,129,381 (December 31, 2021 - $2,348,103). The current assets include restricted cash, marketable securities, receivables, and prepaid expenses. The Company also manages liquidity risk on the basis of expected maturity dates. The following table analyzes financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows).

	Undiscounted lease liability – base contract	Undiscounted lease liability – operating costs	:counts payable and accrued liabilities	Total
Less than 1 year	$3,470,097	$25,581	$5,029,890	$8,525,568
1-5 years	194,510	46,899	-	241,409
Balance at December 31, 2022	**$3,664,607**	**$72,480**	**$5,029,890**	**$8,766,977**

Foreign Currency Risk

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

Interest Rate Risk

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

Other Price Risk

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

Fair Value

The carrying value of cash, accounts payable and accrued liabilities are considered representative of their fair value due to their short-term nature. Marketable securities are recorded at fair value as of December 31, 2022, and classified as Level 1 in the fair value hierarchy as they are recorded at fair value by reference to market quoted prices.

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

OFF-BALANCE SHEET ARRANGEMENTS

As at December 31, 2022, the Company did not have any off-balance sheet items.

DIVIDENDS

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

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

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

ACCOUNTING POLICIES AND BASIS OF PRESENTATION

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

NON-IFRS MEASURES

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

- Initial Capital includes all costs incurred from the Effective Date (excluding historical sunk costs) until the point where commercial production is achieved, including expenses related to engineering, equipment purchases and installation, process plant and mine infrastructure construction, and any other costs associated with putting the Project into operations.
- Initial Capital (Adjusted) includes all costs mentioned above in addition to adjustments for pre-commercial production revenue and equipment financing (net of payments, interest and fees incurred prior to commercial production).
- Operating Costs include mining, processing, general and administrative and other, concentrate transportation costs, treatment and refining charges, and royalties. Costs related to the Wheaton PMPA are excluded.
- AISC includes Operating Costs, closure, and reclamation, and sustaining capital. For the full reconciliation of cash costs and AISC please see the Capital and Operating Cost Summary set out above.
- LOM Average AISC includes LOM AISC divided by LOM PdEq.
- LOM Average Operating Cost includes LOM Operating Costs divided by LOM PdEq.
- Free Cash Flow includes total revenue less Operating Costs, working capital adjustments, equipment financing, initial capital, sustaining capital and closure costs.
- Palladium Equivalent ounces uses the formula PdEq oz = Pd oz +(Cu lb x 3.7 US$/lb + Pt oz x US$1000/oz + Au oz x US$1800/oz + Ag oz x US$22.5/oz) / US$1800 Pd/oz The grades used are the average grades of the respective metals over the LOM.

RECENT ACCOUNTING PRONOUNCEMENTS

Future Accounting Changes

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

New Accounting Pronouncement

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

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

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

There was no change in the Company's internal controls over financial reporting that occurred during the year ended December 31, 2022, that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting.

DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures have been designed to provide reasonable assurance that all relevant information required to be disclosed by the Company is accumulated and communicated to senior management as appropriate to allow timely decisions regarding required disclosure. The Company's President and Chief Executive Officer and Chief Financial Officer have concluded, based on their evaluation of the design of the disclosure controls and procedures, that as of December 31, 2022, the Company's disclosure controls, and procedures have been designed to provide reasonable assurance that material information is made known to them by others within the Company.

LIMITATIONS OF CONTROLS AND PROCEDURES

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

RISKS AND UNCERTAINTIES

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

The Company assesses and attempts to minimize the effects of these risks through careful management and planning of its operations and hiring qualified personnel but is subject to a number of limitations in managing risk resulting from its early stage of development. Readers are encouraged to read and consider the risk factors and related uncertainties in the Company's Annual Information Form and Annual Management Discussion and Analysis for the year ended December 31, 2022.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

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

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

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

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

INFORMATION CONCERNING ESTIMATES OF MINERAL RESERVES AND RESOURCES

The Mineral Reserve and Mineral Resource estimates in this MD&A have been disclosed in accordance with NI 43-101, which differs from the requirements of the U.S. Securities and Exchange Commission (the "SEC"), and information with respect to mineralization and Mineral Reserves and Mineral Resources contained herein may not be comparable to similar information disclosed by U.S. companies.

The SEC has adopted amendments to its disclosure rules to modernize the mineral property disclosure requirements under the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"). These amendments became effective February 25, 2019 (the "SEC Modernization Rules") with compliance required for the first fiscal year beginning on or after January 1, 2021. Under the SEC Modernization Rules, the historical property disclosure requirements for mining registrants included in Industry Guide 7 under the U.S. Securities Act of 1933, as amended, will be rescinded and replaced with disclosure requirements in subpart 1300 of SEC Regulation S-K. As a result of the adoption of the SEC Modernization Rules, the SEC now recognizes estimates of "Measured Mineral Resources", "Indicated Mineral Resources" and "Inferred Mineral Resources." In addition, the SEC has amended its definitions of "Proven Mineral Reserves" and "Probable Mineral Reserves" to be "substantially similar" to the corresponding standards under NI 43-101. While the SEC will now recognize "Measured Mineral Resources", "Indicated Mineral Resources" and "Inferred Mineral Resources", U.S. investors should not assume that any part or all of the mineralization in these categories will ever be converted into a higher category of Mineral Resources or into Mineral Reserves. Mineralization described using these terms has a greater amount of uncertainty as to its existence and feasibility than mineralization that has been characterized as reserves. Accordingly, U.S.

investors are cautioned not to assume that any Measured Mineral Resources, Indicated Mineral Resources, or Inferred Mineral Resources that the Company reports are or will be economically or legally mineable. Further, "Inferred Mineral Resources" have a greater amount of uncertainty as to their existence and as to whether they can be mined legally or economically. Therefore, U.S. investors are also cautioned not to assume that all or any part of the "Inferred Mineral Resources" exist. There is no assurance that any Mineral Reserves or Mineral Resources that the Company may report as "Proven Mineral Reserves", "Probable Mineral Reserves", "Measured Mineral Resources", "Indicated Mineral Resources" and "Inferred Mineral Resources" under NI 43-101 would be the same had the Company prepared the Reserve or Resource Estimates under the standards adopted under the SEC Modernization Rules.

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

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

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