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**KESSELRUN RESOURCES LTD.
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JULY 31, 2022**

INTRODUCTION

The following Management Discussion and Analysis (“MD&A”) of Kesselrun Resources Ltd. (the “Company” or “Kesselrun”), has been prepared by management, in accordance with the requirements of National Instrument 51-102 as of November 28, 2022, and should be read in conjunction with audited financial statements for the year ended July 31, 2022, and the related notes contained therein which have been prepared under International Financial Reporting Standards (“IFRS”). The information contained herein is not a substitute for detailed investigation or analysis on any particular issue. The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Company. The Company is presently a “Venture Issuer” as defined in National Instrument 51-102. Additional information relevant to the Company’s activities can be found on SEDAR at www.sedar.com and the Company’s website at www.kesselrunresources.com.

All financial information in this MD&A has been prepared in accordance with IFRS and all dollar amounts are quoted in Canadian dollars, the reporting and functional currency of the Company, unless specifically noted.

FORWARD-LOOKING STATEMENTS

This MD&A contains certain forward-looking statements and information relating to the Company that are based on the beliefs of the Company’s management as well as assumptions made by and information currently available to the management. When used in this document, the words “anticipate”, “believe”, “estimate”, “expect” and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, among other things, regulatory compliance, the sufficiency of current working capital, the estimated cost and availability of funding for the continued exploration and development of the Company’s exploration properties. Such statements reflect the current views of the management with respect to future events and are subject to certain risks, uncertainties, and assumptions. Many factors could cause the actual results, performance or the Company’s achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements.

COMPANY OVERVIEW

Background

Kesselrun is a Canadian mineral exploration company based in Thunder Bay, Ontario. The Company was incorporated on May 18, 2011, pursuant to the Business Corporations Act, British Columbia. The Company’s focus is its Huronian Gold Project (“Huronian”), covering 290 contiguous unpatented mining claims plus four patented mining claims totaling approximately 5,160 hectares located in Moss Township, Thunder Bay Mining Division, Ontario and its Bluffpoint Gold Project (“Bluffpoint”), comprising of 280 mining claims covering approximately 8,857 hectares located in Bluffpoint Lake Township, with portions extending into the townships of Lawrence Lake, Napanee Lake and Barker Bay in the Kenora Mining Division of Northwestern Ontario. The Company does not have any assets or mineral properties that are in production.

EXPLORATION PROJECTS

As of the date of this MD&A the Company's interest in exploration and evaluation assets consists of the Huronian Gold Project and the Bluffpoint Gold Project (Figure 1).

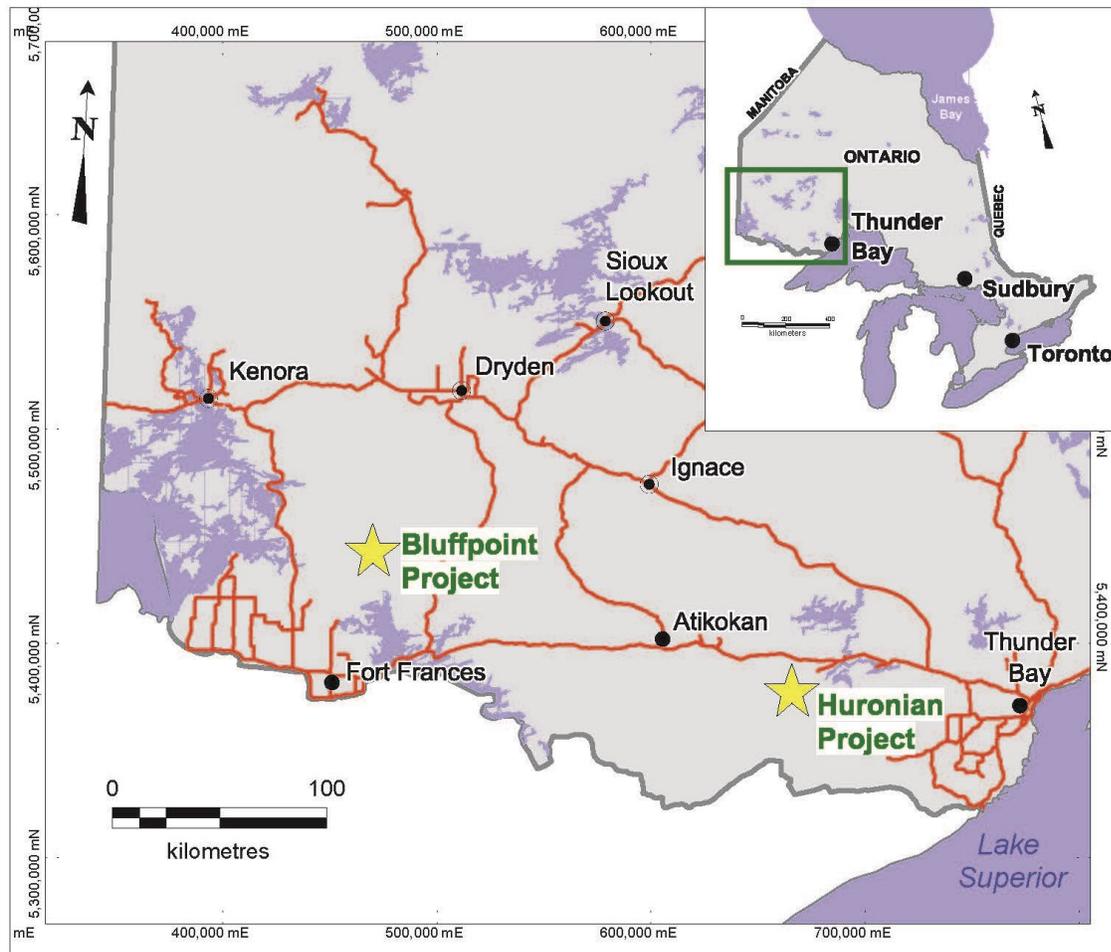


Figure 1. Project Locations

Table 1. Project sizes, claims and location

| | Huronian Gold Project | Bluffpoint Gold Project |
|---------------------------|---|-------------------------|
| Area (ha) | 5,160 | 8,985 |
| Boundary Mining Claims | 99 | 8 |
| Single Cell Mining Claims | 191 | 433 |
| Total Mining Claims | 290 | 441 |
| Mining Patents | 2 | - |
| Mining + Surface Patents | 2 | - |
| Total Patents | 4 | - |
| Township/Area | Moss Township, Nelson Lake Area, Powell Lake Area | Bluffpoint Lake Area |

HURONIAN PROPERTY

Location and General Description

The Huronian Gold Project is located in Moss Township and the Nelson Lake and Powell Lake Areas in the Thunder Bay Mining Division of Northwestern Ontario, approximately 100 km west of the city of Thunder Bay. The project is centred on UTM NAD 83 Zone 15N 665,000 m E, 5,380,000 m N within NTS Map Sheet 52B/10. The Huronian Gold Project is approximately 5,160 hectares in size and comprised of 99 boundary cell mining claims, 191 single cell mining claims, 2 patented mining claims and 2 patented mining and surface claims. The Huronian Gold Project is owned 100% by the Company, subject to various net smelter returns royalties.

The Huronian Gold Project is situated in the highly prolific Shebandowan Greenstone Belt located in the Abitibi-Wawa Subprovince of the Archean Superior Province. The Huronian Gold Project hosts numerous significant gold zones including the past producing Huronian Mine (also formerly known as the Jackfish, Kerry, Moss and Ardeen at various times) that produced 29,629 ounces gold and 170,463 ounces silver from 143,724 tons from 1932-1936 (Ontario Ministry of Northern Development and Mines Production Records). The Huronian Gold Project also covers the southwest strike extension of the geology that hosts Goldshore Resources Inc.'s Moss Lake Gold Deposit. The Moss Lake Gold Deposit hosts an NI 43-101 compliant resource estimate of 40 million tonnes at a grade of 1.1 g Au/tonne (1,377,300 Oz Au) Indicated and an additional 50 million tonnes at a grade of 1.1 g Au/tonne (1,751,600 Oz Au) Inferred (Moss Lake Gold Mines NR February 20, 2013).

Acquisition

On June 28, 2016, the Company entered into a purchase agreement to acquire a 100% interest in the Huronian Gold Project (“Huronian”) from Chalice Gold Mines Limited and its wholly owned subsidiary, Coventry Resources Ontario Inc., and Pele Mountain Resources Inc. and its wholly-owned subsidiary, Pele Gold Corporation (the “Vendors”). In consideration for the purchase, the Company issued the Vendors 4,000,000 common shares. The Huronian Gold Project is subject to net smelter return royalties (“NSR”) ranging from 2% to 2.5% to the Vendors and legacy vendors. The Company retains a right to purchase portions of the NSRs for varying amounts to the Vendors and legacy vendors as well as a right of first refusal for the remaining NSRs.

During the year ended July 31, 2017, the Company acquired a 100% interest in a mining claim adjacent to the Huronian Gold Project. The claim is subject to a 2% NSR, of which 1% may be purchased by the Company at any time for the payment of \$1,000,000.

Exploration Activities

Huronian Exploration Activities Summary

2016 - 2019 Mapping, overburden stripping and magnetic geophysical surveys.

2020 Mapping, overburden stripping and drilling (~3,100 metres).

2021 Drilling (~19,500 metres).

2022 Drilling (~13,000 metres), overburden stripping, airborne magnetics survey.

Drill Program

In February 2021, the Company commenced an extensive drill program which has been budgeted to 20,000 metres targeting the Fisher, Fisher North, McKellar and Huronian zones, all in close proximity along an approximate 1,500 m strike length in the area of the historic Huronian Mine. The area also has tremendous

potential for discovery of new zones in light of the new revised mineralization model. The drill program continued into the Company’s fiscal 2022. During the 2022 drill program the Company added the second drill rig.

A total of 15,000 metres of drilling was planned for the 2022 drilling program, with the first drill rig continuing operating in the Fisher Zone area and the second drill rig drilling on the McKellar Zone. The Company’s focus was for zone expansion and infill drilling on all the zones surrounding the historic Huronian gold Mine. In August 2022 the Company paused its drilling program for the remainder of the season with approximately 13,000 metres completed. During the fall and winter of 2022/23 season, the Company is planning to concentrate on receiving, compiling and interpreting the numerous outstanding assays from 2021/22 drilling program, which will enable more effective drill targeting when drilling recommences in Spring of 2023.

Highlights

- 21HUR091 intercepted 47.8 g/t Au over 0.6 m within a 5.9 m wide zone which averaged 6.4 g/t Au
- 21HUR079 intercepted 22.2 g/t Au over 0.6 m within a 28.8 m wide zone which averaged 1.0 g/t Au
- 21HUR077 intercepted 13.7 g/t Au over 1.0 m as well as an 11.0 m wide zone averaged 0.7 g/t Au
- 21HUR076 intercepted 6.3 g/t Au over 1.5 m within a 19.4 m wide zone which averaged 1.1 g/t Au
- 22HUR170 intercepted 14.4 g/t over 11.6 m including 184.0 g/t Au over 0.8 m within a 124.0 m interval which averaged 1.8 g/t Au
- 22HUR151 intercepted 16.4 g/t Au over 1.0 m within an 11.1 m interval which averaged 1.7 g/t Au
- 22HUR153 intercepted 9.9 g/t Au over 1.2 m within a 15.5 m interval which averaged 1.1 g/t Au which included 1.7 m of open workings which were assigned zero grade

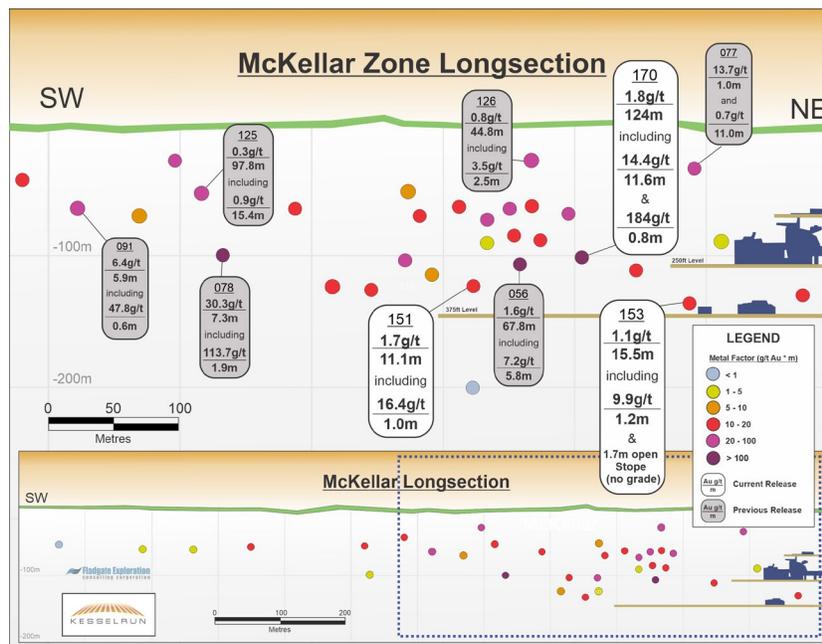


Figure 2. Schematic Long Section – McKellar Zone

Continued drilling of the Fisher zone has been successful in confirming the continuity of the mineralization between the two high-grade shoots thus connecting them into one larger mineralized zone. The Fisher zone has been extended to approximately 400 metres in strike length and approximately 200 metres in depth. Further drilling will continue to infill as well as expanding the size of the zone in all directions. Continued drilling in the Summer of 2022 extended the Fisher Zone along strike by approximately 250 metres to the west with numerous vein intercepts, including significant high-grades of up to 49.5 g/t over 1.0 metres.

Highlights

- 21HUR082 intercepted 18.6 g/t Au over 1.0 m within a 3.6 m wide zone which averaged 6.0 g/t Au
- 21HUR108 intercepted 16.2 g/t Au over 1.4 m within a 3.6 m wide zone which averaged 6.1 g/t Au
- 21HUR112 intercepted 25.1 g/t Au over 0.6 m within a 4.9 m wide zone which averaged 5.5 g/t Au
- 21HUR130 intercepted 33.9 g/t Au over 1.0 m within a 4.7 m wide zone which averaged 8.4 g/t Au in the newly named Fisher FW-A Zone
- 21HUR108 intercepted 24.3 g/t Au over 0.5 m in the newly named Fisher HW-B Zone
- 22HUR147 intercepted 49.5 g/t Au over 1.0 m in the western extension of the Fisher Zone
- 22HUR147 also intercepted 5.5 g/t Au over 1.4 m within a 9.1 m wide interval which averaged 1.2 g/t Au within the Huronian Zone
- 22HUR143 intercepted 7.3 g/t Au over 0.7 m within a 13.0 m wide interval which averaged 0.5 g/t Au within the western extension of the Fisher Zone

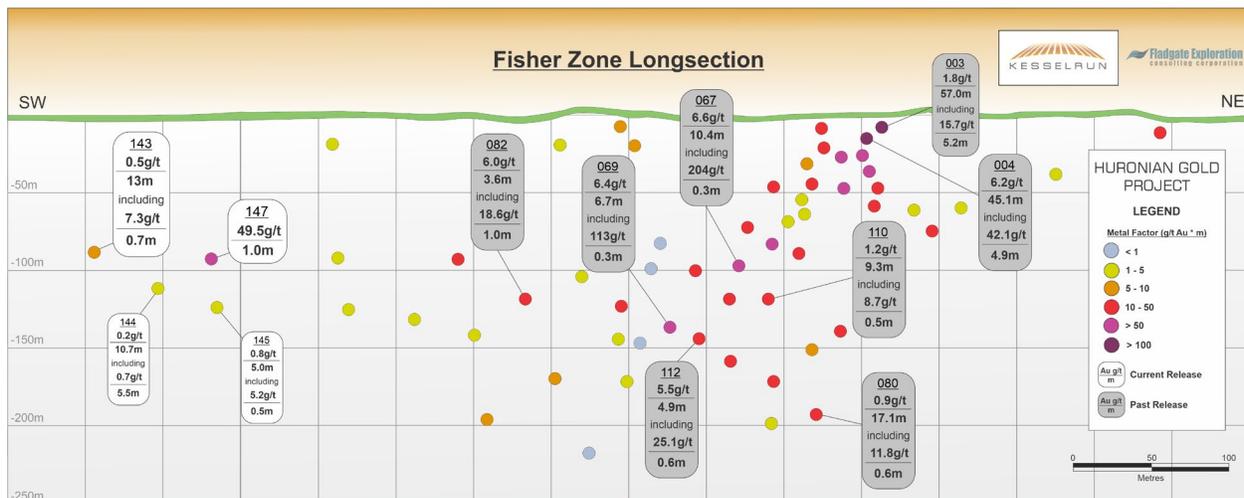


Figure 3. Schematic Long Section – Fisher Zone

Table 2. Drill results

| Hole ID | Zone | From (m) | To (m) | Interval (m) | Au (g/t) |
|----------|-------------|-----------------------|-------------|--------------|------------|
| 22HUR132 | Fisher N | no significant values | | | |
| 22HUR133 | Fisher N | 221.3 | 224.9 | 3.6 | 0.9 |
| | Huronian | 343.5 | 350.3 | 6.8 | 0.2 |
| 22HUR134 | Fisher N | 64.6 | 68.2 | 3.6 | 1.4 |
| | including | 65.6 | 66.5 | 0.9 | 3.7 |
| 22HUR135 | Fisher N | no significant values | | | |
| 22HUR136 | Fisher N | no significant values | | | |
| 22HUR137 | Fisher N | lost hole | | | |
| 22HUR138 | Fisher N | 276.0 | 280.4 | 4.4 | 0.2 |
| 22HUR139 | Fisher N | lost hole | | | |
| 22HUR140 | Fisher N | 6.9 | 15.0 | 8.1 | 0.2 |
| | Fisher N HW | 98.4 | 101.0 | 2.6 | 0.3 |
| 22HUR141 | Fisher N | 120.0 | 122.0 | 2.0 | 1.7 |
| 22HUR142 | McKellar | no significant values | | | |
| 22HUR143 | Fisher | 81.0 | 94.0 | 13.0 | 0.5 |
| | including | 81.0 | 88.1 | 7.1 | 0.8 |
| | including | 81.0 | 81.7 | 0.7 | 7.3 |
| | Fisher | 123.0 | 130.8 | 7.8 | 0.2 |
| | Fisher | 229.3 | 233.5 | 4.2 | 0.4 |
| 22HUR144 | Fisher | 61.7 | 72.4 | 10.7 | 0.2 |
| | Fisher | 165.5 | 171.0 | 5.5 | 0.3 |

| | | | | | |
|----------|-----------|-----------------------|--------------|--------------|-------------------|
| | Fisher | 250.3 | 255.8 | 5.5 | 0.7 |
| 22HUR145 | Fisher | 109.8 | 141.1 | 31.3 | 0.2 |
| | Fisher | 175.0 | 180.0 | 5.0 | 0.8 |
| | including | 176.5 | 177.0 | 0.5 | 5.2 |
| 22HUR146 | Fisher N | no significant values | | | |
| 22HUR147 | Fisher | 126.6 | 127.6 | 1.0 | 49.5 |
| | Huronian | 236.7 | 245.8 | 9.1 | 1.2 |
| | including | 241.6 | 243.0 | 1.4 | 5.5 |
| 22HUR148 | Fisher FW | 80.0 | 83.2 | 3.2 | 0.7 |
| | Fisher | 345.3 | 347.4 | 2.1 | 1.0 |
| 22HUR149 | Fisher FW | 8.2 | 13.0 | 4.8 | 0.3 |
| | Huronian | 444.7 | 445.7 | 1.0 | 2.4 |
| 22HUR150 | McKellar | 78.0 | 91.0 | 13.0 | 0.6 |
| 22HUR151 | McKellar | 108.7 | 148.7 | 40.0 | 0.6 |
| | including | 137.6 | 148.7 | 11.1 | 1.7 |
| | including | 143.0 | 144.0 | 1.0 | 16.4 |
| 22HUR152 | McKellar | no significant values | | | |
| 22HUR153 | McKellar | 159.7 | 175.2 | 15.5 | 1.1 |
| | including | 160.3 | 162.0 | 1.7 | open stope |
| | including | 174.0 | 175.2 | 1.2 | 9.9 |
| 22HUR170 | McKellar | 15.0 | 139.0 | 124.0 | 1.8 |
| | including | 21.0 | 32.6 | 11.6 | 14.4 |
| | including | 26.0 | 26.8 | 0.8 | 184.0 |
| | including | 62.7 | 94.0 | 31.3 | 1.0 |
| | including | 80.0 | 81.0 | 1.0 | 6.4 |
| | including | 85.3 | 86.3 | 1.0 | 6.8 |
| | including | 121.0 | 125.4 | 4.4 | 2.1 |

In June of 2022, the Company initiated an airborne geophysical survey over a majority of the Huronian Gold Project. The Company contracted NUVIA Dynamics Inc. (“Nuvia”) to acquire and process the data from a 372-kilometre NuTEM Electromagnetics (“NuTEM”) and Total Field Magnetic Intensity (“TMI”) heli-borne survey. The Company also contracted TechnoImaging, LLC (“TechnoImaging”) to invert the data received from TMI Survey using GlassEarth® 3D imaging technology to produce 3D subsurface voxel models of the survey area, which will allow the Company to generate an inventory of new targets for drill testing.

Property Acquisition and Exploration Costs

Table 3. Huronian Gold Project acquisition and exploration costs

| | July 31, 2022 | July 31, 2021 |
|--|----------------------|----------------------|
| Balance, beginning | \$ 4,925,560 | \$ 2,062,671 |
| Deferred exploration expenditures | | |
| Assaying | 1,500,166 | 248,924 |
| Camp and travel | 376,367 | 210,814 |
| Claim maintenance | - | 80 |
| Drilling | 931,686 | 1,673,324 |
| Equipment use/rental | 157,267 | 138,833 |
| Geology | 772,185 | 590,914 |
| Sub-total, deferred exploration expenditures | 3,737,671 | 2,862,889 |
| Balance, ending | \$ 8,663,231 | \$ 4,925,560 |

BLUFFPOINT PROPERTY

Location and General Description

The Bluffpoint Gold Project is located in the Bluffpoint Lake Area in the Kenora Mining Division of Northwestern Ontario, approximately 60 km north of the town of Fort Frances and 80 km southwest of the town of Dryden. The Bluffpoint Gold Project is centered on UTM NAD 83 Zone 15N 472,000 m E, 5,448,000 m N within NTS Map Sheet 52F/03. The Bluffpoint Gold Project is approximately 8,985 hectares in size and comprised of 8 boundary cell mining claims and 433 single cell mining claims. The Bluffpoint Gold Project is owned 100% by the Company subject to various net smelter returns royalties.

The Bluffpoint Gold Project is situated in the Pipestone-Cameron-Manitou Greenstone Belt and the Lawrence Lake Batholith located in the Wabigoon Subprovince of the Archean Superior Province. The Bluffpoint Gold Project hosts two distinct styles of gold mineralization; granitic hosted and greenstone hosted gold. The granitic hosted gold mineralization has been the focus of the majority of the Company's exploration activities centered around Northern, Homestake and Southern zones.

Acquisition

On March 31, 2012, the Company entered into Property Option Agreement (the "Option Agreement") with Michael Thompson (the "Initial Optionor") to acquire up to a 100% interest in 56 mining claims covering 11,408 hectares located in Bluffpoint Lake Township, with portions extending into the townships of Lawrence Lake, Napanee Lake and Barker Bay in the Kenora Mining Division of Northwestern Ontario (the "Bluffpoint Property").

The original Option Agreement contained two options. The first option allowed the Company to acquire a 60% undivided interest in the Bluffpoint Property by issuing 4,000,000 common shares and paying the Initial Optionor \$200,000 within a two-year period. The second option allowed the Company to acquire a further 40% interest in the Bluffpoint Property by making an additional payment of \$200,000 and issuing 2,000,000 common shares.

On April 30, 2013, in a private transaction, the Initial Optionor assigned 2/3's of his interest in the Option Agreement to Caitlin Jeffs and Neil Pettigrew (collectively referred to hereafter as the "Optionors").

On April 30, 2013, the Optionors and the Company agreed to amend the Option Agreement reducing the cash payment and share issuance requirements for the Company to earn a 100% interest in the Bluffpoint Property. As per amended Option Agreement, the Company was granted an exclusive right to acquire 100% interest in Bluffpoint Property by paying an additional \$200,000 and issuing an additional 2,000,000 common shares to the Optionors. The option was exercised on September 24, 2013, upon receiving an approval from TSX Venture Exchange.

The Bluffpoint Property is subject to a net smelter returns royalty (the "NSR") payable to the Optionors equal to a 2.0% NSR, of which 1.0% may be purchased by the Company at any time for the payment of \$1,000,000; leaving the Optionors with a final 1.0% NSR. If the Optionors decide to dispose of the remaining 1.0% NSR, the Company shall have the first right of refusal to acquire that remaining 1% NSR on the same terms and conditions that the Optionors propose to dispose of their NSR. If the Optionors propose to dispose of their NSR, the Optionors shall deliver to the Company written notice of the Optionors' intention to dispose of their NSR and the terms of the proposed disposition.

During Fiscal 2019, the Company acquired an additional 96 units, approximately 3,210 hectares in size. During Fiscal 2021, the Company acquired an additional 65 units, approximately 1,040 hectares in size.

The new claims were acquired in the names of Michael Thompson, the CEO of the Company, and Caitlin Jeffs, a director of the Company, who were holding these claims for the benefit of the Company. On November 15, 2021, Mr. Thompson and Ms. Jeffs transferred these claims into Kesselrun’s name at no additional cost to the Company.

As part of the maintenance of the Bluffpoint Property, the Company may stake additional claims adjacent to its Bluffpoint Gold Project, or allow some of the claims, with least geological potential not warranting further development, to expire.

Exploration Activities

Bluffpoint Exploration Activities Summary

2012 – 2015 Mapping, soil sampling, overburden stripping and drilling.

2016 – 2017 Mapping, overburden stripping.

2018 - 2022 no exploration work conducted.

During the period between mid-August 2022 and early November 2022 a mapping and lithogeochemical sampling program was completed over the Bluffpoint Gold Project’s prospective areas for gold mineralization. As well, an unpiloted aerial vehicle (“UAV”) magnetic survey was completed over large portions of the Bluffpoint Gold Project area. The results from both programs will enable better drill targeting in the future.

Bluffpoint Gold Project Acquisition and Exploration Costs

Table 4. Bluffpoint Gold Project acquisition and exploration costs

| | July 31, 2022 | July 31, 2021 |
|---|----------------------|----------------------|
| Balance, beginning | \$ 659,553 | \$ 659,553 |
| Acquisition costs and deferred exploration expenditures during the period | - | - |
| Balance, ending | \$ 659,553 | \$ 659,553 |

QUALITY ASSURANCE (QA/QC)

The Company has implemented a quality control program to comply with industry best practices for sampling, chain of custody and analyses. Certified gold reference standards, blanks and duplicates are inserted at the core processing site as part of the QA/QC program in addition to the control samples inserted by the lab. Samples are prepared and analyzed by Activation Laboratories in Thunder Bay. Samples are analyzed for gold using Fire Assay-AA techniques. Samples returning over 10 g/t gold are analyzed using Fire Assay-Gravimetric methods. Selected samples are also analyzed with a standard 1 kg metallic screen fire assay. All results reported in this MD&A have passed QA/QC protocols.

COMMITMENTS

In order to keep the Bluffpoint Gold Project and the Huronian Gold Project in good standing, the Company is required to complete certain annual exploration activities. The cost of these exploration activities is determined based on the size of the claims. The Company continuously monitors status of its claims; and should it decide that the exploration of certain claims within a property is not in the Company’s best interests at any given year, the Company retains the right to drop such claims.

QUALIFIED PERSON

Michael Thompson, P. Geo., President and Chief Executive Officer of Kesselrun, is the Qualified Person

responsible for the Huronian Gold Project and for the Bluffpoint Gold Project as defined by National Instrument 43-101 and has approved the technical information in this MD&A.

SELECTED ANNUAL INFORMATION

Table 5. Comparison of financial condition

| | Year ended July 31, 2022 | Year ended July 31, 2021 | Year ended July 31, 2020 |
|---|---|---|---|
| Net and comprehensive income/(loss) | \$ (154,475) | \$ (708,718) | \$ 170,273 |
| Income/(loss) per share – basic and diluted | \$ (0.00) | \$ (0.01) | \$ 0.00 |
| Total assets | \$ 11,815,629 | \$ 9,588,985 | \$ 4,486,016 |

RESULTS OF OPERATIONS

During the year ended July 31, 2022, the Company reported a net loss of \$154,475 as compared to net loss of \$708,718 the Company incurred during the year ended July 31, 2021.

During the year ended July 31, 2022, the Company’s operating expenses decreased by \$476,859, from \$1,325,059 the Company incurred during the year ended July 31, 2021, to \$848,200 the Company incurred during the year ended July 31, 2022. The largest factor that contributed to the decrease in operating expenses was attributed to \$551,877 decrease in share-based compensation. During the year ended July 31, 2022, the Company granted options to acquire up to 600,000 shares of its common stock at \$0.25 per share to its directors, officers and consultants, which resulted in \$50,411 in share-based compensation, whereas during the year ended July 31, 2021, the Company granted options to acquire up to 650,000 shares of its common stock at \$0.30 per share and 2,400,000 shares of its common stock at \$0.40 per share to its directors, officers and consultants, which resulted in \$602,288 in share-based compensation. The other factors contributing to the decrease in operating expenses were associated with decreased filing fees of \$33,028, as compared to \$39,109 the Company incurred during the year ended July 31, 2021, and office expenses of \$9,358, which decreased by \$6,973 as compared to \$16,331 in the previous year.

The above noted decreases in operating expenses were in part offset by increased advertising and promotional activities, which, for the year ended July 31, 2022, amounted to \$306,249, as compared to \$282,860 the Company incurred during the year ended July 31, 2021; increased accounting and audit, administration, and management fees, which increased by \$11,979, \$6,000, and \$22,500, respectively to \$74,044, \$48,000, and to \$150,000. In addition, the Company incurred \$153,798 in consulting services, which increased by \$20,277 as compared to \$133,521 the Company incurred during the year ended July 31, 2021. These increases were associated with the Company’s drilling program, which required an extended administrative support, and need to provide more information to the Company’s current and prospective shareholders.

In addition to the regular business operating expenses, the Company’s overall net loss for the year ended July 31, 2022, was effected by \$279,947 unrealized loss on the Company’s marketable securities represented by 1,735,000 First Mining Gold Corp. shares (“FF Shares”), 57,886 Treasury Metals Inc. shares (“TML Shares”) and 28,943 Treasury Metals Inc. warrants (“TML Warrants”) (July 31, 2021 – \$119,658), which resulted from a decrease in the price of FF Shares from \$0.39 at July 31, 2021, to \$0.25 at July 31, 2022, decrease in the price of TML Shares from \$0.88 at July 31, 2021, to \$0.41 at July 31, 2022, and decrease in the price of TML Warrants from \$0.40 at July 31, 2021, to \$0.06 at July 31, 2022. In addition, the Company accrued \$8,933 in interest payable on the note payable the Company issued to Fladgate Exploration Consulting Corporation (“Fladgate”) a company part owned by Michael Thompson, Chief Executive Officer and a director of Kesselrun, and Caitlin Jeffs, a director of Kesselrun (July 31, 2021 - \$8,248).

These decreases were in part offset by \$982,605 recovery of flow-through share premium liabilities associated with incurred exploration costs during the period (July 31, 2021 - \$736,342). During the year ended July 31, 2021, the Company realized \$7,905 gain on marketable securities associated with the sale of 200,000 FF Shares. The Company did not sell any of its marketable securities during the year ended July 31, 2022.

Summary of Quarterly Results

Results for the most recently completed financial quarters are summarized in the table below:

Table 6. Summary of quarterly results

| Period ended | Net and comprehensive income/(loss) | Income/(loss) per share; basic and diluted |
|------------------|-------------------------------------|--|
| July 31, 2022 | \$ 212,495 | \$ 0.00 |
| April 30, 2022 | \$ (22,312) | \$ (0.00) |
| January 31, 2022 | \$ (187,759) | \$ (0.00) |
| October 31, 2021 | \$ (156,899) | \$ (0.00) |
| July 31, 2021 | \$ 403,651 | \$ 0.01 |
| April 30, 2021 | \$ (127,216) | \$ (0.00) |
| January 31, 2021 | \$ (442,380) | \$ (0.01) |
| October 31, 2020 | \$ (542,773) | \$ (0.01) |

Liquidity and Capital Resources

As at July 31, 2022, the Company had \$1,634,087 in cash (July 31, 2021 - \$3,082,969), current assets of \$2,492,845 (July 31, 2021 - \$4,003,872) and current liabilities of \$1,135,851 (July 31, 2021 - \$825,577) with working capital of \$1,356,994 (July 31, 2021 - \$3,178,295). The largest component of the Company's current assets was attributed to \$1,634,087 cash of which \$1,160,118 was associated with flow-through funds the Company can spend only on qualified exploration expenditures. Other current assets included \$459,220 in marketable securities, which consisted of 1,735,000 FF Shares, 57,886 TML Shares, and 28,943 TML Warrants (July 31, 2021 - \$739,167), amounts receivable totaling \$250,341, of which \$232,105 was associated with GST receivable (July 31, 2021 - \$128,133), and prepaid expenses totaling \$149,197 (July 31, 2021 - \$53,603), of which \$101,039 were associated with prepaid geological fees for work to be completed on Huronian Property. During the year ended July 31, 2022, the Company's operations were supported by \$5,462,561 raised from the brokered private placement financing the Company closed on December 7, 2020, \$2,776,676 the Company raised from the non-brokered private placement financing the Company closed on December 8, 2021, and to a smaller extent by \$683,098 the Company received during the year ended July 31, 2021, on exercise of warrants.

Aside from the sale of the marketable securities and cash generated on potential exercise of outstanding warrants and options, the Company does not have any additional sources of immediate cash flows.

Should the Company require additional financing to continue exploration of its current mineral claims, acquire additional claims, and to support general operating activities, the Company may sell any part of its equity investment in FF Shares and TML Shares and Warrants, or may choose to offer its equity securities, primarily through private placements for cash.

The Company has not pledged any of its assets as security for loans, or otherwise is not subject to any debt covenants. Based on current information, the Company anticipates that its working capital is sufficient to meet its expected ongoing obligations for the coming year.

Transactions with Related Parties

Related parties include the directors, officers, key management personnel, close family members and entities controlled by these individuals. Key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company as a whole.

During the years ended July 31, 2022 and 2021, the Company had the following transactions with related parties:

Table 7. Related Party Transactions

| | Year ended July 31, | |
|---|---------------------|--------------|
| | 2022 | 2021 |
| Fladgate, for exploration and evaluation expenditures ⁽¹⁾ | \$ 3,737,671 | \$ 2,871,057 |
| Da Costa Management Corp., for accounting, consulting, and administrative services ⁽²⁾ | \$ 150,000 | \$ 130,500 |
| Fairtide Ventures, for management fees ⁽³⁾ | \$ 150,000 | \$ 127,500 |
| Share-based compensation on options granted to directors and officers of the Company | \$ 37,809 | \$ 307,410 |

⁽¹⁾ Fladgate is a full-service geological consulting firm with over 30 employees/contractors, which conducts most mineral exploration activities on behalf of the Company. Fladgate invoices the Company periodically when exploration is active at competitive industry standard rates. Fladgate is part owned by Michael Thompson, Chief Executive Officer and a director of Kesselrun, and Caitlin Jeffs, a director of Kesselrun, each owning 33.33% of Fladgate.

⁽²⁾ Da Costa Management Corp. is a private company owned by John da Costa, Chief Financial Officer and a director of Kesselrun.

⁽³⁾ Fairtide Ventures is a private company jointly owned by Michael Thompson and Caitlin Jeffs.

The balances due to related parties consist of amounts owed directly to the officers and directors of the Company and to private companies controlled by the officers and directors of the Company. These amounts are unsecured, non-interest bearing and due on demand. At July 31, 2022, the balance payable to related parties was \$797,345 (July 31, 2021 - \$273,932).

As at July 31, 2022, the Company was indebted to Fladgate in the amount of \$116,555 (July 31, 2021 - \$107,622) under the loan payable. The loan bears interest at 8% per annum compounded monthly, is unsecured and due on demand. During the year ended July 31, 2022, the Company recorded interest expense of \$8,933 (July 31, 2021 - \$8,248).

OUTSTANDING SHARE DATA

As at the date of this MD&A, the following securities were outstanding:

Table 8. Share Data

| Type | Amount | Conditions |
|----------------------|-------------|---|
| Common shares | 93,671,837 | Issued and outstanding |
| Warrants | 8,659,364 | Exercisable into 8,659,364 common shares at a price of \$0.33 per share until December 7, 2022 |
| Warrants | 7,945,742 | Exercisable into 7,945,742 common shares at a price of \$0.23 per share until December 8, 2023 |
| Broker Units | 1,568,891 | Exercisable into 1,568,891 broker units at a price of \$0.22 per share until December 7, 2022. Each broker unit entitles the holder to acquire one common share and 1/2 of one warrant, exercisable at \$0.33 per share |
| Broker Unit Warrants | 784,446 | These broker unit warrants are issuable on exercise of Broker Units. Broker unit warrants are exercisable into 784,446 common shares at a price of \$0.33 per share until December 7, 2022 |
| Broker Units | 1,056,404 | Exercisable into 1,056,404 common shares at a price of \$0.17 per share until December 8, 2023 |
| Stock options | 1,350,000 | Exercisable into 1,350,000 common shares at a price of \$0.10 per share until December 21, 2022 |
| Stock options | 400,000 | Exercisable into 400,000 common shares at a price of \$0.05 per share until January 16, 2025 |
| Stock options | 425,000 | Exercisable into 425,000 common shares at a price of \$0.30 per share until August 10, 2025 |
| Stock options | 1,000,000 | Exercisable into 1,000,000 common shares at a price of \$0.40 per share until January 6, 2026 |
| Stock options | 800,000 | Exercisable into 800,000 common shares at a price of \$0.40 per share until July 14, 2026 |
| Stock options | 550,000 | Exercisable into 550,000 common shares at a price of \$0.25 per share until December 21, 2026 |
| | 118,211,684 | Total shares outstanding (fully diluted) |

December 2020 Brokered Private Placement

On December 7, 2020, the Company closed the December 2020 Financing for total gross proceeds of \$5,999,969. As part of the December 2020 Financing, the Company sold 9,920,501 units of the Company's common stock (the "2020 Units") at a price of \$0.22 per Unit for gross proceeds of \$2,182,510; 6,244,000 flow-through common shares of the Company (the "2020 FT Shares") at a price of \$0.25 per FT Share for gross proceeds of \$1,561,000; and 7,398,227 flow-through units of the Company's common stock (the "2020 FT Units"), which were sold to charitable flow-through purchasers, at a price of \$0.305 per FT Unit for gross proceeds of \$2,256,459.

Each 2020 Unit is comprised of one common share in the capital of the Company (each a "Common Share") and one half of one Common Share purchase warrant (each whole warrant, a "2020 Warrant"). Each 2020 FT Unit is comprised of one 2020 FT Share and one half of one 2020 Warrant. Each whole 2020 Warrant can be exercised into one Common Share at a price of \$0.33 at any time on or before December 7, 2022.

In connection with the 2020 December Financing, Red Cloud Securities Inc. (“Red Cloud”), which acted as sole agent and bookrunner under the December 2020 Financing, received a cash commission of \$389,128 and 1,512,891 non-transferable agent warrants, each entitling Red Cloud to purchase one 2020 Unit of the Company at a price of \$0.22 per 2020 Unit until December 7, 2022. Red Cloud was also paid a financial advisory fee of \$12,320 and issued 56,000 advisory warrants having the same terms and conditions as the agent warrants. The Agent Warrants and Advisory Warrants were valued at \$177,026. In addition, the Company recorded further \$135,960 as cash share issuance costs.

The net proceeds raised from the December Financing are being used for the exploration and advancement of the Huronian Gold Project and Bluffpoint Gold Project and for general working capital purposes. Proceeds from the sale of FT Shares and FT Units are being used to incur "Canadian exploration expenses" as defined in subsection 66.1(6) of the Income Tax Act and "flow through mining expenditures" as defined in subsection 127(9) of the Income Tax Act.

December 2021 Non-brokered Private Placement

On December 8, 2021, the Company closed its non-brokered private placement (the “2021 Offering”) for gross proceeds of \$3,000,000 from the sale of 9,634,597 flow-through units of the Company (the “2021 FT Units”) at a price of \$0.175 per 2021 FT Unit and 6,256,884 2021 FT Units sold to charitable purchasers (the “2021 Charity FT Units”) at a price of \$0.21 per 2021 Charity FT Unit.

Each 2021 FT Unit and 2021 Charity FT Unit was comprised of one common share of the Company issued as a “flow-through share” within the meaning of the Income Tax Act (Canada) (each, an “FT Share”) and one half of one common share purchase warrant (each full warrant, a “2021 Warrant”). Each 2021 Warrant is exercisable into one non-flow-through common share of the Company (each, a “2021 Warrant Share”) at a price of \$0.23 at any time on or before December 8, 2023. The 2021 FT Shares and 2021 Warrant Shares were subject to a hold period which ended on April 9, 2022.

In connection with the Offering, the Company paid cash finder’s fees of \$198,240 and recorded \$25,084 as cash share issuance costs associated with legal and regulatory fees. In addition, the Company issued 1,056,404 finder’s warrants exercisable into one common share of the Company at a price of \$0.175 at any time on or before December 8, 2023. The Finder’s Warrants were valued at \$62,366.

The net proceeds from the sale of 2021 FT Units and 2021 Charitable FT Units are being used to incur "Canadian exploration expenses" as defined in subsection 66.1(6) of the Income Tax Act and "flow through mining expenditures" as defined in subsection 127(9) of the Income Tax Act.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

SIGNIFICANT ACCOUNTING POLICIES

All significant accounting policies adopted by the Company have been described in the notes to the audited financial statements for the year ended July 31, 2022.

RISKS AND UNCERTAINTIES

The Company’s activity of natural resource exploration is considered to be very high risk. Companies in this industry are subject to many and varied kinds of risks, including, but not limited to, environmental, commodity prices, political and economic, with some of the most significant risks and uncertainties affecting the Company being the following in addition to other risks disclosed in this MD&A:

- Substantial expenditures are required to explore for mineral reserves and the chances of identifying economical reserves are extremely small;
- The Company expects to continue to incur losses from operations unless and until such time as any of its mineral properties enter into commercial production and generate sufficient revenues to fund its continuing operations;
- The junior resource market, where the Company raises funds, is extremely volatile and there is no guarantee that the Company will be able to raise funds as and when required;
- Inflation and other economic factors beyond the Company's control may cause an increase in costs and expenses, resulting in the Company being unable to complete its objectives with its currently available funds, if at all, which may have an adverse impact on the Company's operations;
- Although the Company has taken steps to verify title to the mineral properties in which it has an interest, there is no guarantee that the property will not be subject to title disputes or undetected defects; and
- The Company is subject to the laws and regulations relating to environmental matters, including provisions relating to reclamation, discharge of hazardous material and other matters. The Company conducts its exploration activities in compliance with applicable environmental protection legislation and is not aware of any existing environmental problems related to its properties that may cause material liability to the Company.

Financial Instruments

Fair value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 — quoted prices in active markets for identical assets and liabilities.

Level 2 — observable inputs other than quoted prices in active markets for identical assets and liabilities.

Level 3 — unobservable inputs in which there is little or no market data available, which require the reporting entity to develop its own assumptions.

The fair value of cash and marketable securities is measured based on level 1 inputs of the fair value hierarchy.

The estimated fair value of financial liabilities approximates their carrying values due to the short-term nature of these instruments.

Capital management

The Company manages its capital to safeguard the Company's ability to continue as a going concern, to ensure future benefits to stakeholders, and to have sufficient funds on hand for business opportunities as they arise.

The Company considers the items included in share capital as capital. The Company manages the capital structure and adjusts it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through short-term prospectuses, private placements, sell assets, incur debt, or return capital to shareholders. As at the date of the filing of this MD&A, the Company does not have any debt that is subject to externally imposed capital requirements.

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include liquidity risk, credit risk, and market risk. Where material, these risks are reviewed and monitored by the Board of Directors.

a) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company ensures that there are sufficient funds to meet its short-term business requirements, considering its anticipated cash flows from operations and its holdings.

b) Credit risk

Credit risk is the risk of potential loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is limited to the carrying amount on the statement of financial position and arises from the Company's cash, which is held with a high-credit quality financial institution. As such, the Company's credit risk exposure is minimal.

c) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and equity prices.

i. Currency risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company has minimal financial risk arising from fluctuations in foreign exchange rates as the Company does not own foreign currency denominated financial assets or liabilities.

ii. Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has minimal interest rate risk as it has no interest accumulating financial assets that may become susceptible to interest rate fluctuations.

iii. Equity Price risk

Equity price risk is the risk that the fair value of equity/securities decreases as a result of changes in the levels of equity indices and the value of individual stocks. The Company is exposed to equity price risk as a result of its investments in marketable securities.

CONTINGENCIES

There are no contingent liabilities.

ADDITIONAL INFORMATION

Additional information concerning the Company and its operations is available on SEDAR at www.sedar.com.