FORAN

Management's Discussion and Analysis

For three and twelve months ended December 31, 2022 and 2021

FORAN

TABLE OF CONTENTS

This Management's Discussion and Analysis ("**MD&A**") of the financial position and results of operations for Foran Mining Corporation (the "**Company**" or "**Foran**") should be read in conjunction with the audited consolidated financial statements of the Company as at and for the year ended December 31, 2022 and the related notes thereto, which have been prepared using accounting policies consistent with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**"). For further information on the Company, reference should be made to its public filings on SEDAR at www.sedar.com or the Company's website at www.foranmining.com.

This MD&A is prepared by management and approved by the Board of Directors as of March 23, 2023. The discussion covers the three ("**Q4 2022**" or the "**Quarter**") and twelve months ended December 31, 2022 and the subsequent period up to the date of issuance of this MD&A. All amounts are stated in Canadian dollars unless otherwise indicated.

FORWARD LOOKING STATEMENTS

This MD&A contains certain forward-looking information and forward-looking statements, as defined under applicable securities laws (collectively referred to herein as "forward - looking statements"). These statements relate to future events or to the future performance of the Company and reflect management's expectations and assumptions as of the date hereof or as of the date of such forward- looking statement.

All statements other than statements of historical fact are 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 specified in such statement. Readers are cautioned not to place undue reliance on these statements and should note that the assumptions and risk factors discussed in this MD&A are not exhaustive. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A. All forward-looking statements herein are qualified by this cautionary statement. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Inherent in forward - looking statements are known and unknown risks, estimates, assumptions, uncertainties and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward- looking statements contained in this MD&A. These factors include, but are not limited to, management's belief, expectations and response to the following: The Company's reliance on McIlvenna Bay (as defined below); The Company has a history of losses and may not be able to generate sufficient revenue to be profitable or to generate positive cash flow on a sustained basis; The Company is exposed to risks related to mineral resources exploration and development; Activities of the Company may be impacted by the COVID-19 Pandemic, Infectious Diseases and Other Health Crisis; The current global financial conditions are volatile and may impact the Company in various manners; The Company's business may be impacted by the Ukraine-Russia conflict; The Company has no history of mineral production; The Company is subject to government regulation and failure to comply could have an adverse effect on the Company's operations; Failure to comply with covenants under the Credit facility (as defined below) may have a material adverse impact on the Company's operations and financial conditions; The Company may be involved in legal proceedings which may have a material adverse impact on the Company; The market price of the Company's common shares may be subject to volatility and a lack of an active market for the Company's common shares may develop; The Company may be unable to obtain adequate insurance to cover risks; The Company's operations are subject to extensive environmental, health and safety regulations; Mining operations involve hazards and risks; The Company may not be able to acquire or maintain satisfactory mining title rights to its property interests; Indigenous peoples' title claims may adversely affect the Company's ability to develop its mineral projects; The Company's operations require the acquisition and maintenance of permits and licenses, and strict regulatory requirements must be adhered to; Mineral resource and mineral reserve estimates are based on interpretations and assumptions that may not be accurate; Uncertainties and risks relating to the 2022 Feasibility Study (as defined below);

The estimation of mineral resources and reserves; The realization of mineral resource and reserve estimates; There is no assurance that the Company's exploration and development programs and properties will result in the discovery, development or production of a commercially viable ore body or develop new resources; Metals prices are subject to wide fluctuations; The mining industry is highly competitive; The Company's success is largely dependent on management; The Company has a limited history of operations; Loss of key personnel could materially affect the Company's operations and financial condition; The Company may require additional financing and future share issuances may adversely impact share prices; Exercise or settlement of outstanding options, restricted share units, deferred share units and warrants may be dilutive; Price volatility of publicly traded securities may affect the market price of the Company's common shares; The Company's operations may be adversely impacted by the effects of climate change and climate change regulation; Inadequate infrastructure may affect the Company's operations; The Company's future success depends on its relationships with the communities in which it operates; Reputational damage could adversely affect the Company's operations and profitability; The Company may be subject to production risks; The Company has incurred substantial losses and may never be profitable; The Company may use certain financial instruments that subject it to a number of inherent risks; The Company may not be able to complete acquisitions it pursues and any completed acquisitions or business arrangements may ultimately not benefit its business; The Company has no history of paying dividends; The Company may be subject to potential conflicts of interest with its directors and/or officers; Any enforcement proceedings under Canada's Extractive Sector Transparency Measures Act against the Company could adversely affect the Company; Security breaches of the Company's information systems could adversely affect the Company; The expected commencement of additional drilling; The receipt of assay results, and the additional risks identified in our filings with Canadian securities regulators on SEDAR in Canada (available at www.sedar.com).

The forward-looking statements contained in this MD&A reflect the Company's current views with respect to future events and are based upon a number of assumptions that, while considered reasonable by the Company, are inherently subject to significant operational, business, economic and regulatory uncertainties and contingencies. These assumptions include: the Company's mineral reserve and resource estimates and the assumptions upon which they are based, including geotechnical and metallurgical characteristics of rock confirming to sampled results and metallurgical performance; tonnage of ore to be mined and processed; ore grades and recoveries; assumptions and discount rates being appropriately applied to the technical studies; success of the Company's projects, including McIlvenna Bay; prices for zinc, copper, gold and silver remaining as estimated; currency exchange rates remaining as estimated; availability of funds for the Company's projects; capital decommissioning and reclamation estimates; mineral reserve and resource estimates and the assumptions upon which they are based; prices for energy inputs, labour, materials, supplies and services (including transportation); no labour-related disruptions; no unplanned delays or interruptions in scheduled construction and production; all necessary permits, licenses and regulatory approvals are received in a timely manner; the investment of Ontario Teachers' (as defined below) in the McIlvenna Bay project; and the ability to comply with environmental, health and safety laws. The foregoing list of assumptions is not exhaustive.

NATURE OF BUSINESS

The Company was originally incorporated under the laws of British Columbia ("**BC**") on June 21, 1989. The Company is a reporting issuer in BC, Alberta, Ontario, New Brunswick, Nova Scotia and Newfoundland and Labrador. The Company's common shares are traded on the TSX Venture Exchange under the symbol "FOM". The Company's principal business activity is the acquisition, exploration and development of mineral properties with the objective of discovering mineral reserves and the development of an operating mine. The Company's flagship property is its 100% owned McIlvenna Bay property in Saskatchewan, Canada, 65 kilometres ("**km**") west of Flin Flon, Manitoba. Further information regarding the business of Foran, its operations and its mineral properties can be found in the most recent annual information form filed on SEDAR and found at www.SEDAR.com.

To date the Company has not generated any revenues.

OUTLOOK

Foran is presently in the pre-development stage after announcing the results from the 2022 Feasibility Study (as defined below) for the McIlvenna Bay project ("**McIlvenna Bay**"). McIlvenna Bay is a copper ("**Cu**") - zinc ("**Zn**") - gold ("**Au**") - silver ("**Ag**") rich volcanic hosted massive sulphide deposit intended to be the center of a new mining camp in a prolific district that has already been producing for 100 years.

Foran's objective is to build McIlvenna Bay based on the Company's carbon neutrality goals and initiatives, which is part of a broader mission to create a blueprint for responsible mining that is upheld as leading practice globally. Foran is committed to creating value for all stakeholders, which includes working with and supporting local communities, providing safe employment, ensuring diversity and equality, enhancing biodiversity, and not contributing to climate change.

RECENT EVENTS AND DEVELOPMENTS

- On March 15, 2023, the Company announced it had launched a proposed private placement (the "**Offering**") for aggregate gross proceeds of up to $100.0 million. The net proceeds of the Offering will be used for exploration and development of the Company's mineral projects in Saskatchewan, and for working capital and general corporate purposes.

- On March 6, 2023, the Company announced additional results from the 2023 winter program at Tesla. Highlight intercepts include 3.58% copper equivalent ("**CuEq**") over 16.9m. The currently defined strike length of the Tesla Zone mineralization has been extended to 400m and remains open in all directions for expansion with further drilling.

- On February 23, 2023, the Company announced the appointment of Majd Bakar to its Board of Directors. Mr. Bakar brings a wealth of experience and knowledge from the technology sector to Foran's Board, spending over the past 20 years holding key positions at Google and Microsoft.

- On February 16, 2023, the Company announced initial drill results from the 2023 Winter Program at Tesla. Highlight intercepts include 4.04% CuEq over 17.4 metres.

- On December 21, 2022, the Company announced the closing of a US$150 million senior secured project credit facility ("**Credit facility**") with a fund managed by Sprott Resources Lending Corp ("**Sprott**").

- On December 19, 2022, the Company announced the appointment of Terri Uhrich as Vice President, Legal and General Counsel. Ms. Uhrich has over 20 years of legal professional experience both in public and private sectors, including the mining industry within Saskatchewan.

- On November 30, 2022, the Company announced details of its expanded 2023 exploration program at McIlvenna Bay and that it had elected to pause the exploration decline development and focus on conducting a bulk sampling program using surface diamond drilling methodologies. The Company expects development activity to resume in spring 2023 once the required water discharge permits are received.

- On October 24, 2022, the Company announced that certain entities controlled by Fairfax Financial Holdings Limited (collectively, "**Fairfax**") had exercised all 16,000,000 of their warrants for gross proceeds of $33.4 million.

- On August 8, 2022, the Company announced it had entered a non-binding term sheet with Ontario Teachers' Pension Plan Board ("**Ontario Teachers'**"), which contemplates a transaction that would have Ontario Teachers' invest up to $200 million in the McIlvenna Bay project.

- On July 25, 2022, the Company announced an agreement with Sandvik Canada Inc ("**Sandvik**") to supply initial underground equipment for development of its McIlvenna Bay project. The initial equipment order includes battery electric underground drills, trucks and loaders that will be used for the mine's development and production activities.

- On June 8, 2022, the Company announced a new near-mine discovery at the Tesla target, a mineralized zone located 600 metres from the McIlvenna Bay deposit. Assays received to-date highlight significant copper-zinc-gold mineralization.

- On May 31, 2022, the Company announced receipt of its initial Approval to Operate Permit for its advanced decline program at McIlvenna Bay.

- On May 16, 2022, the Company announced the appointment of Gilbert Lamarche as Vice President, Technical Services. Mr. Lamarche has over 20 years of experience in the mining industry in both technical services and operational capacities.

- On February 28, 2022, the Company announced the results from the 2022 Feasibility Study on its McIlvenna Bay project. Highlights included an after-tax NPV$^{(7\%)}$ of $1.1 billion and IRR of 38%, at spot prices as at February 23, 2022, based on Probable Mineral Reserves of 25.7 million tonnes ("**Mt**") at 2.51% CuEq, which represents a 66% reserve conversion rate from the existing 39.1Mt of Indicated Resources and an initial 18-year reserve life.

- On February 15, 2022, the Company announced it had received initial permits for a proposed exploration decline as part of its pre-development program at its McIlvenna Bay project.

- On January 31, 2022, the Company announced the appointment of Brad Wall to its Advisory Board. Mr. Wall served as the Premier of Saskatchewan from November 2007 to February 2018.

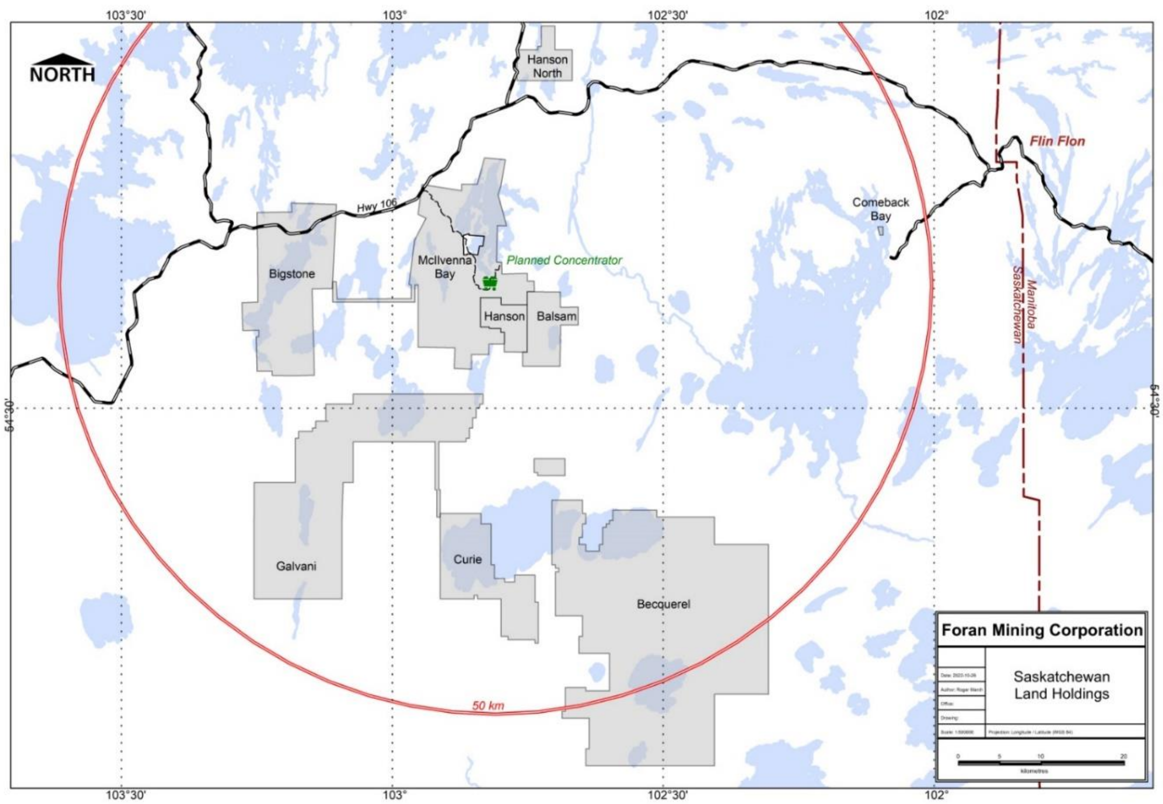
- On January 4, 2022, the Company announced the appointment of David K. Bernier as Chief Operating Officer. Mr. Bernier was previously the Canada Country Manager for Pan American Silver Corp. responsible for managing its multiple operations in the Timmins Region.

- From January 2022 to December 2022, the Company completed several drill programs encompassing over 16,000 metres of drilling at its regional targets in the McIlvenna Bay and Bigstone areas, along with limited geotechnical drilling at the McIlvenna Bay Deposit.

MINERAL PROPERTIES

As of the date of this MD&A, the Company has nine properties in Saskatchewan comprising a total of 98 mining claims covering approximately 147,210 hectares ("ha"), located between 15 and 102 km west of Flin Flon, Manitoba. All tenements are within 63 km of the McIlvenna Bay deposit where a centralized processing facility is proposed.

Four properties are higher priority: the McIlvenna Bay Property, which contains the McIlvenna Bay deposit and the newly discovered Tesla target; and three adjacent properties - Hanson, Balsam and Bigstone, all of which occur at the western limit of the Flin Flon Greenstone Belt. All four properties are underlain by prospective felsic volcanic stratigraphy that hosts variably significant volcanic-hosted massive sulphide ("**VHMS**") styles of alteration and mineralization. The Comeback Bay property, also located in Saskatchewan, is of lower priority but has both precious and base metal VHMS potential within the western limit of the Flin Flon Arc Assemblage (Birch Lake Belt). The Galvani, Curie, Becquerel and Hanson North properties were recently acquired, and while are of lower priority at this time, they also have the potential to host significant precious and base metal VHMS occurrences.



Further details on the Company's significant properties are as follows:

1) **McIlvenna Bay Property**

The Company has a 100% interest in the McIlvenna Bay Property in east central Saskatchewan. The McIlvenna Bay Property consists of 38 claims covering a total of 20,907 ha. The McIlvenna Bay deposit is located on the McIlvenna Bay Property, approximately one km south of Hanson Lake, Saskatchewan, 375km northeast of Saskatoon, Saskatchewan and 65km west south-west of Flin Flon, Manitoba. The McIlvenna Bay deposit is linked to Flin Flon, Manitoba by 85km of highway followed by 18km of unsealed secondary road.

The McIlvenna Bay deposit was discovered in 1988 and includes two distinct styles of VHMS mineralization which include massive to semi-massive sulphides and copper stockwork. Since 2011, the Company has been working to advance the McIlvenna Bay deposit through continued exploration, resource definition and environmental and engineering studies.

Some of the claims that make up the McIlvenna Bay Property are subject to a Net Tonnage Royalty of $0.75 per tonne of ore extracted.

Cameco Corporation and BHP Billiton collectively hold a 1% Net Smelter Return royalty interest on McIlvenna Bay, which can be repurchased by the Company at any time for $1 million.

The claims that comprise the McIlvenna Bay Property are in good standing for periods between 8 and 20 years.

<u>2023 Activity</u>

Tesla Zone

The 2023 winter exploration program is being conducted and focused on expansion drilling of the Tesla Zone from the ice on Hanson Lake. A fourth drill has been added to the program, and it is anticipated that drilling will continue until the end of March or as long as ice conditions permit. Foran is currently assessing the feasibility of continued drilling on the Tesla Zone from land during the summer months through the use of directional drilling technologies.

During Q1 2023, the Company announced additional results from the 2023 winter drill program at the Tesla Zone.

Key highlights included:

- TS-23-07:
  - 7.9m grading 1.2% Cu, 4.4% Zn, 28.6 g/t Ag and 0.33 g/t Au (3.24% CuEq),
  - 4.5m grading 0.12% Cu, 4.12% Zn, 79.1 g/t Ag and 1.49 g/t Au (3.22% CuEq), including 1.2m grading 0.08% Cu, 3.91% Zn, 78.8 g/t Ag and 3.22 g/t Au (4.23% CuEq).
- Hole TS-23-08:
  - 16.9m grading 1.1% Cu, 6.1% Zn, 30.4 g/t Ag and 0.02 g/t Au (3.58% CuEq),
  - 32.1m grading 2.0% Cu, 1.1% Zn, 21.5 g/t Ag and 0.02 g/t Au (2.61% CuEq), including 3.6m grading 4.2% Cu, 2.0% Zn, 29.5 g/t Ag and 0.001 g/t Au (5.12% CuEq).
- Hole TS-22-06A:
  - 10.1m grading 3.1% Cu, 3.0% Zn, 32 g/t Ag and 0.25 g/t Au (4.62% CuEq)
  - 17.4m grading 2.1% Cu, 4.5% Zn, 29 g/t Ag, and 0.11 g/t Au (4.04% CuEq)
  - 17.1m grading 0.6% Cu, 13.1% Zn, 24 g/t Ag, and 0.04 g/t Au (5.69% CuEq)

The zone continues to grow with additional drilling and currently has a defined strike length of 400m. Tesla discovery represents a significant mineralized zone, open in all directions, with opportunity to expand with further drilling. The proximity of the Tesla zone suggests that a potential future mining scenario could benefit from economies of scale and the existing and planned infrastructure of the McIlvenna Bay project.

Regional Exploration

Planning is also underway for the summer regional exploration program focusing on drill targets located both proximal to McIlvenna Bay and on our Bigstone Project (25km to the west, discussed below), along with geophysical surveys to define drill targets on our extensive land holdings to the south. It is currently anticipated that the summer program will begin in late Q2 2023.

2022 Activity

Discovery of Tesla Zone

During 2022, the Company announced initial assay results at the Tesla zone, a newly discovered near-mine mineralized zone approximately 300 metres from the defined McIlvenna Bay deposit, with initial geophysics outlining a conductor with potential dimensions of ~900m (strike) by 300m (width). Highlights included:

- Intersection of significant mineralization across 200m of continuous massive and disseminated sulphides, including chalcopyrite and sphalerite.
- Significant assay results:
  - 11.9m at 6.2% CuEq including 5.4m at 10.2% CuEq (TS-22-03w2);
  - 17.2m at 1.0% CuEq including 3.9m at 1.4% CuEq (TS-22-03w2);
  - 3.9m at 4.1% CuEq including 2.2m at 5.9% CuEq (TS-22-03w2);
  - 31.4m at 1.3% CuEq including 1.2m at 8.5% CuEq (TS-22-03);
  - 7.1m at 1.5% CuEq including 1.6m at 3.8% CuEq (TS-22-03).

Feasibility Study

On February 28, 2022, the Company announced results from a feasibility study (the "**2022 Feasibility Study**"). Highlight financial metrics from the 2022 Feasibility Study included the following:

- Pre-tax NPV of $1.49 billion (after-tax NPV $1.1 billion) and pre-tax IRR of 46% (after-tax IRR 38%) with an after-tax payback period of 2.2 years, with metal prices and foreign exchange rates as at February 23, 2022.
- Life-of-mine EBITDA of $4.0 billion and Free Cash Flow of $2.3 billion with metal prices and foreign exchange rates as at February 23, 2022.

Pre-Tax NPV Sensitivity Analysis

	Zinc Price (US$/lb)	Copper Price (US$/lb) $3.00	Base Case[1]	$4.00	$4.53[2]	$5.00	$6.00
Pre-Tax NPV$_{7\%}$ (C$M)[3]	$1.00	$347	$550	$753	$1,078	$1,159	$1,565
	Base Case[1]	$475	**$678**	$881	$1,208	$1,287	$1,694
	$1.40	$603	$806	$1,010	$1,338	$1,416	$1,822
	$1.60	$732	$935	$1,138	$1,467	$1,544	$1,950
	$1.64[2]	$865	$1,070	$1,276	**$1,493**	$1,686	$2,096
	$1.80	$860	$1,063	$1,266	$1,597	$1,672	$2,079

[1] Base case copper and zinc prices are US$3.50/lb copper and US$1.20/lb zinc.
[2] Prices are based on February 23, 2022 closing values and assume US$1,936/oz gold, US$24.52/oz silver, and 1.27 USD/CAD.
[3] Excluding February 23, 2022 scenarios, US$1,600/oz gold, US$22.50/oz silver, and 1.26 USD/CAD is used.

After-Tax NPV Sensitivity Analysis

	Zinc Price (US$/lb)	Copper Price (US$/lb) $3.00	Base Case[1]	$4.00	$4.53[2]	$5.00	$6.00
	$1.00	$226	$372	$520	$756	$814	$1,106
	Base Case[1]	$320	**$466**	$613	$850	$907	$1,198
After-Tax $NPV_{7\%}$	$1.40	$411	$559	$706	$943	$999	$1,291
(C$M)[3]	$1.60	$505	$652	$799	$1,037	$1,092	$1,384
	$1.64[2]	$601	$750	$899	**$1,055**	$1,194	$1,489
	$1.80	$597	$745	$892	$1,130	$1,185	$1,476

[1] Base case copper and zinc prices are US$3.50/lb copper and US$1.20/lb zinc.
[2] Prices are based on February 23, 2022 closing values and assume US$1,936/oz gold, US$24.52/oz silver, and 1.27 USD/CAD.
[3] Excluding February 23, 2022 scenarios, US$1,600/oz gold, US$22.50/oz silver, and 1.26 USD/CAD is used.

IRR, Payback and Free Cash Flow Sensitivity Analysis

	Base Case[1]	$4.53[2]	Copper Price (US$/lb) $3.00	$4.00	$5.00	$6.00
Pre-Tax IRR(3)	26%	**46%**	21%	31%	40%	48%
After-Tax IRR(3)	22%	**38%**	18%	26%	33%	40%
After-Tax Payback (yrs)(3)	4.5	**2.2**	5.6	3.7	2.9	2.3
LOM EBITDA (C$M)(3)	$2,483	**$4,012**	$2,097	$2,870	$3,643	$4,415
LOM Free Cash Flow (C$M)(3)	$1,179	**$2,280**	$906	$1,460	$2,015	$2,565

[1] Base case prices are US$3.50/lb copper, US$1.20/lb zinc, US$1,600/oz gold, US$22.50/oz silver, and 1.26 USD/CAD.
[2] Prices are based on February 23, 2022 closing values and assume US$1,936/oz gold, US$24.52/oz silver, and 1.27 USD/CAD.
[3] Excluding February 23, 2022 scenarios, US$1,600/oz gold, US$22.50/oz silver, and 1.26 USD/CAD is used.

Probable Mineral Reserves totaled 25.7 Mt at 2.51% CuEq, a 66% reserve conversion rate from the existing 39.1 Mt of Indicated Resources. The 2022 Feasibility Study outlined an 18.4-year mine life, based on a 4,200 throughput rate and an average annual production of 72.8 Mlbs CuEq over the first 15 years of mine life.

See discussion under “Non-GAAP Measures” for definition of “EBITDA” and “Free cash flow”.

On April 14, 2022, the Company filed the independent NI 43-101 technical report titled “*Technical Report on the Feasibility Study for the McIlvenna Bay Project, Saskatchewan Canada*” with an effective date of February 28, 2022. This report is available on the Company’s website www.foranmining.com or under the Company’s profile on SEDAR at www.sedar.com.

Surface Prep & Exploration Decline

The underground development associated with the exploration decline is planned to be 1,475 metres in length upon completion. For the year-ended December 31, 2022, total costs incurred were $26 million, including $9 million on underground development and approximately 131.9 metres had been advanced.

The exploration decline has now proceeded through the previously identified sandstone layer, which progressed slower than planned due to the need for additional ground support, consumables and grouting. As announced on November 30, 2022, the Company elected to pause the exploration decline development and focus on conducting a bulk sampling program using surface diamond drilling methodologies. The Company expects development activity to resume in spring 2023 once the required water discharge permits are received.

The construction of the exploration decline, surface preparation and purchase of various equipment and infrastructure items could also be used in future production if the project is fully approved for construction.

Early Works

During Q4 2022, the Company announced the engagement of DRA Americas Inc. to lead the detailed engineering and procurement effort as the Company proceeds towards a construction decision. The Company has also been active in securing long lead time items, with procurement now secured for the semi-autogenous grinding (“SAG”) and ball mills and primary crusher at market pricing in-line with feasibility study estimates. As at Dec 2, 2022, overall progress of surface engineering was 6.6% (as compared to plan of 8.0%).

Pursuant to an agreement dated June 3, 2022, the Company began to fund a discovery phase of a project, to be carried out by SaskPower, to consider the viability of the construction of a ~110kV transmission line to provide electrical service to the McIlvenna Bay project. The discovery phase is limited to definition, routing, environmental and archeological screening, stakeholder engagement and design. The Company expects it will commit approximately $1.5 million to the program by the end of Q2 2023. Upon written notice from SaskPower advising that the discovery phase services have been completed, the Company will have 60 days to enter into a construction agreement.

On July 25, 2022, the Company also selected Sandvik as the preferred supplier for underground mobile equipment that will be used for potential future mining at the McIlvenna Bay Project. The Company made a $2.2 million deposit to secure the 2023 deliveries. It is currently expected the initial fleet of battery electric vehicles will be delivered toward the end of Q2 2023.

2) Bigstone

The Company has a 100% interest in the Bigstone Property, which is comprised of 13 claims totalling 16,117 hectares. The property is oriented north-south and covers roughly 20 km of prospective volcanic stratigraphy.

Some of the claims that comprise the Bigstone Property are subject to a 2% NSR Royalty. The claims are in good standing for a period of between 6 and 20 years.

On December 7, 2020, the Company announced an initial NI 43-101 compliant resource at Bigstone. This represents the second NI 43-101 compliant resource defined by Foran within the Hanson Lake District and could be an important contributor to a potential long-life mining camp that may be developed in the region. Indicated resources are estimated at 1.98 Mt grading 2.22% CuEq and inferred resources are estimated at 1.88 Mt grading 2.14% CuEq.

<u>2022 Activity</u>

Drill results

On June 28, 2022, the Company announced assay results from 14 holes drilled on the Company’s Bigstone Project, located approximately 25 km west of the McIlvenna Bay deposit.

Key highlights included:

- 75.0m grading 2.1% CuEq, including 20.6m 3.6% CuEq.
- 7.6m grading 1.1% CuEq, including 3.7m grading 1.8% CuEq

A summer-fall drill program was conducted on the Bigstone Property, focusing on advancing the Marconi prospect, located 500 metres to the east of the Bigstone deposit, and drill testing additional regional targets to the north of the deposit area. The compilation of the assay data and the interpretation of results from the drilling is underway. Assay results from these drill programs are currently pending.

OVERALL PERFORMANCE

SELECTED FINANCIAL INFORMATION

Expressed in thousands of Canadian dollars	December 31, 2022	December 31, 2021	December 31, 2020
Cash and cash equivalents	87,322	83,996	1,050
Exploration and evaluation assets	140,812	87,654	40,824
Total assets	236,734	174,894	42,175
Accounts payable and accrued liabilities	8,902	9,619	276
Deferred share units	5,210	3,330	710
Total non-current liabilities	34,321	812	-
Total liabilities	49,033	14,539	1,040

The Company's total assets as at December 31, 2022 were $236.7 million compared to $174.9 million as at December 31, 2021, an increase of $61.8 million. The increase in assets is explained below:

- Cash and cash equivalents: The increase from December 31, 2021 relates to the initial advance (net of transaction costs) of $33.5 million drawn from the Credit facility and the $33.4 million received from the excise of the warrants held by Fairfax. The net proceeds of these cash receipts were partially offset by exploration and evaluation expenditures and general and administrative expenses.

- Exploration and evaluation assets: The increase from December 31, 2021 was as a result of the Company's 2022 exploration program on its McIlvenna Bay property. The most significant costs were surface prep and exploration decline costs of $26.2 million.

The Company's total liabilities as at December 31, 2022 were $49.0 million compared to $14.5 million as at December 31, 2021, an increase of $34.5 million. The increase in liabilities as explained below:

- Deferred share units liability: The increase from December 31, 2021 was due to the issuance of deferred share units ("**DSUs**") to the Company's CEO and previous Executive Director in accordance with the Company's long-term incentive plans and the appreciation of the Company's share price during the twelve months ended December 31, 2022.

- Credit Facility: The increase from December 31, 2021 was due to the Company entering into a US$150 million senior secured project credit facility and drawing $40.2 million (US$29.5 million) on December 20, 2022. In addition, the Company incurred $6.7 million in transaction costs which were capitalized as an offset to the amount drawn.

In order to maximize ongoing exploration efforts, the Company has not and does not currently intend to pay dividends.

FORAN

RESULTS OF OPERATIONS

Expressed in thousands of Canadian dollars	Three months ended December 31, 2022	2021	Twelve months ended December 31, 2022	2021	2020
Consulting	$ 693	$ 165	$ 1,248	$ 428	$ 153
Depreciation	-	(82)	58	98	142
Directors' fees	180	101	367	201	48
Investor relations	137	185	440	484	48
Office and administration	309	194	1,094	448	93
Professional fees	105	114	911	883	101
Salaries and benefits	1,173	283	2,569	907	351
Share-based payment expense	755	313	2,926	2,913	266
Total general and administration	$ 3,352	$ 1,273	$ 9,613	$ 6,362	$ 1,202
Other (income) expense	$ (111)	$ (86)	$ (688)	$ (133)	$ 3
Flow-through share premium	-	(759)	-	(5,068)	-
Revaluation of DSUs	1,202	523	863	2,529	847
Total other (income) expenses	$ 1,091	$ (322)	$ 175	$ (2,672)	$ 850

Three months ended December 31, 2022:

Details of the expenses and other items are as follows:

- Consulting fees: The increase in consulting fees were primarily related to the implementation of a new ERP and the Company entering a new consulting contract with its CEO and agreeing to compensation in the form of cash. Under the previous consulting agreement, the Company's CEO received compensation in the form of share-based payments only.

- Director fees: The increase in directors fees was due to a combination of the addition of new directors to the Board and the Company beginning to compensate the directors in cash instead of share-based payments.

- Office and administration: The increase in office and administration costs were primarily related to increased corporate travel costs and increased technology costs associated with various system upgrades.

- Salaries and benefits: The increase in salaries and benefit costs were primarily related to the additional employees hired to support the greater level of exploration activity and pre-development project advancement.

- Share-based payment expense: The increase in share-based payment expense was primarily due to the issuance of share-based compensation to certain key management personnel in accordance with the Company's LTIP. All share-based payments are subject to certain performance vesting conditions and are convertible to the Company's shares or cash upon completion of the vesting requirements as established at grant date.

- Revaluation of deferred share units: The unrealized loss recognized on the DSUs was primarily a result of the Company's stock price increasing from $2.30 per share on September 30, 2022, to $2.99 per share on December 31, 2022.

Twelve months ended December 31, 2022:

Details of the expenses and other items are as follows:

- Consulting fees: The increase in consulting fees were primarily related to the Company entering a new consulting contract with its CEO and agreeing to compensation in the form of cash. Under the previous consulting agreement, the Company's CEO received compensation in the form of share-based payments only.

- Directors fees: The increase in directors fees was due to a combination of the addition of new directors to the board and the Company beginning to compensate the directors in cash instead of share-based payments.

- Office and administration: The increase in office and administration costs were primarily related to increased corporate travel costs and increased technology costs associated with various system upgrades.

- Salaries and benefits: The increase in salaries and benefit costs were primarily related to the additional employees hired to support the greater level of exploration activity and project advancement.

- Other (income) expense: The increase in interest and miscellaneous was primarily related to interest earned on the Company's cash balance and the receipt of certain rebates.

- Revaluation of deferred share units: The unrealized loss recognized on the DSUs was primarily a result of the Company's stock price increasing from $2.53 per share on December 31, 2021, to $2.99 per share on December 31, 2022.

SUMMARY OF QUARTERLY RESULTS

The following table summarizes selected unaudited financial data for the last eight quarters which have been derived from the financial records of the Company.

The Company has increased its activity significantly throughout 2021 and 2022 and is in the midst of constructing an exploration decline and related surface preparation at its McIlvenna Bay deposit. Consequently, general and administration expenses and net losses for periods subsequent to Q1, 2021 are higher than their comparative quarters.

(Expressed in thousands of Canadian dollars, except share information)	Q4, 2022	Q3, 2022	Q2, 2022	Q1, 2022
General and administration expenses	3,352	1,941	1,632	2,688
Other (income) and expenses	1,091	(335)	(879)	298
Net loss for the period	4,443	1,606	753	2,986
Net loss per share (basic and diluted)	0.02	0.01	0.00	0.01
Weighted average shares outstanding (basic)	252,715,354	239,836,305	239,197,794	237,998,069

(Expressed in thousands of Canadian dollars, except share information)	Q4, 2021	Q3, 2021	Q2, 2021	Q1, 2021
General and administration expenses	1,273	2,102	1,645	1,342
Other (income) and expenses	(322)	(1,662)	(230)	(458)
Net loss for the period	1,624	440	1,415	884
Net loss per share (basic and diluted)	0.00	0.00	0.01	0.01
Weighted average shares outstanding (basic)	237,332,546	214,732,894	180,603,066	168,649,358

CASH FLOWS

Three months ended December 31, 2022:

Cash and cash equivalents, excluding the impact of foreign exchange rate changes, increased by $51.9 million during the three months ended December 31, 2022, to $87.3 million, from $35.5 million as at September 30, 2022. The increase was primarily a result of $66.8 million of cash provided by financing activities, partially offset by $15.0 million used in investing activities.

The $0.2 million of cash provided by operating activities consisted of a $2.6 million change in working capital and $2.0 million of items not involving cash, partially offset by $4.4 million net loss.

The $15.0 million of cash used in investing activities consisted of exploration and evaluation expenditures, primarily related to the surface prep and exploration decline at McIlvenna Bay.

The $66.8 million of cash provided by financing activities consisted of cash received from a $33.5 million draw-down of the Credit facility, net of transaction costs and the exercise of warrants of $33.4 million.

FORAN

Twelve months ended December 31, 2022:

Cash and cash equivalents, excluding the impact of foreign exchange rate changes, increased by $3.4 million during the twelve months ended December 31, 2022, to $87.3 million, from $84.0 million as at December 31, 2021. The increase was primarily a result of $67.2 million cash provided by financing activities, partially offset by $2.0 million used in operating activities and $61.8 million of cash used in investing activities.

The $2.0 million of cash used in operating activities consisted of the net loss of $9.8 million, partially offset by items not involving cash of $3.9 million and a net change in non-cash working capital items of $3.9 million.

The $61.8 million of cash used in investing activities consisted of exploration and evaluation expenditures of $57.5 million, primarily related to the surface prep and exploration decline at McIlvenna Bay and the increase of restricted cash of $4.3 million, related to obtaining a surety bond to support a possible future reclamation and closure obligation in accordance with the approval to operate permit for the Company's advanced exploration decline program.

The $67.2 million of cash provided by financing activities consisted of cash received from a $33.5 million draw-down of the Credit facility, net of transaction cost and the exercise of options and warrants of $34.3 million, partially offset by lease liability payments of $0.6 million.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has in place a planning and budgeting process to determine the funds required to support the Company's operating requirements as well as its planned capital expenditures. The Company manages its financial resources to ensure that there is sufficient working capital to fund near-term planned exploration work and operating expenditures. The Company has considerable discretion to reduce or increase plans or budgets depending on current or projected liquidity. The Company does not currently own or have an interest in any producing mineral properties and does not derive any revenues from operations.

Operational activities have been funded through debt financing and the issuance of share capital by way of private placements and stock option and warrant exercises. As at December 31, 2022, the Company had current assets in excess of current liabilities of $73.7 million (December 31, 2021: $71.9 million).

Credit facility

On December 20, 2022, the Company closed the Credit facility with Sprott, with the following key terms:

- US$150 million non-revolving facility with a maturity date of September 30, 2030.
- Interest shall accrue at a floating rate of 6.95% per annum plus the greater of the Secured Overnight Financing Rate ("SOFR") and 2.00% per annum. Interest costs may be deferred and capitalized until the end of the Availability Period, which is to be either 18 months following the company meeting certain drawdown conditions or June 30, 2025, whichever is earlier. After the Availability Period ceases, any remaining undrawn funds may, at the lender's discretion, be deposited into a blocked proceeds account, which would be available to the Company subject to certain conditions.
- Quarterly principal repayments will commence on June 30, 2026, in the amount of 4% of the outstanding principal balance at each repayment date.

- The Company may elect to prepay the outstanding principal amount in whole, including all accrued interest, at any time subsequent to December 20, 2025 (the "Voluntary Prepayment Option"). The Company would incur a premium of between 3% - 4% of the total amount prepaid in exercising the Voluntary Prepayment Option on or before December 20, 2027, and a 0% premium thereafter.
- The Company's obligations under the Credit facility are guaranteed by the realizable value of the Company's assets. In addition, the Company is expected to maintain compliance with specified covenants (including financial covenants). The Company was in compliance with all covenants contained in the Credit facility as at December 31, 2022.
- As at December 31, 2022, the Company has drawn US$29.5 million of the Credit facility.

Share capital

The Company is authorized to issue an unlimited number of common shares, non-voting shares and preference shares, each with no par value.

The rights, privileges, restrictions and conditions of the non-voting shares are identical to those of the common shares, except that the non-voting shares will not entitle the holder thereof to vote at a shareholder meeting and that the non-voting shares may be converted, under certain conditions at the option of the holder, on a one-to-one basis into common shares. Once a non-voting share is converted into a common share, it shall have all the rights and privileges that attach to the common shares.

The $100.0 million private placement (the "**Fairfax Placement**") in 2021 with Fairfax contained restrictions on the conversion of the 27,777,778 non-voting shares issued to Fairfax. Such non-voting shares can only be converted to common shares upon a change of control event or upon disposal of the non-voting shares by Fairfax. As part of the Fairfax Placement, Fairfax acquired 16,000,000 warrants of the Company. Each warrant entitled Fairfax to purchase one common share of at an exercise price of $2.09 for a period of five years from the date of issuance.

The net proceeds from the Fairfax Placement are being used to rapidly advance the development of the McIlvenna Bay Project, further exploration in the Hanson Lake district and for general corporate purposes.

The anticipated use of the $100.0 million proceeds of the Fairfax Placement as described below is based on the best estimates prepared by management of the Company. The Company's project is evolving and not all of the development steps and associated costs are established at this time. In addition, there may be circumstances where, for sound business reasons, a reallocation of the funds may be necessary. The Company will update the use of the funds and the particular application of these funds in future management's discussion and analysis.

Expressed in thousands of Canadian dollars	Anticipated use of net proceeds	Expenditures to December 31, 2022	Remaining as at December 31, 2022
Development	$ -	$ -	$ -
Surface prep and exploration decline	51,000	42,230	8,770
Exploration & studies	40,000	32,163	7,837
Corporate administration	8,767	5,790	2,977
Total expenditure	$ 99,767	$ 80,183	$ 19,584

On October 24, 2022, Fairfax exercised all 16,000,000 warrants acquired in the Fairfax Placement into 16,000,000 common shares for gross proceeds to the Company of $33.4 million.

The Company's financial success is dependent on its ability to discover and advance economically viable mineral deposits. The exploration, development, and operation of the Company's properties are expected to require additional financing, the availability of which is subject to several factors, many of which are beyond the Company's control. While the Company has been successful in securing financing to date, there can be no assurances that it will be able to do so in the future, therefore, a material uncertainty exists that may cast significant doubt about the Company's ability to continue as a going concern.

OFF-BALANCE SHEET ARRANGEMENTS

As at the date of this MD&A, the Company does not have any off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

The Company's related party transactions for the three and twelve months ended December 31, 2022 were as follows:

Expressed in thousands of Canadian dollars	Three months ended December 31,		Twelve months ended December 31,	
	2022	2021	2022	2021
Short-term benefits[1]	$ 1,441	$ 54	$ 2,361	$ 636
Directors' fees[2]	180	101	367	201
Share-based payments[3]	761	244	2,781	2,605
Total	$ 2,382	$ 399	$ 5,509	$ 3,442

(1) Short-term benefits consisted of salaries and bonuses for key management personnel and fees paid to Myerson Holdings AG, a company controlled by the CEO.

(2) Directors' fees consist of cash retainers paid to the directors.

(3) Share-based payment expense consists of RSUs, DSUs and stock options granted to key management personnel.

SHARE CAPITAL

As at the date of this MD&A, the Company had the following securities issued and outstanding:

- 229,515,837 common shares
- 27,777,778 non-voting shares
- 15,265,000 shares issuable on exercise of stock options
- 8,049,285 shares issuable on exercise of warrants
- 1,892,375 shares issuable on realization of deferred shares units
- 297,500 shares issuable on realization of restricted shares units

PROPOSED TRANSACTIONS

Private Placement

On March 15, 2023, the Company announced it had launched a proposed private placement for aggregate gross proceeds of up to $100.0 million. The Offering will consist of (i) up to 20,270,300 common shares of the Company at an issue price of $3.70 per common share, for gross proceeds of up to $75.0 million; and (ii) up to 4,417,000 common shares with each such common share to be issued as a "flow-through share" within the meaning of the Income Tax Act (Canada) (the "FT Shares") at an issue price of $5.66 per FT Share, for gross proceeds of up to $25.0 million. The net proceeds of the Offering will be used for exploration and development of the Company's mineral projects in Saskatchewan, and for working capital and general corporate purposes.

Ontario Teachers' Pension Plan Investment

On August 8, 2022, the Company announced it had entered a non-binding term sheet with Ontario Teachers', which contemplates a transaction that would have Ontario Teachers' invest up to $200 million in the McIlvenna Bay project.

If the proposed investment proceeds as expected, it would consist of a $180 million convertible secured interest-bearing instrument, with interest payable quarterly, in cash or common shares of the Company, at the Company's election. The instrument will be converted into a 19.99% equity interest of an operating subsidiary of the Company, which will hold the McIlvenna Bay project and surrounding properties, upon achieving commercial production and certain other conditions. An additional $20 million of consideration would be payable upon the McIlvenna Bay project reaching certain production thresholds.

The proposed investment will be conditional on, among other things, the execution of joint operating and governance agreements, as well as other conditions customary for a transaction of this nature.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

In preparing the accompanying consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ. All estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognized in the period in which the estimates are revised and in any future periods affected. Information about critical judgements and estimates in applying accounting policies that have the most significant effect on amounts recognized in the consolidated financial statements are the same as those described in the consolidated annual financial statements for the year ended December 31, 2022.

FINANCIAL INSTRUMENTS

The Company's financial instruments are exposed to certain financial risks which are discussed in detail in Note 11 of the Company's consolidated financial statements for the year ended December 31, 2022.

RISKS AND UNCERTAINTIES

GOING CONCERN RISK

The principal risk faced in the advanced exploration stage is the ability to raise the funds required to complete exploration and evaluation and develop a mineral deposit. The Company does not operate any producing properties and as such, is dependent on the ability to raise funds. Although the Company believes it has sufficient access to financial markets to support its intended work plan, failure to do so would result in future work being suspended. While the Company has been successful in securing financing to date, there can be no assurances that it will be able to do so in the future. These uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

FINANCIAL INSTRUMENTS RISK

Financial assets and liabilities consist of cash and cash equivalents, accounts receivable, investments, restricted cash, accounts payable and accrued liabilities, credit facility and embedded derivatives. It is management's opinion that the Company is not exposed to significant credit risks arising from these financial assets as all cash and cash equivalents are held at reputable Canadian institutions and the accounts receivable amounts are due from Canadian governmental agencies.

ENVIRONMENTAL AND PERMITTING RISK

The Company's activities involve the application for licenses and permits from government authorities and such activities are governed by various laws and regulations that cover the protection of the environment, land use, exploration, development, co-ordination of operations and infrastructure with third parties engaged in other activities on the lands, taxes, labour standards, occupational health, waste disposal, safety, and other matters. Environmental legislation in Saskatchewan provides restrictions and prohibitions on various substances used or produced in association with certain exploration activities, which if spilt, could potentially impact the environment. A breach of such legislation may result in imposition of fines and penalties in addition to potential cleanup costs. In addition, certain types of activities require approval from the relevant agencies prior to being undertaken. Environmental legislation is evolving in a direction of higher standards and enforcement. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of future operations.

The Company believes that it is in compliance with all material laws and regulations which currently apply to its activities. There can be no absolute assurance, however, that all permits which the Company may require for exploration activities and land use will be obtainable on reasonable terms or on a timely basis, or that such laws and regulations will not have an adverse effect on any exploration projects that the Company may undertake.

EXPLORATION RISK

Mineral exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations within the Company will be subject to all the hazards and risks normally incidental to exploration, development and production of minerals, any of which could result in work stoppages, damage to property, and possible environmental damage. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruption, impaired access to site, legal or regulatory changes, flooding, explosions, cave-ins, landslides, weather conditions and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in extraction operations and the conduct of exploration programs. The Company's exploration activities will be subject to the availability of third-party contractors and equipment. There are also physical risks to the exploration personnel. If any of the Company's additional properties are found to have commercial quantities of mineralization, the Company could be subject to additional risks respecting any development and production activities.

McIlvenna Bay Project

The McIlvenna Bay Project is in the pre-development stage and has a completed feasibility study. The potential development of this mineral property may only follow upon the preparation of detailed engineering plans, access to adequate funding, community support and obtaining of necessary permits, licenses, and approvals, including that of the Board of Directors. Substantial expenditures are required to develop the mining and processing facilities and the infrastructure at the McIlvenna Bay Project.

Other properties

All properties other than the McIlvenna Bay project are in the exploration stage. The potential development of these mineral properties may only follow upon obtaining satisfactory exploration results, receipt of positive engineering studies, access to adequate funding, community support and all necessary permits, licenses, and approvals, including that of the Board of Directors. Mineral exploration and development involve a high degree of risk and few properties which are explored are ultimately developed into producing mines. The long-term profitability of the Company's operations will be in part directly related to the cost and success of its exploration programs, which may be affected by a number of factors beyond the Company's control.

COMMODITY PRICE RISK

Factors beyond the control of the Company may affect the market price and marketability of any ore or minerals discovered at and produced from the Company's properties. Metal prices are subject to significant fluctuation and are affected by numerous factors beyond the Company's control including international economic, financial and political events, global or regional supply and demand patterns and speculative activities. The effect of these factors on the Company's operations cannot accurately be predicted.

LIQUIDITY OF COMMON SHARES

There can be no assurance that an active and liquid market for the Company's common shares will continue to exist, and investors may find it difficult to resell their common shares. In addition, trading in the common shares of the Company may be halted from time to time.

NON-GAAP MEASURES

This MD&A includes certain terms or performance measures commonly used in the mining industry that are not defined under IFRS, including copper equivalent, EBITDA and free cash flow. Non-GAAP 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 Company discloses these non-GAAP measures because it understands that certain investors use this information to determine the Company's ability to generate earnings and cash flows for use in investing and other activities. The Company believes that conventional measures of performance prepared in accordance with IFRS, do not fully illustrate the ability of mines to generate cash flows. The measures, as determined under IFRS, are not necessarily indicative of operating profit or cash flows from operating activities. Non-GAAP financial measures should not be considered in isolation as a substitute for measures of performance prepared in accordance with IFRS and are not necessarily indicative of operating costs, operating profit or cash flows presented under IFRS.
The following is a description of the non-GAAP financial measures used in this MD&A:

- *EBITDA* is a non-GAAP financial measure calculated as earnings before interest, taxes, depreciation, and amortization.

- *Free cash flow* is a non-GAAP financial measure calculated as EBITDA less taxes less property, plant, and equipment additions.

QUALIFIED PERSON

Mr. Roger March, P.Geo., Senior Geoscientist for the Company and a Qualified Person within the meaning of NI 43-101, has reviewed and approved the technical information in this MD&A.