MANAGEMENT DISCUSSION & ANALYSIS

For the Three and Nine Months Ended

May 31, 2023 and 2022

Introduction

The following management's discussion and analysis ("MD&A") of the operations, results, and financial position of Equity Metals Corporation (the "Company" or "Equity Metals") should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements for the three and nine months ended May 31, 2023 and the audited consolidated financial statements for the year ended August 31, 2022 and the notes thereto.

The unaudited condensed consolidated interim financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") and include the operating results of the Company. Unless expressly stated otherwise, all financial information is presented in Canadian dollars. This MD&A is dated July 31, 2023.

Business Description

Equity Metals has continued its efforts to date with a sole business objective to identify, evaluate and explore mineral properties having high potential for the discovery of economic mineral deposits. The Company is a publicly traded company without any substantive operations, and thus, has realized no significant mining revenues to date. Equity Metals has a year end of August 31st and was incorporated on April 7, 1964 under the Company Act of British Columbia.

The Company is principally engaged in the acquisition, exploration and development of metal, silica, and diamond properties in British Columbia, Saskatchewan, and Northwest Territories, and accordingly has no revenue from any of its properties to date. The Company's common shares trade on the TSX Venture Exchange under the trading symbol "EQTY" and on the OTCQB Venture Marketplace in the U.S. under the trading symbol "EQMEF". The Company is extra-provincially registered in the Province of Saskatchewan and extra-territorially registered in the Northwest Territories.

Forward-Looking Information

This MD&A contains certain forward-looking statements and information relating to the Company that are based on the beliefs of its management as well as assumptions made by and information currently available to the Company as of the reporting period under this disclosure. When used in this document, the words "anticipate", "believe", "estimate", "expect", "significant" 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 costs and availability of funding for the continued exploration and development of the Company's exploration properties. Such statements reflect the current views of the Company with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievement of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements.

Mineral Project Activity

Silver Queen Property – Central British Columbia (100%)

The Company owns a 100% interest in 17 crown-granted titles, comprised of two surface and undersurface titles (40.47 ha) and 15 undersurface only titles, and 45 tenure claims covering 18,852 hectares in the Omineca Mining Division, near Owen Lake, British Columbia. The Silver Queen property is a past-producing Au/Ag/Zn epithermal vein system that currently has a significant high-grade resource on four of the more extensively drilled veins. Importantly, much of the well-drilled shallow mineralization is open to depth and along strike. The Company received approval in May 2020 from the Ministry of Mines for its multi-year Notice of Work ("NOW") for the property. The five-year plan includes drilling from up to 50 surface sites and the construction of up to 6 kilometres of additional exploration trails. The focus of the upcoming work program remains the resource expansion of the vein deposits.

The Silver Queen property is within the Wet'suwet'en land claim, and they are included in the Notice of Work and permitting consultation process. The Company uses First Nations' employees and contractors in all activities where appropriate and First Nation involvement is encouraged.

Through the end of 2022, a total of 78 drill holes for 25,659 metres were completed by the Company on the Silver Queen project in six successive phases of exploration starting in late 2020. Five separate target areas were tested in part and thick intervals of high-grade gold, silver and base-metal mineralization have been identified in each of the Camp Vein, the Svenson Target, No. 3 Vein, and NG-3 Vein systems. The drill data allowed for 3D modeling and resource estimating.

On January 16, 2023, the Company filed on SEDAR a National Instruments 43-101 ("NI 43-101") compliant Technical Report entitled "Technical Report and Updated Mineral Resource Estimate of the Silver Queen Property, Omineca Mining District, British Columbia, Canada", which was prepared by P&E Mining Consultants Inc, Kirkham Geosystems Ltd. and Metallurgical Process Consultants.

The updated Independent Mineral Resource Estimate ("MRE") for the Silver Queen Project features lateral and down-dip extensions of the previously modelled No. 3 and NG-3 Veins, originally included in the 2019 MRE, and new, previously unmodelled mineralization from the Camp and Sveinson Targets. The MRE utilizes a Net Smelter Return ("NSR") cut-off at C$100/t with updated metal pricing. The highlights of the MRE included the following:

- Increase in the Indicated Category:
    - 187% increase to 62.8Mozs AgEq, or
    - 214% increase to 765Kozs AuEq; and

- Increase in the Inferred Category:
    - 30% increase to 22.5Mozs AgEq, or
    - 41% increase to 273Kozs AuEq

For more details on the results of the updated MRE refer to the News Release dated December 1, 2022.

On April 11, 2023, the Company announced the commencement of drilling on the Silver Queen project, being the first phase of a property wide exploration program that will focus on continued resource expansion of the Camp and Sveinson deposits and the delineation of new targets throughout the property. Additional surface soil sampling is also planned which will be used to upgrade several historic targets in preparation for future drill testing.

Nine holes totalling 4,038 metres were completed in the Spring 2023 drill program, testing the westward strike extensions of the Camp Target and a drilling gap within the Sveinson Target. On June 20th 2023, the Company announced that drilling had re-commenced on the property to target the George and Cole Lake targets.

In addition to the size and quality of the current Mineral Resource Estimate, and the now-enhanced exploration potential, the property has several other important attractive features, including: a) the property is wholly owned by the Company with no underlying option payments and no royalty burdens; b) logistics are excellent with good road access from the town of Houston, B.C., a small camp on site, moderate topography, and location in the snow shadow of the Coast Range; c) abundant mining activity occurs in the region; and d) power and water are available.

Exploration Highlights

Silver Queen Property – Central British Columbia (100%)

On May 17, 2023, the Company reported the first assay results from its Spring 2023 core drilling program. These are samples from veins identified within the top 300 metres of the first drill hole, SQ23-079. Drill hole SQ23-079 tested a down-dip step-out from the previously reported intercepts in drill hole SQ22-078 (see in NR-10-22; Sept 8, 2022), which returned 5.2m(est. TT) averaging 778g/t AgEq and 6.8m(est. TT) averaging 166g/t AgEq. Drilling confirmed the vertical projection of these two silver-enriched polymetallic veins and identified a previously unrecognized shallow vein located roughly 100 metres to the north of the targeted vein set. The shallow vein was identified within 30 metres of surface and is a new target for follow up drill testing.

Drilling in the current exploration program has now tested westward strike extensions of the Camp Target veins and down-dip off-sets. In addition, drilling tested possible extensions of the Sveinson vein set, located approximately 600 metres to the east.

The Company announced reported new assay results from its Spring 2023 program on June 6, 2023. The intercept in drill hole SQ23-080 is the deepest bonanza-grade silver intercept identified in the Camp/Sveinson vein system to date and confirms the continued exploration potential both at depth and laterally to the west within the southerly vein set.

Shallow gold and base metal -rich mineralization intersected beginning at 30.5m depth in the upper part of drill hole SQ23-080 is similar to that reported earlier from hole SQ23-079 and confirms a shallow, blind target in the hanging wall, north of the main vein set.

La Ronge Silica Project (100%)

The Company owns a 100% interest in this property. The silica Quarrying Mineral Lease covers an area of 54 acres and its term was recently extended until December 2024. The cost to extend the lease was $306. Although silica has many industrial uses, in most cases the value is strongly influenced by shipping costs to a specific market. One potential new use for high-purity silica sand is as feedstock to produce silicon for use in lithium cathodes batteries. During November 2021 the Company engaged a geological consultant to assess the potential grade of silica extractable from the property in order to assess potential value to the Company. Results are encouraging, and further analysis of commercial value is ongoing. To date, no income has been received from the lease.

On April 12, 2022, the Company announced analyses and test work on its 100% controlled La Ronge Silica Project, an historic sand quarry located in central Saskatchewan, approximately 60 kilometers south-southeast of La Ronge, Saskatchewan and 210 kilometers west of Flin Flon, Manitoba. Preliminary studies indicate the silica deposit may be developed into a simple and profitable, low-cost mining and washing operation to produce high-purity silica (>98% SiO2), a specialty product. The sand can be mined very efficiently due to its unconsolidated nature. High-purity silica can be converted into silicon, which is being tested by the electric-car industry to replace or augment carbon in battery anodes to dramatically extend the time between charging. Other possible conventional uses exist in the ceramics and glass industries. In October 2021, Equity initiated a sampling program to evaluate the deposit. Ten representative sites were sampled within the quarry, and sufficient material was collected to derive an average purity of the sand. The results from the La Ronge Silica property are very encouraging and suggest it may become a "third leg" value to Equity, in addition to Silver Queen and the diamond properties.

Monument Diamond Property - Lac de Gras, Northwest Territories (57.49%)

The Company holds a 57.49% working interest and is operator of the Monument Diamond Project, in the Mackenzie District Mining Division, NWT, a property comprising 3 mining leases and 2 staked claims covering, in aggregate, approximately 3,581 ha and located about 40km from both the Diavik and Ekati diamond mines and some 300 km north of Yellowknife. The 3 mining leases, subject to making annual lease payments, have been renewed to May 9, 2043, and the 2 staked claims have work credits in good standing until May 2, 2027. The property hosts 12 different diamond-bearing kimberlites with a total of 2,437 microdiamonds recovered from past drilling; the largest discovered to date being 0.445 carats. Carbon has been identified in some of the kimberlite pipes on the property, indicating a near surface, eruptive level of the kimberlite pipe. In February 2021, the Company initiated a 'tow-mag' survey (magnetometer survey pulled by snowmobile) at a 50m line spacing on two claims on the Monument Diamond project. The claims are located to the north of the leases that make up the main tenures of the property and the new survey links up with existing magnetics over the main portion of the property. In addition, this work meets the Company's exploration and assessment requirements for these claims.

The property is subject to 2% gross overriding royalty, a portion of which is held by the Company. Equity Metals is the operator of the joint venture where two parties hold the remaining 42.51%. The Company has a five-year Type "A" Land Use Permit from the Wek'èezhìi Land and Water Board, which expires September 1, 2024. The partners have posted the increased cash bond to cover additional reclamation costs, which were incurred in Q3 2020 for minor remediation. The diamond market has recovered from its low, and Monument is considered to be a valuable asset that does not need to be aggressively pursued at this time as the Company focuses on advancing the Silver Queen project.

WO Claim Block – operated by DeBeers Canada Inc.

Equity Metals holds an indirect 4.47% interest in the WO Diamond property, a property comprising eight leases and approximately 5,816 ha, which immediately adjoins the Diavik Diamond Mine claims, some 300 km north of Yellowknife. The WO Diamond property is a joint venture ownership consisting of DeBeers Canada Inc. ("De Beers") (72.13%), Archon Minerals Limited (17.57%) and DHK Diamonds Inc. (10.30%), with DeBeers being the project operator. The Company has a cost contribution commitment, commensurate with its interest, to fund the costs of operating the WO claim block. No contributions were required for the three months ended May 31, 2023 (2022 - $nil).

An encouraging 2007 bulk sample produced individual rough diamonds up to 9.45 carats. DHK has not, to date, received proposed work plans for 2022/2023 from DeBeers.

Greenwood Royalty

Equity Metals sold its interest in a large group of claims in the Greenwood district in B.C. to Golden Dawn Minerals Inc in 2017 for shares and a retained royalty. The shares were subsequently sold, but the Company retains the 1% NSR royalty on this past-producing precious- and base-metal property. Golden Dawn has the right to purchase half of the royalty from the Company for $1.2 million to February 2027. Equity's royalty claims include the Phoenix open pit mine, where Golden Dawn's website reports that approximately 25.5 million tons were produced at an average grade of 0.9% copper and 1.1g/t gold between 1959 and 1976. Additional production of approximately 1.7 million tons were reported from other mines on the royalty claims. Golden Dawn holds a land package immediately to the south of the Company's royalty claims that includes the Greenwood metal-processing mill and has announced plans to re-open the mill with feed from mines on its property and potentially from toll mill-feed from others. Golden Dawn reports that it intends to explore the Company's royalty ground for additional mill feed. The Company is monitoring activity on the property for this potential royalty stream.

Further information on the Company's projects, applicable resource updates and related news releases are available on the Company's website at https://equitymetalscorporation.com/.

Qualified Person

Robert Macdonald, MSc. P.Geo, is VP Exploration of Equity Metals and a Qualified Person as defined by National Instrument 43-101. He is responsible for the supervision of the exploration on the Silver Queen project and has reviewed the technical information in this MD&A.

Exploration and Evaluation Expenditures

Exploration and evaluation expenditures incurred for the nine months ended May 31, 2023 and 2022 were as follows:

	La Ronge Silica project		Silver Queen property		Monument Diamond property		Total	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Assay analysis	**-**	-	**24,290**	515,260	**-**	-	**24,290**	515,260
Camp preparation	**-**	22	**101,872**	231,859	**-**	-	**101,872**	231,881
Depreciation	**-**	-	**5,310**	6,415	**-**	-	**5,310**	6,415
Drilling	**-**	-	**475,395**	1,883,209	**-**	-	**475,395**	1,883,209
General exploration	**-**	4,228	**158,610**	478,944	**282**	-	**158,892**	483,172
Geology	**1,787**	11,503	**380,499**	632,296	**3,341**	-	**385,627**	643,799
Environmental and reclamation	**-**	-	**90,973**	-	**-**	-	**90,973**	-
Property, assessment/taxes	**210**	210	**1,074**	381	**15,530**	7,615	**16,814**	8,206
	1,997	15,963	**1,238,023**	3,748,364	**19,153**	7,615	**1,259,173**	3,771,942
Receipt of BC METC	**-**	-	**(315,810)**	-	**-**	-	**(315,810)**	-
	1,997	15,963	**922,213**	3,748,364	**19,153**	7,615	**943,363**	3,771,942

* BC METC: BC Mining Exploration Tax Credits

Results of Operations

Nine months ended May 31, 2023

During the nine months ended May 31, 2023, the Company reported a net loss of $1,687,066 or $0.01 loss per share (2022 - $4,631,264 or $0.05 loss per share).

For the years ended	May 31, 2023 $	May 31, 2022 $
Exploration and evaluation expenses, net of recoveries	**(943,363)**	(3,771,942)
Administration expenses (excluding share-based compensation)	**(517,551)**	(592,926)
Share-based compensation	**(478,659)**	(461,933)
Interest income and miscellaneous	**28,541**	7
Foreign exchange loss	**(2,640)**	(4,507)
Flow-through premium recovery	**226,606**	200,037
Net loss and total comprehensive loss for the period	**(1,687,066)**	(4,631,264)

The net loss and total comprehensive loss for nine months ended May 31, 2023, decreased compared to the comparable period in the prior year mainly due to the decrease in the Company's exploration activities and due to the receipt of refundable BC Mining Exploration Tax Credits ("BC METC").

During the nine months ended May 31, 2023, the most significant exploration and evaluation expenses were related to drilling costs of $475,395 (2022 - $1,883,209), geology costs of $385,627 (2022 - $643,799), general exploration expense of $158,892 (2022 – 483,172), camp preparation of $101,872 (2022 - $231,881) and environmental and reclamation expense of $90,973 (2022 - $nil) offset by receipt of $315,810 (2022 - $nil) related to the BC METC during the period. During the same period in the prior year the Company also incurred significant exploration expenditures in relation to assay analysis of $515,260 (compared to $24,290 during the nine months ended May 31, 2023).

The significant categories in administration expenses for nine months ended May 31, 2023, includes legal, audit and accounting costs of $141,871 (2022 - $140,460); licenses, fees and other costs of $40,591 (2022 - $39,912), office rent and building expenses of $38,000 (2022– $45,000) and travel and promotion costs of $220,771 (2022 - $292,856). Legal, audit and accounting costs and licenses, fees and other costs are largely unchanged compared to the same period in the prior year. The decrease in travel, marketing and promotion costs incurred during the nine months ended May 31, 2023 arises from continued management of the Company's costs, assessment of marketing programs and changes in the timing of incurrence these expenditures. During the nine months ended May 31, 2023 the Company also incurred non-cash share-based compensation of $478,659, which was consistent with $461,933 for the same period to May 31, 2022.

Three months ended May 31, 2023

During the three months ended May 31, 2023, the Company reported a net loss of $1,238,131 or $0.01 loss per share (2022- $924,348 or $0.01 loss per share).

For the three months ended	**May 31, 2023** **$**	**May 31, 2022** **$**
Exploration and evaluation expenses, net of recoveries	**(832,936)**	(794,697)
Administration expenses (excluding share-based compensation)	**(165,336)**	(166,149)
Share-based compensation	**(478,659)**	(11,837)
Interest income and miscellaneous	**25,480**	7
Foreign exchange loss	**(610)**	(3,062)
Flow-through premium recovery	**213,930**	51,390
Net loss and total comprehensive loss for the period	**(1,238,131)**	(924,348)

The net loss and total comprehensive loss for three months ended May 31, 2023, increased compared to the same period in the prior year mainly due to the increase in the share-based compensation and the Company's exploration activity, offset by the receipt of refundable BC METC and the higher flow-through premium recovery in the three months ended May 31, 2023.

During the three months ended May 31, 2023, the most significant exploration and evaluation expenses were related to drilling of $475,395 (2022 - $259,725), geology costs of $203,136 (2022 - $214,652), general exploration expenses of $134,911 (2022 - $109,016) and camp preparation cots of $98,121 (2022 - $41,612), offset by the receipt of BC METC of $177,615 (2022 - $nil). During the three months ended May 31, 2022 the Company incurred assay analysis costs of $159,636 (compared to $24,290 during the same period in 2023).

The significant categories in administration expenses for three months May 31, 2023, includes legal, audit and accounting costs of $47,867 (2022 - $38,675); licenses, fees and other costs of $8,490 (2022 - $9,389), office rent and building expenses of $12,000 (2022– $15,000); and travel and promotion costs of $71,046 (2022 - $85,529). Legal, audit and accounting costs and licenses, fees and other costs are largely unchanged compared to the same period in the prior year. The decrease in travel, marketing and promotion costs incurred during the three months ended May 31, 2023 arises from continued management of the Company's costs, assessment of marketing programs and changes in the timing of incurrence these expenditures. During the nine months ended May 31, 2023 the Company also incurred non-cash share-based compensation of $478,659 compared with $11,837 for the same period to May 31, 2022.

Quarterly Information

The following table sets forth selected financial information from the Company's unaudited quarterly financial statements for the last eight quarters ending with the most recently completed quarter, being the three months ended May 31, 2023. No cash dividends were declared in any of the reported periods.

Three months ended	May 31, 2023 $	Feb 28, 2023 $	Nov 30, 2022 $	Aug 31, 2022 $
Total revenues	nil	nil	nil	nil
Net income (loss)	(1,238,131)	(185,333)	(263,602)	(375,974)
Net income (loss) per share	(0.01)	-	-	-

* *The aggregate of quarterly per share amounts may not equal the annual per share amount due to rounding in the calculations.*

Three months ended	May 31, 2022 $	Feb 28, 2022 $	Nov 30, 2021 $	Aug 31, 2021 $
Total revenues	nil	nil	nil	nil
Net income (loss)	(924,348)	(1,992,869)	(1,714,047)	(310,445)
Net income (loss) per share	(0.01)	(0.02)	(0.02)	-

* *The aggregate of quarterly per share amounts may not equal the annual per share amount due to rounding in the calculations.*

The changes in quarterly net loss from fiscal 2022 to fiscal 2023 are primarily driven by the changes in and the timing of the Company's exploration activities and the timing of option grants – which give rise to recognition of non-cash share base payment expense. The increase in net loss during the quarter ended May 31, 2023 is due to an increase in exploration expenses from $794,697 to $832,936 in 2023 and an increase in share-based compensation from $11,837 in 2022 compared to $478,659 in 2023. These increases are offset by a higher flow-through premium recovery of $213,930 during the three months ended May 31, 2023 compared to a recovery of $51,930 for the same period in 2022, and a reduction of exploration expense by $177,615 due to BC METC received in 2023 compared to $nil in 2022.

Financing

<u>Nine months ended May 31, 2023</u>

During the nine months ended May 31, 2023 shares were issued for the following:

On December 29, 2022, the Company closed the first tranche of its non-brokered private placement by issuing a total of 13,045,233 flow-through units, as follows: the first tranche consists of (i) 8,333,333 flow-through units (the "FT Units") sold at a price of $0.12 per FT Unit for gross proceeds of $1,000,000; and (ii) 4,711,900 premium flow-through units (the "PFT Units") sold at a price of $0.147 per PFT Unit for gross proceeds of $692,649 for aggregate total gross proceeds of $1,692,649. Each FT Unit and PFT Unit consists of one flow-through common share and one warrant. The warrants for all units are the same with each warrant entitling the holder to purchase one non-flow-through common share for a period of 3 years, until December 29, 2025, at an exercise price of $0.15 per common share. In addition, the Company incurred cash finders' fees of $42,476 and issued 353,964 finders' warrants which are exercisable at $0.15

per common share for a period of 3 years, until December 29, 2025. The fair value of the finders' warrants was calculated using the Black-Scholes Model and the following assumptions: share price - $0.19; expected life – 3 years; volatility – 144.8%; discount rate – 3.60%; dividend rate – $nil.

On January 16, 2023, the Company closed its final tranche of the private placement by issuing 10,500,000 non-flow-through units (the "NFT Units") at a price of $0.10 per NFT Unit for gross proceeds of $1,050,000. Each NFT Unit consists of one non-flow-through common share and one warrant. The warrants for the NFT Units entitle the holder to purchase one non-flow-through common share for a period of 3 years, until January 26, 2023, at an exercise price of $0.15 per common share. In addition, the Company incurred cash finders' fees of $13,680 and issued 136,800 finders' warrants which are exercisable at $0.15 per common share for a period of 3 years, until January 26, 2023. The fair value of the finders' warrants was calculated using the Black-Scholes Model and the following assumptions: share price - $0.16; expected life – 3 years; volatility – 145.1%; discount rate – 3.21%; dividend rate – $nil.

During the nine months ended May 31, 2023, 4,895,145 warrants were exercised resulting in proceeds of $489,516 and 200,000 options were exercised resulting in proceeds of $20,000.

<u>Nine months ended May 31, 2022</u>

During the nine months ended May 31, 2022 shares were issued for the following:

On November 15, 2021, the Company closed the first tranche of a private placement by issuing 7,903,667 flow-through units at a price of $0.15 per unit for gross proceeds of $1,185,550 and by issuing 2,800,000 non-flow-through units at a price of $0.14 per unit for gross proceeds of $392,000. Each flow-through unit is comprised of one flow-through common share of the Company and one-half (0.5) of a non-flow-through warrant. Each non-flow-through unit is comprised of one common share of the Company and one-half (0.5) of a non-flow-through warrant. Each whole flow-through warrant and each whole non-flow-through warrant, respectively, are each exercisable at a price of $0.20 per non-flow-through common share for a period of 2 years. In addition, the Company incurred cash finders' fees of $90,339 and issued 610,423 non-flow-through finders' warrants, of which 213,710 are exercisable at a price of $0.20 per share for a period of 2 years and 396,713 are exercisable at a price of $0.15 per share for a period of 2 years.

On December 22, 2021, the Company closed its second and final tranche of its flow-through and non-flow-through private placements. The Company issued 1,725,002 NFT Units at a price of $0.14 per NFT Unit for gross proceeds of $241,500 and by issuing 12,100,002 FT Units at a price of $0.15 per FT Unit for gross proceeds of $1,815,000. Each NFT Unit is comprised of one non-flow-through common share and one-half of one non-flow-through warrant. Each FT Unit is comprised of one-flow through common share and one-half of one non-flow through warrant. The warrants for all units are the same with each whole warrant entitling the holder thereof to purchase one non-flow-through common share for a period of 2 years at a price of $0.20. In addition, the Company incurred cash finders' fees of $144,255 and issued 962,751 non-flow-through finders' warrants, with each warrant entitling the holder thereof to purchase one non-flow-through common share for a period of 2 years at a price of $0.20.

Liquidity and Capital Resources

The unaudited condensed interim consolidated financial statements for the period ended May 31, 2023, have been prepared on the basis of accounting principles applicable to a going concern. This assumes that Equity Metals will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Equity Metals has incurred operating losses over several fiscal years, has limited financial resources, no source of operating cash flow and no assurances that sufficient funding, including adequate financing, will be available to further explore its mineral property projects and to cover the overhead costs necessary to maintain a public company in good standing. At May 31, 2023, Equity Metals had cash on hand of $2,331,833 and a current working capital of $2,022,569 compared to cash on hand of $497,520 and a working capital of $482,525 at August 31, 2022. The net increase in cash for the period is primarily from net cash received from financing activities of $3,131,267, arising primarily from the private placements completed during the period ended May 31, 2023, and cash received from warrant and option exercises.

During the nine months ended May 31, 2023, the Company's cash and cash equivalents increased by $1,836,953 compared to a decrease of $761,270 in the same period of 2022. This increase in cash and cash equivalents is mainly due to a decrease in the loss for the period in 2023, resulting in lower cash used in operating activities. The Company generated cash from financing activities of $3,131,267 during the nine months ended May 31, 2023 compared to $3,369,109 during the nine months ended May 31, 2022.

Working Capital

As at	**May 31, 2023**	**Aug 31, 2022**
	$	$
Current Assets	**2,530,638**	579,389
Current Liabilities	**508,069**	96,864
Current Working Capital	**2,022,569**	482,525

Critical Accounting Estimates

Carrying value and recoverability of exploration and evaluation assets

The carrying amount of the Company's exploration and evaluation assets does not necessarily represent present or future values, and the Company's exploration and evaluation assets have been accounted for under the assumption that the carrying amount will be recoverable. Recoverability is dependent on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development and upon future profitable production, or proceeds from the disposition of the mineral properties themselves.

Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could impact management's assessment as to the overall viability of its properties or to the ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's mineral properties.

To the extent that any of management's assumptions change, there could be a significant impact on the Company's future financial position, operating results and cash flows.

Fair value of stock options and warrants

Charges for share-based compensation are based on the fair value at the date of the award. Stock options are valued using the Black-Scholes Option Pricing Model, and inputs to the model include assumptions on expected volatility, discount rates and expected term, dividend yield, and expected forfeitures. Any changes in the estimates or inputs utilized to determine fair value could result in a significant impact on the Company's future operating results or on other components of equity. Expected volatility is a measure for variation of a price of a financial instrument over time. Expected volatility is derived from a time series of past market prices therefore may not be an accurate representation of future volatility.

Income taxes

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and future income tax provisions or recoveries could be affected.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Additional Disclosure for Venture Issuers without Significant Revenue

Additional disclosure concerning Equity Metal's general and administrative expenses and resource property costs is provided in the Company's audited consolidated financial statements for the years-ended August 31, 2022 and 2021 available on its SEDAR at www.sedar.com.

Transactions with Related Parties

Related party transactions are negotiated in the best interest of the Company.

Key management includes the President, the Chief Financial Officer, the VP Exploration and the directors. The compensation paid or payable to key management for services during the three and nine months ended May 31, 2023 and 2022, respectively, is as follows:

	Three months ended		**Nine months ended**	
	May 31 2023	**May 31 2022**	**May 31 2023**	**May 31 2022**
	$	**$**	**$**	**$**
Management and professional fees to related parties	16,248	15,294	49,064	56,609
General exploration fees to related parties	23,682	18,039	44,477	46,835
Share-based payments to related parties	285,584	-	285,584	272,624
	325,514	33,333	379,125	376,068

During the three and nine months ended May 31, 2023, $12,722 (2022 – $13,540) and $36,720 (2022 - $37,997), respectively, in accounting support services was charged by Malaspina Consultants Inc., a company controlled by Killian Ruby, the CFO and a director of the Company. Further, during the three and nine months ended May 31, 2023 the following amounts were charged to the Company by Manex Resource Group Inc., a company indirectly controlled, as of November 1, 2021, by Killian Ruby, the CFO and a director of the Company and prior to that a company controlled by Larry Page, the Chairman of the board of directors: (i) $21,025 (2022 - $19,757) and $41,205 (2022 - $49,136), respectively, being costs for general exploration services; (ii) $12,000 (2022 - $15,000) and $38,000 (2022 - $45,000), respectively, being costs for office rent services; (iii) $6,851 (2022 - $6,170) and $13,121 (2022 - $19,474), respectively, being costs for general office and administration support services; (iv) $5,985 (2022 - $2,108) and $11,655 (2022 - $20,438), respectively, being costs for legal and corporate secretarial support services; (v) $36,738 (2022 - $23,811) and $107,119 (2022 - $69,630), respectively, being costs for corporate development and communication services and (vi) $nil (2022 - $nil) and $26,145 (2022 - $347), respectively, being costs for corporate finance and associated financing support services.

Included in current liabilities at May 31, 2023 is (i) $51,320 (August 31, 2022 - $21,134) due to related parties. These amounts are unsecured and due under normal business terms.

Adoption of New Accounting Standards During the Period

No new accounting standards were adopted during the period.

Financial Instruments and Other Instruments

The Company's financial assets and liabilities are cash, receivables, reclamation deposits, accounts payable and accrued liabilities and amounts due to related parties. The fair values of these financial instruments are estimated to be their carrying values due to their short-term nature. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from the financial instruments. The fair value of these financial instruments approximates their carrying value due to their short-term maturity, receipt of market interest rates on interest bearing assets or capacity of prompt liquidation.

Outstanding Share Data

The Company has authorized share capital consisting of common shares without par value. The number of shares authorized is unlimited. The Company has issued warrants for the purchase of common shares and also a stock option plan. The table below summarizes the Company's common shares, stock options and warrants that are convertible into common shares as of July 31, 2023:

	Number
Issued and outstanding common shares	134,105,991
Share options with a weighted average exercise price of $0.19	12,425,000
Share purchase warrants with a weighted average exercise price of $0.15	70,443,782
Fully Diluted	**216,974,773**

Disclosure Controls and Procedures

In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the financial statements for the six months ended February 28, 2023 and this accompanying MD&A (together, the "Filings").

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

For further information, and other information relating to the Company, the reader should refer to the Venture Issuer Basic Certificates filed by the Company with its filings on SEDAR at www.sedar.com.

Environmental, Social and Governance Disclosures

The Company's is committed to increased stakeholder disclosure and dialogue over sustainability matters. The core values are:

- Excellence – evidence backed exploration producing high value and socially and environmentally sustainable outcomes
- Health and Safety – a healthy and safe environment for the Company's people, neighbours, and surrounding communities
- Accountability – to shareholders and surrounding communities
- Environment – healthy ecosystems and a sustainable environmental now and for future generations by applying best mining practices
- Governance - Having an established governance structure allows the Company to meet the commitments set in place through policies and management plans.

Equity Metals is committed to responsible exploration and protection of the environment surrounding its operations. The Company is committed to the application of policies and management plans that will guide sustainable mining exploration. Our environmental initiatives are designed to ensure best practices in land and water use which are monitored and managed to meet or exceed regulatory requirements.

Equity Metals strives to support the surrounding communities throughout the exploration process. The Company is committed to working with rights holders, local communities, and stakeholders to listen and learn about their concerns and to finding mutually acceptable outcomes. Engaging with, supporting, and giving back to our people and the surrounding local communities is a fundamental value of Equity Metals.

Risks

The Company is engaged in the exploration, development and exploitation of mineral resources for base metals, precious metals, industrial minerals and diamonds. The properties of the Company are without a known body of commercial ore. The exploration programs undertaken and proposed constitute an exploratory search and there is no assurance that the Company will be successful in its search. The business of exploring for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish ore reserves, to develop metallurgical processes, and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current exploration programs planned by the Company will result in a profitable commercial mining operation. The amounts shown as property acquisition costs represent acquisition and holding cost, less amounts written off, and do not necessarily represent present or future values.

Acquisition of rights to the mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. Although the Company has investigated the title to all of the properties for which it holds concessions or in respect of which it has a right to earn an interest, the Company cannot give any assurance that title to such properties will not be challenged or impugned. The Company’s properties may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects or governmental actions. The Company can never be certain that it or its option partners will have valid title to its mineral properties. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify, and transfers under foreign law are often complex.

The Company does not carry title insurance on its properties. A successful claim that the Company or its option partner does not have title to a property could cause the Company to lose its rights to that property, perhaps without compensation for its prior expenditures relating to the property. The occurrence of any such event could have a material adverse effect on the Company and its prospects.

The Company requires licenses and permits from various governmental authorities to carry out exploration and development of its projects. Obtaining permits can be a complex, time consuming process. There can be no assurance that the Company will be able to obtain the necessary licences and permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict the Company from continuing or proceeding with existing or future operations or projects. Any failure to comply with permits and applicable laws and regulations, even if inadvertent, could result in the interruption or closure of operations or material fines, penalties or other liabilities. In addition, the requirements applicable to sustain existing permits and licenses may change or become more stringent over time and there is no assurance that the Company will have the resources or expertise to meet its obligations under such licenses and permits.

The Company has experienced losses in operations in prior years and has an accumulated deficit position. The Company expects to incur losses for the foreseeable future. The continuation of the Company’s operations is subject to its ability to continue to be able to raise funding to support its operations. While the Company has been successful to date in raising funding there is no guarantee that it will continue to do so in the future.

The profitability of the Company’s operations, if ever established, will be dependent upon the market price of mineral commodities. Mineral prices fluctuate widely and are affected by numerous factors beyond the control of the Company. The level of interest rates, the rate of inflation, world supply of mineral commodities, consumption patterns, sales of copper, gold and silver by central banks, forward sales by producers, production, industrial and jewellery demand, speculative activities and stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments. The prices of mineral commodities have fluctuated widely in recent years. Current and future price declines could cause commercial production to be impracticable. The Company’s revenues and earnings also could be affected by the prices of other commodities such as fuel and other consumable items, although to a lesser extent than by the price of copper, gold, silver or molybdenum. The prices of these commodities are affected by numerous factors beyond the Company’s control.

The Company is dependent upon share issuances to provide the funding necessary to meet its general operating expenses and will require additional financing to continue to explore its mineral properties. Issuances of additional securities will result in dilution of the equity interests of the Company’s shareholders. The Company may issue additional common shares in the future as further capital is required and on the exercise of outstanding options or other convertible securities issued from time to time. Sales or issuances of substantial amounts of additional securities, or the availability of such securities for sale, could adversely affect the market prices for the Company's securities. A decline in the market prices of securities of the Company could impair the Company's ability to raise additional capital through the sale of new common shares should it desire to do so. In addition, if additional common shares or securities convertible into common shares are sold or issued, such sales or issuances may substantially dilute the equity interests of the Company's holders of common shares.

Certain directors and officers of the Company are or may become associated with other natural resource companies which may give rise to conflicts of interest. In accordance with the Business Corporations Act (British Columbia), a director or senior officer who has a material interest in a contract or transaction or a proposed contract or transaction that is material to the Company, or a director or senior officer who is a director or senior officer of, or has a material interest in, a person who has a material interest in the contract or transaction, is required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract or transaction. In addition, the directors and the officers are required to act honestly and in good faith with a view to the best interests of the Company. However, circumstances (including with respect to future corporate opportunities) may arise which are resolved in a manner that is unfavourable to the Company. Further, the non-management directors of the Company have either other full-time employment or other business or time restrictions placed on them and accordingly, the Company will not be the only business enterprise of these persons and these persons will not devote all of their time to the business and affairs of the Company.

The Company is also subject to regulatory risks include the possible delays in getting regulatory approval to the transactions that the Board of Directors believe to be in the best interest of the Company, and include increased fees for filings, the introduction of ever more complex reporting requirements the cost of which the Company must meet in order to maintain its exchange listing.

Companies in all industries, including the mining industry, are subject to legal claims from time to time, some of which have merit and others of which do not. Defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which the Company may become subject could have a material effect on the Company's financial position, results of operations or the Company's property development.

Companies in all industries, including the mining industry, are susceptible to cyber risk. The Company's primary operational exposure to cyber risk is with respect to proprietary geological, geochemical and exploration data and related models. The Company, similar to companies in all industries, is exposed to common place cyber risks such as, but not necessarily limited to, phishing, spam, fraudulent attacks, denial of service attacks, data loss , data theft, data corruption. The Company outsources its IT management to IT professionals who implement, among other controls and mitigation strategies, system access and authentication controls, transactional authentication, ssystem aactivity logging, audit trails, "exception" handling, on-prem and off-prem backup and storage of the Company's data.

Russian-Ukrainian War

On 24 February 2022, Russia began a military invasion of Ukraine which has resulted in multiple global impacts, including, but not limited to, a significant rise in fuel prices. The ultimate impacts to the Company are not determinable at this date, however, they could have a material impact on the Company's forecasted exploration work and the Company's financial position, results of operation and cash flows. The impacts to the Company's operations could include, but not necessarily be limited to: (i) significantly increased operational and subcontractor costs from rising fuel prices, (ii) increased food and subsistence costs, (iii) greater risk exposures in capital flows, trade and commodity markets worldwide and (iv) high inflation and uncertain financial markets. As at July 31, 2023, the Company has not been significantly impacted by the Russian-Ukrainian war, however, the full-extent of its impact on the Company's business remains uncertain.