

BeMetals Corp.

Management's Discussion and Analysis
of Financial Condition and Results of Operations
December 31, 2022 and 2021

Management's Discussion and Analysis

The following discussion is management's assessment and analysis of the results and financial condition of BeMetals Corp. ("BeMetals" or the "Company"), and should be read in conjunction with the accompanying audited annual consolidated financial statements and related notes, which are prepared in accordance with International Financial Reporting Standards ("IFRS"). All figures are reported in Canadian dollars unless otherwise indicated. The effective date of this report is April 24, 2023.

Business Overview

BeMetals is a precious and base metals exploration and development company with wholly owned projects in Japan and an option agreement to acquire interests in a copper project in Zambia. In 2021, BeMetals expanded its exposure into the gold sector through the acquisition of five gold exploration projects in Japan (see 'Kazan Gold Project' below). In connection with the Company's expansion into Japan, B2Gold Corp. ("B2Gold") became a strategic investor and currently holds approximately 19% of BeMetals' outstanding shares. Pursuant to our option agreement, BeMetals has the right to acquire a majority interest in the Pangeni copper exploration project (the "Pangeni Copper Project" or "Pangeni") on the western extension of the Zambian Copperbelt (see 'Pangeni Copper Project' below). In December 2022, the Company opted to terminate its option agreement to acquire an interest in the South Mountain project (the "South Mountain Project" or "South Mountain") in southwest Idaho, USA.

The Company will continue to advance its high-quality portfolio of mineral projects through well-managed technical programs with prudent deployment of funding and its ability to raise future funding as appropriately required. In addition, the Company will continue to evaluate other potential precious and base metal acquisition opportunities utilizing the Company's extensive worldwide network, experience, and track-record in the mining business. BeMetals intends to become a leading precious and base metals producer through the advancement of quality exploration, development, and production stage projects.

Founding directors of the Company include John Wilton (President and CEO), Clive Johnson, Roger Richer and Tom Garagan. In July 2020, Mark Connelly joined the Board as Non-Executive Chairman and director. The Board is joined by Derek Iwanaka (VP of Investor Relations and Corporate Development), Nick Furber (CFO), and Kristen Reinertson (Corporate Secretary and a director). Dr. Richard Sillitoe, one of the world's foremost economic geological experts on precious and base metal deposits, provides technical input for the Company's current projects and new project assessments as an advisor. Dennis Stansbury, a highly experienced mining engineer, and currently Sr. VP of Engineering and Project Evaluations with B2Gold Corp., also serves as a technical advisor to BeMetals.

The Company's shares are listed on the TSX Venture Exchange ("TSX-V") under the symbol 'BMET', and they trade on the OTCQB in the U.S.A. under the symbol 'BMTLF', as well as on the Frankfurt Stock Exchange in Germany under the symbol '1OI.F'.

Since listing on the TSX-V, the Company has, through equity financings, successfully raised a total of approximately \$25 million with private placements of; \$2.24 million in 2018, \$6.25 million in 2019, \$7.5 million in 2020, \$7.5 million in 2021 and an additional \$1.2 million through the exercise of warrants associated with the 2020 private placement. B2Gold became a strategic investor in BeMetals through the latest equity financing and the acquisition of the Kazan Gold Project in Japan, where B2Gold subscribed for \$7.5 million as part of the Kazan acquisition. In addition, the Company entered into a loan agreement with B2Gold for an unsecured loan in the principal amount of US\$5,000,000 (see 'Liquidity and Capital Resources' below) in August 2022. The Company will need to raise additional funds in the future to meet its growth strategy and carry out its long-term objectives. While the Company has been successful in obtaining financing to date, there is no assurance that it will be able to secure adequate financing in the future or that such financings will be on terms that are acceptable to the Company. The Company anticipates it has sufficient capital to meet its current obligations for the next twelve months.

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Kazan Gold Project

The Kazan Gold Project includes rights to explore a total of five project areas in Japan. In addition to the most advanced Kato Project ("Kato"), these properties include the earlier stage Todoroki and Konomai projects also on Hokkaido, as well as the Tashiro and Hokusatsu projects on Kyushu.

Recent Highlights

In February 2023, the Company announced commencement of its 2023 field season with a planned 2,000 metre diamond drilling program at the Kato Project. Based on the exploration success thus far, the Company is having a second drill rig shipped to Japan. The additional rig will be used to accelerate drilling at Kato, and to initiate planned drilling at certain of the Company's other Japanese projects, including approximately 1,000 metres at the Todoroki Project.

The 2023 drilling program at Kato, will focus on extending the gold mineralization found along the south-easterly trending Seta and Kamitake veins. To date, the Seta vein has been traced, by drilling, some 560 metres and this year's program will aim to follow the gold bearing veins further towards the southeast corner of the Kato property and test the depth extent of the veins.

By December 2022 BeMetals had completed its initial 2,000 metre drilling campaign at Kato and in January 2023, the Company announced the remaining assay results from its program including, holes KT22-13 and KT22-15 which extended the Seta and Kamitake veins to the southeast. The relatively lower gold grade of these intersections compared to KT22-11 and KT22-12 are related to the former intersections being in the shallow, steam heated area of the epithermal system. These intersections likely represent the upper zone of the veins. Highlights of these new holes included:

- **KT22-13: Seta Vein:** 30.00 m grading 0.47 g/t Au
 - Including: 5.25 m grading 1.25 g/t Au
- **KT22-15: Seta Vein:** 17.50 m grading 0.29 g/t Au
- **KT22-15: Kamitake Vein:** 3.67 m grading 0.86 g/t Au

The table below lists the gold intersections returned from holes KT22-13 and KT22-15, which included intercepts in both the Seta and Kamitake Vein as well as surrounding mineralized stockwork zones.

Drill hole and Interval	From (m)	To (m)	Core Interval (m)	Au g/t	Comments
KT22-13: Seta Vein Zone					
Interval 1:	183.60	188.20	4.60	0.48	Stockwork Zone ⁽¹⁾
Interval 2:	199.00	213.00	14.00	0.31	Vein Zone
Interval 3:	213.00	243.00	30.00	0.47	Vein Zone
<i>Including:</i>	213.00	218.25	5.25	1.25	
<i>Including:</i>	217.70	218.25	0.55	3.12	
KT22-15					
Interval 1: Kamitake Vein	50.83	54.50	3.67	0.86	Interpreted Upper Zone of Kamitake Vein ⁽¹⁾
Interval 2: Seta Vein	199.25	216.75	17.50	0.29	Interpreted Upper Zone of Seta Vein
<i>Including:</i>	199.25	201.90	2.65	0.43	
<i>Including:</i>	206.81	208.00	1.19	0.43	
<i>Including:</i>	211.20	213.38	2.18	0.44	
<i>Including:</i>	215.30	216.75	1.45	0.45	

Table Notes: Intertek Testing Services completed the analytical work with the core samples processed at their accredited laboratory in Manila, Philippines (See details in QA/QA section below). Reported widths are drilled core lengths as true widths are unknown at this time. Based upon current data it is estimated true widths range

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between 35 to 65% of the drilled intersections. For the Stockwork Zone a nominal cut-off grade of 0.30 g/t Au has been used to determine the boundaries of the intersections with no more than 1.30 metres of internal dilution of the intercept. For the Seta Vein a nominal cut-off grade of 1 g/t Au has been used to determine the boundaries of the intersections with no more than 4.84m internal dilution of the intercepts. *A nominal cut-off grade of 3 g/t has been used to determine the boundaries of this intersection with no more than 2.08 metres of internal dilution. †A nominal cut-off grade of 5 g/t has been used to determine the boundaries of this intersection with no more than 1.91 metres of internal dilution.

In September 2022 the Company released the latest assay results from its diamond drilling program at Kato and announced that given the continued success of its program, would increase the size of its initial drilling campaign to 2,000 metres. Highlights of the KT22-12 core drill hole included:

- **KT22-12: Seta Vein Zone:** 26.10 metres (“m”) grading 3.06 grams per tonne (“g/t”) gold (“Au”)
 - Including: 10.20 m grading 4.88 g/t Au
 - Including: 5.05 m grading 5.76 g/t Au
- **KT22-12: Kamitake Vein Zone:** 16.75 m grading 0.58 g/t Au
- This new hole extended the Seta Vein Zone by some 100 metres along strike from KT22-11 (see below)
- The newly identified Kamitake vein, represents a significant additional target zone near the Seta Vein

The Table below lists the gold intersections in hole KT22-12 which includes both the Seta and Kamitake Vein intersections and surrounding interpreted mineralized stockwork zones.

Drill hole	From (m)	To (m)	Core Interval (m)	Au g/t	Comments
KT22-12					
Seta Vein Zone:					
Interval 1:	229.00	237.00	8.00	0.57	Seta Stockwork Zone ⁽¹⁾
Interval 2:	237.00	263.10	26.10	3.06	Seta Vein
<i>Including:</i>	239.70	249.90	10.20	4.88	Seta Vein
<i>Including:</i>	239.70	244.75	5.05*	5.76	Seta Vein
Kamitake Vein Zone:					
Interval 1:	172.25	189.00	16.75	0.58	Kamitake Vein Zone ⁽¹⁾
<i>Including:</i>	178.05	182.70	4.65	0.84	Interpreted Upper Zone of Kamitake Vein
<i>Also Including:</i>	186.90	189.00	2.10	0.81	Interpreted Upper Zone of Kamitake Vein

Table Notes: Intertek Testing Services completed the analytical work with the core samples processed at their accredited laboratory in Manila, Philippines. Reported widths are drilled core lengths as true widths are unknown at this time. Based upon current data it is estimated true widths range between 55 to 65% of the drilled intersections. For the Stockwork Zone a nominal cut-off grade of 0.30 g/t Au has been used to determine the boundaries of the intersections with no more than 1.30 metres of internal dilution of the intercept. For the Seta Vein a nominal cut-off grade of 1 g/t Au has been used to determine the boundaries of the intersections with no more than 4.84m internal dilution of the intercept. For the Kamitake Vein Zone a nominal cut-off grade of 0.3 g/t Au has been used to determine the boundaries of the intersections with no more than 4.20m internal dilution of the intercept. * A nominal cut-off grade of 5 g/t has been used to determine the boundaries of this intersection with no more than 1.91 metres of internal dilution.

In July 2022 the Company announced the first assay results from its planned 1,500 metre diamond drilling program at Kato, which showed an extension of the previously intersected high-grade vein zone. Highlights of the first drill hole KT22-11 included:

- **KT22-11:** 11.50 metres (“m”) grading 6.42 grams per tonne (“g/t”) gold (“Au”)
 - Including: 8.70 m grading 7.80 g/t Au
 - Including: 4.42 m grading 11.88 g/t Au

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This new hole extends the targeted high-grade vein zone by some 60 metres along strike.

The table below lists the gold intersections in hole KT22-11 which includes the high-grade vein intersections and surrounding interpreted mineralized stockwork zones.

Drill hole	From (m)	To (m)	Core Interval (m)	Au g/t	Comments
KT22-11					
Interval 1:	226.00	236.80	10.80	0.43	Stockwork Zone
Interval 2:	236.80	248.30	11.50	6.42	Vein Zone
<i>Including:</i>	239.60	248.30	8.70*	7.80	
<i>Including:</i>	239.60	244.12	4.52	11.88	
Interval 3:	248.30	253.20	4.90	0.76	Stockwork Zone ⁽¹⁾

*Table Notes: Intertek Testing Services completed the analytical work with the core samples processed at their accredited laboratory in Manila, Philippines (. Reported widths are drilled core lengths as true widths are unknown at this time. Based upon current data it is estimated true widths range between 55 to 65% of the drilled intersections. For the Stockwork Zone a nominal cut-off grade of 0.30 g/t Au has been used to determine the boundaries of the intersections with no more than 1.20 metres of internal dilution of the intercept. For the Vein Zone a nominal cut-off grade of 1 g/t Au has been used to determine the boundaries of the intersections with no internal dilution of the intercept. *A nominal cut-off grade of 3 g/t has been used to determine the boundaries of this intersection with no more than 2.08 metres of internal dilution.*

In October 2021, the Company announced it had received a number of high-grade surface sampling results from geological reconnaissance fieldwork, undertaken in August that year, at its Todoroki Property on Hokkaido, in northern Japan. These samples included:

- 9.43 grams per tonne ("g/t") Gold ("Au") and 442.5 g/t silver ("Ag") over 2.1 metres (*Composite chipped channel interval of outcropping vein*)
- 9.29 g/t Au and 656.5 g/t Ag over 2.5 metres (*Composite chipped channel interval of outcropping vein*)
- 41.10 g/t Au over 0.1 metres (*Chipped sample near historical vein adit*)

More details can be found in the Company's news releases dated January 11, 2023, September 21, 2022, July 26, 2022 and October 19, 2021, which are available on the Company's website.

About the Kazan Project

The Company acquired the Kazan Gold Project in April 2021. The Kazan Gold Project is an expertly selected portfolio of wholly owned gold properties in Japan, including the more advanced exploration-stage Kato Project in Hokkaido. Kazan assembled this land position covering extensions and similar geological terrains known to have hosted numerous historical high-grade mines including, but not limited to, the currently operating Hishikari Gold Mine on Kyushu, which produced 7.9 million ounces of gold from 1985-2020 at an average grade of 30-40 grams per tonne gold.

Kazan has the rights to explore a total of five project areas in Japan. In addition to the Kato Project, these properties include the earlier stage Todoroki and Konomai projects also on Hokkaido, as well as the Tashiro and Hokusatsu projects on Kyushu. A number of these project areas were subject to, or have adjacent, historical high-grade gold mining operations.

The Kato Gold Project is the most advanced exploration project and covers close to 2,000 hectares in central Hokkaido. The property was drilled by the Japanese government's Metal Mining Agency of Japan ("MMAJ") in the 1990s and during that time intervals of high-grade gold including 17.5 metres grading 8.15 grams per tonne ("g/t") gold ("Au") in hole 5MAHB-2, and 18.65 metres grading 5.01 g/t Au in hole 7MAHB-1 were returned. Little work was conducted on the property since the 1990s until the Japanese Ministry of Economy Trade and Industry ("METI") granted the prospecting rights to Kazan Resources, Japan in December 2017. Kazan Resources was acquired by BeMetals in 2021.

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From 2018-2019, Kazan completed several core holes which successfully intersected a zone of hydrothermal breccia near the adjacent main target vein. KT19-02A returned a number of zones of gold mineralization including 14 metres grading 2.10 g/t Au without intersecting the primary target vein. In 2020, a larger drill rig was deployed and reached the primary target zone, intersecting over 50 metres of hydrothermal breccia, vein breccia, stockwork, and banded quartz-adularia veins in hole KT20-010. The hole intersected 58.9 metres grading 0.76 g/t Au, including 7.4 metres at 2.99 g/t Au, and ended in 2.8 metres grading 3.1 g/t Au. The Table below illustrates these selected intersections.

Further drilling is in progress to follow-up on this priority target zone and other associated highly prospective targets (see "Recent Highlights" section above) some of which have had little to no previous drill testing. For more details on Kato see the technical report entitled, "Kato Gold Project, Japan NI 43-101 Technical Report" with an effective date of July 13, 2021 filed on SEDAR or on the Company website.

KATO PROJECT: SELECTED HISTORICAL DRILLING INTERSECTIONS

Drill Hole ID	From (m)	To (m)	Core Interval (m)	Au g/t	Drilled By
5MAHB-2	314.80	332.30	17.50	8.15	Metal Mining Agency of Japan
7MAHB-1	258.85	277.50	18.65	5.01	Metal Mining Agency of Japan
KT19-02A	120.48	177.05	56.57	0.80	Kazan
Including	136.95	164.50	27.55	1.40	Hole did not reach primary target
Including	150.50	164.50	14.00	2.10	
KT20-010					Kazan
Interval 1:	165.30	224.20	58.90	0.76	
<i>Including</i>	167.70	175.10	7.40	2.99	
Interval 2:	229.80	232.60*	2.80	3.10	

In 2021, due to Japanese travel restrictions resulting from the COVID pandemic, the Company was unable to immediately commence drilling in Japan, however during that time the locally based personnel continued to progress on-site exploration work such as stream and outcrop sampling whilst the Company was planning the 2022 fieldwork program and importing a new larger diamond drill into Japan. In late March 2022, when Japan eased COVID restrictions and began allowing foreigners to enter the country for business, the Company's contract drillers and certain geologists commissioned the new drill and commenced an initial phase of diamond drilling at Kato.

The Todoroki Gold-Silver Project is located on the southwestern region of Hokkaido and targets high-grade epithermal gold-silver mineralization encompassed within some 590 hectares of prospecting rights which include the historical Todoroki Mine discovered in 1896 – the oldest gold-and-silver mine in Hokkaido. Recorded production at the Todoroki Mine from 1925 until 1943 was approximately 200,000 ounces of Au, and 7.4 million ounces of Ag. Mining was temporarily halted in 1943 but resumed operation after WWII. Mining continued intermittently until the 1980s but production information for this period is uncertain.

Detailed geological studies by a Japanese group in the early 1970s concluded that in addition to the 13 known vein occurrences at Todoroki, there were numerous other undeveloped veins and alteration halos surrounding potential vein zones that required investigation. The veins are described as being composed of quartz, calcite, and adularia with local rhodochrosite. The veins are distributed over a 4.5km (East-West) by 1.5km (North-South) area and range in length between 500 and 1,500 metres, with documented widths ranging from 1 to more than 10 metres.

In 2021, a reconnaissance surface sampling program, completed by the Company, yielded several high-grade results, associated with outcrops near to historical mining, including 9.43 g/t Au and 442.5 g/t Ag over 2.1 metres and 9.29 g/t Au and 656.5 g/t over 2.5 metres. This confirms the significant high-grade silver component to the mineralization. Phases of rock chip and cut channel sampling along with geological mapping were also completed in 2022. Information from these programs have been integrated with data from the historical underground Todoroki Gold-Silver Mine and has generated

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some robust targets for drill testing planned from mid-2023. The primary objective for the 2023 drilling at Todoroki is to test for extensions to the extensive vein swarm with an initial approximately 1,000m of core drilling.

The Tashiro Gold Project is located in northeastern Kyushu. The Project is situated within the regional scale Hohi Graben, a major geological structure in this district that is associated with numerous historical gold mines and prospects known collectively as the Northern Kyushu epithermal gold province.

In early 2023, BeMetals completed an airborne drone magnetic survey at Tashiro. This survey information was integrated with the historical drilling results to generate several compelling drilling targets for the property.

The high-grade quartz-gold veins of the Noya and Noya SW prospects within the Tashiro Project do not crop out. The area was initially explored for its geothermal energy potential with a single drill hole completed in 1952, and subsequently three more holes were completed in 1977. The existence of epithermal quartz-gold veins in this drill core, with associated intense alteration, was first recognised by Morishita & Takeno and reported in 1989. Motivated by these results, in the early 1990s, MMAJ conducted drilling on the property as part of their search for the next Hishikari Gold Mine. A combination of mapping, soil sampling, geophysics, and drilling were undertaken and they identified a mineralized vein zones at the Noya and Noya SW Prospects, where numerous highly anomalous gold intervals were intersected. Some highlighted historical intersections of note on the property included at;

Noya Prospect

- 4MAKC-1: 63.90 grams per tonne ("g/t") gold ("Au") & 16.70 g/t silver ("Ag") over 0.47m*
- 4MAKC-4: 28.60 g/t Au & 12.90 g/t Ag over 1.08m*
- 7MAKN-4: 41.60 g/t Au & 28.40 g/t Ag over 0.30m*

Noya SW Prospect

- 9MAKN-7: 1.67 g/t Au & 1.70 g/t Ag over 27.10m, *Including: 3.38 g/t Au over 8.95m*
- 9MAKN-8: 13.80 g/t Au & 16.70 g/t Ag over 1.30m*

Note: The Table below provides more details of these highlighted historical drill intersections within the Tashiro Project

Drill hole and Interval	From (m)	To (m)	Core Interval (m)	Au g/t	Ag g/t
Noya					
4MAKC-1	306.90	307.37	0.47	63.90	16.70
4MAKC-4	353.98	355.06	1.08	28.60	12.90
4MAKC-9	335.55	336.15	0.60	14.17	6.39
	339.55	339.85	0.30	16.06	12.30
51WT-1	164.20	165.10	0.90	7.00	NA
	201.00	201.50	0.50	20.00	NA
6MAKN-1	234.65	234.90	0.25	25.80	25.90
7MAKN-4	205.80	206.10	0.30	41.60	28.40
Noya SW					
9MAKN-7	90.50	95.05	4.05*	1.48	3.47
	121.30	148.40	27.10*	1.67	1.70
<i>Including:</i>	121.30	127.10	5.80	1.27	1.48
<i>Including:</i>	139.45	148.40	8.95	3.38	3.00
9MAKN-8	84.50	97.20	12.70*	1.13	3.27
	119.60	120.90	1.30	13.80	16.70
	184.40	188.90	4.50*	1.28	2.69

* These drill results are historical in nature. BeMetals has not undertaken any independent investigation of the sampling, nor has it independently analyzed the results of the historical exploration work in order to verify the results. BeMetals considers these historical drill results relevant as the Company will use this data as a guide to plan future exploration programs. The Company also considers the data to be reliable for these purposes however, the Company's

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future exploration work will include verification of the data through drilling. The reported results are drilled intersection widths as the orientation of the mineralized zones and their true thickness is currently not known. Intersections relate to individual samples, except for Noya SW prospect where composites where calculated using a nominal cut-off grade of 0.5 g/t Au, with a maximum of 2.55 metres of internal dilution, to determine the boundaries of the intersections.*

Later in 2023, the Company expects to drill test the potential for extending at least two significant zones of vein-hosted gold mineralization on the property.

The Konomai Project is located in northeastern Hokkaido. This land package is in the northern tip of a prolific zone of gold mining operations that were active in pre-World War II times. Most of the historical gold mines were shut down during the war years and were never reopened aside from Sumitomo Metal Mining's Konomai Mine, the largest in Hokkaido, which produced 3.1 million ounces of gold, and some other more modest producing mining operations. The Company has completed orientation and reconnaissance rock chip and soil sampling at this property. It is planned for more of this work to be completed during 2023 with the aim of generating initial drill targets for testing.

The Hokusatsu Gold Project is located in southwestern Kyushu. This property is of interest due to its close proximity to two important gold occurrences on and adjacent to the property near the former mines of; Fuke (historical production of 125,000 ounces at 10.5 g/t Au) and Ohkuchi (783,000 ounces at 13.1 g/t Au) mines. In addition, the high-grade Hishikari Gold Mine is located approximately 16 kilometres to the southeast of the Hokusatsu property. The Company has completed reconnaissance rock chip sampling in this project area, and is also compiling historical information from the Ohkuchi Mine with an aim to generating potential drill targets based upon the possible extension of un-mined areas of this mineralization within the property.

Terms of the Kazan Gold Project Acquisition

In April 2021, the Company acquired 100% of the outstanding shares of Kronk Resources Inc. (name subsequently changed to BeMetals Japan Corp.) pursuant to an amalgamation agreement (the "Amalgamation Agreement") and a share purchase agreement (the "Share Purchase Agreement"). Pursuant to the Amalgamation Agreement, 29,566,731 common shares of BeMetals were issued on the basis of 0.5169 shares of BeMetals for each one BeMetals Japan share held and pursuant to the Share Purchase Agreement, 3,063,225 common shares of BeMetals were issued on the basis of 0.2585 shares of BeMetals for each one BeMetals Japan share held. The lower exchange ratio under the Share Purchase Agreement was less favourable to certain shareholders of BeMetals Japan who were also shareholders or directors of BeMetals as well as directors or officers of B2Gold. A total of 32,629,956 common shares of BeMetals were issued pursuant to the Kazan Gold Transaction. In connection with the Kazan Gold Transaction, the Company closed a non-brokered private placement of \$7,500,000 with B2Gold. B2Gold, BeMetals Japan and Kazan are related parties of BeMetals by virtue of common key managerial persons.

Summary of Exploration Expenses

The following table summarizes the exploration costs associated with the Company's Kazan Gold Project as at December 31, 2022 and 2021:

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Kazan Gold project			
	Balance		Balance
	December 31,	Expenditure	December 31
	2021	in 2022	2022
Direct exploration expenditures			
Consulting & wages	\$ 507,024	\$ 981,443	\$ 1,488,467
Drilling	-	1,695,342	1,695,342
Equipment	72,950		72,950
Professional fees	-	-	-
Land fees /Lease payments	50,657	18,136	68,793
Site logistics	168,943	689,678	858,621
Total direct exploration expenditures	799,574	3,384,599	4,184,173
Other expenditures			
Property acquisition costs	12,737,452		12,737,452
Share based compensation	64,561	41,511	106,072
Total	\$ 13,601,587	\$ 3,426,110	\$ 17,027,697

Pangeni Copper Project

Recent Highlights

The Company is expecting further analytical results from the 2022 drilling in the coming weeks and is currently working with its exploration partners to plan the 2023 drill program.

HIGHLIGHTS OF THE 2022 EXPLORATION CORE DRILLING RESULTS TO-DATE INCLUDE:

- A total of 3,619 metres of shallow aircore drilling was completed in the 2022 phase of exploration to extend copper mineralization at existing copper prospects and to define new targets.
- A total of six targets for core drill testing have been identified at areas E, G, K, P, Q, and D. All exploration work, including drilling is being pro-rata funded with BeMetals' joint venture partner, Japan Organization for Metals and Energy Security ("JOGMEC")
- Core drilling has commenced to test the newly identified priority targets and is expected to be completed before year end, and their analytical results are expected early in 2023.
- The 2022 core drilling will follow-up on the 2022 aircore results and the encouraging copper intersections made in 2021 at the Q and D prospects. See the "Highlights of the 2021 Exploration Core Drilling Results Include" section below for the specific intersections.

HIGHLIGHTS OF THE 2021 EXPLORATION CORE DRILLING RESULTS INCLUDE:

Analytical results of 2021 core drilling program were released in early 2022 and successfully returned encouraging copper intersections at multiple target areas, including the Q and D prospects, which included:

- **Q-Target:** Drill Hole Q3-C1 intersected 4.14 metres grading 0.62% copper ("Cu")
Including: 1.20 metres grading 1.1% g/t Cu
- **D-Prospect:** Drill Hole D7-C1 intersected 5.00 metres grading 0.58% Cu
- **D-Prospect:** Drill Hole D7-C2 intersected 3.37 metres grading 0.51% Cu
And also: intersected 6.00 metres grading 0.39% Cu

The Q3-C1 core hole intersection is of particular interest as the host meta-sediments to this copper mineralization are interpreted as part of the Katangan Super Group sediments. This package of host rocks are known to host many of the world class copper deposits and mines within the Zambian Copperbelt.

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On June 1, 2021, the Company reported commencement of the 2021 exploration program at the project to determine the extent of copper mineralization at the D and SW areas, as well as to test the Q, G, F and P target areas. During the year, BeMetals completed 1,382 metres of core drilling in six core holes, 4,353 metres of shallow aircore, and a helicopter-borne electromagnetic ("EM") survey over the Pangeni Copper Project. Four priority targets were tested with core drilling in 2021.

HIGHLIGHTS OF THE 2019 - 2020 EXPLORATION CORE DRILLING RESULTS INCLUDE:

- **D2 Prospect Drill Hole D2-C1:** intersected 5.50 metres grading 0.53% Cu
- **Drill Hole D2-C2:** intersected 5.56 metres grading 0.47% Cu
- **Drill hole D3-C1 Interval 1:** 3.98 metres grading 0.39% Cu
- **Drill Hole D3-C1 Interval 2:** 3.70 metres grading 0.37% Cu
- **SW Prospect Drill Hole SW (E2)-C2:** intersected 4.50 metres grading 0.39% Cu
Including: 0.5 metres of 1.59% Cu & 0.5 metres grading 1.22% Cu

Importantly these intersections are related to broader zones of anomalous copper and associated with alteration minerals known to occur in copper deposits and mines within the region. The mineralization is predominantly present as chalcopyrite a copper sulphide mineral. The 2020 D3-C1 shallow copper intersections are particularly meaningful, as they occur some 850 metres along the same interpreted strike of the mineralized zones intersected in holes D2-C1 and D2-C2 during the 2019 field season.

About the Pangeni Copper Project

The Pangeni Copper Project is located on the western extension of the Zambian Copperbelt, within the Lufilian Arc, underlain by Katangan Supergroup metasediments situated unconformably on basement schists and gneisses, which are covered by a thin veneer of Kalahari sands. The open-pit Sentinel Copper Mine is operated by First Quantum Minerals Ltd. some 130 kilometres to the northeast of the Pangeni Project. A number of major international mining companies have identified this region of the Zambian Copperbelt to be prospective for the discovery of tier one copper mines and are also conducting extensive exploration work in this area.

The Pangeni Licence is geologically prospective for the following deposit types; Basement-hosted Cu (analogues: the Lumwana Deposit, Nyungu Prospect), Sediment-hosted stratiform Cu-Co (analogues: Nchanga, Konkola, Nkana, and Mufulira Deposits), other Domes Region Deposits e.g. Sentinel, and Kansanshi and DRC Copperbelt Deposits e.g. Lonshi, Frontier, Kamoakakula).

In July 2019, the Company launched an initial core drilling program at the Pangeni Copper Project, comprising approximately six shallow core holes to test the three targets generated by the aircore drilling programs. A total of 1,275 metres of core drilling was completed on the project during the 2019 field season. See highlights for the 2019 exploration program above.

The 2020 exploration program included completion of some 3,700 metres of shallow aircore drilling to test both significant step outs from copper intersections during the 2019 fieldwork and to test other priority targets generated from the interpretation of the airborne magnetics. Also approximately 750 metres of core drilling was completed in five drill holes to test copper anomalies below the Kalahari sand cover.

In 2021, BeMetals completed 1,382 metres of core drilling in six holes, 4,353 metres of aircore, and a helicopter-born electromagnetic survey was conducted over the project.

In March 2021, BeMetals entered into a Joint Exploration and Option Agreement (the "JOGMEC Agreement") with Japan Oil, Gas and Metals National Corporation (JOGMEC recently changed its name to the Japan Organization for Metals and Energy Security) that provided an initial investment of US\$1.5 million for money-in-the-ground exploration at the Pangeni Copper Project with additional ongoing pro-rata contributions. This investment from JOGMEC is helping to accelerate exploration at the property. Further information on this agreement with JOGMEC is detailed below.

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An independent technical report for the Pangen Copper Project, prior to the 2019 and 2020 drilling campaigns, has been completed by African Mining Consultants Limited, effective April 10, 2018, and is available on the Company's website and under the Company's profile on SEDAR at www.sedar.com.

Terms of the Pangen Option Agreement

In February 2018, further to a November 2017 letter agreement, the Company confirmed the agreement (the "Pangen Agreement") with Copper Cross Zambia Limited (the "Pangen Vendor") for the right to acquire up to a 72% interest in the Pangen Copper Project. In July 2018, the Company received final approval from the TSX-V of the option agreement and related transactions. In January 2020, certain amendments were made to the Pangen Agreement (the "January 2020 amendments").

Under the terms of the Pangen Agreement, and including the January 2020 amendments, to complete the acquisition of the initial 67.5% interest in the Pangen Copper Project, the Company must:

before the second anniversary in February 2020:

1. make cash payments of US\$250,000 (\$327,235) (completed); and
2. issue a total of 780,500 common shares (completed);

and before December 31, 2020:

3. expend US\$2.5 million in exploration work or cash advances for future exploration work (US\$2,500,000 completed) (\$3,301,064);

and then, before the fifth anniversary, which was previously February 2023, but now extended to June 2023:

4. complete a preliminary economic assessment; and
5. make a further cash payment of US\$450,000 (a portion of which may be paid in common shares at the option of the Company); and
6. make a payment of US\$700,000 as an advanced royalty reduction payment.

Following acquisition of the initial 67.5% interest the Company can acquire an additional 4.5% interest by completing a feasibility study and making a further cash payment of US \$750,000 (a portion of which may be paid in common shares of BeMetals at the option of the Company).

At the commencement of the mine development phase, and following a feasibility study, a one-off milestone payment is payable, based upon total proven and probable mineral reserves, as follows: US\$2 million if less than 500 kilotonnes ("kt") contained copper, US\$3 million if the contained copper is between 500 kt and 1,000kt, and US\$6 million if greater than 1,000kt contained copper. Upon commencement of production, Pangen Mineral Resources Limited is entitled to a 3% Net Smelter Royalty (which may be reduced to 2.5% following the US\$700,000 royalty reduction payment above and further reduced to 1% following an additional royalty reduction payment by the Company, determined by an internationally recognised valuator, which is not to exceed US\$3.3 million).

Terms of JOGMEC Agreement

Under the terms of the JOGMEC Agreement, by March 31, 2021 JOGMEC funded US\$1,000,000 for exploration expenditures by way of payment to BeMetals for exploration activities completed in the 2020 field program. This payment was received in March 2021. During 2021, JOGMEC will also funded an additional US\$ 500,000 in exploration expenditures (which was completed in August 2021), after which JOGMEC has been deemed to have earned a 27.8% interest in BeMetals' option to acquire up to a 72% interest in the Pangen Project. Upon earning its interest in the BeMetals option, for the remainder of the agreed future exploration programs, JOGMEC funds exploration expenditures pro-rata in accordance with its 27.8% interest. In total JOGMEC will therefore solely fund US\$ 1,500,000 of exploration expenditures, and thereafter fund exploration expenditures pro-rata in accordance with its proportionate interest in the BeMetals option for the property. The above investments will provide JOGMEC with rights to an approximately 20% stake in the Pangen Project assuming the full exercise of all applicable underlying parties and optionees and BeMetals will retain rights to

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approximately 52%. BeMetals retains overall management control through the project's technical committee and its majority option position in the Pangení Project.

Off-take Option Rights

Provided JOGMEC maintains its 27.8% interest in the BeMetals option through pro-rata funding of its proportionate share of exploration expenditures until December, 31, 2024, it will have earned a First Off-take Option, whereby, through annual Right of First Offer ("ROFO") and Right of First Refusal ("ROFR") provisions, JOGMEC will have the right to purchase up to 30% of the off-take from any mining operation on the property. JOGMEC would be entitled to exercise such ROFO/ROFR rights beginning on December 31, 2024 until the 10-year anniversary of the commencement of commercial production (with any purchases of off-take to begin on the commencement of commercial production).

Furthermore, should JOGMEC maintain at least a 10% interest in the Pangení Project at the time a production decision is made for the Pangení Project, it will be entitled to an additional Second Off-take Option, whereby, through an annual ROFR right, JOGMEC will have the right to purchase up to an additional 20% of the off-take from any mining operation on the property (for an aggregate 50% purchase right). JOGMEC would be entitled to exercise such Second Off-take ROFR rights beginning on the date a production decision is made until the end of the life of mine on the property (with any purchases of off-take pursuant to the Second Off-take Option to begin on the commencement of commercial production). If this Second Off-take Option is earned by JOGMEC, the term of the Off-take Option will also be extended, such that it will continue until the end of the life of mine. The remaining 70% or 50%, as applicable, of production from any mining operation remains unencumbered by JOGMEC's rights.

Summary of Exploration Expenses

The following table summarizes the exploration costs associated with the Company's Pangení Copper Project as at December 31, 2022 and 2021

Pangení Copper Project			
	Balance December 31, 2021	Expenditure in 2022	Balance December 31 2022
Direct exploration expenditures			
Application of prior prepaid amounts	\$ 3,313,750	\$ -	\$ 3,313,750
Consulting & wages	134,248	208,100	342,348
Drilling	1,203,675	1,523,856	2,727,531
Professional fees	92,409	5,333	97,742
Site logistics	240,797	403,704	644,501
Total direct exploration expenditures	4,984,879	2,140,993	7,125,872
Other expenditures			
Proceeds from JOGMEC	(2,194,757)	(582,180)	(2,776,937)
Property acquisition costs	558,842		558,842
Share based compensation	93,444	19,482	112,926
Total	\$ 3,442,408	\$ 1,578,295	\$ 5,020,703

South Mountain Project

About the South Mountain Project

The South Mountain Project is a polymetallic development project that is located approximately 70 miles southwest of Boise, Idaho.

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In February 2019, the Company entered into an option agreement (the "South Mountain Agreement") with Thunder Mountain and certain of its wholly owned subsidiaries, to acquire up to a 100% interest in the South Mountain Project. In September 2019, the Company received final approval from the TSX-V of the option agreement and related transactions (the "South Mountain Transaction").

Under the terms of the South Mountain Agreement, and as amended in June 2020 and September 2021, the Company through its wholly owned subsidiary had the right, up to December 31, 2022, to acquire from Thunder Mountain, all of its interest in the South Mountain Project by way of acquiring 100% of the outstanding shares of South Mountain Mines Inc. ("SMMI"), a wholly owned subsidiary of Thunder Mountain SMMI holds a 75% interest in the South Mountain Project and has the right to acquire the remaining 25% upon satisfying a 5% Net Returns Royalty capped at US\$5,000,000 which is due on or before November 3, 2026.

In December 2022 the Company opted to terminate its option agreement to acquire the South Mountain Project and as a result wrote-down all expenses previously capitalized on the South Mountain Project. This resulted in an expense of \$12,675,966 in the year ended December 31, 2022, which consisted of a \$4,020,765 write-down of expenditures incurred to purchase the option to acquire the South Mountain Property and a write-down of \$8,655,201 in Exploration and Evaluation expenditures incurred at the South Mountain Property up to the date at which the decision to terminate the option was made.

South Mountain Project

	Balance December 31, 2021	Expenditure in 2022	Balance December 31 2022
Direct exploration expenditures			
Consulting & wages	\$ 2,697,667	\$ 785,798	\$ 3,483,465
Drilling	1,716,725	210,306	1,927,031
Land fees /Lease payments	144,437	35,717	180,154
Site logistics	974,758	223,711	1,198,469
Underground infrastructure	798,134	-	798,134
Total direct exploration expenditures	6,331,721	1,255,532	7,587,253
Other expenditures			
Property acquisition costs	744,623	-	744,623
Share based compensation	265,780	57,545	323,325
Write-down on termination of option	-	(8,655,201)	(8,655,201)
Total	\$ 7,342,124	\$ (7,342,124)	\$ -

Overall Performance and Results of Operations

Total assets decreased to \$28,948,989 at December 31, 2022, from \$35,982,881 at December 31, 2021. The most significant assets at December 31, 2022, were cash of \$6,007,041, (December 31, 2021: \$6,370,369), investments of \$277,652 (December 31, 2021: \$459,578), exploration advances of \$350,491 (December 31, 2021: \$507,141), exploration and evaluation assets of \$22,048,400 (December 31, 2021: \$24,386,119), and Option – South Mountain of \$nil (December 31, 2021: \$4,020,765).

The most significant changes in assets value at December 31, 2022 compared to December 31, 2021 were attributed to:

- Cash decreased by \$363,328 to \$6,007,041 on December 31, 2022 compared to \$6,370,369 on December 31, 2021. The decrease in cash was the net effect of the cash inflow of approximately \$6.4 million received from the B2Gold loan agreement and cash expenditures of approximately \$7.0 million. The most significant cash expenditures were on the Company's exploration and evaluation assets where approximately \$6.5 million in cash was invested.

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- Exploration and evaluation assets decreased by \$2,337,719 to \$22,048,400 on December 31, 2022 compared to \$24,386,119 on December 31, 2021. The decrease was the net effect of approximately \$6.5 million being invested in the properties which was off-set by the \$8.7 million of previously capitalized expenditures at the South Mountain Project which was written-off when the Company elected not to exercise the option to purchase South Mountain. The majority of expenditure was invested in the Kazan Gold properties in 2022 (\$3.4 million) followed by the Pangen Copper Project (\$1.6m, which is net of a \$0.6 million contribution by JOGMEC) and the South Mountain Project (\$1.3 million).
- Option - South Mountain asset decreased from \$4,020,765 on December 31, 2021 to \$nil on December 31, 2022 since the value of the option was written-off when the Company elected to not exercise the option to purchase the South Mountain project.

Three months ended December 31, 2022 and 2021

Comprehensive loss for the three months ended December 31, 2022, was \$12,998,643, an increase of \$12,297,852 compared to the comprehensive loss of \$700,791 for the three months ended December 31, 2021. The increase in comprehensive loss is largely due to the net effect of:

- The \$12,675,966 write-down of previously capitalized costs on the South Mountain Project that was recorded in the three months ended December 31, 2022 upon the Company electing to terminate the option to purchase the project.
- Increase in finance expense of \$80,440 to \$80,440 for the three months ended December 31, 2022 compared to \$nil for the three months ended December 31, 2021. The increase is the result of the interest accrued on the B2Gold loan.
- Decrease in share-based compensation expense of \$232,440. Share-based compensation was \$82,320 for the three months ended December 31, 2022, as compared to share-based compensation of \$314,760 for the three months ended December 31, 2021.
- A \$114,407 difference in the foreign exchange gain or loss. During the three months ended December 31, 2022 the Company recognized a foreign exchange gain of \$85,545 compared to a foreign exchange loss of \$28,862 for the three months ended December 31, 2021.

Year ended December 31, 2022 and 2021

Comprehensive loss for the year ended December 31, 2022, was \$14,919,977, an increase of \$12,352,029 compared to the comprehensive loss of \$2,567,948 for the year ended December 31, 2021. The increase in comprehensive loss is largely due to the net effect of:

- The \$12,675,966 write-down of previously capitalized costs on the South Mountain Project that was recorded in the year ended December 31, 2022 upon the Company electing to terminate the option to purchase the project
- Increase in fees and salaries of \$172,846 to \$775,661 for the year ended December 31, 2022 compared to \$602,815 for the year ended December 31, 2021. The increase is the result of an increase in number of consultants and employees employed as the Company increased activity and the number of projects.
- Increase in finance expense of \$128,579 to \$128,579 for the year ended December 31, 2022 compared to \$nil for the year ended December 31, 2021. The increase is the result of the interest accrued on the B2Gold loan.
- Increase in the unrealized loss on FVOCI investments of \$132,224 during the year ended December 31, 2022 as compared to the year ended December 31, 2021. These FVOCI losses resulted from changes in the market price of the 2,500,000 common shares the Company owns in Thunder Mountain Gold.
- Decrease in share-based compensation expense of \$681,644. Share-based compensation was \$624,144 for the year ended December 31, 2022, as compared to share-based compensation of \$1,305,788 for the year ended December 31, 2021.

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Liquidity and Capital Resources

As at December 31, 2022, the Company had working capital of \$5,895,533 (December 31, 2021: working capital of \$6,473,838). The Company has incurred negative cash flows from operations of \$1,096,424 and recorded a loss of \$14,738,051 for the year ended December 31, 2022 (December 31, 2021: negative cash flows from operations of \$1,836,980 and loss of \$2,518,246, respectively), and has an accumulated deficit of \$23,197,018 as at December 31, 2022 (December 31, 2021: \$8,458,967).

On August 4, 2022 the Company entered into a loan agreement with B2Gold for an unsecured loan in the principal amount of US\$5,000,000 (the "Loan"). The Loan matures on August 4, 2025 and bears interest at a rate of 4.7% per annum. The interest on the Loan is to be paid or accrued annually at the discretion of the Company and the Loan is repayable in part or in full at any time without penalty. The Company did not issue any securities or pay any bonuses, commissions or finder's fees with regards to the Loan. On April 23, 2021, the Company closed a non-brokered private placement of \$7,500,000.

The Company does not currently have a source of revenue. While the Company anticipates it has sufficient capital to meet its current obligations for the next twelve months, the Company will need to raise additional capital to carry out its planned objectives. There are many external factors that can adversely affect general workforces, economies and financial markets globally. Examples include, but are not limited to, the COVID-19 global pandemic and political conflict in other regions. It is not possible for the Company to predict the duration or magnitude of adverse results of such external factors and their effect on the Company's business or ability to raise funds.

While the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms that are acceptable to the Company. The accompanying audited consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations for the foreseeable future. These adjustments could be material.

Selected Annual Information

	Year ended December 31, 2022	Year ended December 31, 2021	Year ended December 31, 2020
Total assets	\$ 28,948,989	\$ 35,982,881	\$ 16,334,757
Loss	\$ (14,738,051)	\$ (2,518,246)	\$ (1,326,852)
Comprehensive loss	\$ (14,919,977)	\$ (2,567,948)	\$ 1,070,838
Basic and diluted loss per share	\$ (0.08)	\$ (0.02)	\$ (0.01)

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Summary of Quarterly Results

	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Revenue	\$ -	\$ -	\$ -	\$ -
Loss	(13,036,424)	(524,605)	(528,297)	(648,725)
Comprehensive loss	(12,998,643)	(545,675)	(545,392)	(830,267)
Basic and diluted loss per share	(0.07)	(0.00)	(0.00)	(0.00)
	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Revenue	\$ -	\$ -	\$ -	\$ -
Loss	(749,470)	(666,498)	(846,866)	(255,412)
Comprehensive loss	(700,791)	(646,011)	(928,017)	(293,129)
Basic and diluted loss per share	(0.00)	(0.00)	(0.01)	(0.00)

The increase in comprehensive loss for Q4 2022 was the result of the write-down of the South Mountain Project resulting in an expense of \$12,675,966 being charged to the income statement in the period. The increase in comprehensive loss for Q3 2021 and Q4, 2021 was the result of share-based compensation and increase in fees and salaries, partly arising from the Kazan acquisition. The increase in comprehensive loss for Q2 2021 was primarily the result of share-based compensation. The increase in comprehensive loss for Q1 2022 was the result of unrealized loss on FVOCI investments.

Outstanding Share Data

Issued and fully paid common shares

The Company issued no shares during the year ended December 31, 2022. As at December 31, 2022, and the date of this report, there were 177,352,545 shares outstanding.

Escrowed shares

Certain shares are held in escrow pursuant to a December 2009 escrow agreement, as supplemented in July 2018. These escrowed shares were released in semi-annual tranches until July 2021.

As at December 31, 2022 and as at the date of this report there are no shares in escrow.

Warrants

During the year ended December 31, 2022 no warrants were exercised or issued by the Company and 1,076,006 warrants expired.

As at December 31, 2022, and the date of this report, there are no warrants outstanding.

Share options

During the year ended December 31, 2022, 225,000 share options were cancelled.

As at December 31, 2022 and the date of this report, there were 16,995,000 options outstanding.

Related Party Transactions

Included within fees and salaries are amounts paid to key management personnel, which are those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and corporate officers.

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During the year ended December 31, 2022, key management personnel compensation, including directors and officers, was comprised of \$1,097,847 (2021 - \$1,508,686), of which \$417,304 related to share-based compensation, \$538,986 related to fees and salaries and \$141,557 was capitalized to Exploration and evaluation assets (2021 - \$925,173, \$454,817 and \$128,696 respectively).

Pursuant to the Kazan Gold Transaction, certain shareholders of BeMetals Japan, who were also shareholders or directors of BeMetals as well as directors or officers of B2Gold, received 0.2585 Company shares for every common share of BeMetals Japan they held; which was less favorable than the 0.5169 Company shares for every common share of BeMetals Japan received by other non-related BeMetals Japan shareholders. As a result, these shareholders who were also shareholders or directors of BeMetals as well as directors or officers of B2Gold, received 1,887,050 of the Company's shares as part of the Kazan Gold Transaction (see Note 5).

During the year ended December 31, 2022, the Company entered into a US\$5 million loan agreement with B2Gold and during the year ended December 31 2021, the Company closed a non-brokered private placement of \$7,500,000 through the issuance of 17,045,455 common shares at \$0.44 per share to B2Gold (Note 9). B2Gold is a related party of the Company by virtue of common key managerial persons. During the year ended December 31, 2022, the Company paid or accrued fees of \$412,683 (2021 - \$194,756) to B2Gold that were capitalized to Exploration and evaluation assets.

As at December 31, 2022 amounts included in accounts payable and accrued liabilities due to related parties was \$84,335 (December 31, 2021 - \$59,368).

Outlook

BeMetals is currently advancing the exploration and development of its portfolio of precious and base metals projects in Japan and Zambia. These activities include the exploration fieldwork at the Kazan portfolio of gold projects in Japan and further exploration at the Pangeni Copper Project in Zambia. In addition the Company is constantly reviewing other potential high value gold and base metal exploration and development projects for possible new acquisitions to the current portfolio.

In Japan, the Company commenced drilling at the Kato Project in early April 2022, after COVID travel restrictions were eased allowing limited foreign nationals into the Country. The Company is currently drilling a planned 2,000 metre campaign that commenced in February, 2023. The Company is using a new more powerful drilling rig and associated equipment at the Kato Project site. Three announcements of drilling assay results have been released to date and further assay results are expected in the coming months. To date the Company has significantly extended the high-grade gold zone at the Kato Project, and ongoing drilling is designed to further step out along strike, and test the depth extent, of the mineralized veins. This year an initial 1,000 metres of diamond drilling is being planned for mid-2023 at the Company's Todoroki project. This phase will aim to test extensions of the previously mined Todoroki vein swarm. In addition, BeMetals expects to initiate its first ever drilling program at its Tashiro Project in Kyushu. This 2023 campaign will focus on testing the potential of extending at least two significant zones of vein-hosted gold mineralization at the Noya and Noya Southwest prospects on the Tashiro property. The Company will also continue to undertake reconnaissance exploration work on its other properties in Japan, to generate, and improve the definition of new drill targets for those projects.

At the Pangeni Copper Project, the Company completed a new phase of exploratory shallow, aircore drilling in September 2022. In 2022, core drilling focused on further expanding mineralization at the D, SW and Q prospect areas as well as test new priority targets P, G and potentially at K. BeMetals is currently working with its partners JOGMEC, Copper Cross Zambia Limited, and Pangeni Mineral Resources Limited to plan and execute a 2023 exploration program at this high quality copper exploration project.

BeMetals' overall objective is to become a leading precious and base metals producer through the acquisition and implementation of quality exploration, development and production stage projects. This strategy is directed by the Board, key members of which have an extensive, proven track record in delivering considerable value in the mining sector through the discovery and building of mines. The Board, its advisors, and senior management also provide outstanding deal flow of project opportunities to the Company based upon an extensive international minerals business network of contacts.

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Critical Accounting Policies and Estimates

The Company has prepared the accompanying financial statements in accordance with IFRS. Significant accounting policies are described in Note 3 of the Company's financial statements as at and for the year ended December 31, 2022, except for newly adopted accounting policies as noted below, if any.

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

Accounting standards issued for adoption of future periods

The following new standards, amendments to standards and interpretations have been issued but are not effective during the year ended December 31, 2022 but will be in effect for annual reporting periods beginning on or after January 1, 2023:

Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – the amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy.

Definition of Accounting Estimates (Amendments to IAS 8) – the amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.

The Company anticipates that these amendments will not have a material impact on the results of operations and financial position of the Company.

Financial Instruments and Financial Risk Management

Financial Instruments

Cash, deposits, amounts receivable, and trade and other payables are held at amortized cost which approximates fair value due to the short-term nature of these instruments. Common shares of publicly traded companies included in investments are classified as FVOCI. The South Mountain Option is classified as fair value through profit or loss.

Financial Risk Management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk arises from the potential for non-performance by counterparties of contractual financial obligations. The Company's exposure to credit risk is on its cash and amounts receivable. The Company reduces its credit risk by maintaining its bank accounts at a large international financial institution. The maximum exposure to credit risk is equal to the carrying value of these financial assets.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal

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operating requirements on an ongoing basis. The Company attempts to ensure there is sufficient access to funds to meet on-going business requirements, taking into account its current cash position and potential funding sources. As at December 31, 2022, the Company had current liabilities of \$376,913 and working capital of \$5,895,533.

The Company's Loan with a principal owing of US\$5,000,000 matures on August 4, 2025. The Loan bears interest at a rate of 4.7% per annum which can be paid or accrued annually at the discretion of the Company. The Company also has commitments or option payments arising in 2023 related to the Pangeni Copper Project.

Foreign currency risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the Company's functional currency. The Company's reporting currency is the Canadian dollar and major purchases are transacted in Canadian and US dollars and the Japanese Yen. A portion of the Company's exploration and evaluation expenditures are incurred in Zambia, but are predominantly transacted in US dollars. The Company maintains Canadian dollar and US dollar bank accounts in Canada and Japanese Yen ("¥") bank accounts in Japan. The Company is subject to gains and losses from fluctuations in the US dollar and the Yen against the Canadian dollar. The Company held a net monetary liability position of \$2,589,480 in US dollars and a net monetary asset position of \$270,481 in Japanese Yen as of December 31, 2022, with the effect on profit or loss before tax of a 10% fluctuation to the CAD dollar being \$231,900.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk relates to its ability to earn interest income on cash balances at variable rates. Changes in short term interest rates will not have a significant effect on the fair value of the Company's cash account.

Price risk

The Company's ability to raise capital to fund exploration or development activities is subject to risk associated with fluctuations in the market prices of base and precious metals including copper, zinc, silver, gold, and lead, and the outlook for these metals. The Company does not have any hedging or other derivative contracts respecting its operations. In addition, the Company's investments which are comprised of publicly traded equity securities are subject to price risk.

Market prices for metals historically have fluctuated widely and are affected by numerous factors outside of the Company's control, including, but not limited to, levels of worldwide production, short-term changes in supply and demand, industrial and retail demand, central bank lending, and forward sales by producers and speculators. The Company has elected not to actively manage its commodity price risk, as the nature of the Company's business is in exploration.

Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

The Company is exposed to price risk with respect to its investment in Thunder Mountain, which trades on the OTCQB under the symbol 'THMG'.

Risks and Uncertainties

The risk factors described below summarize and supplement the risk factors contained in the Company's filing statement dated July 18, 2018, (the "Filing Statement") and available on SEDAR at www.sedar.com, and should be read in conjunction with the more detailed risk factors outlined in the Filing Statement:

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The Company is engaged in the acquisition and exploration of natural resource properties, an inherently risky business, and there is no assurance that economically recoverable resources will ever be discovered and subsequently put into production. Most exploration projects do not result in the discovery of economically recoverable resources.

Exploration activities require large amounts of capital. There is a risk that during the current difficult economic situation the Company will not be able to raise sufficient funds to finance its projects to a successful development and production stage. While the Company's management and technical team carefully evaluate all potential projects prior to committing the Company's participation and funds, there is a high degree of risk that the Company's exploration efforts will not result in discovering economically recoverable resources. The Company depends on the business and technical expertise of its management team and there is little possibility that this dependence will decrease in the near term.

There is no guarantee that the Company will exercise its option pursuant to the Pangen Agreement. The completion and exercise of this option is affected by the success of the Company's exploration efforts and is contingent upon certain conditions precedent as well as the price of metals which are affected by numerous factors including inflation, investor speculative activities, relative exchange rate of the U.S. dollar to other currencies, global and regional demand and production, global and regional political and economic conditions, and production costs in major producing regions. These factors are beyond the Company's control and are impossible to predict.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Proposed Transactions

The Company does not have any proposed transactions as at December 31, 2022 other than as disclosed elsewhere in this document.

Management's Report on Internal Control over Financial Reporting

In connection with National Instrument ("NI") 52-109 (Certification of Disclosure in Issuer's Annual and Interim Filings) adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited condensed interim consolidated financial statements and the audited annual consolidated financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issuer Basic Certification 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.

Additional information relating to the Company is available on SEDAR at www.sedar.com.

Qualified Person

The technical information included in this MD&A has been reviewed and approved by John Wilton, CGeol FGS, the Company's CEO and President and a "Qualified Person" as defined by National Instrument 43-101 standards.

Caution Regarding Forward Looking Information

This Management Discussion and Analysis may contain certain "forward-looking statements" within the meaning of Canadian securities legislation. Forward-looking statements are statements that are not historical facts; they involve predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "aims", "potential", "goal", "objective", "prospective", and similar expressions, or that events or conditions "will", "would", "may", "can", "could" or "should" occur. Forward-looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made and they include a number of known and unknown risks and uncertainties and other factors. Consequently, there can be no assurances that such statements will

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prove to be accurate and actual results and future events could differ materially from those anticipated in such statements.

The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statement:

Forward looking information	Assumptions	Risk Factors
The Company's anticipated plans, costs, timing and capital for future development of the Company's mineral exploration properties.	Financing will be available for future exploration and development of the Company's properties; the actual results of the Company's exploration and development activities will be favourable; exploration and development costs will not exceed the Company's expectations; the Company will be able to retain and attract skilled staff, all requisite regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company, and applicable political and economic conditions are favourable to the Company; the price of precious and base metals and applicable interest and exchange rates will be favourable to the Company; no title disputes exist with respect to the Company's properties.	Precious and base metals price volatility; uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with the Company's expectations; availability of financing for and actual results of the Company's exploration and development activities; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company's ability to retain and attract skilled staff.
The Company's ability to carry out anticipated exploration on its mineral exploration properties.	The operating and exploration activities of the Company for the next twelve months and the costs associated therewith, will be consistent with the Company's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to the Company.	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions.
Plans, costs, timing and capital for future exploration and development of the Company's property interests, including the costs and potential impact of complying with existing and proposed laws and regulations.	Financing will be available for the Company's exploration and development activities and the results thereof will be favourable; actual operating and exploration costs will be consistent with the Company's current expectations; the Company will be able to retain and attract skilled staff; all applicable regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company' the Company will not be adversely affected by market competition; debt and equity markets, exchange and interest rates and other applicable economic and political conditions are favourable to the Company' the price of precious and base metals will be favourable to the Company; no title disputes exist with respect to the Company's properties.	Precious and base metals price volatility, changes in debt and equity markets; timing and availability of external financing on acceptable terms; the uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with the Company's expectations; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company's ability to retain and attract skilled staff.

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Forward looking information	Assumptions	Risk Factors
Management's outlook regarding future trends.	Financing will be available for the Company's exploration and operating activities; the price of precious and base metals will be favourable to the Company; required regulatory approvals for the acquisition of mineral properties will be received.	Precious and base metals price volatility; changes in debt and equity markets; interest rate and exchange rate fluctuations; changes in economic and political conditions.

Inherent in forward looking statements are risks, uncertainties and other factors beyond the control of the Company's ability to predict or control. Please make reference to those risk factors referenced in the "risk factors" section above and as discussed in greater detail in the Company's various filings on SEDAR (www.sedar.com) with Canadian Securities Regulators. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and development are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements outlined in this MD&A.

Forward-looking statements include known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by the cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise review any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.