



Management's Discussion and Analysis

**Year Ended
December 31, 2023**

(Expressed in Canadian Dollars)

Report Date – April 19, 2024

Supernova Metals Corp.

Management's Discussion and Analysis

Year Ended December 31, 2023

INTRODUCTION

The following Management's Discussion & Analysis ("MD&A") is intended to assist in the understanding of the trends and significant changes in the financial condition and results of operations of Supernova Metals Corp. ("Supernova" or the "Company") for the year ended December 31, 2023. It should be read in conjunction with the audited annual consolidated financial statements for the year ended December 31, 2023 and the related notes thereto.

The following information includes financial information derived from the consolidated financial statements of the Company, which have been prepared in accordance with International Financial Reporting Standards (IFRS). All financial results are reported in Canadian dollars.

The Company's head office is located at 400-1681 Chestnut Street, Vancouver, BC V6J 4M6. Additional information relating to the Company can also be found on the Company's website at www.supernovametals.com or on the SEDAR+ website at www.sedarplus.ca.

FORWARD LOOKING STATEMENTS

This document contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to as "forward-looking statements"). Often, but not always, forward-looking statements can be identified by the use of words such as "plans," "expects" or "does not expect," "is expected," "planned," "budget," "scheduled," "estimates," "continues," "forecasts," "projects," "predicts," "intends," "anticipates" or "does not anticipate," or "believes," or variations of such words and phrases, or statements that certain actions, events or results "may," "could," "would," "should," "might" or "will" be taken, occur or be achieved.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any of our future results, performance or achievements expressed or implied by the forward-looking statements; consequently, undue reliance should not be placed on forward-looking statements.

Management believes the primary risk factors have been identified in the Risks and Uncertainties section of this document.

Forward-looking statements are based on a number of assumptions that may prove to be incorrect, including, but not limited to, assumptions about:

- general business and economic conditions;
- the availability of equity and other financing on reasonable terms;
- our ability to procure equipment and operating supplies in sufficient quantities and on a timely basis; and
- our ability to attract and retain skilled labour and staff.

We caution you that the foregoing lists of important risk factors and assumptions are not exhaustive. Events or circumstances could cause our actual results to differ materially from those estimated or projected and expressed in, or implied by, these forward-looking statements. We undertake no obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of factors, whether as a result of new information or future events or otherwise, except as may be required under applicable laws.

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DESCRIPTION OF BUSINESS

Supernova is a Canadian exploration company incorporated on November 20, 2000 and continued under the Business Corporations Act (British Columbia) on December 30, 2010, and its common shares are listed for trading on the Canadian Securities Exchange (the "CSE") under the symbol "**SUPR**".

The Company is focused on adding, creating and increasing value through the acquisition and exploration of mineral resource properties in North America.

The Company continues to explore new projects and investment opportunities which can enhance shareholder value.

EXPLORATION AND EVALUATION ASSETS

Cold Springs Gold/Silver Property, Nevada

On September 1, 2020, the Company entered into an option agreement (the "Silver Range Agreement") with Silver Range Resources Ltd. ("Silver Range") (TSXV:SNG) wherein the Company can acquire a 75% interest in the Cold Springs gold/silver property (the "Property") by paying Silver Range an aggregate of \$300,000 in cash and performing a minimum of 2,000 meters of drilling on the property over a three year period.

On May 11, 2021, the Silver Range Agreement was amended wherein the Company acquired 100% ownership of the Property, free of any encumbrances, in exchange for the issuance of 125,000 common shares which were valued at \$55,000.

The Property is located in the western Great Basin of Nevada and covers high-grade epithermal gold-silver mineralization. It lies approximately 80km east of Fallon and is accessible by road. It covers an approximately 800m by 350m hill-top exposure of altered and silicified rhyodacite breccia which hosts a series of northwest-striking, sub-parallel gold and silver-bearing quartz veins. The Property consists of 22 Federal Lode Claims centered on a small hill along the range front.

Historic sampling by Silver Range and others has yielded values of up to **64.9 g/t gold and 1,770 g/t silver** from vein material. Limited RC drilling on the property has not adequately tested the mineralized system.

Four large low sulphidation epithermal veins are exposed in a wider 500 x 200 metre area of silicification. Veins are up to 70 metres long and 2.0 metres thick. All indications are the exposed mineralization is on the periphery of a larger system. Prior geological mapping and drill results indicate that the host tuffs, the large silicified breccia and the high-grade veins dip towards the Cold Springs valley and may be down-dropped beneath alluvium across a range front fault.

The mineralization exposed on the hill at Cold Springs appears to be merely the eastern periphery of a larger epithermal system. Geophysical surveys have identified a large resistivity low west of the range front fault and the exposed mineralization in basement rocks beneath alluvium. This is interpreted to be argillic alteration surrounding the core of the hydrothermal system.

Supernova took some additional samples on the property which yielded values of up to **12.75 g/t gold and 709 g/t silver**. In addition, a ground-based magnetic geophysical survey was completed over the Cold Springs property in October 2020. The immediate aim of the geophysical program was to verify and better delineate the location and orientation of the known structures associated with the mineralization found on the hillside and in the valley to the west. The information obtained identified some additional anomalies on the hillside that were not previously tested and further supported the theory that the geophysical anomaly in the valley to the west may be a source for the mineralization discovered in historical drill programs at Cold Springs.

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EXPLORATION AND EVALUATION ASSETS (continued)

In March 2021, the Company completed a four-hole diamond drill program at the Property. The drill holes intersected a broad fault zone containing silicified volcanic rock and quartz vein clasts that resemble the silicified hydrothermal breccia and quartz veins on the hilltop, but no significant assays were returned from the program.

The hilltop area remains a significant exploration target as the limited historical reverse circulation drilling completed in this area has not adequately tested the mineralizing system and additional drilling is warranted to fully evaluate the potential of the Property.

During the year ended December 31, 2022, the Company reviewed the carrying value of the Cold Springs property and determined there were impairment indicators present. The Company was unable to raise sufficient capital with which to explore the property and as a result was unable to advance the development of the property in any meaningful way. Accordingly, the Company recorded an impairment loss of \$654,592 to reduce the carrying value to a nominal amount of \$1 on the statement of financial position.

The Company did not renew the BLM claims for Cold Springs and has written off the remaining carrying balance.

SELECTED QUARTERLY INFORMATION

The following table summarized the results of operations for the eight most recent quarters.

	Three month period ended			
	Dec. 31 2023	Sep. 30 2023	Jun. 30 2023	Mar. 31 2023
	(\$)	(\$)	(\$)	(\$)
Expenses	(41,846)	(67,421)	(53,035)	(48,928)
Net loss	(41,847)	(67,421)	(42,512)	(64,762)
Loss per share	(0.00)	(0.00)	(0.00)	(0.01)

	Three month period ended			
	Dec. 31 2022	Sep. 30 2022	Jun. 30 2022	Mar. 31 2022
	(\$)	(\$)	(\$)	(\$)
Expenses	(103,209)	(30,799)	(60,068)	(138,407)
Net loss	(679,858)	(30,377)	(60,068)	(356,778)
Loss per share	(0.06)	(0.00)	(0.01)	(0.04)

Notes on Material Quarterly Variations:

December 31, 2022 – reported an increase in net loss from the prior quarter due to impairment charges recorded against the Cold Springs and Lac Saint Simon properties.

March 31, 2023– reported a decrease in expenses and net loss from the prior quarter as the Company has been inactive due to a lack of funding.

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RESULTS OF OPERATIONS

Year Ended December 31, 2023

The Company reported a loss of \$216,542 during the current year compared to \$1,127,081 during the prior year. The prior year reported a larger loss due to an impairment of exploration and evaluation assets and a loss on debt settlement that occurred.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

An analysis of material components of the Company's general and administrative expenses is disclosed in the audited consolidated financial statements for the year ended December 31, 2023 to which this MD&A relates.

OUTSTANDING SHARE DATA

	December 31, 2023	Report Date
Common Shares	14,422,071	14,422,071
Stock Options	100,000	100,000
Warrants	4,281,468	4,281,468
RSUs	75,000	75,000
Fully Diluted	18,878,539	18,878,539

SELECTED ANNUAL INFORMATION

The following table presents selected audited financial information for the three most recent fiscal year ends.

	2023	2022	2021
	(\$)	(\$)	(\$)
Net loss	(216,542)	(1,127,081)	(1,057,021)
Income from discontinued operations	-	-	17,770
Comprehensive loss	(216,542)	(1,127,081)	(991,588)
Loss per share from continuing operations— basic and diluted	(0.02)	(0.11)	(0.17)
Total assets	102,361	81,381	801,654
Total long-term liabilities	-	-	60,000

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RELATED PARTY TRANSACTIONS

Key management includes the Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO"), directors and companies controlled by them. The Company incurred the following transactions with key management of the Company during the years ended December 31, 2023 and 2022.

	2023	2022
	(\$)	(\$)
Management and professional fees paid or accrued to a corporation controlled by Sean McGrath, the CEO of the Company	120,000	120,000
Consulting fees paid or accrued to Roger March, a director of the Company	-	10,400
Consulting fees paid or accrued to a corporation controlled by Ken Brophy, Director and former CFO of the Company	20,000	7,500
Share-based payments	-	14,908
	<u>110,000</u>	<u>62,900</u>

As at December 31, 2023, a total of \$42,000 (2022 - \$Nil) was included in accounts payable and accrued liabilities owing to key management of the Company.

LIQUIDITY

The Company's cash position increased from \$36,670 on December 31, 2022 to \$95,863 on December 31, 2023. In addition, working capital declined from \$58,752 on December 31, 2022 to \$39,240 on December 31, 2023. The decline in working capital is a result of general operating costs in the year. However, the decline was mitigated following the completion of an equity financing for proceeds of \$200,000 in October 2023.

CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of the components of shareholders' equity.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may attempt to issue new shares, issue debt and acquire or dispose of assets.

The Company is not subject to any externally imposed capital requirements. There have been no changes to the Company's approach to capital management during the year ended December 31, 2023.

OFF-BALANCE SHEET ARRANGEMENTS

The Company did not enter into any off-balance sheet arrangements during the year ended December 31, 2023.

COMMITMENTS

As at December 31, 2023, the Company has no commitments.

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CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

A number of new standards, and amendments to standards and interpretations, are not yet effective for the current financial year ended, and have not been early adopted in preparing the consolidated financial statements. These new standards, and amendments to standards and interpretations are either not applicable or are not expected to have a significant impact on the Company's consolidated financial statements.

RISKS AND UNCERTAINTIES

The Company is in the mineral exploration business and as such is exposed to a number of risks and uncertainties that are not uncommon to other companies in the same business. Exploration for and development of mineral properties involves a high degree of risk, and the cost of conducting programs may be substantial and the likelihood of success is difficult to assess.

Beyond exploration risk, management is faced with other possible risks which include the following:

Financial Market Risk

The Company is in part dependent on the equity markets as a source of capital for making acquisitions or completing exploration programs. Accordingly, the Company's capital resources and ability to make acquisitions or incur exploration expenditures are largely determined by the strength of the resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for the investor support of its projects.

Title Risk

The Company has investigated its right to explore and exploit its properties and, to the best of its knowledge, there are no known encumbrances. However, the results of the Company's investigations should not be construed as a guarantee of title.

Commodity risk

Commodity price risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for precious metals are impacted by world economic events that dictate the levels of supply and demand. The Company had no hedging contracts in place as at or during the period ended December 31, 2023.

Environmental Risk

The Company seeks to operate within environmental protection standards that meet or exceed existing requirements in the country in which the Company operates. Present or future laws and regulations, however, may affect the Company's operations. Future environmental costs may increase due to changing requirements or costs associated with exploration and the developing, operating and reclamation of mineral properties. Programs may also be delayed or prohibited in some areas.

Value Risk

There is no material risk as the Company has already previously impaired much of the value of its exploration and evaluations projects.

Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, then actual results may vary materially from those described on forward-looking statements.

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OUTLOOK

The Company divested itself of certain exploration properties that were not financeable during 2023. The Company continues to evaluate new projects and opportunities which can enhance shareholder value.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying consolidated financial statements.

ADDITIONAL INFORMATION

Maximilian Sali was appointed to the Board of Directors on March 28, 2023.

Additional information concerning the Company can be accessed on the Company's website at www.supernovametals.com or on SEDAR+ at www.sedarplus.ca.

CORPORATE INFORMATION

Directors:	Sean McGrath Ken Brophy Maximilian Sali Roger March Dr. Kent Ausburn
Officers:	Sean McGrath – CEO Tyler Dilney – CFO Lindsay Hamelin – Corporate Secretary
Auditor:	Saturna Group Chartered Professional Accountants LLP Suite 1605, 1166 Alberni Street Vancouver, BC, V6E 3Z3
Transfer Agent:	Endeavor Trust Corporation 702 – 777 Hornby Street Vancouver, BC, V6Z 1S4