TARANIS RESOURCES INC.
MANAGEMENT DISCUSSION & ANALYSIS,
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022
(Including events subsequent to November 24, 2022)

This Management Discussion and Analysis ("MD&A) is provided for the purpose of reviewing the performance of Taranis Resources Inc. ("Taranis" or "the Company") for the nine months ended September 30, 2022 and comparing results with the previous period. It should be read in conjunction with the Company's unaudited condensed consolidated financial statements and corresponding notes for the nine months ended September 30, 2022 as well as the audited consolidated financial statements and corresponding notes for the year ended December 31, 2021, all of which were prepared in accordance with International Financial reporting Standards ("IFRS")

The Company's management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate systems, procedures, and internal controls, as well as for ensuring that information used internally or disclosed externally, including the financial statements and MD&A, is complete and reliable. The Company's board of directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders.

In March 2020 the World Health Organization declared coronavirus (COVID-19) a global pandemic. This contagious disease outbreak has adversely affected workforces, economies, and financial markets globally. Ongoing supply chain disruptions have been noted in relation to mining and exploration activities. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

The reader is encouraged to review the Company's statutory filings on www.sedar.com and general information on its website www.taranisresources.com.

FORWARD LOOKING STATEMENTS

All statements in this report that do not directly and exclusively relate to historical facts constitute forward-looking statements. These statements represent the Company's intentions, plans, expectations, and beliefs and are subject to risks, uncertainties, and other factors of which many are beyond its control. These factors could cause actual results to differ materially from such forward-looking statements. The Company disclaims any intention or obligation to update or revise any forward-looking statements, as a result of new information, future events or otherwise.

OVERALL PERFORMANCE

As of November 24, 2022, Taranis has sufficient funds to meet its fixed overhead commitments to the end of December 2022. See "Capital Resources and Liquidity" and "Financial Instruments and Capital Risk Management" for more information.

DESCRIPTION OF BUSINESS

The Company is principally engaged in the acquisition, exploration and, if results warrant, development of precious and base metal projects. It is currently actively exploring and developing one advanced-stage precious/base metal prospect in British Columbia, Canada.

All of the Company's exploration activities are overseen by John Gardiner, (P. Geo.), a Qualified Person under the meaning of Canadian National Instrument 43-101.

RESULTS OF OPERATIONS

The cumulative costs of Exploration and Evaluation Assets for the nine months ended September 30, 2022 are as follows:

EXPLORATION AND EVALUATION ASSETS

	September 30, 2022
Thor Property	
Acquisition costs:	
Balance, beginning of period	$ 787,191
Additions	1,077
Balance, end of period	788,298
Exploration costs:	
Balance, beginning of period	5,137,855
Assaying and metallurgy	7,709
Geological fees	94,671
Surveying	113,794
Drilling and trenching	144,195
Balance, end of period	5,499,360
Total costs	$ 6,287,628

Other Projects/Evaluations

Periodically, the Company evaluates other exploration opportunities that have either been directly identified by it or have been brought to its attention. These projects fall under the heading of Property Evaluation and typically include the cost of data evaluation and site visits. These costs are capitalized if the property is acquired; otherwise they are written off.

Thor Property, British Columbia, Canada

The Company's Thor property, located in the Revelstoke Mining District of British Columbia, includes 27 Crown Granted Mineral Claims and 15 Mineral Tenures covering approximately 3,300 hectares. The combined Crown Grants and Mineral Tenures form a contiguous 100% owned property over the known Thor precious and base metal deposit.

The Crown Grant claims at Thor are in good standing; they were issued between 1896 and 1914, and in various places convey surface, timber, and water rights to their holder. Most importantly, the Crown Grants convey title to the described "Parcel of Land, and all minerals, precious and base (save coal)" in fee simple.

As it relies on Crown Grant mining claims as well as Mineral Tenures to secure its property interest, Taranis is affected by ongoing discussions in British Columbia about Indigenous Title. In March of 2022, Taranis proactively contacted the Ministry of Indigenous Relations and Reconciliation ("MIRR") to fully understand whether the Thor project land package is a matter of contention among any First Nations groups. MIRR responded that the ongoing treaty negotiations with the Ktunaxa Nation do not contemplate any transfers of land title in the Trout Lake area. Furthermore, Taranis was assured "that the Province will continue to honour any pre-existing tenures, whether surface or subsurface".

The Thor deposit occurs within a major geological structure called the Silver Cup Anticline where it is transected by a north-northwest structure called the Thor Fault Zone ("TFZ"). The Silver Cup Anticline hosts almost all of the known precious-base metal deposits in the Silver Cup mining District. The Silver Cup mining district saw extensive mining development in the early 1900's and hosted several past producing mines operating including the Spider, Silver Cup, Triune and Nettie L. Mines.

General Geology of the Thor Project

Silver, gold, copper, lead, and zinc lodes are associated with the TFZ, a major geological structure that extends for upwards of 4 km on the property in a north-northwest direction. The TFZ dips moderately to the ENE and consists of individual segments that commonly overlap in an en-echelon fashion. The TFZ obliquely crosscuts the older northwest trending Silver Cup Anticline.

The TFZ contains all of the known precious/base metal zones on the property. These include (from south-southeast to north-northwest): Broadview, Great Northern, True Fissure, SIF, Blue Bell, and the Thunder zones. The recently discovered Thunder Zone is the only known mineral occurrence on the northeast side of the Silver Cup Anticline and occurs northeast of the Blue Bell Zone, which was historically the northernmost known mineralized zone on the Thor project.

Taranis has conducted substantial drilling (over 250 drill holes) within the TFZ. In addition, the Company has also conducted surface exploration on a deep underlying feature referred to as the 'Intrusive Target'. The Intrusive Target encompasses a series of distinct rocks that are termed 'green rocks'; a name used by geologists to describe the alteration typically associated with a porphyry-copper type setting. Based on analogues in British Columbia, the epithermal deposit at Thor could be sitting on top of an intrusive body that may contain substantial amounts of lower grade intrusive-hosted mineralization.

Stratigraphy

There are three important rock types found on the property, and these are described briefly below.

- **Sharon Creek Formation -** The oldest rocks found on the property are fine-grained pelitic rocks that are generally grey/black in colour and are prone to rapid weathering. Rocks of this formation are commonly found in recessively weathered areas and valleys. Fissure Creek is localized along the axis of the Silver Cup Anticline and exposes the Sharon Creek Formation. These rocks are generally devoid of mineralization, but they can be extensively pyritized in areas, particularly when in proximity to the TFZ. The rocks are folded into tight isoclinal folds.

- **Broadview Formation -** Directly overlying the Sharon Creek Formation are resistive weathering greywacke/clastic and volcanic rocks of the Broadview Formation. These rocks are typically massive, siliceous and are commonly found on hilltops or in areas of higher elevation. Volcanic rocks are intercalated within the sedimentary rocks and are generally tuffaceous in character. The sediments are tightly folded and plunge steeply to the northwest. The Broadview Formation is thought to resemble what is referred to by geologists as a *lithocap* formation, due to its impermeability to mineralized hydrothermal systems flowing up from below.

- **Jowett Formation (Volcanic and Intrusive Rocks) -** In a regional setting, the Sharon Creek Formation and the younger Broadview Formation are separated by the Jowett Formation. The Jowett Formation largely consists of volcanic rocks (agglomerates, breccias, pyroclastic rocks and mafic volcanic flows) with minor sediments (argillite and limestone). Although the Jowett Formation has not been formally identified at Thor, its presence is strongly inferred from outcrop found in an area exposed by Broadview Creek. In 2022 the Company undertook comprehensive exploration of this area to improve the understanding of the relationship of 'green rocks' that extensively underly the known deposit to areas of known mineralization. The Jowett formation's presence is also indicated from magnetic modeling, which has indicated the presence of a large 'intrusive' type feature at depth below the Thor epithermal deposit.

Evolving the Exploration Model for Thor

The model that is used to describe the existing Thor deposit is an intermediate-sulfide epithermal model. The model is useful because it accounts for many of the features found in the epithermal deposit including vuggy, jarosite-altered, gold-bearing deposits (SIF) at the top and periphery of the deposit, and a general progression toward increased base metal content at depth along the deposit. The Thor deposit exhibits many geological similarities to other epithermal deposits found near intrusive bodies which host porphyry copper/molybdenum deposits. Such systems are typically called "linked" porphyry-epithermal deposits.

The linked porphyry/intermediate-sulfide epithermal exploration model, now extensively applied at Thor, led to the discovery of the Thunder Zone in 2021. Three previously unexplored areas (discussed below) which are likely to host significant epithermal zones at Thor, bring the total

possible number of discrete epithermal bodies at Thor to ten or more. Naturally, the successful application of this model to discover additional mineralized zones has created the impetus to explore for a large underlying porphyry/intrusive body that could be the origin of the epithermal deposits. A wealth of information exists to suggest the presence of a mineralized porphyry body at Thor, and this is the focus of much of the current exploration activity.

Exploration at Thor is broken down into two broad categories for simplicity of discussion. The first is *epithermal zones*, which to date contribute all of the known mineralization to the resource at Thor. The 2022 airborne MobileMT and magnetic susceptibility survey appears to have successfully identified several additional epithermal zones, and those zones are outlined below.

The second type of inferred mineralization, within a large *intrusive body*, is likely to be related to the 'green rock' which is now known to occur under the epithermal deposit. Taranis believes that the 2022 airborne survey has outlined some prospective areas for porphyry exploration. The 'green rock environment' is a term that is commonly used by exploration geologists to describe rocks which constitute an extensive propylitic alteration feature about a potassic core; these are typically associated with porphyry Cu/Mo deposits.

Anatomy of a Linked System

In the linked porphyry-epithermal deposit model, the ***Source*** of the mineralization at Thor is most likely a large intrusive body found somewhere in the vicinity of Broadview Creek, one of potentially several ***Conduits*** is the Thor Fault Zone which obliquely crosscuts the Silver Cup Anticline, and finally the ***Trap*** is a lithology called the Jowett Formation lying under the Broadview Formation, which serves as a tight caprock.

While the ***Source*** part of this model remains to be tested with deep drilling for porphyry-type mineralization, it was the subject of exploration activity in 2022 including ground geophysical surveys, rock sampling, carbon and oxygen isotope studies, age dating and alteration mapping using an OreXpress Short-Wave Infrared handheld spectrometer. In 2022 the Company engaged Expert Geophysics to fly an airborne survey, to map the area in much greater detail at depths extending to approximately 2.5 km. Taranis is in the process of collating the handheld spectrometer data and expects that it will synergize well with the airborne survey data to paint a wholistic picture that simplifies the complex geology amidst difficult terrain.

All the known epithermal zones combine into a deposit strike length of over 2.5 km of continuous mineralization along or near surface. Total strike length of epithermal mineralization at surface with the new targets established via the 2022 airborne geophysical survey could be upwards of 3.3 km.

The age of mineralization at Thor postdates the regional folding (Antler Orogeny – Devonian/Mississippian) event that created the northwest-trending Silver Cup Anticline. Silver/gold and base metals are preferentially emplaced along the TFZ and strike north-northwest and dip moderately to the ENE (45^0). Slickensides indicate that there has been significant sinistral strike-slip movement along the TFZ.

The northeast limb of the Silver Cup Anticline preserves older fine-grained pelitic rocks of the Sharon Creek Formation which in-turn are overlain by rocks of the Jowett and Broadview

Formation (volcanics and greywacke). Previous exploration has recorded numerous gossans on the north side of Thor's Ridge, sourced from the epithermal vein system that transects this area. The gossans are almost certainly derived from leached sulphide minerals and have been observed at surface up to 1 km north-northwest of the known mineralized areas within the Thor epithermal trend.

SIF North [Epithermal Target]

SIF North is a boulder field of gold-bearing quartz float on the north side of Thor's Ridge, discovered by Taranis in the northeast limb of the Silver Cup anticline 2013. The bedrock source of the mineralization has not been located. Based on Taranis' discovery of a large rockslide concealing the Thunder Zone, it now appears that a similar rockslide also conceals the bedrock source of SIF North mineralization. The extent of topography-related disturbances on both sides of Thor's Ridge renders surface prospecting difficult. The SIF North occurrence almost certainly connects to the Thunder Zone located 900 m to the southeast on Thor's Ridge.

A large apparent conductivity geophysical anomaly is found north of the Thunder Zone under Thor's Ridge and has no known source. The discovery of the Thunder Zone in 2021 has highlighted this as an important exploration area, and exploration drill holes were completed in this area in 2022. Results of this drilling is expected to add more insight into the subsurface geology.

Ripper Fault [Epithermal Target]

A major NNW-trending fault (Ripper Fault) truncates the up-dip edge of at least five of the epithermal deposits at Thor (44 Upper/Lower, Great Northern Upper, Great Northern Lower and the True Fissure lodes). This fault was exposed in a trench in 2022 in an area historically referred to as the New Zone by Columbia Metals (1970) and it has near vertical dip in contrast to the epithermal lodes that dip moderately to the ENE. This fault is important because it postdates emplacement of the known epithermal deposits at Thor and has potentially faulted-off significant portions of the Thor epithermal deposit.

Exposure of the Ripper Fault at the New Zone area in 2022 has demonstrated that the Ripper Fault is also mineralized with high-grade gold (>10 g/t gold) and high-grade silver (>2,000 g/t silver). Exploration results are currently being compiled for this area, and will be released once they have been analyzed.

At Gold Pit, located 210 m south of the New Zone, a high-grade 'knocker' of the Great Northern deposit has been incorporated into the Ripper Fault, and also translated into the plane of the fault. To the west of the fault, the epithermal zones have been down-dropped, and remain unexplored. There is also a very widespread gold and silver anomaly in soil samples that originates from under Broadview Formation lithocap rocks west of the Ripper Fault. This indicates substantial concealed mineralization in the area.

The presence of high-grade gold and silver in these two areas strongly suggests the presence of a previously unrecognized epithermal zone at Thor that occurs on the WSW side of the TFZ, which to date has never been investigated with drilling.

Western Deeps [Epithermal Target]

A large topographic ridge extends NW from the New Zone for approximately 1500 m. Many discrete airborne conductive bodies were noted to lie beneath the ridge. In 2022, the Company conducted exploration activities in the area, including magnetic, VLF, resistivity, and excavation near a road which transects the feature. Detailed outcrop sampling was then undertaken along the exposed outcrop. This activity was done approximately 35 m west of the Ripper Fault in an area that previously had no known mineralization.

The southeast part of the large apparent conductivity airborne anomaly was transected, and geophysical surveying identified a very strong VLF conductive feature that correlated with the airborne MT anomaly, and ground proofed the airborne data. Electrical surveys also showed that this conductive feature was in close proximity to a resistive feature. These geophysical features suggest the presence of a large fault accompanied by extensive quartz stockworks.

Excavation and mapping of the feature indicated a broad zone of epithermal alteration (jarosite, limonite, quartz) and extensive vugging characteristic of other mineralized zones at Thor including Broadview, SIF and the Thunder Zone. Although analytical results are pending, the presence of extensive epithermal alteration does suggest that the very large apparent conductivity anomaly located in the airborne MT survey is related to widespread epithermal alteration/mineralization.

Broadview South [Epithermal Target]

The company completed extensive studies in the area in 2022, including a geophysical magnetic and VLF grid. A large, deeply buried conductive feature (also known as the South Tusk) was corroborated.

The results of the VLF survey show that this apparent conductivity feature is identifiable from the ground survey, and deep drilling is planned for 2023.

FeNiCo Mega-Gossan [Epithermal Target]

One of the most spectacular geological features on the Thor Project is an iron gossan 900 m northwest of the existing Thor epithermal deposit. During the 2013 exploration season, the gossan returned ore-grade nickel and cobalt mineralization in soil samples, in addition to high iron content (>50%) of the samples. Taranis conducted in-depth sampling of the gossan in 2022, and was able to corroborate the earlier geochemical results, and was also able to identify the potential source.

The soil sampling results indicated that the feature likely originates from Thor's Ridge located to the south of the gossan area. Importantly, the gossan is located on the west end of a major conductive feature identified from the airborne survey called the North Tusk.

'Green Rock' Domain Under Thor [Intrusive Target]

In early May of 2022, Taranis undertook an airborne geophysical survey over the Thor Mineral Resource area. The survey included airborne magnetics and magnetotellurics ("MT") and was undertaken by Expert Geophysics Limited of Newmarket, Ontario, Canada. The area is difficult to access, and is also covered by widespread colluvium.

The results of the airborne survey indicated the presence of a large magnetic and resistive feature under the epithermal deposit that is consistent with either a volcanic body, an intrusive, or an extensive zone of hornfels alteration. In 2022, Taranis undertook a widespread exploration program to understand the origin of this geophysical anomaly. A brief summary appears below:

Geochemistry (Including Age-Dating)

One hundred and twenty-six samples were collected in the field and some of these have been analyzed for major oxides, trace elements, carbon/oxygen isotopes and rare-earth elements. The results of this work are expected to add considerable understanding to the geology of these 'green rocks' and further the understanding of the Thor Deposit. Results of this work are ongoing and will be reported as the data is analyzed.

A suspected intrusive dyke found among the 'green rocks' is being tested with U-Pb age-dating to understand if these dykes are related to a younger underlying intrusive feature. The dykes and the green rocks are known to crosscut the Broadview Formation at Thor and are therefore expected to relate to a much younger phase of volcanism.

NIR/SWIR Spectrometry

Approximately 1,500 sites were scanned using a near-infrared and short wave infrared ("NIR/SWIR") spectrometer, including some historical and 2022 drill holes. Spectrometry is very useful at Thor because many of the rocks are fine-grained and therefore pose challenges for the identification of minerals.

The identification of minerals in the deposit has important implications for the genesis and consequently exploration of the deposit. Mineral species can also be used to identify alteration zones that are very important to finding concealed deposits, and the determination of the mineralogy is impossible without the aid of a spectrometer.

While the data is still being compiled and analyzed, the preliminary results of the survey indicate the presence of a widespread collection of minerals including garnet, actinolite, hornblende and other minerals that were not previously recognized. Some of these minerals are almost certainly related to contact metamorphism in the 'green rock' domain, and are also spatially related to the epithermal mineral lodes at Thor.

Petrology

Twenty-eight polished thin sections are in the process of being analyzed by a certified petrologist to better understand the mineral composition and aid in the determination of whether the 'green rocks' that are found under the known epithermal deposit constitute a propylitic alteration zone related to a deep-seated intrusive body.

Drill Permits

In August of 2022, the Company submitted a new 5-year Notice-of-Work application for exploration drilling at Thor that would include deep drilling of several airborne anomalies identified by the 2022 MT/Mag survey. The Company did not receive a response from the B.C.

Ministry of Energy, Mines, and Low-Carbon Innovation ("EMLI") within the timeframe jointly announced in August by the Association of Mineral Explorers and EMLI. On November 17, 2022, Taranis was contacted by telephone by an EMLI representative, and the permitting process appears to be advancing.

Thor 10,000 tonne Bulk Sample

Taranis received Mining and Environmental permits for the Thor 10,000 tonne bulk sample in July of 2021. Initial engineering work as required by the permit consisted of geotechnical drilling in the area of the True Fissure Millsite which was completed in September of 2021. This work was bonded as an amendment to Mining Permit MX-5-602.

The 10,000 tonne bulk sample is deemed a crucial aspect of any further exploration effort at Thor, as it documents the physical and chemical characteristics of the Thor Mineral Resource that can be used in future Feasibility Studies of mining the deposit. Apart from the silver-gold-lead-zinc-copper aspects of the deposit, the deposit is known to contain by-product minerals including antimony, tin, indium and cadmium. The bulk sampling operation will produce a pre-concentrate onsite (separating valuable minerals from gangue), and the pre-concentrate will undergo extensive testing for metal content, recoveries and physical characteristics. The pre-concentrate will then be sent to a hydro-metallurgical facility where it will be upgraded to a commercially accepted concentrate. Analysis of this concentrate will accurately document the modifying factors inherent to the mineral resource. This concentrate will then be shipped to a smelter where it will be of sufficient size to formulate a smelter contract. These processing steps will help identify many items that are needed in order to conduct an economic study of the Thor deposit.

As part of a Site Investigation ("SI") Taranis completed 12 geotechnical auger holes on the True Fissure Millsite and 2 core holes designed to test the depth to bedrock. This work was done under the direction of Knight Piesold Engineering who is preparing the SI. The SI is a key part of the permitting activity for the 10,000 tonne bulk sample.

Dispute with CRA Regarding CEE-Eligibility of 10,000 Tonne Bulk Sample

Taranis applied to EMLI in 2018 for a permit to take a 10,000 tonne sample of epithermal polymetallic materials, to test the physical and chemical characteristics of the material. EMLI informed Taranis at that time that the permitting process had changed substantially; the details of the changes were not made public for over two years after the change in permitting procedure, and the changes were made without public or industry consultation. Taranis' position is that the unannounced change to the permitting process, which greatly increased the amount of expenditures and time required to permit this type of exploration activity, were excessive. At Taranis' request, the B.C. Ombudsperson investigated the Bulk Sampling Policy in B.C. and found that the government had no published Policy on Bulk Sampling at the time of application or during the processing of Taranis' Bulk Sampling permit application, and that Taranis was made to conduct its permit application under a full-scale mine permit process, called a Joint Environmental and Mining Application ("JEMA"). The B.C. Ombudsperson ordered EMLI to publish the Policy for Bulk Sampling. After a permitting process that lasted three years, EMLI issued the Bulk Sample permit for the Thor property in July 2021.

In 2020, while the Bulk Sample permitting process was ongoing, the Canada Revenue Agency, ("CRA") initiated audits for taxation years 2017 and 2018, targeting the use by Taranis of flow-through financings to fund the costs of the now expanded Bulk Sample permitting process mandated by EMLI. Bulk Samples, including metallurgical and grinding tests performed on-site, and environmental studies and consultations required to obtain necessary permits, are specifically listed as Canadian Exploration Expenditures ("CEE") in CRA's published Mining Expenditure Review Table. Nevertheless, CRA initially proposed to disallow CEE treatment of certain of the permitting expenditures, contending that they "seemed excessive" for a 10,000 tonne Bulk Sample. Taranis disputed CRA's initial interpretation, and in consultation with Natural Resources Canada ("NRC") persuaded the CRA to abandon this argument. CRA then advanced a second reason that the Bulk Sample was ineligible for CEE alleging that the mineral stockpile on surface which was to be the subject of the Bulk Sample did not meet the definition of a "Mineral Resource" as required in its Mining Expenditure Review Table. Again, with the assistance of NRC, Taranis was successful in convincing CRA that this interpretation was also incorrect and that that indeed stockpiles are considered part of a Mineral Resource.

With CRA's first two rationales for disallowance of CEE for the 10,000 tonne Bulk Sample being successfully refuted, CRA advanced a third reason for denying CEE treatment for the expenditures in question, which was delivered to Taranis as a final notice. This effectively closed all discussion(s) on the matter at the audit level. Taranis was not given an opportunity to comment on CRA's reasoning. This third and final interpretation alleges that Taranis is only seeking an "Optimal Method" of ore processing at Thor, thereby rendering the Bulk Sample an activity not being conducted for the purposes of determining the existence, location, extent, or quality of a Mineral Resource in Canada.

In response to this action by CRA, in March of 2022, Taranis filed Loss Determination requests with respect to the 2017 and 2018 audit findings as its only available recourse to dispute this arbitrary action. In support of these requests, the Company has submitted a comprehensive 90-page rebuttal of CRA's final argument for disallowance of CEE for the Bulk Sample. CRA subsequently requested that Taranis allows its response to be shared with NRC. Taranis has agreed to this in the hope that with NRC's assistance CRA may reconsider its position with respect to the CEE-eligibility of the Bulk Sample. The matter is now in the hands of the CRA appeals division which has not yet rendered any comment or decision.

Taranis has elected to pause all activities related to the 10,000 tonne Bulk Sample until there is certainty about Bulk Sample CEE-eligibility - despite having the permit to conduct this Bulk Sampling. It is Taranis' opinion that the costs associated with permitting and operation of the Bulk Sample are CEE-eligible and are in fact a crucial part of exploring a Mineral Resource prior to conducting a Feasibility Study. This is echoed by CRA's Mining Expenditure Review table, which states that Bulk Samples, associated metallurgical testing, environmental studies, and community consultations are all recognized as CEE-eligible activities.

In November of 2022, the Company participated in a discussion with the Prospectors and Developers Association of Canada ("PDAC") about issues concerning the Thor Bulk Sample to bring awareness to the mining industry representatives of the potential problems that exist concerning the use of CEE to finance Bulk Samples in Canada. As Provinces such as British Columbia expand and complicate permitting requirements for Bulk Samples, uncomfortable tax interpretations can seriously effect financing options for resource companies.

SUMMARY OF QUARTERLY RESULTS

	Sept 30, 2022	June 30, 2022	Mar 31, 2022	Dec 31, 2021	Sept 30, 2021	June 30, 2021	Mar 31, 2021	Dec 31, 2020
	$	$	$	$	$	$	$	$
Net Income (Loss)	(96,878)	(39,402)	(16,846)	(86,282)	(130,515)	(46,171)	34,825	(135,009)
Earnings (loss) per share								
Basic	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Diluted	….(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)

The Company has experienced quarterly losses over the last two years. This is a result of the fact that as a mineral exploration company the Company does not have a regular revenue stream. The majority of the Company's expenditures are for capitalized exploration costs which are not accounted for as operation expenses. Differences in quarterly losses can generally be attributed to the variations in share-based payments and the periodic write-off of Exploration and Evaluation Assets.

OUTSTANDING SHARE DATA

Authorized

Unlimited common shares without par value
Unlimited class A preferred shares with a par value of $1

Issued and outstanding as at November 24, 2022
85,681,351 common shares

As at the date of this MD&A the following incentive stock options and share purchase warrants were outstanding:

	Number of Shares	Exercise Price	Expiry Date
Options	1,200,000	$0.10	March 20, 2023
	300,000	$0.11	April 16, 2023
	50,000	$0.08	October 21, 2024
	1,150,000	$0.10	September 14, 2026
Flow-through Warrants	2,000,333	$0.15	December 29, 2022
Regular Warrants	3,250,000	$0.20	June 24, 2024
	125,000	$0.20	September 9, 2024

TRANSACTIONS WITH RELATED PARTIES

During the nine months ended September 30, 2022 the Company entered into the following transactions with related parties:

a) paid or accrued $10,500 (2021 - $10,500) to a director and CFO, Gary McDonald, for accounting services;

b) paid or accrued $33,500 (2021 - $24,000) for legal services to a corporation controlled by Glenn R. Yeadon, a director and the Secretary of the Company;

c) settled $70,293 (2021 - $95,076) in debt with related parties through the issuance of 702,927 common shares (2021 – 950,757 common shares).

d) paid or accrued administrative costs and deferred exploration costs of $74,565 (2021 - $23,974) to a corporation controlled by John J. Gardiner, a director and CEO of the Company

e) accrued loan interest of $6,000 (2021 - $6,000) to Matachewan Consolidated Mines, Limited, a corporation related to the Company through a common director;

f) accrued loan interest of $2,118 (2021 - $2,118) to McChip Resources Inc., a corporation related to the Company through a common director.

Due to related parties of $12,299 (2021 - $12,299) and amounts included in accounts payable and accrued liabilities of $257,807 (2021 - $187,696) are due to a director, companies controlled by directors of the Company and to companies related to the Company by virtue of a common director. These amounts are without interest and have no specific repayment terms.

OFF BALANCE SHEET ARRANGEMENTS

Taranis does not utilize off-balance sheet arrangements.

PROPOSED TRANSACTIONS

As at November 24, 2022 the Company has no proposed transactions.

CAPITAL RESOURCES AND LIQUIDITY

On January 24, 2022, pursuant to the exercise of certain Flow-through warrants, the Company issued 666,666 flow-through shares at a price of $0.15 per share.

On June 24, 2022 the Company issued 3,250,000 units at a price of $0.10 at a price of $0.10 per unit, each unit consisting of one common share and one share purchase warrant, with each warrant entitling the holder to purchase one additional common share at a price of $0.20 until June 24, 2024.

On August 8, 2022 pursuant to the exercise of certain stock options the Company issued 150,000 common shares at a price of $0.11 per share.

On August 25, 2022 pursuant to the exercise of certain Flow-through warrants, the Company issued 1,833,334 flow-through shares at a price of $0.15 per share.

On September 9, 2022 the Company issued 125,000 flow-through units at a price of $0.20 per unit. Each unit consisting of one flow-through share and one share purchase warrant entitling the holder to purchase one non-flow through common share at a price of $0.20 until September 9, 2024.

On November 17, 2022 pursuant to the exercise of certain share purchase warrants the Company issued 625,000 common shares at a price of $0.15 per share.

On June 10, 2021 the Company issued 2,086,667 flow-through shares at a price of $0.12 per share and 1,696,500 common shares of a price of $0.10 per share.

On August 25, 2020 the Company issued 2,520,000 flow-through units at a price of $0.10 per unit, each unit consisting of one flow-through share and one share purchase warrant, with each warrant entitling the holder to purchase one additional flow-through share at a price of $0.15 until August 25, 2022.

As at September 30, 2022 the Company had a working capital deficiency of $149,516 and cash of $551,034. Additional financing is required in the immediate future to enable the Company to sustain its historic level of exploration activity. Management is currently exploring a number of financing options.

FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT

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

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly;

Level 3 – Inputs that are not based on observable market data.

The fair value of the Company's receivables, loan payable, due to related parties and accounts payable and accrued liabilities approximate their carrying value, due to the short-term nature of these instruments. The Company's cash under the fair value hierarchy is based on level 1 quoted prices in active markets for identical assets or liabilities.

The Company is exposed in varying degrees to a variety of financial instrument related risks:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and receivables. Management believes that the credit risk with respect to financial instruments included in receivables is remote, because these instruments are due primarily from government agencies and cash is held with reputable financial institutions.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they come due. As at September 30, 2022, the Company had a cash balance of $551,034 (2021 –$353,359) to settle current liabilities of $740,545 (2021 – $596,603). All of the Company's financial liabilities are subject to normal trade terms.

Management is actively pursuing options to enable it to meet its current obligations as they become due.

Market risk

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

a) Interest rate risk

The Company has cash balances and loans payable bearing interest at 5% and 8% per annum. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions when deemed appropriate. Management periodically monitors such investments and debts and makes adjustments as necessary but does not believe interest rate risk to be significant.

b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash, receivables and accounts payable and accrued liabilities that are denominated in United States Dollars or Euros. Management believes the risk is not currently significant as only a small portion of these assets and liabilities as at September 30, 2022 are denominated in United States Dollars or Euros.

c) Price risk

The Company is not a producing entity so is not directly exposed to fluctuations in commodity prices. The Company is exposed to price risk with respect to equity prices. 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. Fluctuations in pricing may be significant.

Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue acquisition and exploration of mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes 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 its underlying assets. To maintain or adjust its capital structure, the Company may attempt to issue new shares, issue debt, or acquire or dispose of assets.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

The Company currently is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the nine months ended September 30, 2022.

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CORPORATE INFORMATION

John J. Gardiner, Estes Park, Colorado, U.S.A.	President, Chief Executive Officer and Director
Glenn R. Yeadon, Vancouver, B.C., Canada	Secretary and Director
Gary R. McDonald, New Westminster, B.C., Canada	Chief Financial Officer and Director
Richard D. McCloskey, Toronto, Ontario, Canada	Director
Thomas Gardiner, Estes Park, Colorado, U.S.A	Director

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Share Capitalization	
Authorized	Unlimited common shares Unlimited Class A preferred shares
Issued and Outstanding at September 30, 2022	85,056,351 common shares
Issued and Outstanding at November 24, 2022	85,681,351 common shares
Incentive Stock Options outstanding at November 24, 2022	2,700,000
Share purchase warrants outstanding at November 24, 2022	5,375,333