

LABRADOR GOLD CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
THREE AND NINE MONTHS ENDED JUNE 30, 2023

Labrador Gold Corp.
Management's Discussion and Analysis
For the Three and Nine Months Ended June 30, 2023
Discussion dated: August 17, 2023

Introduction

The following discussion and analysis of the results of operations and of the financial position of Labrador Gold Corp. ("Labrador Gold" or the "Company") is prepared as of August 17, 2023, and should be read in conjunction with the Company's condensed interim financial statements for the three and nine months ended June 30, 2023 and the Company's audited consolidated financial statements and the notes thereto for the years ended September 30, 2022 and 2021.

The financial information presented herein is expressed in Canadian dollars, except where noted.

The Company's financial statements are reported under International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

Company Information

Labrador Gold is a company involved in the acquisition and exploration of prospective gold projects in the Americas and is publicly traded on the TSX Venture Exchange ("TSX-V") under the symbol "LAB" and on the OTCQX Exchange under the symbol "NKOSF". To date, the Company has not earned significant revenues and is in the exploration stage. Its principal office is located at 82 Richmond Street East, Toronto, ON, Canada M5C 1P1.

On September 5, 2017, and as amended December 7, 2020, the Company entered into a Letter of Intent ("LOI") that grants the Company the option to earn a 100% interest in the Hopedale property, located in Labrador (the "Labrador Property").

In December 2017, the Company changed its name to Labrador Gold to reflect its corporate focus on gold exploration in Labrador and its commitment to the systematic exploration of the Labrador Property for gold. The Company retained the services of Roger Moss, CEO of the Company, on a full-time basis to further this corporate objective.

In March 2020, the Company acquired an option to earn a 100% interest in the Gander Property, subsequently renamed the Kingsway Property (the "Kingsway Property"), near Gander, Newfoundland & Labrador. In May 2022, the Company exercised its option to earn 100% of the three licenses comprising the Kingsway Property.

The Company also holds a 100% interest in the Borden Lake Extension Property (the "Borden Lake Property") located near Chappleau, Ontario, and a 100% interest in the Scotch Property located near Sussex, New Brunswick.

At June 30, 2023, the Company had cash of \$13,261,247 (September 30, 2022 - \$21,354,986) and working capital of \$12,813,895 (September 30, 2022 - \$21,073,642). The Company believes it has sufficient funds to finance its planned exploration and general and administrative costs for the current fiscal year.

The Company does not anticipate generating significant revenues in the near future. As a result, the Company will be required to continue raising funds in order to finance its ongoing property evaluation program and general and administrative expenses. This will most likely be accomplished through the sale of equity.

Highlights

During the nine months ended June 30, 2023, the Company received proceeds of \$164,000 from the exercise of 820,000 share purchase options.

On April 3, 2023, the Company granted officers, directors, consultants and employees an aggregate of 3,100,000 stock options exercisable until April 3, 2028 at \$0.23 per share. The options vest 20% on August 3, 2023, 20% on October 3, 2023, 20% on April 3, 2024, 20% on October 3, 2024 and 20% on April 3, 2025.

Results of Operations

Three Months Ended June 30, 2023

During the three months ended June 30, 2023, the Company reported a net loss of \$309,473 (2022 – net income of \$33,862). The change in net loss was mainly due to:

- Share-based compensation increased to \$190,397 (2022 - \$nil) due to the share purchase options granted during the current period.
- Flow-through premium decreased to \$nil (2022 - \$315,916) as the Company has incurred the required qualifying flow-through expenditures.
- Other income increased to \$105,212 (2022 - \$9,265) due to increased interest income on the Company's cash balance.

Nine Months Ended June 30, 2023

During the nine months ended June 30, 2023, the Company reported a net loss of \$723,453 (2022 – net income of \$343,707). The change in net loss was mainly due to:

- Exploration and evaluation expenditures decreased to \$nil (2022 - \$170,000). Exploration and evaluation expenditures includes amounts paid in 2022 in lieu of expenditures required to maintain in good standing a property the Company had optioned and subsequently returned to the vendor.
- Share-based compensation increased to \$190,397 (2022 - \$nil) due to the share purchase options granted during the current period.
- Flow-through premium decreased to \$nil (2022 - \$1,144,254) as the Company has incurred the required qualifying flow-through expenditures.
- Other income increased to \$200,564 (2022 - \$17,956) due to increased interest income on the Company's cash balance.

Liquidity and Capital Resources

The Company is a development-stage company that currently does not generate significant revenues and does not anticipate doing so in the near future.

As at June 30, 2023, the Company had cash of \$13,261,247 (September 30, 2022 - \$21,354,986) and working capital of \$12,813,895 (September 30, 2022 - \$21,073,642).

The Company is not subject to debt covenants.

Unproven Mineral Right Interests

Ownership in mineral right interests involves certain inherent risks due to the difficulties of determining and obtaining clear title to claims as well as the potential for problems arising from the ambiguous conveyance history of many mineral right interests. The Company has investigated ownership of its mineral right interests and, to the best of its knowledge, ownership of its interests are in good standing.

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	Labrador Property (\$)	Borden Lake Property (\$)	Kingsway Property (\$)	Scotch Property (\$)	Total (\$)
Balance, September 30, 2022	4,408,482	825,135	22,987,505	593,347	28,814,469
Acquisition	Nil	Nil	750,000	6,540	756,540
Deferred exploration	244,355	Nil	6,899,618	59,311	7,203,284
Recoveries	Nil	Nil	(45,450)	(18,000)	(63,450)
Balance, June 30, 2023	4,652,837	825,135	30,591,673	641,198	36,710,843

Labrador Property

On September 5, 2017, the Company entered into a Letter of Intent ("LOI") that granted the Company the option to earn a 100% interest in the Hopedale property, located in Labrador (the "Labrador Properties"). To exercise the option, the terms of which were amended on December 7, 2020, the Company must, before September 5, 2023, make a payment of \$125,000 in respect of the Hopedale property.

The vendors of the Labrador Property retain a 2% net smelter return ("NSR") royalty, half of which may be bought back by the Company at any time for \$2 million plus \$1 per ounce of gold in measured and indicated resources. An advance royalty of \$25,000 per annum for each property will be payable starting in 2024.

Borden Lake Property

The Company has a 100% undivided interest in the Borden Lake Property located near Chapleau, Ontario.

During the years ended September 30, 2022 and 2021, the Company allowed to lapse certain claims making up this property. In connection with the lapse of those claims, the Company wrote off \$105,000, being the historical capitalized maintenance fees associated with the claims that were allowed to lapse.

The original vendors of the Borden Lake Property retain a 2% NSR royalty, half of which may be bought back by the Company for \$1 million at any time.

Kingsway Property

On March 3, 2020, the Company acquired an option to earn a 100% interest in the Gander North and Gander South properties, subsequently renamed as the Kingsway Property, located in Newfoundland.

During the year ended September 30, 2022, the Company exercised the option and earned a 100% interest in the properties, subject to completing additional payments totalling \$1.5 million based on exploration expenditures incurred as follows:

- \$750,000 upon incurring an aggregate of \$20 million in expenditures on one of the licenses (paid during 2023); and
- \$750,000 upon incurring an aggregate of \$30 million in expenditures on one of the licenses

The vendor of the Kingsway Property retains a 1% NSR royalty plus \$1 per ounce of gold in the measured and indicated resources for the property. An advance royalty of \$50,000 per annum will be payable commencing on March 3, 2026.

On July 6, 2020, the Company entered into an additional option agreement to acquire a 100% interest in License 023940M (the "License") which is strategically positioned between the Gander North and South claim blocks.

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During the year ended September 30, 2022, the Company completed the option and earned a 100% undivided interest in the License by making cash payments totaling \$459,000, issuing a total of 390,000 common shares, and incurring a total of \$2 million in property work expenditures.

Scotch Property

In March 2021, the Company acquired a 100% undivided interest in the Scotch Property. The Scotch Property is located southwest of Moncton, New Brunswick, and consists of 24 claims.

Exploration Activity for the Three Months Ended June 30, 2023

Roger Moss, Ph.D, P.Geo, a Qualified Person under National Instrument 43-101 has approved the scientific and technical disclosure in this Management's Discussion and Analysis, and has verified the data disclosed.

During the three months ended June 30, 2023, the Company continued drilling as part of the ongoing 100,000 metre program at the Kingsway Gold Project near Gander Newfoundland.

Kingsway Exploration

Drilling continued to target the prospective Appleton Fault Zone which has a 12km strike length across the 100% owned Kingsway Project. The drilling is part of the Company's ongoing 100,000 metre diamond drilling program of which approximately 83,000 metres are complete. The remaining 17,000 metres of drilling are fully funded by the Company's cash on hand. Assays are pending for approximately 8,877 metres of core.

Drilling during the quarter continued to extend mineralization at Big Vein to the northeast and southwest and also intersected gold mineralization at the new Dropkick target approximately 3.4 kilometres northeast of Big Vein along the Appleton Fault Zone.

Big Vein

Hole K-23-225, a 100m step out to the northeast intersected 1g/t Au over 10.1 metres from 46.9 metres, that included an interval of 2.28g/t over 2.26 metres containing visible gold. The Big Vein SW zone was extended a further 60 metres to the southwest with intersections of 3.69g/t Au over 2.97 metres from 389.41 metres including 12.05g/t Au over 0.59 metres in Hole K-23-216 and 1.95g/t Au over 9 metres including 8.97g/t Au over 1.6 metres in Hole K-23-218.

Drilling to follow up the discovery of the Greenmantle Zone intersected 5.22g/t Au over 2.80 metres from 418.6 metres that included 22.02g/t Au over 0.4 metres in Hole K-22-214B which also included 8.62 g/t Au over 0.7 metres from 496 metres. The Greenmantle Zone lies below the HTC Zone, in the footwall of the Appleton Fault Zone at a vertical depth of 415 metres.

Dropkick

Highlights of the initial drilling at Dropkick included an intersection of 1.97g/t Au over 9.45 metres from 198.55 metres including 3.13g/t over 5.45 metres and 31.86g/t over 0.45 metres that contained visible gold in Hole K-22-228B. Hole K-23-227 intersected 1.15g/t Au over 4 metres from 123 metres and 1.06g/t over 5.27 metres from 130.73 metres. Hole K-23-224 intersected 1.74g/t Au over 5.07 metres from 170.93 metres including 2.72g/t over 3.16 metres. Dropkick is the fifth of six targets where drilling has intersected significant gold mineralization.

Hopedale and Scotch Exploration

No field work was carried out on the Hopedale (Labrador) or Scotch (New Brunswick) properties during the third quarter. Compilation and interpretation of work completed during 2022 has identified targets for follow up on both projects. While

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gold continues to be the priority target on both properties, compelling nickel and copper targets are also present at Hopedale. Fieldwork is expected to be undertaken on both projects during late summer -early fall.

Hole ID	From (m)	To (m)	Width (m)	Au (g/t)	Zone
K-23-228B	198.55	208.00	9.45	1.97	DropKick
including	198.55	204.00	5.45	3.13	
including	198.55	199.00	0.45	31.86	
K-23-227	123.00	142.00	19.00	0.88	DropKick
including	130.73	136.00	5.27	1.06	
and	123.00	127.00	4.00	1.15	
K-23-226	336.00	337.73	1.73	0.54	Big Vein SW
K-23-225	46.90	57.00	10.10	1.00	Big Vein
including	47.64	49.90	2.26	2.28	
K-23-224	170.93	176.00	5.07	1.74	Dropkick
including	170.93	174.09	3.16	2.72	
K-23-223	115.75	117.05	1.30	1.35	Dropkick
K-23-222	138.00	146.00	8.00	0.21	Big Vein SW
including	145.00	146.00	1.00	0.93	
including	145.00	145.63	0.63	1.02	
K-23-221	11.00	12.04	1.04	3.66	Big Vein
	293.00	295.00	2.00	1.24	
K-23-220	nsv				Big Vein SW
K-23-219	220.50	227.00	6.50	0.24	Big Vein
K-23-218	104.70	105.70	1.00	1.56	Big Vein SW
	385.00	394.00	9.00	1.95	
including	386.10	387.70	1.60	8.97	
including	386.10	387.00	0.90	12.18	
K-23-217	323.00	338.00	15.00	0.19	Big Vein SW
K-23-216	267.00	268.00	1.00	3.24	Big Vein SW
	389.41	392.38	2.97	3.69	
including	389.41	390.00	0.59	12.05	
K-22-215	137.00	140.00	3.00	2.75	Big Vein
including	137.77	138.24	0.47	14.37	
K-22-214B	400.40	411.00	10.60	1.06	Green Mantle
including	407.00	408.30	1.30	2.53	
	418.60	421.40	2.80	5.22	
including	419.75	420.15	0.40	22.02	
	442.65	448.00	5.35	1.19	
	473.00	475.40	2.40	1.20	
	496.00	496.70	0.70	8.62	

Table 1. Summary of assay results. All intersections are downhole length as there is insufficient information to calculate true width.

Hole ID	Easting	Northing	Elevation (m)	Azimuth	Inclination	Depth (m)
K-23-228B	663349	5438348	64	140	65	254.00
K-23-227	663349	5438348	64	140	45	215.00
K-23-226	661173	5434794	43	140	45	528.00
K-23-225	661623	5435460	48	145	50	275.00
K-23-224	663220	5438195	63	140	65	227.23
K-23-223	663220	5438195	63	140	45	140.00
K-23-222	661211.7	5434821	40.8	140	45	498.5
K-23-221	661646	5435342	53	145	75	530.17
K-23-220	661249.3	5434859	43.1	140	60	600.3
K-23-219	661627.1	5435167	30.8	145	45	494
K-23-218	661249.3	5434860	42.8	140	45	572
K-23-217	661296.5	5434880	46.4	140	55	533
K-23-216	661299	5434884	42	140	45	526.24
K-22-215	661297.1	5434880	46.6	130	45	565
K-22-214 B	661579	5435370	48.6	145	60	676

Table 2. Drill hole collar details

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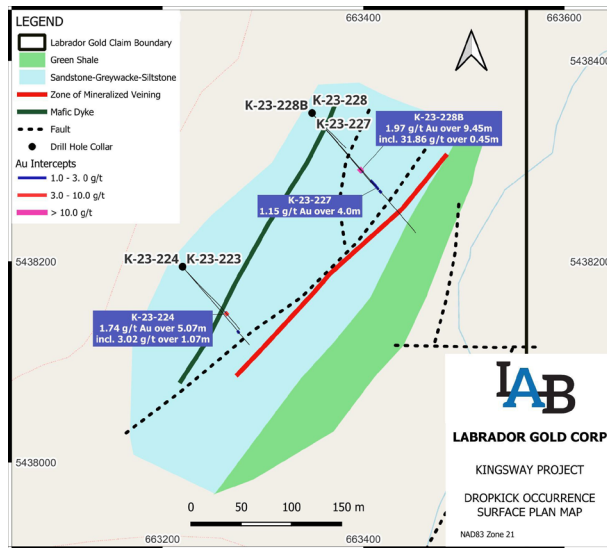


Figure 1. Plan map of the Dropkick occurrence showing recent intersections.

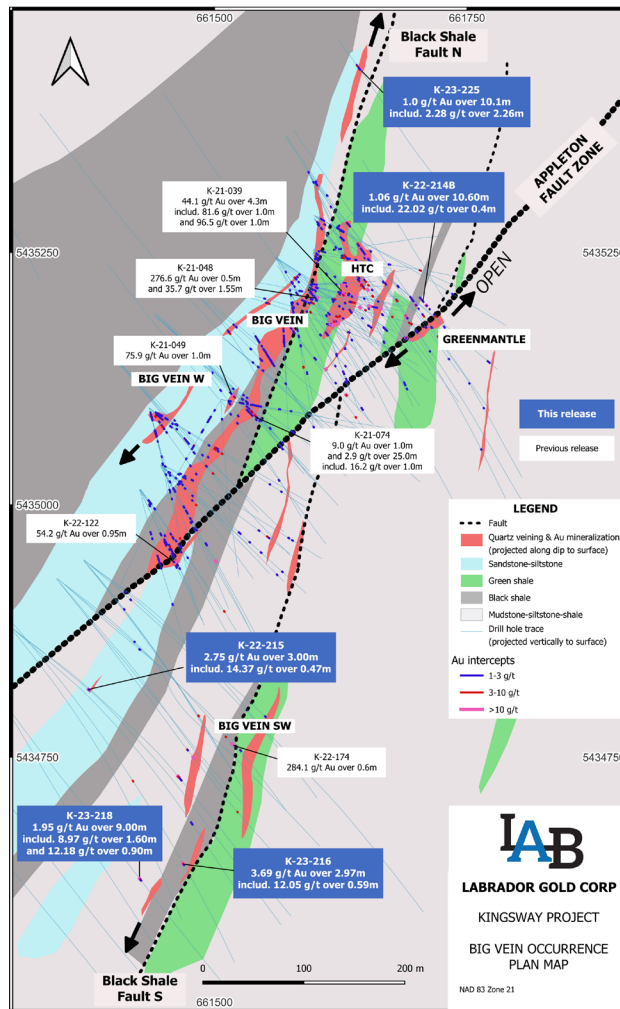


Figure 2. Plan map of the Big Vein occurrence showing recent intersections.

Related Party Transactions

Related parties include the Company's officers, Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

The Company entered into the following transactions with related parties:

During the three and nine months ended June 30, 2023, the Company incurred management fees of \$69,560 and \$118,160, respectively (three and nine months ended June 30, 2022 - \$82,110 and \$167,750, respectively) and geological consulting fees of \$31,440 and \$66,840, respectively (three and nine months ended June 30, 2022 - \$9,390 and \$57,750, respectively) for services provided by a company controlled by the Company's CEO. As at June 30, 2023, \$25,458 (September 30, 2022 - \$3,161) was due to the CEO, and is included in accounts payable and accrued liabilities with respect to the fees and other expense reimbursements. These amounts are unsecured, non-interest bearing, with no fixed terms of repayment.

Management fees were paid pursuant to a consulting agreement under which Moss Exploration Services Ltd. would receive a monthly fee of \$15,000 effective October 1, 2022. The Company can terminate the agreement with three months' notice, or payment of the fees during the termination period in lieu of notice.

During three and nine months ended June 30, 2023, the Company incurred directors' fees of \$13,500 and \$40,500, respectively (three and nine months ended June 30, 2022 - \$nil and \$nil, respectively) to its independent directors.

For the three and nine months ended June 30, 2023, the Company incurred \$9,919 and \$41,991, respectively, in professional fees (three and nine months ended June 30, 2022 - \$6,917 and \$32,872, respectively) to Marrelli Support Services Inc. ("Marrelli") for an employee of Marrelli to act as the CFO of the Company. As at June 30, 2023, \$2,601 (September 30, 2022 - \$2,618) was due to Marrelli, and is included in accounts payable and accrued liabilities with respect to the fees. These amounts are unsecured, non-interest bearing, with no fixed terms of repayment.

Critical Accounting Estimates

The most significant estimates are related to the physical and economic lives of unproven mineral right interests and their recoverability.

Off-Balance Sheet Arrangements

As of the date of this filing, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

Risk Factors

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. Please refer to the section entitled "Risk Factors" in the Company's annual MD&A for the fiscal year ended September 30, 2022, available on SEDAR at www.sedar.com.

Cautionary Statement on Forward Looking Information

This MD&A contains certain forward-looking information and statements as defined in applicable securities laws (collectively referred to as "forward-looking statements"). These statements relate to future events or our future performance. All

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statements other than statements of historical fact are forward-looking statements. The use of any of the words "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "should", "believe" and similar expressions is intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. These statements speak only as of the date of this MD&A. These forward-looking statements include but are not limited to, statements concerning:

- our strategies and objectives;
- prices and price volatility for commodities and of materials we use in our operations;
- the demand for and supply of commodities and materials that we use and plan to produce and sell;
- our financial resources;
- interest and other expenses;
- domestic laws affecting our operations;
- our tax position and the tax rates applicable to us;
- decisions regarding the timing and costs of construction and production with respect to, and the issuance of, the necessary permits and other authorizations required for any proposed projects;
- our planned future production levels;
- potential impact of production and transportation disruptions;
- our planned capital expenditures and estimates of costs related to environmental protection;
- our future capital and production costs, including the costs and potential impact of complying with existing and proposed environmental laws and regulations in the operation and closure of our operations;
- our financial and operating objectives;
- our environmental, health and safety initiatives;
- the outcome of legal proceedings and other disputes in which we may be or become involved; and
- general business and economic conditions.

Inherent in forward-looking statements are risks and uncertainties beyond our ability to predict or control, including risks that may affect our operating or capital plans; risks generally encountered in the permitting and development of mineral projects such as unusual or unexpected geological formations, unanticipated metallurgical difficulties, delays associated with permit appeals, ground control problems, adverse weather conditions, process upsets and equipment malfunctions; risks associated with labour disturbances and availability of skilled labour and management; fluctuations in the market prices of our principal commodities, which are cyclical and subject to substantial price fluctuations; risks created through competition for mining projects and properties; risks associated with lack of access to markets; risks associated with mine plan estimates; risks posed by fluctuations in exchange rates and interest rates, as well as general economic conditions; risks associated with environmental compliance and changes in environmental legislation and regulation; risks associated with our dependence on third parties for the provision of critical services; risks associated with non-performance by contractual counterparties; title risks; social and political risks associated with our operations; risks of changes in laws affecting our operations or their interpretation; and risks associated with tax reassessments and legal proceedings.

Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about:

- general business and economic conditions;
- interest rates;
- changes in commodity prices;
- acts of government and the outcome of legal proceedings;
- the supply and demand for, deliveries of, and the level and volatility of commodities and products used in our operations;
- the timing of the receipt of permits and other regulatory and governmental approvals;
- changes in credit market conditions and conditions in financial markets generally;

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- the availability of funding on reasonable terms;
- our ability to procure equipment and operating supplies in sufficient quantities and on a timely basis;
- the availability of qualified employees and contractors for our operations;
- our ability to attract and retain skilled staff;
- engineering and construction timetables and capital costs for our projects;
- costs of closure of various operations;
- market competition;
- the accuracy of our mine plan estimates (including, with respect to size, grade and recoverability) and the geological, operational and price assumptions on which these are based;
- tax benefits and tax rates;
- the resolution of environmental and other proceedings or disputes; and
- our ability to obtain, comply with and renew permits in a timely manner.

We caution you that the foregoing list of important factors and assumptions is not exhaustive. Other events or circumstances could cause our actual results to differ materially from those estimated or projected and expressed in, or implied by, our forward-looking statements. Except as required by law, 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.