NorthWestcopper

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended December 31, 2022

Introduction and Forward-Looking Statements

NorthWest Copper Corp. (also referred to as "NorthWest", or the "Company", or "we", or "our", or "its" or "us" within this Management's Discussion and Analysis ("MD&A")) is a mineral exploration and development company advancing its portfolio of projects in north-central British Columbia. The Company's corporate office is located at Suite 1900-1055 West Hastings Street, Vancouver British Columbia, Canada V6E 2E9 and its registered and records office is located at 2200-885 West Georgia Street, Vancouver British Columbia, Canada V6C 3E8. The Company was incorporated under the Company Act of the Province of British Columbia on March 5, 1973, and on August 30, 2005, the Company transitioned to the Business Corporations Act (British Columbia).

This MD&A, dated as of April 20, 2023, is for the year ended December 31, 2022 and should be read in conjunction with the audited consolidated financial statements as at and for the year ended December 31, 2022 and ten months ended December 31, 2021 of NorthWest Copper Corp., including the related notes thereto (together, the "Annual Financial Statements") and our other corporate filings including our Annual Information Form for the year ended December 31, 2022 dated April 20, 2023 (the "AIF"), available under the Company's profile on SEDAR at www.sedar.com.

The common shares of the Company are currently listed for trading on the TSX Venture Exchange (the "Exchange") under the trading symbol "NWST". The Company is a reporting issuer in British Columbia and Alberta and files its continuous disclosure documents with the Canadian Securities Authorities in such provinces. Such documents are available on SEDAR at www.sedar.com. All dollar amounts stated in the MD&A are expressed in Canadian dollars unless noted otherwise.

During the ten months ended December 31, 2021, the Company changed its fiscal year end to December 31, from February 28. The Company's annual comparative period is the ten months ending December 31, 2021. The new fiscal year aligns the Company with its peer group in the mineral resources sector. For additional information see the Notice of Change in Financial Year-End filed under the Company's profile on SEDAR on June 10, 2021.

On March 5, 2021, following receipt of shareholder approval on February 26, 2021, the Company consolidated all the issued and outstanding common shares on a two for one basis (the "Consolidation").

This MD&A contains forward looking statements that involve numerous risks and uncertainties. The Company continually seeks to minimize its exposure to business risks, but by nature of its business and exploration activities and size, will always have some risk. These risks are not always quantifiable due to their uncertain nature. Should one or more of these risks and uncertainties, including those set forth in the AIF or in this MD&A under the heading "Cautionary Notes Regarding Forward-Looking Statements" below, materialize, or should underlying assumptions prove incorrect, then actual results may vary materially from those described in forward-looking statements.

The written disclosure of technical information in this MD&A has been reviewed, verified and approved by Tyler Caswell, P. Geo, Vice President, Exploration of the Company and a qualified person ("QP") for the purposes of National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101"). Readers are directed to the section entitled "Scientific and Technical Disclosure" included below.

Summary of Activities

Q4 and Recent Highlights

Announced Positive Results of Kwanika-Stardust PEA

On January 5, 2023, the Company announced the results of the preliminary economic assessment on its 100% owned Kwanika-Stardust Project comprising the Kwanika and Stardust deposits (the "2023 PEA")[1]. This represents the first technical and economic evaluation of the combined deposits outlining a robust project with manageable initial capital cost and multiple opportunities for project growth. NorthWest plans to continue to evaluate the possibility of further synergies with nearby deposits and the proposed infrastructure.

The 2023 PEA outlines a project that proposes mining approximately 96 million tonnes ("Mt") of material in a combination of open pit and underground operations from the Company's 100% owned Kwanika and Stardust deposits. The 2023 PEA contemplates a 22,000 tonnes per day ("tpd") process plant, producing high-quality copper concentrate with significant gold and silver by-product credits.

The 2023 PEA[2] describes Kwanika-Stardust as a unique project combining manageable initial capital with a significant Cu-Au production profile:

- Peak copper equivalent ("CuEq"[3]) production of 152.1 million pounds of copper ("Mlbs") per year (year 6) and life of mine ("LOM") CuEq average production of 90.6 Mlbs per year over 11.9 years;
- Total LOM production of 694 Mlbs Cu, 803 koz Au, and 3,204 koz Ag (1,078 Mlbs CuEq)
- Average cash operating costs[4] of US$1.58/lb CuEq (US$0.44/lb Cu on a by-product[5] basis);
- Average all-in sustaining cost ("AISC")[6] of US$2.01/lb CuEq (US$1.12/lb Cu on a by-product[7] basis);
- Initial capital of C$567.9 M (US$438.5 M[8]), with a construction period of two years;
- Attractive economics with NPV (7%) of C$440.1 M (US$339.8 M) and IRR of 17.1% pre-tax and NPV (7%) of C$215.0 M (US$166.0 M) and IRR of 12.7% after tax[9];

NorthWest is committed to working collaboratively with First Nations to ensure that sound cultural and environmental practices based on sustainability and shared value are incorporated into any mine development plans. Readers are directed to the section entitled "Summary of Projects" included within this MD&A for further information with respect to the 2023 PEA. See section below entitled "Non-GAAP Measures".

---

1 See NI 43-101 technical report titled "Kwanika-Stardust Project NI 43-101 Technical Report on Preliminary Economic Assessment" dated February 17, 2023, with an effective date of January 4, 2023, filed under the Company's SEDAR profile at www.sedar.com.

2 The 2023 PEA is preliminary in nature. It includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves and the is no certainty that the 2023 PEA will be realized.

3 CuEq (lbs) = Cu (lbs) + (Au (koz) * Au ($/oz)) / Cu ($/lb) /1000 + (Ag (koz) * Ag ($/oz)) / Cu ($/lb) / 1000, US$3.63 Cu, US$1,650 Au, US$21.50 Ag
Cash operating cost on a Co-product basis, calculated with the following formula: (Site Operating Costs) / LOM CuEq (Mlbs), Site Operating Costs = C$23.04 (per tonne processed)*95,607 kt*0.77 (USD exchange rate).

5 Cash operating cost on a By-product basis, calculated with the following formula: (Site Operating Costs – LOM Gold Revenue – LOM Silver Revenue) / LOM Cu (Mlbs), LOM Gold Revenue = US$1,321.55M, LOM Silver Revenue = $US 68.53M.

6 AISC Co-product basis, calculated with the following formula: (Site Operating Costs + Treatment, Refining, Transport Costs+ Sustaining Capital + Closure Costs – Salvage Value) / LOM CuEq (Mlbs), Treatment, Refining, Transport Costs = US$220.96M, Sustaining Capital = C$282.46M*0.77, Closure Costs = US$32.26M, Salvage Value = US$1.89M.

7 AISC By-product basis, calculated with the following formula: (Site Operating Costs + Treatment, Refining, Transport, + Sustaining Capital + Closure Costs – Salvage Value – LOM Gold Revenue – LOM Silver Revenue) / LOM Cu (Mlbs)

8 2023 PEA exchange rate = 0.77 US$ per C$1.00

9 Economics calculated at US$3.63 Cu, US$1,650 Au and US$21.50 Ag

Completed Over-Subscribed Financing
On February 3, 2023, the Company closed the first of two tranches of a private placement offering (the "2023 Offering") for aggregate proceeds of $4,332,730, consisting of 18,837,955 units (each a "Tranche 1 Unit") at a price of $0.23 per Tranche 1 Unit. Each Tranche 1 Unit consists of one common share of the Company and one-half of one non-transferable common share purchase warrant, with each whole warrant exercisable to purchase one additional common share until February 3, 2025, at an exercise price of $0.30.

On February 9, 2023, the Company closed the second and final tranche of the 2023 Offering for aggregate proceeds of $726,600, consisting of 3,159,131 units (each a "Tranche 2 Unit"), at a price of $0.23 per Tranche 2 Unit. Each Tranche 2 Unit consists of one common share of the Company and one-half of one non-transferable common share purchase warrant, with each whole warrant exercisable to purchase one additional common share until February 9, 2025, at an exercise price of $0.30.

In total, the Company issued 21,997,086 units for aggregate proceeds of $5,059,330.

Appointment of Tyler Caswell as Vice President, Exploration
In December 2022, Tyler Caswell was appointed Vice President of Exploration. Mr. Caswell has been a key member of our leadership team in his prior role of Principal Geologist and brings a wealth of experience in the central BC region and globally to NorthWest.

Inaugural ESG Report
On November 4, 2022, the Company released its foundational Environmental, Social and Governance ("ESG") report for the period ending December 31, 2021. The report establishes a baseline for reporting on alignment with various ESG metrics and provides a snapshot of NorthWest currently and our plans for the future.

2022 Drilling at Kwanika-Stardust
In July 2022, the Company announced the first results of 2022 drilling at Kwanika, and announced the first results of 2022 drilling at Stardust in November 2022.

The Kwanika program drilled a total of 11,872 metres in 30 drill holes, of which 24 were focused around the Kwanika Central Zone, both north and south of the mineralized footprint testing for potential expansion and for higher grade zones within the deposit, and 6 drillholes targeted the South Zone.

The Stardust program drilled a total depth of 6,698 metres in 10 holes and targeted incremental extensions of the high grade 421 Zone. Highlights from Kwanika-Stardust drilling include[10]:

Kwanika:

- K-22-230: 378.80 metres[11] of 0.37% Cu, 0.33 g/t Au and 1.2 g/t Ag from 19.20 metres;
- K-22-232: 109.05 metres of 0.62% Cu, 0.33 g/t Au and 3.0 g/t Ag from 27.00 metres;
    - Including 1.45 metres of 9.35% Cu, 6.65 g/t Au and 44.1 g/t Ag from 27.00 metres;
- K-22-233: 102.90 metres of 0.80% Cu, 0.26 g/t Au and 1.9 g/t Ag from 33.00 metres;
    - including 2.00 metres of 3.41% Cu, 0.83 g/t Au and 5.6 g/t Ag;
- K-22-242: 304.20 metres of 0.47% Cu, 0.53 g/t Au and1.7 g/t Ag from 339.30 metres;
    - Including 154.70 metres of 0.65% Cu, 0.87 g/t Au and 2.3 g/t Ag from 412.10 metres;
- K-22-248: 449.25 metres of 0.15% Cu, 0.15 g/t Au and 1.1 g/t Ag from 222.05 metres, and 367.60 metres of 0.14 % Cu, 0.13 g/t Au and 0.9 g/t Ag from 750.40 metres.
- K-22-255: 399.80 metres at 0.62% Cu, 0.74 g/t Au and 2.0 g/t Ag from 152.20 metres;
    - Including 23.40 metres of 2.12% Cu, 0.70 g/t Au and 6.2 g/t Ag from 152.60 metres;
    - Including 151.00 metres of 1.55 g/t Au from 363.00 metres;

[10] See news releases dated July 20, 2022, August 17, 2022, September 27, 2022, October 12, 2022, October 24, 2022, November 16, 2022, January 16, 2023, February 15, 2023 and March 29, 2023 available at www.northwestcopper.ca and the Company's SEDAR profile at www.sedar.com

[11] True widths of the reported mineralized intervals have not been determined.

  - Also including 64.00 metres of 1.00% Cu, 2.17 g/t Au and 2.9 g/t Ag from 374.80 metres; and
  - Also including 22.50 metres of 1.15% Cu, 2.95 g/t Au and 3.6 g/t Ag from 416.30 metres.

Stardust:

- DDH22-SD-478D: 44.20 metres of 0.84% Cu, 0.51 g/t Au and 13.7 g/t Ag from 502.00 metres:
  - Including 21.10 metres of 1.54% Cu, 0.96 g/t Au and 26.1 g/t Ag from 523.10 metres;
- DDH22-SD-476M: 75.95 metres of 0.55% Cu, 0.50 g/t Au and 10.9 g/t Ag from 600.45 metres;
- DDH22-SD-484: 41.20 metres of 1.81% Cu, 1.66 g/t Au and 29.6 g/t Ag from 722.00 metres;
  - Including 4.80 metres of 6.59% Cu, 7.61 g/t Au and 121.5 g/t Ag from 734.40 metres; and
  - Including 0.55 metres of 13.80% Cu, 14.70 g/t Au and 207.00 g/t Ag from 762.65 metres.

2022 Drilling at East Niv

The Company drilled a total of 4,390 metres in 8 holes at East Niv in 2022. This program was designed to expand the known high-grade zone discovered in 2021 and to test for additional copper-gold zones. Drilling was guided by surface work and geophysics collected previously by the Company. Highlights include[12]:

- ENV-22-013: 100.80 metres of 0.24 g/t Au, 0.10% Cu and 0.40 g/t Ag from 637.00 metres;
- ENV-22-018: 124.86 metres of 0.22 g/t Au, 0.07% Cu and 0.70 g/t Ag from 457.05 metres;
- ENV-22-016: 0.50 metres of 7.35 g/t Au, 0.13% Cu and 21.9 g/t Ag from 303.00 metres; and
- ENV-22-017: 2.00 metres of 2.33 g/t Au, 0.07% Cu and 0.80 g/t Ag from 416.00 metres.

2022 Drilling at Lorraine

At Lorraine, the Company drilled a total of 2,867 metres in 7 holes in 2022. The 2022 program was designed to expand the mineralization in the Mineral Resource Estimate area[13]. Targets included both step-out expansion opportunities and testing mineralization at depth below the existing resource. Highlights include[14]:

- LOR-22-130: 45.85 metres at 0.49% Cu, 0.19 g/t Au and 3.6 g/t Ag from 109.00 metres, including 23.00 metres at 0.79% Cu, 0.30 g/t Au and 5.8 g/t Ag from 109.00 metres;
- LOR-22-131: 46.90 metres at 0.59% Cu, 0.25 g/t Au and 4.2 g/t Ag from 15.00 metres, including 17.00 metres at 1.13% Cu, 0.46 g/t Au and 8.0 g/t Ag from 30.00 metres; and
- LOR-22-136: 102.80 metres at 0.28% Cu, 0.05 g/t Au and 1.3 g/t Ag from 91.00 metres.

Outlook

NorthWest is focused on exploring, advancing and de-risking our large portfolio of projects in BC, including Kwanika-Stardust, Lorraine and East Niv. The Company believes that there are exploration growth opportunities on all the projects as well as potential value enhancement through possible project synergies.

In 2022, NorthWest undertook an extensive exploration program that included drilling at Kwanika-Stardust, Lorraine and East Niv. This work has identified targets for follow-up at all projects. The plans for exploration in 2023 initially prioritize the Lorraine project, but with flexibility to drill at other projects depending on funding levels. Project by project details are provided below.

The Company plans to focus on growing the mineral resource estimate and increasing our understanding of the deposit the Lorraine project in 2023. We also plan to evaluate the possibility of further synergies with nearby deposits in the Company's portfolio, including Kwanika-Stardust. The 2022 exploration results demonstrated the

---

[12] See news release dated March 9, 2023 available at www.northwestcopper.ca and the Company's SEDAR profile at www.sedar.com

[13] See NI 43-101 technical report titled "Lorraine Copper-Gold Project NI 43-101 Report & Mineral Resource Estimate Omineca Mining Division, B.C", dated September 12, 2022, with an effective date of June 30, 2022, filed under the Company's SEDAR profile at www.sedar.com

[14] See news release dated March 23, 2023 available at www.northwestcopper.ca and the Company's SEDAR profile at www.sedar.com

potential for resource growth at Lorraine by identifying mineralization outside the previous resource shells. This and the large land package with at-surface copper, gold and silver mineralization make Lorraine a very attractive exploration target for 2023. 2023 activities are expected to include metallurgical testwork, as well as potentially a 4,000 - 6,000 metre drill program designed to upgrade the current resource, as well as test both targets outside of the main zones and regional targets. Field work at Lorraine in 2023 is also expected to include structural and geological mapping, and desktop activities are planned to include the continuation of ore-body knowledge studies undertaken by NorthWest staff.

The Company plans to continue work on developing deep drill targets at Kwanika-Stardust, for a potential drill program of approximately 2,500 metres, designed to extend and upgrade the mineral resource estimate. Kwanika is a strong system with high-grade copper and gold, which to date has not been drilled at depth. The 2023 PEA includes additional recommendations to advance the Kwanika-Stardust project, including supplemental metallurgical work, various geotechnical and environmental studies, as well as engineering studies. The Company is currently evaluating and prioritizing these recommendations.

The Company expects to spend 2023 utilizing the results of 2022 drilling and surveys to prepare and define drill targets at East Niv in preparation for a possible 2024 program. The Company is exploring the potential of involving a strategic partner to continue advancing the East Niv project.

Based on the amount of funding raised, the Company's planned exploration or other work programs may be postponed, or otherwise revised, as necessary. There can be no assurance that such financing will be available in the amount required at any time or for any period or, if available, that it can be obtained on terms satisfactory to the Company.

Summary of Projects

Kwanika-Stardust Project
Overview

The Kwanika property is located in North-Central British Columbia, in the Omineca Mining Division, around 140 km northwest (around 200 km by road) of Fort St. James. The Stardust property is located around 150 km north of Fort St. James in the Omineca Mining Division of north-central British Columbia.

NorthWest owns a 100% interest in both the Kwanika and Stardust properties. The Kwanika property is situated amongst a group of 59 unpatented mineral claims covering an area of 24,152.04 ha. The Stardust property encompasses 26 mineral claims covering 12,932.39 ha. Neither property is subject to any royalty terms, back-in rights, payments or any other agreements or encumbrances.

The Kwanika and Stardust properties lie within the territory of the Takla Lake Nation (Takla), with whom NorthWest holds an exploration agreement to conduct mineral exploration at Kwanika. NorthWest is currently working with Takla to renew an exploration agreement regarding Stardust and continues to engage and work with Takla to ensure exploration activities are conducted in a culturally and environmentally respectful manner.

Preliminary Economic Assessment
A preliminary economic assessment for the Kwanika-Stardust Project was announced in January 2023[15]. The 2023 PEA includes capital and operating costs for a potential Kwanika-Stardust mine; as well as recovery assumptions, metal prices and a mine plan for the combined Project. The 2023 PEA was completed by Ausenco and Mining Plus, using historical and the latest 2022 metallurgical testing data performed by SGS Minerals, ALS Metallurgy, Bureau

[15] See NI 43-101 technical report titled "Kwanika-Stardust Project NI 43-101 Technical Report on Preliminary Economic Assessment" dated February 17, 2023, with an effective date of January 4, 2023, filed under the Company's SEDAR profile at www.sedar.com.

Veritas Commodities, and Base Metallurgical Laboratories Ltd ("Base Met"). The 2023 PEA contains updated mineral resource estimates for both the Kwanika and Stardust deposits.

Table 1: 2023 PEA Economic Highlights

Base Case Economics	Units	Pre-Tax	After-tax
NPV (7%)	C$M	$440.10	$215.04
NPV (7%)[16]	US$M	$339.83	$166.05
IRR	%	17.1%	12.7%
Initial Capital	C$M	$567.90	
Sustaining Capital	C$M	$282.43	
Growth Capital[17]	C$M	$493.27	
Economic Assumptions	**Units**	**Base Case**	
Copper	US$/lb	$3.63	
Gold	US$/oz	$1,650.00	
Silver	US$/oz	$21.50	
Financial Metrics	**Units**	**LOM**	
Average Annual Revenue	C$M	$425.70	
Average Annual Operating Costs	C$M	$185.03	
Avg. Ann. Free Cash Flow (after tax)	C$M	$111.29	

The 2023 PEA is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the Kwanika- Stardust Project described in the 2023 PEA will be realized. Table 2 provides a summary of key operating metrics from the 2023 PEA:

Operating Statistics	Units	Avg. LOM
Mine Life	Years	11.9
Tonnes Processed	ktpa	7,967.3
Strip Ratio[18]	W:O	1.79
Production (per year)		
Copper	Mlbs	58.31
Gold	koz	67.43
Silver	koz	269.12
CuEq	Mlbs	90.56
Recoveries – Open Pit		
Copper	%	84.3
Gold	%	60.0
Silver	%	57.8
Recoveries – Underground		
Copper	%	89.7

[16] 2023 PEA Exchange rate: $0.77 US$ per C$1.00.
[17] Growth Capital is capital associated with brining new areas of mineralized material into production – namely Kwanika underground block cave and Stardust underground.
[18] Strip Ratio only accounts for the mineralized material and waste mined from the Kwanika Central open pit and the Kwanika South open pit. The strip ratios including mineralized material mined from underground is 0.91.

Operating Statistics	Units	Avg. LOM
Gold	%	71.4
Silver	%	70.3
Operating Costs		
Cash Cost – Cu with by-products	US$/lb	$0.44
Cash Cost – CuEq	US$/lb	$1.58
AISC – Cu with by-products	US$/lb	$1.12
AISC – CuEq	US$/lb	$2.01

Table 2: Combined summary resource estimate

Kwanika Central									
Open Pit	**Economic Cut-Off US$/t**	**Classification**	**Tonnes (Mt)**	**Cu (%)**	**Au (g/t)**	**Ag (g/t)**	**Cu (Mlbs)**	**Au (koz)**	**Ag (koz)**
	8.21	Measured	30.7	0.31	0.31	1.05	210.8	310.5	1,041.7
		Indicated	35.9	0.22	0.19	0.80	174.9	222.0	923.9
		M&I	66.6	0.26	0.25	0.92	385.7	532.5	1,965.6
		Inferred	4.1	0.15	0.15	0.58	13.8	20.1	77.3
Underground	**Economic Cut-Off US$/t**	**Classification**	**Tonnes (Mt)**	**Cu (%)**	**Au (g/t)**	**Ag (g/t)**	**Cu (Mlbs)**	**Au (koz)**	**Ag (koz)**
	16.41	Measured	25.6	0.50	0.61	1.62	284.4	501.3	1,332.6
		Indicated	11.3	0.51	0.65	1.56	126.2	236.7	565.1
		M&I	36.8	0.51	0.62	1.60	410.6	738.0	1,897.8
		Inferred	-	-	-	-	-	-	-
Kwanika South									
Open Pit	**Economic Cut-Off US$/t**	**Classification**	**Tonnes (Mt)**	**Cu (%)**	**Au (g/t)**	**Ag (g/t)**	**Cu (Mlbs)**	**Au (koz)**	**Ag (koz)**
	8.21	Inferred	25.4	0.28	0.06	1.68	155.0	52.4	1,373.9
Stardust									
Underground	**Economic Cut-Off US$/t**	**Class**	**Tonnes (Mt)**	**%Cu**	**g/t Au**	**g/t Ag**	**Cu (Mlbs)**	**Au (koz)**	**Ag (koz)**
	88.00	Indicated	1.6	1.49	1.63	30.1	52.2	83.1	1,536.4
		Inferred	4.1	1.00	1.38	22.8	90.0	181.1	3,004.3

Notes to Mineral Resources

- Mineral resources are not mineral reserves and do not have demonstrated economic viability.

- The totals contained in the above table have been rounded. Rounding may cause some computational discrepancies.
- Mineral resources are estimated consistent with CIM Definition Standards and reported in accordance with NI 43-101.
- The quantity and grade of reported inferred mineral resources in the 2023 PEA are uncertain in nature and there has been insufficient exploration to define these inferred mineral resources as indicated mineral resources. However, it is reasonably expected that the majority of inferred mineral resources could be upgraded to indicated mineral resources with continued exploration.
- The estimate of mineral resources may be materially affected by geology, environment, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues.
- The mineral resource estimate is reported with an effective date of January 4, 2023.

<u>Kwanika Notes</u>

- The mineral resources have been compiled by Mr. Brian S. Hartman, M.S., P.Geo., Ridge Geoscience LLC, and subcontractor to Mining Plus. Mr. Hartman is a Registered Member of the Society for Mining, Metallurgy & Exploration, and a Practicing Member with Professional Geoscientists Ontario. Mr. Hartman has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activity that he has undertaken to qualify as a qualified person as defined by NI 43-101.
- Kwanika Central Open Pit Mineral Resources are reported on an in-situ basis at an NSR of US$8.21 and constrained by an economic pit shell. Underground mineral resources are reported at an economic cut-off of US$16.41 and constrained by a conceptual block cave shape. Cut-offs are based on assumed prices of US$3.50/lb for copper, US$21.50/oz for silver, and US$1,650/oz for gold. Assumed metallurgical recoveries are based on a set of recovery equations derived from recent metallurgical test work. Maximum recoveries were limited to 95% for Cu, 85% for Au and 72% for Ag. Milling plus G&A costs were assumed to be US$8.21/tonne, and underground mining and G&A costs are assumed to be US$8.20/tonne.
- Kwanika South Open Pit mineral resources are reported on an in-situ basis at an economic cut-off of US$8.21 and constrained by an economic pit shell. Cut-offs are based on assumed prices of US$3.50/lb for copper, US$21.50/oz for silver, and US$1,650/oz for gold. Assumed metallurgical recoveries are based on a set of recovery equations derived from recent metallurgical test work. Maximum recoveries were limited to 95% for Cu, 85% for Au and 72% for Ag. Milling plus G&A costs were assumed to be US$8.21/tonne.

<u>Stardust Notes</u>

- The mineral resources have been compiled by Mr. Ronald G. Simpson of GeoSim Services Inc. Mr. Simpson has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activity that he has undertaken to qualify as a Qualified Person as defined by NI 43-101.
- The totals contained in the above table have been rounded. Rounding may cause some computational discrepancies.
- Reasonable prospects for economic extraction were determined by applying a minimum mining width of 2.0 meters and excluding isolated blocks and clusters of blocks that would likely not be mineable.
- The base case cut-off of US$88/t was determined based on metal prices of $1,650/oz gold. $21.50/oz silver and $3.50/lb copper, underground mining cost of US$64/t, transportation cost of US$6/t, processing cost of US$8.25/t, and G&A cost of US$9.75/t. Recovery formulas were based on recent metallurgical test results. Maximum recoveries were limited to 95% for Cu, 85% for Au and 72% for Ag.
- Block tonnes were estimated using a density of 3.4 g/cm3 for mineralized material.
- Six separate mineral domains models were used to constrain the estimate. The minimum width used for the wireframe models was 1.5 m.

- For grade estimation, 2.0-meter composites were created within the zone boundaries using the best-fit method.
- Capping values on composites were used to limit the impact of outliers. For Zone 102, gold was capped at 15 g/t, silver at 140 g/t and copper at 7.5%. For all other zones, gold was capped at 6 g/t, silver at 140 g/t and copper at 5%.
- Grades were estimated using the inverse distance cubed method. Dynamic anisotropy was applied using trend surfaces from the vein models. A minimum of 3 and maximum of 12 composites were required for block grade estimation.
- Blocks were classified based on drill spacing. Blocks falling within a drill spacing of 30m within Zones 2, 3, and 6 were initially assigned to the Indicated category. All other estimated blocks within a maximum search distance of 100 m were assigned to the Inferred category. Blocks were reclassified to eliminate isolated Indicated resources within inferred mineral resources.

The following qualified persons contributed to the 2023 PEA:

- Cale DuBois, M.A.Sc, P.Eng , Mining Plus
- Jason Blais, P.Eng., Mining Plus
- John Caldbick, P.Eng., Mining Plus
- Jonathan Cooper, M.Sc., P.Eng, Ausenco
- Kevin Murray, P. Eng, Ausenco
- Peter Mehrfert, P.Eng, Ausenco
- Scott Elfen, Ausenco
- Scott Weston, MSc., PGeo., Ausenco
- Brian S. Hartman, M.S., P.Geo., Ridge Geoscience LLC
- Ronald G. Simpson, GeoSim Services Inc.

Lorraine Project

Overview

The Lorraine Project is located approximately 280 km northwest of Prince George, BC, 50 km northwest of Germansen Landing and northwest of the Omineca Provincial Park, and can be accessed via existing roads. The Lorraine Project can be accessed, via Fort St. James and Germansen Landing using a bush road off the Omineca Mining Road. The Lorraine Project can also be accessed along the Kemess Access Corridor from MacKenzie via logging haul roads along the Osilinka River and HaHa Creek to the west side of the Lorraine Project, where a 9.5 km trail was upgraded in 2004 to give access to the main Lorraine camp.

The Lorraine Project comprises 142 mineral claims covering a combined area of approximately 39,227 ha. The Lorraine Project is located in the Omineca Mining Division of central BC. The claims are all located on government (Crown) land.

NorthWest Copper, through its subsidiaries Sun Metals and Tsayta previously held a 49% interest in the Lorraine Project. To consolidate ownership of the Lorraine project, NorthWest Copper's subsidiaries, Sun Metals and Tsayta completed an acquisition agreement with Teck Resources Limited ("**Teck**") on November 25, 2020, pursuant to which Sun Metals and Tsayta acquired Teck's 51% joint venture interest in the Lorraine Project.

The Company now owns 100% of the Lorraine-Jajay claims and 90% of the adjacent Tam-Misty claims. Commander Resources Ltd. holds a 10% carried interest in the Tam-Misty claims. See *Mineral Claims* section below for further details regarding royalties and payments in regards to the Lorraine Project.

The Lorraine Project lies within the territories of Takla, Tsay Keh Dene and the Nak'azdli Whut'en Nation (Nak'azdli). NorthWest holds an exploration agreement to conduct mineral exploration with Tsay Keh Dene and is currently working with Takla and Nak'azdli on establishing exploration agreements. These agreements will frame the working relationship and provide guidance to support exploration activities which are conducted in a culturally and environmentally respectful manner.

Mineral Resource

On July 27, 2022, the Company announced a new updated mineral resource estimate for Lorraine[19] which incorporates the Upper Main, Lower Main and Bishop zones.

Table 1 – Summary of Indicated and Inferred Mineral Resources

Resource Classification[4]	Tonnes (000s)	Grades	
		Cu %	g/t Au
Indicated	12,952	0.55	0.16
Inferred	45,252	0.43	0.10

Table 2 - Indicated and Inferred Mineral Resources by Zone

Domain	Class[4]	Tonnes (000s)	Avg Cu Grade (pct)	Avg Au Grade (g/t)	Cu ('000 lbs)	Au ('000 t. oz)
Bishop	**Indicated**	2,541	0.58	0.12	32,284	10
	Inferred	9,082	0.51	0.10	101,730	29
Lower Main	**Indicated**	3,828	0.45	0.15	38,342	18
	Inferred	21,282	0.38	0.07	179,032	49
Upper Main	**Indicated**	6,584	0.59	0.19	85,467	40
	Inferred	15,089	0.44	0.14	147,169	67
Total	**Indicated**	12,952	0.55	0.16	156,093	68
	Inferred	45,452	0.43	0.10	427,931	145

Notes:

1. Indicated and inferred mineral resources are not mineral reserves. Mineral resources which are not mineral reserves do not have demonstrated economic viability. There has been insufficient exploration to define the inferred resources tabulated above as an indicated or measured mineral resource, however, it is reasonably expected that the majority of the inferred mineral resources could be upgraded to indicated mineral resources with continued exploration. There is no guarantee that any part of the mineral resources discussed herein will be converted into a mineral reserve in the future. The estimate of mineral resources may be materially affected by environmental, permitting, legal, marketing or other relevant issues. The mineral resources have been classified according to the CIM Definition Standards for Mineral Resources and Mineral Reserves (May, 2014).and CIM Estimation of Mineral Resources & Mineral Reserves Best Practices Guidelines (2019).
2. Cu Equivalent (CuEq) grade is based on 90% Cu recovery and 85% Au recovery. The conversion used for Au grade (g/t) to CuEq grade (%) is: Au (g/t) * 0.6493, at a price of Cu US$3.50/lb and Au US$1,650/oz.
3. The mineral resource estimate is constrained in an LG pit optimization utilizing Cu at US$3.50/lb, Au at US$1,650/oz, Mining at C$3.50/tonne, Processing and G&A at C$14.50/tonne, pit slopes at 45o and an exchange rate of 0.77.
4. Differences may occur in totals due to rounding.
5. The effective date of the mineral resource estimate is June 30, 2022.

[19] See NI 43-101 technical report titled "Lorraine Copper-Gold Project NI 43-101 Report & Mineral Resource Estimate Omineca Mining Division, B.C", dated September 12, 2022, with an effective date of June 30, 2022, filed under the Company's SEDAR profile at www.sedar.com

The updated Lorraine mineral resource estimate was prepared by Mr. Michael Dufresne, M.Sc., P.Geol., P.Geo. President and Principal of APEX Geoscience Ltd. (APEX) and an independent qualified person for the purposes of Ni 43-101 with assistance from Mr. Deon Van der Heever of RockRidge Partnership & Associates with an effective date of June 30, 2022, and which replaces the previous historic Lorraine mineral resource estimate.

Table 3: Assumptions used for the LG pit shell and reasonable prospects for eventual economic extraction

Item	unit	value
Copper Price	USD/lb	$3.50
Gold Price	USD/oz	$1650.00
Mining Cost	CAD/t	$3.50
Processing + G&A	CAD/t	$14.50
USD – CAD Exchange Rate	-	0.77
Assumed Copper Recovery	%	90
Assumed Gold Recovery	%	85

East Niv Project

Overview

The Company acquired East Niv by claim staking in 2018 and conducted a limited field program. East Niv lies within Mesozoic volcanic rocks of the Stikine Terrane along the unconformity between the Upper Triassic Takla and Early Jurassic Hazelton Groups and is located approximately 40 km SW of the Kemess Minesite, owned by Centerra Gold.

In July 2021, the Company announced it had staked 16 additional claims, expanding the property size to 43,297 Hectares.

The East Niv project lies within shared territory of Takla, the Tsay Keh Dene, and the Nii Gyap Hereditary Chiefs of the Gitxsan Nation. NorthWest holds exploration agreements with these Nations and continues to engage with them on a regular basis to ensure exploration activities are conducted in a culturally and environmentally respectful manner.

Other Projects

NorthWest also holds a 100% interest in several other properties, including the Arjay, Croy-Bloom and Tchentlo properties, as well as an approximately 56.3% interest in one additional property in joint venture partnership with Fjordland Exploration Inc, and an option to acquire the Top Cat property.

The majority of the properties are located in the Quesnel Trough of British Columbia and eastern limb of the Stikine Terrane. The Quesnel Trough is host to the Kemess, Mt. Milligan, Mt. Polley, New Afton, and Copper Mountain porphyry copper-gold deposits.

Okeover Property

On March 11, 2022, the Company received 267,159 common shares from Alpha Copper Corp. ("**Alpha**"), a CSE-listed company (the "**Alpha Shares**"), representing the first payment under a property option agreement dated January 13, 2022, among Eastfield Resources Ltd., Alpha and the Company (the "**Option Agreement**").

Pursuant to the terms of the Option Agreement, Alpha may acquire a 100% interest in the Okeover property, subject to 2% NSR royalty to be retained by the Company (the "**NSR Royalty**"), by issuing the following additional common shares and incurring the following expenditures:

1. Issuing common shares with a value of $500,000 on or before March 11, 2023;
2. Issuing common shares with a value of $750,000 on or before March 11, 2024;
3. Issuing additional common shares such that NorthWest holds a 10% interest in Alpha on or before March 11, 2025; and
4. Incurring staged expenditures of not less than $5,000,000 on or before March 11, 2025.

The issuance of the next $500,000 in common shares on or before March 11, 2023, and the first $500,000 in expenditures are obligations of Alpha pursuant to the Option Agreement. Subsequent to December 31, 2022, the Company received notice of termination from Alpha of the Option Agreement. The common shares with a value of $500,000 were not received in March 2023 and the Company has notified Alpha of their obligation under the Option Agreement to issue the common shares.

Asitka Property

On September 13, 2022, the Company entered into an agreement to option the Asitka claims, located in British Columbia, and may earn a 100% interest, subject to a 1.5% NSR, by:

- Making staged cash payments totaling $230,000 over 4 years;
- Issuing common shares with a total fair value of $200,000 in stages over a 4-year period;

The Company is under no obligation to issue any of the common shares or make any cash payments. The Company can decide not to proceed with the option at any time.

On October 11, 2022, the agreement received all required approvals and on October 18, 2022, the Company made the first option payments, comprised of $10,000 and 46,568 common shares with a fair value of $12,500.

Details of NorthWest's property portfolio in British Columbia can be found on the Company's website at www.northwestcopper.ca.

Selected Financial Information

Management is responsible for the Annual Financial Statements referred to in this MD&A and provides officers' disclosure certifications filed to the Canadian provincial securities commissions. Although the Company's Audit Committee reviews the Annual Financial Statements and MD&A and makes recommendations to the Company's Board, it is the Board which has final approval of the Annual Financial Statements and MD&A. The Annual Financial Statements as well as the consolidated financial statements for the ten months ended December 31, 2021, and year ended February 28, 2021 have been prepared using accounting policies in compliance with International Financial Reporting Standards ("IFRS") and interpretations of the IFRS Interpretations Committee ("IFRIC") as issued by the International Accounting Standards Board ("IASB"). Our significant accounting policies are presented in Note 2 of the audited consolidated financial statements for the year ended December 31, 2022.

New Accounting Pronouncements

(i) IAS 1 Amendments - Presentation of Financial Statements

In February 2021, the International Accounting Standards Board (IASB) issued amendments *to IAS 1 - Presentation of Financial Statements*. The amendments help entities provide accounting policy disclosures that are more useful to primary users of financial statements by replacing the requirement to disclose "significant" accounting policies under IAS 1 with a requirement to disclose "material" accounting policies. These amendments will be applied prospectively. The amendments are effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted. These amendments are not expected to have a significant impact on the Company's financial statement disclosures.

(ii) IAS 8 Amendments - Accounting Policies, Changes in Accounting Estimates and Errors

In February 2021, the IASB issued amendments to *IAS 8 - Accounting Policies - Changes in Accounting Estimates and Errors*. The amendments introduce a new definition of "accounting estimates" to replace the definition of "change in accounting estimates" and include clarifications intended to help entities distinguish changes in accounting policies from changes in accounting estimates. The amendments are effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted. These amendments are not expected to have an impact on the Company's financial statements.

(iii) IAS 12 Amendments – Income Taxes

In May 2021, the International Accounting Standards Board (IASB) issued amendments to the recognition exemptions under *IAS 12 - Income Taxes*. The amendments narrowed the scope of the recognition exemption to require an entity to recognize deferred tax on initial recognition of particular transactions, to the extent that transaction gives rise to equal taxable and deductible temporary differences. These amendments apply to transactions for which an entity recognizes both an asset and liability, for example leases and decommissioning liabilities. The amendments are effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted. These amendments may be relevant to the tax note disclosure –no other impact is expected on the Company's financial statements.

Results of Operations

The financial data presented below for the current and comparative periods was derived from the Annual Financial Statements. NorthWest raises its financing and incurs head office expenses in Canadian dollars and therefore, it has been determined to have a Canadian dollar functional currency. The Company conducts its business in a single operating segment which is the mineral exploration business in Canada. The Company's exploration and evaluation assets are located in Canada.

The Company's operations and levels of expenditure vary from year-to-year and quarter-to-quarter as exploration activity is conducted or curtailed, which impacts total expenses and net loss as the Company expenses expenditures associated with the ongoing exploration associated with its mineral property projects. Furthermore, the Company's expenses and net loss can fluctuate depending on the extent and value of share-based payment awards during a period.

Financial period ended:	**Year ended December 31, 2022**	**Ten months ended December 31, 2021**	**Year ended February 28, 2021**
	$	$	$
Total revenues	Nil	Nil	Nil
General and administrative expenses	(6,153,965)	(8,830,443)	(1,124,059)
Exploration and evaluation expenses	(21,355,661)	(6,970,571)	(487,364)
	(27,509,626)	(15,801,014)	(1,611,423)
Other income (expense)	6,079,718	(527,702)	(508,111)
Net loss and comprehensive loss attributable to shareholders			
Total	(21,429,908)	(16,328,716)	(2,119,534)
Basic and diluted loss per share	(0.14)	(0.13)	(0.04)

Year ended December 31, 2022 vs. Ten Months Ended December 31, 2021

For the year ended December 31,2022 the Company realized a net loss of $21.4 million, compared to the net loss of $16.3 million for ten months ended December 31, 2021. Major variances are as follows:

- During the year ended December 31, 2022, the Company incurred $21.4 million on exploration activities at Kwanika, Stardust, East Niv, Lorraine, and other projects owned by the Company, compared to $7.0 million for the comparative period in 2021. In 2022 the Company commenced its exploration activities earlier and had an overall larger exploration budget than in 2021, including drill programs at four of the Company's projects. 2022 expenditures include $1.1 million incurred on the 43-101 study at Lorraine and the 2023 PEA. The amount spent is higher than the forecast of $20.2 million primarily due to the significantly higher cost of fuel and consumables due to inflation. Additional staffing costs were required to execute the Company's exploration programs, and additional work was required in regards to the 2023 PEA and the Company drilled additional holes, following up on observed mineralization trends. Additionally, the Company implemented an artificial intelligence ("AI") assisted core-logging pilot program, providing the Company with significantly improved real-time information in the field. The system collects high resolution photos, x-ray fluoresce ("XRF"), shortwave infrared, and Light Detection and Ranging data which can then be used for real time downhole geochemical plots, mineral maps, geotechnical logs and ultimately used in the Ai assisted auto logging algorithms. The pilot program demonstrated that the AI-assisted logging program collects very high quality geotechnical and geological data and the auto logging algorithms do an excellent job at characterizing the different lithologies. NorthWest plans to add the AI assisted core-logging into the standard workflow and expects it to create more efficiencies in the physical logging procedures as well as allowing for more informed real time decision making in the field.

Kwanika-Stardust

2022 planned exploration expenditures of $10.7 million were as follows:

- $9.0 million in exploration drilling at Kwanika-Stardust, planned to include approximately 20,000 metres;
- $0.8 million on the first combined NI 43-101 mineral resource estimate for the Kwanika-Stardust project; and
- $0.9 million in geophysical 3D induced polarization ("IP"), Magnetotellurics ("MT") and Airborne Electromagnetic ("EM") surveys for additional drill hole targeting.

Total expenditures were $12.2 million on 2022 exploration activities (2021 - $0.9 million at Stardust), which included:

- $9.8 million on field work, salaries, camp and other costs and 18,570 metres of diamond drilling at Kwanika -Stardust;
- $1.0 million on the 2023 PEA for Kwanika-Stardust, which was announced in January 2023;
- $1.3 million on geophysical 3D-IP, MT and Airborne EM and Magnetics surveys primarily at Kwanika; and
- $0.1 million on AI assisted core-logging.

The Company commenced its 2022 drilling at Kwanika in March and at Stardust in June and completed 11,872 metres in 30 holes at Kwanika and 6,698 metres in 10 holes at Stardust. The 1,933.3 line-km of Airborne EM and magnetics survey was completed in May, with final data received shortly thereafter. The 57.4-line km of 3-D IP and MT was completed in late July with final data delivered in September including 3D-inversions. NorthWest's exploration team is integrating the data into geological interpretation as well as reviewing for direct targeting of possible future drill holes.

East Niv

Planned 2022 exploration expenditures of $3.9 million were as follows:

- $3.0 million in exploration drilling, planned to include approximately 3,400 metres; and
- $0.9 million in geophysical IP and Airborne Magnetics surveys for targeting.

Total expenditures were $4.7 million on 2022 exploration activities (2021 - $3.5 million), which included:

- $4.2 million on field work, including a mapping and sampling program, salaries, camp and other costs and 4,390 metres of diamond drilling; and
- $0.4 million on geophysical 3D-IP and an Airborne Magnetics survey.

The Company commenced its 2022 drilling at East Niv in July for a total of 4,390 metres in 8 holes. NorthWest also conducted 1,260.0 line-km of an Airborne Magnetics survey, 31.1 line-km of ground-based IP surveys, 30 days of geological mapping and took an additional 745 soil samples and 205 surface rock samples. The IP survey was completed in mid-August, with final results delivered in November and the results are being used to help support our geological interpretations as well as potential direct targeting.

Lorraine and Top Cat

Planned 2022 exploration expenditures of $4.9 million were as follows:

- $3.6 million in proposed exploration drilling, planned to include approximately 4,800 metres;
- $1.2 million in geophysical IP and EM surveys for 2022 and future drill hole targeting; and
- $0.1 million on a NI 43-101 mineral resource estimate.

Total expenditures were $4.2 million on 2022 exploration activities (2021 - $1.8 million), which included:

- $3.7 million of field work including surface geochemical sampling, mapping, prospecting, reestablishing access to the project for the 2022 drilling program, as well as salaries, camp and other costs and 2,867 metres of diamond drilling;
- $0.3 million on an Airborne Magnetics Survey;
- $0.1 million on a NI 43-101 mineral resource estimate; and
- $0.1 million on AI assisted core-logging.

The Company commenced its 2022 drilling at Lorraine in mid-August and drilled a total of 2,867 metres in 7 holes. Additionally, the Company flew 501 line-km of airborne EM and magnetics, conducted 13 days of geological mapping, took 13 geochronology samples, 109 surface rock samples, 167 whole rock lithogeochemical samples, and 3,863 soil samples. NorthWest's exploration team is integrating the data into geological interpretation as well as reviewing for direct targeting of possible future drill holes.

Other Projects

Planned 2022 exploration expenditures of $0.3 million were as follows:

- $0.3 million in geophysical IP and Airborne Magnetics surveys at the Arjay project for potential future drill hole targeting.

Total expenditures were $0.2 million on 2022 exploration activities (2021 - $0.6 million), which included:

- $0.2 million on 15 line-km of geophysical IP surveys and 578 line-km of Airborne EM surveys, and related salaries and camp costs at the Arjay project.

The Company completed the airborne EM and magnetics survey in early August and have received final results. The ground-based IP survey was completed at the end of August and NorthWest has received final results. The survey results are being used to help support our geological interpretation as well as potential direct targeting.

- General and administrative expenses were $6.2 million for the year ended December 31, 2022, compared to $8.8 million for the ten months ended December 31, 2021, primarily resulting from:
  (i) Share-based compensation expense, related to the granting and vesting of stock options, restricted share units ("RSUs") and deferred share units ("DSUs"), decreased to $2.7 million for the year ended December 31, 2022, compared to $4.7 million for the ten months ended December 31, 2021, reflecting a decreased number of DSU grants and director option grants in the year ended December 31, 2022, compared to the comparative period in 2021. Stock options and RSUs granted to employees and consultants are subject to vesting restrictions over a three-year period with the corresponding share-based compensation expense being recognized over this period, while stock options and DSUs granted to directors vest immediately on grant with the corresponding expenses recognized at the time of grant. Generally, share-based compensation expense should be expected to vary from period to period

depending on several factors, including the number of stock option, RSU and DSU grants in a period and the associated vesting provisions.

(ii) Salaries, management consulting and director fees decreased to $1.7 million for the year ended December 31, 2022, compared to $2.1 million for the ten months ended December 31, 2021, primarily due to a termination payment in the comparative period to the Company's former CEO and other payments to staff as a result of the merger with Sun Metals.

(iii) Professional fees and investor relations fees decreased to $0.4 million and $0.6 million for the year ended December 31, 2022, respectively, as compared to professional fees of $0.7 million and investor relations fees of $0.7 million in the ten months ended December 31, 2021, primarily as a result of additional corporate development activities in the prior period, including the impact of the merger with Sun Metals.

- Other income of $6.1 million for the year ended December 31, 2022, was comprised principally of $5.6 million from the recognition of the flow-through share premium during the year as qualifying expenditures were incurred, and a $0.8 million gain on the option of the Okeover property to Alpha, partially offset by a $0.1 million loss on the share of KCC expenditures incurred prior to obtaining control on February 23, 2022 and a $0.2 million loss on the change in fair value of the Alpha Shares. In the ten-month period ended December 31, 2021, other expense of $0.5 million was principally comprised of the Company's share of KCC's equity loss of $3.2 million, partially offset by $2.7 million from the recognition of the flow-through share premium during the period as qualifying expenditures were incurred.

Ten Months Ended December 31, 2021 vs. Year Ended February 28, 2021

For the ten months ended December 31, 2021, the Company realized a net loss of $16.3 million compared to the net loss of $2.1 million for the year ended February 28, 2021, which is an increase in net loss of $14.2 million. Major variances are as follows:

- An increase in exploration and evaluation expenditures of $6.5 million, due to the drilling programs at East Niv and Stardust, as well as the regional programs conducted at Lorraine and several of the Company's other projects.
- An increase in share-based compensation of $4.6 million related to the granting and vesting of stock options, deferred share units ("DSUs") and restricted share units ("RSUs") during the period. During the ten months ended December 31, 2021, the Company granted 8,475,000 stock options (excludes options granted in relation to the acquisition of Sun Metals, for which the value was capitalized), compared to 95,000 stock options in the year ended February 28, 2021, which lead to a $2.8 million increase in share-based compensation expense. Furthermore the Company adopted both an RSU and DSU plan in 2021 and issued 3,350,000 RSUs and 1,000,000 DSUs, respectively, during the ten months ended December 31, 2021, resulting in additional share-based compensation expense of $1.8 million.

  Stock options and RSUs granted to employees and consultants are subject to vesting restrictions over a three-year period with the corresponding share-based compensation expense being recognized over this period, while stock options and DSUs granted to directors vest immediately on grant with the corresponding expenses recognized at the time of grant.

  Share-based compensation expense should be expected to vary from period to period depending on several factors, including whether options are granted in a period and whether options and RSUs have fully vested or are cancelled in a period. In determining the fair market value of share-based compensation granted to directors, employees, and consultants management makes significant assumptions and estimates. These estimates affect the share-based compensation expense recognized and the equity reserves balance on our statements of financial position. Management has made estimates of the life of the options, the expected volatility and the expected dividend yields that could materially affect the fair market value of this type of security. The estimates were chosen after reviewing the historical life of the options and analyzing the Company's share price history to determine volatility.

- An increase in the share of joint venture loss of $2.2 million due to the expanded drilling and field program conducted at Kwanika in 2021.
- An increase in salaries, management consulting and director fees of $1.5 million as a result of the strengthened board and management team following the merger.
- An increase in investor relations fees of $0.6 million as a result of additional investor relations consultant fees and conferences to support shareholder communications and marketing efforts.
- An increase in professional fees of $0.5 million as a result of increased corporate development activities.
- Net loss for the ten months ended December 31, 2021 was reduced by $2.7 million on the recognition of flow-through share premiums in relation to the March 2021 and December 2021 flow through financings relating to qualifying resource expenditures incurred during the period. During the year ended February 28, 2021, net loss was reduced due to a $0.3 million recognition of flow-through share premiums in relation to the December 2020 flow through financing relating to qualifying resource expenditures incurred during the period.

Additional disclosure concerning the Company's exploration and evaluation expenses by property is provided in note 7 to the Company's Annual Financial Statements which are available on the Company's website or on its SEDAR profile at www.sedar.com.

Additional disclosure concerning the Company's general and administrative expenses is provided in the Company's Annual Financial Statements which are available on the Company's website or on its profile on SEDAR at www.sedar.com.

Fourth Quarter Results

During the quarter ended December 31, 2022, the Company incurred a loss of $3.3 million. The most significant items contributing to this loss were exploration and evaluation expenditures of $1.8 million, non-cash share-based compensation expense of $0.6 million, salaries, management consulting and director fees of $0.5 million, office and rent expense of $0.2 million and investor relations expenses of $0.2 million.

Partially offsetting expenses in the quarter was a $0.1 million recognition of flow-through premiums in the quarter ended December 31,2022 in relation to the December 2021 flow through financing relating to qualifying resource expenditures incurred during the period.

Financial Condition

	December 31, 2022	December 31, 2021	February 28, 2021
Total assets	$ 81,411,780	$ 93,924,671	$ 12,461,951
Current liabilities	$ 1,840,839	$ 7,056,693	$ 1,179,893
Non-current liabilities	$ 327,500	$ 243,317	$ 22,130

No dividends were declared or paid nor are any contemplated.

The decrease in total assets at December 31, 2022, is primarily due to a lower cash balance as a result of cash flows used in operating activities of $24.3 million, which includes exploration and evaluation activities, salaries, management consulting and director fees, investor relations fees, office fees, and professional fees, partially offset by the consolidation and consideration paid to POSCO International Corporation ("POSCO") to purchase their remaining interest in Kwanika Copper Corp. ("KCC") upon closing of the share purchase agreement dated December 29, 2021 as between the Company and POSCO (the "SPA").

Current liabilities at December 31, 2022, primarily decreased due to the reduction in the $5.6 million flow-through share premium liability recognized at December 31, 2021, which was $nil at December 31, 2022, as a result of eligible expenditures being incurred during the period. The reduction was partially offset by the increase in trade payables and accrued liabilities of $0.5 million as a result of the increased field season activities in Q4 2022 as compared to Q4 2021..

Summary of Quarterly Results

Fiscal period ended	Revenues	Net loss for the period attributable to shareholders[1]	Total comprehensive loss for the period	Net loss per share (basic)[2]
	$	$	$	$
December 31, 2022	Nil	(3,263,999)	(3,263,999)	(0.02)
September 30, 2022	Nil	(9,515,060)	(9,515,060)	(0.06)
June 30, 2022	Nil	(6,705,121)	(6,705,121)	(0.04)
March 31, 2022	Nil	(1,945,730)	(1,945,730)	(0.01)
December 31, 2021	Nil	(4,313,880)	(4,313,880)	(0.03)
September 30, 2021	Nil	(6,428,237)	(6,428,237)	(0.05)
June 30, 2021[1]	Nil	(5,650,692)	(5,650,692)	(0.05)
February 28, 2021	Nil	(578,914)	(578,914)	(0.01)

[1]Four months ended June 30, 2021.
[2]Fully diluted per share amounts are not shown as the effect is anti-dilutive.

The Company's net loss for the quarter ended December 31, 2022, decreased by $6.3 million compared to the net loss for the three months ended September 30, 2022, primarily due to:

- A decrease of $9.6 million in exploration and evaluation expenditures in the current quarter due to the completion of drilling and field programs at East Niv, Lorraine, Kwanika and Stardust.
- The decrease is partially offset by the partial recovery of the flow-through premium in the current quarter of $0.1 million relating to qualifying resource expenditures incurred during the quarter, compared to $3.3 million in the previous quarter.

The Company's net loss for the quarter ended September 30, 2022, increased by $2.8 million compared to the net loss for the three months ended June 30, 2022, primarily due to:

- An increase of $4.5 million in exploration and evaluation expenditures in the current quarter due to the commencement of drilling at East Niv and Lorraine, as well as the continuation of drilling at Kwanika and Stardust.
- A decrease in investor relations and professional fees of $0.1 million due to the streamlining of investor outreach activities and corporate development activities in the quarter.
- The increase is partially offset by the partial recovery of the flow-through premium in the current quarter of $3.3 million relating to qualifying resource expenditures incurred during the quarter, compared to $1.9 million in the previous quarter.

The Company's net loss for the quarter ended June 30, 2022, increased by $4.8 million compared to the net loss for the three months ended March 31, 2022, primarily due to:

- An increase of $5.8 million in exploration and evaluation expenditures in the current quarter due to the ramping up of the drilling program at Kwanika and commencement of drilling at Stardust, as well as commencement of field activities at East Niv and Lorraine.
- A decrease in share-based compensation expense of $0.4 million.
- An increase in investor relations and professional fees of $0.1 million due to increased investor outreach activities and corporate development activities in the quarter.
- The increase is partially offset by the partial recovery of the flow-through premium in the current quarter of $1.9 million relating to qualifying resource expenditures incurred during the quarter, compared to $0.3 million in the previous quarter.
- The recognition in the prior quarter of a gain on the option of the Okeover property to Alpha of $0.8 million.

The Company's net loss for the quarter ended March 31, 2022, decreased by $2.4 million compared to the net loss for the three months ended December 31, 2021, primarily due to:

- A decrease of $0.4 million in exploration and evaluation expenditures in the current quarter due to the completion of the Company's 2021 field program in October 2021.
- A decrease in share-based compensation expense of $0.4 million.
- A decrease in investor relations and professional fees of $0.5 million due to the completion of a digital marketing campaign and increased corporate development activities in the prior quarter.
- The recognition of a gain on the option of the Okeover property to Alpha of $0.8 million.

The Company's net loss for the quarter ended December 31, 2021, decreased by $2.1 million compared to the net loss for the three months ended September 30, 2021, primarily due to:

- A decrease of $3.0 million in exploration and evaluation expenditures in the current quarter due to the completion of the Company's 2021 field program in October 2021.
- A decreased share of the KCC joint venture loss of $1.7 million in the current quarter as a result of the active drill program that was taking place at Kwanika during the quarter ended September 30, 2021.
- The decrease is also partially offset by a reduced partial recovery of the flow-through premium in the current quarter of $1.6 million relating to qualifying resource expenditures incurred during the period, as well as an increase in share-based compensation expense of $0.4 million as a result of stock options and RSUs granted in the quarter ended December 31, 2021, and an increase in professional fees of $0.3 million due to increased corporate development activities.

The Company's net loss for the quarter ended September 30,2021 increased by $0.8 million compared to the net loss for the four months ended June 30, 2021, primarily due to:

- An increase in exploration and evaluation expenditures of $3.9 million during the quarter ended September 30, 2021, as a result of the active drill programs at East Niv and Stardust.
- An increased share of the KCC joint venture loss of $0.6 million in the quarter ended September 30,2021 as a result of the active drill program that commenced at Kwanika in May 2021.
- A decrease in non-cash share-based compensation expense during the current period of $1.4 million as a result of stock options and RSUs issued in the prior period.
- Salaries, management consulting, and director fees were also $0.8 million lower than the prior period primarily due to a termination payment made to the Company's former President & CEO, in the prior period, as well as the additional month in the prior period.
- The increase was also partially offset by an increased partial recovery of the flow-through premium in the period of $1.5 million relating to qualifying resource expenditures incurred during the period.

The Company's net loss for the four months ended June 30, 2021 increased by $5.0 million compared to the net loss for the quarter ended February 28, 2021, primarily due to:

- A general increase in expenditures owing to the additional month in the period.
- An increase in non-cash share-based compensation expense of $2.4 million in the period as a result of stock options, RSUs and DSUs issued during the current period.
- Increased salaries and director fees of $1.0 million as a result of the strengthened board and management following the merger with Sun Metals, as well as $0.4 million of a termination payment due to David Moore, the Company's former President & CEO.
- Increased exploration and evaluation expenditures of $0.7 million and an additional share of the KCC joint venture loss of $0.9 million during the four months ended June 30,2021 as a result of the commencement of field activities at the Company's East Niv project and other regional projects, and the drill program at Kwanika that commenced in May 2021.
- The increase was partially offset by an increased partial recovery of the flow-through premium recognized of $0.4 million in relation to qualifying resource expenditures incurred during the period.

Cash Flows

Cash used in operating activities increased by $11.9 million to $24.3 million for the year ended December 31, 2022, from $12.4 million in the ten months ended December 31, 2021, primarily due to an increase in exploration and evaluation expenditures in the current period of $14.4 million, partially offset by lower cash G&A expenditures of $3.3 million in the current year, compared to $4.1 million in the prior period and a $1.7 million change in cash flows provided by and used for working capital purposes. Cash used in investing activities for the year ended December 31, 2022, was $0.3 million, compared to cash provided by investing activities of $4.7 million in the comparative period. The decrease is primarily due to the cash acquired on the Sun Metals acquisition of $9.5 million in the prior period, partially offset by the associated cash transaction costs of the acquisition, as well as the cash spent on the Company's investment in KCC in the prior period. Cash provided by financing activities decreased by $31.5 million for the year ended December 31, 2022, compared to the ten months ended December 31, 2021, primarily due to the proceeds of a $13.0 million financing completed in March 2021, and a $20.0 million financing completed in December 2021, as well as additional option and warrant exercises in the comparative period.

Liquidity and Capital Resources

The Company had a net loss of $21.4 million for the year ended December 31, 2022 (ten months ended December 31, 2021 - $16.3 million) and at December 31, 2022 had accumulated losses of $80.2 million (December 31, 2021 - $58.8 million) since inception, all of which indicate a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The properties in which the Company currently has an interest are in the exploration and development stage. The Company has no revenue-producing operations and earns only minimal income through investment income on treasury, the proceeds from property option agreements, or as a result of the disposal of an exploration asset. The Company's ability to continue as a going concern is dependent on its ability to raise sufficient funds through equity capital or borrowings to meet its expenditure and obligations. Although the Company has been successful in the past in raising funds to continue operations, there is no assurance it will be able to do so in the future. Failure to obtain additional funding on a timely basis may cause the Company to postpone exploration and/or evaluation plans or substantially reduce its operations. Circumstances that could impair the Company's ability to raise additional funds, or ability to undertake transactions, are discussed in our AIF dated April 20, 2023, under the heading "Risk Factors". There is no assurance that we will be able to raise the necessary funds in the future. In particular, the Company's access to capital and its liquidity is impacted by global macroeconomic trends, fluctuating commodity prices and general investor sentiment for the mining and metals industry. There are no known restrictions on the ability of our subsidiaries to transfer or return funds to the parent company. The consolidated financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

On an ongoing basis, management evaluates and adjusts its planned level of activities, including planned exploration, development, permitting activities, and committed administrative costs, to ensure that adequate levels of working capital are maintained. As at the date of this MD&A, the Company's working capital balance, being its current assets less its current liabilities, is approximately $3.9 million (see *Subsequent Events Not Otherwise Described Herein* section below). Management believes that currently available funds are sufficient for administrative costs and committed exploration costs until the end of 2023, assuming no other factors change and with appropriate liquidity management.

Outstanding Share Data

At December 31, 2022, there were 167,228,834 issued and fully paid common shares, and nil preferred shares. During the year ended December 31, 2022, the Company issued the following shares:

i) On February 23, 2022, the Company issued 5,194,805 common shares with a fair value of $3,324,675 pursuant to the SPA with POSCO.

ii) On April 25, 2022, the Company issued 5,934,718 common shares with a value of $4,000,000 pursuant to the SPA with POSCO.

iii) On September 6, 2022, the Company issued 7,228,916 common shares with a value of $3,000,000 pursuant to the SPA with POSCO.

iv) On July 13, 2022, the Company issued 100,000 shares with a fair value of $25,500 pursuant to the option agreement on the Top Cat project.

v) On July 25, 2022, the Company issued 200,000 common shares as a result of a DSU exercise by a former Director.

vi) On October 18, 2022, the Company issued 46,568 common shares with a fair value of $12,500 pursuant to the Asitka option agreement.

vii) On November 25, 2022, the Company issued 2,136,752 common shares with a fair value of $500,000 pursuant to the agreement with Teck on the Lorraine project.

viii) During the year ended December 31, 2022, 475,000 stock options were exercised for gross proceeds of $153,300 and 552,446 warrants were exercised for gross proceeds of $287,272. The weighted average share price on the date the stock options were exercised during the period was $0.65 and the weighted average share price on the date the warrants were exercised during the period was $0.70.

During the ten months ended December 31, 2021, the Company issued the following shares:

i) Upon closing of the Arrangement with Sun Metals on March 5, 2021 the Company issued 55,323,061 common shares with a fair value of $55,323,061.

ii) On March 5, 2021, the Company issued 164,095 common shares in the capital of the Company at a deemed value of $0.61 per share in settlement of $100,000 of debt owing to an arm's length creditor. The fair value of the services, being $100,000, has been capitalized as a transaction cost of the Sun Metals acquisition. As the fair value of the common shares at the date of settlement was $164,095, the Company recorded a loss on debt settlement of $64,095.

iii) On March 31, 2021, the Company closed a private placement offering for aggregate proceeds of $13,005,000, consisting of:

- 3,750,000 common shares at a price of $0.80 per share;
- 5,000,000 flow-through common shares at a price of $1.00 per share; and
- 4,550,000 charity flow-through common shares at a price of $1.10 per share.

Flow-through premiums totaling $2,548,000, being the difference between the flow-through common shares and the charity flow-through common shares subscription prices and the market price of the Company's common shares on the date of issue, related to the sale of the associated tax benefits of the qualifying resource expenditures have been recorded as a flow-through premium liability in the consolidated statement of financial position. In connection with the private placement the Company paid commissions, legal fees and filing fees totaling $916,162.

iv) On July 20, 2021, the Company issued 50,000 common shares with a fair value of $35,000 pursuant to the option agreement on the Top Cat project.

v) On November 25, 2021, the Company issued 555,672 common shares with a fair value of $500,000 pursuant to the agreement with Teck on the Lorraine project.

vi) On December 2, 2021, the Company closed a private placement offering for aggregate proceeds of $20,001,000, consisting of 16,950,000 charity flow-through common shares at a price of $1.18 per share.

Flow-through premiums totaling $5,763,000, being the difference between the charity flow-through common shares and the flow-through common shares subscription prices and the market price of the Company's common shares on the date of issue, related to the sale of the associated tax benefits of the qualifying resource expenditures have been recorded as a flow-through premium liability in the consolidated statement of financial position. In connection with the private placement the Company paid commissions, legal fees and filing fees totaling $1,018,988.

vii) During the ten months ended December 31, 2021, 1,567,500 stock options were exercised for gross proceeds of $447,450 and 1,547,712 warrants were exercised for gross proceeds of $873,929. The weighted average share price on the date the stock options were exercised during the period was $0.76 and the weighted average share price on the date the warrants were exercised during the period was $0.80.

As at April 20, 2023, the following common shares, stock options, share purchase warrants, RSUs and DSUs were outstanding:

	Quantity		Weighted average exercise price	Expiry date range
Shares	189,759,253		N/A	N/A
Stock Options	15,060,300	$	0.67	April 10, 2023 - January 6, 2028
Warrants	15,623,929	$	0.69	May 2, 2023 - February 9, 2025
RSUs	3,349,480		N/A	April 8, 2024 - May 25, 2025
DSUs	800,000		N/A	N/A

The expiry date for DSUs issued is not applicable as long as the individual continues in their role as director.

Significant Transactions with Related Parties

Related party balances

Oxygen Capital Corp ("Oxygen") is a private company majority owned by two directors of the Company, Mark O'Dea and Sean Tetzlaff, and provides technical and administrative services to the Company under a Technical and Administrative Services Agreement dated September 1, 2021 (the "Oxygen Agreement") at cost, including providing some staffing who are seconded to the Company, office facilities and other administrative functions. As at December 31, 2022, Oxygen holds a refundable security deposit of $69,000 on behalf of the Company (December 31, 2021 - $112,500).

During the year ended December 31, 2022, a total of $0.3 million was paid or accrued to Oxygen as a reimbursement of costs incurred by Oxygen on behalf of the Company (ten months ended December 31, 2021 - $0.3 million). As at December 31, 2022, the Company has a payable amount to Oxygen of $25,961 (December 31, 2021 – $27,954). This amount was paid subsequent to December 31, 2022.

Further the Company leases its head office space from Oxygen, for details see "Contractual Obligations" below.

Key management personnel compensation – paid or accrued

Key management includes the members of the Board of Directors, the President and Chief Executive Officer, the Chief Financial Officer, the Vice President, Exploration and the Vice President, Sustainability. The aggregate total compensation paid or payable to key management for services is as follows:

	Year ended December 31, 2022	Ten months ended December 31, 2021
Salaries and management consulting fees	$ 924,896	$ 1,268,261
Termination payment - D. Moore	-	431,654
Director fees	316,667	284,083
Non-cash share-based payments	1,870,140	3,925,286
	$ 3,111,703	**$ 5,909,284**

At December 31, 2022, director fees includes $0.1 million of accrued fees and salaries and management consulting fees includes $0.1 million of accrued employee bonuses (December 31, 2021 - $nil). These amounts are included in trade payables and accrued liabilities at December 31, 2022 and were paid subsequent to December 31, 2022.

Share-based payments are the fair value of options, RSUs and DSUs granted and vested to key management personnel. These amounts have been included in the table above.

Contractual Obligations

Technical and Administrative Services Agreement

The Company's general and administrative costs, including office costs, with respect to its head office premises are paid by Oxygen pursuant to the Oxygen Agreement, and may be terminated by either party giving at least 180 days' prior written notice of such termination. Upon termination, by the Company, the Company shall pay to Oxygen an amount equal to the average general and administrative monthly costs incurred under the Oxygen Agreement for the previous six-month period, the Company's share of committed lease costs, any employee termination fees due under the Oxygen Agreement as a result of the termination as such term is defined under the Oxygen Agreement, and the Company's share of any contractual obligations entered into on its behalf by Oxygen. The 10-year lease the Company sublets from Oxygen (the "Lease"), ends on September 30, 2023. Oxygen has notified the Company that it does not intend to extend or renew the Lease, as such, the Company has given notice to terminate the Oxygen Agreement, effective September 30, 2023.

Minimum lease payments in respect of the above head office lease and the effects of discounting are as follows:

	Up to 1 year	1 - 3 years	Total
Minimum lease payments	$ 87,594	$ -	$ 87,594
Finance Charge	(2,850)	-	(2,850)
Total Liability	**$ 84,744**	**$ -**	**$ 84,744**

During the year ended December 31, 2022, the Company paid Oxygen minimum lease payments of $116,792 associated with its head office lease and incurred $63,394 in variable lease payments.

Flow-Through Obligation

The Company will from time to time, issue flow-through common shares to finance a portion of its Canadian exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into: i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. For the purposes of calculating any premium related to the issuances of the flow-through shares, the Company compares the market price of its shares on the date of issuance of the flow-through shares to the subscription price of flow-through shares to determine if there was a premium paid on the flow-through shares.

As at December 31, 2022, the Company has fulfilled its flow-through commitments. The Company de-recognizes the flow-through share premium liability to the extent the qualifying resource expenditures have been made as of the reporting date and records such amount in determining in other income in the consolidated statement of loss. During the year ended December 31, 2022, the Company recognized in other income $5.6 million based on qualifying resource expenditures incurred during the year ended December 31, 2022.

Mineral Properties

The Company has expenditure obligations on certain of its mineral properties to keep the mineral claims in good standing, which it expects to meet in 2023 with its exploration activities. These obligations are eliminated should the Company choose to no longer invest in exploration at the particular property.

(i) Kwanika Copper Corp.

On December 29, 2021, the Company entered into the SPA with POSCO whereby NorthWest purchased all of POSCO's remaining interest in KCC for total consideration of $11 million, payable in common shares of NorthWest. KCC's primary asset is the Kwanika project and prior to the transaction, NorthWest accounted for its interest as an equity accounted for joint venture. On February 23, 2022, following receipt of all required approvals, the Company completed the Tranche 1 issuance to POSCO pursuant to the SPA by issuing 5,194,805 common shares. As part of the Tranche 1 closing, the shareholder joint venture agreement among the parties was terminated and any interest or rights of POSCO with respect to the Kwanika project under the shareholder joint venture agreement, including offtake rights, terminated. On April 25, 2022, the Company completed the Tranche 2 issuance to POSCO by issuing 5,934,718 common shares. On September 6, 2022, the Company completed the final Tranche 3 issuance to POSCO by issuing 7,228,916 common shares.

Following the Tranche 1 closing and the dissolution of the shareholder joint venture agreement, the Company has assessed it has control over KCC and has consolidated KCC from such point, resulting in the Company consolidating 100% of KCC's working capital of $0.1 million and interest in the Kwanika project of $16.4 million as an exploration and evaluation asset.

The fair value of the total consideration of $10.3 million exceeded POSCO's share of the net assets of KCC at the time of the transaction by $5.7 million and this has been recorded as an addition to the cost of the consolidated Kwanika mineral property in the Company consolidated statement of financial position, to bring the overall value of the Kwanika exploration and evaluation asset to $22.1 million.

(ii) Lorraine Project

The Company's subsidiary Sun Metals entered into an agreement with Teck Resources Limited ("Teck") in November 2020 pursuant to which they acquired Teck's 51% joint venture interest in the Lorraine project. Pursuant to the terms of the Teck agreement, on November 25, 2022, the Company issued 2,136,752 common shares with a fair value of $500,000 to Teck to settle the final tranche.

The Company may also make the following contingent milestone payments to Teck in either cash or common shares of the Company:

- $500,000 upon a preliminary economic assessment;
- $2,000,000 upon a feasibility study; and
- $5,000,000 upon a construction decision.

Pursuant to the terms of the acquisition, Teck has also retained a 1.0% NSR royalty on all claims that are not already burdened by a royalty and a 0.25% NSR royalty on all claims that are subject to the existing Tam-Misty royalties. Additionally, if NorthWest sells or options all or a portion of the property to a third party at any time during a 60-month period commencing from the date of the agreement, NorthWest will pay to Teck 20% of the sale proceeds, net of exploration expenses incurred on the property by NorthWest following closing.

The Tam-Misty royalty covers the historical Jan-Tam/Misty claims located along the west side of the current Lorraine Project. These 21 claims are covered by a 3% NSR royalty to Lorne B. Warren (25%), Westley Grant Luck (25%) and Commander (50%) based on the option and sale agreement in respect of the Tam/Misty property dated Jan 15, 2006. The Tam-Misty royalty can be reduced to 1% by paying $1,000,000 per each 1% for a total of $2,000,000 dollars. An advanced royalty is due on these claims totaling $50,000 per year (starting on December 31, 2012) and is to be paid in the proportion as described above. The advance royalty is capped at $500,000 total and will be deducted from future royalty payments or a buy down of the royalty. As of the effective the date of the Lorraine Technical Report, the full advance royalty of $500,000 has been paid.

Umex Inc. ("UMEX") holds royalties over the historical Tam Project pursuant to the UMEX royalty agreement dated February 28, 1990. Any amounts to pay the royalty due to UMEX pursuant to the UMEX royalty agreement may be deducted from the Tam- Misty royalty payments.

Osisko Gold Royalties Ltd. ("Osisko"), successor to Kennecott Canada Exploration Inc. (Kennecott), holds a 2% NSR royalty on the claims comprising the historical Lorraine and Dorothy properties pursuant to the Lorraine and Dorothy Properties Kennecott back-in rights surrender agreement dated August 18, 2003. The royalty may be reduced to 1% by payment to Osisko of $1,000,000.

Messrs. Alvin Jackson and Rudi Durfeld hold a 2% NSR royalty on the Steelhead claims pursuant to the Steelhead property purchase agreement dated May 27, 2002. Up to 1.5% of the NSR royalty may be purchased at any time for $500,000 per 0.5%.

Messrs. Richard Haslinger and Larry Hewitt hold a 2% NSR royalty on the Steele claims pursuant to the Steele option agreement dated December 15, 1994, as amended November 6, 1997. The royalty may be reduced to 1% by payment of $1,000,000.

(iii) Top Cat Property

On July 12, 2019, the Company optioned a group of claims covering approximately 21,600 hectares in central British Columbia. Details of how the Company may earn a 100% interest are below:

- Making staged cash payments totaling $340,000 over 5 years. On November 7, 2019, the Company issued 41,666 common shares at a fair value of $18,333 in lieu of a cash payment pursuant to the option agreement. As at the date of this MD&A, the Company has made cash payments totaling $125,000 pursuant to the option agreement.
- Issuing a total of 750,000 common shares in stages over a 5-year period. As at the date of this MD&A, the Company has issued a total of 250,000 common shares pursuant to the option agreement.
- Incurring a total of $1,250,000 in exploration expenditures over a 5-year period with a minimum of $100,000 to be spent before the first anniversary of the agreement, which minimum expenditure requirement was met prior to the first anniversary; and
- Granting the optionors a 3% NSR on the property, subject to the Company's right to purchase a 2% NSR for $2,000,000 at any time prior to the first anniversary of commercial production.

Off-Balance Sheet Arrangements

The Company had no off-balance sheet arrangements as at December 31, 2022, or as at the date hereof.

Significant accounting judgments, estimates and assumptions

The preparation of consolidated financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported revenues and expenses during the year.

Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The most significant accounts that require estimates as the basis for determining the stated amounts include the recoverability of exploration and evaluation assets, and property, plant and equipment if indicators of impairment are identified and the valuation of share-based payments.

For the year ended December 31, 2022, and the ten months ended December 31, 2021, there were no indicators of impairment identified with respect to the Company's exploration and evaluation assets and property, plant and equipment.

In order to compute the fair value of share-based payments, the Company uses the Black-Scholes option pricing model which inherently requires management to make various estimates and assumptions in relation to the expected life of the award, expected volatility, risk-free rate and forfeiture rates. Changes in any of these inputs could cause a significant change in the share-based compensation expense charged in the statement of loss and to equity reserves in a given period. Key assumptions with respect to the valuation of share-based payments are disclosed in Note 11 to the audited consolidated financial statements for the year ended December 31, 2022.

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the Annual Financial Statements are as follows:

i) Going concern
The Company's assessment of its ability to continue as a going concern requires judgements about whether there are material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. Management has determined that the use of the going concern basis of accounting is appropriate and has disclosed material uncertainties in Note 1 to the Company's Annual Financial Statements.

ii) Exploration and Evaluation Assets
The application of the Company's accounting policy for exploration and evaluation assets and expenditures requires judgment to determine whether future economic benefits are likely, from either future exploitation or sale, or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves.

At the end of each reporting period, the Company assesses its exploration and evaluation assets to determine whether any indication of impairment exists. Judgment is required in determining whether indicators of impairment exist, including factors such as the period for which the Company has the right to explore, expected renewals of exploration rights, whether substantive expenditure on further exploration and evaluation of exploration projects are budgeted and results of exploration and evaluation activities on the exploration and evaluation assets.

Resource exploration is a speculative business and involves a high degree of risk. There is no certainty that the expenditures made by the Company in the exploration of its property interests will result in discoveries of commercial quantities of minerals. Exploration for mineral deposits involves risks which even a combination of professional evaluation and management experience may not eliminate. Significant expenditures are required to locate and estimate ore reserves, and further the development of a property. Capital expenditures to bring a property to a commercial production stage are also significant. There is no assurance the Company has, or will have, commercially viable ore bodies and there is no assurance that the Company will be able to arrange sufficient financing to bring ore bodies into production.

iii) Accounting for acquisition

Judgment is required in assessing whether an acquisition is a business combination or the acquisition of assets, in assessing the acquiror and in allocating the purchase price paid to mineral property interest acquired.

The Company considered the impact of the COVID-19 pandemic on the significant judgments and estimates made in these consolidated financial statements and determined that the effects of COVID-19 did not have a material impact on the estimates and judgments applied for the year ended December 31, 2022, or ten months ended December 31, 2021.

Financial instruments

The Company's financial instruments consists of cash, short term investments, receivables, marketable securities, deposits, and trade payables, with the carrying amounts presented in the statement of financial position approximating their respective fair values because of the relatively short-term nature of the instruments.

There are three levels of the fair value hierarchy as follows:

Level 1: Values based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical unrestricted assets or liabilities.

Level 2: Values based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.

Level 3: Values based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

The Company's shares of Alpha Copper are classified as a financial instrument that is measured at fair value through profit and loss using Level 1 inputs as Alpha Copper is listed on the CSE market. The shares are recorded as a marketable security in the statement of financial position, with gains and losses resulting from the change in fair value recorded in the consolidated statement of loss for the period. Other than the impact of the change in Alpha's share price, no factors affecting the fair value of Alpha shares in the time from the initial recognition to the period end were identified. Other than the Alpha shares, the Company does not have any financial instrument assets or liabilities measured and recognized in the statement of financial position at fair value.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is summarized as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk on its cash, short-term investments, receivables and deposits. The majority of cash and short-term investments is deposited in bank accounts at a major bank in Canada for which there is low credit risk. As most of the Company's cash and cash equivalents are held by one bank there is a concentration of credit risk. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies.

The Company is also exposed to credit risk with respect to receivables and deposits. To reduce credit risk, the Company regularly reviews the collectability of its amounts receivable and establishes an allowance based on its best estimate of potentially uncollectible amounts. The Company historically has not had difficulty collecting its amounts receivable and has no provision for credit loss recorded at either December 31, 2022, or December 31, 2021. The Company's deposits are with the government or financial institutions for reclamation and with a related party for which credit risk is assessed as low.

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 operating requirements on an ongoing basis. The Company aims to have sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from its ability to raise equity capital or borrowings sufficient funds and its holdings of cash and cash equivalents.

The Company's cash and short-term investments are liquid and available to meet the Company's ongoing obligations. The contractual maturities of the Company's trade payables and accrued liabilities are less than one year, and the contractual maturities of the Company's lease obligations are disclosed above.

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 is primarily exposed to interest rate risk with respect to interest earned on cash. A 1% change in the interest rate during the year ended December 31, 2022, or ten months ended December 31, 2021, would not have had a material impact on the Company.

Capital Management

The Company's policy is, if permitted by market conditions, to maintain a strong capital base so as to support investor and creditor confidence and support future development of the business. The capital structure of the Company consists of equity, comprising share capital and reserves net of accumulated deficit. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can continue to explore its mineral property interests and continue its operations for the benefit of its shareholders. There were no changes in the Company's approach to capital management during the period. The Company is not subject to any externally imposed capital requirements.

Legal Matters

NorthWest is not currently and was not at any time during the year ended December 31, 2022, party to, nor has any of its property interests been the subject of, any material legal proceedings or regulatory actions.

Subsequent Events Not Otherwise Described Herein

Other than disclosed above, the following items of significance occurred after December 31, 2022:

Share Capital Transactions

a) Subsequent to December 31, 2022, 533,333 RSUs were exercised by employees and consultants and settled in common shares of the Company.

b) On January 6, 2023, the Company granted 3,540,625 stock options with an exercise price of $0.20 to employees and directors and granted 557,813 RSUs to employees.

c) On February 3, 2023, the Company closed the first tranche of a private placement offering for aggregate proceeds of $4,332,730, consisting of 18,837,955 units at a price of $0.23 per unit. Each unit consists of one common share of the Company and one-half of one non-transferable common share purchase warrant, with each whole warrant exercisable to purchase one additional common share until February 3, 2025, at an exercise price of $0.30.

d) On February 9, 2023, the Company closed the second and final tranche of a private placement offering for aggregate proceeds of $726,600, consisting of 3,159,131 units at a price of $0.23 per unit. Each unit consists of one common share of the Company and one-half of one non-transferable common share purchase warrant, with each whole warrant exercisable to purchase one additional common share until February 9, 2025, at an exercise price of $0.30.

Business Risks and Uncertainties

Additional information on risks and uncertainties related to NorthWest's business is provided in the Company's Annual Information Form dated April 20, 2023, under the heading "Risk Factors". The Annual Information Form is available under the Company's profile on SEDAR at www.sedar.com. In particular, there are currently significant uncertainties in capital markets impacting the availability of equity financing for the purposes of mineral exploration and development. There are also significant uncertainties relating to the global economy (including COVID-19), political uncertainties and increasing geopolitical risk, increased volatility in the prices of gold, copper, other precious and base metals and other minerals, as well as increasing volatility in the foreign currency exchange markets which impact our business and may impact our ability to remain a going concern.

Non-GAAP Measures

This MD&A includes certain performance measures which are not specified, defined, or determined under generally accepted accounting principles (in the Company's case, International Financial Reporting Standards, or "IFRS").

These are common performance measures in the copper mining industry, but because they do not have any mandated standardized definitions, they may not be comparable to similar measures presented by other issuers. Accordingly, the Company uses such measures to provide additional information and readers should not consider them in isolation or as a substitute for measures of performance prepared in accordance with generally accepted accounting principles.

All-In Sustaining Costs ("AISC")

The Company has provided an AISC performance measure on a co-product and by-product basis to reflect all the expenditures that are required to produce a pound of copper equivalent and a pound of copper with by-products of gold and silver, respectively, from operations at the Kwanika-Stardust Project. While there is no standardized meaning of these measures across the industry, the Company's definition conforms to the AISC definition as set out by the World Gold Council in its guidance dated November 14, 2018. The Company believes that these measures are useful to external users in assessing the operating performance and the Company's ability to generate free cash flow from current operations. Upon commencing commercial production and reporting AISC, the Company will provide a reconciliation to IFRS figures then presented.

Cash Operating Cost

The Company has provided a cash operating cost measure on a co-product and by-product basis to reflect the site operating cost to produce a pound of copper equivalent and a pound of copper with by-products of gold and silver, respectively, from operations at the Kwanika-Stardust Project. While there is no standardized meaning of the measure across the industry, the Company believes that these measures are useful to external users in assessing operating performance. Upon commencing commercial production and reporting cash operating cost, the Company will provide a reconciliation to IFRS figures then presented.

Free Cash Flow

Free Cash Flow is a non-GAAP performance measure that is calculated as cash flows from operations net of cash flows invested in mineral property, plant, and equipment and exploration and evaluation assets. The Company believes that this measure is useful to the external users in assessing the Company's ability to generate cash flows from its mineral projects.

Disclosure Controls and Procedures and Internal Controls Over Financial Reporting

Disclosure controls and procedures ("DC&P") are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized and reported within the time periods specified by securities regulations and that information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting ("ICFR") are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

Venture issuer companies are not required to provide representations in the annual or interim filings relating to the establishment and maintenance of DC&P and ICFR, as defined in National Instrument 52-109, *Certification of Disclosure in Issuers' Annual and Interim Filings* ("NI 52-109"). In particular, the CEO and CFO certifying officers do not make any representations relating to the establishment and maintenance of (a) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual or interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation, and (b) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in their certificates regarding the absence of misrepresentations and fair disclosure of financial information. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer (as defined in NI 52-109) to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of annual filings and other reports provided under securities legislation.

Controls and Procedures

In connection with NI 52-109 the CEO and CFO of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the Annual Financial Statements and respective accompanying MD&A as at December 31, 2022 (together the "Annual Filings").

In contrast to the certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information, the reader should refer to the Venture Issuer Basic Certificates filed by the Company with the Annual Filings on SEDAR at www.sedar.com.

Scientific and Technical Disclosure

The Company's material properties for the purposes of applicable Canadian securities laws are the Kwanika-Stardust project and the Lorraine project. Unless otherwise indicated, NorthWest has prepared the technical information in this MD&A ("Technical Information") based on information contained in the following technical reports:

"Kwanika-Stardust Project NI 43-101 Technical Report on Preliminary Economic Assessment" dated February 17, 2023 with an effective date of January 4, 2023, filed under the Company's SEDAR profile at www.sedar.com.

"Lorraine Copper-Gold Project NI 43-101 Report & Mineral Resource Estimate Omineca Mining Division, B.C", dated September 12, 2022 with an effective date of June 30, 2022, filed under the Company's SEDAR profile at www.sedar.com (the "Lorraine Technical Report").

The Technical Information was also based on information contained in news releases (available under the NorthWest company profiles on SEDAR at www.sedar.com). These news releases are each intended to be read as a whole, and sections should not be read or relied upon out of context. The Technical Information is subject to the assumptions and qualifications contained in those news releases.

Certain of our news releases were in part prepared by or under the supervision of an independent qualified person. Readers are encouraged to review the full text of the news releases which qualifies the Technical Information. Readers are advised that mineral resources that are not mineral reserves do not have demonstrated economic viability. mineral resource estimates relating to Kwanika-Stardust and Lorraine are only estimates and no assurance can be given that any particular level of recovery of minerals will be realized or that an identified mineral resource will ever qualify as a commercially mineable or viable deposit which can be legally and economically exploited.

Readers are cautioned that the 2023 PEA and the Lorraine Technical Report are preliminary in nature and include inferred and indicated mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that this will indeed occur. Further studies, including engineering and economics, are required (typically as a feasibility study) with regards to infrastructure and operational methodologies. Tyler Caswell, P. Geo, NorthWest's Vice President, Exploration, is the Company's qualified person for the purposes of NI 43-101, and has reviewed, verified and approved the scientific and technical information contained in this MD&A.

Cautionary Notes Regarding Forward-Looking Statements

This MD&A contains "forward-looking information" and "forward-looking statements" within the meaning of applicable securities laws, which include, but are not limited to, statements or information concerning;; the timing and availability of refunds related to various tax credits; future financial or operating performance of NorthWest and its business, operations, properties and the future price of copper, zinc, gold, silver and other metal prices; the potential quantity and/or grade of minerals; the potential size of a mineralized zone or potential expansion of mineralization; proposed exploration and development of NorthWest's exploration property interests including potential size of budget and type of exploration being conducted; the timing and amount of estimated future production, costs of production and mine life of the various mineral projects of NorthWest; the interpretation and actual results of historical production and drill results at certain of our exploration properties, and the reliance on technical information provided by third parties; the timing and amount of estimated capital, operating and exploration expenditures, costs and timing of the development of new deposits and of future exploration, acquisition and development activities, estimated exploration budgets and timing of expenditures and community relations activities, requirements for additional capital; government regulation of exploration and mining operations; environmental risks and reclamation expenses, other claims or existing, pending or threatened litigation or other proceedings; title disputes; the ability to maintain exploration licenses for its properties in accordance with the requirements of applicable mining laws in Canada; limitations of insurance coverage, future issuances of common shares to satisfy obligations under any option and earn-in agreements or the acquisition of exploration properties and the timing and possible outcome of regulatory and permitting matters; exploration agreements with First Nations; the potential impact of the COVID-19 pandemic on the Company and its operations; and any other statement that may predict, forecast, indicate or imply future plans, intentions, levels of activity, results, performance or achievements.

Forward-looking statements and information involves known and unknown risks, uncertainties and other factors which may cause the actual plans, intentions, activities, results, performance or achievements of NorthWest to be materially different from any future plans, intentions, activities, results, performance or achievements expressed or implied by such forward-looking statements and information. Except for statements of historical fact, information contained herein or incorporated by reference herein constitutes forward-looking statements and forward-looking information. Often, but not always, forward-looking statements and forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "will", "projects", or "believes" or variations (including negative variations) of such words and phrases, or statements that certain actions, events, results or conditions "may", "could", "would", "might" or "will" be taken, occur or be achieved.

Forward-looking statements and forward-looking information are not guarantees of future performance and are based upon a number of estimates and assumptions of management at the date the statements are made including among other things, assumptions about future prices of copper, zinc, gold, silver, and other metal prices, changes in the worldwide price of other commodities such as coal, fuel and electricity fluctuations in resource prices, currency exchange rates and interest rates, favourable operating conditions, political stability, obtaining governmental approvals and financing on time, obtaining renewals for existing licenses and permits and obtaining required licenses and permits, labour stability, stability in market conditions, stability of relationship with joint venture partners; assumptions with respect to continued support from First Nations; availability of equipment, accuracy of any mineral resources, anticipated costs and expenditures, , assumptions about the effect of the COVID-19 pandemic and our ability to achieve our goals. Many assumptions are based on factors and events that are not within the control of NorthWest and there is no assurance they will prove to be correct.

Furthermore, such forward-looking statements and forward-looking information involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or forward-looking information. Such factors include, among others; risks with respect to meeting applicable tax credit criteria; risks related to joint venture partners;; risks related to the continued support of First Nations; continued availability of applicable tax credit programs; general business, economic, competitive, political, regulatory and social uncertainties; disruptions or changes in the credit or securities markets and market fluctuations in prices for the Company's' securities; judgement of management when exercising discretion in their use of proceeds from a financing; potential dilution of common share voting power or earnings per common share as a result of the exercise of stock options, RSUs or DSUs, future financings or future acquisitions financed by the issuance of equity; discrepancies between actual and estimated mineral resources; the Company is an exploration and development stage company with no history of pre-tax profit and no income from its operations and there can be no assurance that the Company's operations will be profitable in the future; changes in project parameters as plans continue to be refined; changes in labour costs or other costs of production; possible variations of mineral grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry, including but not limited to environmental risks and hazards, cave-ins, pitwall failures, flooding, rock bursts and other acts of God or natural disasters or unfavourable operating conditions and losses; political instability, hostilities, insurrection or acts of war or terrorism; the speculative nature of mineral exploration and development, including the risk of diminishing quantities or grades of mineralization; the Company's ability to renew existing licenses and permits or obtain required licenses and permits; changes in government legislation and regulation; fluctuations in commodity prices; requirements for future funding to satisfy contractual obligations and additional capital needs generally; changes or disruptions in market conditions; market price volatility; increased infrastructure and/or operating costs; reclamation costs; the Company has limited operating history and no history of earnings; reliance on a finite number of properties; limits of insurance coverage and uninsurable risk; contests over title to properties; environmental risks and hazards; limitations on the use of community water sources; the need to obtain and maintain licenses and permits and comply with laws and regulations or other regulatory requirements; competitive conditions in mineral exploration and mining business; the ability of the Company to retain its key management employees and shortages of skilled personnel and contractors; potential acquisitions and their integration with the Company's current business; influence of third party stakeholders; risks of litigation; the Company's system of internal controls; conflicts of interest; credit and/or liquidity risks; changes to the Company's dividend policy; and the risks involved in the exploration, development and mining business generally. Although we have attempted to identify important factors that could cause actual performance, achievements, actions, events, results or conditions to differ materially from those described in forward looking statements or forward-looking information, there may be other factors that cause performance, achievements, actions, events, results or conditions to differ from those anticipated, estimated or intended.

Forward-looking statements and forward-looking information contained herein are made as of the date of this MD&A and we disclaim any obligation to update or revise any forward-looking statements or forward-looking information, whether as a result of new information, future events or results or otherwise, except as required by applicable law. There can be no assurance that forward-looking statements or forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements or forward-looking information. All forward-looking statements and forward-looking information attributable to us is expressly qualified by these cautionary statements.

Additional Information

Additional information relating to NorthWest, including its AIF, is available on SEDAR at www.sedar.com. Additional information relating to NorthWest can also be obtained on the Company's website at www.northwestcopper.ca.