NorthWestcopper

# MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Three and Six Months Ended June 30, 2023

## 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 August 21, 2023, is for the three and six months ended June 30, 2023 and should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 2023 of NorthWest, including the related notes thereto (together, the "Interim 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.sedarplus.ca.

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 all provinces of Canada except Quebec and files its continuous disclosure documents with the Canadian Securities Authorities in such provinces. Such documents are available on SEDAR+ at www.sedarplus.ca. All dollar amounts stated in the MD&A are expressed in Canadian dollars unless noted otherwise.

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 headings "Business Risks and Uncertainties" and "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.

### ***Outlook***

NorthWest is focused on exploring, advancing and de-risking our large portfolio of projects in BC, including the Kwanika-Stardust Project, the Lorraine Project and the East Niv Project. The Company believes that there are exploration growth opportunities at all the projects as well as value enhancement opportunities through possible project synergies. The Kwanika-Stardust Project PEA published earlier this year demonstrated a manageable capital cost project which provides a foundation for future growth. The Company believes the potential exists to build a district centered on this project by including material from the Lorraine Project, and possibly other regional targets.

Accordingly the Company has identified four key priorities moving forward:

- Drill test high potential near surface exploration targets at Kwanika-Stardust and Lorraine.[1]
- Evaluate the potential for combining the Lorraine Project with the Kwanika-Stardust Project into a larger project with shared infrastructure.
- De-risk exploration at East Niv by seeking to leverage capital from a strategic partner and continue to seek accretive deals for the Company's other non-core assets.

1 Please see NorthWest's press releases dated June 21, 2023 and July 6, 2023 available under the Company's profile on SEDAR+ and at www.northwestcopper.ca

- Continue to build on the solid record of engagement and collaboration with First Nations that is critical to advancing exploration and mining projects in British Columbia.

The recent actions by an activist group, who intends to propose an alternate slate of six nominees to the Company's Board as outlined further below, may pose a serious risk and place these plans in significant jeopardy if the alternate slate of directors is elected. Furthermore the Company's ability to raise funds has been impacted by the activist group. The Company has deferred part of a planned 2023 field exploration program, and will likely be required to defer the whole planned program. For additional information regarding the activist group, please see the Company's Management Information Circular (the "Circular")[2] for the Company's upcoming 2023 Annual General Meeting to be held on September 19, 2023.

2023 planned field exploration work that has been deferred includes a planned drill program of approximately 1,800 metres at the Lorraine Project designed to test three drill-ready target areas that have been developed by NorthWest, being the Boundary, Ridge and DL targets, with five additional prospect areas the focus of further target generation - Steelhead, North Cirque, Slide, No-name, and Cat Mountain.

2023 planned field exploration work that is likely to be deferred includes a planned drill program at the Kwanika-Stardust Project of approximately 1,500 metres designed to test the Transfer target, a near surface target approximately 500 metres to the south of the Central Zone at Kwanika. The Transfer target represents a potential offset of the near surface high grade mineralization of the Central Zone at Kwanika. Additionally, copper mineralization previously intersected at the Andesite Breccia target lying to the northwest of the Kwanika Central Zone, is potentially open along strike and at depth and merits drill follow-up. The 2023 PEA also provided additional recommendations to advance the Kwanika-Stardust Project, including supplemental metallurgical work, various geotechnical and environmental studies, as well as engineering studies. The Company continues to evaluate and prioritize these recommendations.

Subject to the availability of funding and the outcome of the 2023 Annual General Meeting, the Company expects to carry out the planned field exploration programs at Lorraine and Kwanika-Stardust in 2024.

The Company continues to prioritize engagement with First Nations and local communities to ensure its work is conducted in an environmentally and culturally respectful manner and to provide employment and economic opportunities through the various exploration stages. In British Columbia and Canada, the involvement of First Nations and their support to advance a project to an Environmental Assessment is a requirement under new legislation. Over the last two and half years, the NorthWest team has focused on strengthening relationships and building our understanding of the Nations' longer-term economic, traditional land use, environmental, and cultural interests. To encourage two-way dialogue, NorthWest has improved the frequency of our engagement and quality of communication materials. The team also negotiated four new exploration agreements and implemented existing ones contributing to the local economies through contracting and employment. Relationships centered on respect and trust are critical to the future of NorthWest. These relationships take time to build and cannot be transactionally transferred.

## Summary of Activities

### ***<u>YTD and Recent Events</u>***

**Appointment of Terrence (Terry) Lyons as Chair of the Board of Directors**

On August 8, 2023, the Company announced that Terry Lyons had been appointed Chair of the Company's Board and will be nominated for election to the Board at the 2023 annual general meeting of shareholders ("AGM") to be held in September. Previous Chair Dr. Mark O'Dea, a significant long-term shareholder and co-founder of the Company, has retired from the Board and welcomes Terry.

2 The Company's management information circular is available under the Company's profile on SEDAR+ and at www.northwestcopper.ca

Mr. Lyons has over 46 years of experience in the development, financing and management of natural resource, manufacturing, real estate, and merchant banking companies with an extensive background in corporate restructuring. He is a member of the Institute of Corporate Directors. He currently serves as Lead Director and Chair of the Audit Committee of Canaccord Genuity Group Inc., Director, and Chair of the Audit Committee of Martinrea International Inc., Director of Mineral Mountain Resources Ltd., and Chairman of Waterotor Technologies Inc. He is a Member Emeritus of the Advisory Board of the Richard Ivey School of Business and has been awarded the Inco Medal by the Canadian Institute of Mining and Metallurgy for distinguished service to the mining industry.

**Appointment of David W. Moore as Interim President & CEO and Director**

On April 26, 2023, the Company announced that David W. Moore had been appointed interim President & CEO. On May 12, 2023, Mr. Moore was appointed to the Board of Directors. Mr. Moore is a seasoned explorer and mining executive with over 50 years of experience in the business. David was instrumental in the discovery and delineation of the Kwanika deposit and is the architect of much of the portfolio that now constitutes the project pipeline of Northwest. He has been a Technical Advisor to the Company since his retirement from NorthWest's Board in 2022. The Board of Directors has established a committee to lead the search for a new President & CEO that will be driven by the Company's strategic goals and priorities.

**Receipt of Nomination Notice of Dissident Board Slate and Postponement of AGM**

On May 23, 2023, the Company received a notice from a dissident shareholder, pursuant to the Company's advance notice provision, of the dissident shareholder's intention to propose a slate of six nominees for the Company's Board at the Company's 2023 Annual General Meeting ("AGM"), originally scheduled to be held on June 23, 2023. On August 4, 2023, the Company received a second advance notice submission from the activist group re-nominating the same six nominees for election at the Company's AGM which had been rescheduled to September 6, 2023. The AGM was subsequently rescheduled to September 19, 2023.

**Filing of Final Base Shelf Prospectus**

On June 8, 2023, the Company announced the filing of its final short form base shelf prospectus allowing for the sale of Common Shares, Warrants, Subscription Receipts and Units of the Company (the "Securities") in one or more series of issuances for aggregate gross proceeds of up to $50,000,000 for a period of 25 months following the filing. The base shelf prospectus, a normal course financing mechanism, provides the Company with financial flexibility and the capability to access capital markets quickly, when available, to fund its ongoing capital needs over the next two years. Securities may be offered in amounts, at prices and on terms to be determined based on market conditions at the time of sale and set forth in one or more shelf prospectus supplement(s). Information regarding the use of proceeds from a sale of any securities will be included in the applicable shelf prospectus supplement(s).

**Announced 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")[3]. 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.

3 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.sedarplus.ca.

The 2023 PEA[4] describes Kwanika-Stardust as a unique project combining manageable initial capital with a significant Cu-Au production profile:

- Peak copper equivalent ("CuEq"[5]) 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[6] of US$1.58/lb CuEq (US$0.44/lb Cu on a by-product[7] basis);
- Average all-in sustaining cost ("AISC")[8] of US$2.01/lb CuEq (US$1.12/lb Cu on a by-product[9] basis);
- Initial capital of C$567.9 M (US$438.5 M[10]), with a construction period of two years; and
- 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[11].

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".

**Completed 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.

## 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.

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4 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.

5 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

6Cash 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).

7 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.

8 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.

9 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)

10 2023 PEA exchange rate = 0.77 US$ per C$1.00

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

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 responsible and respectful manner.

**Preliminary Economic Assessment**

A preliminary economic assessment for the Kwanika-Stardust Project was announced in January 2023[12]. 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 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 | $215.04 |
| NPV (7%)[13] | US$M | $339.83 | $166.05 |
| IRR | % | 17.1% | 12.7% |
| Initial Capital | C$M | $567.90 | |
| Sustaining Capital | C$M | $282.43 | |
| Growth Capital[14] | C$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 |

12 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.sedarplus.ca.
13 2023 PEA Exchange rate: $0.77 US$ per C$1.00.
14 Growth Capital is capital associated with brining new areas of mineralized material into production – namely Kwanika underground block cave and Stardust underground.

| Operating Statistics | Units | Avg. LOM |
|---|---|---|
| Strip Ratio[15] | 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 |
| 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** | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | **Economic Cut-Off US$/t** | **Classification** | **Tonnes (Mt)** | **Cu (%)** | **Au (g/t)** | **Ag (g/t)** | **Cu (Mlbs)** | **Au (koz)** | **Ag (koz)** |
| **Open Pit** | **8.21** | Measured | 30.7 | 0.31 | 0.31 | 1.05 | 210.8 | 310.5 | 1,041.7 |
| | | Indicated | 35.9 | 0.22 | 0.19 | 0.80 | 174.9 | 222.0 | 923.9 |
| | | M&I | 66.6 | 0.26 | 0.25 | 0.92 | 385.7 | 532.5 | 1,965.6 |
| | | Inferred | 4.1 | 0.15 | 0.15 | 0.58 | 13.8 | 20.1 | 77.3 |
| | | | | | | | | | |
| | **Economic Cut-Off US$/t** | **Classification** | **Tonnes (Mt)** | **Cu (%)** | **Au (g/t)** | **Ag (g/t)** | **Cu (Mlbs)** | **Au (koz)** | **Ag (koz)** |
| **Underground** | **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 |

15 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.

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | 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.

Stardust Notes

- 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.

The Lorraine mineral resource estimate (see below), outlined in the Upper Main, Lower Main and the Bishop Zones, occurs approximately 40 km north of Kwanika-Stardust. These zones are high grade and near surface. The Company plans to explore the possibility of processing mineralized material from Lorraine at a potential Kwanika-Stardust processing facility by undertaking transportation studies, metallurgical test work and further diamond drilling.

NorthWest, through its subsidiaries Sun Metals Corp. and Tsayta Resources Corporation previously held a 49% interest in the Lorraine Project. To consolidate ownership of the Lorraine Project, NorthWest'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, is finalizing terms on an exploration agreement with Takla, and is currently working with Nak'azdli on establishing an exploration agreement. These agreements will frame the working relationship and provide guidance to support exploration activities which are conducted in a culturally and environmentally responsible and respectful manner.

**Mineral Resource**

On July 27, 2022, the Company announced a new updated mineral resource estimate for Lorraine[16] 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 |

16 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.sedarplus.ca

| | | | | | | |
|---|---|---|---|---|---|---|
| | **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.

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 the East Niv Project by claim staking in 2018 and conducted a first pass 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.

As a result of the first pass field program, in July 2021, the Company announced it had staked 16 additional claims, expanding the property size to 43,297 Hectares.

An inaugural 10-hole diamond drilling program by NorthWest in 2021 discovered the new East Niv porphyry copper-gold-silver±molybdenum deposit. Porphyry alteration and sulphide mineralization were encountered in all 2021 holes and an 8-hole program in 2022 expanded the porphyry hydrothermal footprint to at least 4 km by 1.5 km, which remains open along strike, to depth, and to the southwest. Patterns of induced polarization chargeability anomalies, soil geochemical anomalies, and drilling results define a High-Grade Structural target at depth below the discovery area and a large Valley target to the southwest of the drilled area.

The SouthWest and Rockslide porphyry copper-gold targets occur within an approximately 4 km by 5 km area with high porphyry exploration potential in the southwestern part of the property. The targets are supported by several types of exploration surveys that produced induced polarization chargeability anomalies, soil and rock chip geochemical anomalies, a 99th percentile RGS stream sediment sample in a watershed that drains part of the target area, Aster hyperspectral alteration anomalies, and widespread colour anomalies created by pyrite in strongly altered rock.

The Company is actively pursuing the possibility of involving a strategic partner to continue advancing the East Niv project, in order to focus on the Kwanika-Stardust and Lorraine projects.

The East Niv Project lies within territories of Takla, 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 responsible and 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 had the right to 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 $500,000 in common shares on or before March 11, 2023, and the first $500,000 in expenditures were obligations of Alpha upon entering into the Option Agreement. During the six months ended June 30, 2023, 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, and continues to engage with them to resolve the outstanding obligation.

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 Interim Financial Statements referred to in this MD&A and provides officers' disclosure certifications filed to the Canadian provincial securities commissions. The Audit Committee of the Company's Board approved the Interim Financial Statements and this MD&A. The Interim Financial Statements have been prepared in compliance with IAS 34 - Interim Financial Reporting and should be read in conjunction with

NorthWest's audited consolidated financial statements for the year ended December 31, 2022 which 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"), effective December 31, 2022. Our significant accounting policies are presented in Note 2 of the audited consolidated financial statements for the year ended December 31, 2022, and the Interim Financial Statements have been prepared using accounting policies consistent with those used in the audited consolidated financial statements for the year ended December 31, 2022. The following accounting amendments were adopted by the Company in the current period:

- The Company adopted the IASB published amendments to IAS 12 - Income Taxes at January 1, 2023. 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 Company has concluded that the adoption of the amendments had no significant impact on its Interim Financial Statements.

- The Company adopted the IASB published amendments to IAS 8 - Accounting Policies - Changes in Accounting Estimates and Errors at January 1, 2023. 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 Company has concluded that the adoption of the amendments had no significant impact on its Interim Financial Statements.

## Results of Operations

The financial data presented below for the current and comparative periods was derived from the Interim 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:** | **Three months ended June 30, 2023** | **Three months ended June 30, 2022** | **Six months ended June 30, 2023** | **Six months ended June 30, 2022** |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| Total revenues | Nil | Nil | Nil | Nil |
| General and administrative expenses | (1,117,474) | (1,478,556) | (2,563,106) | (3,231,778) |
| Exploration and evaluation expenses | (317,253) | (6,973,985) | (1,062,089) | (8,127,231) |
| | (1,434,727) | (8,452,541) | (3,625,195) | (11,359,009) |
| Other income (expense) | (2,263) | 1,747,420 | (15,059) | 2,708,159 |
| Net loss and comprehensive loss attributable to shareholders | | | | |
| Total | (1,436,990) | (6,705,121) | (3,640,254) | (8,650,850) |
| Basic and diluted loss per share | (0.01) | (0.04) | (0.02) | (0.06) |

## Three and Six Months Ended June 30, 2023, vs. Three and Six Months Ended June 30, 2022

For the three and six months ended June 30, 2023, the Company realized a net loss of $1.4 million and $3.6 million, respectively, compared to the net loss of $6.7 million and $8.7 million for three and six months ended June 30, 2022. Major variances are as follows:

- During the first half ("H1") of 2022, the Company commenced an extensive field exploration program, including drilling at the Kwanika-Stardust project, and preparation for drill programs at the East Niv and Lorraine projects. In H1 2023, the Company's exploration work has been primarily focused on analyzing the results of the 2022 program and planning for future drill programs. As a result, the Company had significantly lower exploration and evaluation expenditures for the three and six months ended June 30, 2023, of $0.3 million and $1.1 million, compared to $7.0 million and $8.1 million for the comparative periods in 2022.

- General and administrative expenses were $1.1 million and $2.6 million, respectively for the three and six months ended June 30, 2023, compared to $1.5 million and $3.2 million for the three and six months ended June 30, 2022, primarily resulting from:

  (i) Share-based compensation expense, related to the granting and vesting of stock options and restricted share units ("RSUs") decreased to a recovery of $0.2 million for the three months ended June 30, 2023, and an expense of $0.4 million for the six months ended June 30, 2023, compared to an expense of $0.6 million and $1.6 million for the three and six months ended June 30, 2022, reflecting the reversal of expense recorded in prior periods relating to the forfeiture of unvested stock options and RSUs by departing employees, as well as a decreased number of options subject to vesting during the period, as compared to the three and six months ended June 30, 2022. Stock options and RSUs granted to employees and consultants are generally subject to vesting restrictions over a three-year period with the corresponding share-based compensation expense being recognized over this period, while stock options granted to non-executive 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, the fair value of options and RSUs granted, and the associated vesting provisions.

  (ii) Professional fees increased to $0.5 million and $0.6 million, respectively, for the three and six months ended June 30, 2023, from $0.1 million and $0.2 million for the three and six months ended June 30, 2022, primarily related to additional legal and advisory fees incurred in regard to the activist shareholder group.

  (iii) Salaries, management consulting and director fees increased to $0.6 million and $1.0 million, respectively, for the three and six months ended June 30, 2023, from $0.4 million and $0.8 million for the three and six months ended June 30, 2022, primarily related to a termination payment to the Company's former President and CEO in April 2023 of $0.2 million.

- Other income of $1.7 million and $2.7 million, respectively, for the three and six months ended June 30, 2022, was comprised principally of income of $1.9 million and $2.3 million from the recognition of the flow-through share premium during the respective periods as qualifying expenditures were incurred, and a $0.8 million gain on the option of the Okeover property to Alpha during the six months ended June 30, 2022. Such income in the comparative periods was partially offset by a $0.1 million loss on the share of Kwanika Copper Corporation ("KCC") expenditures incurred prior to obtaining control on February 23, 2022 and a $0.2 million loss on marketable securities during the three months ended June 30, 2022.

Additional disclosure concerning the Company's exploration and evaluation expenses by property is provided in note 6 to the Company's Interim Financial Statements which are available on the Company's website or on its SEDAR+ profile at www.sedarplus.ca.

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

## Financial Condition

| | June 30, 2023 | December 31, 2022 |
|---|---|---|
| Total assets | $ 82,097,544 | $ 81,411,780 |
| Current liabilities | $ 773,890 | $ 1,840,839 |
| Non-current liabilities | $ 327,500 | $ 327,500 |

No dividends were declared or paid nor are any contemplated.

The increase in total assets at June 30, 2023, is primarily due to a higher cash balance as a result of the $5.1 million financing completed in February 2023, partially offset by cash operating activities of $3.2 million, which includes exploration and evaluation activities, salaries, management consulting and director fees, investor relations fees, transfer agent and filing fees, office fees, and professional fees, and a reduction in current liabilities of $1.1 million.

Current liabilities at June 30, 2023 primarily decreased due to the reduction in payables of $1.0 million, mainly as a result of payment of December 31, 2022 payables in the current period and lower overall expenditure levels.

## 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)[1] |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| June 30, 2023 | Nil | (1,436,990) | (1,436,990) | (0.01) |
| March 31, 2023 | Nil | (2,203,264) | (2,203,264) | (0.01) |
| 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) |

[1]Fully diluted per share amounts are not shown as the effect is anti-dilutive.

The Company's net loss for the quarter ended June 30, 2023, decreased by $0.8 million compared to the net loss for the three months ended March 31, 2023, primarily due to:

- A decrease of $0.4 million in exploration and evaluation expenditures in the current quarter, primarily due to the completion of lab analysis of the Company's 2022 drilling in the three months ended March 31, 2023.
- A decrease of $0.8 million in share-based compensation expense in the current quarter, primarily due to the reversal of expense recorded in prior periods relating to the forfeiture of unvested stock options and RSUs by departing employees, resulting in a recovery in the quarter ended June 30, 2023.
- The decrease is partially offset by an increase in professional fees of $0.4 million primarily related to additional legal and advisory fees incurred in regard to the activist shareholder group, and an increase in

salaries, management consulting and legal fees of $0.2 million primarily related to a termination payment to the Company's former President and CEO in April 2023.

The Company's net loss for the quarter ended March 31, 2023, decreased by $1.1 million compared to the net loss for the three months ended December 31, 2022, primarily due to:

- A decrease of $1.0 million in exploration and evaluation expenditures in the current quarter, primarily due to the completion of drilling and field programs at Lorraine in October 2022.
- The decrease is partially offset by the partial recovery of the flow-through premium in the prior quarter of $0.1 million relating to qualifying resource expenditures incurred during the quarter and a $0.1 million reduction in salaries, management consulting and director fee in the current quarter due to annual employee bonuses in the prior quarter.

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.

## Cash Flows

Cash used in operating activities decreased by $4.8 million to $4.1 million for the six months ended June 30, 2023, from $8.9 million in the six months ended June 30, 2022, primarily due to higher exploration and evaluation expenditures in the prior period, partially offset by a net change in working capital accounts of ($0.9) million in the current period, compared to $0.8 million in the comparative period. Cash provided by investing activities for the six months ended June 30, 2023, was $0.1 million, compared to cash used in investing activities of $0.2 million in the comparative period. The increase is primarily due to the return of a reclamation deposit in the current period, compared to additional reclamation deposits made, as well as cash spent on the Company's investment in KCC, in the prior period. Cash provided by financing activities increased by $4.6 million to $5.0 million for the six months ended June 30, 2023, compared to $0.4 million for the six months ended June 30, 2022, primarily due to the proceeds of a $5.1 million financing completed in February 2023, partially offset by option and warrant exercises in the comparative period.

## Liquidity and Capital Resources

The Company had a net loss of $3.6 million for the six months ended June 30, 2023 (six months ended June 30, 2022 - $8.7 million) and at June 30, 2023 had accumulated losses of $83.9 million (December 31, 2022 - $80.2 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 expenditures and obligations. Based on the Company's current and forecast cash position, the Company will need to raise additional funds by December 31, 2023. Efforts to raise funds have been impacted byactivistgroup, due to the uncertainty that has been created.

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", as well as the *"Business Risks and Uncertainties"* section below. 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.

The Company completed several private placements in the year ended December 31, 2021, raising gross proceeds of approximately $33 million, and acquired cash of approximately $9.5 million resulting from the acquisition of Sun Metals on March 5, 2021. Approximately $32.8 million was used to fund exploration and evaluation expenditures on the Company's mineral properties, including expenditures on the previous Kwanika joint venture, the Company incurred share issuance costs of $1.9 million, with the balance used for general and administrative expenses, and other corporate purposes.

| **Activity or Nature of Expenditure** | **Use of Proceeds** |
|---|---|
| Exploration and development activities at the Company's portfolio of projects | $ 28.4M |
| Exploration and development activities at the Kwanika JV project | $ 4.4M |
| Working capital | $ 7.8M |
| Net proceeds used | $ 40.6M |
| Net proceeds remaining | $ nil |

The Company completed a private placement in February 2023, raising gross proceeds of approximately $5.1 million, At June 30, 2023 approximately $1.1 million to date has been used to fund exploration and evaluation expenditures in regards to the Company's mineral properties, $2.1 million has been used to fund general and administrative expenses and other corporate purposes, and $0.5 million has been used for working capital. The balance is expected to be used for exploration and evaluation expenditures in regards to the Company's mineral properties, general and administrative expenses, and other corporate purposes.

Expenditures of $1.1 million on exploration activities during the six months ended June 30, 2023 were in line with forecast expenditures, as the planned 2023 field exploration programs were not expected to begin until July. General and administrative expenditures during the six months ended June 30, 2023 (excluding depreciation and share-based payments) of $2.1 million, were higher than the forecast of $1.7 million, primarily due to additional legal and advisory fees incurred in relation to the situation involving the activist group, as well as a termination payment to the Company's former President and CEO.

The Company estimates that the aggregate amount of funds required to expand the resource models at each of the Kwanika-Stardust and Lorraine Projects, as well as additional metallurgical, baseline environmental and transportation studies to explore the possibility of advancing the projects to a pre-feasibility study stage, as recommended in the Lorraine Technical Report and the 2023 PEA, would be approximately $20 million, comprised primarily of: (i) exploration drilling; (ii) other technical, metallurgical and target generative work; (iii) environmental and water studies; (iv) field costs, logistics, personnel, site G&A; and (v) corporate general and administrative. The Company estimates that the duration of the program to achieve these milestones is approximately 18 months.

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 $1.4 million. Management believes that currently available funds are sufficient for base administrative costs, key exploration staff salaries and expenditures required to maintain mineral claims until the end of 2023, assuming no other factors change and with appropriate liquidity management. As set out under "Outlook", above, additional funding will be required to complete proposed 2023 field exploration work. Additional details on the Company's ability to fund further exploration and operations is set out above.

## Outstanding Share Data

At June 30, 2023, there were 189,759,253 issued and fully paid common shares, and nil preferred shares. During the six months ended June 30, 2023, the Company issued the following shares:

i) During the six months ended June 30, 2023, 533,333 RSUs were exercised by employees and consultants and settled in common shares of the Company.

ii) 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.

iii) 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. In connection with the private placement the Company paid commissions and legal fees totaling $27,216.

At June 30, 2022, there were 157,516,598 issued and fully paid common shares, and nil preferred shares. During the six months ended June 30, 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 fair value of $4,000,000 pursuant to the SPA with POSCO.

iii) During the six months ended June 30, 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.

As at August 21, 2023, the following common shares, stock options, share purchase warrants, RSUs and DSUs were outstanding:

| | Quantity | | Weighted average exercise price | Expiry date range |
|---|---|---|---|---|
| Shares | 190,177,280 | | N/A | N/A |
| Stock Options | 12,436,550 | $ | 0.65 | December 24, 2023 - May 12, 2028 |
| Warrants | 10,998,548 | $ | 0.30 | February 2, 2025 - February 9, 2025 |
| RSUs | 2,916,146 | | 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 one current director, Sean Tetzlaff, and one former director of the Company, Mark O'Dea, 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 June 30, 2023, Oxygen holds a refundable security deposit of $69,000 on behalf of the Company (December 31, 2022 - $69,000).

During the six months ended June 30, 2023, a total of $0.1 million was paid or accrued to Oxygen as a reimbursement of costs incurred by Oxygen on behalf of the Company (six months ended June 30, 2022 - $0.1 million). As at June 30, 2023, the Company has a payable amount to Oxygen of $59,845 (December 31, 2022 – $25,961).

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 (from January 1 to April 25, 2023), the Interim President and Chief Executive Officer (from April 26, 2023 to current), 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:

| | Three Months ended June 30, 2023 | Three Months ended June 30, 2022 | Six Months ended June 30, 2023 | Six Months ended June 30, 2022 |
|---|---|---|---|---|
| Salaries and management consulting fees | $ 253,014 | $ 234,167 | $ 494,814 | $ 445,417 |
| Termination payment | 226,600 | - | 226,600 | - |
| Director fees | 76,250 | 86,250 | 152,500 | 164,167 |
| Non-cash share-based payments | 51,462 | 393,436 | 479,836 | 1,101,529 |
| | $ 607,326 | $ 713,853 | $ 1,353,750 | $ 1,711,113 |

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. At June 30, 2023, director fees includes $76,250 of accrued fees. This amount is included in trade payables and accrued liabilities at June 30, 2023 (December 31, 2022 – director fees includes $76,250 of accrued fees and salaries and management consulting fees includes $85,938 of accrued employee bonuses, which were paid subsequent to December 31, 2022).

## 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. 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 and Oxygen have mutually 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 | $ 29,198 | $ - | $ 29,198 |
| Finance Charge | (385) | - | (385) |
| **Total Liability** | **$ 28,813** | **$ -** | **$ 28,813** |

During the six months ended June 30, 2023, the Company paid Oxygen minimum lease payments of $58,396 associated with its head office lease and incurred $36,080 in variable lease payments (six months ended June 30, 2022, $58,396 and $57,204, respectively).

**Mineral Properties**

The Company has non-material 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) 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, common shares with a fair value of $1,500,000 were issued to Teck between November 2020 and November 2022.

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.

The Lorraine Project is subject to the following royalties:

a) 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.

b) 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. 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, which 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.

c) Royalties over the historical Tam Project pursuant to a royalty agreement dated February 28, 1990. Any amounts to pay the royalty due pursuant to the royalty agreement may be deducted from the Tam-Misty royalty payments.

d) A 2% NSR royalty on the claims comprising the historical Lorraine and Dorothy properties pursuant to a back-in rights surrender agreement dated August 18, 2003. The royalty may be reduced to 1% by payment of $1,000,000.

e) A 2% NSR royalty on the Steelhead claims pursuant to a 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%.

f) A 2% NSR royalty on the Steele claims pursuant to an 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 $150,000 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 400,000 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.

The Company entered into an amendment to the option agreement dated July 19, 2023 to amend certain terms related to the fourth tranche cash payment. As a result of the amendment, the following cash payments totaling $185,000 remain owing:

(i) $60,000 on or before February 1, 2024; and
(ii) $125,000 on or before August 1, 2024.

*(iii) Asitka Claims*

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. Subsequent to the agreement receiving all required approvals, 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. On July 31, 2023, the Company issued the second option payments, comprised of $15,000 and 68,027 common shares with a fair value of $12,500.

## Off-Balance Sheet Arrangements

The Company had no off-balance sheet arrangements as at June 30, 2023, 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 six months ended June 30, 2023, 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 9 to the Interim Financial Statements.

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the Interim 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 Interim 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.

## Financial instruments

The Company's financial instruments consists of cash, short term investments, receivables, 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 were 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 were 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 date of sale were identified. Following the sale of the Alpha Shares during the three month period ended June 30, 2023, the Company does not have any financial instrument assets or liabilities measured and recognized in the statement of financial position at fair value at June 30, 2023.

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's receivable from Alpha Copper is past due at June 30, 2023. The Company is pursuing collection of this obligation, which is payable in common shares of Alpha and thus credit risk is reduced. The Company historically has not had difficulty collecting its amounts receivable and has no provision for credit loss recorded at either June 30, 2023, or December 31, 2022. 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 six months ended June 30, 2023, or six months ended June 30, 2022, 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 six months ended June 30, 2023, 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 June 30, 2023:

**Share Capital Transactions**

a) Subsequent to June 30, 2023, 866,667 vested stock options with a weighted average exercise price of $0.84 expired.

b) Subsequent to June 30, 2023, 200,000 RSUs were exercised by an employee and settled in common shares of the Company.

c) On July 31, 2023, the Company issued 150,000 shares and made a cash payment of $25,000 pursuant to the option agreement on the Top Cat project.

d) On July 31, 2023, the Company issued 68,027 common shares and made a cash payment of $15,000 pursuant to the option agreement on the Asitka claims.

## 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.sedarplus.ca. 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.

*Contested Proxy Contests*

Campaigns by investors to effect changes at publicly traded companies have increased in recent years and there can be no assurance that any shareholder (including the activist group) will not pursue or continue to pursue actions to effect changes in the management and strategic direction of the Company, including through the solicitation of proxies from the Company's shareholders. The Company's articles include an advance notice provision which may frustrate or prevent an attempt by shareholders to launch a proxy contest or replace or remove the current senior management team by making it more difficult for shareholders to replace members of the Board, which is responsible for appointing the members of senior management. While these provisions could have the effect of delaying, preventing or deferring a change in control, actions that may be taken by dissident shareholders (including the activist group), if any, may divert the time and attention of the Board and management from its business operations. If a proxy contest were to be pursued by any shareholders of the Company (including the activist group) it could result in substantial expense to the Company and consume significant attention of management and the Board.

## 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 Interim Financial Statements and respective accompanying MD&A as at June 30, 2023 (together the "Interim 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 Interim Filings on SEDAR+ at www.sedarplus.ca.

## 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.sedarplus.ca.

"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.sedarplus.ca (the "Lorraine Technical Report").

The Technical Information was also based on information contained in news releases (available under the NorthWest company profile on SEDAR+ at www.sedarplus.ca). 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.

## Cautionary Notes Regarding Forward-Looking Statements

This MD&A contains "forward-looking information" and "forward-looking statements" within the meaning of applicable securities laws. 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 information in this MD&A includes, but is not limited to: costs related to the activist group's proposed slate of director nominees; the 2023 field exploration work and any delays thereto; the Company's ability to finance future operations; the result of the alternative slate of directors proposed by the activist group and impact on the Company therefrom; 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; 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 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 the outcome of the 2023 annual meeting of shareholders, 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. 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 relating to the 2023 annual meeting of shareholders and the activist group; 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; results of campaigns by shareholders to effect changes in the Board and management; 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.sedarplus.ca. Additional information relating to NorthWest can also be obtained on the Company's website at www.northwestcopper.ca.