

PALLADIUM ONE MINING INC.

Management's Discussion and Analysis

For the years ended December 31, 2022 and 2021

Palladium One Mining Inc.

Management Discussion and Analysis

For the year ended December 31, 2022

INTRODUCTION

The management discussion and analysis (“MD&A”) of financial condition and results of operations focuses upon the activities, results of operations, liquidity and capital resources of Palladium One Mining Inc. (the “Company” or “Palladium One”) for the year ended December 31, 2022. In order to better understand the MD&A, it should be read in conjunction with the audited financial statements for the year ended December 31, 2022 and related notes. The Company’s financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”) and filed with appropriate regulatory authorities in Canada. This MD&A is current to April 13, 2023 and expressed in Canadian dollars unless otherwise stated.

FORWARD LOOKING STATEMENTS

Information set forth in this MD&A may involve forward-looking statements under applicable securities laws. Forward-looking statements are statements that relate to future, not past, events. In this context, forward-looking statements often address expected future business and financial performance, and often contain words such as “anticipate”, “believe”, “plan”, “estimate”, “expect”, and “intend”, statements that an action or event “may”, “might”, “could”, “should”, or “will” be taken or occur, or other similar expressions. All statements, other than statements of historical fact, included herein including, without limitation; statements about the size and timing of future exploration on and the development of the Company’s properties are forward-looking statements. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the Company’s actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following risks: the need for additional financing; operational risks associated with mineral exploration; fluctuations in commodity prices; title matters; environmental liability claims and insurance; reliance on key personnel; the volatility of our common share price and volume and other reports and filings with the TSX Venture Exchange (“TSX-V”) and applicable Canadian securities regulations. Forward-looking statements are made based on management’s beliefs, estimates and opinions on the date that statements are made and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as required by applicable securities laws. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from our expectations are disclosed in the Company’s documents filed from time to time via SEDAR with the Canadian regulatory agencies to whose policies the Company is bound. Investors are cautioned against attributing undue certainty to forward-looking statements.

The users of this information, including but not limited to investors and prospective investors, should read it in conjunction with all other disclosure documents provided including but not limited to all documents filed on SEDAR (www.SEDAR.com).

This MD&A has been prepared in accordance with the requirements of National Instrument 43-101, “Standards of Disclosure for Mineral Projects”, and National Instrument 51-102, “Continuous Disclosure Obligations.”

Qualified Person

Mr. Neil Pettigrew, P.Geo., the Qualified Person as defined by National Instrument 43-101, is the Vice President of Exploration and a director of the Company and has reviewed and approved the technical information in this document.

OVERVIEW

Palladium One Mining Inc. (“Palladium” or the “Company”) is a mineral exploration and development company listed on the TSX Venture Exchange (“TSX-V”) under the symbol “PDM” and is engaged in the exploration of mineral properties. Its assets consist of the Lantinen Koillismaa (“LK”) PGE-Cu-Ni and Kostonjarvi (“KS”) Cu-Ni-PGE projects, located in North-Central Finland; the Tyko Ni-Cu-PGE and Disraeli PGE-Ni-Cu projects, near Thunder Bay, Ontario, Canada; and the Canalask project, located in Yukon, Canada.

Palladium One Mining Inc.
Management Discussion and Analysis
For the year ended December 31, 2022

HIGHLIGHTS DURING AND SUBSEQUENT TO THE YEAR ENDED DECEMBER 31, 2022

Exploration

Lantinen Koillismaa PGE-Cu-Ni Project (“LK Project”), Finland

- On April 25, 2022, the Company announced an updated Indicated and Inferred Mineral Resource Estimate disclosed in accordance with NI43-101 which increased the Kaukua Area’s indicated resources tonnes by approximately 250%. The below tables summarize the updated Mineral Resource Estimate (Table 1a) and the Mineral Resource Estimate in-situ contained metal (Table 1b):

Table 1a – LK Project Mineral Resource Estimate – April 2022

MINERAL RESOURCE ESTIMATE - April 2022								
Tonnes & Grade - US\$1,700 Pd per oz								
	Tonnes (Mt)	Pd (g/t)	Pt (g/t)	Au (g/t)	TPM (g/t)	Cu (%)	Ni (%)	Co (g/t)
Indicated								
Kaukua Area	38.2	0.61	0.22	0.07	0.89	0.13	0.11	64.56
Inferred								
Kaukua Area +Murtolampi	30.8	0.52	0.20	0.08	0.80	0.14	0.14	86.07
Haukiahö	18.9	0.27	0.11	0.10	0.48	0.18	0.14	54.30
Total Inf.	49.7	0.43	0.17	0.09	0.68	0.16	0.14	73.98

Table 1b – LK Project In-situ contained metal – April 2022

MINERAL RESOURCE ESTIMATE - April 2022							
Contained Metal - US\$1,700 Pd per oz							
	Pd (M oz)	Pt (M oz)	Au (M oz)	TPM (M oz)	Cu (M lbs)	Ni (M lbs)	Co (M lbs)
Indicated							
Kaukua Area	0.74	0.26	0.08	1.09	110.7	91.6	5.4
Inferred							
Kaukua Area +Murtolampi	0.52	0.20	0.07	0.79	96.5	93.9	5.8
Haukiahö	0.16	0.07	0.06	0.29	76.4	57.5	2.3
Total Inf.	0.68	0.26	0.14	1.08	172.9	151.5	8.1

Notes to table:

- CIM (2014) definitions were followed for Mineral Resources.
- The Mineral Resources have been reported above a preliminary open pit constraining surface using a Net Smelter Return (NSR) pit discard cut-off of US\$12.5/t (which for comparison purposes equates to an approximately 0.65 g/t Palladium Equivalent in-situ cut-off, based on metal prices
- The NSR used for reporting is based on the following:
 - Long term metal prices of US\$ 1,700/oz Pd, US\$ 1,100/oz Pt, US\$ 1,800/oz Au, US\$ 4.25/lb Cu, US\$ 8.50/lb Ni and US\$ 25/lb Co.
 - Variable metallurgical recoveries for each metal were used at Kaukua and Murtolampi and fixed recoveries of 79.8% Pd, 80.1% Pt, 65% Au, 89% Cu, 64% Ni and 0% Co at Haukiahö.
 - Commercial terms for a Cu and Ni concentrate based on indicative quotations from smelters.
- Total Precious Metals (TPM) equals palladium plus platinum plus gold
- Bulk densities range between 1.8 and 3.23 t/m³.
- Numbers may not add up due to rounding.

Palladium One Mining Inc.

Management Discussion and Analysis

For the year ended December 31, 2022

- Mineral Resources, which are not Mineral Reserves, do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues.
 - The quantity and grade of reported inferred resources in this estimation are conceptual in nature and there has been insufficient exploration to define these inferred resources as an indicated or measured mineral resource and it is uncertain if further exploration will result in upgrading them to an indicated or measured mineral resource category.
- On June 8, 2022, the Company announced that it had filed a Mineral Resource Estimate in accordance with National Instrument 43-101 for the LK project. The report has an effective date of April 25, 2022 and is entitled “Technical Report on the Lantinen Koillismaa Project, Finland Report for NI 43-101”.
 - On July 20, 2022, the Company announced that assaying of historic drill core from the Haukiaho Trend included 0.43 g/t Pd, 0.25 g/t Pt, 0.16 g/t Au, 0.34% Cu, 0.32% Ni, 92 g/t Co, over 5 meters in hole M354364R612, from previously un-assayed drill core and has identified new resource expansion targets at the LK Project, north-east of the Haukiaho Trend (the “Lota Zone”).

Tyko Ni-Cu-PGE Property (“Tyko Project”), Canada

- On May 11, 2022, the Company announced that three of five Exploration Permits had been received for the Tyko Project. A 15,000-meter diamond drill program was planned and scheduled to begin in May 2022.
- On June 9, 2022, the Company announced that drilling had begun on the large Bulldozer mafic-ultramafic intrusion at the Tyko Property. The Company also announced that IP results had been processed from the winter geophysical program and had returned four significant chargeability anomalies on the Bulldozer and two on the Smoke Lake grids.
- On August 31, 2022, the Company announced that it had received a new exploration drill permit for the Smoke Lake Zone area of the Tyko Project. The Company also announced that it had added a second helicopter-based drill rig as part of a four-week program to test more remote targets on the property.
- On September 7, 2022, the Company announced the discovery of a massive nickel-copper sulphide on the Tyko project at the West Pickle target. At a true-depth of approximately 140 meters, the Company intercepted 5.5 meters of nickel-copper sulphide mineralization, including a 1.75 meter massive to semi-massive zone of nickel-copper sulphide.
- On October 4, 2022, the Company reported preliminary assay results from the new West Pickle massive sulphide discovery including 8.2% Ni, 1.6% Cu, 1.62 g/t Total Precious Metal (“TPM”) over 0.6 meters in hole TK-22-059.
- On November 21, 2022, the Company reported additional assay results from the West Pickle massive sulphide discovery including 3.18% Ni, 0.99% Cu, 0.06% Co, 0.39g/t TPM over 2.4 meters in hole TK-21-60
- On November 29, 2022, the Company reported additional assay results from the West Pickle massive sulphide discovery including 10.4% Ni, 3.4% Cu, 0.14% Co, 0.92 g/t TPM over 2.3 meters in hole TK-22-070. The Company also announced that drilling has resumed and a second drill rig had been added to focus on West Pickle.
- On January 12, 2023, the Company reported additional assay results from the West Pickle massive sulphide discovery including 10.3% Ni, 2.9% Cu, 0.15% Co, 0.80 g/t TPM over 1.8 meters in hole TK-22-073.
- On January 26, 2023, the Company announced that a high-resolution airborne magnetic survey had commenced at the Tyko Project and that the Company had acquired an additional 4,520 hectares through staking contiguous with the Tyko Project.
- On February 6, 2023, the Company reported additional assay results from the West Pickle massive sulphide discovery including 3.9% Ni, 2.5% Cu, 0.05% Co, 0.55 g/t TPM over 2.0 meters in hole TK-22-074.
- On February 23, 2023, the Company announced drill results from the Smoke Lake Zone and reconnaissance drilling in the RJ Area, where the Company had discovered a new mineralized Chonolith/Feeder Dyke on the Tyko Project. The Smoke Lake Zone infill drilling at depth returned assay results including 3.5% Ni, 1.2% Cu, and 0.8g/t TPM over 3.4 meters in hole TK22-082.

Palladium One Mining Inc.

Management Discussion and Analysis

For the year ended December 31, 2022

- On March 27, 2023, the Company announced the discovery of a new high-grade nickel-copper zone (“Ember Zone”) located 3.5 kilometers southwest of the Smoke Lake Zone. The Company reported assay results from the Ember Zone including 2.0% Ni, 0.4% Cu over 1.9 meters in hole TK22-104.

Canalask Ni-Cu-PGE Property (“Canalask Project”), Canada

- On June 10, 2022, the Company entered into an Asset Purchase Agreement (“the Agreement”) with Victoria Gold Corporation (“the Vendor”) to purchase the Canalask Nickel-Copper-PGE Project, in Yukon, Canada. The terms of the agreement include a \$25,000 cash payment and \$200,000 in common shares of the Company. The Vendor shall retain a 2% Net Smelter Return royalty with the Company retaining a 50% buyback right. Contingent consideration includes \$2,000,000 to be paid to the Vendor upon the earlier of (A) the publication of a Feasibility Study, or (B) the Commencement of Commercial Production; and \$5,000,000 will be paid to the Vendor upon the commencement of commercial production on the Canalask Property.
- On November 17, 2022, the Company announced sample assay and magnetometer survey results on the Canalask Project. Grab samples collected in September 2022 assayed over 2% nickel, 6% copper, and 1.55 g/t gold.

Corporate and financing

On December 23, 2022, the Company completed a brokered private placement and issued 21,000,000 units at a price of \$0.20 per unit for gross proceeds of \$4,200,000. Each unit consisted of one flow-through share and one-half common share purchase warrant. Each whole common share purchase warrant entitles the holder thereof to purchase one non flow-through common share for a period of 36 months from the date of issuance at a price of \$0.20. The warrants were allocated a value of \$nil using the residual value allocation method.

The Company paid \$57,510 in agents’ expenses and legal fees in relation to the financing. The Company also incurred 6% cash financing fees totaling \$252,000 and issued 1,260,000 broker warrants with a fair value of \$58,822. Each broker warrant entitles the holder to acquire one non flow-through common share and one-half of one common share purchase warrant (each whole common share purchase warrant, a “Broker Unit Warrant”) for a period of 24 months from the date of issuance at an exercise price of \$0.14. Each Broker Unit Warrant entitles the holder to acquire one common share at an exercise price of \$0.20 for a period of 36 months from the date of issuance thereof.

On December 23, 2022, the Company completed a non-brokered private placement and issued 5,000,334 units at a price of \$0.15 per unit for gross proceeds of \$750,050. Each unit consisted of one flow-through share and one-half common share purchase warrant. Each whole common share purchase warrant entitles the holder thereof to purchase one non flow-through common share for a period of 24 months from the date of issuance at an exercise price of \$0.20. The warrants were allocated a value of \$nil using the residual value allocation method. No fees were paid with respect to this non-brokered private placement.

Professional fees and exchange fees related to the financings in 2022 were \$132,461. These fees were in addition to the agents’ expenses and legal fees, and cash financing fees paid.

On March 3, 2023, the Company entered into a definitive agreement (the “Arrangement Agreement”) with MetalCorp Limited (“MetalCorp”) for a business combination to be completed under a plan of arrangement. The Company agreed pursuant to the Arrangement Agreement to acquire all of the issued and outstanding shares of MetalCorp by way of a statutory plan of arrangement under the Business Corporations Act (Ontario) (the “Transaction”). Pursuant to the Transaction, MetalCorp shareholders (“MTC Shareholders”) will receive, in exchange for each common share in the capital of MetalCorp (a “MTC Share”) held, 0.30 (the “Exchange Ratio”) of a common share in the capital of Palladium One (each whole share, a “PDM Share”). Closing of the transaction is subject to various approvals.

On April 11, 2023, the Company completed a \$4,252,050 non-brokered private placement financing (the “Private Placement”) with a wholly owned subsidiary of Glencore plc (“Glencore”). Pursuant to the Private Placement, the Company issued 28,347,000 common shares (“Common Shares”) at C\$0.15 per Common Share. Upon completion of the Private Placement, Glencore owns approximately 9.99% of the issued and outstanding Common Shares of the Company on a non-diluted basis.

In connection with the Private Placement, the Company and Glencore entered into an investor rights agreement (the “Investor Rights Agreement”), pursuant to which Glencore is entitled to certain customary rights including participation rights on future

Palladium One Mining Inc.

Management Discussion and Analysis

For the year ended December 31, 2022

equity security issuances and a right to nominate an individual to the technical committee of Company. Under the Investor Rights Agreement, Glencore will agree to certain customary transfer and standstill restrictions.

The Common Shares issued pursuant to the Private Placement are subject to a four-month hold period from the date of issuance in accordance with applicable securities laws. No commissions or finder fees are payable in connection with the Private Placement.

MINERAL PROPERTIES

Lantinen Koillismaa PGE-Cu-Ni Project (“LK Project”), Finland

The LK Project is the Company’s flagship project and is located in North-Central Finland approximately 60 km north of the village of Taivalkoski. The Property is situated about 130 km southeast of the town of Rovaniemi and 160 km northeast of the port city of Oulu and is accessed by major paved roads and local access on gravel or dirt roads.

The elements palladium, platinum, gold, copper, cobalt, and nickel are known to be present and have been analysed in drilling and surface sampling in the Property. The deposit type is an open pit style, with disseminated sulphide mineralization along the prospective basal unit of the Koillismaa Complex, with similarities to Platreef type deposits of the Bushveld Igneous Complex. The Koillismaa Complex forms part of the 2.5-2.4 Ga Tornio-Näränkäväära Layered Intrusion Belt that runs roughly east – west across Finland and into neighbouring Russia. The Koillismaa Complex is part of a suite of Paleoproterozoic continental rift-related intrusions which are highly prospective for PGE-Cu-Ni sulphide deposits.

The LK Project area is covered by Exploration Permits and Reservation Notifications. Exploration Permits are divided into two groups; the Kaukua Group consisting of the Kaukua and Murtolampi targets and the Haukiaho Group covering the Lipeävaara and Haukiaho targets. An Exploration Permit is granted for a fixed term of up to 4 years and can be renewed for up to 3 years at time for a total maximum duration of 15 years, excluding renewal review periods, and includes preceding comparable permits, which are referred to as Claims in the old Mining Act (pre-2011). Reservations are granted for up to 2 years and are not renewable but must either be converted into Exploration Permits or dropped.

In 2021, for the LK project, the Company focused its drilling at the Kaukua South zone in preparation of the NI43-101 resource estimate. In addition to drilling, Induced Polarization (“IP”) surveys were carried out in the Greater Kaukua Area, which confirm an IP chargeability anomaly, which is greater than 7 kilometers in strike length.

In April 2022, the Company finalized the LK project Phase II metallurgical testing and announced an updated Mineral Resource Estimate for the LK Project. See “Highlights During and Subsequent to the year ended December 31, 2022” section.

Kostonjarvi, Cu-Ni-PGE Project (“KS Project”), Finland

On April 2, 2020, the Company received approval from the Finnish Mining Authority for a ~20,000-hectare Reservation, Kostonjarvi (KS), which is adjacent to the Company’s LK Project in Central Finland. On October 15, 2021, the Company applied to the Finnish Mining Authority to convert the KS Reservation to an Exploration Permit.

KS covers a large gravity and magnetic anomaly that is interpreted to represent a buried Feeder Dyke to the Koillismaa Complex which hosts the, LK PGE-copper-nickel project. Although the LK and KS projects are contiguous, the targets are very different: The LK project is an open pit style, with disseminated sulphide mineralization along the prospective basal unit of the Koillismaa complex, with similarities to Platreef type deposits. Whereas the KS project target is underground, exploration will focus on high-grade massive sulphide, in the feeder system (Feeder Dyke) of the Koillismaa Complex, similar to the mineralization styles at Noril’sk and Voisey’s Bay.

KS is 100% owned, royalty free, of district-scale, and has been the subject of extensive work by the geological survey of Finland and academic research. Holding costs for KS are zero until the reservation is converted into an exploration permit.

Tyko Ni-Cu-PGE Property (“Tyko Project”), Canada

The Tyko Property is a nickel (Ni), copper (Cu), platinum-group element (PGE) project, is comprised of 416 mining claims, registered to Tyko Resources Inc. and covers approximately 29,511 hectares including claims under option from First Class

Palladium One Mining Inc.

Management Discussion and Analysis

For the year ended December 31, 2022

Metals and a private prospector. The mining claims are located in the Bigrock Lake and Olga Lake areas, and the townships of McGill and Shabotik, Thunder Bay Mining Division, Ontario, Canada (NTS 42C/13NW and 14NE). There are six significant Ni-Cu-PGE showings or zones occur on the Tyko Project; West Pickle, Smoke Lake, RJ, Tyko, Bulldozer and Shabotik zones.

The mineralization at Tyko is nickel-rich with an average Ni:Cu ratio of ~2:1 and a Pt:Pd ratio of ~1:1. The overall sulphide tenors of the Ni-Cu-PGE mineralization are very high. Total sulphur analysis completed by the Company indicated metal tenors in 100% sulphide that average 8.6% Ni, 4.6% Cu, and 3.3g/t PGE (Pt+Pd+Au) at the RJ Zone and 16.3% Ni, 8.70% Cu, and 12.8g/t PGE at the Tyko Zone.

The 2022 drill program on Tyko consisted of 70 holes totaling 13,038 meters and resulted in the discovery of the high-grade West Pickle and Ember Zones. West Pickle has returned results up to 10.4% Ni 3.4% Cu and 0.92 g/t Total Precious Metal (“TPM”) over 2.3 meters in hole TK-22-070. West Pickle is very similar to the high-grade Smoke Lake Zone, located 20km to east discovered in late 2020, which has returned 8.2% Ni, 2.9 % Cu, 0.1 % Co, 0.6 g/t Pd, 0.5 g/t Pt in hole TK-20-023 over 3.8 meters at surface. The Tyko project now hosts two high-grade massive sulphide zones, and four other blebby to locally net textured Nickel-Copper showings (Ember, RJ, Tyko and Shabotik) all with very similar metal ratios and styles of mineralization.

The 2023 field season is currently underway with high-resolution magnetic survey completed in Q1. This survey has been designed to refine the geometry of the interpreted feeder dykes / chonoliths across Tyko’s 30-kilometer strike length prior to additional drill testing.

The geological model continues to evolve, the Tyko project is now realized to represents a new Nickle camp with West Pickle and Smoke Lake 20 kilometers apart. An interpreted chonolith system preserved within the Black Pic Tonalite batholith has been identified which fed these numerous Nickel-Copper zones. Due to the A-typical geological setting this area has seen little to no previous exploration and has never even been mapped by the Ontario Geological survey, as a result the Company has experienced significant exploration success and believes that there are several new zones yet to be found.

Canalask Ni-Cu-PGE Property (“Canalask Project”), Canada

The Canalask Property is located within the Whitehorse Mining District, approximately 300 kilometers northwest of Whitehorse, Yukon and is accessible from the Alaska Highway near Beaver Creek. The Canalask Property consists of a contiguous block of 179 quartz claims covering an approximate area of 3,400 hectares.

The project includes a footwall deposit with a historic resource of 400,000 tonnes grading 1.3% nickel, the occurrence of the footwall deposit remains unexplained, and it’s the hypothesis of the Company that is has been fed by a large massive sulphide deposit at depth within the adjacent ultramafic intrusion. Drilling by Falconbridge in 2008 intersected disseminated locally net textured Nickel-Copper sulphide in an embayment structure within the ultramafic dyke proximal to the footwall deposit, however only shallow drilling was completed before Falconbridge was acquired by Xstrata and they subsequently dropped the project. The Company plans to drill deeper and conduct downhole EM surveys to explore for massive Nickel-Copper sulphide mineralization.

The Canalask Property covers the lateral extent of the northwest – southeast striking, steeply dipping “White River Intrusive Complex” (WRIC), which is part of the larger Kluane Mafic-Ultramafic Belt. The belt is host to numerous nickel-copper +/- platinum-palladium deposits and prospects, most notably the past producing Wellgreen Deposit, now held by Nickel Creek Platinum Corp., approximately 110 kilometers to the south.

In September 2022 Neil Pettigrew and Derrick Weyrauch visited the project and neighbouring communities, permitting activities have begun with the objective to the drill test the project in summer 2023. Permitting is underway with permits expected in Q2 or Q3 this year.

Disraeli PGE-Ni-Cu-PGE Property (“Disraeli Project”), Canada

The Disraeli Project is a platinum-group element (PGE), nickel (Ni), copper (Cu), project, and as of December 31, 2021 comprised 85 mining claims, registered to Tyko Resources Inc. and covering approximately 4,200 hectares. The mining cell claims are located in Eagle Head Lake, Little Sturge Lake, Rightangle Lake, and Lecki Lake areas, Thunder Bay Mining Division, Ontario, Canada.

Palladium One Mining Inc.
Management Discussion and Analysis
For the year ended December 31, 2022

The Disraeli Project hosts a Proterozoic, early mid-continental rift related ultramafic intrusion, portions of which are reversely polarized. It is considered highly prospective for disseminated Escape Lake-style PGE-rich mineralization and potentially Eagle-Tamarack-style massive sulphide Ni-rich mineralization. Abundant magnetite skarns occur on the Project which are prospective for copper-cobalt mineralization.

Exploration and evaluation expenditures

Palladium One is an exploration stage company and engages principally in the exploration of resource properties. The Company expenses all direct and indirect costs pertaining to exploration and evaluation of mineral properties in the period in which they are incurred. These direct exploration and evaluation expenditures include such costs as acquisition costs, materials used, surveying costs, drilling costs and payments made to contractors.

During the years ended December 31, 2022 and 2021, the Company performed the following work on their properties:

E&E Expenditures Year ended December 31, 2022	LK Project	Tyko Project	Disraeli Project	Canalask Project	Total
Acquisition Costs	\$ -	\$ 15,064	\$ -	\$ 233,273	\$ 248,337
Drilling and assays	33,144	2,062,421	-	-	2,095,565
Environmental	227,454	-	-	-	227,454
Equipment rental	12,675	306,011	-	-	318,686
Exploration camp and field costs	-	1,045,780	-	1,292	1,047,072
Field costs	13,458	-	-	-	13,458
Geological consulting	262,140	598,532	-	-	860,672
Geological salaries	-	159,834	-	-	159,834
Geophysical surveys	102,573	648,091	-	34,156	784,820
Land management	-	2,760	-	-	2,760
Metallurgical	104,425	-	-	-	104,425
Mineral resource estimate	200,777	-	-	-	200,777
Mobilization/Demobilization	-	496,991	-	-	496,991
Other exploration & evaluation	529,589	-	-	-	529,589
Permits and reservations	-	18,550	-	1,880	20,430
Permits/Reservations	233,813	-	-	-	233,813
Travel and support	35,775	176,540	-	595	212,910
	\$ 1,755,823	\$ 5,530,574	\$ -	\$ 271,196	\$ 7,557,593

E&E Expenditures Year ended December 31, 2021	LK Project	Tyko Project	Disraeli Project	Canalask Project	Total
Acquisition Costs	\$ -	\$ 6,350	\$ -	\$ -	\$ 6,350
Drilling and assays	3,789,242	558,554	133,978	-	4,481,774
Equipment rental	41,441	83,790	169,641	-	294,872
Exploration camp and field costs	-	145,402	121,859	-	267,261
Field costs	302,604	-	-	-	302,604
Geological consulting	1,179,603	224,987	143,136	-	1,547,726
Geophysical surveys	147,310	124,644	36,994	-	308,948
Mineral resource estimate	32,649	-	-	-	32,649
Mobilization/Demobilization	-	641,395	79,677	-	721,072
Other exploration & evaluation	433,386	-	-	-	433,386
Permits/Reservations	192,690	-	-	-	192,690
Travel and support	203,644	47,079	10,966	-	261,689
	\$ 6,322,569	\$ 1,832,201	\$ 696,251	\$ -	\$ 8,851,021

Palladium One Mining Inc.
Management Discussion and Analysis
For the year ended December 31, 2022

SELECTED ANNUAL FINANCIAL INFORMATION

The following table summarizes selected financial data reported by the Company for the years ended December 31, 2022, 2021, and 2020. The information set forth should be read in conjunction with the consolidated audited financial statements, prepared in accordance with International Financial Reporting Standards (“IFRS”), and the related notes thereon.

	2022		2021		2020
Current Assets	\$	12,023,085	\$	15,690,394	\$ 7,642,824
Total assets		12,054,174		15,724,032	7,642,824
Current liabilities		3,069,461		2,009,877	986,714
Capital stock		38,422,785		35,665,534	18,721,062
Reserves		2,577,509		2,054,316	1,257,816
Net Loss		(8,009,886)		(10,682,927)	(4,860,174)
Deficit		(32,015,581)		(24,005,695)	(13,322,768)
Earnings (loss) per share	\$	(0.03)	\$	(0.05)	\$ (0.04)
Weighted average shares		257,741,412		231,782,052	129,174,665

SUMMARY OF QUARTERLY RESULTS

The following summary information is taken from the Company’s quarterly and annual financial reports covering the last eight reporting quarters.

	Dec 31 2022	Sep 30 2022	Jun 30 2022	Mar 31 2022
Operating Expenses	\$ (2,312,867)	\$ (2,816,255)	\$ (2,691,996)	\$ (2,252,093)
Other income	589,164	693,742	450,811	329,608
Net Loss	(1,723,703)	(2,122,513)	(2,241,185)	(1,922,485)
Basic and diluted loss per share	(0.01)	(0.01)	(0.01)	(0.01)
Total assets	12,054,174	10,390,622	11,705,421	14,469,381
Shareholders' equity	8,984,713	8,046,090	10,028,815	11,934,500
Capital stock	38,422,785	35,868,334	35,865,534	35,665,534
Reserves	2,577,509	2,469,634	2,332,646	2,197,146
Deficit	\$ 32,015,581	\$ 30,291,878	\$ 28,169,365	\$ 25,928,180

	Dec 31 2021	Sep 30 2021	Jun 30 2021	Mar 31 2021
Operating Expenses	\$ (2,142,672)	\$ (2,899,119)	\$ (2,798,669)	\$ (3,350,352)
Other income	71,311	95,361	327,089	14,124
Net Loss	(2,071,361)	(2,803,758)	(2,471,580)	(3,336,228)
Basic and diluted loss per share	(0.01)	(0.01)	(0.01)	(0.02)
Total assets	15,724,032	15,127,594	17,046,225	20,171,309
Shareholders' equity	13,714,155	12,898,056	15,655,957	17,822,578
Capital stock	35,665,534	33,153,307	33,148,464	32,841,048
Reserves	2,054,316	1,679,083	1,638,069	1,633,026
Deficit	\$ 24,005,695	\$ 21,934,334	\$ 19,130,576	\$ 16,658,996

Palladium One Mining Inc.

Management Discussion and Analysis

For the year ended December 31, 2022

REVIEW OF FINANCIAL AND OPERATIONS RESULTS

Year ended December 31, 2022 and 2021

During the year ended December 31, 2022, the Company had a net loss of \$8,009,886 (year ended December 31, 2021 - \$10,682,927), a reduced net loss of \$2,673,041 when compared to the previous year. The primary contributors were the following:

- Amortization of flow-through premium liability (other income) in the year ended December 31, 2022 increased by \$1,219,295 when compared to previous year due to a higher level of flow-through eligible spending.
- Interest income in the year ended December 31, 2022 increased by \$136,145 when compared to the previous year due to higher interest rates in the year ended December 31, 2022.
- Exploration and evaluation expense decreased by \$1,293,428 in the year ended December 31, 2022 when compared to the previous year due to a decrease in spending on the LK Project, which had been the focus of exploration activity in the year ended December 31, 2021. In the year ended December 31, 2022, the Company focused exploration activity on the Tyko Project.
- Management and consulting expense decreased by \$84,295 in the year ended December 31, 2022 when compared to the previous year mainly due to one-time management bonus payments that occurred in the year ended December 31, 2021.
- In the year ended December 31, 2022 the Company received a government grant from the government of Ontario for \$200,000, with no grants received in the same period in 2021.

The above factors were partially offset by the following:

- Corporate development expense increased by \$150,000 in the year ended December 31, 2022 when compared to the previous year mainly due to increased business development activity.
- General and administrative expense increased \$117,281 in the year ended December 31, 2022 when compared to the previous year mainly due to a staff hire at the end of 2021, as well as part XII.6 tax accruals related to the timing of flow-through eligible spending.
- Investor relations expense increased \$91,324 in the year ended December 31, 2022 when compared to the previous year mainly due to increased investor conference attendance and investor relations consulting.

Three months ended December 31, 2022 and 2021

During the three months ended December 31, 2022, the Company had a net loss of \$1,723,703 (three months ended December 31, 2021 - \$2,071,361), a reduced net loss of \$347,658 when compared to the same period in 2021. The primary contributors were the following:

- Amortization of flow-through premium liability (other income) in the three months ended December 31, 2022 increased by \$455,011 when compared to the same period in the previous year due to a higher level of flow-through eligible spending.
- Interest income in the three months ended December 31, 2022 increased by \$62,842 when compared to the same period in the previous year due to higher interest rates in the year ended December 31, 2022.
- Share based compensation decreased by \$260,902 in the three months ended December 31, 2022 when compared to the same period in the previous year due to options that were issued in the same period ended December 31, 2021.

The above factors were partially offset by the following:

- Exploration and evaluation expense increased by \$333,538 in the three months ended December 31, 2022 when compared to the same period in the previous year due to the Tyko drill program that continued into December of 2022.
- Management and consulting expense increased by \$89,868 in the three months ended December 31, 2022 when compared to the same period in the previous year due to increased consulting costs during the period.

Palladium One Mining Inc.

Management Discussion and Analysis

For the year ended December 31, 2022

LIQUIDITY, CAPITAL RESOURCES AND GOING CONCERN

At present, the Company's operations do not generate cash inflows and its financial success is dependent on management's ability to fund its exploration and evaluation programs and discover economically viable mineral deposits. The mineral exploration process can take many years and is subject to risk factors that are beyond the Company's control.

In order to finance the Company's future exploration programs and to cover administrative and overhead expenses, the Company may raise money through the sale of equity instruments. Many factors influence the Company's ability to raise funds, including the health of the resource market, the climate for mineral exploration investment, the Company's track record, and the experience and calibre of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activities. Management believes it will be able to raise equity capital as required in the long term but recognizes there will be risks involved that may be beyond their control.

The business of exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of exploration properties and the Company's continued existence are dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis.

Management has applied judgement in the assessment of the Company continuing as a going concern by taking into account all available information. Management estimates that the going concern assumption is appropriate for at least the next twelve months following the reporting date of these statements.

As at December 31, 2022, the Company had working capital of \$8,953,624, a decrease from the December 31, 2021 balance of \$13,680,517 primarily due to a drawdown of cash used for operating activities in the year ended December 31, 2022.

During the year ended December 31, 2022, cash used in operating activities was \$8,270,113 (year ended December 31, 2021 - \$11,527,177) which was primarily comprised of exploration and evaluation activities with a total expense of \$7,557,593 for the year ended December 31, 2022 (year ended December 31, 2021 - \$8,851,021).

During the year ended December 31, 2022, cash proceeds generated from financing activities was \$4,598,152 (year ended December 31, 2021 - \$19,389,628).

Shareholder's Equity

In June 2022, 1,212,121 common shares were issued with a fair value of \$200,000 pursuant to the Asset Purchase Agreement with Victoria Gold Corporation to purchase the Canalask Project. See "Highlights During and Subsequent to the year ended December 31, 2022" section.

On December 23, 2022, the Company completed a brokered private placement and issued 21,000,000 units at a price of \$0.20 per unit for gross proceeds of \$4,200,000. Each unit consisted of one flow-through share and one-half common share purchase warrant. Each whole common share purchase warrant entitles the holder thereof to purchase one non flow-through common share for a period of 36 months from the date of issuance at a price of \$0.20. The warrants were allocated a value of \$nil using the residual value allocation method.

The Company paid \$57,510 in agents' expenses and legal fees in relation to the financing. The Company also incurred 6% cash financing fees totaling \$252,000 and issued 1,260,000 broker warrants with a fair value of \$58,822. Each broker warrant entitles the holder to acquire one non flow-through common share and one-half of one common share purchase warrant (each whole common share purchase warrant, a "Broker Unit Warrant") for a period of 24 months from the date of issuance at an exercise price of \$0.14. Each Broker Unit Warrant entitles the holder to acquire one common share at an exercise price of \$0.20 for a period of 36 months from the date of issuance thereof.

On December 23, 2022, the Company completed a non-brokered private placement and issued 5,000,334 units at a price of \$0.15 per unit for gross proceeds of \$750,050. Each unit consisted of one flow-through share and one-half common share purchase warrant. Each whole common share purchase warrant entitles the holder thereof to purchase one non flow-through

Palladium One Mining Inc.

Management Discussion and Analysis

For the year ended December 31, 2022

common share for a period of 24 months from the date of issuance at an exercise price of \$0.20. The warrants were allocated a value of \$nil using the residual value allocation method. No fees were paid with respect to this non-brokered private placement.

Professional fees and exchange fees related to the private placements in 2022 were \$132,461. These fees were in addition to the agents' expenses and legal fees, and cash financing fees paid.

The Company is authorized to issue an unlimited number of common shares without par value. At December 31, 2022, there were 283,753,807 shares issued and outstanding.

RECENT DEVELOPMENTS AND OUTLOOK

The Company expects to obtain financing in the future primarily through further equity financing. There can be no assurance that the Company will succeed in obtaining additional financing, now or in the future. Failure to raise additional financing on a timely basis could cause the Company to suspend its operation and eventually to forfeit or sell its interest in its exploration and evaluation assets.

COMMITMENTS

As of December 31, 2022, the Company has an obligation to spend \$4,950,050 by December 31, 2023 in relation to flow-through units issued in the 2022 financings.

At December 31, 2021, the Company had an obligation to spend \$5,083,147 by December 31 2022 in relation to flow-through units issued in the 2021 financings. This obligation was met prior to December 31, 2022.

OFF BALANCE SHEET ARRANGEMENTS

The Company does not have off balance sheet arrangements.

FINANCIAL INSTRUMENTS

As at December 31, 2022, the Company's financial instruments consist of cash, sales tax recoverable and accounts payable and accrued liabilities. The fair values of financial assets and financial liabilities approximate their carrying amounts due to the short-term maturity of the instruments.

Financial instruments measured at fair value are classified in accordance with an established hierarchy that prioritizes the inputs in valuation techniques used to measure fair value, as follows:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, and
- Level 3 – Inputs that are not based on observable market data

The fair value of cash is based on Level 1 inputs of the fair value hierarchy.

The Company is exposed to a varying degree of risks related to financial instruments. Management actively monitors and manages these risks. How management mitigates these risks are discussed below:

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Financial instruments that potentially subject the Company to credit risk consist of cash and sales tax receivables. The Company's cash balance was \$11,388,062 as at December 31, 2022 (December 31, 2021 - \$15,060,023) and is held through large financial institutions in Canada and Finland. At December 31, 2022, the Company's receivables consist of sales tax receivable due from the Governments of Canada and Finland of \$508,544 (December 31, 2021 - \$442,512). Management believes the risk of loss to be not significant.

Palladium One Mining Inc.

Management Discussion and Analysis

For the year ended December 31, 2022

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds and meeting obligations associated with financial liabilities. The Company manages liquidity risk through the management of its capital structure, as outlined in Note 12 in the December 31, 2022 consolidated financial statements. As at December 31, 2022, the Company had working capital of \$8,953,624 (December 31, 2021 - \$13,680,517). However, the Company has an accumulated deficit of \$32,015,581 (December 31, 2021 - \$24,005,695). The continuation of the Company depends upon the support of its equity investors, which cannot be assured.

Other Market Price Risk

The Company is exposed to price risk with respect to equity and commodity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on profit or loss and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of palladium, platinum and nickel, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Currency risk

The Company has transactions internationally and is exposed to foreign exchange risk from the Euro currency. Foreign exchange risk arises from financing and purchase transactions that are denominated in currency other than the Canadian Dollar, which is the functional currency of the Company. As at December 31, 2022, the Company held in Euros the Canadian dollar equivalent of \$156,874 (December 31, 2021 - \$992,344) in cash, \$31,089 in reclamation deposits (December 31, 2021 - \$30,942), \$11,156 in sales tax recoverable (December 31, 2021 - \$190,619), and \$75,481 in accounts payable and accrued liabilities (December 31, 2021 - \$120,304). A 10% increase or decrease in the Euro would increase or decrease net loss by \$12,400 (December 31, 2021 - \$109,400).

Interest risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to interest rate risk with respect to its cash flow. As at December 31, 2022, the Company is not exposed to significant interest rate risk.

RELATED PARTY TRANSACTIONS

Key management compensation

Key management consists of the Company's directors and officers. In addition to management and consulting fees paid to these individuals, or companies controlled by these individuals, the Company provides stock options and RSUs. Remuneration of key management includes the following:

	Year ended December 31, 2022	Year ended December 31, 2021
Management and consulting ⁽¹⁾	\$ 548,675	\$ 698,019
Share based compensation ⁽²⁾	268,743	265,709
Total remuneration	\$ 817,418	\$ 963,728

(1) Represents executive and officer compensation

(2) Represents the fair-value of stock options and RSUs granted to directors and officers.

Related party transactions and balances not disclosed elsewhere

As at December 31, 2022, the Company owed \$128,111 (December 31, 2021 - \$32,509) and during the year ended December 31, 2022, has paid or accrued \$1,139,990 (2021 - \$979,219) to Fladgate Exploration Consulting Corp, a corporation related to the Vice President - Exploration, which was related to exploration and evaluation expenses and for project management

Palladium One Mining Inc.

Management Discussion and Analysis

For the year ended December 31, 2022

services. The amount owing was included in accounts payable and accrued liabilities and is unsecured, non-interest bearing and is expected to be repaid under normal trade terms.

As at December 31, 2022, the Company owed \$nil (December 31, 2021 - \$10,217) and during the year ended December 31, 2021, has paid \$36,000 (2021 - \$36,000) to a person related to the CEO for costs related to office rental in Toronto. The amount owing was included in accounts payable and accrued liabilities and is unsecured, non-interest bearing and is expected to be repaid under normal trade terms.

As at December 31, 2022, the Company owed officers of the Company \$4,950 (2021 - \$6,956) for various expenses, including but not limited to marketing and travel costs and accrued payroll. The amount owing was included in accounts payable and accrued liabilities and is unsecured, non-interest bearing and is expected to be repaid under normal trade terms.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The Company's accounting policies are described in Note 3 to the consolidated financial statements for the year ended December 31, 2022. The preparation of financial statements in accordance with IFRS requires management to select accounting policies and make estimates. Such estimates may have a significant impact on the financial statements. Actual amounts could differ materially from the estimates used and, accordingly, affect the results of the operations.

Areas where estimates were used for the year ended December 31, 2022 include the valuation of share-based payments and income taxes. For share-based payments, the Company measures the cost of options granted for goods and services with reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and future income tax provisions or recoveries could be affected.

PROPOSED TRANSACTIONS

See *Corporate and financing* section above for details on the proposed transaction with MetalCorp and the private placement with Glencore which closed subsequent to the year ended December 31, 2022.

RISK FACTORS

See the risk factors disclosed in the Company's Annual Information Form for the year ended December 31, 2022 and filed on April 14, 2023 for a detailed discussion on the Company's risk factors.

ACCOUNTING STANDARDS AND INTERPRETATIONS

The International Accounting Standards Board continually issues new and amended standards and interpretations which may need to be adopted by the Company. The Company continually assesses the impact that the new and amended standards and interpretations may have on its financial statements or whether to early adopt any of the new requirements. No new or amended standards and interpretations have affected the financial statements for December 31, 2022.

Palladium One Mining Inc.
Management Discussion and Analysis
For the year ended December 31, 2022

OUTSTANDING SHARE DATA

As at the date of this MD&A, the following common shares, options, and share purchase warrants were outstanding:

	Number of Shares	Exercise Price	Expiry Date/Term
Issued and outstanding common shares	312,100,807		
Share purchase warrants	900,000	\$0.29	12-16-23
Share purchase warrants	10,500,000	0.20	12-23-25
Share purchase warrants	2,500,167	0.20	12-23-24
Share purchase warrants ⁽¹⁾	1,260,000	0.14	12-23-24
Stock options	1,875,000	0.08	06-07-24
Stock options	925,000	0.08	09-30-24
Stock options	4,100,000	0.15	12-29-24
Stock options	700,000	0.29	03-15-26
Stock options	4,075,000	0.22	11-15-26
Restricted share units	1,120,690	n/a	03-15-24
Restricted share units	1,022,900	n/a	11-15-24
Fully diluted	341,079,564		

- (1) Broker warrants which entitle the holder to acquire one common share and one-half of one common share purchase warrant with an exercise price of \$0.20 and expiry of December 23, 2025.

Subsequent to the year ended December 31, 2022, a) 27,776,000 warrants with a weighted average exercise price of \$0.43 expired unexercised, and b) 28,347,000 common shares were issued pursuant to the Private Placement with Glencore see *Corporate and financing* section above.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Additional disclosure concerning the Company's general and administrative expenses is provided in the Company's Statement of Operations and Comprehensive Loss contained in its audited financial statements for December 31, 2022, that are available on SEDAR (www.sedar.com).

ADDITIONAL INFORMATION

Additional information relating to the Company is on SEDAR at www.sedar.com.