

**SIENNA RESOURCES INC.**  
Management's Discussion and Analysis  
For the year ended December 31, 2022

Date of Report: April 20, 2023

The following discussion and analysis of the Company's financial condition and results of operations for the year ended December 31, 2022 should be read in conjunction with its consolidated financial statements and related notes. The requisite financial data presented for the relevant periods has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

**Disclaimer for Forward-Looking Information**

Certain statements in this report are forward-looking statements, which reflect management's expectations regarding the Company's future growth, results of operations, performance and business prospects and opportunities including statements related to the development of existing and future property interests, availability of financing and projected costs and expenses. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits the Company will obtain from them. These forward-looking statements reflect management's current views and are based on certain assumptions and speak only as of the date of this report. These assumptions, which include management's current expectations, estimates and assumptions about the Company's current mineral property interests, the global economic environment, the market price and demand for commodities and its ability to manage its property interests and operating costs, may prove to be incorrect. A number of risks and uncertainties could cause the actual results to differ materially from those expressed or implied by the forward-looking statements, including: (1) a downturn in general economic conditions, (2) a decreased demand or price of minerals, (3) delays in the start of projects with respect to its property interests, (4) inability to locate and acquire additional property interests, (5) the uncertainty of government regulation and politics in North America regarding mining and mineral exploration, (6) potential negative financial impact from regulatory investigations, claims, lawsuits and other legal proceedings and challenges, and (7) other factors beyond its control.

There is a significant risk that such forward-looking statements will not prove to be accurate. Investors are cautioned not to place undue reliance on these forward-looking statements. No forward-looking statement is a guarantee of future results. Except as required by law, the Company disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Additional information about these and other assumptions, risks and uncertainties are set out in the section entitled "Risk Factors" below.

**Nature of Business**

The Company is involved in the identification, acquisition and exploration of mineral properties that management deems as potentially viable to assist in the growth of the Company. At December 31, 2022, the Company had mineral property interests located in Canada and the USA.

### ***Mineral Properties***

#### *Blue Clay Lithium Project, Nevada, U.S.A. – Option Agreement*

On September 30, 2021, the Company entered into an option agreement (the “Blue Clay Agreement”) with an arm’s length party (the “Seller”), whereby the Seller granted an option to the Company to acquire a 100% interest in certain mineral claims (the “Blue Clay Lithium Project”) located in the Esmeralda County in the Clayton Valley of Nevada, USA. In consideration, the Company is required to the following:

- Pay \$30,000 and issue 2,000,000 common shares (paid & issued at a value of \$220,000) to the Seller within five days of Exchange approval;
- Pay \$30,000 and issue 1,000,000 common shares (paid & issued at a value of \$80,000) to the Seller prior to the date that is six months from the date of Exchange approval; and
- Issue 1,000,000 common shares (valued at \$60,000) to the Seller prior to the date that is twelve months from the date of Exchange approval.

The Seller will retain a 1.5% NSR Royalty on this property. The Company will have the right to purchase 0.75% of the NSR Royalty for \$500,000 at any time up to the commencement of production.

During the year ended December 31, 2022, the Company acquired a 100% interest in certain mineral claims for staking costs of \$17,141 to expand the size of its Blue Clay Lithium Project to approximately 2,950 acres. The Company provided two security deposits for a total of \$18,286 in relation to the Blue Clay Lithium Project.

In a news release dated October 21, 2022, the Company announced that it has received approval from Bureau of Land Management for up to 4 additional holes to be completed on the Blue Clay Lithium project.

#### *Clayton Valley Deep Basin Lithium Brine Project (Nevada, USA) – Staking*

In May 2016, the Company acquired a 100% interest in the Clayton Valley Deep Basin Lithium Brine Project, Nevada, for staking costs of \$23,609. The Deep Basin Lithium Brine Project is located in parts of the deepest sections of the only lithium brine basin with a producing operation in North America (Albemarle’s (ALB-NYSE) Silver Peak Mine).

On March 18, 2021, Schlumberger New Energy Venture (SLB-NYSE) announced: "The development of a lithium extraction pilot plant through its new venture, NeoLith Energy. The deployment of the pilot plant will be in Clayton Valley, Nevada, USA." On March 28, 2023 Pure Energy announced "All permits have been received from key governmental agencies for the construction and operation of Pure Energy Minerals Ltd.'s direct lithium extraction (DLE) pilot plant at its Clayton Valley lithium brine project (CV project) in Esmeralda county, Nevada. The final permit required to operate the DLE pilot plant at the CV project became effective on March 17, 2023. This permit, together with previously approved permits, authorizes the pilot plant's construction and operation at the Clayton Valley site. Pure Energy's partner, SLB (formerly Schlumberger), through its New Energy business, is responsible for the design, construction and operation of the pilot plant to produce lithium compounds in a highly sustainable manner. Sienna has property in this basin and will make decisions based on the results from the process being completed now by SLB.

*Silver Peak South Lithium Project, Nevada, U.S.A. – Option Agreement*

On December 14, 2022, the Company entered into an option agreement (the “Silver Peak Agreement”) with an arm’s length party (the “Optionor”), whereby the Optionor granted an option to the Company to acquire a 100% interest in certain mineral claims (the “Silver Peak South Lithium Project”) located in Clayton Valley of Nevada, USA. In consideration, the Company is required to the following:

- Pay \$10,000 (paid) to the Optionor within five days of all applicable approvals;
- Pay \$100,000 (paid subsequently) to the Optionor prior to the date that is six months after the date of signing the Silver Peak Agreement; and
- Pay \$150,000 to the Optionor prior to the date that is twelve months after the date of signing the Silver Peak Agreement.

*Marathon North Palladium Property (Ontario, Canada) – Staking*

In January 2020, the Company acquired a 100% interest in the Marathon North Palladium Property, Northern Ontario, for staking costs of \$15,700. This new project encompasses approximately 16,500 acres.

In a news release dated November 18, 2022, the Company announced it has engaged Abitibi Geophysics of Quebec to conduct an AeroVision Drone-MAG Survey on certain parts of the Marathon North Platinum Palladium Property to evaluate additional aspects of the property. The Survey was completed by late December 2022. Additional work is still required before a drill program can be commenced.

*White Gold Claims (Yukon, Canada)*

During the year ended December 31, 2009, the Company acquired a 100% interest in certain quartz mineral claims in the region of the White and Yukon Rivers through staking.

As at December 31, 2022, the Company decided to fully write off the previous carrying costs in the amount of \$5,500.

*Kuusamo Property, Finland*

In December 2017, the Company entered into an exploration and option agreement (the "Slättberg Option Agreement") with an arm's length party, a company organized under the laws of Sweden (the "Slättberg Vendor"). The Slättberg Option Agreement was subsequently amended a few times to extend the option period and to include additional projects. On May 18, 2020, the Company entered into the Fifth Amendment with the Slättberg Vendor to include future additional projects. Pursuant to the Fifth Amendment, the Slättberg Vendor agreed to grant an option to the Company to acquire the mineral licence comprising the Kuusamo exploration project (the “Kuusamo Property”) located in Finland.

**Summary of commercial terms – Kuusamo Property:** The Company could earn a 100% interest in the Kuusamo Property in Finland, subject to a 3% NSR royalty to the Slättberg Vendor by:

- Issuing to the Slättberg Vendor 500,000 common shares valued at \$35,000) within five business days upon Exchange approval.
- Reimbursing the Slättberg Vendor for the acquisition costs and expenses related to the Kuusamo Property (reimbursed).
- Incurring exploration expenditures of at least \$250,000 on or before May 27, 2022.

- To exercise the Option to acquire a 100% interest in the Kuusamo Property, the Company will issue to the Slättberg Vendor an additional 1,500,000 common shares at the end of the two year option period, which is on or before May 27, 2022.

During the year ended December 31, 2022, the Company decided not to continue with the Kuusamo Property. Accordingly, the Company fully wrote off prior carrying costs of \$179,648.

#### *Bleka and Vekselmyr Projects, Norway*

On August 24, 2020, the Company entered into the Sixth Amendment with the Slättberg Vendor to include the Bleka and Vekselmyr Projects (the “BLE Projects”) in Norway. Pursuant to the Sixth Amendment, the Slättberg Vendor agreed to grant an option to the Company to acquire 100% of the interest in the BLE Projects.

**Summary of commercial terms – BLE Projects:** The Company could earn a 100% interest in the BLE Projects in Norway, subject to a 3% NSR royalty to the Slättberg Vendor by:

- Issuing to the Slättberg Vendor 500,000 common shares (valued at \$45,000) within five business days upon Exchange approval.
- Reimbursing the Slättberg Vendor for the acquisition costs and expenses related to the BLE Projects (reimbursed).
- Incurring exploration expenditures of at least \$250,000 by September 1, 2021 (incurred).
- Incurring exploration expenditures of an additional \$250,000 by September 1, 2022.
- To exercise the Option to acquire a 100% interest in the BLE Projects, the Company will issue to the Slättberg Vendor an additional 1,500,000 common shares at the end of the two year option period, which is on or before September 1, 2022.

During the year ended December 31, 2022, the Company decided not to continue with the BLE Projects. Accordingly, the Company fully wrote off prior carrying costs of \$541,218.

#### ***Write-Down of Exploration and Evaluation Assets***

During the year ended December 31, 2022, the Company wrote off a total of \$726,366 in exploration and evaluation assets, as described above.

#### **Overall Performance**

The Company is a mineral exploration issuer engaged in the business of acquisition, exploration and, if warranted, development of mineral properties. The Company does not expect to generate any revenues in the foreseeable future or until a mineable reserve is defined and economically recoverable. The Company expects to continue to incur expenses as it works to further explore and develop its mineral properties.

The Company has conducted limited exploration on some of its properties, due to, among other things, the availability of sufficient funds for the purposes of mineral exploration and development, access to the property due to climate conditions, the uncertainties associated with the prices of precious and base metals and other minerals, and the global economic climate. The Company is in the process of exploring its mineral properties and has not yet determined whether the properties contain reserves that are

economically recoverable. The Company's future performance is largely tied to the outcome of future exploration and the overall financial markets.

The recoverability of minerals from the Company's properties is dependent upon, among other things, the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to continue to explore and develop its properties, and upon future profitable production. In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds. Uncertainty in credit markets, fluctuation in commodity prices and general economic downturns has led to increased difficulties in raising and borrowing funds. As a result, the Company may have difficulties raising equity financing for the purposes of exploration and development of the Company's properties, without diluting the interests of current shareholders of the Company. See "Liquidity and Capital Resources" and "Risks and Uncertainties" for a discussion of risk factors that may impact the Company's ability to raise funds.

Information about the Company's commitments relating to its mineral properties is discussed above under "Nature of Business – Mineral Properties".

The Company did not generate any revenue during the year ended December 31, 2022 and 2021. Net comprehensive loss increased from \$973,154 for the year ended December 31, 2021 to \$1,157,282 for the year ended December 31, 2022 mainly due to an increase in the write-down of exploration and evaluation assets offset by a decrease in share-based payments. As at December 31, 2022, the Company had a working capital deficiency of \$162,926 and cash and cash equivalents of \$68,076 as compared to a working capital of \$705,939 and cash and cash equivalents of \$759,191 as at December 31, 2021.

The Company's current assets have decreased to \$82,159 as at December 31, 2022 from \$777,491 as at December 31, 2021, due primarily to a decrease in cash and cash equivalents. The Company's current liabilities have increased from \$71,552 as at December 31, 2021 to \$245,085 as at December 31, 2022 due mainly to an increase in accounts payable and accrued liabilities as well as an increase in loans payable. The value ascribed to the Company's exploration and evaluation assets has decreased from \$1,286,437 as at December 31, 2021 to \$1,097,526 as at December 31, 2022, due mainly to the write-down in Finland and Norway offset by the acquisition and exploration work incurred in Nevada, as set described above. As at December 31, 2022, the Company had an accumulated deficit of \$27,225,780 since inception. The Company expects to incur further losses in the development of its business. The Company estimates it has sufficient capital for the next 12 months or longer.

Additional information about the risks and uncertainties relating to the Company's business and financial performance is discussed below under "Risks and Uncertainties".

*Summary of Quarterly Results*

The following table provides selected quarterly financial data for the eight most recently completed interim quarters:

	<b>2022 Fourth</b>	<b>2022 Third</b>	<b>2022 Second</b>	<b>2022 First</b>	<b>2021 Fourth</b>	<b>2021 Third</b>	<b>2021 Second</b>	<b>2021 First</b>
<b>Total revenues</b>	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil
<b>Income (loss) before discontinued operations and extraordinary items:</b>								
<b>Total</b>	\$(121,785)	\$(112,255)	\$(640,755)	\$(282,487)	\$(254,906)	\$(79,784)	\$(104,424)	\$(534,040)
<b>Per share</b>	\$(0.00)	\$(0.00)	\$(0.01)	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)
<b>Per share fully diluted</b>	\$(0.00)	\$(0.00)	\$(0.01)	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)
<b>Net comprehensive income (loss):</b>								
<b>Total</b>	\$(121,785)	\$(112,255)	\$(640,755)	\$(282,487)	\$(254,906)	\$(79,784)	\$(104,424)	\$(534,040)
<b>Per share</b>	\$(0.00)	\$(0.00)	\$(0.01)	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)
<b>Per share fully diluted</b>	\$(0.00)	\$(0.00)	\$(0.01)	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)

*Summary of Results During Prior Eight Quarters*

Net comprehensive loss decreased from the first to the second quarter of 2021 by \$429,616 mainly due to a decrease in share-based payments as well as a decrease in corporate branding expenses. Net comprehensive loss decreased by \$24,640 from the second to the third quarter of 2021 mainly due to a decrease in operating expenses. Net comprehensive loss increased by \$175,122 from the third to the fourth quarter of 2021 mainly due to an increase in share-based payments. Net comprehensive loss increased by \$27,581 from the fourth quarter of 2021 to the first quarter of 2022 mainly due to an increase in the write-down of exploration and evaluation assets of \$184,375 offset by a decrease in share-based payments of \$113,239 and a decrease in professional fees of \$20,835. Net comprehensive loss increased by \$358,268 from the first to the second quarter of 2022 mainly due to an increase in the write-down of exploration and evaluation assets. Net comprehensive loss decreased by \$528,500 from the second to the third quarter of 2022 mainly due to a decrease in the write-down of exploration and evaluation assets. Net comprehensive loss slightly increased by \$9,530 from the third to the fourth quarter of 2022 mainly due to an increase in operating expenses.

### Selected Annual Information

The following table sets out selected financial information for the Company, which have been prepared in accordance with IFRS:

	<b>Year ended December 31,</b>		
	<b>2022</b>	<b>2021</b>	<b>2020</b>
<b>Total revenues</b>	\$Nil	\$Nil	\$Nil
<b>Loss before discontinued operations and extraordinary items:</b>			
<b>Total</b>	\$(1,157,282)	\$(973,154)	\$(2,557,959)
<b>Per share</b>	\$(0.01)	\$(0.01)	\$(0.03)
<b>Per share fully diluted</b>	\$(0.01)	\$(0.01)	\$(0.03)
<b>Net comprehensive loss:</b>			
<b>Total</b>	\$(1,157,282)	\$(973,154)	\$(2,557,959)
<b>Per share</b>	\$(0.01)	\$(0.01)	\$(0.03)
<b>Per share fully diluted</b>	\$(0.01)	\$(0.01)	\$(0.03)

	<b>As at December 31,</b>		
	<b>2022</b>	<b>2021</b>	<b>2020</b>
<b>Total assets</b>	\$1,197,971	\$2,063,928	\$1,707,896
<b>Total long term debt</b>	Nil	Nil	Nil
<b>Cash dividends</b>	Nil	Nil	Nil

#### *Year ended December 31, 2022 Compared to the Year ended December 31, 2021*

The Company did not generate any revenue for the year ended December 31, 2022 and 2021. Net comprehensive loss for the year ended December 31, 2022 increased to \$1,157,282 from \$973,154 for the year ended December 31, 2021, mainly due to an increase in the write-down of exploration and evaluation assets (year ended December 31, 2022: \$726,366; year ended December 31, 2021: \$Nil), offset by a decrease in operating expenses (year ended December 31, 2022: \$435,218; year ended December 31, 2021: \$980,445). The decrease in operating expenses was due primarily to a decrease in share-based payments.

Decreased share-based payments (year ended December 31, 2022: \$Nil; year ended December 31, 2021: \$495,390) were due to the Company did not grant any stock options during the year ended December 31, 2022 as compared to 8,000,000 stock options were granted with exercise prices ranging from \$0.12 to \$0.135 and expiry dates ranging from March 19, 2022 to November 1, 2022 during the year ended December 31, 2021. The Company may grant options that are available under the approved stock option plan in the next 12 months period.

*Year ended December 31, 2021 Compared to the Year ended December 31, 2020*

The Company did not generate any revenue for the year ended December 31, 2021 and 2020. Net comprehensive loss for the year ended December 31, 2021 decreased to \$973,154 from \$2,557,959 for the year ended December 31, 2020, mainly due to a decrease in the write-down of exploration and evaluation assets (year ended December 31, 2021: \$Nil; year ended December 31, 2020: \$1,416,571) and in a write-down of the Andora investments (year ended December 31, 2021: \$Nil; year ended December 31, 2020: \$413,000), offset by an increase in operating expenses (year ended December 31, 2021: \$980,445; year ended December 31, 2020: \$746,196). The increase in operating expenses was due primarily to an increase in share-based payments offset by a decrease in corporate branding expenses.

Increased share-based payments (year ended December 31, 2021: \$495,390; year ended December 31, 2020: \$212,762) were due to the Company granted 8,000,000 stock options with exercise prices ranging from \$0.12 to \$0.135 and expiry dates ranging from March 19, 2022 to November 1, 2022 during the year ended December 31, 2021 as compared to 6,000,000 stock options were granted with an exercise price of \$0.095 and an expiry date of October 1, 2021 during the year ended December 31, 2020.

Corporate branding expenses decreased during the year ended December 31, 2021 to \$50,366 (year ended December 31, 2020: \$110,954). Total corporate branding expenses of \$50,366 during the year ended December 31, 2021 included the following:

- \$6,650 (year ended December 31, 2020: \$33,350) for lead generation and news dissemination with Dig Media Inc.;
- \$37,716 (year ended December 31, 2020: \$52,920) for online branding; and
- \$6,000 (year ended December 31, 2020: \$11,674) for other branding expenses.

The corporate branding expenses were incurred to increase the awareness of the Company.

See “Nature of Business – Mineral Properties” for a discussion of the Company’s mineral properties on a property-by-property basis, including its plans for its mineral properties, the status of its plans, expenditures made and the anticipated timing and costs to take its mineral properties to the next stage of the project plan.

See “Overall Performance” for a discussion of the commitments, events, risks and uncertainties that the Company believe will materially affect its future performance and “Risks and Uncertainties” for a discussion of risk factors affecting the Company.

**Discussion of Operations**

*Use of Proceeds*

<b>Financing</b>	<b>Previously Disclosed Use of Proceeds</b>	<b>Status of Use of</b>
\$200,000 Flow-through <i>October 2020</i>  <i>Private Placement</i>	Towards the Marathon North Platinum-Palladium Property.	As of the date of this report, flow-through funds of \$200,000 has been fully used in exploration expenditures incurred on the Marathon North Platinum-Palladium Property.

In October 2020, the Company closed a private placement consisting of 2,222,222 flow-through shares at \$0.09 per share for gross proceeds of \$200,000. No warrants were issued for the placement. The Company incurred filing fees of \$1,950 and paid an aggregate finders' fees of \$12,000 in connection with the placement.



## **Liquidity and Capital Resources**

### *Liquidity*

As at December 31, 2022, the Company had a working capital deficiency of \$162,926 and cash and cash equivalents of \$68,076 as compared to a working capital of \$705,939 and cash and cash equivalents of \$759,191 as at December 31, 2021.

The Company's current assets have decreased to \$82,159 as at December 31, 2022 from \$777,491 as at December 31, 2021, due primarily to a decrease in cash and cash equivalents. The Company's current liabilities have increased from \$71,552 as at December 31, 2021 to \$245,085 as at December 31, 2022 due mainly to an increase in accounts payable and accrued liabilities as well as an increase in loans payable. The value ascribed to the Company's exploration and evaluation assets has decreased from \$1,286,437 as at December 31, 2021 to \$1,097,526 as at December 31, 2022, due mainly to the write-down in Finland and Norway offset by the acquisition and exploration work incurred in Nevada, as set described above.

During the year ended December 31, 2022, the following occurred:

- 150,000 share purchase warrants were exercised at a price of \$0.08 per share and 40,000 share purchase warrants were exercised into common shares at a price of \$0.05 per share for gross proceeds of \$14,000;
- The Company paid \$30,000 and issued 2,000,000 common shares to the Seller pursuant to the Blue Clay Agreement; and
- The Company paid \$10,000 to the Optionor pursuant to the Silver Peak Agreement.

Subsequent to December 31, 2022, the following occurred:

- The Company paid \$100,000 to the Optionor pursuant to the Silver Peak Agreement; and
- The Company closed a non-brokered private placement consisting of 58,150,000 units at a price of \$0.05 per unit for gross proceeds of \$2,907,500. In connection with this private placement, the Company paid cash finder's fee of \$151,430 and issued 2,994,600 broker warrants exercisable at \$0.08 per share for a two-year term.

Management estimates that the Company's cash and cash equivalents are sufficient to meet its working capital requirements for the next 12 months or longer, including the existing commitments relating to the Company's mineral properties. The Company expects to raise additional capital as the needs arise. See "Nature of Business – Mineral Properties" and "Overall Performance" for a discussion of the Company's commitments relating to its mineral properties. As a mineral exploration company, the Company's expenses are expected to increase as the Company explores its mineral properties further. Management does not expect the Company to generate revenues from mineral production in the foreseeable future.

The Company's ability to conduct the planned work programs on its mineral properties, meet ongoing levels of corporate overhead and discharge its liabilities as they become due is dependent, in large part, on the ability of management to raise additional funds as necessary. Management anticipates that additional equity financings will need to be conducted to raise additional funds which, if successful, will result in dilution in the equity interests of the Company's current shareholders. Obtaining commercial loans, assuming those loans would be available, will increase its liabilities and future cash commitments. Although the Company has secured financings in the past, there is no assurance that the Company will

be able to do so in the future on terms that are favourable to the Company or at all. The Company's ability to raise additional funds in the future and its liquidity may be negatively impacted by a number of factors, including changes in commodity prices, market volatility and general economic downturns.

### *Capital Resources*

The Company has the following commitments for capital expenditures with respect to its mineral properties as of December 31, 2022. The expenditures are optional and the Company may decide not to incur such payments in the event the Company does not decide to pursue further exploration with respect to such properties.

- *Blue Clay Lithium Project:*
  - These mineral claims are in good standing until September 1, 2023. In order to keep these claims in good standing, the Company is required to incur pay BLM fees of USD\$24,750 by September 1, 2023 and county fees of USD\$1,800 by November 1, 2023.
- *Clayton Valley Deep Basin Lithium Brine Project:*
  - These mineral claims are in good standing until September 1, 2023. In order to keep these claims in good standing, the Company is required to incur pay BLM fees of USD\$9,900 by September 1, 2023 and county fees of USD\$720 by November 1, 2023.
- *Silver Peak South Lithium Project:*
  - These mineral claims are in good standing until September 1, 2023. In order to keep these claims in good standing, the Company is required to incur pay BLM fees of USD\$14,520 by September 1, 2023.
- *Marathon North Palladium Property:*
  - 195 mineral claims are in good standing until January 22, 2024 or later. In order to keep these claims in good standing, the Company is required to incur a minimum of \$109,200 in exploration expenditures on these claims by January 22, 2024.

See “Nature of Business – Mineral Properties” for a discussion of the Company's capital expenditure commitments with respect to its mineral properties.

In addition to the above capital expenditure requirements, the Company shares office space with three public companies and the Company pays office rent and administrative expenses of \$2,415 on a monthly basis.

### *Operating Activities*

During the year ended December 31, 2022, operating activities used cash of \$324,293 compared to using cash of \$708,838 during the year ended December 31, 2021. The use of cash for the year ended December 31, 2022 was mainly attributable to its loss for the period of \$1,157,282 offset by the write-down of exploration and evaluation assets of \$726,366 and the increased accounts payable and accrued liabilities of \$105,591. The use of cash for the year ended December 31, 2021 was mainly attributable to its loss

for the period of \$973,154 and decreased accounts payable and accrued liabilities of \$257,011, offset by share-based payments of \$495,390.

#### *Investing Activities*

During the year ended December 31, 2022, the Company used cash of \$380,822 in investing activities due to investments in exploration and evaluation assets in the amount of \$362,536 and two security deposits in relation to the Blue Clay Lithium Project in the amount of \$18,286. During the year ended December 31, 2021, the Company used cash of \$685,401 in investing activities attributable to the acquisition costs and exploration expenditures incurred in Ontario, Norway and Finland.

#### *Financing Activities*

During the year ended December 31, 2022, cash provided by financing activities was due to the issuance of share capital in the amount of \$14,000. During the year ended December 31, 2021, cash provided by financing activities was due to the issuance of share capital in the amount of \$916,317.

#### **Changes in Accounting Policies including Initial Adoption**

The Company has not adopted any new accounting policies during the year ended December 31, 2022.

#### **Off Balance Sheet Arrangements**

The Company does not have any off balance sheet arrangements.

#### **Related Party Transactions**

During the year ended December 31, 2022, the Company incurred the following management fees: \$70,000 to the President and \$50,000 to CSM Consulting Inc., a private company controlled by the President of the Company; and \$54,000 to Wellington Star Consulting, a private company controlled by Dennis Aalderink, a director of the Company. During the year ended December 31, 2022, the Company accrued directors' fees of \$2,500 each to John Masters, a former director, Dennis Aalderink, and Caracle Creek International Consulting Inc. ("Caracle Creek"), a private company of which Dr. Jobin-Bevans is President/CEO and a director of. Dr. Scott Jobin-Bevans is a director of the Company; and the Company accrued \$5,000 to Jason Gigliotti, in consideration for their services during the period.

During the year ended December 31, 2022, the Company incurred \$36,000 in accounting fees to Sea Star Consulting Inc., a private company controlled by Cindy Cai, the Chief Financial Officer of the Company, in consideration for accounting services provided to the Company; and the Company incurred \$3,108 to Nordfors Consulting AB, a private company controlled by Sten Michael Nordfors, a director of Sienna Resources Sweden AB, in consideration for accounting services provided to the subsidiary in Sweden.

There are no management agreements in place and the Company has no contractual requirement to continue paying management fees. Management and directors' fees and professional fees are intended to compensate such persons for their time and dedication to the Company.

As at December 31, 2022, accounts payable and accrued liabilities include \$101,043 to related parties (December 31, 2021: \$17,399). The amounts payable to related parties include: \$5,000 each payable to John Masters, Dennis Aalderink, and Caracle Creek; and \$9,825 payable to Jason Gigliotti for unpaid 2021 and 2022 director's fees; \$12,600 payable to Sea Star Consulting for unpaid September to December accounting fees; \$42,000 payable to Jason Gigliotti for unpaid September to December management fees; \$8,293 payable to Caracle Creek for unpaid exploration expenditures; \$1,898 payable to Nordfors Consulting for unpaid June to November accounting fees; and \$5,136 payable to Cruz

Battery Metals Corp., a public company with one common director, \$1,758 payable to Cindy Cai and \$4,533 payable to Jason Gigliotti for reimbursement of unpaid office expenses.

All transactions with related parties have occurred and are measured at the amount of consideration established and agreed to by the related parties.

#### **Fourth Quarter**

The Company did not generate any revenue for the three months ended December 31, 2022 and 2021. Net comprehensive loss for the three months ended December 31, 2022 decreased to \$121,785 from \$254,906 for the three months ended December 31, 2021, mainly due to a decrease in operating expenses (three months ended December 31, 2022: \$127,098; three months ended December 31, 2021: \$255,321). The decrease in operating expenses was due primarily to a decrease in share-based payments (three months ended December 31, 2022: \$Nil; three months ended December 31, 2021: \$113,239).

#### **Financial and Other Instruments**

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

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

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

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

The fair value of the Company's receivables, loans payable and accounts payable and accrued liabilities approximates their carrying values due to the short term nature of the financial instruments. The Company's cash and cash equivalents are measured at fair value using Level 1 inputs.

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

##### **Foreign Exchange Risk**

Foreign exchange risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign exchange rates. As at December 31, 2022, the Company has a minimal exposure to the US\$ that is subject to fluctuations as a result of exchange rate variations to the extent that transactions are made in this currency. The Company considers this risk to be insignificant and therefore does not hedge its foreign exchange risk.

##### **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. The Company's cash and cash equivalents, receivables and deposits are exposed to credit risk. The Company reduces its credit risk on cash and cash equivalents by placing these instruments with institutions of high credit worthiness. As at December 31, 2022, the Company is not exposed to any significant credit risk.

##### **Interest Rate 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. The Company has non-interest bearing debt instruments and is therefore not exposed to risk in the event of interest rate fluctuations. As at December 31, 2022, the Company is not exposed to any significant interest rate risk.

### Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk by maintaining sufficient cash balances to enable settlement of transactions on the due date. The Company addresses its liquidity through equity financing obtained through the sale of common shares and the exercise of warrants and options. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future. The Company is exposed to liquidity risk.

### Price Risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors the commodity prices of precious metals and the stock market to determine the appropriate course of action to be taken by the Company.

Based on management's knowledge and experience of the financial markets, management does not believe that the Company's current financial instruments will be affected by foreign exchange risk, credit risk, interest rate risk and price risk.

### Proposed Transactions

Other than as disclosed herein, the Company does not have any proposed transactions as of the date of this report.

### Additional Disclosure for Venture Issuers

During the year ended December 31, 2022 and 2021, the Company incurred the following expenses:

	2022	2021
Capitalized acquisition costs	\$197,141	\$255,139
Capitalized exploration costs	\$340,314	\$608,836
Write-down of exploration and evaluation assets	\$726,366	\$Nil
Operating expenses	\$435,218	\$980,445

Please refer to Note 6 *Exploration and Evaluation Assets* in the consolidated financial statements for the year ended December 31, 2022 for a description of the capitalized acquisition and exploration costs presented on a property-by-property basis.

### Additional Disclosure of Outstanding Share Data

#### *Common Shares*

The Company's common shares are listed on the TSX Venture Exchange under the symbol "SIE". Its authorized share capital consists of unlimited common shares without par value, 100,000,000 Class A preferred shares, par value \$10 and 100,000,000 Class B preferred shares, par value \$50.

As at December 31, 2022, the Company had 126,113,316 common shares issued and outstanding.

Subsequent to December 31, 2022, the Company issued 58,150,000 common shares in connection with the closing of a non-brokered private placement. As of April 20, 2023, the Company had 184,263,316 common shares issued and outstanding.

#### *Share Purchase Warrants*

As at December 31, 2022, the Company had 47,548,088 share purchase warrants outstanding. Each warrant entitles the holder the right to purchase one common share as follows:

<u>Number</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
13,110,800	\$0.30	January 16, 2023
3,208,000	\$0.05	July 2, 2024
<u>31,229,288</u>	\$0.08	August 14, 2025
<u>47,548,088</u>		

Subsequent to December 31, 2022, in connection with the closing of a non-brokered private placement, the Company issued 58,150,000 share purchase warrants and issued 2,994,600 broker warrants, all exercisable at a price of \$0.08 per share; and 13,110,800 share purchase warrants at an exercise price of \$0.30 per share expired unexercised. As of April 20, 2023, the Company had 95,581,888 share purchase warrants outstanding.

#### *Stock Options*

As at December 31, 2022, Nil stock options were outstanding.

Subsequent to December 31, 2022, the Company granted 5,900,000 stock options at an exercise price of \$0.05 per share for a period of 12 months. As of April 20, 2023, the Company had 5,900,000 stock options outstanding.

#### **Management’s Responsibility for Financial Statements and MD&A**

The Company’s management is responsible for presentation and preparation of the financial statements and the MD&A. The consolidated financial statements have been prepared in accordance with IFRS issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

The MD&A has been prepared in accordance with the requirements of securities regulators, including National Instrument 51-102 of the Canadian Securities Administrators.

The consolidated financial statements and information in the MD&A necessarily include amounts based on informed judgments and estimates of the expected effects of current events and transactions with appropriate consideration to materiality. In addition, in preparing the financial information we must interpret the requirements described above, make determinations as to the relevancy of information to be included, and make estimates and assumptions that affect reported information.

The MD&A also includes information regarding the impact of current transactions and events, sources of liquidity and capital resources, operating trends, risks, and uncertainties. Actual results in the future may differ materially from our present assessment of this information because future events and circumstances may not occur as expected.

## **Risks and Uncertainties**

*Because of the unique difficulties and uncertainties inherent in mineral exploration ventures, the Company faces a high risk of business failure.*

Potential investors should be aware of the difficulties normally encountered by mineral exploration companies and the high rate of failure of such enterprises. The likelihood of success must be considered in light of the problems, expenses, difficulties, complications and delays encountered in connection with the exploration program that the Company intends to undertake on its properties and any additional properties that the Company may acquire. These potential problems include unanticipated problems relating to exploration, and additional costs and expenses that may exceed current estimates. The expenditures to be made by the Company in the exploration of the properties may not result in the discovery of any mineral deposits. Any expenditure that the Company may make in the exploration of any other mineral property that the Company may acquire may not result in the discovery of any commercially exploitable mineral deposits. Problems such as unusual or unexpected geological formations and other conditions are involved in all mineral exploration and often result in unsuccessful and/or expensive exploration efforts. If the results of the exploration do not reveal viable commercial mineralization, the Company may decide to abandon or sell some or all of the property interests.

*Because of the speculative nature of the exploration of mineral properties, there is no assurance that the exploration activities will result in the discovery of any quantities of mineral deposits on the current properties or any other additional properties the Company may acquire.*

The Company intends to continue exploration on the current properties and the Company may or may not acquire additional interests in other mineral properties. The search for mineral deposits as a business is extremely risky. The Company can provide investors with no assurance that exploration on the current properties, or any other property that the Company may acquire, will establish that any commercially exploitable quantities of mineral deposits exist. Additional potential problems may prevent the Company from discovering any mineral deposits. These potential problems include unanticipated problems relating to exploration and additional costs and expenses that may exceed current estimates. If the Company is unable to establish the presence of mineral deposits on the properties, the Company's ability to fund future exploration activities will be impeded, the Company will not be able to operate profitably and investors may lose all of their investment in the Company.

*Because of the inherent dangers involved in mineral exploration and exploitation, there is a risk that the Company may incur liability or damages as the Company conducts business.*

The search for mineral deposits involves numerous hazards. As a result, the Company may become subject to liability for such hazards, including pollution, cave-ins and other hazards against which the Company cannot insure or against which the Company may elect not to insure. At the present time the Company have no coverage to insure against these hazards. The payment of such liabilities may have a material adverse effect on the Company's financial position.

*The potential profitability of mineral ventures depends in part upon factors beyond the control of the Company and even if the Company discovers and exploits mineral deposits, the Company may never become commercially viable and the Company may be forced to cease operations.*

The commercial feasibility of an exploration program on a mineral property is dependent upon many factors beyond the Company's control, including the existence and size of mineral deposits in the properties the Company explore, the proximity and capacity of processing equipment, market fluctuations of prices, taxes, royalties, land tenure, allowable production and environmental regulation. These factors cannot be accurately predicted and any one or a combination of these factors may result in the Company not receiving any return on invested capital. These factors may have material and negative effects on the Company's financial performance and its ability to continue operations.

*Exploration and exploitation activities are subject to comprehensive regulation which may cause substantial delays or require capital outlays in excess of those anticipated causing an adverse effect on the Company.*

Exploration and exploitation activities are subject to foreign, federal, provincial, and local laws, regulations and policies, including laws regulating the removal of natural resources from the ground and the discharge of materials into the environment. Exploration and exploitation activities are also subject to foreign, federal, provincial, and local laws and regulations which seek to maintain health and safety standards by regulating the design and use of drilling methods and equipment. Properties may also be subject to complex Aboriginal claims.

Environmental and other legal standards imposed by foreign, federal, provincial, or local authorities may be changed and any such changes may prevent the Company from conducting planned activities or may increase costs of doing so, which would have material adverse effects on the Company's business. Moreover, compliance with such laws may cause substantial delays or require capital outlays in excess of those anticipated, thus causing an adverse effect on the Company, especially, foreign laws and regulations. Additionally, the Company may be subject to liability for pollution or other environmental damages that the Company may not be able to or elect not to insure against due to prohibitive premium costs and other reasons. Any laws, regulations or policies of any government body or regulatory agency may be changed, applied or interpreted in a manner which will alter and negatively affect the Company's ability to carry on business.

*Because the Company's property interests may not contain any mineral deposits and because the Company has never made a profit from operations, the Company's securities are highly speculative and investors may lose all of their investment in the Company.*

The Company's securities must be considered highly speculative, generally because of the nature of its business and the stage of exploration. The Company currently has exploration stage property interests which may not contain mineral deposits. The Company may or may not acquire additional interests in other mineral properties but the Company does not have plans to acquire rights in any specific mineral properties as of the date of this Management's Discussion and Analysis. Accordingly, the Company has not generated any revenues nor has the Company realized a profit from operations to date and there is little likelihood that the Company will generate any revenues or realize any profits in the short term. Any profitability in the future from the Company's business will be dependent upon locating and exploiting mineral deposits on current properties or mineral deposits on any additional properties that the Company may acquire and subsequent development. The likelihood that any mineral properties that the Company may acquire or have an interest in will contain commercially exploitable mineral deposits is extremely remote. The Company may never discover mineral deposits in respect to current properties or any other area, or the Company may do so and still not be commercially successful if the Company is unable to exploit those mineral deposits profitably. The Company may not be able to operate profitably and may have to cease operations, the price of the Company's securities may decline and investors may lose all of their investment in the Company.

*As the Company faces intense competition in the mineral exploration and exploitation industry, the Company will have to compete with its competitors for financing and for qualified managerial and technical employees.*

Competition includes large established mining companies with substantial capabilities and with greater financial and technical resources than the Company have. As a result of this competition, the Company may have to compete for financing and be unable to conduct any financing on terms the Company considers acceptable. The Company may also have to compete with the other mining companies for the recruitment and retention of qualified managerial and technical employees. If the Company is unable to



successfully compete for financing or for qualified employees, the exploration programs may be slowed down or suspended, which may cause operations to cease as a company.

*The Company has a history of losses and have a deficit, which raises substantial doubt about its ability to continue as a going concern.*

The Company has not generated any revenues during the year ended December 31, 2022 and 2021. The Company will continue to incur operating expenses without revenues if and until the Company engages in commercial operations. Accumulated loss as of December 31, 2022 was \$27,225,780 since inception. The Company had cash and cash equivalents in the amount of \$68,076 as at December 31, 2022. The Company estimates the average monthly operating expenses to be approximately \$50,000 each month. This estimate depends on whether the Company is active or inactive with the work programs. The Company cannot provide assurances that the Company will be able to successfully explore and develop its property interests. If the Company is unable to continue as a going concern, investors will likely lose all of their investments in the Company.

*The Company's future is dependent upon its ability to obtain financing and if the Company does not obtain such financing, the Company may have to cease its exploration activities and investors could lose their entire investment.*

There is no assurance that the Company will operate profitably or will generate any positive cash flow in the future. The Company will require additional financing in order to proceed with the exploration and, if warranted, development of its properties. The Company will also require additional financing for fees the Company must pay to maintain its status in relation to the rights to the properties and to pay the fees and expenses necessary to operate as a public company. The Company will also need more funds if the costs of the exploration of its mineral claims are greater than the Company has anticipated. The Company will require additional financing to sustain its business operations if the Company is not successful in earning revenues. The Company will also need further financing if the Company decides to obtain additional mineral properties. The Company currently does not have any arrangements for further financing as the Company believes that it is sufficiently funded for the current operations but in future the Company expects to raise additional capital as the needs arise. The Company's future is dependent upon its ability to obtain financing. If the Company does not obtain such financing, its business could fail and investors could lose their entire investment.

*The Company's directors and officers are engaged in other business activities and accordingly may not devote sufficient time to the Company's business affairs, which may affect its ability to conduct operations and generate revenues.*

The Company's directors and officers are involved in other business activities. As a result of their other business endeavours, the Company's directors and officers will exercise their fiduciary duties and duty of care but nonetheless may not be able to devote sufficient time to the Company's business affairs, which may negatively affect the Company's ability to conduct ongoing operations and its ability to generate revenues. In addition, the management of the Company may be periodically interrupted or delayed as a result of the Company's officers' other business interests.

## RISKS RELATING TO THE COMPANY'S COMMON STOCK

*A decline in the price of the Company's common stock could affect its ability to raise further working capital and adversely impact ability to continue operations.*

A prolonged decline in the price of the Company's common stock could result in a reduction in the liquidity of its common stock and a reduction in its ability to raise capital. Because a significant portion of operations have been and will be financed through the continued sale of equity securities, a decline in the price of the common stock could be especially detrimental to liquidity and operations. Such

reductions may force the Company to reallocate funds from other planned uses and may have a significant negative effect on business plans and operations, including the ability to continue current operations. If the Company's stock price declines, the Company can offer no assurance that it will be able to raise additional capital or generate funds from operations sufficient to meet its obligations. If the Company is unable to raise sufficient capital in the future, the Company may not be able to have the resources to continue normal operations or become insolvent.

The market price for the Company's common stock may also be affected by its ability to meet or exceed expectations of analysts or investors. Any failure to meet these expectations, even if minor, may have a material adverse effect on the market price of its common stock and its operations as a result.

**Additional Information**

The Company files annual and interim reports, information circulars and other information with certain Canadian securities regulatory authorities. The documents filed with the Canadian securities regulatory authorities are available at <http://www.sedar.com>.