

CONSOLIDATED TANGER LIMITED

Form 51-102F1 – Quarterly Report

MANAGEMENT DISCUSSION AND ANALYSIS

For the Three Months ended September 30, 2023

The following Management Discussion and Analysis (“MD&A”) of the financial condition and results of operations of Consolidated Tanager Limited (the “Company”) constitutes management’s review of the factors that affected the Company’s financial and operating performance for the three months ended September 30, 2023. The MD&A was prepared, without review or comment from the Company’s auditors, as at November 20, 2023. It should be read in conjunction with the unaudited condensed interim financial statements of the Company for the three months ended September 30, 2023 and the audited financial statements for the year ended June 30, 2023 including the notes thereto. Unless otherwise indicated, all amounts described herein are denominated in Canadian dollars. The financial statements of the Company as at September 30, 2023 have been prepared in accordance with International Financial Reporting Standards (IFRS) as described in Note 2 & 3 to those financial statements.

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

The Company

The Company operates in a single reportable operating segment in exploration and development of coal and non-ferrous mining properties. During the quarter under report, the management of the Company comprised the following individuals:

Name	Position(s)
E. Clifton	Director and Chief Executive Officer
C.F. Watson	Director, Secretary & Chief Financial Officer
F. van de Water	Director
J. Wheeler	Director

Description of Business

The Company holds resource properties, some of which have had exploration carried out on them. The Company seeks partners to carry out further exploration or to sell or farm them out and in fact, in the previous fiscal the Company retained the services of Exsics Exploration Limited to perform some exploration services in the Timmins/Cody township area. The most important property is the Hinton Alberta low Sulphur coal leases currently being mined by KCE Euroholdings S.a.r.l (“KCE”) as further set out in this report

Forward-looking statements

Certain information included in this discussion may constitute forward-looking statements. Forward-looking statements are based on current expectations and entail various risks and uncertainties. These risks and uncertainties could cause or contribute to actual results that are materially different from those expressed or implied.

Risks and uncertainties

The Company is subject to several risk factors due to the nature of the mining business in which it is engaged, not the least being adverse movements in commodity prices, which are difficult to forecast.

An investment in the Company's securities should only be undertaken by investors whose financial resources are sufficient to enable them to assume these risks, and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect the Company and its financial position. Please refer to the "Financial Risk Factors" Note 12 of the Company's Financial Statements for the fiscal year ended June 30, 2023, available on SEDAR, www.sedarplus.ca

Industry

The Company is engaged in the exploration, sale or farm-out of mineral properties. Exploration is an inherently risky business, and there is no assurance that an economic mineral deposit will ever be discovered and subsequently put into production. Most exploration projects do not result in the discovery of commercially mineable ore deposits on its mineral properties. The price of gold and copper will influence whether exploration will be carried out on the Company's properties in Ontario.

Prices

The price of coal and gold is affected by numerous factors beyond the control of the Company including central bank sales, producer hedging activities, the relative exchange rate of the U.S. dollar with other major currencies, demand, political and economic conditions and production levels. The prices of coal, gold and metals have been volatile over short periods of time.

Cash flows and additional funding requirements

The Company has not had regularly occurring sources of revenues other than dividends and interest income. The Company also has received property right payments for its coal property in Alberta, stemming from an agreement with KCEuroholdings S.a.r.l. ("KCE"). An initial cash payment of \$2,000,000 was received by the Company on execution of the agreement. In accordance with the agreement, and upon completion of a favourable feasibility study during 2012, the Company received a second cash payment of \$6,000,000. The Company was entitled to receive a further payment of \$10,000,000 on or before the earlier of February 19, 2016 or on the placing of the property into commercial production at a rate of at least 90,000 tonnes per month.

Coalspur commenced mining and shipping coal in June 2019. The Company was informed on October 31, 2019 that KCE had produced, sold, and delivered to rail its 500,000th clean tonne and this milestone event led to triggering the payment of \$10,000,000 due to the Company. The \$10,000,000 has been completely received.

There was no production on the Company's land in the quarter ended September 30, 2023, and thus no royalty's receivable.

On September 8, 2022, the Company committed to a \$300,000 exploration program, to be conducted over the following several months, on its properties held in the Timmins area. If the Company's exploration programs are successful, substantial additional capital would be required to put any properties into commercial production. There is no assurance that the Company would be able to obtain adequate financing in the future or that such financing would be on terms advantageous to the Company.

Environmental

The Company's exploration and development activities are subject to extensive laws and regulations governing environmental protection. If and when the Company does explore there can be no assurance that all future requirements will be achievable on reasonable terms.

Laws and regulations

Exploration activities are subject to local laws and regulations governing prospecting, development, production, exports, taxes, labour standards, occupational health and safety, mine safety and other matters. Such laws and regulations are subject to change, can become more stringent and compliance can therefore become costlier. The Company applies the expertise of its management and advisors to ensure compliance with current laws.

Title to mineral properties

The Company has held all its mineral properties for many years. Most are held as patented mining claims and the coal property is held by renewable leases from the government of Alberta. The Company is unaware of any defects in title.

Competition

There is competition from other mining exploration companies with operations like those of the Company. Many of the mining companies with which the Company competes have operations and financial resources greater than those of the Company.

Dependence on management

The Company strongly depends on the business and technical expertise of its management team and there is little possibility that this dependence will decrease in the near term.

Exploration projects

The Company has committed to some exploration work on some of its Timmins properties (refer to Subsequent Events). Prior to this recent commitment, the main expenses related directly to the properties were taxes and lease rentals payable to the government. The Hinton coal property continues to be subject to an agreement with Coalspur Mines Limited which has been acquired by K.C. Euroholdings, a member of the Cline Group.

Liquidity and capital resources

At September 30, 2023 the Company had cash and cash equivalents of \$2,494,814 and working capital of \$8,742,122 and on 30 June 2023 cash and cash equivalents of \$2,517,856 and working capital of \$8,861,262. At November 20, 2023 the Company has cash and cash equivalents of \$2,484,529 and working capital of \$8,753,506

Interim Financial Information:

The following financial information is for the three months ended September 30, 2023 and 2022:

	Three Months ended Sept 30, 2023	Three Months ended Sept 30, 2022
Current assets	8,891,825	11,043,571
Current liabilities	<u>(149,703)</u>	<u>(47,049)</u>
Working capital	8,742,122	10,996,522
Investment Income	125,540	72,928
Expenses	<u>(79,772)</u>	<u>(62,659)</u>
Income before income taxes	45,768	10,269
Income taxes	<u>376</u>	<u>27,470</u>
Net income before comprehensive income	45,392	37,739
Unrealized gain on marketable securities	<u>(131,533)</u>	<u>(163,193)</u>
Net Loss & Comprehensive loss for the period	\$ <u>(86,141)</u>	\$ <u>(125,454)</u>

Selected Quarterly Information

	Sep-30	Jun-30	Mar-31	Dec-31	Sep-30	Jun-30	Mar-31	Dec-31		
	2023	2023	2023	2022	2022	2022	2022	2021		
Net Income	(86,141)	(268,646)	68,670	170,026	(193,254)	(355,327)	248,053	251,669		
Earnings per share										
Basic and Diluted	(0.008)	(0.05)	0.01	0.03	(0.006)	(0.066)	0.046	0.047		
Total assets	8,891,827	9,048,638	9,921,452	9,851,773	10,202,518	10,362,620	11,312,675	11,038,867		

Outstanding share data

The Company is authorized to issue an unlimited number of common shares without par value. The number outstanding at September 30, 2023 was 5,354,050 and at June 30, 2023 was 5,372,350 shares.

Pursuant to the Company's stock option plan ("the plan") the company has reserved and set aside up to 500,000 common shares for the granting of options to directors and officers. The terms of the awards under the plan are determined by the Board of Directors. No options are currently outstanding.

Investor relations

An Annual and General Meeting of Shareholders was held on December 15, 2022.

Off-balance sheet arrangements

The Company has no off-balance sheet arrangements.

Accounting policies and estimates

A description of the Company's significant accounting policies is included in Note 2 to the annual financial statements as at June 30, 2023.

Related party transactions

- (a) The Company recorded that for professional and administrative services, another Officer and Director was paid \$4,500 during the three months ending September 30, 2023 and \$4,000 during the same three months of September 30, 2022.
- (b) Directors were paid a total of \$31,000 for directors' fees in the three months ended September 30, 2023 (September 30, 2022 - \$23,000)

Outlook

Alberta property

The Cline Group/Coalspur, who have optioned the property in Alberta, have obtained all regulatory permits from Alberta Energy Regulator, have acquired equipment and have built the infrastructure and put the Alberta property into production, in June, 2019. The Company has been advised that mining of its five coal leases is contingent on the mining sequence planned by the operator, and the receipt of royalties will be contingent on the plan, which could be subject to change.

Future Growth

The Company is continuing to look for investor Companies to explore and hopefully develop the non-ferrous mineral properties in Ontario, and the Company may do exploration on its own behalf.

Subsequent Event

On September 20, 2023, the Company declared a special eligible dividend of \$0.10 per issued and outstanding share for a total of \$535,405. The dividend is to be paid on December 1, 2023 to all shareholders of record as at the close of business November 10, 2023.