CONSOLIDATED TANAGER LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS

For the Year ended June 30, 2022

The following Management Discussion and Analysis (MD&A) of the financial condition and results of operations of Consolidated Tanager Limited (the "Company" or "Tanager") constitutes management's review of the factors that affected the Company's financial and operating performance for the year ended June 30, 2022. This MD&A was prepared as of September 28, 2022. It should be read in conjunction with the audited financial statements of the Company for the year ended June 30, 2022. Unless otherwise indicated, all amounts discussed herein are denominated in Canadian dollars. The financial statements of the Company as of June 30, 2022, have been prepared in accordance with International Financial Reporting Standards (IFRS) as described in Note 2 to those financial statements.

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

The Company

The Company's business activities are carried out in a single reportable operating segment of exploration and development for coal and non-ferrous mining properties. As at the financial reporting date the management of the Company comprised the following individuals:

Name	Position(s)
Eric Clifton	Director and Chief Executive Officer
Carolyn Watson	Director and Chief Financial Officer
Frank van de Water	Director
Jacqueline Wheeler	Director

Forward-looking Statements

Certain statements in this MD&A may constitute "forward-looking" statements. When used in this report, the words "estimate", "believe", "anticipate", "intend", "expect", "plan", "may", "should", "will", the negative thereof or other variations thereon or comparable terminology are intended to identify forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, or the industry in which it operates, to be materially different from any future results, performance or achievements, expressed or implied, by such forward-looking statements. Given these risks and uncertainties, readers should not place undue reliance on forward-looking statements as a prediction of actual results. Forward-looking statements reflect the current expectations of the management of the Company, only as of the date hereof, with respect to future events based on currently available information. The Company does not undertake or assume any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events, except as required by law.

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. 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.

Risks and Uncertainties

The Company is subject to several risk factors due to the nature of the mining business in which it is engaged, the most important of which being adverse movements in commodity prices, which are difficult to forecast.

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 gold 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 price of coal, gold and other metals has been highly volatile over short periods of time.

Cash Flows and Additional Funding Requirements

The Company currently has regularly occurring revenue from coal royalties, dividends, and interest income.

The Company received property rights payments totalling $8,000,000 for its coal property in Alberta during the 2011 and 2012 fiscal years, and the agreement with CIP Coal Pty Ltd ("CIP") called for an additional final property rights payment of $10,000,000 in February 2016. The contract terms were such that if this final payment was not made, by its due date, ownership of the property would continue to be retained by the Company. The agreement technically expired as of March 31, 2016, however, the Company entered into a further agreement with KC Euroholdings S. a.r.l ("KCE"), the successor company to Coalspur, and in consideration for $400,000 per annum payable by KCE to the Company the agreement extends KCE's option to acquire 100% working interest in Tanager's five coal leases until March 31, 2023. In accordance with this agreement, Tanager received $800,000 to maintain the option for 2016 and 2017 and $400,000 in early 2018 to maintain the option for 2018 and $400,000 on February 19, 2019 to maintain the option for 2019.

Coalspur Mines (Operations) Ltd. 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 a payment of $10,000,000 due to the Company.

An amended and Restated Transfer of Leases Agreement was signed between Coalspur and the Company which agreed to quarterly payments ($2,500,000) of the $10,000,000 balance owing commencing March 31, 2020 and finishing no later than December 31, 2020. In addition, interest accruing on the unpaid balance was to be paid no later than December 31, 2020. The first and second quarterly payments of $2,500,000 each were received in the previous fiscal year and are reflected in the statement of financial position for the year ended June 30, 2020. The third quarterly payment of $2,500,000 was received on September 25, 2020.

A Second Amended and Restated Transfer of Leases Agreement was signed on January 13, 2021 between Coalspur and the Company which agreed to spread the final quarterly payment due December 31, 2020, in the amount of $2,500,000 to be deferred and paid in quarterly installments of $625,000 each, (with all Payment Plan Interest accruing being paid with the final $625,000 installment payment) no later than September 30, 2020, December 31, 2020, March 31, 2021 and June 30, 2021.

A Third Amended and Restated Transfer of Leases Agreement was signed on April 6, 2021, between Coalspur and the Company to spread the final three payments of $625,000 that was due under the Second Amendment to be paid not later than the close of business on June 30, 2021, September 30, 2021 and December 31, 2021. The first payment of $625,000 was received in the fiscal year ended June 30, 2021 and the final 2 payments of $625,000 were received in the fiscal year ended June 30, 2022 on the scheduled dates.

Coalspur has paid the royalty of 1% of the total sales generated from the sale of coal to March 31, 2022, and no royalties for the fourth quarter have been accrued on the balance sheet.

Subsequent to the fiscal year ended June 30, 2022 the Company has committed to a $300,000 exploration program on it's Timmins claims. If the Company's exploration programs are successful, substantial additional capital would be required to put any properties into commercial production, if warranted. There is no assurance that the Company would have the necessary capital or would be able to obtain adequate financing in the future or that such financing would be on terms advantageous to the Company.

Environment

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

Laws and Regulations

Exploration activities in Canada are subject to local laws and regulations governing consultations with First Nations regarding rights, prospecting, development, production, exports, taxes, labour standards, occupation 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 and regulations.

Title to Mineral Properties

The Company has held all its mineral properties for many years. Most are held as patented mining claims and the Hinton, Alberta coal property is held by renewable leases from the government of Alberta. The Company is unaware of any defects in title. During the fiscal year ended June 30, 2022 the Company disposed of certain mineral claims to the Matachewan First Nation for consideration of $20,000 cash.

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.

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Dependence on Management

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

Liquidity and capital resources

At June 30, 2022 the Company had cash and cash equivalents of $4,117,457 and working capital of $10,167,413 and on June 30, 2021 had cash and cash equivalents of $5,057,527 and working capital of $10,782,379. At September 28, 2022 the Company has cash and cash equivalents of $4,029,912 and working capital of $10,077,170.

Selected Quarterly Information

	Jun-30 2022	Mar-31 2022	Dec-31 2021	Sep-30 2021	Jun-30 2021	Mar-31 2021	Dec-31 2020	Sep-30 2020
	$	$	$	$	$	$	$	$
Comprehensive Income (Loss)	(355,327)	246,053	251,869	199,013	77,660	331,200	246,242	154,831
Earnings (loss) per share - basic & diluted	(0.066)	0.046	0.047	0.013	0.014	0.062	0.046	0.029
Total assets	10,362,520	11,312,675	11,038,867	10,043,573	10,834,290	11,120,455	10,785,818	11,482,973

Financial Information

The following financial information is for the years ended June 30, 2022 and June 30, 2021:

	2022	2021
Current assets	$10,363,537	$10,834,288
Current liabilities	195,124	51,909
Working Capital	$10,168,413	$ 10,782,379
Total revenues	$ 590,946	$ 691,799
Total expenses	(198,233)	(205,711)
Current and deferred income taxes	(40,794)	(191,740)
Net income before other comprehensive income	351,919	294,348
Unrealized gain (loss) on available-for-sale marketable securities	(211,083)	515,585
Realized gain (loss) on available-for-sale marketable securities	200,772	-
Net income & comprehensive income for year	$ 341,608	$ 809,933

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Outstanding Share Data

The Company is authorized to issue an unlimited number of common shares without par value. The number outstanding as of June 30, 2022 was 5,372,350 (2021 – 5,372,350).

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 17, 2021.

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 of June 30, 2022.

Related Party Transactions

The Company incurred expenses of $18,000 for the year ended June 30, 2022 (2021 - $16,000) to the Chief Financial Officer for accounting, administrative and secretarial services rendered. These expenses are included in general corporate expenses.

The Company incurred expenses of $1,875 for professional consulting fees for the year ended June 30, 2022 (2021-$4,012) to a director. These expenses are included in general corporate expenses.

The Company incurred Directors' fees of $32,500 for the year ended June 30, 2022 (2021 - $25,000). These expenses are included in general corporate expenses.

Included in accounts payable and accrued liabilities as at June 30, 2022 is $Nil (2021- $Nil) payable to related parties of the Company. All transactions with related parties are in the normal course of operations and have been carried out on the same terms as those accorded to unrelated parties.

Outlook

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

The Company does not anticipate receiving such significant royalty income in the fiscal year ahead based on the Coalspur's mining plan. For the balance of phase 1, Coalspur is moving away from mining on the Company's lease locations. Phase 2, where a significant portion of the Company's leases would be mined, has been delayed due to government delays in approvals.

Subsequent Events

On September 8, 2022 the Company committed to a $300,000 exploration program on it's properties held in the Timmins area.

On September 28, 2022, the Company declared a special eligible dividend of $0.10 per issued and outstanding common share for a total of $537,235. The dividend is to be paid November 30, 2022, to all shareholders of record as of the close of business on November 9, 2022.

Covid-19

In early 2020, the there was a global outbreak of COVID-19 (coronavirus), which had a significant impact on businesses through restrictions put in place by the Canadian federal, provincial, and municipal governments regarding travel, business operations, and isolations/quarantine orders.

While the Company has not experienced any material impact on its ability to conduct operations, it is unknown the extent of the future impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are uncertain and that cannot be predicted with confidence. While the extent of the impact is unknown, we anticipate that this outbreak may cause reduced customer demand, supply chain disruptions, staff shortages and increased government regulations, all of which may negatively impact the Company's business and financial condition.