

**ROME RESOURCES LTD.**

**MANAGEMENT DISCUSSION AND ANALYSIS**

**For the Three Months Ended**

**December 31, 2022**

**Suite 700 688 W. Hastings Street,  
Vancouver, BC V6B 1P1**

**ROME RESOURCES LTD.**  
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**REPORT FOR THE THREE MONTHS ENDED DECEMBER 31, 2022**

The following discussion and analysis was prepared as of February 22, 2023 and should be read in conjunction with the Company's interim unaudited condensed financial statements and notes thereto for the three months ended December 31, 2022 and 2021. These accounts, including comparatives, have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") and in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting*

This Management Discussion and Analysis contains forward-looking. Forward-looking statements are statements which relate to future events. These statements are only predictions and involve known and unknown risks, uncertainties and other factors that may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgment regarding the direction of our industry, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggested herein. Except as required by applicable law the Company does not intend to update any of the forward-looking statements to conform these statements to actual results.

Further information is available on the SEDAR website, [www.sedar.com](http://www.sedar.com).

**DESCRIPTION OF BUSINESS**

Rome Resources Ltd. was incorporated in British Columbia on April 11, 1990 and continued its incorporation into Yukon on August 27, 2001, and continued back into British Columbia on August 25, 2005. The Company is a reporting issuer in British Columbia and Alberta, and is listed on the TSX Venture Exchange under the symbol RMR and in Frankfurt under the symbol 33R.

The Company received a Cease Trade Order (CTO) on April 1, 2016 and trading was halted from then. The CTO was issued due to non-filing of quarterly and annual filings. In 2020 the Company started a reactivation program, bringing the financials up-to-date. The filing of the financials including the audit of the financial years ending September 2019, 2020 and 2021 has concluded. On May 13, 2022, the Company received notice from the British Columbia Securities Commission, informing the Company that all required records had been filed and the Cease Trade Order (CTO) issued on April 1, 2016, was revoked. On November 18, 2022, the Company received approval from the TSX to resume trading on November 22, 2022 on the TSX Venture Exchange as a tier 2 issuer.

**FINANCIAL ANALYSIS**

***Quarter ended December 31, 2022 compared to December 31, 2021***

Results for the three months ended December 31, 2022 and 2021 were as follows:

	<u>2022</u>	<u>2021</u>
Legal	\$ 42,815	\$ 22,587
Accounting and audit	14,796	17,500
Consulting fees	6,000	—
Transfer agent and regulatory fees	4,639	—
Promotion and advertising	2,821	—
Interest and bank charges	685	29
Office expense	804	1,313
	<u>(72,560)</u>	<u>(41,429)</u>
Gain on write down of accounts payable	—	49,318
Net (Loss) Gain for the Quarter	\$ (72,560)	\$ 7,889
Net (Loss) Gain per share	\$ (0.00)	\$ 0.00

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**FINANCIAL ANALYSIS, continued**

*Quarter ended December 31, 2022 compared to December 31, 2021, continued*

During the quarter ended December 31, 2022 the Company recorded a loss of \$72,560 or \$0.00 per share compared to a gain of \$7,889 or \$0.00 per share for the three months ended December 31, 2021. During the current period, the Company incurred legal fees of \$42,815 compared to \$22,587 in the same three-months of 2021. Transfer agent and regulatory fees were \$4,639 compared to \$Nil in 2021.

These increased costs during the current period were due to the Company's financing efforts and to secure exploration and development properties in the DRC. Accounting and audit fees were \$14,796 in the current period, compared to \$17,500 in 2022; and the Company incurred \$6,000 in consulting fees compared to \$Nil in 2021. The Company's increased costs in 2022 are due to the increased activity of the Company. During the 2021 period the company was relatively inactive. During the 2021 three month period a portion of accounts payable and related party payable was negotiated to a reduced amount. The amount payable was adjusted to the lower amount and resulting in a gain on the write down of accounts payable of \$49,318. The loss for the 2021 quarter excluding the gain was \$41,429.

**Liquidity and Capital Resources**

Cash and Solvency

As at December 31, 2022, the Company has cash and equivalents of \$284,319 (December 31, 2021 - \$4,971). Working capital amounted to \$105,633 as at December 31, 2022 compared to working capital deficiency of \$593,068 as at December 31, 2021. As the Company has no sources of revenue, it will have to rely upon the sale of equity securities, including private placements, exercise of warrants, and exercise of options, to provide funding for exploration and development of its mineral interest, and for administrative expenses. Management's has made tremendous efforts during the quarter ended December 31, 2022 and beyond to have the trading halt rescinded and inject new funding into the Company for future ventures.

Operating Activities

As at December 31, 2022, cash flows from operating activities was \$49,763 compared to \$Nil in the same period of 2021.

Financing Activities

Financing activities during the period ended December 31, 2022 were \$840,000 for shares issued for a private less \$840,000 received in a prior period. During the period ended December 31, 2021, there were no financing activities as the Company was dormant

Investing Activities

Investing activities in the three month period ended December 31, 2022 was \$409,570 for exploration and evaluation costs. There were no investing activities in the 2021 period.

**Financial Instruments**

The Company classifies its financial assets in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. The determination of the classification of financial assets is made at initial recognition. Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL; for other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI.

The Company's accounting policy for each of the categories is as follows:

*Financial assets at FVTPL:* Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets held at FVTPL are included in the statement of profit or loss in the period. Cash is considered as FVTPL.

*Financial assets at FVTOCI:* Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income (loss) in which they arise.

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**Financial Instruments, continued**

*Financial assets at amortized cost:* A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

*Impairment of financial assets at amortized cost:* The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as the reporting date, with the risk of default as at the date of initial recognition, based on all information available, and reasonable and supportive forward-looking information.

*Financial liabilities and equity:* Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instruments issued are recorded at the proceeds received, net of direct issue costs.

The Company classifies its financial liabilities into one of two categories as follows:

Fair value through profit or loss (FVTPL) – This category comprises derivatives and financial liabilities incurred principally for the purpose of selling or repurchasing in the near term. They are carried at fair value with changes in fair value recognized in profit or loss.

Amortized cost – This category consists of liabilities carried at amortized cost using the effective interest method. Accounts payable and accrued liabilities are included in this category. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expire.

**Related Party Transactions**

During the current period there was \$6,000 accrued to a director, David Jenkins, for consulting services rendered to the Company and \$4,100 was paid to Sheryl Jones, the CFO of the Company for accounting services. There were no related party expenses during the 2021 period.

Due to related parties totaling \$121,201 (September 30, 2022 - \$77,896) is due to directors or a corporation controlled by a director or officer of the Company, or to corporations owned by a former director or officer of the Company. Accounts receivable of \$5,850 is due from a related company for the balance owing for the sale of a former subsidiary of the Company.

There were \$Nil related party expenses during the periods ended December 31, 2021.

As at December 31, 2021, due to related parties totaling \$372,363 (December 31, 2021 - \$351,256) is due to a director or a corporation controlled by a director or officer of the Company, or to corporations owned by a former director or officer of the Company. This amount includes \$41,747 in reallocated from share subscriptions received in advance during the 2020 fiscal year. During the period a portion of the related party payable was negotiated down to a reduced amount, and subsequent to the period a portion was paid in cash. The accounts reflect the lower amount resulting in a gain on the write down of accounts payable for the current quarter.

**Outstanding Share Data**

As at February 22, 2023, there were 75,865,939 common shares outstanding; of which 11,009,042 shares are held in escrow, the release of the balance of these shares is subject to the approval of the regulatory authorities having jurisdiction. There were 3,300,000 stock options outstanding exercisable at \$0.26 per common share until February 9, 2026; and 200,000 exercisable at \$0.26 per common share until February 20, 2026. In addition, there were 5,600,000 share purchase warrants outstanding exercisable to purchase one common share at \$0.25 and expire on November 18, 2023.

**Changes in accounting policies and recent accounting pronouncements**

There have been no changes in accounting policies or recent accounting pronouncements which the Company expects to have a material impact on financial position or results.

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**Bisie North Tin Project - Walikale District of the North Kivu Province in eastern Democratic Republic of the Congo ("DRC")**

During the period ended December 31, 2022, the Company finalised definitive option agreements to acquire majority interests in two properties situated in the Walikale District of the North Kivu Province in eastern Democratic Republic of the Congo ("DRC"). The two contiguous properties are referred to collectively as the "Bisie North Tin Project".

**Exploration Permit PR 13274**

The Company has entered into an option agreement to acquire up to a 71% interest in the issued and outstanding shares in Medidoc-RD Congo SARLU ("MRDC") on the following terms:

- The Company can acquire a 30% interest in MRDC by issuing 9,000,000 common shares (issued November 2022), and by funding exploration and evaluation expenditures totalling CAD\$250,000 (paid November 2022) on or before 31 January 2023 ("MRDC First Option").
- The Company can acquire a further 41% interest in MRDC (for a total interest of 71%) by issuing a further 30,000,000 common shares, and funding additional exploration and evaluation expenditures totalling CAD\$1,750,000 (for a total of CAD\$2,000,000) on or before 31 January 2024 ("MRDC Second Option").

**Exploration Permit PR 15130**

The Company has also entered into an option agreement to acquire up to a 51% interest in PR 15130 on the following terms:

- The Company can acquire a 25% interest in PR 15130 by issuing 3,000,000 common shares (issued November 2022), and by funding exploration expenditures totalling CAD\$250,000 (paid January 2023) on or before 31 January 2023 ("CTC First Option").
- The Company can acquire a further 26% interest in PR 15130 (for a total interest of 51%) by issuing a further 6,000,000 common shares, and funding additional exploration expenditures totalling CAD\$1,750,000 (for a total of CAD\$2,000,000) on or before 31 January 2024 ("CTC Second Option").

During the quarter ended December 31, 2022 the Company advanced a total of US\$300,000 (CAD \$409,570) to MRDC, which was recorded as exploration and evaluation assets. To September 30, 2022 the Company advanced a total of US\$400,000 (CAD \$516,790) to MRDC, recorded as property investigation expense.

Subsequent to December 31, 2022, the Company exercised the MRDC First Option. All advances will then be immediately attributed to the CAD \$1,750,000 to be incurred in exploration and evaluation expenditures pursuant to the MRDC Second Option and will be deemed to be repaid.

Subsequent to the period, the company received TSXV approval for the above two mineral property option agreements.

The Company has fully exercised the First Options under, respectively, (a) the option agreement made effective as of the 15th day of August 2022 between CoTinCo Minerals Projects International LLC and Rome (the "CoTinCo Option Agreement"); and (b) the option agreement made effective as of the 15th day of August 2022 between Medidoc-RD Congo SARLU ("MRDC"), Andreas Friedrich Reitmeier and Rome (the "MRDC Option Agreement").

As a result, Rome has earned

- (a) a 25% undivided interest in and to exploration permit PR 15130, as set out in the CoTinCo Option Agreement; and
- (b) a 30% undivided interest in and to the issued and outstanding shares in MRDC, as set out in the MRDC Option Agreement.

General Information on Rome's Exploration Programs General information on exploration of Rome's projects is available in News Releases and Annual Reports. These are available on SEDAR. The reader is referred to this for summaries of the geological setting, exploration activities on these and ongoing projects.

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**Qualified Person**

Stephen Alan Mawson, Pr.Sci.Nat, Independent Contracting Geologist, he has degrees in geology from the Rhodes University (B.Sc. 1973 and M.Sc. 1983). He is a registered Professional Natural Scientist (Geological Science) with the South African Council for Natural Scientific Professionals (Reg. No. 400074/03) and a member of the Geological Society of South Africa. He has over 40 years of professional geologist. Mr. Mawson is a qualified person as defined in National Instrument 43- 101. The technical data in this Mineral Properties section has been approved by him.

**Summary of Quarterly Results**

The following tables summarize information derived from the Company's financial statements for each of the eight most recently completed quarters:

<b>Quarter Ended: Year:</b>	<b>Dec 31, 2022</b>	<b>Sept 30, 2022</b>	<b>June 30, 2022</b>	<b>Mar 31, 2022</b>	<b>Dec 31, 2021</b>	<b>Sept 30, 2021</b>	<b>June 30, 2021</b>	<b>Mar 31, 2021</b>	<b>Dec 31, 2020</b>
Total Revenues	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
(Gain) Loss in total	\$ <u>72,560</u>	\$ <u>640,436</u>	\$ <u>96,901</u>	\$ <u>(31,217)</u>	\$ <u>(7,889)</u>	\$ <u>(8,255)</u>	\$ <u>(2,004)</u>	\$ <u>(2,117)</u>	\$ <u>(2,951)</u>
per share basis (1)	\$ <u>(0.00)</u>	\$ <u>(0.02)</u>	\$ <u>(0.00)</u>	\$ <u>(0.00)</u>	\$ <u>(0.00)</u>	\$ <u>(0.00)</u>	\$ <u>(0.00)</u>	\$ <u>(0.00)</u>	\$ (0.00)

**Trends, Risks and Uncertainties**

The Company is in the process of exploring and developing its exploration and evaluation assets. The recoverability of the amounts recorded is dependent upon the existence of economically recoverable reserves, and the ability of the Company to obtain necessary financing to complete their development. Management is actively looking into new projects and to reactivate the Company. Management is diligently working to reactivate the Company raise funds and inject new ventures.

**Investor Relations**

No investor relations firms were retained by the Company during the period ended December 31, 2022

**Subsequent Event**

Subsequent to December 31, 2022 the Company:

- Closed a non-brokered private placement offering of 10,000,000 common shares in the capital of the Company at a price of \$0.20 per share, for gross proceeds of up to \$2,000,000.
- Granted an aggregate of 3,500,000 incentive stock options ("Options") to certain of its directors, officers and consultants in accordance with Rome's stock option plan. These Options have a three-year term and an exercise price of \$0.26 per common share, and vest immediately.
- Appointed Mark Gasson to the Board of Directors

**Approval**

The Board of Directors of the Company has approved this Management Discussion and Analysis. Additional information is available on the SEDAR website, [www.sedar.com](http://www.sedar.com).