LODESTAR METALS CORP.
(Formerly Lodestar Battery Metals Corp.)

Management's Discussion & Analysis
For the years ended December 31 2024 and 2023

The following management's discussion and analysis ("MD&A"), prepared as of April 24 2025, is a review of operations, current financial position and outlook for Lodestar Metals Corp (formerly Lodestar Battery Metals Corp.) ("Lodestar" or the "Company"). Additional information relevant to the Company's activities can be found on SEDAR+ at www.sedarplus.ca/.

This MD&A should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2024 and 2023, and the notes thereto. Amounts are reported in Canadian dollars, unless otherwise specified.

FORWARD-LOOKING STATEMENTS

Certain statements contained in the following MD&A constitute forward-looking statements. When used in this document, the words "may", "would", "could", "will", "intend", "plan", "propose", "anticipate", "believe", used by any of the Company's management, are intended to identify forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements.

COMPANY DESCRIPTION AND RECENT HIGHLIGHTS

Lodestar Metals Corp., formerly Lodestar Battery Metals Corp. ("Lodestar" or the "Company"), was incorporated under the Business Corporation Act (Ontario) on July 15, 2013. On March 21, 2019, the Company was continued under the British Columbia Business Corporations Act, and on March 2, 2021, in conjunction with the closing of its qualifying transaction ("Qualifying Transaction"), the Company changed its name to Silverton Metals Corp. On July 31, 2024, the Company announced that it changed its name to Lodestar Metals Corp. Lodestar began trading on the TSX Ventures Exchange ("TSX-V"), effective November 14, 2022, under the symbol "LSTR". On September 4, 2024, the Company announced it changed its name to Lodestar Metals Corp. On May 5, 2021, the Company's shares commenced trading on the OTC Markets system, through the SEC-registered Alternative Trading System quotation facilities (known as OTC Link® ATS), under the symbol "SVTNF". The head office of the Company is located at 704 - 595 Howe Street Vancouver, BC V6C 2T5.

On December 13, 2023, the Company entered into a grant agreement with the Manitoba Mineral Development Fund ("MMDF") for $123,723 to fund exploration activities at the Peny property. During the year ended December 31, 2024, the Company received the full amount of the funds under the grant of $123,718.

On May 29, 2024, the Company announced that it is preparing to undertake an electromagnetic geophysical survey on the Peny Property. This survey will aid in refining historical survey work and highlight any unidentified conductors along the identified BUR Trend, extending from Hudbay's property

On June 28, 2024, the Company announced certain director and officer changes; and the granting, to its independent directors, of 800,000 options to purchase common shares. The options are exercisable at $0.05 per share, fully vested and expire five years from the date of grant.

On August 1, 2024, the Company announced the appointment of Mr. David W. Christie, P. Geo., as Strategic Advisor to the Company, effective immediately. The Company granted Mr. Christie 400,000 options to purchase common shares. The options are exercisable at $0.05 per share, fully vested and expire five years from the date of grant.

Effective open of market on September 4, 2024, the Company changed its name to "Lodestar Metals Corp”. The name change better reflects the Company's focus on base and precious metals properties.

Subsequent to the year end, the Company settled the deferred cash consideration (see note 5 to the audited financial statements for the years ended December 31 2024 and 2023) with the issuance of 3,000,000 common shares of the Company and a payment of $50,000.

EXPLORATION PROGRAMS AND EXPENDITURES

During the year ended December 31, 2024, the Company incurred deferred acquisition and exploration expenditures of $20,682 (year ended December 31, 2023 - $711,012) prior to government assistance received of $123,718 (year ended December 31, 2023 - $Nil). During the year ended December 31, 2023, the Company also recognized the following non-cash costs: (i) share-based compensation of $9,681, (ii) impairment charge of $8,239,965 *(see description of impairment in the Silver Properties further below)* and (iii) foreign exchange translation gain of $16,102.

The expenditures for the year ended December 31, 2024 related to exploration research and investigation of $11,929 and consulting fees of $8,753 in connection with the Company’s Peny property. The expenditures for the year ended December 31, 2023, include exploration and investigation costs of $284,368 to expand the Peny property, consulting costs of $234,316 for sampling work on the Peny property resource estimate costs of $25,542 in relation to Peñasco Quemado and land/recording fees of $154,399. In addition, in 2023, $11,543 of unwinding of discounting on deferred cash consideration relating to the acquisition of the Silver Properties was recognized as exploration and evaluation asset additions during the year ended December 31, 2023 ($nil in 2024).

The details of the deferred acquisition and exploration expenditures recognized during year ended December 31, 2024 and the year December 31, 2023 are as follows:

	Peñasco Quemado	La Frazada	Peny Property	Total
	$	$	$	$
December 31, 2022	**5,494,556**	**2,537,823**	**2,076,817**	**10,109,196**
Unwind of discounting on deferred cash consideration	7,514	4,029	-	11,543
Consulting	25,542	-	234,316	259,858
Exploration research & investigation	-	-	284,368	284,368
Travel	-	-	844	844
Land / recording fees	145,073	9,326	-	154,399
Share-based compensation (Note 8)	-	-	9,681	9,681
Impairment of exploration and evaluation assets	(5,691,194)	(2,548,771)	-	(8,239,965)
Foreign exchange translation	18,509	(2,407)	-	16,102
	(5,494,556)	(2,537,823)	529,209	(7,503,170)
December 31, 2023	**-**	**-**	**2,606,026**	**2,606,026**
Consulting	-	-	8,753	8,753
Exploration research & investigation	-	-	11,929	11,929
Government assistance	-	-	(123,718)	(123,718)
	-	-	(103,036)	(103,036)

December 31, 2024	**-**	**-**	**2,502,990**	**2,502,990**

* *The foreign currency translation amount arises from the Company's subsidiary, Minera Terra, incurring exploration expenditures in currencies other than the Canadian dollar while the Company's consolidated financial statements are presented in Canadian dollars, thereby giving rise to foreign currency translation differences upon inclusion of the Canadian dollar equivalent of the foreign currency expenditures in the Company's consolidated financial statements.*

Peny Property

On August 31, 2022, the Company completed the acquisition of a lithium focused property, being the Peny Property, from WOL by acquiring all of the issued and outstanding shares of WOL, which holds a 100% interest in the Peny Property.

The Peny Property is located approximately 25 kilometres north-east of the town of Snow-Lake, Manitoba. The property is prospective for Lithium Pegmatite and Volcanic Massive Sulphide style mineralization which is known to occur in the local area. The property encompasses rocks belonging to Churchill Province and comprises of meta volcaniclastic and metasedimentary rocks. In 2022, the Company acquired a total of 15 mineral claims totaling 3,204 ha in the Snow Lake district in Manitoba, Canada. During the year ended December 31, 2023, the Company staked 32 additional claims in the Snow Lake district in Manitoba, totaling 7,862 ha, thereby expanding the Peny claims package to a total of 47 claims for 11,066 ha.

On December 13, 2023 the Company entered into a grant agreement with the Manitoba Mineral Development Fund ("MMDF") for $123,723 to fund exploration activities at the Peny property. During the year ended December 31, 2024, the Company received the full amount of the funds under the grant of $123,718, which was applied to the eligible exploration expenditures that were incurred in 2023.

Goldrun Property

In June 2024, the Company made a non-refundable payment of $13,672 (US$10,000) in connection with a proposed option agreement for a 70% interest in certain mineral claims located in Nevada, and which contain certain net smelter royalties. As the option agreement was terminated, the payment was expensed during the fiscal year ended December 31, 2024.

The Silver Properties

On March 2, 2021, the Company completed the acquisition of three silver-focused Mexican mineral properties, being Peñasco Quemado, Sonora; La Frazada, Nayarit; and Pluton, Durango, from Silver One by acquiring from Silver One all of the issued and outstanding shares of KCP, which holds, through its wholly owned subsidiary, Minera Terra, a 100% interest in the Silver Properties (see Note 6 to the consolidated financial statements).

Impairment

During the second half of 2023, management commenced marketing the Silver Properties for sale to third party potential purchasers. Despite management's efforts, the marketing sale campaign was unsuccessful. Accordingly, and in conjunction with management's determination that the Silver Properties do not form part of the strategic assets of the Company, management determined that it would not further explore the Silver Properties. As a result, the properties were written down to $Nil at December 31, 2023 based on an estimated fair value of $Nil, which was a Level 3 estimate in the fair value hierarchy.

2024 Exploration Activities & Updates

Peny Property

During 2023, management staked 32 additional claims with favourable infrastructure and lithium pegmatite potential in the Snow Lake district, Manitoba. These acquisitions expanded Peny property to the total of 47 claims for 11,191 ha. The claims were staked over the prospective ground along the northward extension of the Crowduck Bay fault and Berry Fault systems which are noted regionally to host pegmatites along this late stage controlling fault trends. Where these intersect Kisseynew Domain toward the north, claims have additionally been staked over areas with favourably oriented potentially dilatational structures interpreted from regional magnetics over parts of the property. The expanded claims blocks include outcroppings of Pegmatite noted from aerial reconnaissance over the property in late 2022. Based on a historical data compilation over the property, a total of 86 drill holes have been identified on the property, including 18 drill holes with noted pegmatite previously unsampled.

On December 13, 2023 the Company entered into a grant agreement with the Manitoba Mineral Development Fund (“MMDF”) for $123,723 to fund exploration activities at the Peny property.

On February 8, 2024, the Company announced results from the previously announced rock sampling program conducted by Axiom. The new results identified up to 7 new K/Rb anomalous areas on pegmatite samples. Various element ratios such as K/Rb are fractionation indicators which can aid in vectoring fertile granites that can contain mineralization. These newly identified areas appear to be interesting and will require further evaluation.

On May 29, 2024, the Company announced that it is preparing to undertake an electromagnetic geophysical survey on the Peny Property. This survey will aid in refining historical survey work and highlight any unidentified conductors along the identified BUR Trend, extending from Hudbay's property. Hudbay's BUR zone trend is adjacent, southwest to the Peny Property. The BUR has been identified as a stratiform massive sulfide deposit that occurs within a narrow turbidite assemblage with mineralization comprised of sphalerite, chalcopyrite, and pyrrhotite.

SELECTED ANNUAL INFORMATION

The following is a summary of certain selected audited financial information of the Company as at and for the years ended December 31, 2024, 2023, and 2022.

	2024 ($)	**2023 ($)**	**2022 ($)**
Total Revenues	-	-	-
Loss for the year	(600,415)	(9,014,329)	(1,922,880)
Total comprehensive loss for the year	(600,302)	(8,998,815)	(1,417,443)
Loss Per Share (basic and diluted)[1]	(0.01)	(0.20)	(0.06)
Total Assets	3,404,260	3,963,489	13,069,662
Total Non-Current financial liabilities	-	-	-

(1) The basic and diluted loss per share amounts are the same amount due to the anti-dilutive effect of outstanding stock options and warrants.

The loss for the year ended December 31, 2023 is significantly greater than the 2024 and 2022 as a result of the Company recognizing impairment of $8,239,965 on its exploration and evaluation assets in Mexico.

SUMMARY OF QUARTERLY RESULTS

A summary of the Company's quarterly results for the 8 most recent quarters is as follows:

Three Months Ended:	**Dec 31, 2024**	**Sept 30, 2024**	**Jun 30, 2024**	**Mar 31, 2024**
Total revenue	$Nil	$Nil	$Nil	$Nil
Net loss	($120,775)	($192,962)	($180,836)	($105,842)
Net loss per share (basic and diluted)	$(0.00)	$(0.00)	$(0.00)	$(0.00)

Three Months Ended:	**Dec 31, 2023**	**Sept 30, 2023**	**Jun 30, 2023**	**Mar 31, 2023**
Total revenue	$Nil	$Nil	$Nil	$Nil
Net loss	($3,619,542)	($228,337)	($150,909)	($5,015,541)
Net loss per share (basic and diluted)	($0.08)	($0.01)	$(0.00)	($0.11)

[1] *Due to rounding, the sum of the quarterly net loss per share amounts may not equal the annual net loss per share amount.*

The net loss during the quarter ended December 31, 2023 was higher than previous quarters due to impairment loss of $3,359,097 recognized on the Company's Mexican properties. The loss during the three months ended March 31, 2023 was higher than other quarters due to the impairment charge, relating to the Peñasco Quemado and La Frazada properties, in the aggregate amount of $4,880,868 incurred in that period. This increase in losses was partly offset by a decrease in management, consulting and advisory fees to $41,000 and investor relation and marketing fees to $26,743 during the period ended March 31, 2023 from $243,905 and from $64,053, respectively, in the comparative quarter of 2022. These decreases were related to reduction in the Company's activities in the first quarter of 2023.

RESULTS OF OPERATIONS

Year ended December 31, 2024 compared to the year ended December 31, 2023

During the year ended December 31, 2024, the Company reported a net loss of $600,415 and a loss per share of $0.01 (2023 - loss of $9,014,329, and a loss per share of $0.20). During the year ended December 31, 2023, the Company recognized an impairment loss of $8,239,965 compared to $Nil in 2024. A summary of expenses for the year ended December 31, 2024 and 2023 are in the following chart.

Year ended December 31,	2024 $	2023 $
General and administrative expenses		
Accounting and audit	100,988	124,165
Bank charges and interest	1,096	3,138
Exploration research and investigation	55,419	1,884
Filing and listing fees	54,038	39,129
Insurance	15,434	32,890
Investor relations and marketing	50,395	165,377
Legal and professional fees	57,668	58,834
Management, consulting and advisory fees	216,910	212,926
Office and miscellaneous	74,356	33,446
Rent	3,779	7,190
Share-based compensation	25,471	84,449
Transfer agent fees	550	2,593
Loss before other items	(656,104)	(766,021)
Other income (expenses)		
Interest income	44,557	64,553
Foreign exchange gain	12,184	13,414
Bad debt expense	-	(29,326)
Write-off of prepaid expenses	-	(96,984)
Allowance for doubtful collection of IVA	(1,052)	-
Settlement of flow-through premium liability	-	40,000
Impairment of exploration and evaluation assets, net of reversal of related accrued liabilities	-	(8,239,965)
Net loss for the year	**(600,415)**	**(9,014,329)**
Other comprehensive loss		
Currency translation differences	113	15,514
Total comprehensive loss for the year	**(600,302)**	**(8,998,815)**

The primary changes in expenses are as follows:

i. <u>Exploration research and investigation</u>
Increase due to site visits and reports in connection with the proposed option agreement on the Goldrun project.

ii. <u>Investor relations and marketing</u>
During the prior year, the Company entered into additional investor relations contracts to raise the Company's profile with investors. Fewer engagements were undertaken in 2024.

iii. <u>Management, consulting and advisory</u>
The expense in consistent with the prior year. See related party transactions for management fees.

iv. <u>Legal and professional fees</u>
The expense in consistent with the prior year.

v. <u>Share-based compensation</u>
The decrease is due to the lower value of the options granted in 2024 compared to 2023.

Other items impacting loss for the period include:

i. <u>Impairment loss on mineral properties</u>
Having conducted a marketing and sales campaign for the Mexican assets throughout the second half of 2023 which did not yield and positive leads, management determined it was in the Company's best interests to not conduct further exploration of its Mexican properties. As a result, an impairment loss was recognized during the year ended December 31, 2023.

ii. <u>Settlement of flow-through liability</u>
The Company closed a flow-through private placement in late 2022, giving rise to an accounting flow-through liability. Upon commencement of exploration work during 2023 the flow-through premium liability was amortized to the consolidated statement of comprehensive loss pro-rata with the amount of related qualifying flow-through expenditures that are incurred by the Company. The Company incurred all required expenses as of December 31, 2023, accordingly no comparative recovery occurred during 2024.

iii. <u>Write-off of prepaid expenses</u>
At December 31, 2023, in conjunction with considering impairment on the Silver Properties, the Company assessed certain expenses associated with the Mexican operations to be unrecoverable and determined to write these off.

iv. <u>Allowance for doubtful collection</u>
In the prior period, the Company assessed one of its receivables as potentially uncollectable. No similar allowances were taken during 2024.

FINANCING ACTIVITIES

The Company did not undertake any financing activities during the year ended December 31, 2024.

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2024, the Company had cash of $867,883, compared to $1,295,314 as at December 31, 2023. The net decrease in cash during the period was primarily due to cash used in operating activities of $530,467 and $20,862 used for exploration and evaluation assets. These outflows were partially offset by government assistance received of $123,718.

As at December 31, 2024, the Company's total liabilities were $1,338,409, all of which were classified as current. These comprised accounts payable and accrued liabilities of $88,409 and a deferred purchase consideration of $1,250,000 related to the Company's silver project. As previously noted, the deferred purchase consideration was settled subsequent to year-end. The Company's working capital deficit as at December 31, 2024, was $437,140.

The Company has not pledged any of its assets as security for loans and is not subject to any debt covenants.

As at December 31, 2024, the Company's commitments primarily related to the KCP acquisition deferred cash consideration of $1,250,000, which was settled subsequent to year-end through the issuance of 3,000,000 common shares and a cash payment of $50,000.

RELATED PARTY TRANSACTIONS

Key management comprises the directors, officers and consulting geologist of the Company. Compensation paid or accrued to key management or companies controlled by key management personnel during the years ended December 31, 2024 and 2023 are as follows:

	2024	2023
	$	$
Professional fees	**52,200**	24,583
Management, consulting and advisory	**196,403**	159,005
Share-based compensation	**16,981**	40,020
	265,584	223,608

Professional fees include $12,000 (2023 - $nil) charged by CFO Advantage Inc., a company controlled by the current Chief Financial Officer ("CFO"), and $40,200 (2023 - $24,583) charged by Malaspina Consultants Inc., a company controlled by the former CFO, for the provision of CFO services. These amounts are included in accounting and audit expenses in the consolidated statements of loss and comprehensive loss.

Management, consulting and advisory charges represent fees paid to (i) Integrity Capital Group, a company in which the Chief Executive Officer ("CEO") and a director of the Company are directors, for the provision of CEO and management services, as well as fees charged by a company controlled by a director of the Company for technical consulting services. Until June 28, 2024, Scott Margach served as the Executive Vice President of the Company and charged fees, in conjunction the CEO, through Integrity Capital Group, for management services to the Company. During the years ended December 31, 2024 and 2023, the following management, consulting and advisory fees were charged for each of the foregoing parties:

	2024	2023
	$	$
Lowell Kamin (CEO)	**60,000**	-
Leo Horn (Director)	**38,403**	4,005
Integrity Capital Group	**90,000**	155,000

Scott Margach (Director)	**3,000**	-
Gary Prihar (former Director)	**5,000**	-
	196,403	159,005

All transactions with related parties have occurred in the normal course of operations.

Included in accounts payable and accrued liabilities at December 31, 2024 are amounts due to related parties of $13,000 (December 31, 2023 - $20,597) owing as follows: (i) $10,000 to the CEO and a company controlled by the CEO and a director of the Company for management and consulting fees and reimbursable expenses (ii) $3,000 to a company controlled by a director of the company for consulting fees. These amounts are non-interest bearing and due on normal commercial terms.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company’s financial instruments consist of cash, accounts payable and accrued liabilities, deferred purchase consideration and other payables; the fair values of which, other than deferred purchase consideration, approximates their carrying values due to the short-term nature of these instruments. The fair value of the deferred purchased consideration is estimated to be $1,250,000 at December 31, 2024 (2023 - $1,250,000), using a discount rate of 15%.

Liquidity risk

Liquidity risk is the risk that the Company will have difficulties in paying its financial liabilities. The Company manages this risk by ensuring it has sufficient cash on hand to meet obligations as they come due by forecasting cash flows from operations, cash required for investing activities and cash from financing activities. Accounts payable are due under normal commercial terms, typically within 30 days. As at December 31, 2024, the Company had cash of $867,883 (2023 - $1,295,314) to settle liabilities of $1,338,409 (2023 - $1,322,807) due within 12 months. Certain conditions cast significant doubt on the Company’s ability to meet its financial obligations. Refer to Note 1 for more information regarding the Company’s liquidity risk.

Foreign currency risk

The Company conducts its business in Canada (and until the end of 2023, also in Mexico). A large number of Minera Terra’s exploration expenditures, and its funding provided by the Company, were primarily incurred in US dollars. Accordingly, the Company’s cash profile and exploration expenditures were exposed to changes in the Canadian dollar/US dollar exchange rates. The Company is exposed to currency exchange rate risks to the extent of its activities in currencies which are not the functional currency of the economic environment in which the Company or its subsidiaries operate. Based on this exposure as at December 31, 2024, a 5% change in exchange rates could give rise to a change in the net loss by approximately $6,589 (2023 - $10,893). The Company does not employ the use of any hedging or other derivative instruments in the management of its foreign currency risk.

Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company’s cash balances are not held in investment accounts; therefore, is not exposed to the risk from interest rate fluctuations. The Company is not exposed to significant interest rate risk.

Credit risk
Credit risk is the risk one party to a financial instrument will cause a financial loss for the party by failing to pay for its obligations. The Company is subject to credit risk with respect to its cash balances. The Company mitigates credit risk by depositing cash with a Canadian schedule I chartered bank and other depository insured Canadian financial institutions as well as monitoring those institutions' credit ratings.

Price risk
The Company is not exposed to significant price risk.

OUTSTANDING SHARE DATA

Authorized
The Company is authorized to issue an unlimited number of common shares.

The table below summarizes the Company's issued and outstanding common shares, and stock options and warrants that are convertible into common shares as of the date of this MD&A:

Issued and outstanding common shares	47,336,500
Share options with a weighted average exercise price of $0.09	2,980,000
Share purchase warrants with a weighted average exercise price of $0.15	2,000,000
Fully diluted	**52,316,500**

RISKS AND UNCERTAINTIES

As a result of completing its Qualifying Transaction the Company has now become an exploration stage company and faces risks and uncertainties similar to other companies in the exploration sector. Accordingly, the Company is engaged in the exploration, development and exploitation of mineral resources for base metals and precious metals. Natural resources exploration, development, production and processing involve a number of business risks, some of which are beyond the Company's control. The properties of the Company are without a known body of commercial ore. The exploration programs undertaken and proposed constitute an exploratory search and there is no assurance that the Company will be successful in its search. The business of exploring for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish ore reserves, to develop metallurgical processes, and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current exploration programs planned by the Company will result in a profitable commercial mining operation.

Acquisition of rights to the mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. Although the Company has investigated the title to all of the properties for which it holds concessions or in respect of which it has a right to earn an interest, the Company cannot give any assurance that title to such properties will not be challenged or impugned. The Company's properties may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects or governmental actions. The Company can never be certain that it or its option partners will have valid title to its mineral properties. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify, and transfers under law are often complex. The Company does not carry title insurance on its properties. A successful claim that the Company or its option partner does not have title to a property could cause the Company to lose its rights to that property, perhaps without compensation for its prior expenditures relating to the property. The occurrence of any such event could have a material adverse effect on the Company and its prospects.

The Company requires licenses and permits from various governmental authorities to carry out exploration and development of its projects. Obtaining permits can be a complex, time-consuming process as well as dealing with changing governmental law and regulation. There can be no assurance that the Company will be able to obtain the necessary licences and permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict the Company from continuing or proceeding with existing or future operations or projects. Any failure to comply with permits and applicable laws and regulations, even if inadvertent, could result in the interruption or closure of operations or material fines, penalties or other liabilities. In addition, the requirements applicable to sustain existing permits and licenses may change or become more stringent over time and there is no assurance that the Company will have the resources or expertise to meet its obligations under such licenses and permits.

Development and exploration activities depend on adequate infrastructure, including reliable roads, power sources and water supply. The Company's inability to secure adequate water and power resources, as well as other events outside of its control, such as unusual weather, sabotage, government or other interference in the maintenance or provision of such infrastructure, could adversely affect the Company's operations and financial condition.

Other operational risks include finding and developing reserves economically, marketing production and services, product deliverability uncertainties, hiring and retaining skilled employees and contractors and conducting operations in a cost effective and safe manner. The Company continuously monitors and responds to changes in these factors and adheres to all regulations governing its operations. Insurance may be maintained at levels consistent with prudent industry practices to minimize risks. The Company is not insured against risks, nor are all risks insurable.

The Company has experienced losses in operations in prior years and has an accumulated deficit position. The Company expects to incur losses for the foreseeable future. The Company has not paid any dividends in the past, nor does it expect to do so in the foreseeable future. The continuation of the Company's operations is subject to its ability to continue to be able to raise funding to support its operations. While the Company has been successful to date in raising funding there is no guarantee that it will continue to do so in the future.

The profitability of the Company's operations, if ever established, will be dependent upon the market price of mineral commodities. Mineral prices fluctuate widely and are affected by numerous factors beyond the control of the Company. The level of interest rates, the rate of inflation, world supply of mineral commodities, consumption patterns, sales of copper, gold and silver by central banks, forward sales by producers, production, industrial and jewellery demand, speculative activities and stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments. The prices of mineral commodities have fluctuated widely in recent years. Current and future price declines could cause commercial production to be impracticable. The Company's revenues and earnings also could be affected by the prices of other commodities as well so by the price of copper, gold, silver or zinc. The prices of these commodities are affected by numerous factors beyond the Company's control.

The Company is dependent upon share issuances to provide the funding necessary to meet its general operating expenses and will require additional financing to continue to explore its mineral properties. Issuances of additional securities will result in dilution of the equity interests of the Company's shareholders. The Company may issue additional common shares in the future as further capital is required and on the exercise of outstanding options or other convertible securities issued from time to time. Sales or issuances of substantial amounts of additional securities, or the availability of such securities for sale, could adversely affect the market prices for the Company's securities. A decline in the market prices of securities of the Company could impair the Company's ability to raise additional capital through the sale of new common shares should it desire to do so. In addition, if additional common shares or securities convertible into common shares are sold or issued, such sales or issuances may substantially dilute the equity interests of the Company's holders of common shares.

Certain directors and officers of the Company are or may become associated with other natural resource companies which may give rise to conflicts of interest. In accordance with the Business Corporations Act (British Columbia), a director or senior officer who has a material interest in a contract or transaction or a proposed contract or transaction that is material to the Company, or a director or senior officer who is a director or senior officer of, or has a material interest in, a person who has a material interest in the contract or transaction, is required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract or transaction. In addition, the directors and the officers are required to act honestly and in good faith with a view to the best interests of the Company. However, circumstances (including with respect to future corporate opportunities) may arise which are resolved in a manner that is unfavourable to the Company. Further, the non-management directors of the Company have either other full-time employment or other business or time restrictions placed on them and accordingly, the Company will not be the only business enterprise of these persons and these persons will not devote all of their time to the business and affairs of the Company.

The Company is also subject to regulatory risks include the possible delays in getting regulatory approval to the transactions that the Board of Directors believe to be in the best interest of the Company, and include increased fees for filings, the introduction of ever more complex reporting requirements the cost of which the Company must meet in order to maintain its exchange listing.

Companies in all industries, including the mining industry, are subject to legal claims from time to time, some of which have merit and others of which do not. Defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which the Company may become subject could have a material effect on the Company's financial position, results of operations or the Company's property development.

Companies in all industries, including the mining industry, are susceptible to cyber risk. The Company's primary operational exposure to cyber risk is with respect to proprietary geological, geochemical and exploration data and related models. The Company, similar to companies in all industries, is exposed to common place cyber risks such as, but not necessarily limited to, phishing, spam, fraudulent attacks, denial of service attacks, data loss, data theft, data corruption. The Company outsources its IT management to IT professionals who implement, among other controls and mitigation strategies, system access and authentication controls, transactional authentication, system activity logging, audit trails, "exception" handling, on-prem and off-prem backup and storage of the Company's data.

The economic uncertainties around persistent inflation pressure, geopolitical and other global factors have the potential to slow growth in the global economy. Future developments in these challenging areas could impact on the Company's results and financial condition and the full extent of that impact remains unknown. However, as at April 24, 2025, the Company has not been significantly impacted by these matters.

DISCLOSURE CONTROLS AND PROCEDURES

In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the financial statements for the year ended December 31, 2024 and this accompanying MD&A (together, the "Filings").

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information the reader should refer to the Venture Issuer Basic Certificates filed by the Company with the Annual Filings on SEDAR+ at www.sedarplus.ca/.

ADDITIONAL INFORMATION

Additional information relating to the Company can be found on SEDAR+ at www.sedarplus.ca.

Ty Magee, P. Geo., is the Company's Qualified Person and he has approved of the written disclosure of scientific and technical information contained herein.