Metal Energy Corporation

Management's Discussion and Analysis
For the year ended December 31, 2023

April 25, 2024

(Expressed in Canadian Dollars)

The following is Management's Discussion and Analysis ("MD&A") of the financial condition and results of operations of Metal Energy Corp. ("Metal Energy", the "Corporation", or the "Company") should be read in conjunction with Metal Energy's audited annual consolidated financial statements ("Financial Statements") and related notes at and for the fiscal year ended December 31, 2023. This MD&A has been prepared as at April 25, 2024 unless otherwise indicated. Additional information on Metal Energy can be found at www.metalenergy.ca. However, the information on the website is not in any way incorporated in or made a part of this MD&A.

Results are reported in Canadian dollars ("$"), unless otherwise noted. The Company's Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations of the IFRS Interpretations Committee (IFRIC).

Certain statements made may constitute forward-looking statements. Such statements involve a number of known and unknown risks, uncertainties and other factors. Actual results, performance and achievements may be materially different from those expressed or implied by these forward-looking statements. Additional information about Metal Energy is available at www.sedarplus.ca.

Scientific and Technical Information

Mike Sweeny, P.Geo., Advisor to Metal Energy and Qualified Person as defined by NI 43-101, has reviewed and approved the scientific and technical content contained in this MD&A.

Corporate Overview

Metal Energy Corp. ("Metal Energy" or the "Company"), was incorporated under the Alberta Business Corporations Act on February 1, 2021. The Company completed its Initial Public Offering on April 19, 2021 and was classified as a Capital Pool Company ("CPC") as defined by the TSX Venture Exchange ("TSX-V"). On November 19, 2021 the Company completed a reverse take-over transaction ("RTO Transaction") with D Block Discoveries Inc. ("D Block"), wherein the Company acquired 100% of the issued and outstanding shares of D Block. D Block was incorporated under the Business Corporations Act (Ontario) on January 5, 2021. As a result of the share exchange, D Block is considered to have control. While the Company is the legal acquirer, the accounting acquirer is D Block and these financial statements are consolidated and presented with D Block as the continuing entity. Upon closing of the RTO Transaction, the Company changed its name to Metal Energy Corp. and began trading on the TSX-V under the symbol "MERG".

The Company's principal business is the acquisition and exploration of mineral projects. To date, the Company has not earned revenue as it is in the exploration stage. The ability of the Company to carry out its business plan rests with its ability to secure equity and other financing.

The head and principal office of the Company is located at 55 University Avenue, Suite 1805, Toronto, Ontario, M5J 2H7. The Company has no subsidiaries. Additional information relevant to the activities of the Company, including press releases has been filed electronically through the System for Electronic Document Analysis and Retrieval ("SEDAR") – (www.sedarplus.ca). The Company is a reporting issuer in the provinces of British Columbia, Alberta and Ontario and trades on the TSX Venture Exchange, symbol MERG-V.

Core Business Strategy

Metal Energy is in the business of Lithium (Li), Nickel (Ni), Copper (Cu), Cobalt (Co), and Platinum Group Element (PGE) exploration, although it is not limited to these specific elements, the Company will explore for Tier 1 deposits for other commodities required for the global electrification endeavours. The Company's core business strategy is to create shareholder value exploring, discovering and developing Tier 1 battery metal projects. Battery metals are a driving force behind global infrastructure and reducing the world's carbon footprint through use of renewable energy sources and electric vehicles in place of the current fossil fuel alternatives.

Metal Energy's exploration model focuses on the pursuit of developing regional-scale projects with large-size potential at its SourceRock Li brine and Manibridge Ni projects.

The Company's current focus is the SourceRock Li brine project, Nipigon area northeast of Thunder Bay, Ontario. A supersaturated brine is present in the sedimentary rocks underlying the project and was tested for the first time ever by the Company in January and February 2024.

The Company's high-grade nickel Manibridge Project, was a past-producing mine that extracted 1.3 M tonnes at 2.55% Ni and 0.27% Cu between 1971 and 1977 in the Thompson Nickel Belt, Manitoba. The Company completed 12,500 m of diamond drilling in 40 drill holes in its first year as operator of the project. Drill hole highlights include 68.55 m of 0.79% Ni, 0.02% Cu and 0.02% Co in MNB035 and 36.55 m of 1.09% Ni, 0.04% Cu and 0.02% Co in MNB040A.

Key Development During the Three and Twelve Months Ended December 31, 2023 and up to April 25, 2024

2023 Exploration Updates for Manibridge Nickel Project

From January to March 2023, the Company reported results from Phase Two 10,000 metre drill program. All drill holes intersected visible Ni-Cu-Co sulphides, and 34 out of 36 reported drill holes intersected > 1% Ni over variable widths. The mineralization is open in all directions, and the recent discovery of a new high-grade nickel zone in MNB040A demonstrates the discovery potential for multiple high-grade nickel shoots within the broader mineralized shell at Manibridge. Notable results from the last three drill programs (2008, Metal Energy Corp.'s 2022 Phase 1 and Phase 2) include:

- 74.3 composite metres of 0.77% Ni, 0.02% Cu, 0.02% Co (59.7 GT)
- 87.6 composite metres of 0.65% Ni, 0.02% Cu, 0.01% Co (58.4 GT)
- 84.8 composite metres of 0.64% Ni, 0.02% Cu, 0.01% Co (56.8 GT)
- 71.45 composite metres of 0.75% Ni (53.4 GT)
- And the final drill hole of the program, in a new mineralization zone, returned 36.55 metres of 1.09% Ni, 0.04% Cu, 0.02% Co (41.3 GT), including 20.45 m of 1.57% Ni, 0.06% Cu, 0.02% Co (33.1 GT)

These results highlight the promising nickel potential at Manibridge, with mineralization intersected in all completed drill holes. For more information on the program results, refer to the Company's press releases on January 10, 2023, January 23, 2023, February 13, 2023 and March 16, 2023.

2023 Exploration Updates for SourceRock Lithium Brine Project

On June 26, 2023, the Company announced the SourceRock project acquisition. SourceRock is prospective for Lithium ("Li") brines in the Thunder Bay-Nipigon area of northwestern Ontario. The project is exceptionally large, covering 913 square kilometres within an area measuring approximately 10 to 20 km wide by 95 km long. Ample scientific documentation supports a thesis of highly concentrated Li within SourceRock as previously identified supersaturated brines with increased total dissolved solids typically contain increased Li concentrations. The closing of the project acquisition was announced on July 26, 2023.

On July 17, 2023, the Company announced the acquisition of additional claims directly adjacent to the SourceRock project. The claims were drilled in 2006 and intersected significant saline water flow from 184.7 to 202.39 metres, and halite cubes, sedimentary cements, and beds, including halite precipitating from waters as the core dries from 528.52 to 582.5 metres. Halite precipitating as described in the core logs suggests the saline fluids are supersaturated with high concentrations of total dissolved solids. The closing of the additional claims acquisition was announced on August 9, 2023.

2024 Exploration Updates for SourceRock Lithium Brine Project

On January 3, 2024, the Company provided a detailed update for the inaugural drill program at the SourceRock project. The update highlighted a number of scientific evidence from across the globe supporting the idea that old rocks, such as those at SourceRock, and rocks with higher concentrations of Total Dissolved Solids, generally have higher concentrations of lithium and salinity.

The Company received a $200,000 grant from the Ontario Junior Exploration Program (OJEP) on January 4, 2024, to help advance the SourceRock project drill program.

On January 16, 2024, the company announced the start of the drill program at SourceRock. The program would include detailed downhole geophysical studies and brine sampling to optimize testing the subsurface brines for lithium concentrations.

Preliminary results from the drill program were announced on February 12, 2024. The Company completed one drill hole (SR-24-01) down to 542 m, and successfully identified two brine reservoirs with lithium potential; an upper zone from 151 to 165 m and a lower zone from 474 to 520 m. In particular, the lower zone demonstrated fluid conductivities at least twice that of seawater, indicating highly saline brines. Brine sampling was performed at specific depths to determine brine constituent from sedimentary horizons with the highest fluid conductivity responses, as well as over large intervals to determine background brine constituent levels.

Brine and lithogeochemical results from the two brine reservoirs intersected in drill hole SR-24-01 were released on March 26, 2024. The brine results identified total dissolved solids concentrations increasing with depth, up to a maximum of 6% total dissolved solids, and correlating well with sandstone rock types. Lithium concentrations were very low but did tend to follow sodium and potassium, specifically. In addition, the brines were identified as chloride brines, similar to global lithium brine projects. Analysis of the brine and rock results suggest SR-24-01 was located on the edge of a large mature halite salar.

2024 Exploration Plans for SourceRock Lithium Brine Project

The Company does not have any current plans to immediately follow-up drilling on the project. The recommended next steps are to map the subsurface geology with a geophysical survey to better to determine the possible location of a central halite nucleus.

2024 Exploration Plans for Manibridge Nickel Project

The Company is currently evaluating the potential for a small drill program at Manibridge to follow-up high-grade nickel drilling results from the 2022 drill program.

Corporate Updates

In January 2023, the Company granted 450,000 stock options to officers and consultants. The options vest 12 months from the date of grant and are exercisable at $0.07 for five years.

On August 7, 2023, the Company granted 3,450,000 stock options to certain directors, officers, and contractors of the Company. The options are exercisable at a price of CAD $0.07 per share for five (5) years from the date of grant, vest one (1) year from the date of grant.

On December 20, 2023, the Company closed a non-brokered private placement for aggregate gross proceeds of $640,000. The private placement consisted of 12,800,000 flow-through units at a price of $0.05 per unit, with each unit comprised of one common share in the capital of the Company, and one half of one Common Share purchase warrant. Each full warrant is exercisable to acquire one common share at an exercise price of $0.10

per warrant for a period of 36 months from the closing of the private placement. The Company's CEO, James Sykes, and Chairman, Stephen Stewart, participated in the private placement.

Mineral Exploration Projects

Manibridge Project, Thompson, Manitoba

Located along the Thompson Nickel Belt, Manitoba, one of the world's richest nickel districts, the Manibridge Mine was formerly owned and operated by Falconbridge. The Manibridge deposit was mined from 1971-1977, having produced 1.3 M tonnes at 2.55% nickel and 0.27% copper. Premised on previous drilling completed by previous operators in 2008 and 2019, the entire Manibridge system appears to host high-sulphide-tenor, high-grade nickel mineralization on strike and below the previously mined out area. A large envelope exists along a >1 km strike-length from the old mine workings and comprises near-surface to 800 m deep, high-sulphide-tenor, moderate-grade nickel mineralization (0.4 to 0.7% Ni) with pods of high-grade mineralization (>1% Ni).

The Manibridge project is currently held 85% Metal Energy and 15% Mistango River Resources Inc. ("Mistango). The Company has the right to re-acquire the 15% interest from Mistango at any time before April 30, 2024. The purchase price payable by Metal Energy to Mistango for the interest is $2,250,000 in cash or common shares of Metal Energy, at the Company sole discretion.

CanAlaska holds a 1% Net Smelter Return (NSR) royalty on claims P1271F and P1272F, and a 2% NSR royalty on all other claims.

SourceRock Li Brine Project, Nipigon, Ontario

SourceRock is prospective for Lithium ("Li") brines in the Lake Nipigon area of northwestern Ontario. The project is exceptionally large, covering 915 square kilometres (91,477 hectares) within an area measuring approximately 10 to 20 km wide by 95 km long of the Proterozoic Sibley sedimentary basin.

The Project has excellent access to infrastructure and capacity that has supported previous exploration programs and mine development, including year-round highway, railroad, and seaport access, with power and natural gas lines crossing the Project.

SourceRock is a drill-ready project with an exploration permit in-hand from the Ontario Ministry of Energy, Northern Development and Mines for up to 20 drill pads.

REVIEW OF OPERATIONS FOR THE YEAR ENDED AND THREE MONTHS ENDED DECEMBER 31, 2023 AND 2022

Year ended December 31, 2023 and 2022

For the year ended December 31, 2023, the Company had a net loss before tax of $1.7 million, which was a decrease of $3.7 million from the prior year when it had a net loss before tax of $5.4 million. This decrease was due to a reduction in exploration activity at Manibridge. Exploration and evaluation costs decreased by $3.7 million because of the lower level of activity at Manibridge, partially offset by the acquisition of SoureRock.

	December 31, 2023	December 31, 2022	Change
EXPENSES			
Exploration and evaluation expenses	**$942,458**	$4,596,264	$(3,653,806)
Transfer agent, filing fees and shareholder communications	**168,076**	235,311	(67,235)
Management and consulting fees	**395,913**	353,702	42,211
Audit, accounting and legal	**71,129**	90,119	(18,990)
Share-based compensation	**87,407**	43,159	44,248
Office, general and administrative	**40,759**	38,600	2,159
Interest income	**(31,874)**	-	(31,874)
TOTAL EXPENSES	**$1,673,868**	$5,357,155	$(3,683,287)

- In 2023, the exploration and evaluation expenses were mainly driven by staking charges and option agreement equity issuances related to SourceRock, as well as assays relating to the 2022 drill program at Manibridge and wages. In contrast, in 2022, the costs were primarily due to the drill program at Manibridge. For details regarding Exploration and Evaluation expenses, please refer to the Mineral Explorations and Key Developments section.
- Office, general, and administrative expenses remained stable compared to 2022.
- Transfer agent, filing fees and shareholder communication decreased by $67 thousand in 2023 as a result of lower overall activity by the Company during the year.
- Management and consulting fees increased as a result of costs associated with the SourceRock.
- Share-based compensation increased in 2023 due to the quantum and valuation of options granted. Overall, the expenditures decreased in 2023 due to the lower levels of activity.
- Interest income increased as a result of the contribution of interest income, which was greater in 2023 as a result of more funds on hand and higher market rates.

Three months ended December 31, 2023 and 2022

During the three months ended December 31, 2023, the Company had a net loss before tax of $0.3 million, which was a decrease from the prior year when it had a net loss before tax of $0.6 million. This decrease was due to a reduction in exploration activity at Manibridge from an active program partially funded by Metal Energy in the fourth quarter of 2022 to no active exploration in the fourth quarter of 2023. Exploration and evaluation costs decreased by $0.4 million because of the lower level of activity at Manibridge, partially offset by the preparation of the drill program for SourceRock in January 2024

	December 31, 2023	December 31, 2022	Change
EXPENSES			
Exploration and evaluation expenses	**$66,919**	$493,572	$(426,653)
Transfer agent, filing fees and shareholder communications	**50,533**	51,668	(1,135)
Management and consulting fees	**95,181**	27,262	67,919
Audit, accounting and legal	**11,745**	20,139	(8,394)
Share-based compensation	**46,020**	5,772	40,248
Office, general and administrative	**12,012**	10,230	1,782
Interest income	**(21,469)**	-	(21,469)
TOTAL EXPENSES	**$260,941**	$608,643	$(347,702)

- In 2023, the exploration and evaluation expenses were mainly driven by planning and preparation for the SourceRock drill program in 2024, where in 2022, there was an active program at Manibridge which was partially funded by Metal Energy and predominately funded by Mistango's option agreement to earn 15%. For details regarding Exploration and Evaluation expenses, please refer to the Mineral Explorations and Key Developments section.
- Office, general, and administrative expenses remained stable compared to 2022.
- Management and consulting fees increased $68 thousand as a result of costs associated with the SourceRock.
- Share-based compensation increased in 2023 due to the quantum and valuation of options granted. Overall, the expenditures decreased in 2023 due to the lower levels of activity.
- Interest income increased as a result of the contribution of interest income, which was greater in 2023 as a result of more funds on hand and higher market rates.

Mineral Projects

The evaluation and exploration expenditures incurred during the periods ended December 31, 2023 and 2022 and since project inception, for each project were as follows:

	December 31, 2023	December 31, 2022	Cumulative Since Property Inception to December 31, 2023
Strange Project, Thunder Bay, Ontario	**$ -**	$447,442	**$990,617**
Source Rock Project, Thunder Bay, Ontario	**634,247**	-	**634,247**
Manibridge Project, Thomson, Manitoba	**308,211**	4,148,822	**4,595,185**
	$942,458	$4,596,264	**$6,220,049**

Summary of Quarterly Results

	31-Dec-23	30-Sept-23	30-Jun-23	31-Mar-23
Net Loss	**$(260,941)**	$(611,736)	$(482,712)	$(318,479)
Comprehensive Loss	**(260,941)**	(611,736)	(482,712)	(318,479)
Loss per share	**(0.00)**	(0.01)	(0.01)	(0.00)
Total assets	**1,843,225**	1,503,784	1,804,725	2,230,824
Long-term liabilities	**-**	-	-	-
Shareholders' equity	**$1,759,052**	$1,322,436	$1,619,230	$2,096,587

	31-Dec-22	30-Sept-22	30-Jun-22	31-Mar-22
Net Loss	$(553,623)	$(1,349,124)	$(1,791,155)	$(1,080,119)
Comprehensive Loss	(553,623)	(1,349,124)	(1,791,155)	(1,080,119)
Loss per share	(0.01)	(0.02)	(0.02)	(0.01)
Total assets	3,163,051	3,131,446	4,629,454	6,465,211
Long-term liabilities	-	-	-	-
Shareholders' equity	$2,408,872	$2,946,723	$3,927,628	$5,651,363

Liquidity and Financial Condition

Due to the nature of the junior mineral exploration business, the Company relies upon external financing to fund its ongoing business activities. Financing options are continually being evaluated and pursued by the Company, such as the issuance of share capital and/or debt financing. The Company's ability to continue as a going concern is dependent upon financing arrangements for its business activities. As with any business in this industry, there are uncertainties associated with its ability to raise additional financing through private placements, or other sources to fund these activities. As such, the Company is subject to liquidity risks.

As at December 31, 2023, the Company has working capital of $1,759,052, a decrease of $649,820 from $2,408,872 as at December 31, 2022 and an accumulated deficit of $9,465,138. The decrease in working capital is a result of the exploration and evaluation activity carried out in the current period and ongoing corporate activity. Current assets totaled $1,843,225 and consisted of cash of $1,735,639, amount receivable of $58,270, prepaid expenses and deposits of $49,586. Current liabilities totaled $84,173.

The Company had a cash balance of $1,735,369 as at December 31, 2023. In the year ended December 31, 2023, cash used in operating activities was $1,610,358, driven by the reduction in accounts payable and accrued liabilities from the prior year. During the year ended December 31, 2023, the Company received funds provided by financing activities in the current year.

Related Party Transactions

Key management personnel compensation

Key management includes directors and officers. The remuneration of the key management of the Company during the periods ended December 31, 2023 and 2022 were as follows:

	2023	2022
Geological consulting included in exploration expenses	**$ 65,255**	$ 141,724
Management and consulting fees	**348,800**	339,982
Share-based payments	**73,544**	41,394
	$ 487,599	$ 523,100

Standard Ore Corporation ("Standard Ore") is controlled by a director of the Company. Standard Ore provides corporate and administrative services to the Company. For the year ended December 31, 2023, Standard Ore charged the Company $120,000 (2022 - $120,000) of management fees, which is included in the amounts in the above chart.

As at December 31, 2023, the Company had approximately $5,000 due to officers included in accounts payable (2022 - $10,000).

The following are the balances due from (to) related parties as at December 31, 2023 and 2022:

	2023	2022
Due from Standard Ore Corporation	**$17,476**	$17,476
Due to Baselode Energy Corp.	**-**	(23,941)
Due to Orecap Invest Corp.	**-**	(2,071)
	$17,476	$(8,536)

Baselode Energy Corp and Orecap Invest Corp. have certain directors and officers in common with the Company. A person related to a director of the Company provided services to the Company totalling $9,300 for the year ended December 31, 2023 (2022 - $2,800), and received share-based compensation which totalled $2,000 for the year ended December 31, 2023 (2022 – Nil).

A director and an officer of the Company participated in the December 2023 financing, subscribing to 400,000 units for gross proceeds of $20,000.

All of the amounts payable to related parties are unsecured, non-interest bearing with no fixed terms of repayment.

The Company is exposed in varying degrees to a variety of financial instrument-related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Fair value of financial instruments

The fair value of financial instruments approximates their carrying value due to the short-term maturity of these instruments. The Company had no financial instruments to classify in the fair value hierarchy at December 31, 2023 and 2022.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Amounts receivable are from related parties and the Company believes the risk of loss related to these items is remote. The Company's exposure to credit risk is on its cash held in bank accounts and amounts due from related parties. Cash is held with major banks in Canada. Management assesses credit risk of cash as remote.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company strives to ensure that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash. The Company's accounts payable and accrued liabilities generally have contractual maturities of less than 30 days and are subject to normal trade terms. Amounts due to related party are due on demand. In the long-term, the Company may have to issue additional equity to ensure there is sufficient capital to meet long-term objectives.

Currency and interest rate risk

The Company is not exposed to significant foreign currency risk on financial assets and liabilities that are denominated in a currency other than the Canadian dollar as the balances as at December 31, 2023 are not significant.

Classification of financial instruments

Financial assets and liabilities included in the statement of financial position as at December 31, 2023 and 2022 are as follows:

	December 31, 2023	**December 31, 2022**
Financial assets at amortized costs:		
Cash	**$1,735,369**	$2,777,482
Due from related party	**17,476**	17,476
	$1,752,845	$2,794,958

	December 31, 2023	**December 31, 2022**
Financial liabilities at amortized cost:		
Accounts payable and accrued liabilities	**$84,173**	$728,167
Due to related parties	**-**	26,012
	$84,173	$754,179

Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can provide returns to shareholders and benefits to other stakeholders.

The Company considers the items included in equity as capital. The Company manages the capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through equity offerings or return capital to shareholders.

There can be no assurance that the Company will be successful in its efforts to arrange additional financing, if needed, on terms satisfactory to the Company.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the period ended December 31, 2023. The Company is not subject to externally imposed capital restrictions by a lending institution or regulatory body, other than of the TSX-V which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months.

As of December 31, 2023, the Company believes it is compliant with the policies of the TSX-V.

Equity Securities Issued and Outstanding

As at April 25, 2024:

105,960,880 common shares issued and outstanding
11,400,000 common share options outstanding
8,754,000 warrants issued and outstanding

Corporate Governance Matters

The Company has an independent audit committee and a compensation committee that meets periodically as required to review and approve financial statements and to approve management compensation.

Commitments and Contingencies

The Company's exploration activities are subject to various federal and provincial laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Off Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Risks and Uncertainties

Metal Energy's business of exploring mineral resources involves a variety of operational, financial and regulatory risks that are typical in the natural resource industry. The Company attempts to mitigate these risks and minimize their effect on its financial performance, but there is no guarantee that the Company will be profitable in the future.

Capital Requirements
The Company will require significant capital in order to fund its operating costs and to explore and develop any project. Metal Energy has no revenues and is wholly reliant upon external financing to fund all of its capital requirements. Metal Energy will require additional financing from external sources to meet such requirements. There can be no assurance that such financing will be available to Metal Energy or, if it is, that it will be offered on acceptable terms. If additional financing is raised through the issuance of equity or convertible debt securities of Metal Energy, the interests of shareholders in the net assets of Metal Energy may be diluted. Any failure of Metal Energy to obtain financing on acceptable terms could have a material adverse effect on Metal Energy's financial condition, prospects, results of operations and liquidity and require Metal Energy to cancel or postpone

planned capital investments.

Dependence on Mineral Exploration Projects

Any adverse development affecting the progress of Company's exploration projects such as, but not limited to, obtaining financing on commercially suitable terms, hiring suitable personnel and contractors, or securing supply agreements on commercially suitable terms, may have a material adverse effect on the Company and its business or prospects.

Metal Prices

The development and success of any project of the Company will be primarily dependent on the future spot price of nickel, (and other metals). The nickel spot price, like any other commodity, is subject to significant fluctuation and is affected by a number of factors, which are beyond the control of the Company. Such factors include, but are not limited to, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, global and regional supply and demand, and the political and economic conditions of major nickel-producing countries throughout the world. Future serious nickel price declines could cause any future development of and commercial production from the Company's projects to be impracticable.

Government Regulation, Permits and Licenses

The Company's mineral exploration and potential development activities are subject to various laws governing prospecting, mining, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters. No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration, development or production. Many of the mineral rights and interests of the Company are subject to government approvals, licenses and permits. Such approvals, licenses and permits are, as a practical matter, subject to the discretion of the applicable governments or governmental officials. No assurance can be given that the Company will be successful in maintaining any or all of the various approvals, licenses and permits in full force and effect without modification or revocation. To the extent such approvals are required and not obtained; the Company may be curtailed or prohibited from continuing or proceeding with planned exploration or development of mineral projects.

Where required, obtaining necessary permits and licenses can be a complex, time-consuming process and the Company cannot assure that required permits will be obtainable on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict the Company from proceeding with the development of an exploration project or the operation or further development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in interruption or closure of exploration, development or mining operations or material fines, penalties or other liabilities. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral projects may be required to compensate those suffering loss or damage by reason of such mining activities, and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current laws and regulations governing operations or more stringent implementation thereof could have a substantial adverse impact on the Company and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing projects or require abandonment or delays in development of new mining projects.

Competition

The mining industry is competitive in all of its phases. The Company faces strong competition from other exploration and mining companies in connection with the acquisition of projects producing or capable of producing, precious and base metals. Many of these companies have greater financial resources, operational experience and technical capabilities than Metal Energy. As a result of this competition, Metal Energy may be unable to maintain or acquire attractive mining projects on terms it considers acceptable or at all. Consequently, the financial condition and any future revenues and operations of Metal Energy could be materially adversely affected.

Exploration, Development and Operational Risk
The exploration for, and development of, mineral deposits involve significant risks that even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few projects, which are explored, are ultimately developed into producing mines. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, metal prices which are highly cyclical, and government regulations including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in Metal Energy not receiving an adequate return on invested capital.

The Company does not currently operate a mine on any of its projects. There is no certainty that the expenditures made by Metal Energy towards the search for, and evaluation of, mineral deposits will result in discoveries of commercial quantities of ore. Mining operations generally involve a high degree of risk. Such operations are subject to all the hazards and risks normally encountered in the exploration for, and development and production of nickel. Such hazards and risks include unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of mines and other producing facilities, damage to life or project, environmental damage and possible legal liability. Milling operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas which may result in environmental pollution and consequent liability.

Reliance on Management and Key Employees
The success of the operations and activities of Metal Energy is dependent to a significant extent on the efforts and abilities of its management, a relatively small number of key employees, outside contractors, experts and other advisors. Investors must be willing to rely to a significant extent on management's discretion and judgment, as well as the expertise and competence of its key employees, outside contractors, experts and other advisors. Metal Energy does not have in place formal programs for succession of management and training of management nor does it have key person insurance on its key employees. The loss of one or more of these persons, if not replaced, could adversely affect Metal Energy's operations and financial performance.

No Assurance of Titles, Boundaries or Approvals
Titles to Metal Energy's projects may be challenged or impugned, and title insurance is generally not available. Metal Energy's mineral projects may be subject to prior unregistered agreements, transfers or claims, and title may be affected by, among other things, undetected defects. In addition, Metal Energy may be unable to operate its projects as permitted or to enforce its rights with respect to its projects. Metal Energy cannot assure that it will receive the necessary approval or permits to exploit any or all of its mineral projects in the future. The failure to obtain such permits could adversely affect Metal Energy's operations.

Environmental Risks and Hazards
All phases of Metal Energy's operations are subject to environmental regulation in the jurisdiction in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect Metal Energy's operations. Environmental hazards may exist on the projects in which Metal Energy holds interests which are unknown to Metal Energy at present and which have been caused by previous or existing owners or operators of the projects.

Uninsured Risks
Metal Energy's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labor disputes, unusual or unexpected geological conditions, ground or slope

failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral projects or production facilities, personal injury or death, environmental damage to Metal Energy's projects or the projects of others, delays in development or mining, monetary losses and possible legal liability. Although Metal Energy maintains insurance to protect against certain risks in such amounts as it considers commercially reasonable, its insurance will not cover all of the potential risks associated with its operations. Metal Energy may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration is not generally available to Metal Energy on affordable and acceptable terms. Metal Energy might also become subject to liability for pollution or other hazards which may not be insured against or which Metal Energy may elect not to insure against because of premium costs or other reasons. Losses from these events may cause Metal Energy to incur significant costs that could have a material adverse effect upon its financial condition and results of operations.

Evaluation of Disclosure Controls and Procedures

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence to ensure that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the financial statements; and (ii) the financial statements fairly present in all material respects the financial condition, financial performance and cash flows of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate filed by the Company does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing such certificate are not making any representations relating to the establishment and maintenance of: i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's generally accepted accounting principles (IFRS).

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in such certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Cautionary Note Regarding Forward-Looking Statements

Certain of the statements made and information contained herein is "forward-looking information". These statements relate to future events or the Company's future performance. All statements, other than statements of historical fact, may be forward-looking statements. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "anticipates", "plans", "budget", "scheduled", "continue", "estimates", "forecasts", "expect", "is expected", "project", "propose", "potential", "targeting", "intends", "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might", or "will be taken", "occur" or "be achieved" or the negative connotation thereof. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon by investors as actual results may vary. These statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement. In particular, this MD&A contains forward-looking statements, pertaining to the following: capital expenditure programs, development of resources, treatment under governmental and taxation regimes, expectations regarding the Company's ability to raise capital, expenditures to be made by the Company on its projects and work plans to be conducted by the Company. With respect to forward-looking statements listed above and contained in the MD&A, the Company has made assumptions regarding, among other things:

- uncertainties relating to receiving exploration permits;
- the impact of increasing competition;
- unpredictable changes to the market prices for minerals;
- exploration and developments costs for its projects;
- availability of additional financing and opportunities for acquisitions or joint-venture partners;
- anticipated results of exploration and development activities; and
- the Company's ability to obtain additional financing on satisfactory terms.

The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this MD&A and Financial Statements and Notes to the Financial Statements as at December 31, 2023 and the Annual MD&A and Financial Statements and Notes to the Financial Statements as at December 31, 2022, uncertainties associated with estimating resources; geological, technical, drilling and processing problems; liabilities and risks, including environmental liabilities and risks, inherent in mineral and oil and gas operations; fluctuations in currencies and interest rates; incorrect assessments of the value of acquisitions; unanticipated results of exploration activities; competition for, amongst other things, capital, undeveloped lands and skilled personnel; lack of availability of additional financing and farm-in or joint venture partners and unpredictable weather conditions. Although the Company has attempted to identify important factors that could cause results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Readers are cautioned that the foregoing lists of factors are not exhaustive. Forward looking statements are made as of the date hereof and accordingly are subject to change after such date. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement. The Company does not undertake to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws.

"Stephen Stewart"
On behalf of Metal Energy Corporation*'s Board of Directors*