



# **PROSPECTOR**

Metals Corp.

**PROSPECTOR METALS CORP.**  
**Management's Discussion and Analysis**  
**For the year ended December 31, 2023**  
**Dated April 26, 2024**

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# PROSPECTOR

## Metals Corp.

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

(Expressed in Canadian dollars, unless otherwise noted)

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April 26, 2024

*This management's discussion and analysis ("MD&A") for the year ended December 31, 2023, was prepared by management and approved and authorized for issue on April 26, 2024, for Prospector Metals Corp. (the "Company" or "Prospector") in accordance with International Financial Reporting Standards ("IFRS"). The MD&A should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2023. Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures, and internal controls to ensure that information used internally or disclosed externally, including the MD&A, is complete and reliable. All amounts are in Canadian dollars unless otherwise specified. Additional information is available on the Canadian System for Electronic Document Analysis and Retrieval ("SEDAR") at [www.sedar.com](http://www.sedar.com), and on the Company's website at [www.prospectormetalscorp.com](http://www.prospectormetalscorp.com).*

### **OVERVIEW**

The Company was incorporated on March 12, 2007 under the British Columbia Business Corporations Act. In 2007, the Company completed an initial public offering ("IPO") and was publicly listed as a Capital Pool Company as defined in Policy 2.4 of the TSX Venture Exchange ("the TSX-V"). In 2008, the Company announced a proposed Qualifying Transaction. In July 2009, the TSX-V accepted the Company's Qualifying Transaction and filing statement, and the Company began trading on the TSX-V as a Tier 2 company under the symbol ECC. The Company's principal business activities are the identification, exploration and development of economically viable mineral properties. Subsequent to the year ended December 2021, on April 6, 2022, the Company completed a change of name to Prospector Metals Corp., with a ticker symbol of "PPP" on the TSX-V.

During the year ended December 31, 2023, the Company consolidated its shares on the basis of one post-consolidation common share for each three pre-consolidation common shares. All common shares, stock options, warrants, and per share amounts have been retroactively restated.

For the year ended December 31, 2023

## EXPLORATION INITIATIVES

During the year ended December 31, 2023, the Company incurred the following exploration expenses:

	British Columbia	Ontario	Quebec	Newfoundland	Other	Total
Administration	26,420	104,087	8,778	9,040	85	<b>148,410</b>
Assays	694	89,850	6,400	-	887	<b>97,831</b>
Camp costs	-	216,221	990	4,953	3,037	<b>225,201</b>
Community relations	-	-	-	-	-	<b>-</b>
Drilling	-	169,001	6,007	-	-	<b>175,008</b>
Field equipment	-	1,713	-	-	-	<b>1,713</b>
Geological consulting	74,467	466,760	30,648	52,262	4,076	<b>628,213</b>
Geophysics	69,500	-	-	-	-	<b>69,500</b>
Property maintenance	34,278	32,063	15,114	1,300	-	<b>82,755</b>
Travel	-	15,704	-	-	1,439	<b>17,143</b>
Government grant	-	(310,414)	-	-	-	<b>(310,414)</b>
Other	-	14,372	294	2,710	-	<b>17,376</b>
	<b>205,359</b>	<b>799,357</b>	<b>68,231</b>	<b>70,265</b>	<b>9,524</b>	<b>1,152,736</b>

During the year ended December 31, 2022, the Company incurred the following exploration expenses:

	British Columbia	Ontario	Quebec	Newfoundland	Total
Administration	13,101	49,393	19,244	33,126	<b>114,864</b>
Assays	1,725	95,153	26,749	180,722	<b>304,349</b>
Camp costs	16,688	194,850	494,875	246,193	<b>952,606</b>
Community relations	-	-	200	600	<b>800</b>
Drilling	-	-	-	440,738	<b>440,738</b>
Field equipment	-	20,573	-	20,600	<b>41,173</b>
Geological consulting	123,459	574,226	550,746	756,284	<b>2,004,715</b>
Geophysics	-	90,895	142,680	42,227	<b>275,802</b>
Property maintenance	500	30,573	51,076	3,000	<b>85,149</b>
Travel	991	13,026	72,158	28,796	<b>114,971</b>
	<b>156,464</b>	<b>1,068,689</b>	<b>1,357,728</b>	<b>1,752,286</b>	<b>4,335,167</b>

a) ML Project, Yukon

On January 3<sup>rd</sup>, 2024 Prospector entered into a property purchase agreement to acquire a 100% interest in the ML Property (also known as the Mike Lake Property) from Troilus Gold Corporation. The ML Property encompasses 4,757 hectares within the prolific Tintina Gold Belt, and is located approximately 80 km from Dawson City, Yukon Territory, and 25 km northeast of the former Brewery Creek Gold Mine. The ML Property will be acquired from Troilus Gold Corp through a shares-only purchase agreement. Troilus will become a keystone shareholder and is expected to own 19.9% of the issued shares of Prospector on closing of the transaction.

Highlights:

- The ML Property hosts multiple known prospects over 13.5km trend associated with four identified intrusions and related dike/sill swarms. Target types include intrusion related gold, gold-copper-tungsten skarn, high grade vein, and replacement Au-Ag mineralization associated with a series of Tombstone Suite granitic intrusives.
- Work completed up to 2008 included airborne-ground geophysics, satellite imagery, geologic mapping, extensive rock and soil sampling, and diamond drilling (+16,700m over 117 holes). No significant work has been conducted on the property since 2008. Most of the historic work focused on the Skarn Ridge and North Vein targets. Highlight drill results include:
  - Skarn Ridge: - SK07-001: 1.38 g/t Au & 0.61% Cu over 89.31m(1) - SK08-019: 3.07 g/t Au & 0.74% Cu over 76.18m, including 3.56 g/t Au & 0.9% Cu over 56.58m(1)
  - North Vein: - - NV05-12: 7.86 g/t Au over 12.09m(1) NV05-02: 7.67 g/t Au over 18.43m(1)
- Importantly historical drill efforts focused on only a very small portion on the claim block, and the ML Property is host to dozens of high-grade Au, and Au-Cu surface occurrences identified in historical work that to date have not been drill tested.
- Initial field work at the ML Property will begin in summer 2024 and will consist of a Phase 1 ground evaluation followed by a contingent Phase 2 drill program.
- Prospector is also planning to complete a VTEM geophysical survey on its Devon Ni-Cu property in H1 2024 and remains committed to its portfolio of Ni-Cu properties in Ontario and Quebec.

ML Property Acquisition Agreement Prospector has entered into a property purchase agreement with Troilus Gold Corporation (“Troilus”) to acquire the ML Property with the following key terms:

- 100% interest in the ML Property, Yukon Territory
- Prospector to issue Troilus shares such that Troilus will hold a 19.9% interest in Prospector, on an undiluted basis following closing of the Private Placement Offering (see below)
- Prospector has granted Troilus a Participation Right to maintain its ownership interest should Prospector propose to sell additional securities (Participation Right expires if Troilus falls below 5% interest)
- Troilus has the right to nominate one person to the Board of Directors of Prospector

- Prospector to provide Troilus with a Milestone Payment within 30 days of the completion of a mineral resource estimate, payable in cash or shares (with certain limitations should this result in Troilus holding over 20% of the issued and outstanding shares of Prospector).
  - The Milestone payment shall be \$1 million, if Prospector’s Market Capitalization is less than \$20 million, or
  - \$2 million if Prospector’s Market Capitalization is greater than \$20 million.
- The transaction with Troilus is subject to Prospector completing a concurrent equity financing for gross proceeds of not less than \$1,000,000 (the “Private Placement Offering”).

On March 5, 2024, the Company closed the acquisition subsequent to approval from the TSX Venture Exchange. The Company also issued 9,222,164 common shares to Troilus after giving effect to the share consolidation (Note 7). As a result of the issuance, Troilus holds 19.9% of the issued common shares of the Company.

***b) Savant Lake, Ontario***

On September 1, 2020, the Company entered into an earn-in agreement with New Dimension Resources Ltd. (“New Dimension”) whereby the Company can earn a 70% interest in the Savant Lake gold property located in northwest Thunder Bay, Ontario.

The Company can earn a 70% interest in the Savant Lake property by paying the optionor a total of \$200,000 in cash, issuing 888,889 common shares of the Company, and completing \$2,000,000 in exploration work, as follows:

	Cash		Shares		Work Commitment
Within five days of the execution date	\$50,000	Paid	-		-
Within five days of TSX Venture acceptance	-		222,222	Issued	-
On or before September 20, 2021	-		111,111	Issued	-
On or before November 15, 2022	\$50,000	Paid	222,222	Issued	\$500,000
On or before November 15, 2023	\$50,000		222,222		\$1,000,000
On of before November 15, 2024	\$50,000		111,111		\$500,000

If a mineral resource in excess of one million ounces of gold is defined on the property, the Company will make additional payments to New Dimension of \$50,000 in cash and issue 222,222 common shares of the Company.

During the year ended December 31, 2022, the Company issued 222,222 common shares in accordance with the Savant Lake property earn-in agreement with a fair value of \$90,000 and paid \$50,000 in cash. Due to ongoing community issues, the Company has called Force Majeure and as

a result has not made the November 15, 2023 payment of cash and shares. The claims have been put on hold by the Ontario Ministry, without any payments required until December 2024.

On April 3, 2024, the Company entered into a property acquisition agreement to purchase 100% of the Savant Project from Capella Minerals for a one-time payment of:

- Prospector to make a cash payment to Capella of CAD \$50,000 on closing;
- Prospector to issue Capella 1,000,000 common shares upon closing; and
- Capella to retain a 1% Net Smelter Royalty on any potential future production from the property (with 0.5% being purchasable at any time for CAD \$1,000,000).

On April 10, 2024, the Company paid CAD \$50,000 issued 1,000,000 common shares to Capella in relation to the property acquisition agreement.

### Project Overview

The 229 km<sup>2</sup> Savant Lake gold project is within the Archean-age Savant Lake-Sturgeon Lake Greenstone Belt, 240 km northwest of Thunder Bay, Ontario. The project has the potential for the discovery of both high-grade iron formation and shear-hosted gold deposits, as well as base metal-rich massive sulfide (VMS) deposits.

Six historic, high-grade iron formation-hosted surface gold occurrences have been identified to date within 60 km of cumulative strike length of under-explored iron formation. Furthermore, two shear-hosted gold occurrences are known, and VMS targets also exist in the bimodal volcanic rock sequences exposed on the eastern and southwestern margins of the property. Many of the priority gold and VMS targets have yet to be drill tested.

### Project highlights

- The property contains gold bearing iron formation with an estimated 60 km of prospective strike length on the property.
- High grade gold mineralization at surface and in historical diamond drilling occurs over 10 x 10 Km area and is summarized in the table below:

Showing	Lithology	Best Surface Sample Assay (g/t Au)	Best Historical Drillhole Intercept
Horseshoe	Iron Formation	138.87	Never drilled
Wiggle Creek	Iron Formation	77.50 <sup>1,2</sup>	15.55 g/t Au over 0.4m <sup>1</sup>
Shoal	Iron Formation	46.65 <sup>1,2</sup>	1.87 g/t Au over 0.6m <sup>1</sup>
One Pine	Iron Formation	40.87	23.6 g/t Au over 0.5m <sup>1</sup>
Snowbird	Iron Formation	38.8	Never drilled
L28	Iron Formation	32.35	Never drilled
Stillar Bay	Sheared Iron Formation	4.01 <sup>1,2</sup>	3.26 g/t Au over 1.22m <sup>1</sup>
Big Sandy	Sheared Volcanics	3.64	Never drilled

<sup>1</sup> Historical assay values have not been independently verified by the Company and a potential investor should not place undue reliance on historical results when making an investment decision, nor should they be used as the sole criterion for making investment decisions. There is no assurance that the Company can reproduce such results or that the historical results described therein will be realized. <sup>2</sup> “Best surface samples” are grab / select samples and not necessarily representative of mineralization hosted on the property.

- Geologic mapping and magnetic data suggest there are multiple untested gold favorable sites (fold hinges) in iron formation; important structural controls at the past producing Lupin and Homestake mines.
- The Savant Lake gold occurrences are geologically similar to iron formation hosted gold mines including Goldcorp's Musselwhite Mine, Agnico Eagle's Meadowbank and Amaruq mines, where gold is hosted in altered iron formation and also along contacts with other rock types and structures.
- A recent high resolution mag survey completed by Prospector has added significantly to the data set being utilized for target definition, and several high-priority target areas have now been identified. The Company plans to mobilize field crews in early spring with the intention of ground truthing target areas followed by drilling in Q3, 2021.

On April 10, 2022, the Company announced an exploration update and plans for 2022. Prospector announced plans to mobilize field crews in early May with the intention of ground truthing target areas and conducting property-wide prospecting. A multi-year exploration permit was issued at the beginning of April, 2022. Community and stakeholder consultations are on going.

On June 26, 2022, the Company announced completion of a thorough prospecting and sampling Phase 1 exploration program which included ground truthing key target areas. A total of 594 grab samples were collected during the Phase 1 program for which 155 assays have been received at the time of release.

- Assays received to date from the Wiggle Creek prospect confirm the presence of a gold bearing shear zone (6.72 and 6.13 grams per tonne gold or “g/t Au”) characterized by sheared and silicified iron formation and related metasediments with abundant quartz veining, chloritization, and sulphide mineralization. In addition, new rock grabs collected in previously unsampled areas, 300m and 800m along strike, assayed 2.34, 68.6, 26.5, and 4.3 g/t Au. The Wiggle Creek prospect represents a strike length of 1.3km of known gold bearing structure which remains open in all directions.
  - First pass sampling around the Snowbird and Horseshoe prospect collected a sample 200m north of the known historical occurrence with visible gold. Assays remain pending.
  - A new LiDar survey was completed in June 2022 and data is currently being processed.

For additional information on the Savant Lake project, refer to the Company’s news release dated June 26, 2022.

On August 15, 2022 the Company announced the discovery of a second gold bearing structural corridor at Savant Lake.

- Prospector defined a second, previously unrecognized, structural corridor called the Snowbird-Shoal Deformation Zone which is host to numerous gold occurrences including the Snowbird and Horseshoe occurrences. New sampling in previously unsampled areas around the Snowbird and Horseshoe prospects returned assays of 99.6, 60.0, 20.9, 13.25, 8.39, and 5.63 g/t Au, increasing the known mineralized strike length to 520m.

For additional information on the Savant Lake project, refer to the Company's news release dated August 15, 2022.

***c) Whitton Lake, Ontario (formerly Heaven Lake)***

On March 7, 2021, the Company entered into an earn-in agreement under which the Company may acquire a 100% interest in the 4,400-hectare Whitton Lake claim block by making the following cash and share payments:

	<b>Cash</b>		<b>Shares</b>	
Within five days of the execution date	\$23,300	Paid	-	
Within five days of TSX-V approval	-		222,222	Issued
Within 12 months of signing the earn-in	-		222,222	Issued
Within 24 months of signing the earn-in	-		222,222	Issued

There are no work commitments. There is a 2% NSR. The Company can acquire 1% of the NSR by paying \$1,000,000.

During the year ended December 31, 2022, the Company issued 444,439 common shares with a fair value of \$919,988 to acquire 100% of the Whitton Lake claim block.

On April 3<sup>rd</sup>, 2023, the Company announced the commencement of its maiden diamond drilling program at the Whitton Project. Maiden diamond drilling program of up to 1000m targeted the newly identified, never previously drilled, shallow, steeply dipping electromagnetic conductors (EM) to test for Ni-Cu magmatic sulphides.

On May 23<sup>rd</sup>, 2023, the Company announced drill results. The 2023 maiden drill program consisted of 4 NQ-sized diamond drillholes totaling 826.40m to test the Roadcut Pt-Pd target and the Whitton Ni-Cu sulphide target.

- The two Roadcut holes were spaced approximately 100m apart, were completed to test the anomalous surface Pt and Pd results located on the northwestern margin of the Roadcut Complex. Both drill holes returned significant intervals: 23WL003: 0.49 g/t Pt+Pd over 10.50m from 14m, and 23WL004: 0.46 g/t Pt+Pd over 14.40m from 5.60m. Initial interpretations suggest the holes intersected a single, continuous zone associated with a non-

magnetic gabbroic border phase of the Roadcut Complex. These are the first ever drill holes at Roadcut and mineralization is open along trend and at depth.

- At Whitton, two drill holes totaling 580.73m were completed to test the Whitton geophysical conductor. No significant metal values were intersected in these holes. Additional analysis of the results will be ongoing to ensure the Whitton conductor was adequately tested.

***d) Toogood Claim Group Earn-in Agreement:***

In fiscal 2020, Prospector entered into two earn-in agreements under which Prospector may earn a 100% interest in the Toogood claim group and the McGrath claim group located on New World Island, Newfoundland. These projects are situated to the north-east of the Company's Deep Cove and Virgin Arm properties, The Deep Cove, Virgin Arm, McGrath and Toogood claims are collectively referred to as the Toogood Project.

Toogood Claim Group Earn-in Agreement:

Prospector can earn a 100% interest in the Toogood claim group by making the following cash and share payments:

- Cash payment of \$25,000 on signing (paid)
- 277,778 shares on TSXV approval of the entrance into the earn-in agreement (issued)
- 277,778 shares 12 months following signing (issued).

The vendor retains a 2% NSR royalty, of which the first 1% can be purchased by Prospector for \$1,000,000. There are no work commitments.

During February 2021, a finder's fee of 11,111 common shares were issued in respect of the Toogood claim group transaction.

During the year ended December 31, 2021, Prospector issued 555,555 common shares related to the Toogood property valued at \$1,042,000.

McGrath Claim Group Earn-in Agreement:

Prospector earned a 100% interest in the McGrath claim group by making the following share payments:

- 88,889 shares on TSXV approval of the entrance into the earn-in agreement (issued)
- 88,889 shares 12 months following signing (issued)

During the year ended December 31, 2021, Prospector issued 177,778 common shares related to the McGrath claim group valued at \$376,000.

The vendor retains a 2% NSR royalty, of which the first 1% can be purchased for \$1,000,000. There are no work commitments.

Deep Cove Claim Group Earn-in Agreement:

Prospector can earn a 100% interest in the Deep Cove claim group by making the following cash and share payments:

	Cash		Shares		Work Commitment *
Within five days of the execution date	\$65,000	Paid	-		-
Within five days of TSX Venture	-		66,667	Issued	-
On or before October 29, 2021	\$45,000	Paid	66,667	Issued	\$100,000
On or before October 29, 2022	\$50,000	Paid	88,889	Issued	\$100,000
On or before October 29, 2023	\$120,000	Paid	133,333	Issued	\$100,000

\* Prospector shall incur exploration costs of \$100,000 per year on the Deep Cove claim block.

During the year ended December 31, 2022, the Company paid \$50,000 and issued 88,889 common shares with a fair value of \$36,667 as part of the earn-in agreement on the Deep Cove property (2021 – paid \$45,000 and issued 133,333 common shares valued at \$246,000).

During the year ended December 31, 2023, the Company paid \$120,000 and issued 133,333 common shares with a fair value of \$36,000 as part of the earn-in agreement on the Deep Cove property.

The vendor retains a 2% NSR royalty, of which the first 1% can be purchased for \$1,000,000.

Virgin Arm Claim Group Earn-in Agreement:

Prospector can earn a 100% interest in the Virgin claim group by making the following cash and share payments:

	Cash		Shares	
Within five days of the execution date	\$60,000	Paid	-	
Within five days of TSX Venture	-		44,444	Issued
On or before October 29, 2021	\$75,000	Paid	66,667	Issued
On or before October 29, 2022	\$90,000	Paid	88,889	Issued
On or before October 29, 2023	\$150,000	Paid	133,333	Issued

The vendor retains a 3% NSR royalty, of which the first 1.5% can be purchased for \$1,500,000. There are no work commitments.

During the year ended December 31, 2022, Prospector paid \$90,000 and issued 88,889 common shares related to the Virgin Arm property valued at \$36,667 (2021 – paid \$75,000 and issued 111,111 common shares valued at \$212,000).

During the year ended December 31, 2023, the Company paid \$150,000 and issued 133,333 common shares with a fair value of \$36,000 as part of the earn-in agreement on the Deep Cove property.

Fairbanks Earn-in Agreement:

	Cash		Shares	
Within five days of the execution date	\$50,000	Paid	-	
Within five days of TSX Venture	-		44,444	Issued
On or before June 15, 2022	\$50,000	Paid	33,333	Issued
On or before June 15, 2023	\$50,000	Paid	44,444	Issued
On or before June 15, 2024	\$50,000		66,667	

During the year ended December 31, 2023, the Company paid \$50,000 and issued 44,444 common shares relating to the acquisition of Fairbanks mineral property with a fair value of \$12,667 (December 31, 2022 – issued 33,333 common shares with a fair value of \$34,000).

**Highlights**

- Initial sampling of previously untested outcrops identified numerous showings with visible gold within quartz veins hosted by felsic (tonalite) dykes. Three visible gold samples were assayed by metallic screen returning 572.87 g/t Au, 493.91 g/t Au, and 22.28 g/t Au respectively. This area has not yet been drilled. Note that surface samples are grab/select samples and are not necessarily representative of mineralization hosted on the property.
- These new results define a 100 m by 40 m gold zone which remains open in all directions.
- Initial mapping suggests mineralization may be locally associated with quartz veins that occur along NNE trending faults within sedimentary host rocks. Visible gold occurs in most outcrops of quartz vein stockwork within a strongly sericite silica pyrite altered felsic (tonalite) dike that intruded a dextral strike slip structure. The visible gold has been observed across a range of grain sizes from several mm down to fine grains at the limit of visible detection.
- Localized geological and detailed structural mapping suggests a regional system of NNE-trending dextral and possible WNW conjugate faults including the Virgin Arm and Dildo Run Faults, that cross the Toogood property appear to either immediately predate or was synchronous with dike emplacement, then subsequently reactivated and infiltrated by several hydrothermal events which locally include gold mineralization.
- Prospecting, mapping and sampling will continue with a focus on the dominant gold bearing vein systems, in addition to property -wide airborne magnetics and LiDar surveys over the summer and fall. Localized outcrop stripping, trenching, soil sampling will also be completed during this period and drill targets selected for the fall and winter 2021. Drill permits have been received.

On August 9, 2021, the Company announced bonanza grade weathered sub-crop samples 420m ENE of the new high-grade gold trend in its first pass exploration program at the Toogood property.

### Highlights

- Four weathered sub-crop grab samples with visible gold grading 7,877, 1,276, 1,113, 226 g/t Au, and one additional sample assaying 7 g/t Au are located 420m ENE of the previously announced initial outcrop sampling. Note that surface samples are grab/select samples and are not necessarily representative of mineralization hosted on the property.
- The grab samples are angular, loose, weathered, palm sized quartz vein material in an area of thin cover. They are interpreted to be close to source, covering an area of approximately 40m x 10m. The Toogood project area lacks significant glacial till or erratic boulders due to a low-lying marine incursion approximately 12,000 years ago. As a result, soil and boulders are interpreted as in place weathered sub-crop.
- Initial mapping and prospecting suggest mineralization may be locally associated with quartz veins that occur along NNE trending faults within sedimentary host rocks. Visible gold occurs in outcrops of quartz vein stockwork within a strongly sericite silica pyrite altered felsic (tonalite) dike that intruded a dextral strike slip structure.
- Localized outcrop stripping, trenching, soil sampling will follow up the high-grade sampling, in addition to continued prospecting and mapping property wide.

On November 24, 2021, the Company announced additional bonanza grade outcrop samples at the newly named Quinlan and Titan showings in its first pass exploration program at the Toogood property which encompasses 118km<sup>2</sup> of mineral claims on New World Island, Newfoundland.

### Highlights

- At the Titan showing, additional grab samples with local visible gold graded 2,571.60, 1,146.87, 310.40, 236.86 g/t Au. New stripping and detailed geological mapping and sampling have identified a 40m by 10m wide mineralized zone, open along strike and to depth. Gold is hosted in quartz-ankerite veins within altered shale and greywacke, likely emplaced along west-northwest trending structures. A total of 50 channel samples across five separate channels (total 27.94m) have been collected to test the continuity of mineralization outside of the known visible gold. Channel assays remain pending. Note that surface samples are grab/select samples and are not necessarily representative of mineralization hosted on the property.
- At the newly named Quinlan showing, additional assays of 229.88, 43.07, 19.09, 13.1, 10.79, 5.60, and 4.12 g/t Au are reported from composite chip and grab samples of quartz vein material hosted in an altered felsic dike. New stripping of the outcrop and subsequent geological mapping, and sampling has identified a 90m by 15m wide mineralized zone, open to depth and concentrated in along north-northeast trending structure. A total of 45 channel samples across seven separate channels (total length sampled of 23.5m) have been collected to test the continuity of mineralization outside of the known visible gold. Channel assays are pending.
- A new showing, Sherwood has been identified approximately 1.6km south-east of the Quinlan Showing on the intersection two northeast trending structures. Following up on a 2.11 g/t float sample collected earlier in the season in an area of limited outcrop, multiple outcrop/subcrop of felsic dike and quartz fragments have been uncovered through test pits. Subsequently, a total of 883 soil samples were collected across the target, focused on along the Virgin Arm Fault and related structures. Initial XRF analysis of the soils indicate a large elongate Au anomaly with up to 5551 ppm As aligned with the Virgin Arm Fault for a strike

length of approximately 800m. In addition, 32 of the 833 soil samples that were analysed using the XRF were positive for Au. Visible gold was panned from a number of soils samples with positive Au and high anomalous As XRF results. Local outcrop stripping is ongoing at the core target at Sherwood which will be followed by detailed mapping and sampling.

On May 18, 2022, the Company announced the commencement of diamond drilling at the Toogood property which encompasses 118km<sup>2</sup> of mineral claims on New World Island, Newfoundland.

On Aug 22<sup>nd</sup>, 2022, the Company announced diamond drill results from the Company's Toogood property.

- At the Quinlan Zone, drilling targeted a gold bearing felsic dyke located by surface sampling (see press release dated March 1, 2022). 19 HQ-size drillholes totaling 857.5 m identified a 1.5-4.5 m wide altered felsic dyke hosted in shale striking 020 and dipping at approximately 45 degrees to the southeast. Drilling extends the known surface expression of the dyke to 200 m in strike length and 120 m downdip. Mineralization remains open in all directions. Visible gold in core was identified in 15 of the 19 drillholes. Drill assay results include 23.90 g/t Au over 3.65 m from 4.75m including 43.22 g/t Au over 1.95 m (22QL008), 18.27 g/t Au over 4.25 m from 41.25m including 70.31 g/t Au over 1.05 m (22QL017), and 9.40 g/t Au over 3.18 m from 9.4m including 22.76 g/t Au over 1.1 m (22QL010).
- At the Titan prospect, a total of six HQ drillholes totalling 1,056m were drilled at the Titan prospect and key results include 2.26 g/t over 4.55 from 101.25m including 6.77 g/t over 1.30m, and 5.89 g/t over 0.45m from 163.3m (Figure 1). Gold is hosted in complex quartz-ankerite vein sets within altered shale and greywacke, likely emplaced along west-northwest trending structures. Additional analysis of the structural components is ongoing to better isolate the gold bearing structures identified on surface where grab samples graded 291.47, 168.46, 181.97, 30.75, 29.85, 11.11 g/t Au and channel samples returned assays of 37.14 g/t Au over 0.8 m, 7.0 g/t Au over 0.6 m, 5.89 g/t Au over 3.2 m, 4.33 g/t Au over 0.5 m, 5.03 g/t Au over 0.5 m and 7.25 g/t Au over 0.5 m.
- The Sherwood Zone was identified through prospecting (2.11 g/t float sample in the Virgin Arm Fault vicinity). Subsequent follow-up soil sampling identified a large arsenic in soil anomaly. Subsequent trenching, sampling and detail mapped identified complex structure, felsic dyke outcrops, strong silicification and arsenopyrite mineralization with a broad zone NE trending zone associated with the Virgin Arm Fault. Three areas were stripped at the Sherwood zone revealing a complex structural geology with intense faulting striking at 20-30 degrees as well as later meter-scale, roughly E-W (80-105 degrees) dextral offsets. Subsequent drilling (22SH026 totaling 115 m) tested the soil anomaly and the felsic dyke occurrences in the vicinity of the Virgin Arm Fault. The hole collared in shale and successfully encountered significant fault gouge textures and brecciation with variable amounts of felsic dyke/volcanics, greywacke fragments, quartz ± carbonate veining with trace amounts of pyrite and arsenopyrite. Significant assay results include 0.70 g/t over 2.4 m from 18 m including 0.89 g/t over 1.4 m. These initial results confirm the presence of gold within the Virgin Arm Fault system which be traced for nearly 5 km across the Toogood property and represents a promising target for future exploration.

***e) Devon Project, Ontario***

On January 19, 2023, the Company acquired a 100% interest in the Devon Ni-Cu-PGE Project in Ontario through staking as part of a broader Ni-Cu-PGE exploration strategy with a focus on high-grade, conduit-hosted deposits hosted within under-explored large igneous provinces.

**Devon Project Highlights:**

The Devon Project comprises 12,200 hectares acquired through staking, 50km SW of Thunder Bay Ontario, and is road accessible.

- The Devon Project lies on the Archean craton margin, covered by a sulfide-bearing sedimentary basin, a known ideal geotectonic setting for major magmatic sulfide deposits.
- The region is intruded by numerous mafic-ultramafic intrusives (Crystal Lake Gabbro, Pigeon River and Logan intrusives), mostly dyke-form intrusions, which can contain disseminated to locally massive magmatic Ni-Cu sulfides with PGEs. The dykes are emplaced along normal faults which provide ideal conduits for deep seated fertile mafic magmas to rise quickly through the crust without losing their chalcophile elements or PGEs.
- Target deposits are analogous to Eagle & Eagle East, MI, USA Tamarack, MN, USA, and Voisey's Bay Reed Brook Zone, NL (massive to net textured high-grade Ni-Cu-PGE deposits) or Current Lake, Ontario (PGE-dominant, heavily disseminated magmatic sulfides).
- Major Pigeon River dykes form part of an east- to northeast trending swarm that transect the property and are typically 50 -70m in width but are locally up to 150 m wide. The dykes locally bifurcate, as well as change orientation from dykes to sill-form intrusions. These geometric complexities favor accumulation of magmatic sulfides in various structural and intrusive traps.
- Historical occurrences associated with the dykes and mafic-ultramafic intrusions include 0.4% Cu, 0.17% Ni over 12.19m in drill core collared near Crystal Lake <sup>1,2</sup>, and numerous grab samples anomalous in Cu, Ni, and PGE's (For example: 0.51 % Cu and 0.24% Ni, 0.46 Cu % and 0.3% Ni and 2.3% Cu, 1.2% Ni, 0.05% Co, and 0.62 ppm Pd <sup>1,2</sup>).
- Significant portions of the area remain underexplored despite its favourable setting and ease of access. Most of the historic work in the west was focused on vein and breccia hosted silver mineralization.

On June 29<sup>th</sup> 2023, the Company announced initial results from prospecting work on the property. Geological field reconnaissance was conducted on the Devon Project in May 2023 to assess known historical Ni-Cu-PGE occurrences and prospect additional untested areas along the strike extents of some known well mineralized intrusions and gain broader knowledge of the internal characteristics of the various mafic intrusions and their potential temporal relationships.

- A total of 93 grab samples were collected from outcrop and angular boulders ranging from below detection up to 1.125 % Cu, 0.53 % Ni, and 3.54 g/t Pd+Pt, and 0.123 % Co.
- At the Copper Hill Occurrence, angular boulders returned assays of up to **1.125 % Cu, 0.4 % Ni, and 2.35 g/t Au+Pd+Pt and 1.015 % Cu, 0.298 % Ni, and 3.81 g/t Au+Pd+Pt.** Over a dozen similarly mineralized angular blocks were noted within an area several hundred metres in extent, ranging from 15 cm cobbles up to several angular boulders greater than 1 m in diameter. Most of the boulders were imbedded in reddish matrix-supported glacial till that is up to a few metres maximum thickness and capped by
- thin organic soil cover, indicating that the boulders were naturally emplaced within the till.
- Multiple occurrences along the Pigeon River dykes were identified in outcrop returned assays of up to **0.73 % Cu, 0.53% Ni, 0.114 % Co, and 0.22 g/t Au+Pd+Pt, 0.64 % Cu, 0.437 % Ni, and 0.267 g/t Au+Pd+Pt, and 0.47% Cu, 0.097 % Ni, and 0.404 g/t Au+Pd+Pt.**
- Highly encouraging results warrant a regional helicopter borne VTEM survey that will help to isolate the sulphidic dykes at or near surface and those obscured under cover.

## ANNUAL FINANCIAL INFORMATION

The following table summarizes selected financial data reported by Prospector for the years ended December 31, 2023, 2022 and 2021. The information set forth should be read in conjunction with the audited consolidated financial statements, prepared in accordance with IFRS, and the related notes thereon. All amounts are in Canadian dollars, unless otherwise specified.

	For the years ended December 31,		
	2023	2022	2021
<b>Revenue</b>	\$ -	\$ -	\$ -
<b>Expenses</b>			
Consulting fees	(538,570)	\$ (978,111)	(822,874)
Depreciation expense	(26,959)	(21,823)	-
Exploration and project evaluation	(1,152,736)	(4,335,167)	(6,084,430)
Investor relations	(226,618)	(377,713)	(405,931)
Listing and filing fees	(43,270)	(86,159)	(84,574)
Office and administrative	(241,365)	(377,040)	(190,323)
Professional fees	(246,585)	(243,930)	(248,766)
Rent	(27,907)	(32,890)	(19,662)
Share-based compensation	(276,536)	(404,679)	(1,298,448)
Travel	(111,865)	(87,537)	(12,952)
Loss before the undernoted	(2,892,411)	(6,945,049)	(9,167,960)

For the year ended December 31, 2023

<b>Other income (expenses)</b>			
Change in fair value of investments	208,877	(659,390)	(379,217)
Realized loss on sale of investments	-	-	(39,483)
Foreign exchange (loss)/gain	(1,299)	(3,698)	(4,056)
Interest income	30,434	34,933	24,284
Other income from settlement of flow-through	216,806	753,566	842,777
Impairment of exploration and evaluation assets	(1,771,912)	(527,500)	(47,001)
Write-off of amounts receivable	(152,230)	(238,059)	-
Other income	-	17,378	3,254,240
<b>Net loss and comprehensive loss for the year</b>	<b>\$ (4,307,735)</b>	<b>\$ (7,567,819)</b>	<b>\$ (5,516,416)</b>
<b>Basic and diluted loss per common share</b>	<b>\$ (0.21)</b>	<b>\$ (0.42)</b>	<b>\$ (0.42)</b>

	<b>As at December 31,</b>		
	<b>2023</b>	<b>2022</b>	<b>2021</b>
Cash and cash equivalents	\$ 460,002	\$ 887,341	\$ 3,558,391
Total assets	7,803,612	11,164,002	13,983,367
Non-current financial liabilities	-	-	-
Cash dividend declared	\$0.00	\$0.00	\$0.00

***Year ended December 31, 2023 compared to the year ended December 31, 2022***

Total net loss was significantly lower than the prior year which was largely driven by the decrease in exploration and evaluation expenses which was due to a general decrease in exploration activity in certain projects during the year. A number of projects were also impaired during the year, thus discontinuing the exploration of these projects and driving down expenses. However, the various E&E asset write offs during the year resulted in higher impairment expense in the year compared to the previous year. The decrease in exploration activities as well as business and financing activities resulted in lower consulting fees, office and administrative expenses, and professional fees compared to the prior year. Share-based compensation was granted to directors, officers, and consultants of the company. The decrease in stock-based compensation was a result of a lower number of options granted as compared to the prior years. Non-cash income from the settlement of flow-through liability varies from year to year, driven by the flow through expenses incurred.

***Year ended December 31, 2023 compared to the year ended December 31, 2021***

Total net loss during the year ended December 31, 2023 was significantly lower than the net loss during the year ended December 31, 2021 due to the decrease in exploration and evaluation expenses which was driven by a general decrease in exploration activity in certain projects during the year. A number of projects were also impaired during the year, thus discontinuing the exploration of these projects and driving down expenses. However, the various E&E asset write offs during the year resulted in higher impairment expense in the year compared to 2021 when the properties were recently acquired. The decrease in exploration

activities as well as business and financing activities resulted in lower consulting fees, office and administrative expenses, and professional fees compared to the prior year. The sale of investments during the year also contributed to the decrease in net loss. Non-cash income from the settlement of flow-through liability varies from year to year, driven by the flow through expenses incurred. Share-based compensation was granted to directors, officers, and consultants of the company. The decrease in stock-based compensation was a result of a lower number of options granted as compared to the prior years. Quebec sales tax receivables have been written off in the last two years, resulting in a write-off expense which was nil in 2021.

Cash and cash equivalents balances fluctuate year over year. The cash balance is lower in 2023 as compared to the previous years due to less financing via private placement during the year.

The investment balance decreased significantly as a result of a sale of investments during the year. The decrease in accounts payable and accrued liabilities is due to timing differences as well as the general decrease in exploration activities, which is in line with the decrease in exploration expenses as mentioned above.

## QUARTERLY RESULTS

The following table summarizes selected financial information from the Company's unaudited condensed interim consolidated financial statements, prepared in accordance with IFRS for the last eight quarters. All amounts are in Canadian dollars, unless otherwise specified.

	<b>3 months ended December 31, 2023</b>	<b>3 months ended September 30, 2023</b>	<b>3 months ended June 30, 2023</b>	<b>3 months ended March 31, 2023</b>
Total revenue	\$ -	\$ -	\$ -	\$ -
Interest income	5,954	2,729	17,249	4,501
Net loss	(1,500,520)	(1,018,858)	(989,996)	(798,362)
Loss per common share, basic and diluted	(0.07)	(0.06)	(0.06)	(0.03)

	<b>3 months ended December 31, 2022</b>	<b>3 months ended September 30, 2022</b>	<b>3 months ended June 30, 2022</b>	<b>3 months ended March 31, 2022</b>
Total revenue	\$ -	\$ -	\$ -	\$ -
Interest income	6,939	10,161	13,635	4,198
Net loss	(1,696,147)	(2,050,138)	(3,665,200)	(156,334)
Loss per common share, basic and diluted	(0.12)	(0.09)	(0.21)	(0.00)

### *Three months ended December 31, 2023 statement of losses compared with previous quarters*

Interest income fluctuates as it depends on the balance of short-term cash investments from quarter to quarter and the interest rate on short term investments.

For the year ended December 31, 2023

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In general, there are no systematic identifiable factors that cause variations in the selected quarterly financial information. Losses are different due to timing of exploration expenditures which is dependent on workability due to weather and availability of financing.

Net losses were highest in Q2 and Q3 2022 which was largely driven by the change in fair value of investments as well as exploration expenses being the highest during those periods which have since decreased. Fluctuations in exploration activities throughout the year are as expected and impact the movement in total expenses quarter over quarter. The general decrease in net loss during the fiscal year 2023 is attributable to less exploration activities occurring during the year and the period as compared to the prior periods. However, a number of projects were impaired in 2023, particularly during the 3 months ended December 31, 2023 thus resulting in an increased net loss arising from the higher write off expense in the 3-month period.

## LIQUIDITY AND CAPITAL RESOURCES

A summary of the Company's cash position and changes in cash and cash equivalents for:

	<b>For the year ended December 31,</b>		
	<b>2023</b>	<b>2022</b>	<b>2021</b>
Cash used in operating activities	\$ (3,214,478)	(6,256,484)	(7,428,886)
Cash provided by (used in) investing activities	1,579,482	252,663	135,217
Cash provided by financing activities	1,207,657	3,332,771	8,000,183
Decrease in cash	\$ (427,339)	(2,671,050)	706,514
Cash and cash equivalents, end of year	460,002	887,341	3,558,391

### *Year ended December 31, 2023 compared December 31, 2022*

Cash used in operating activities for the year ended December 31, 2023 was \$3,214,479 (2022 - \$6,256,484). This was lower than the comparative year mainly due to the decrease in net losses as well as lower changes in non-cash working capital related to accounts payable, amounts receivable, and prepaids.

Cash provided by investing activities for the year ended December 31, 2023 was \$1,579,482 (2022 – \$252,663). This was higher in the current year due to liquidation of money market securities. The 2022 cash outflow was related to the acquisition of equipment.

Cash provided by financing activities for the year ended December 31, 2023 was \$1,207,657 (2022 - \$3,332,771). This variance was due to the difference in private placement size.

The Company's financial liabilities, comprised of accounts payable, accrued liabilities, and amounts due to related parties, and they are all due on demand.

The Company is in the exploration stage and its source of working capital to date has been solely from the issuance of equity. The Company has sufficient funds to fund its future administrative costs, acquisition,

For the year ended December 31, 2023

exploration or development costs if it is able to find a suitable project. Depending on the type of project it acquires, the Company will likely need to raise additional financing through issuance of debt or equity to meet its future exploration, development and administrative requirements.

## SHAREHOLDERS' EQUITY

The Company's authorized capital stock consists of an unlimited number of common shares without par value.

During the year ended December 31, 2023, the Company consolidated its shares on the basis of one post-consolidation common share for each three pre-consolidation common shares. All common shares and per share amounts have been retroactively restated.

As at December 31, 2023 and the date of this report, the Company had:

Date	Number of common shares	Number of stock options	Number of warrants
<b>Balance – as at December 31, 2023</b>	<b>21,154,158</b>	<b>2,077,548</b>	<b>1,552,587</b>
Issued	25,979,739	300,000	8,125,448
Expired	-	-	(668,808)
<b>Balance – as at date of report</b>	<b>47,133,897</b>	<b>2,377,548</b>	<b>9,009,227</b>

The table below provides a summary of the warrants outstanding as at the date of this report:

Expiry date	Outstanding and exercisable warrants	Weighted average exercise price	Weighted average remaining life (in years)
March 25, 2025	27,778	\$0.63	1.23
March 25, 2025	26,360	\$0.90	1.23
March 27, 2025	774,086	\$0.90	1.24
November 17, 2025	55,555	\$3.60	1.88
March 5, 2026	8,125,446	\$0.30	1.85
<b>Balance, as at date of report</b>	<b>9,009,225</b>	<b>\$0.37</b>	<b>1.40</b>

For the year ended December 31, 2023

The table below provides a summary of the stock options outstanding as at the date of this report:

<b>Expiry date</b>	<b>Outstanding and Exercisable Options</b>	<b>Weighted Average Exercise Price</b>	<b>Weighted Average Remaining contractual life (in years)</b>
May 31, 2024	66,666	\$1.80	0.08
November 5, 2025	405,553	\$1.98	1.52
May 20, 2026	367,775	\$2.04	2.05
August 3, 2026	55,555	\$3.78	2.26
October 8, 2026	183,332	\$2.34	2.44
April 21, 2027	333,333	\$1.86	2.98
December 1, 2027	16,667	\$1.80	3.59
March 27, 2028	648,667	\$0.63	3.91
March 11, 2029	300,000	\$0.22	4.87
	2,377,548	\$1.64	2.63

## **TRANSACTIONS WITH RELATED PARTIES**

Related party transactions are recorded at the exchange amount as agreed to by the parties. Related party transactions not otherwise disclosed in these financial statements are:

	December 31, 2023	December 31, 2022
Consulting fees	\$ 387,000	750,924
Share-based compensation	201,220	242,500
	\$ 588,220	993,424

\*Prospector Metals Corp. and Nevada King Gold Corp. have a common director namely, Craig Roberts. He is the Co-Chairman of Prospector Metals Corp. and director of Nevada King Gold Corp.

### **Due to/from related parties**

As at December 31, 2023, the amount due to related parties is \$115,954 (December 31, 2022 – \$215,980). This balance includes a promissory note of \$101,625 (December 31, 2022 - \$Nil) due to a director of the Company. The note payable is unsecured and non-interest bearing, and matured on December 31, 2023.

### **Other related party transactions**

During the year ended December 31, 2023, \$12,000 (2022 - \$13,500) was received for rent from a former director of the Company.

## **FLOW THROUGH SHARE PREMIUM LIABILITY**

Flow-through share premium liabilities include the liability portion of the flow-through shares issued. The following is a continuity schedule of the liability portion of the flow-through shares issuance.

<b>Balance at December 31, 2021</b>	<b>\$ 522,991</b>
Liability incurred on flow-through shares	<b>299,608</b>
Settlement of flow-through share liability on incurring expenditures	(753,566)
<b>Balance at December 31, 2022</b>	<b>\$ 69,033</b>
Liability incurred on flow-through shares	350,563
Settlement of flow-through share liability on incurring expenditures	(216,806)
<b>Balance at December 31, 2023</b>	<b>202,790</b>

On April 8, 2022, the Company closed private placements for gross proceeds of \$1,287,671. The Private Placements consisted of the issuance of 395,856 National flow-through shares priced at \$2.16, 71,166 Ontario flow-through shares priced at \$2.25, and 121,111 Quebec flow-through shares priced at \$2.25. A premium was received for the flow-through shares resulting in an initial liability of \$299,608.

On March 27, 2023, the Company closed non-brokered private placements consisting of Ontario charity flow-through units offered at a price of \$0.84 per Charity FT Unit and Ontario flow-through units offered at a price of \$0.63 per ON FT Unit for gross proceeds to the company of \$1,140,130. In connection with the closing of the Offering, the Company issued an aggregate total of 1,548,171 flow-through units with each flow-through unit being comprised of one flow-through share and one half of one common share purchase warrant (each whole warrant, a “Warrant”). In connection with the private placement closed, a premium was received for the flow-through shares resulting in an initial liability of \$350,563.

The flow-through liability is amortized to Other Income in the Statement of Loss and Comprehensive Loss, based on the percentage of the eligible expenditures incurred during the year. As at December 31, 2023, the Company has an obligation to spend \$516,192 by December 31, 2024, by which time the outstanding flow-through share premium liability of \$202,790 will be settled when these flow-through expenditures are incurred.

## **REGULATORY DISCLOSURES**

### **Off balance sheet arrangements**

As at the date of this report, the Company does not have any off-balance sheet arrangements other than as disclosed else where in this document.

## Proposed Transactions

As at the date of this report, the Company does not have any proposed transactions other than as disclosed else where in this document.

## Financial instruments

### Fair value

The fair values of the Company's cash, investments, accounts payable and accrued liabilities, and other liabilities approximate their carrying values due to their short-term nature. The Company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk and market risk with respect to currency risk and interest risk. The following table summarize the Company's financial instruments as of December 31, 2023 and December 31, 2022:

	December 31, 2023	December 31, 2022
	\$	\$
<b>Financial Assets</b>		
Amortized cost:		
Cash	460,002	887,341
Fair value through profit and loss:		
Investments	68,262	1,758,867
<b>Financial Liabilities</b>		
Amortized cost:		
Accounts payable and accrued liabilities	199,693	624,402

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

Cash and investments are carried at fair value using a Level 1 fair value measurement. Accounts payable and accrued liabilities approximate their carrying values due to their short-term maturities which is the amount presented on the statement of financial position.

The Company is exposed to credit risk, liquidity risk and interest rate risk from its financial instruments which include cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities. The Company is not exposed to significant market or other price risks.

### **Credit risk**

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's cash and short-term investments are on deposit at a major financial institution. Amounts receivables consist primarily of goods and services tax refunds due from the Government of Canada and are neither past due nor impaired. As such, the Company considers its exposure to credit risk to be minimal.

### **Liquidity risk**

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they come due. The Company is exposed to liquidity risk through its accounts payable, accrued liabilities and amounts due to related parties, which are all due on demand. The Company uses cash forecasts to ensure as far as possible that there is sufficient cash on hand to meet short-term business requirements. Cash is invested in highly liquid investments which are available to discharge obligations when they come due.

### **Interest rate risk**

Interest rate risk is the risk that changes in interest rates will affect the fair value or future cash flows of the Company's financial instruments. The Company is exposed from time to time to interest rate risk as a result of holding fixed rate temporary investments of varying maturities. The Company reduces the risk that it will realize a loss as a result of a decline in the fair value of these investments by limiting these investments to highly liquid securities with short-term maturities.

### **Price risk**

The Company has limited exposure to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market.

### **Capital management**

The Company's objectives when managing capital are to safeguard its ability to pursue its objectives. The Company measures its capital as its shareholders' equity. The Company's primary source of capital is the issuance of equity.

The Company manages and adjusts its capital structure whenever changes in economic conditions occur. To maintain or adjust the capital structure, the Company may seek additional funding.

The capital structure of the Company consists of the following:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
	<b>\$</b>	<b>\$</b>
Current assets	1,261,244	3,301,430
Current liabilities	(504,108)	(693,435)

Working capital surplus or net current assets	757,136	2,607,995
Shareholders' equity	7,299,504	10,470,567
	8,056,640	13,078,562

The Company may require additional funding to meet its administrative overhead expenses in the long term. The Company believes it will be able to raise capital as required but recognizes there will be risks involved that may be beyond its control.

The Company expects its current capital resources will be sufficient to carry out its exploration plans and operations through at least the next twelve months. There are no external restrictions on the Company's capital,

### **Critical accounting estimates**

The preparation of financial statements requires management to make estimates and judgments and form assumptions that affect the reported amounts and other disclosures in the financial statements. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Critical accounting estimates are estimates and assumptions made by management that may result in material adjustments to the carrying amount of assets and liabilities within the next financial year. Critical estimates used in the preparation of these financial statements include, among others, the recoverability of amounts receivable and deferred tax assets, impairment of assets, measurement of share-based payments and valuation of reclamation obligations.

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments. Critical accounting judgments include the expected economic lives of and the estimated future operating results and net cash flows from property and equipment.

Mineral interests and other assets owned are recorded at cost less accumulated depreciation and accumulated impairment losses. All direct costs related to the acquisition of mineral properties are capitalized until the properties to which they relate are ready for their intended use, sold, abandoned or management has determined there to be impairment. On the commencement of commercial production, net capitalized costs are charged to operations on a unit-of-production basis, by property, using estimated proven and probable recoverable reserves as the depletion base.

Although the Company has taken steps to verify title to the mineral properties in which it has an interest, in accordance with industry standards for properties in the exploration stage, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and noncompliance with regulatory requirements.

Exploration and evaluation expenditures, inclusive of exploration programs required under option agreements, net of incidental revenues, are charged to operations in the period incurred, until such time as it has been determined that a property has economically recoverable reserves and a decision to commence commercial production has occurred, in which case subsequent exploration expenditures and the costs incurred to develop a property are capitalized. Exploration and evaluation expenditures include value-added taxes and presumptive income taxes incurred in foreign jurisdictions when recoverability of these taxes is uncertain.

From time to time, the Company grants common share purchase options to directors, officers, employees, and non-employees. The Company uses the fair value method of accounting for options granted under its share purchase option plan. Options granted to directors, officers and employees are measured at fair value, which is charged to operations over the applicable vesting period, with an offsetting credit to share option reserves. Options granted to non-employees are measured at fair value of goods and services received, which is charged to operations at the date the options are fully vested, with an offsetting credit to share option reserves. The cumulative expense is recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company's best estimate of the number of equity instruments that will ultimately vest. Cash received on the exercise of share options is recorded in share capital and the related compensation included in share option reserves is transferred to share capital to recognize the total consideration for the shares issued.

### **Critical estimates, change in accounting policies, significant accounting policies, accounting policies not yet adopted**

Please refer to the audited annual financial statements for the year ended December 31, 2022 and audited annual financial statements for the year ended December 31, 2023, which was filed on SEDAR.

## **OTHER MD&A REQUIREMENTS**

### **Risks and Uncertainties**

The Company has not commenced commercial operations and has no assets other than cash and mineral property agreements under option. It has no history of earnings, and it is not expected to generate earnings or pay dividends in the foreseeable future.

### ***Metal Price Fluctuations***

The potential profitability of the precious and base metal exploration projects in which the Company has an interest will be significantly affected by changes in the market prices of precious metals and vanadium. Prices for metals fluctuate on a daily basis, have historically been subject to wide fluctuations and are affected by numerous factors beyond the control of the Company such as the level of interest rates, the rate of inflation, central bank transactions, world supply of metals, foreign currency exchange rates, international investments, monetary systems, speculative activities, international economic

conditions and political developments. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving adequate returns on invested capital or the investments retaining their respective values. Declining market prices for these metals could materially adversely affect the Company's operations and profitability.

#### ***Fluctuations in the Price of Consumed Commodities***

Prices and availability of commodities consumed or used in connection with exploration, development and mining, such as natural gas, diesel, oil, electricity, cyanide and other reagents fluctuate affecting the costs of exploration in our operational areas. These fluctuations can be unpredictable, can occur over short periods of time and may have a materially adverse impact on our operating costs or the timing and costs of various projects.

#### ***Foreign Exchange Rate Fluctuations***

Operations may be subject to foreign currency exchange fluctuations. The Company to-date has raised its funds through equity issuances which are priced in Canadian dollars, and until recently the majority of the exploration costs of the Company were denominated in United States dollars. The Company may suffer losses due to adverse foreign currency fluctuations.

#### ***Competitive Conditions***

Significant competition exists for natural resource acquisition opportunities. As a result of this competition, some of which is with large, well established mining companies with substantial capabilities and significant financial and technical resources, the Company may be unable to either compete for or acquire rights to exploit additional attractive mining properties on terms it considers acceptable. Accordingly, there can be no assurance that the Company will be able to acquire any interest in additional projects that would yield reserves or results for commercial mining operations.

#### ***Operating Hazards and Risks***

Exploration activities may generally involve a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. These risks include, but are not limited to, the following: environmental hazards, industrial accidents, third party accidents, unusual or unexpected geological structures or formations, fires, power outages, labour disruptions, floods, explosions, cave-ins, land-slides, acts of God, periodic interruptions due to inclement or hazardous weather conditions, earthquakes, war, rebellion, revolution, delays in transportation, inaccessibility to property, restrictions of courts and/or government authorities, other restrictive matters beyond the reasonable control of the Company, and the inability to obtain suitable or adequate machinery, equipment or labour and other risks involved in the normal course of exploration activities.

Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of precious metals and vanadium, any of which could result in work stoppages, delayed production and resultant losses, increased production costs, asset write downs, damage to or destruction of mines and other producing facilities, damage to life and property, environmental damage and possible legal liability for any or all damages. The Company may become subject to liability for pollution, cave-ins or hazards against which it cannot insure or against which it may elect not to insure. Any compensation for such liabilities may have a material, adverse effect on the Company's financial position.

### ***Infrastructure***

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. The lack of availability of acceptable terms or the delay in the availability of any one or more of these items could prevent or delay exploitation or development of the Company's projects. If adequate infrastructure is not available in a timely manner, there can be no assurance that the exploitation or development of the Company's projects will be commenced or completed on a timely basis, if at all.

### ***Exploration and Development***

There is no assurance given by the Company that its exploration and development programs and properties will result in the discovery, development or production of a commercially viable ore body or yield new reserves to replace or expand current reserves.

The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. At this time, none of the Company's properties have any defined ore-bodies with proven reserves.

The economics of developing mineral properties containing gold, silver, copper, vanadium and other metals are affected by many factors including capital and operating costs, variations of the tonnage and grade of ore mined, fluctuating mineral markets, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. Depending on the prices of gold, silver, copper vanadium or other metals and minerals produced, the Company may determine that it is impractical to commence or continue commercial production. Substantial expenditures are required to discover an ore-body, to establish reserves, to identify the appropriate metallurgical processes to extract metal from ore, and to develop the mining and processing facilities and infrastructure. The marketability of any minerals acquired or discovered may be affected by numerous factors which are beyond the Company's control and which cannot be accurately foreseen or predicted, such as market fluctuations, conditions for metals, the proximity and capacity of milling and smelting facilities, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting minerals and environmental protection. In order to commence exploitation of certain properties presently held under exploration concessions, it is necessary for the Company to apply for an exploitation concession. There can be no guarantee that such a concession will be granted. Unsuccessful exploration or development programs could have a material adverse impact on the Company's operations and profitability.

### ***Business Strategy***

As part of the Company's business strategy, it has sought and will continue to seek new exploration and development opportunities in the mining industry. In pursuit of such opportunities, it may fail to select appropriate acquisition candidates, negotiate appropriate acquisition terms, conduct sufficient due diligence to determine all related liabilities or to negotiate favourable financing terms. The Company may encounter difficulties in transitioning the business, including issues with the integration of the acquired businesses or its personnel into the Company. The Company cannot assure that it can complete any acquisition or business arrangement that it pursues, or is pursuing, on favourable terms, or that any acquisitions or business arrangements completed will ultimately benefit its business.

### ***Environmental Factors***

All phases of the Company's operations are subject to environmental regulation in the jurisdictions in which it operates. 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 any future changes in environmental regulation, will not adversely affect the Company's operations. The costs of compliance with changes in government regulations have the potential to reduce the profitability of future operations. Environmental hazards that may have been caused by previous or existing owners or operators may exist on the Company's mineral properties but are unknown to the Company at the present.

### ***Title to Assets***

Although the Company has or will receive title opinions for any properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned. The Company has not conducted surveys of the claims in which it holds direct or indirect interests and, therefore, the precise area and location of such claims may be in doubt. The Company's claims may be subject to prior unregistered agreements or transfers, or native land claims, and title may be affected by unidentified or unknown defects. The Company has conducted as thorough an investigation as possible on the title of properties that it has acquired or will be acquiring to be certain that there are no other claims or agreements that could affect its title to the concessions or claims. If title to the Company's properties is disputed, it may result in the Company paying substantial costs to settle the dispute or clear title and could result in the loss of the property, which events may affect the economic viability of the Company.

### ***Uncertainty of Funding***

The Company has limited financial resources, and the mineral claims in which the Company has an interest or an option to acquire an interest require financial expenditures to be made by the Company. There can be no assurance that adequate funding will be available to the Company so as to exercise its option or to maintain its interests once those options have been exercised. Further exploration work and development of the properties in which the Company has an interest or option to acquire depend upon the Company's ability to obtain financing through joint venturing of projects, debt financing or equity financing or other means. Failure to obtain financing on a timely basis could cause the Company to forfeit all or parts of its interests in mineral properties or reduce or terminate its operations.

### ***Agreements with Other Parties***

The Company has entered into agreements with other parties relating to the exploration, development and production of its properties. The Company may in the future, be unable to meet its share of costs incurred under agreements to which it is a party, and the Company may have its interest in the properties subject to such agreements reduced as a result. Furthermore, if other parties to such agreements do not meet their share of such costs, the Company may be unable to finance the costs required to complete recommended programs.

### ***Potential Conflicts of Interest***

The directors and officers of the Company may serve as directors and/or officers of other public and private companies and may devote a portion of their time to manage other business interests. This may

result in certain conflicts of interest. To the extent that such other companies may participate in ventures in which the Company is also participating, such directors and officers of the Company may have a conflict of interest in negotiating and reaching an agreement with respect to the extent of each company's participation. The laws of British Columbia, Canada, require the directors and officers to act honestly, in good faith, and in the best interests of the Company and its shareholders. However, in conflict of interest situations, directors and officers of the Company may owe the same duty to another company and will need to balance the competing obligations and liabilities of their actions.

There is no assurance that the needs of the Company will receive priority in all cases. From time to time, several companies may participate together in the acquisition, exploration and development of natural resource properties, thereby allowing these companies to: (i) participate in larger properties and programs; (ii) acquire an interest in a greater number of properties and programs; and (iii) reduce their financial exposure to any one property or program. A particular company may assign, at its cost, all or a portion of its interests in a particular program to another affiliated company due to the financial position of the company making the assignment. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, it is expected that the directors and officers of the Company will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

### ***Third Party Reliance***

The Company's rights to acquire interests in certain mineral properties have been granted by third parties who themselves may hold only an option to acquire such properties. As a result, the Company may have no direct contractual relationship with the underlying property holder.

### ***Assurance on Financial Statements***

We prepare our financial reports in accordance with accounting policies and methods prescribed by IFRS and previously under Canadian GAAP. In the preparation of financial reports, management may need to rely upon assumptions, make estimates or use their best judgment in determining the financial condition of the Company. Significant accounting policies and practices are described in more detail in the notes to our condensed interim consolidated financial statements and audited annual consolidated financial statements for the year ended December 31, 2022. In order to have a reasonable level of assurance that financial transactions are properly authorized, assets are safeguarded against unauthorized or improper use and transactions are properly recorded and reported, we have implemented and continue to analyze our internal control systems for financial reporting. Although we believe our financial reporting and financial statements are prepared with reasonable safeguards to ensure reliability, we cannot provide absolute assurance in that regard.

### ***General Economic Conditions***

The unprecedented events in global financial markets during the last few years have had a profound effect on the global economy. Many industries, including the gold, silver, and vanadium mining industry, are affected by these market conditions. Some of the key effects of the current financial market turmoil include contraction in credit markets resulting in a widening of credit risk, devaluations and high volatility in global equity, commodity, foreign exchange and precious metal markets, and a lack of market liquidity. A continued or worsened slowdown in the financial markets or other economic conditions, including but not limited to, consumer spending, employment rates, business conditions,

inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates, and tax rates may adversely affect the Company's growth and profitability.

***Substantial Volatility of Share Price***

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the securities of many mineral exploration companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. The price of the Company's common shares is also likely to be significantly affected by short-term changes in mineral prices or in the Company's financial condition or results of operations as reflected in its quarterly financial reports.

***Potential dilution of present and prospective shareholdings***

In order to finance future operations and development efforts, the Company may raise funds through the issue of common shares or the issue of securities convertible into common shares. The Company cannot predict the size of future issues of common shares or the issue of securities convertible into common shares or the effect, if any, that future issues and sales of the Company's common shares will have on the market price of its common shares. Any transaction involving the issue of shares, or securities convertible into shares, could result in dilution, possibly substantial, to present and prospective holders of shares.

**FORWARD LOOKING STATEMENTS**

This MD&A contains "forward-looking statements" within the meaning of applicable Canadian securities legislation, which include all statements, other than statements of historical fact that address activities, events, or developments that the Company believes, expects or anticipates will or may occur in the future. These include, without limitation:

- the Company's anticipated results and developments in the Company's operations in future periods
- planned exploration and development of its mineral properties
- planned expenditures and budgets
- evaluation of the potential impact of future accounting changes
- estimates concerning share-based compensation and carrying value of properties
- other matters that may occur in the future.

These statements relate to analyses and other information that are based on expectations of future performance and planned work programs.

Statements concerning mineral resource estimates may also be deemed to constitute forward-looking statements to the extent that they involve estimates of the mineralization that will be encountered if the related property is developed.

With respect to forward-looking statements and information contained herein, the Company has made a number of assumptions with respect to, including among other things, the price of gold and other metals, economic and political conditions, and continuity of operations. Although the Company believes that the assumptions made and the expectations represented by such statements

or information are reasonable, there can be no assurance that forward-looking statements or information contained or incorporated by reference herein will prove to be accurate.

Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors which could cause actual events or results to differ materially from those expressed or implied by the forward-looking statements, including, without limitation:

- fluctuations in mineral prices;
- the Company's dependence on a limited number of mineral projects;
- the nature of mineral exploration and mining and the uncertain commercial viability of certain mineral deposits;
- the Company's lack of operating revenues;
- the Company's ability to obtain necessary financing to fund the development of its mineral properties or the completion of further exploration programs;
- jurisdiction operating risks which can over time include changes in political, economic, regulatory and taxation regimes;
- governmental regulations and specifically the ability to obtain necessary licenses and permits;
- risks related to the Company's mineral properties being subject to prior unregistered agreements, transfers, or claims and other defects in title;
- fluctuations in the currency markets;
- changes in environmental laws and regulations which may increase costs of doing business and restrict the Company's operations;
- risks related to the Company's dependence on key personnel; and
- estimates used in the Company's financial statements proving to be incorrect.

This is not an exhaustive list of the factors that may affect the Company's forward-looking statements. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the forward-looking statements. The Company's forward-looking statements are based on beliefs, expectations and opinions of management on the date the statements are made. For the reasons set forth above, investors should not place undue reliance on forward-looking statements.

### **QUALIFIED PERSON**

The technical content disclosed in this report was reviewed and approved by Jo Price, P.Geo, M.Sc., VP Exploration of the Company, and a Qualified Person as defined under National Instrument 43-101.