



# Q2 METALS CORP.

Q2 METALS CORP.

## MANAGEMENT DISCUSSION AND ANALYSIS

For the Year February 29, 2024

This Management Discussion and Analysis ("MD&A") of financial position and results of operation is prepared as at June 28, 2024 and should be read in conjunction with the audited consolidated financial statements for the year ended February 29, 2024 for Q2 Metals Corp (the "Company") and the related notes thereon. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Except as otherwise disclosed, all dollar figures included therein and in the following MD&A are quoted in Canadian dollars. Additional information is provided in the Company's consolidated financial statements and other documents.

This MD&A is prepared by management and approved by the Company's Board of Directors (the "Board of Directors") as of June 28, 2024. The discussion covers the three ("Q4 2024") and twelve months ended February 29, 2024 and the subsequent period up to the date of issuance of this MD&A. All amounts are stated in Canadian dollars unless otherwise indicated.

In this MD&A, unless the context otherwise requires, references to "we", "us", "our" or similar terms, as well as references to "Q2" or the "Company", refer to Q2 Metals Corp.

### **Our Business**

The Company is a Canadian mineral exploration company currently exploring its Cisco Property which is comprised of 222 mineral claims, approximately 11,374 hectares ("ha") in size and located less than 10 kilometres ("km") east of the Billy Diamond Highway, approximately 150km north of Matagami, Quebec. The Company is also advancing exploration of its 8,668ha flagship Mia Lithium Property in the Eeyou Istchee James Bay Territory of Quebec, Canada which is host to the Mia Li-1 and Mia Li-2 occurrences which grade 0.47% Li<sub>2</sub>O and 2.27% Li<sub>2</sub>O respectively (the "Mia Property").

The Company also holds the Stellar Lithium Property with 77 claims totaling 3,972-ha, located approximately 6km north of the Mia Property (the "Stellar Property") and the Big Hill and Titan gold projects in Queensland, Australia, which cover approximately 110 km<sup>2</sup> in the Talgai Goldfields of the broader Warwick-Texas District, hosting 54 high-grade historical gold mines.

The Company is a reporting issuer in British Columbia, Alberta and Ontario and trades on Tier 2 of the TSX Venture Exchange ("TSXV") in Canada under stock symbol QTWO, the Frankfurt Stock

Exchange in Germany (“458”), and the OTCQB (“QUEXF”). The head office and principal business address of the Company is Suite 904 – 409 Granville Street, Vancouver, BC V6C1T2.

The Company’s disclosure of a technical or scientific nature in respect of the Mia and Cisco Properties have been reviewed by Neil McCallum, P.Geol, Vice President, Exploration as well as a director of the Company and a Qualified Person under the definition of *National Instrument 43-101* (“NI 43-101”).

The Company’s disclosure of a technical or scientific nature in respect of the Big Hill and Titan Projects has been reviewed by Simon Tear BSc (Hons), PGEO, Eur Geol, a consultant to the Company and a Qualified Person under the definition of NI 43-101.

### **Highlights for the Year Ended February 29, 2024:**

- On March 2, 2023, the Company outlined its 2023 exploration plans for the Mia Property as well as the acquisition, for the cost of staking, of the Stellar Property consisting of 77 claims totaling 3,972ha approximately 6km north of the Mia Property.
- On March 2, 2023, the Company granted 1,250,000 stock options to directors, officers, and consultants of the Company to purchase an aggregate of 1,250,000 common shares in the capital of the Company at an exercise price of \$0.85 per share until March 2, 2028.
- On April 3, 2023, the Company announced it had commenced the Phase 1 of the 2023 exploration campaign at the Mia Property, consisting of ground induced polarity, resistivity and detailed airborne magnetic surveying on the western half of the known 8 km long lithium exploration trend. On April 26, 2023, the Company announced it had completed Phase 1 of the 2023 exploration campaign at the Mia Property.
- On May 31, 2023, the Company announced that it had initiated Phase 2 of its 2023 exploration campaign, which included surface mapping/prospecting, rock sampling, airborne magnetic and LiDAR surveys at the Mia Lithium Property.
- On June 5, 2023, the Company announced that Phase 2 of the 2023 exploration campaign had been temporarily halted due to active forest fires in Northern Quebec.
- On June 29, 2023, the Company announced sampling results from its abridged work program on the Mia Property and provided an operational update.
- On August 30, 2023, the Company announced the resumption of its exploration activities at the Mia Property.
- On September 13, 2023, the Company provided an update on its surface mapping and rock sampling activities at the Mia Property.
- On September 27, 2023, the Company announced it had completed its surface mapping and rock sampling activities at the Mia Property.

- On October 11, 2023, the Company announced the early completion of the purchase of the Mia Property and mobilization of field crews to the Mia Property for the inaugural drill campaign.
- On October 23, 2023, the Company announced it had collared the first drill hole of its inaugural drill program and had two active drills operational at the Mia Zone at the west end of the Mia Property.
- On November 2, 2023, the Company announced that it entered into an agreement with 9219-8845 Quebec Inc., a private Quebec company dba Canadian Mining House (“CMH”) to buy back the 2% Net Smelter Production Royalty (the “NSR”) held by CMH on certain claims comprising the 100% owned Mia Lithium Property.
- On November 16, 2023, the Company provided an update on Phase 1 of its inaugural drill program at its wholly owned Mia Lithium Property.
- On December 4, 2023, the Company announce that it has received total proceeds of \$2,011,425 for exercised warrants that were issued pursuant to a private placement that closed on December 1, 2021.
- On December 13, 2023, the Company announced the results from the 2023 surface exploration program and the discovery of eight new mineralized zones on the Mia Lithium Property.
- On December 20, 2023, the Company announced that it had concluded its fall drill program at the Mia Property with a total of 31 holes drilled for approximately 5,601 metres (“m”).
- On January 22, 2024, the Company announced the commencement of the winter drill program and on February 27, 2024, the Company announced the end of the winter program with a total of 20 drill holes completed for approximately 3,085m.
- On February 29, 2024, the Company announced that it had entered into three separate option agreements granting it the exclusive right and option to acquire a 100% interest in three groups of mineral claims collectively known as the Cisco Property, located in the southern portion of Eeyou Istchee James Bay, Quebec, Canada.

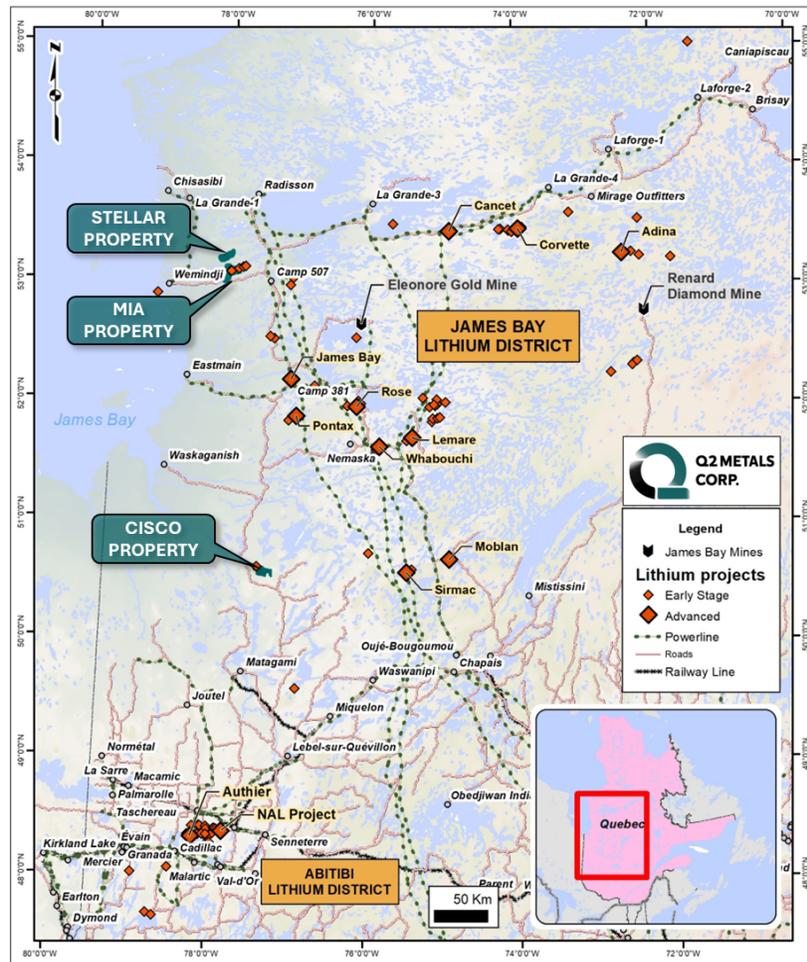
**Highlights Subsequent to the Year ended February 29, 2024:**

- On April 25, 2024, the Company announced core assay results of the fall drill program completed at the Mia Property.
- On April 30, 2024, the Company announced that it had completed a review of the drill core from a six-hole drill program conducted by the vendors of the Cisco Property.
- On May 10, 2024, the Company announced the core assay results of the winter drill program completed at the Mia Property.

- On May 16, 2024, the Company announced the results of the re-assaying of the core samples from the six-hole drill program conducted by the vendors of the Cisco Property as well as spring exploration plans at the Cisco Property.
- On May 22, 2024, the Company announced that its geology team and drilling contractors had mobilized to the Cisco Property to commence detailed mapping & sampling and a drill campaign to focus on the vendor's discovery area.
- On May 22, 2024, the Company granted 1,500,000 stock options to directors, officers and consultants of the Company. The stock options are priced at \$0.31 per share and have a term of 5 years.
- On May 24, 2024, the Company announced the re-pricing of a total of 12,908,333 share purchase warrants that were granted in February 2023 from an exercise price of \$1.25 to \$0.60.
- On May 29, 2024, the Company announced the collaring of the first drill hole at the Cisco Property.
- On June 13, 2024, the Company announced the completion of the closing of the three individual option agreements entered into on February 28, 2024 and amended on June 12, 2024 for the option to acquire a 100% interest in the Cisco Property.
- On June 17, 2024, the Company provided an update on 2024 exploration program at the Cisco Property with a total of four holes being completed for approximately 1,017m at the vendor's discovery zone and the ongoing mapping & sampling program.

## Mineral Properties

The Company has a portfolio of three lithium exploration projects in Eeyou Istchee James Bay Quebec Canada: The Cisco Property, the Mia Property and the Stellar Property:



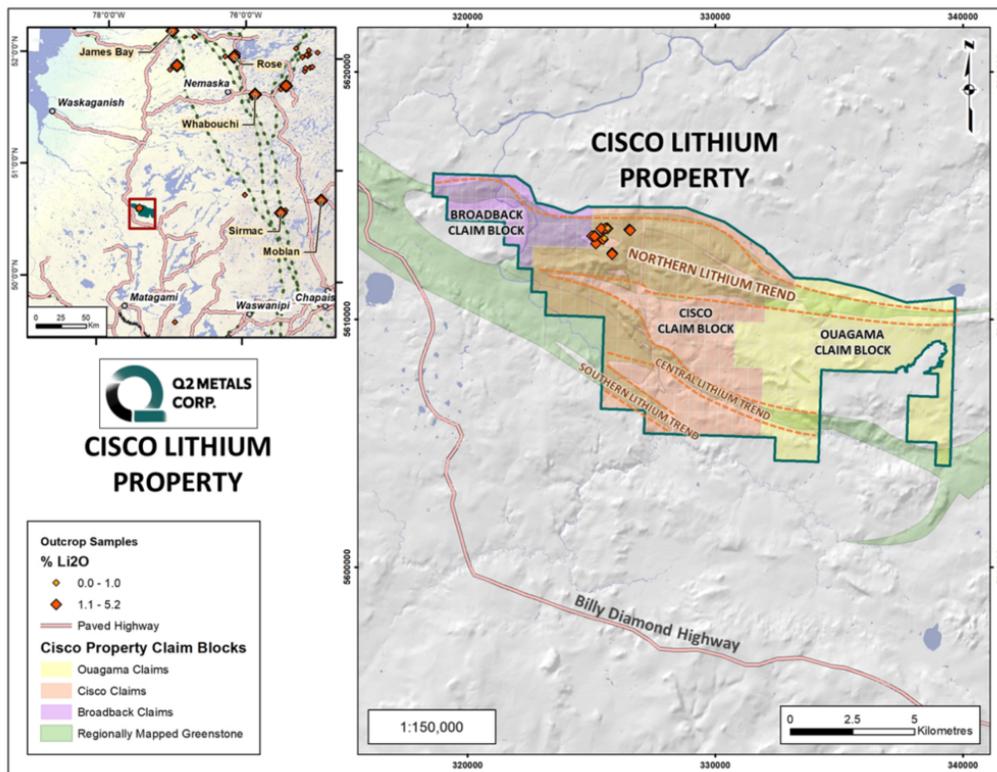
Q2 Mineral Properties in Quebec

### Cisco Lithium Property

On February 29, 2024, the Company announced that it had entered into three individual option agreements which gives the Company the exclusive right and option (the “Option”) for the acquisition of a 100% interest in three groups of minerals claims, collectively known as the Cisco Property (the “Property” or the “Cisco Property”).

The Cisco Property is comprised of three groups of mineral claims, the Broadback claim block, the Cisco claim block and the Ouagama claim block, collectively consisting of 222 mineral claims and totaling 11,374ha in size. It is located less than 10km east of the Billy Diamond Highway, and is approximately 150km north of Matagami, a small town that contains the closest rail link to much of James Bay. The Cisco Property lies within the greater Nemaska Community lands of the Eeyou Istchee Territory, James Bay, Quebec.

The Property is situated along the Frotet Evans Greenstone Belt, comprised of a volcanic package dominated by mafic to felsic metavolcanic rocks, of the southern James Bay Lithium District, the same belt that hosts the Sirmac and Moblan lithium deposits, located 130km and 180km away, respectively.



*Cisco Property Claim Block Map*

### Acquisition terms

Under the terms of the three individual Option Agreements, the aggregate consideration payable for the Cisco Property is \$2,400,000 cash, 60,000,000 common shares of Q2 and exploration expenditures of \$12,000,000.

Cisco Claim Block: Pursuant to the terms of an option agreement between the Company and 9490-1626 Quebec Inc. (the “Cisco Vendor”) dated February 28, 2024, as amended on June 12, 2024 (the “Cisco Agreement”), in order for the Company to exercise the option to acquire a 100% interest in 121 mineral claims (the “Cisco Claims”) from the Cisco Vendor, the Company must pay

to the Cisco Vendor total consideration of an aggregate of 40,000,000 Common Shares, \$2,000,000 cash and conduct \$12,000,000 in exploration expenditures on the Cisco Claims, over a four-year period. The Company has completed the closing of the Cisco Agreement and has completed the first instalment of the cash & share consideration. The Cisco Vendor will retain a 4% gross metals returns royalty (“GMR”) on the Cisco Claims (the “Cisco GMR”), of which up to 3% of the Cisco GMR can be purchased by the Company. At any time after the option for the Cisco Claims is exercised and prior to commercial production, the Company may purchase the first 1% for \$1,500,000, the next 1% for \$3,000,000 and the Company has a right of first refusal on the next 1%. The Cisco GMR purchase payments may be satisfied in either cash or Common Shares, at the election of the Company. The Cisco Vendor will also be paid a cash bonus of \$2,500,000 on the completion and delivery of an initial mineral resource calculation report, prepared in accordance with NI 43-101, on the Cisco Claims demonstrating an inferred resource (or higher category) of at least 25 million tonnes grading over 1% Li<sub>2</sub>O.

**Broadback Claim Block:** Pursuant to the terms of an option agreement between the Company, 9219-8845 Quebec Inc (“9219”), Steven Labranche (“Labranche”) and Anna-Rosa Giglio (“Giglio”)(together, the “Broadback Vendors”) dated February 28, 2024, as amended on June 12, 2024 (the “Broadback Agreement”), in order for the Company to exercise the option to acquire a 100% interest in 24 mineral claims (the “Broadback Claims”) from the Broadback Vendors, the Company must pay to the Broadback Vendors total consideration of an aggregate of 10,000,000 Common Shares and \$200,000. The Company has completed the closing of the Broadback Agreement and has completed the first instalment of the cash & share consideration. 9219 and Ressources Broadback Inc. were granted a 3% GMR on the Broadback Claims (the “Broadback GMR”), of which up to 2% of the Broadback GMR can be repurchased by the Company at any time prior to commercial production for \$1,000,000 for the first 1% and \$2,000,000 for the next 1%. The Broadback GMR purchase payments may be satisfied in either cash or Common Shares, at the election of the Company.

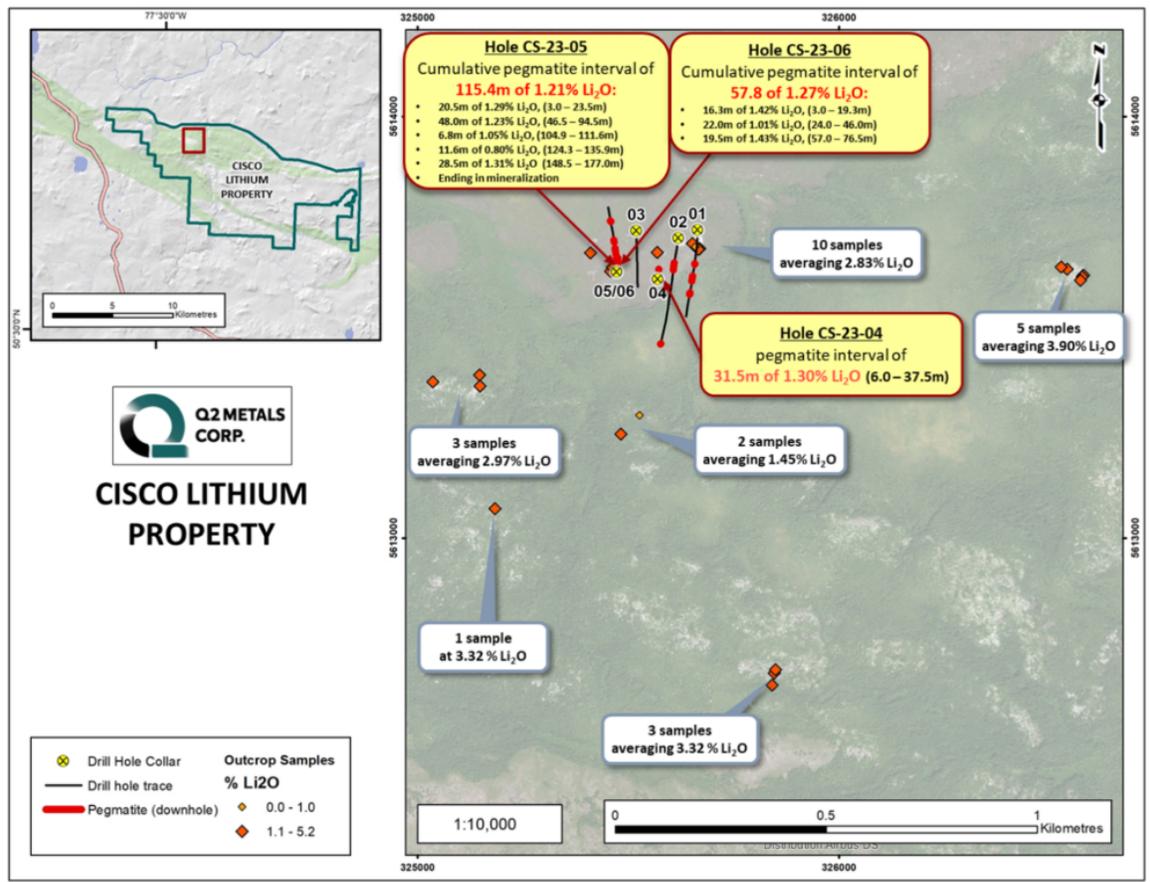
**Ouagama Claim Block:** Pursuant to the terms of an option agreement between the Company, 9219, Labranche, Giglio, Trent Potts and Potts of Gold Resources Pty Ltd. (the “Ouagama Vendors”) dated February 28, 2024, as amended on June 12, 2024 (the “Ouagama Agreement”), in order for the Company to exercise the option to acquire a 100% interest in 77 mineral claims (the “Ouagama Claims”) from the Ouagama Vendors, the Company must pay to the Ouagama Vendors total consideration of an aggregate of 10,000,000 Common Shares and \$200,000. The Company has completed the closing of the Ouagama Agreement and has completed the first instalment of the cash & share consideration. The Ouagama Vendors were granted a 3% GMR on the Ouagama Claims (the “Ouagama GMR”) of which up to 2% of the Ouagama GMR can be repurchased by the Company at any time prior to commercial production for \$1,000,000 for the first 1% and \$2,000,000 for the second 1%. The foregoing Ouagama GMR purchase payments may be satisfied in either cash or Common Shares, at the election of the Company.

Upon satisfaction of all payments and expenditures, the Company will earn a 100% interest in all claims comprising the Cisco Property. The Option Agreements received the acceptance of the TSX Venture Exchange on March 8, 2024. All securities issued to the Cisco Vendors, the Broadback Vendors and the Ouagama Vendors are subject to a hold period expiring four months and one day from their date of issuance.

## 2022 - 2023 Exploration

During 2022 - 2023, the Property vendors discovered the lithium zone by collecting 28 rock samples, 21 of which returned over 1.0% Li<sub>2</sub>O. The results are within a 1.2km by 1.5km area, clustered into six separate mineralized zones.

In the fall of 2023, the Property vendors drilled six drill holes, totaling 1,287m, at the CO1 zone. The drilling confirmed a strike length of approximately 220m and open along strike in both directions and down-dip. Drilling successfully intersected multiple, wide spodumene-bearing pegmatites from surface.



2022-2023 Exploration Results from the Cisco Property Vendors

## 2024 Exploration

### Re-logging/sampling

In April 2024, the Company completed a review of the drill core from the Property vendors' 2023 Drill Program. The six drill holes were re-logged and all relevant intervals were re-sampled to confirm the historical analytical results with a method consistent with that used for the Mia Property and to utilize an analytical method appropriate for tantalum as well as one more

appropriate for higher grades of lithium. The results of the re-analysis confirmed the spodumene mineralization of the drill holes at a slightly higher grade than originally reported.

### *2024 Drill Program*

The Company's 2024 Drill Campaign commenced in late May ("Spring 2024 Drill Program"), with the primary objective of confirming and expanding upon the mineralized zone where the Property vendors worked in 2023 (the "CO1 Zone"). A total of four (4) drill holes have been completed at the CO1 Zone for approximately 1017.1 m, intersecting several wide pegmatite intervals. All holes intercepted pegmatites with visual indications of spodumene mineralization identified.

The CO1 Zone has been defined for a strike length of approximately 300 m both in outcrop and with drilling and additional drilling will test the continuation of the mineralization at CO1 at depth to the CO3 Zone, which is located approximately 300 to 400 m to the southwest.

The 2024 Drill Program is ongoing and to date, the core cutting and logging of hole CS24-007 to 010 has been completed and the samples dispatched to the lab for mineral analysis to confirm the presence of lithium. Drill core assays will be reported once received.

### *2024 Mapping & Sampling Program*

Initial field work, including mapping and rock sampling, is being conducted concurrent with the drill program to provide guidance on the extent of the lithium mineralization at Cisco. The field crews started at the CO1 Zone where the vendors of the Cisco Property had undertaken sampling and drilling in 2022/2023 and have expanded throughout the Property. In addition to the CO1 Zone, eight (8) new spodumene occurrences have been discovered for a total of fifteen (15) spodumene pegmatite zones.

To date, a total of 76 pegmatite rock samples have been collected and have been sent to the SGS Canada preparation laboratory located in Val-d'Or, QC. The results will be reported as they are received by the Company.

### ***Mia Lithium Property***

On November 28, 2022, the Company announced that it had entered into an agreement to acquire the Mia Lithium Property (the "Mia Property"). The Mia Property is comprised of 171 mineral claims, located 62 km East of Wemindji Community in the Eeyou Istchee James Bay Territory, Quebec. The lithium mineral showings are located approximately 22 km from the Billy Diamond Highway, proximal to major hydro-powerline and all-season road infrastructure.

The Mia Property geology is part of the Yasinski Lake area, identified by narrow greenstone belt slivers, belonging to volcanic rocks and related sediment in the Yasinski Group and pierced by syn-tectonic tonalite and granodiorite suite. The Property is situated in the western extremity of this geological area, covering various lithologies and favourable structures, known to host spodumene bearing pegmatites. The southern half of the Property covers a northeast limb of the

Vieux Comptoir granite and a concordant intrusive body described as a spodumene granite on SIGEOM, the Quebec provincial government's geomining information system:

[https://sigeom.mines.gouv.qc.ca/signet/classes/l1108\\_afchCarteIntr.](https://sigeom.mines.gouv.qc.ca/signet/classes/l1108_afchCarteIntr.)

Historical work by Main Exploration Company Ltd. in 1959 ([GM10200](#)) reported several spodumene-bearing pegmatites on the Property and mapped an 8.3 km trend of discontinuous pegmatite intrusions (now called the "Mia Trend"). SIGEOM lists nine metallic deposits directly on the Mia Property including two for lithium, namely Mia Li-1 and Mia Li-2. Carte 1879 is listed as a spodumene mineral deposit as no assays were recorded for it.

The westernmost mineral showings Mia Li-1 and Mia Li-2 were sampled in 1997 by Quebec government geologists and assays returned grades of 0.47% Li<sub>2</sub>O and 2.27% Li<sub>2</sub>O respectively. Numerous pegmatite intrusions were recorded along the Mia Trend but were never followed up for their lithium potential.

### **Acquisition terms**

Under the terms of a purchase agreement, the Company earned a 100% interest in the Mia Property for total consideration of an aggregate of 13,000,000 common shares of the Company (issued), \$500,000 (paid) and \$1,000,000 in exploration expenditures (completed).

The vendor of the Mia Property retained up to a maximum of a 3% net smelter returns royalty on the claims comprising the Mia Property (the "Vendor's NSR"). Certain of the claims comprising the Mia Property are subject to an existing 2% net smelter returns royalty granted by the vendor (as assignee) in favour of Franco-Nevada Corporation ("Franco Nevada NSR") (28 claims) as well as an existing 2% net smelter returns royalty granted by the vendor in favour of Eastmain Resources Inc. (37 claims). The Company could repurchase 1% of the Vendor's NSR at any time prior to commercial production for \$1,000,000.

On December 20, 2023 the Company completed the buyback of the Vendor's NSR not subject to the Franco-Nevada NSR for total consideration, paid in a combination of cash (\$888,400) and common shares (1,400,000 with a fair value of \$392,000) of the Company. The completion of the buyback resulted in there remaining a 1% NSR on all Mia Property claims, held by Lithium Royalties Corp. and a 2% NSR held by Franco Nevada on 28 claims.

### **2021 & 2022 Exploration**

A total of 17 pegmatite outcrop grab samples were collected in 2021 by Services Géologiques T-Rex Inc. of Rouyn-Noranda, Québec ("SGT"), with the aim of verifying the Mia Li-1 and Mia Li-2 lithium occurrences. The sample results confirmed the Mia Li-1 occurrence with 5 grab samples averaging 2.31% Li<sub>2</sub>O. One sample was collected 700m east of the Mia Li-1 area with 2.73% Li<sub>2</sub>O.

A follow-up sampling program was conducted in fall 2022, with 19 pegmatite outcrop grab samples collected by SGT for the property vendor. Thirteen samples collected in the Mia Li-1 area confirmed the occurrence with an average grade of 2.79% Li<sub>2</sub>O. Additionally, 3 samples were

collected in the Carte 1879 occurrence and verified spodumene at this location with the results averaging 1.65% Li<sub>2</sub>O.

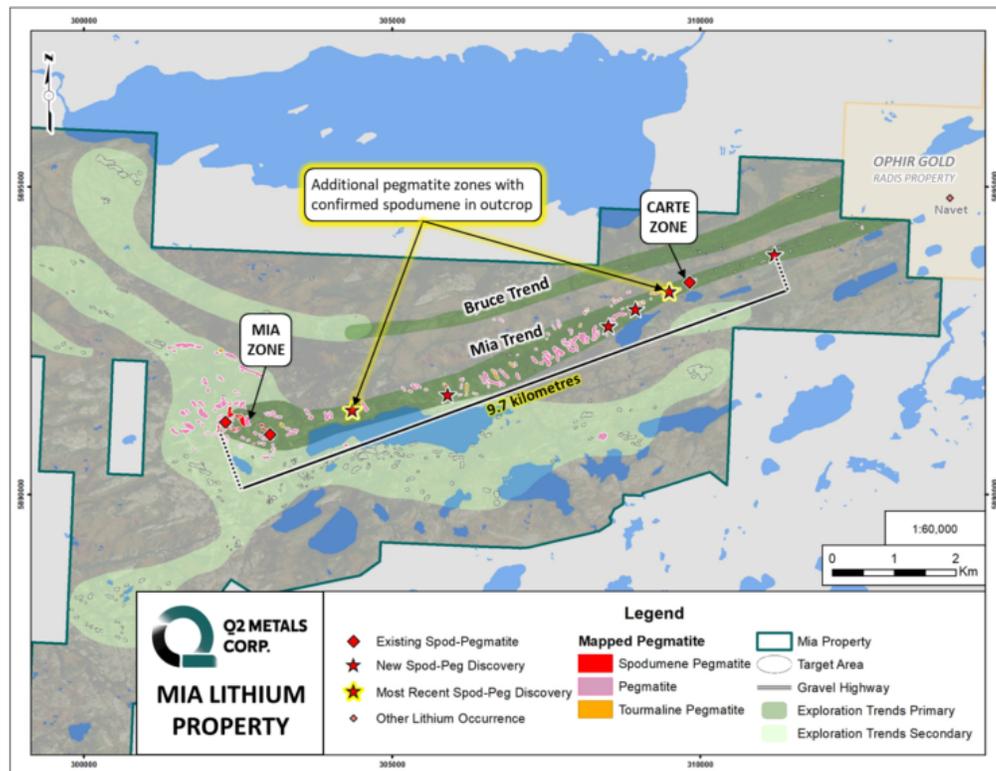
## **2023 Exploration**

The Company completed a compilation of historical data and a review of high-resolution satellite imagery at the Mia Property in April 2023. Surface geophysics, consisting of induced polarity and resistivity (IP-resistivity) surveying were also completed, focusing on the western section of the greenstone belt within the Mia Property and spanned approximately 4km, with 11 lines at 100-metre line spacing.

Rock sampling and surface mapping/prospecting conducted in May 2023 successfully verified the 2021 and 2022 work completed by SGT with samples from the Mia Li-1 and Li-2 occurrences (now referred to as the MIA1 and MIA2 occurrences) returning 2.73, 2.05 and 0.55% lithium oxide. At the Carte 1879 occurrence, three spodumene-mineralized samples returned 2.01, 1.57 and 1.04% Li<sub>2</sub>O.

A property-wide high-resolution helicopter-borne magnetic survey and a hyperspectral interpretation of ASTER and Sentinel-2 data were completed during May and June, 2023, the results of which generated 495 target areas on both the Mia Property and the Stellar Property.

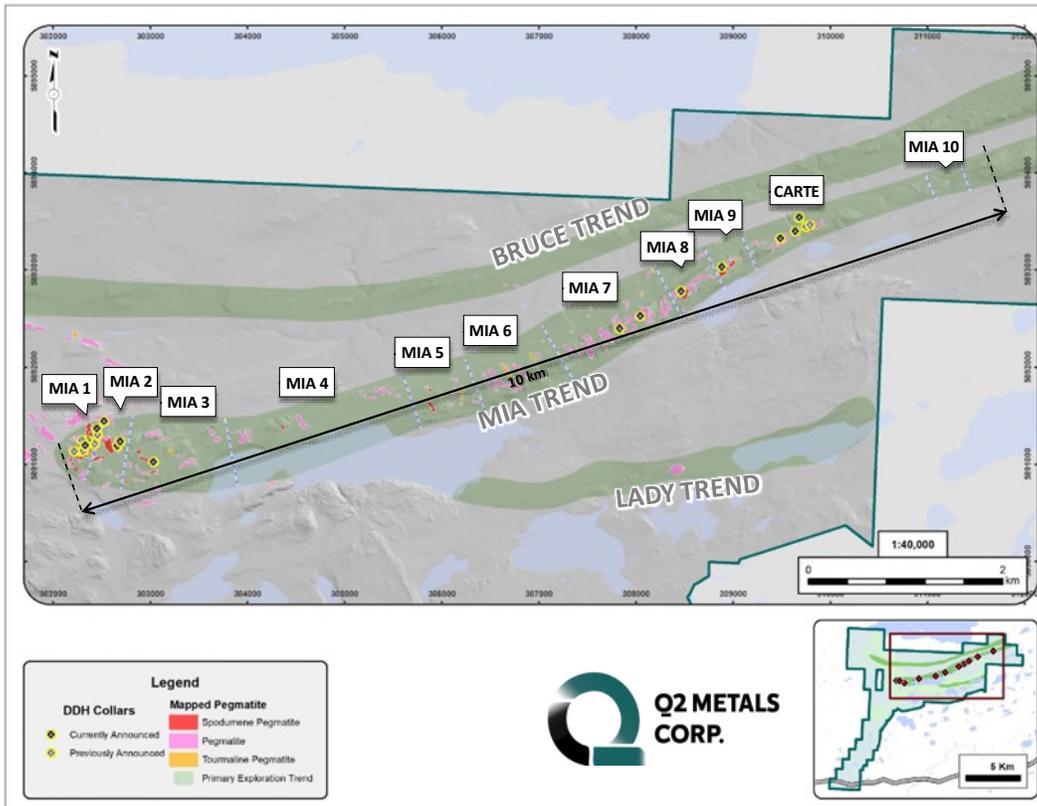
The compilation, integration and refinement of the historical and initial 2023 work resulted in the definition of two high-priority exploration trends: the Mia Exploration Trend and the parallel Bruce Trend to the north which contained a series of historically mapped pegmatite and hyperspectral targets.



*Exploration Trends, Mia Property*

Mapping and sampling activities in September, 2023 resulted in the discovery of 8 new mineralized zones along the Mia Trend for a total of 11 defined mineralized zones over 9.7km:

- MIA-1 Zone with 6 samples averaging 1.8 per cent Li<sub>2</sub>O and 40 ppm Ta<sub>2</sub>O<sub>5</sub>.
- MIA-2 Zone with 8 samples averaging 1.17 per cent Li<sub>2</sub>O and 31 ppm Ta<sub>2</sub>O<sub>5</sub>.
- MIA-3 Zone with 6 samples averaging 1.50 per cent Li<sub>2</sub>O and 131 ppm Ta<sub>2</sub>O<sub>5</sub>.
- MIA-5 Zone with 3 samples averaging 0.78 per cent Li<sub>2</sub>O and 126 ppm Ta<sub>2</sub>O<sub>5</sub>.
- MIA-8 Zone with 9 samples averaging 2.07 per cent Li<sub>2</sub>O and 30 ppm Ta<sub>2</sub>O<sub>5</sub>.
- MIA-9 Zone with 3 samples averaging 1.90 per cent Li<sub>2</sub>O and 66 ppm Ta<sub>2</sub>O<sub>5</sub>.
- Carte Zone with 2 samples averaging 1.68 per cent Li<sub>2</sub>O and 51 ppm Ta<sub>2</sub>O<sub>5</sub>.



*Mineralized Zones, Mia Trend*

Minimal field work was completed at the Bruce Trend to the north and at a new trend (the "Lady Trend") located to the south of the Mia Zone during the 2023 mapping and sampling program. The geochemical results (tantalum, rubidium and cesium) from both the Bruce Trend and the Lady Trend affirm each trend as being prospective for lithium-bearing LCT-style pegmatite mineralization.

Immediately beside the Carte Zone, 5 spodumene-bearing boulders were also discovered. With the understanding that the glacial transport direction is from the northeast to the southwest, the preliminary interpretations of these boulders are that they are sourced from the MIA-10 Zone, being the only known other mineralized zone to the northeast or that there is a new and as-yet to be discovered zone present to the northeast.

### **Fall 2023 Drill Program**

The Company completed a fall drill program in which a total of 31 drill holes were completed on the Mia Trend for approximately 5,601m. The primary objective of the drill program was to drill test along the Mia Trend with one drill rig testing the main MIA 1, 2 & 3 zones (17 holes) and the other rig testing the Carte Zone (8 holes) and the greater Mia Trend (6 holes at zones MIA 7, 8 & 9).

The Fall Drill Program confirmed the presence of wide spodumene-mineralized pegmatites containing high grade intervals at the Mia and Carte zones:

- Mia Zone - 17.8 m at 1.51% Li<sub>2</sub>O, including 12.2 m of 2.16% Li<sub>2</sub>O (MIA23-004)
- Carte Zone - 7.3 m at 0.94% Li<sub>2</sub>O, including 4.4 m of 1.40% Li<sub>2</sub>O (MIA23-007)

The continuity of mineralization at the Mia 1 & 2 Zones was also confirmed.

Drill results at the Mia Zone confirmed spodumene mineralization within a continuous pegmatite zone that dips gently to the north. Thickness of the mineralized zone varies from 8 and 20 m, and extends roughly 600 m east-west and roughly 375 m north-south. The pegmatite body appears to be open to the west, east and north.

Drill results at the Carte Zone confirmed spodumene mineralization with a pegmatite zone that appears at surface and dips gently to the northwest. Thickness of the mineralized zone varies from 5.8 and 7.3 m, and extends roughly 170 m in a northeast-southwest strike direction and has been intersected to a depth of roughly 65 m.

ZONE	Hole ID	From (m)	To (m)	Interval (m)	Li <sub>2</sub> O (%)	Ta <sub>2</sub> O <sub>5</sub> (ppm)	Comments
MIA 1	MIA23-002	6.7	13.2	6.5	0.68	39	
	<i>Incl.</i>	7.6	9.9	2.3	1.53	71	
	MIA23-002	18.7	24.3	5.6	0.16	11	
	<i>Incl.</i>	88.5	100.9	12.4	0.44	37	
MIA 1	MIA23-003	13.5	26.5	12.4	0.12	2	
MIA 1	MIA23-004	131.6	149.4	17.8	1.51	31	(1)
	<i>Incl.</i>	131.6	143.8	12.2	2.16	36	(1)
MIA 1	MIA23-005	0.0	6.9	6.9	1.27	37	
MIA 1	MIA23-006	1.1	11.0	9.9	0.54	34	
	<i>Incl.</i>	2.5	6.0	3.5	0.91	47	
MIA 1	MIA23-008	88.9	90.8	1.9	2.06	43	
	MIA23-008	97.2	105.1	7.9	1.73	44	
MIA 1	MIA23-011	5.5	33.0	27.5	0.26	14	(1)
	MIA23-011	132.5	152.9	20.4	0.48	38	(1)
	<i>Incl.</i>	133.3	171.7	5.4	1.17	147	
MIA 2	MIA23-014	121.5	125.3	3.8	0.47	19	
MIA 2	MIA23-016A	88.6	96.0	7.4	0.72	34	
MIA 3	MIA23-018	14.2	17.6	3.5	0.90	112	
MIA 1	MIA23-021	168.3	173.8	5.5	1.50	43	
MIA 1	MIA23-024	134.2	141.8	7.6	1.90	54	
MIA 1	MIA23-025	11.2	22.2	11.0	0.66	17	
	<i>Incl.</i>	12.6	16.5	4.0	1.18	29	
MIA 1	MIA23-027	173.9	178.0	4.1	1.47	36	
MIA 1	MIA23-029	139.0	163.5	24.5	0.10	21	

ZONE	Hole ID	From (m)	To (m)	Interval (m)	Li <sub>2</sub> O (%)	Ta <sub>2</sub> O <sub>5</sub> (ppm)	Comments
CARTE	MIA23-007	4.5	11.7	7.3	0.94	110	
	<i>Incl.</i>	4.5	8.9	4.4	1.40	126	
CARTE	MIA23-009	6.1	11.8	5.8	0.73	126	
	<i>Incl.</i>	6.1	9.0	3.0	1.19	149	
CARTE	MIA23-010	14.9	24.4	9.5	0.65	116	(1)
	<i>Incl.</i>	14.9	22.0	7.1	0.76	105	(1)
CARTE	MIA23-012	15.6	23.4	7.8	0.32	88	(1)
	MIA23-012	48.1	51.0	3.0	0.77	528	
CARTE	MIA23-028	38.1	45.6	7.5	1.43	125	

notes:  
 \*All reported widths are core length. True widths are not calculated for each hole due to the relatively wide drill spacing at this stage of delineation and the typical irregular nature of pegmatite, as well as the varied drill hole orientations.  
 \*Drill Holes 001, 013, 015, 017, 019, 020, 022, 023, 026, and 030 returned elevated but not significant amounts of lithium  
 (1) Includes a segment of non-pegmatite host rock that is less than at least 3 metres

### 2023 Drill results, Mia Property

## 2024 Exploration

### Winter 2024 Drilling

The Winter 2024 Drill Program targeted the western end of the Mia Trend to follow up on the Fall 2023 Drill Program, with a total of 20 drill holes completed for approximately 3,085 m. One drill rig was used to test the main Mia Zone with 11 drill holes; while a second drill rig tested the greater Mia Trend with nine holes at the Mia 5,6, 7, 8 & Carte Zones.

Drill results at the Mia Zone confirmed the previously announced spodumene mineralization within a continuous pegmatite zone that dips gently to the north. Thickness of the mineralized zone varies from 8 to 20 m and extends roughly 600 m east-west and roughly 375 m north-south. The pegmatite body appears to be open to the west, east and north. The Winter 2024 Drill Program confirmed the continuity of the mineralization in some areas of the zone, while also showing some grade variability at the northern portions of the pegmatite at depth, with pegmatite intervals as expected but without significant lithium grades.

The results of the greater Mia Trend have revealed significantly wide pegmatite intervals, with relevantly anomalous LCT-style geochemistry, but without significant lithium intervals. Positive indicator-geochemistry in drill-holes, combined with anomalous surface geochemistry, indicates the potential for the discovery of additional mineralized zones along the Mia Trend.

ZONE	Hole ID	From (m)	To (m)	Interval (m)	Li <sub>2</sub> O (%)	Ta <sub>2</sub> O <sub>5</sub> (ppm)	Comments
MIA 1	MIA24-031	87.9	94.9	7.0	0.53	22	(1)
	<i>Incl.</i>	91.2	92.7	1.4	1.50	39	
MIA 2	MIA24-033	88.9	102.6	13.7	1.28	46	
	<i>Incl.</i>	89.9	99.0	9.1	1.79	38	
MIA 2	MIA24-036	39.6	46.6	7.0	0.84	34	
MIA 2	MIA24-039	39.5	48.2	8.8	1.33	65	
	<i>Incl.</i>	42.5	51.2	5.8	1.71	78	
	<i>and</i>	72.6	75.7	3.1	0.56	57	
MIA 3	MIA24-040	84.4	94.7	10.3	0.64	61	
	<i>Incl.</i>	86.7	92.0	5.3	0.88	61	

notes:  
 \*All reported widths are core length. True widths are not calculated for each hole due to the relatively wide drill spacing at this stage of delineation and the typical irregular nature of pegmatite, as well as the varied drill hole orientations.  
 \*Drill Holes 032, 034, 035, 037, 038 and 041 to 050 returned elevated but not significant amounts of lithium  
 (1) Includes a segment of non-pegmatite host rock that is less than at least 3 metres

### 2024 Drill results, Mia Property

#### Spring 2024 Mapping & Sampling

A property-wide ground mapping and sampling campaign was undertaken in June, 2024 with a focus on the continuation of the Mia Trend as well as the prospective Bruce and Lady trends that were identified at the end of the 2023 field season.

#### Analytical Methods and QA/QC Protocols

All rock sampling and drill core samples from the Fall and Winter Drill Programs were shipped to SGS Canada’s preparation facility in Val D’Or, Quebec, for standard sample preparation (code PRP89) which includes drying at 105°C, crush to 75% passing 2 mm, riffle split 250 g, and pulverize 85% passing 75 microns. The pulps were shipped by air to SGS Canada’s laboratory in Burnaby, BC, where the samples were homogenized and subsequently analyzed for multi-element (including Li and Ta) using sodium peroxide fusion with ICP-AES/MS finish (code GE\_ICM91A50). A Quality Assurance / Quality Control protocol following industry best practices was incorporated into the drill core sampling program. The review process indicated numerous inconsistencies and

thus a re-evaluation of the affected results was conducted. Upon final acceptance by the QP, the results were promptly reported.

### ***Stellar Property***

The Company acquired the Stellar Property for the cost of staking and is comprised of 77 claims totaling 3,972ha in the Eeyou Istchee James Bay Territory, Quebec, Canada. The Stellar Property contains a strike-length of approximately 13km of the equivalent Yasinski Group volcano-sedimentary (greenstone belt) rocks. The Stellar Property has seen minimal historical exploration yet holds potential for spodumene-bearing pegmatite due to the regionally mapped greenstone belt rocks on the property. The majority of the spodumene-bearing LCT-style pegmatites in the Eeyou Istchee James Bay Territory are hosted within greenstone-belt rock types.

### ***Big Hill & Titan Gold Projects, Queensland Australia***

The Big Hill Gold Project consists of a single Exploration Permit (“EPM”) EPM 18255 covering 24km<sup>2</sup> and includes two discrete granted mining leases (“ML”) owned by Big Hill Gold Mining Company Pty Ltd. (“Big Hill”) on the EPM. The EPM, which is within the Talgai Goldfield, covers the historic mines of Big Hill (ML50287), Queenslander, Monte Cristo and Sultan & Taylor (ML50286).

The Talgai Goldfield is one of eight historical Goldfields in the broader Warwick-Texas District active in the late 19th century, which include Canal Creek, Thanes Creek, Leyburn, Palgrave, Pikedale, Lucky Valley and MacDonald Goldfields. The bulk of production in the historical mines of EPM18255 and the broader Warwick-Texas District occurred from initial discovery in 1864 until the early 1900s. Small-scale activity continued during intermittent periods in the 20th century with many of the larger historic mines remaining under mining leases and which have had limited modern exploration over the main lode deposits to date.

Parts of EPM18255 have been covered by exploration permits almost continuously since 1980 as part of gold exploration programs within the broader Texas–Warwick district. The work programs involved varying amounts of mapping, stream sediment, soil and rock chip sampling.

The Titan Gold Project, contiguous to the Big Hill Gold Project, covers 109km<sup>2</sup> with 40 historic small scale high-grade mines under a single Exploration Permit 27507. Like the Big Hill Gold Project, Titan has had little modern exploration conducted since the 1980’s and gives the Company a wider range of targets to explore for the source of the historic gold mines.

### **Exploration Work**

Exploration over the EPM completed by MPX in 2020 comprised surface geochemical sampling including rock chips and soils, a ground magnetic survey and 2 diamond drillholes. In March, 2022, the Company commenced an initial exploration program on the Big Hill Project which consisted of two overlapping stages, with Phase 1 involving surface work for drill target identification and Phase 2 consisting of drilling at high priority targets.

The Phase 1 surface field program was designed to verify the locations of historical drill collars, adits and open-cut locations as well as property-wide prospecting, rock sampling, soil sampling, and channel cutting in outcrops, historic workings, adits and other areas of interest.

Phase 2 of the exploration program consisted of an 11 hole, 1,457 meters RC drill campaign that targeted extensions to the mineralization below historic underground workings at the Queenslander mine. The drilling successfully demonstrated structural continuity of the mineralized vein system ~100m down dip from the base of historical workings and assay results returned from ALS-Global Brisbane showed low-grade intercepts across the vein and altered wallrock, including 10m @ 0.49g/t Au from 97m (BH013).

Preliminary field work on the Titan Gold Project was included in the first phase of the Big Hill Gold Project exploration program to determine key areas of interest. A limited rock and soil sampling program was completed and sent for lab analysis at ALS-Global Brisbane. A rock sample of quartz veining from the Guiding Star prospect returned 4.63 g/t Au, however the remaining rock and soil sample results were not significant.

#### Big Hill Gold Project Acquisition

On September 3, 2021, the Company signed a definitive Share Sale Agreement with Mining Projects Accelerator Pty Ltd. ACN 629 011 196 ("MPX"), a private Australian company, pursuant to which the Company acquired MPX's ownership of 80% of the outstanding common shares ("Big Hill Shares") of Big Hill. In consideration for the purchase of the Big Hill Shares, the Company issued 17,500,000 common shares of the Company to MPX and pro rata to its shareholders. The Big Hill Acquisition received TSX approval on December 1, 2021. On December 17, 2021, the Company acquired an additional 15% of the outstanding Big Hill Shares, increasing its shareholdings to 95% of the total outstanding Big Hill Shares by paying \$275,325 CAD (AU\$300,000) to the minority shareholder of Big Hill. The remaining 5% of the shares of Big Hill may be acquired from the minority shareholder for AU\$700,000. Upon the Company acquiring the remaining 5% of Big Hill the non-controlling interest will receive a 0.75% net smelter royalty.

#### Titan Gold Project Acquisition

On January 28, 2022, the Company completed a definitive Share Sale Agreement with Orefox Exploration Pty Ltd. ("Orefox Exploration"), a private Australian company, pursuant to which the Company acquired 100% of the outstanding common shares of Orefox Titan Pty Ltd. ("Orefox Titan") which holds a 100% interest in the Titan Gold Project.

Pursuant to the terms of the Orefox Agreement, the Company acquired all of the shares that Orefox Exploration owned of Orefox Titan and assumed all of the rights and obligations of Orefox Exploration as a shareholder of Orefox Titan. In consideration for the purchase of the Sale Shares, the Company issued 300,000 common shares of the Company to Orefox Exploration at a deemed price of \$0.35 per share.

## Selected Annual Financial Data

The following selected financial data is derived from the audited financial statements of the Company prepared in accordance with IFRS.

	Year ended February 29, 2024	Year ended February 28, 2023	Year ended February 28, 2022
	\$	\$	\$
<b>Operations</b>			
Revenues	-	-	-
Expenses	196,324	1,898,841	1,432,921
Net Loss	196,324	1,898,841	2,251,394
<b>Balance Sheet</b>			
Working Capital	4,684,369	10,238,879	1,012,909
Total Assets	28,860,551	19,361,507	4,794,807

## Results of Operations

The Company had a net loss of \$195,422 (\$0.00 per share) during the year ended February 29, 2024, compared with a net loss of \$1,896,463 (\$0.04 per share) during the year ended February 28, 2023. No revenues were earned in either period. The significant expenses for the periods include the following:

- Investor relations (2024: \$185,014; 2023: \$49,014) and advertising and promotions (2024: \$383,495, 2023: \$212,565) increased due to additional investor relations services provided during the year;
- Consulting fees (2024: \$320,577; 2023: \$346,500) were consistent with the prior year;
- Legal fees (2024: \$53,696, 2023: \$169,193) were higher in the prior year for legal work on the Company's property acquisition;
- Share-based compensation (2024: \$1,038,199, 2023: \$936,338) were determined by the black sholes calculation for options granted during the year;
- Interest income (2024: \$453,360, 2023: \$nil) increased due to the Company's strong cash position; and
- Flow-through premium recovery (2024: \$1,562,500, 2023: \$nil) increased as the Company incurred eligible flow-through expenditures.

## Summary of Quarterly Results

The following selected information has been extracted from the Company's unaudited quarterly financial statements. All amounts are stated in Canadian dollars in accordance with IFRS.

	<b>February 29, 2024</b>	<b>November 30, 2023</b>	<b>August 31, 2023</b>	<b>May 31, 2023</b>
	\$	\$	\$	\$
Revenue (loss)	Nil	Nil	Nil	Nil
Net income (loss)	291,719	644,800	(68,890)	(1,063,953)
Net (loss) per share	0.00	0.01	(0.00)	(0.02)
Total assets	28,860,551	29,039,442	26,063,029	19,384,923
Working capital	4,684,369	8,053,884	9,416,987	9,822,307
Total liabilities	2,081,333	2,968,943	1,714,407	1,759,911
Equity	26,779,218	26,070,499	24,348,622	17,625,012

	<b>February 28, 2023</b>	<b>November 30, 2022</b>	<b>August 31, 2022</b>	<b>May 31, 2022</b>
	\$	\$	\$	\$
Revenue (loss)	Nil	Nil	Nil	Nil
Net income (loss)	(1,386,666)	(111,251)	(213,694)	(187,230)
Net (loss) per share	(0.03)	(0.00)	(0.01)	(0.00)
Total assets	19,361,507	4,464,288	4,311,353	4,564,838
Working capital	10,238,879	479,942	406,020	678,964
Total liabilities	1,902,920	185,977	131,644	171,435
Equity	17,458,587	4,278,311	4,179,709	4,393,403

### Liquidity and Capital Resources

The Company is dependent on raising funds by the issuance of shares, borrowing or subsequent disposition of interests in mineral properties it may own or otherwise acquire in order to finance further acquisitions, undertake exploration of other mineral properties and meet general and administrative expenses in the immediate and longer term.

As at February 29, 2024, the Company had cash and cash equivalents of \$5,871,420 as compared to \$12,010,842 at February 28, 2023. The Company had a working capital of \$4,684,369 at February 29, 2024, compared with a working capital of \$10,238,879 at February 28, 2023.

The future funding needs of the Company are dependent upon the Company's ability to obtain additional equity and/or debt financing. The inability to raise adequate financing would jeopardize the Company's ability to maintain its property. The Company continues to closely monitor its ongoing requirements and to explore all methods of raising additional funds. There can be no certainty that such additional funds may be raised when required.

### Related Party Transactions

During the years ended February 29, 2024 and February 28, 2023, the Company incurred the following with officers or directors of the Company:

	<b>2023</b>	<b>2022</b>
Key management compensation* - cash	\$ 392,000	\$ 318,000
Compensation – share-based compensation	\$ 581,392	\$ 590,300

\* Key management includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including the

Company's executive officers and certain members of its Board of Directors.

Officers and directors of the Company and companies controlled by such individuals were owed \$1,374 as at February 29, 2024 (February 28, 2023 – \$19,996) for services rendered and for expenses incurred in the ordinary course of business. The amounts are unsecured, non-interest bearing with no fixed terms of repayment.

On April 1, 2022, the Company transferred its Nevada Rose, Angelo Bell, Coral Zinc and Round Pond properties to its wholly-owned subsidiary Minfocus International Inc. ("MFI") and on May 30, 2022, the Company sold MFI to a former director, now an arm's length party, as settlement for aggregate amounts owing of \$60,000.

### **Outstanding and Convertible Common Shares**

The issued and outstanding shares of the Company total 89,415,968 as of February 29, 2024 (February 28, 2023: 75,748,693).

Subsequent to February 29, 2024 and up to the date of this report, 25,000 share purchase warrants priced at \$0.305 per share were exercised for gross proceeds of \$7,625 and 20,000,000 shares were issued for the share portion of the acquisition of the Cisco Property.

#### Shares issued during the year ended February 29, 2024:

On June 1, 2023, the Company issued 6,500,000 shares with a fair value of \$6,630,000 in connection with the acquisition of the Mia Property. Please see Note 6 in the audited Financial Statements for the year ended February 29, 2024.

On December 19, 2023, the Company issued 1,400,000 shares with a fair value of \$392,000 in connection with the acquisition of the Mia Property NSR. Please see Note 6 in the audited Financial Statements for the year ended February 29, 2024.

During the year ended February 29, 2024, 4,865,200 share purchase warrants priced at \$0.25 per share were exercised for gross proceeds of \$1,216,300; 675,575 share purchase warrants priced at \$0.305 per share were exercised for gross proceeds of \$206,050; 126,500 finder's warrants priced at \$0.25 were exercised for gross proceeds of \$31,625; and 100,000 stock options priced at \$0.20 were exercised for gross proceeds of \$20,000.

#### Shares issued during the year ended February 28, 2023:

On December 2, 2022, the Company issued 6,500,000 shares with a fair value of \$3,152,500, or \$0.485 per share, in connection with the acquisition of the Mia Property.

On December 15, 2022, the Company completed a non-brokered private placement of 12,500,000 units (each, a "Unit") at a price of \$0.10 per Unit for gross proceeds of \$1,250,000. Each Unit consists of one common share of the Company (each, a "Share") and one half of one common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant is exercisable into one additional Share at a price of \$0.305 for two years after the date of issuance. Directors of the Company participated in the private placement for an aggregate 331,612 units.

On February 23, 2023, the Company completed a non-brokered private placement of 4,975,000 units at a price of \$0.50 per unit (the “NFT Units”) for gross proceeds of \$2,487,500. Each NFT Unit consists of one non-flow-through common share and one warrant, entitling the holder to acquire one additional non-flow-through common share at a price of \$1.25 per share for a period of two years.

On February 23, 2023, the Company completed a non-brokered private placement of 333,333 units at a price of \$0.75 per unit (the “Additional Units”) for gross proceeds of \$250,000. Each Additional Unit consists of one non-flow-through common share and one warrant, entitling the holder to acquire one additional non-flow-through common share at a price of \$1.25 per share for a period of two years.

On February 23, 2023, the Company completed a non-brokered private placement of 6,250,000 units at a price of \$1.04 per unit (the “Series C Units”) for gross proceeds of \$6,500,000. Each Series C Unit consists of one flow-through common share (a “FT Share”) and one share purchase warrant, entitling the holder to acquire one additional non-flow-through common share at a price of \$1.25 per share for a period of two years. A total of 312,500 units (“Finder Units”), consisting of one common share and one warrant (“Finders Unit Warrants”) and an additional 625,000 warrants (“Finder’s Warrants”) were issued to Churchill SIG Pty Ltd. of Subiaco, Western Australia. Each of the Finder’s Unit Warrants are exercisable into one Share at a price of \$1.25 per share for a period of two years, and the Finder’s Warrants are each exercisable into one Share at a price of \$0.50 per share for a period of two years.

On February 23, 2023, the Company completed a non-brokered private placement of 1,350,000 units at a price of \$0.75 per unit (the “Series R Units”) for gross proceeds of \$1,012,500. Each Series R Unit consists of one FT Share and one Warrant; entitling the holder to acquire one additional non-flow-through common share at a price of \$1.25 per share for a period of two years.

During the year ended February 28, 2023, 3,054,000 share purchase warrants priced at \$0.25 were exercised for gross proceeds of \$763,500, 100,000 share purchase warrants priced at \$0.305 were exercised for gross proceeds of \$30,500, and 25,714 stock options priced at \$0.40 were exercised for gross proceeds of \$10,286.

The following is a breakdown of the share capital of the Company, on an annual basis and the date of this report:

	<b>June 28, 2024</b>	<b>February 29, 2024</b>	<b>February 28, 2023</b>
Common Shares	109,440,968	89,415,968	75,748,693
Stock Options	8,654,285	7,154,285	6,004,285
Warrants	19,295,258	19,320,258	25,652,533
<b>Fully Diluted Shares</b>	<b>137,390,511</b>	<b>115,890,511</b>	<b>107,405,511</b>

The following table summarizes information about stock options outstanding and exercisable at the date of this report:

<b>Number of Options</b>	<b>Exercise Price</b>	<b>Expiry Date</b>	<b>Number of Exercisable Options</b>
204,285	\$0.35	September 9, 2025	204,285
3,400,000	\$0.20	December 7, 2026	3,400,000
2,300,000	\$0.42	January 10, 2028	2,300,000
1,250,000	\$0.85	March 2, 2028	1,250,000
1,500,000	\$0.31	May 22, 2029	1,500,000
<b>8,654,285</b>			<b>8,654,285</b>

On May 22, 2024, the Company granted 1,500,000 stock options to directors and consultants. The options are exercisable at the price of \$0.31 per share until May 22, 2029.

On March 2, 2023, the Company issued 1,250,000 stock options to directors and consultants. The options are exercisable at the price of \$0.85 per share until March 2, 2028. A fair value of \$1,038,199 was determined using the Black-Scholes valuation model. The following weighted average assumptions were used: share price - \$0.85; dividend yield - 0%; expected volatility - 187.21%; risk free interest rate - 3.66%; and expected life - 5 years. The options vested immediately upon grant.

The following table summarizes information about warrants outstanding and exercisable at the date of this report:

<b>Number of Warrants</b>	<b>Exercise Price</b>	<b>Expiry Date</b>	<b>Number of Exercisable Warrants</b>
5,449,425	\$0.305	December 19, 2024	5,449,425
12,908,333	\$0.60*	February 23, 2025	12,908,333
625,000	\$0.50**	February 23, 2025	625,000
312,500	\$1.25**	February 23, 2023	312,500
<b>19,295,258</b>			<b>19,295,258</b>

\*These warrants were re-priced from \$1.25 to \$0.60 on June 4, 2024.

\*\*Indicates broker warrants

## **Financial Risk Factors**

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign exchange rate, and metals price risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

### *Liquidity risk*

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company.

The Company generates cash flow primarily from its financing activities. As at February 29, 2024, the Company had a cash balance of \$5,871,420 (February 28, 2023 - \$12,010,842) to settle current liabilities of \$2,081,333 (February 28, 2023 - \$1,902,920). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity. The Company has no other contractual obligations other than trade and other payables. As discussed in Note 1 of the condensed interim consolidated financial statements, the Company's ability to meet its obligations and carry out its planned exploration activities is uncertain and dependent upon the continued financial support of its shareholders and securing additional financing.

#### *Market risk*

##### (a) Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in guaranteed investment certificates or interest-bearing accounts of select major Canadian chartered banks and financial institutions. The Company regularly monitors compliance to its cash management policy.

##### (b) Foreign currency risk

The Company's functional and reporting currency is the Canadian dollar and a significant portion of the Company's expenditures are transacted in Canadian dollars. As a result, the Company's exposure to the foreign currency risk is minimal at this time but may increase as the Company develops its Australia-based properties.

##### (c) Commodity price risk

The Company is exposed to price risk with respect to base and precious metal prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to price movements and volatilities. The Company closely monitors prices to determine the appropriate course of action to be taken by the Company.

##### (d) Credit risk

Credit risk is the risk of an unexpected loss if a third party to a financial instrument fails to meet its contractual obligations. Credit risk for the Company is primarily associated with amounts receivable, which is comprised of GST/HST receivable due from the Government of Canada. The Company has no significant concentration of credit risk arising from its operations. Management believes that the credit risk concentration with respect to amounts receivable is low.

#### **Off-Balance Sheet Arrangements**

The Company has no off-balance sheet arrangements.

## **Critical judgements and estimation uncertainties**

The preparation of consolidated financial statements in conformity with IFRS requires the Company's management to make judgements, estimates and assumptions about future events that affect the amounts reported in the consolidated financial statements and related notes to the consolidated financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates. The areas which require management to make significant judgements, estimates and assumptions in determining carrying values include, but are not limited to:

### **Going concern**

Evaluation of the ability of the Company to realize its strategy for funding its future needs for working capital involves making judgements.

### **Capitalization of exploration and evaluation expenditures**

Management has determined that exploration and evaluation expenditures incurred during the year have future economic benefits and are economically recoverable. In making this judgement, management has assessed various sources of information including, but not limited to, the geologic and metallurgic information, history of conversion of mineral deposits to proven and probable mineral reserves, scoping and feasibility studies, proximity of operating facilities, operating management expertise and existing permits. See Note 6 for details of capitalized exploration and evaluation expenditures.

### **Impairment of exploration and evaluation assets**

While assessing whether any indications of impairment exist for exploration and evaluation assets, consideration is given to both external and internal sources of information. Information the Company considers include changes in the market, economic and legal environment in which the Company operates that are not within its control and affect the recoverable amount of exploration and evaluation assets. Internal sources of information include the manner in which exploration and evaluation assets are being used or are expected to be used and indications of expected economic performance of the assets. Reductions in metal price forecasts, increases in estimated future costs of production, increases in estimated future capital costs, reductions in the amount of recoverable mineral reserves and mineral resources and/or adverse current economics can result in a write-down of the carrying amounts of the Company's exploration and evaluation assets.

### **Share-based payments**

Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based non-vested share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgement used in applying valuation techniques. These assumptions and judgements include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgements and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

## Forward Looking Statements

This MD&A contains “forward-looking statements” and “forward-looking information” (collectively, “forward-looking statements”) within the meaning of applicable Canadian legislation. Forward-looking statements are typically identified by words such as: “believes”, “expects”, “anticipates”, “intends”, “estimates”, “plans”, “may”, “should”, “would”, “will”, “potential”, “scheduled” or variations of such words and phrases and similar expressions, which, by their nature, refer to future events or results that may, could, would, might or will occur or be taken or achieved. Accordingly, all statements in this MD&A that are not purely historical are forward-looking statements and include statements regarding beliefs, plans, expectations and orientations regarding the future including, without limitation, any statements or plans regard the geological prospects of the Company’s properties and the future exploration endeavors of the Company.

Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Forward-looking statements are based on a number of material factors and assumptions. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. Forward looking statements in this MD&A include, but are not limited to the Company’s objectives, goals or future plans, statements, exploration results, potential mineralization, the estimation of mineral resources, exploration and mine development plans, timing of the commencement of operations and estimates of market conditions. Factors that could cause actual results to differ materially from those in forward-looking statements include failure to obtain necessary approvals, variations in ore grade or recovery rates, changes in project parameters as plans continue to be refined, unsuccessful exploration results, changes in project parameters as plans continue to be refined, results of future resource estimates, future metal prices, availability of capital and financing on acceptable terms, general economic, market or business conditions, risks associated with regulatory changes, defects in title, availability of personnel, materials and equipment on a timely basis, accidents or equipment breakdowns, uninsured risks, delays in receiving government approvals, unanticipated environmental impacts on operations and costs to remedy same.

Readers are cautioned that mineral exploration and development of mines is an inherently risky business and accordingly, the actual events may differ materially from those projected in the forward-looking statements. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Although the Company has attempted to identify important risks, uncertainties and factors which could cause actual results to differ materially, there may be others that cause results not to be as anticipated, estimated or intended. The Company does not intend, and does not assume any obligation, to update this forward-looking information except as otherwise required by applicable law.